

FINAL OFFICIAL STATEMENT DATED NOVEMBER 6, 2019

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude 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 tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax 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 Bond Counsel 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. See "Tax Exemption" herein.

The Housing & Redevelopment Authority will treat the Bonds as deemed designated "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(D) 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.

New Issue

Rating: S&P Global Ratings "AA+"

ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY, MINNESOTA

\$8,290,000 HOUSING DEVELOPMENT REVENUE REFUNDING BONDS, SERIES 2019A (ANOKA COUNTY, MINNESOTA GENERAL OBLIGATION)

PURPOSE/AUTHORITY/SECURITY: The \$8,290,000 Housing Development Revenue Refunding Bonds, Series 2019A (Anoka County, Minnesota General Obligation) (the "Bonds") are authorized pursuant to Minnesota Statutes, Sections 469.001 through 469.047, Chapter 475, and Section 475.67, to be issued by the Anoka County Housing and Redevelopment Authority, (the "Authority"), for the purpose of effecting a current refunding of certain special and limited general obligations of the Authority as more fully described herein. The Bonds will be general obligations of Anoka County (the "County") for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: December 4, 2019
DATE OF DELIVERY: December 4, 2019
SERIAL MATURITIES: February 1 as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Base 03622A</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Base 03622A</u>
2021	\$415,000	4.000%	1.350%	FQ7	2029	\$505,000	4.000%	1.800%	FY0
2022	\$475,000	4.000%	1.360%	FR5	2030	\$525,000	2.000%	2.000%	FZ7
2023	\$505,000	4.000%	1.370%	FS3	2031	\$535,000	2.100%	2.100%	GA1
2024	\$520,000	4.000%	1.400%	FT1	2032	\$560,000	2.200%	2.200%	GB9
2025	\$515,000	4.000%	1.450%	FU8	2033	\$575,000	2.250%	2.250%	GC7
2026	\$520,000	4.000%	1.550%	FV6	2034	\$590,000	2.250%	2.350%	GD5
2027	\$645,000	4.000%	1.650%	FW4	2035	\$365,000	2.375%	2.400%	GE3
2028	\$660,000	4.000%	1.720%	FX2	2036	\$380,000	2.375%	2.450%	GF0

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2030 and thereafter are subject to call for prior optional redemption on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

INTEREST: August 1, 2020 and semiannually thereafter.

PAYING AGENT & ESCROW AGENT: U.S. Bank National Association

BOND COUNSEL: Kennedy & Graven, Chartered

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein.

The Bonds are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to the validity and tax exemption by Kennedy & Graven, Chartered, Minneapolis, MN, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds will be made on or about December 4, 2019 against payment therefor. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends, but is not obligated, to effect secondary market trading in the Bonds. For information with respect to the Underwriter, see "Underwriting" herein.

BAIRD
Milwaukee, WI

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Authority to give any information or to make any representation other than those contained in 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 Authority. *This Final Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Final Official Statement is not to be construed as a contract with the Underwriter. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact.

Ehlers and Associates, Inc. ("Ehlers") prepared this Final Official Statement relying on information of the Authority and other sources for which there is reasonable basis for believing the information is accurate and complete.

Bond Counsel has not participated in the preparation of this Final Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the Authority, is contingent upon the sale of the issue.

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

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Final Official Statement describes the conditions under which the Authority and the County are exempt or required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Underwriter will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Final Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the Authority nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Authority which indicates that the Authority does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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**HOUSING AND REDEVELOPMENT AUTHORITY
BOARD OF TRUSTEES**

		<u>Term Expires</u>
Scott Schulte	Chair	December 2023
Robyn West	Vice Chair	December 2019
Julie Braastad	Trustee	December 2022
Mike Gamache	Trustee	December 2019
Matt Look	Trustee	December 2019
Mandy Meisner	Trustee	December 2019
Vacant	Trustee	December 2022

ADMINISTRATION

Karen Skepper, Executive Director HRA

**ANOKA COUNTY
BOARD OF COMMISSIONERS**

		<u>Term Expires</u>
Scott Schulte	Chair	January 2023
Robyn West	Vice Chair	January 2021
Julie Braastad	Commissioner	January 2021
Mike Gamache	Commissioner	January 2023
Matt Look	Commissioner	January 2021
Mandy Meisner	Commissioner	January 2023
Vacant	Commissioner	January 2021

ADMINISTRATION

Cory Kampf, Finance & Central Services Manager

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Final Official Statement contains certain information regarding Anoka County , Minnesota (the “County”), Anoka County Housing and Redevelopment Authority (the "Authority") and the issuance of the Authority’s \$8,290,000 Housing Development Revenue Refunding Bonds, Series 2019A (Anoka County, Minnesota General Obligation) (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds included in the resolution awarding the sale of the Bonds (the "Award Resolution") adopted by the Board of Trustees of the Authority.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, MN, (651) 697-8500, the Housing & Redevelopment Authority's Municipal Advisor. A copy of this Final Official Statement is available at emma.msrb.org.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 4, 2019. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Final Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2020, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB").

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Authority Resolution.

The Authority has selected U.S. Bank National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent") and escrow agent (the “Escrow Agent”). The Authority will pay the charges for Paying Agent and Escrow Agent services. The Authority reserves the right to remove the Paying Agent and/or Escrow Agent to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Authority, the Bonds maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Authority. If only part of the Bonds having a common maturity date are called for redemption, then the Authority or Paying Agent, if any, 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 interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Minnesota Statutes, Sections 469.001 through 469.047, Chapter 475, and Section 475.67, by the Authority for the purpose of effecting a current refunding of the Authority’s Housing Development Refunding Bonds, Series 2009A (Anoka County, Minnesota General Obligation), originally issued in the aggregated principal amount of \$3,200,000 (the "Series 2009A Bonds") and the Authority’s Housing Development Refunding Bonds, Series 2011A (Anoka County, Minnesota General Obligation), originally issued in the aggregated principal amount of \$8,920,000 (the “Series 2011A Bonds”).

Following are the maturities of the Series 2009A Bonds which are being refunded by this issue:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 03622A
Series 2009A Bonds	2/25/09	1/1/20	Par	2021	3.600%	\$175,000	DT3
				2022	3.700%	180,000	DU0
				2023	3.875%	190,000	DV8
				2028 (term)	4.200%	<u>1,055,000</u>	EA3
Total Series 2009A Bonds Being Refunded						<u>\$1,600,000</u>	

Proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance with respect to the Bonds. The Authority will pay the principal and interest payment due on January 1, 2020 for the Series 2009A Bonds from the Debt Service Fund for the Series 2009A Bonds.

Following are the maturities of the Series 2011A Bonds which are being refunded by this issue:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 03622A
Series 2011A Bonds	10/27/11	2/1/20	Par	2021	2.125%	\$310,000	EL9
				2022	2.250%	315,000	EM7
				2023	2.500%	330,000	EN5
				2024	2.500%	340,000	EP0
				2025	2.800%	350,000	EQ8
				2026	2.875%	355,000	ER6
				2031 (term)	3.400%	2,500,000	ES4
				2036 (term)	3.700%	<u>2,575,000</u>	ET2
Total Series 2011A Bonds Being Refunded						<u>\$7,075,000</u>	

Proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance with respect to the Bonds. The Authority will pay the principal and interest payment due on February 1, 2020 for the Series 2011A Bonds from the Debt Service Fund for the Series 2011A Bonds.

SOURCES AND USES

Sources

Par Amount of Bonds	\$8,290,000	
Reoffering Premium	<u>571,431</u>	
Total Sources		\$8,861,431

Uses

Total Underwriter’s Discount (1.139%)	\$94,424	
Costs of Issuance	86,850	
Deposit to Current Refunding Fund	8,675,000	
Deposit to Debt Service Fund (Rounding)	<u>5,157</u>	
Total Uses		\$8,861,431

SECURITY

The Bonds secured by a pledged of the full faith and credit of the County pursuant to a resolution adopted by the Board of Commissioners of the County. Payment of principal and interest on the Bonds is intended to be paid primarily from net revenues of a 50-unit senior rental housing facility located in the City of Ramsey, a 47-unit senior rental housing facility located in the City of Centerville, and a 52-unit senior rental housing facility located in the City of Oak Grove, all of which are owned by the Authority.

Should pledged revenues be insufficient to pay the principal and interest on the Bonds, the County is required to pay maturing principal and interest from moneys on hand in any fund of the County not pledged for another purpose and to levy a tax for this purpose upon all taxable property in the County, which tax is not subject to any limitation as to rate or amount.

RATING

General obligation debt of the County, with the exception of any outstanding credit enhanced issues, is currently rated "AA+" by S&P Global Ratings ("S&P").

The County received a "AA+" rating on the Bonds from S&P, and bidders were notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Authority nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Authority and the County shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the Authority and the County shall execute and deliver a Continuing Disclosure Certificate, under which the Authority and the County will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Authority and the County are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Authority and the County to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior continuing disclosure undertakings entered into by the Authority and the County included language stating that the Authority's or the County's audited financial statements would be filed "as soon as available". Although not always filed "as soon as available" as the case may be, the audited financial statements were filed within the required twelve (12) month timeframe as required in each undertaking. The Authority is obligated to file its audited financial statement and operating data for the \$1,450,000 Housing Development Revenue Refunding Bonds (City of Ham Lake, Minnesota General Obligation), Series 2018A. The report information due December 31, 2018 was not filed timely. The audited financial statements and operating data report were not filed until October 8, 2019 and October 15, 2019 respectively. Except to the extent that the preceding is deemed to be material, the Authority and County believe they have not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Authority and County have reviewed their continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the Authority. Baker Tilly is currently engaged as dissemination agent for the County.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the Authority, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding limited obligations of the Authority, and are general obligations of the County; provided that 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 creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, interest on the Bonds is excluded from gross income of the owners thereof for purposes of federal income taxation and is excluded from taxable net income of individuals, estates or trusts for purposes of State of Minnesota income taxation, but is subject to State of Minnesota franchise taxes measured by income that are imposed upon corporations, including financial institutions.

Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and covenants of the Authority Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year. For purposes hereof, the applicable percentage is 5.25% divided by the highest rate in effect under Section 11(b) of the Code.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

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

Legislative proposals

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

ORIGINAL ISSUE PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date or (call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to state and local tax consequences of owning the Premium.

ORIGINAL ISSUE DISCOUNT

Certain of the Bonds (the "Discount Bonds") are being sold at a discount from the principal amount payable on such Bonds at maturity. The difference between the initial offering price at which a substantial amount of the Discount Bond of a given maturity is sold to the public and the principal amount payable at maturity constitutes "original issue discount" under the Code. The amount of original issue discount that is deemed to accrue to a holder of a Discount Bond under Section 1288 of the Code is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates and trusts for Minnesota income tax purposes to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that is treated as accruing with respect to a Discount Bond is added to the tax basis of the owner in determining, for such purposes, gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount is treated under Section 1288 as accruing at a constant yield and compounding semiannually on days that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that is treated as accruing for any particular semiannual accrual period generally is equal to the excess of (i) the product of (a) one-half of the yield on such Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Bonds, over (ii) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the initial offering price for such Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period is to be apportioned in equal amounts among the days in such accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of (i) the initial public offering price, plus (ii) accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Bond.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual, and may be deemed to accrue earlier than under federal law. Holders of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning such Discount Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Authority treat the Bonds as deemed designated "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(D) 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.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Authority in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Final Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Authority, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Authority under an agreement separate from Ehlers.

UNDERWRITING

The Underwriter named on the cover page hereof (the "Underwriter") has agreed to purchase the Bonds from the Authority for a purchase price of \$8,767,006.66 plus accrued interest to the date of closing. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the offering prices derived from the coupons and yields for each maturity set forth on the cover page.

INDEPENDENT AUDITORS

The basic financial statements of the County for the fiscal year ended December 31, 2018 have been audited by the State of Minnesota, Office of the State Auditor, Saint Paul, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Final Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the County, the ultimate payment of which rests in the County's ability to levy and collect sufficient taxes to pay debt service should other revenue (housing revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the County in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Authority, the taxable value of property within the Authority, and the ability of the Authority to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Authority and to the Bonds. The Authority can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Authority or the taxing authority of the Authority.

Ratings; Interest Rates: In the future, the County's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Authority Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the Authority or the County to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such 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. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Authority to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Authority, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Authority may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The Authority is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Authority will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2016/17	2017/18	2018/19
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,050,000 - 0.50% ² Over \$2,050,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,940,000 - 0.50% ² Over \$1,940,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$115,000 - .75% Over \$115,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$121,000 - .75% Over \$121,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$139,000 - .75% Over \$139,000 - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

While the Bonds of this issue are being issued by the Authority, the following materials relating to the County are presented because the Bonds are a general obligation of the County. Similar information with respect to the Authority is not being presented because the Bonds are not payable from the Authority's general assets, the County will be required to submit its audited financial statements along with its annual report, as set forth in the Full Continuing Disclosure Undertaking and as required by the Rule and other applicable federal securities rules.

CURRENT PROPERTY VALUATIONS

2018/19 Economic Market Value \$37,207,021,465¹

	2018/19 Assessor's Estimated Market Value	2018/19 Net Tax Capacity
Real Estate	\$ 34,202,527,100	\$ 368,776,977
Personal Property	344,899,400	6,676,738
Total Valuation	<u>\$ 34,547,426,500</u>	<u>\$ 375,453,715</u>
Less: Captured Tax Increment Tax Capacity ²		(8,004,557)
Fiscal Disparities Contribution ³		<u>(32,706,046)</u>
Taxable Net Tax Capacity		\$ 334,743,112
Plus: Fiscal Disparities Distribution ³		<u>20,217,342</u>
Adjusted Taxable Net Tax Capacity		<u>\$ 354,960,454</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for Anoka County is about 92.84% of the actual selling prices of property most recently sold in the County. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the County of \$37,207,021,465.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts located in Anoka County.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, and fiscal capacity indicated market value as determined by the Minnesota Department of Revenue. Each governmental unit makes a contribution and receives a distribution-sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2018/19 NET TAX CAPACITY BY CLASSIFICATION

	2018/19 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$ 233,144,057	62.10%
Agricultural	2,957,884	0.79%
Commercial/industrial	84,461,766	22.50%
Public utility	1,075,068	0.29%
Railroad operating property	1,226,864	0.33%
Non-homestead residential	45,595,118	12.14%
Commercial & residential seasonal/rec.	316,220	0.08%
Personal property	6,676,738	1.78%
Total	<u>\$ 375,453,715</u>	<u>100.00%</u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity ¹	Adjusted Taxable Net Tax Capacity ²	Percent +/- in Estimated Market Value
2014/15	\$ 26,788,899,100	\$ 24,689,831,722	\$ 285,531,892	\$ 304,499,149	+12.31%
2015/16	27,762,109,400	25,685,050,471	297,329,628	316,505,881	+ 3.63%
2016/17	29,464,250,000	27,414,116,939	318,464,478	338,381,787	+ 6.13%
2017/18	32,030,143,600	30,098,714,813	346,497,705	366,666,711	+ 8.71%
2018/19	34,547,426,500	32,686,968,630	375,453,715	354,960,454	+ 7.86%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2018/19 Net Tax Capacity	Percent of County's Total Net Tax Capacity
Minnegasco, Inc.	Utility	\$ 2,415,263	0.64%
Medtronic, Inc.	Manufacturing	2,353,870	0.63%
Connexus Energy	Utility	1,846,546	0.49%
Xcel Energy	Utility	1,699,486	0.45%
BRE DDR Riverdale Village Outer Ring, LLC	Retail	1,192,300	0.32%
Burlington Northern	Railroad	1,177,600	0.31%
Glimcher Realty Trust	Mall	1,129,754	0.30%
BRE DDR Riverdale Village Inner Ring, LLC	Retail	966,525	0.26%
Target	Retail	961,888	0.26%
Menard, Inc.	Retail	748,987	0.20%
Total		<u>\$14,492,219</u>	<u>3.86%</u>
County's Total 2018/19 Net Tax Capacity	\$375,453,715		

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Anoka County.

DEBT

DIRECT DEBT

General Obligation Debt (see schedules following)

Total G.O. debt secured by taxes	\$ 57,180,000
Total G.O. debt secured by housing revenues (includes the Bonds)	10,045,000
Total G.O. debt secured by ice arena revenues	<u>5,425,000</u>
Total General Obligation Debt	<u>\$ 67,225,000</u>

Revenue Debt (see schedules following)

Total revenue debt secured by medical facilities	<u>\$ 10,500,000</u>
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Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations ¹	<u>\$ 2,740,000</u>
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Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
1/15/17	\$3,536,845	Equipment - Key Government Finance, Inc.	1/15/21	\$1,414,738
3/26/19	\$114,000	70 Golf Carts - Chomonix Golf Course	3/26/21	\$60,924

¹ Non-general obligation debt has not been included in the debt ratios.

**Anoka County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/04/2019)**

Dated Amount	Maturity	Capital Improvement Plan Bonds Series 2008C		Capital Improvement Bonds Series 2009A		Taxable OPEB Bonds 1) Series 2009D		G.O. Bonds Series 2009F		Recreational Facility Refunding Bonds Series 2009G		
		07/17/2008 \$13,195,000	02/01	02/19/2009 \$18,310,000	02/01	09/22/2009 \$20,000,000	02/01	12/09/2009 \$6,680,000	08/01	12/09/2009 \$1,485,000	02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	620,000	399,218	1,335,000	335,425	2,130,000	157,133	430,000	81,135	135,000	17,149	135,000	17,149
2021	645,000	371,778	1,400,000	266,750	2,235,000	53,752	445,000	66,945	135,000	12,626	135,000	12,626
2022	675,000	342,903	1,470,000	195,000	1,470,000		460,000	51,815	145,000	7,794	145,000	7,794
2023	705,000	312,275	1,545,000	119,625	1,545,000		480,000	35,715	145,000	2,628	145,000	2,628
2024	735,000	278,956	1,620,000	40,500			495,000	18,315				
2025	770,000	242,250										
2026	805,000	202,875										
2027	850,000	161,500										
2028	890,000	118,000										
2029	935,000	72,375										
2030	980,000	24,500										
2031												
2032												
2033												
	8,610,000	2,526,650	7,370,000	957,000	4,365,000	210,884	2,310,000	253,925	560,000	40,197	560,000	40,197

1) This issue is not subject to the debt limit.

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Anoka County, Minnesota
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 12/04/2019)

Dated Amount	G.O. Bonds Series 2010B		G.O. Bonds Series 2011A		Capital Improvement Plan Bonds Series 2012A		Airport, CIP & Library Refunding Bonds Series 2013A		Airport Refunding Bonds (AMT) Series 2015A	
	07/14/2010 \$4,030,000	02/01	09/29/2011 \$8,975,000	02/01	02/23/2012 \$13,880,000	02/01	02/05/2013 \$20,145,000	02/01	03/24/2015 \$2,750,000	02/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	270,000	4,050	540,000	156,700	900,000	316,800	2,200,000	319,950	140,000	86,044
2021			555,000	140,275	925,000	289,425	2,280,000	252,750	140,000	80,444
2022			570,000	120,550	1,000,000	255,550	1,450,000	196,800	150,000	74,644
2023			595,000	97,250	1,000,000	215,550	755,000	163,725	155,000	68,544
2024			620,000	72,950	1,015,000	175,250	785,000	140,625	160,000	62,244
2025			645,000	50,875	1,055,000	133,850	810,000	116,700	170,000	55,644
2026			665,000	31,225	1,100,000	85,250	835,000	92,025	175,000	48,744
2027			680,000	10,625	1,155,000	28,875	855,000	66,675	180,000	42,544
2028							890,000	40,500	190,000	36,994
2029							905,000	13,575	190,000	31,175
2030									200,000	24,956
2031									205,000	18,247
2032									210,000	11,244
2033									220,000	3,850
	270,000	4,050	4,870,000	680,450	8,150,000	1,500,550	11,765,000	1,403,325	2,485,000	645,316

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Anoka County, Minnesota
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 12/04/2019)

Capital Improvement Refunding
 Bonds
 Series 2015B

Dated Amount	Maturity	Principal	Interest
03/24/2015 \$8,040,000	02/01		
		825,000	185,388
		860,000	160,113
		880,000	134,013
		910,000	102,613
		940,000	65,613
		385,000	42,722
		390,000	34,244
		405,000	25,047
		410,000	15,369
		420,000	5,250
		6,425,000	770,369

Calendar Year Ending	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2020	9,525,000	2,058,690	11,583,690	47,655,000	16.66%	2020
2021	9,620,000	1,694,857	11,314,857	38,035,000	33.48%	2021
2022	6,800,000	1,379,068	8,179,068	31,235,000	45.37%	2022
2023	6,290,000	1,117,924	7,407,924	24,945,000	56.37%	2023
2024	6,370,000	854,453	7,224,453	18,575,000	67.51%	2024
2025	3,835,000	642,041	4,477,041	14,740,000	74.22%	2025
2026	3,970,000	494,363	4,464,363	10,770,000	81.16%	2026
2027	4,125,000	335,266	4,460,266	6,645,000	88.38%	2027
2028	2,380,000	210,863	2,590,863	4,265,000	92.54%	2028
2029	2,450,000	122,375	2,572,375	1,815,000	96.83%	2029
2030	1,180,000	49,456	1,229,456	635,000	98.89%	2030
2031	205,000	18,247	223,247	430,000	99.25%	2031
2032	210,000	11,244	221,244	220,000	99.62%	2032
2033	220,000	3,850	223,850	0	100.00%	2033
	57,180,000	8,992,696	66,172,696			

Anoka County Housing & Redevelopment Authority, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Revenues
(As of 12/04/2019)

Dated Amount	Housing Development Refunding Bonds Series 2009A		Housing Development Revenue Refunding Bonds Series 2011A		Housing Development Revenue Refunding Bonds Series 2018A		Housing Development Revenue Refunding Bonds Series 2019A		Total P & I	Principal Outstanding	Calendar Year Ending
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest			
02/25/2009 \$3,200,000	170,000	35,079	10/27/2011 \$8,920,000	118,403	02/22/2018 \$1,450,000	29,875	12/04/2019 \$8,290,000	176,671	1,005,028	9,400,000	2020
01/01			02/01		01/01		02/01		870,686	8,815,000	2021
									918,511	8,160,000	2022
									924,411	7,475,000	2023
									919,349	6,770,000	2024
									898,899	6,060,000	2025
									883,261	5,340,000	2026
									782,461	4,695,000	2027
									771,361	4,035,000	2028
									593,061	3,530,000	2029
									597,711	3,005,000	2030
									596,844	2,470,000	2031
									50,066	1,910,000	2032
									612,438	1,335,000	2033
									378,359	880,000	2034
									4,513	380,000	2035
									2,316,291	0	2036
	170,000	35,079	305,000	118,403	1,280,000	115,625	8,290,000	2,047,184	12,361,291		

1) This issue is refunding the 2021 through 2036 maturities of the Authority's Housing Development Revenue Refunding Bonds, Series 2011A (Anoka County, Minnesota General Obligation) originally issued in the aggregate principal amount of \$8,920,000, dated October 27, 2011, and the 2021 through 2028 maturities of the Authority's Housing Development Refunding Bonds, Series 2009A (Anoka County, Minnesota General Obligation), originally issued in the aggregated principal amount of \$3,200,000, dated February 25, 2009

**Anoka County Housing & Redevelopment Authority, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Ice Arena Revenues
(As of 12/04/2019)**

Calendar Year Ending	Taxable Revenue Refunding Bonds Series 2012A		Lease Revenue Refunding Bonds Series 2012B		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Principal	Interest				
2020	12/27/2012 \$5,230,000	02/01	525,000	45,060	1,030,948	4,495,000	17.14%	2020
2021			535,000	34,054	1,028,829	3,550,000	34.56%	2021
2022			550,000	21,298	1,034,848	2,580,000	52.44%	2022
2023			560,000	7,280	1,028,430	1,595,000	70.60%	2023
2024					457,600	1,165,000	78.53%	2024
2025					463,850	720,000	86.73%	2025
2026					727,200	0	100.00%	2026
			2,170,000	107,691	5,771,704	5,425,000		

Anoka County Housing & Redevelopment Authority, Minnesota
Schedule of Bonded Indebtedness
Revenue Debt Secured by Medical Facility Revenues
(As of 12/04/2019)

Recovery Zone Facility Revenue
 Bonds
 Series 2010A

Dated Amount	03/10/2010		
\$10,925,000			
Maturity	05/01		
		Principal	Interest
Calendar Year Ending		Principal	Interest
2020		230,000	699,219
2021		245,000	685,859
2022		260,000	671,656
2023		275,000	655,234
2024		295,000	636,353
2025		315,000	616,147
2026		335,000	594,616
2027		355,000	571,759
2028		380,000	547,413
2029		410,000	521,244
2030		435,000	493,253
2031		465,000	462,859
2032		500,000	429,688
2033		535,000	394,109
2034		575,000	355,953
2035		615,000	315,047
2036		660,000	271,219
2037		705,000	224,297
2038		755,000	174,109
2039		810,000	120,313
2040		1,345,000	46,234
		10,500,000	9,486,581

Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
230,000	699,219	929,219	10,270,000	2.19%	2020
245,000	685,859	930,859	10,025,000	4.52%	2021
260,000	671,656	931,656	9,765,000	7.00%	2022
275,000	655,234	930,234	9,490,000	9.62%	2023
295,000	636,353	931,353	9,195,000	12.43%	2024
315,000	616,147	931,147	8,880,000	15.43%	2025
335,000	594,616	929,616	8,545,000	18.62%	2026
355,000	571,759	926,759	8,190,000	22.00%	2027
380,000	547,413	927,413	7,810,000	25.62%	2028
410,000	521,244	931,244	7,400,000	29.52%	2029
435,000	493,253	928,253	6,965,000	33.67%	2030
465,000	462,859	927,859	6,500,000	38.10%	2031
500,000	429,688	929,688	6,000,000	42.86%	2032
535,000	394,109	929,109	5,465,000	47.95%	2033
575,000	355,953	930,953	4,890,000	53.43%	2034
615,000	315,047	930,047	4,275,000	59.29%	2035
660,000	271,219	931,219	3,615,000	65.57%	2036
705,000	224,297	929,297	2,910,000	72.29%	2037
755,000	174,109	929,109	2,155,000	79.48%	2038
810,000	120,313	930,313	1,345,000	87.19%	2039
1,345,000	46,234	1,391,234	0	100.00%	2040
10,500,000	9,486,581	19,986,581			

**Anoka County, Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 12/04/2019)**

				Certificates of Participation Series 2007G		Taxable Refunding Certificates of Partic Series 2010		School District Lease Revenue Refunding Series 2010							
Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	11/28/2007 \$2,705,000	210,000	35,081	105,000	58,253	685,000	12,416			1,000,000	105,750	1,105,750	1,740,000	36.50%	2020
		220,000	25,675	110,000	53,312					330,000	78,987	408,987	1,410,000	48.54%	2021
		230,000	15,831	115,000	48,000					345,000	63,832	408,832	1,065,000	61.13%	2022
		240,000	5,400	120,000	42,096					360,000	47,496	407,496	705,000	74.27%	2023
				125,000	35,640					125,000	35,640	160,640	580,000	78.83%	2024
				135,000	28,789					135,000	28,789	163,789	445,000	83.76%	2025
				140,000	21,263					140,000	21,263	161,263	305,000	88.87%	2026
				150,000	13,041					150,000	13,041	163,041	155,000	94.34%	2027
				155,000	4,394					155,000	4,394	159,394	0	100.00%	2028
		900,000	81,988	1,155,000	304,787	685,000	12,416			2,740,000	399,190	3,139,190			

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (defined in Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the certain items enumerated in Section 475.51, subd. 4, including, but not limited to the following: (1) obligations payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations issued to pay judgments against the Authority; and (8) other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance (includes the Bonds).

2018/19 Assessor's Estimated Market Value	\$ 34,547,426,500
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$ 1,036,422,795
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes ¹	(52,815,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations	<u>(2,740,000)</u>
Unused Debt Limit	<u><u>\$ 980,867,795</u></u>

¹ Does not include the \$20,000,000 Taxable General Obligation OPEB Bonds, Series 2009D, as they are not subject to the debt limit calculation.

UNDERLYING DEBT¹

Taxing District	2018/19 Adjusted Taxable Net Tax Capacity	% In County	Total G.O. Debt²	Authority's Proportionate Share
City of Andover	\$28,639,000	100.0000%	\$39,190,000	\$39,190,000
City of Anoka	10,060,000	100.0000%	9,445,000	9,445,000
City of Bethel	995,000	100.0000%	180,000	180,000
City of Blaine	56,716,760	99.2000%	33,895,000	33,623,840
City of Centerville	5,138,440	100.0000%	5,138,440	5,138,440
City of Circle Pines	20,925,000	100.0000%	11,080,000	11,080,000
City of Columbia Heights	24,070,000	100.0000%	19,080,000	19,080,000
City of Columbus	10,816,000	100.0000%	9,771,000	9,771,000
City of Coon Rapids	64,093,285	100.0000%	32,545,000	32,545,000
City of East Bethel	18,380,000	100.0000%	800,000	800,000
City of Fridley	56,250,000	100.0000%	47,625,000	47,625,000
City of Ham Lake	1,551,010	100.0000%	1,417,534	1,417,534
City of Lexington	2,748,640	100.0000%	1,825,000	1,825,000
City of Lino Lakes	23,941,025	100.0000%	13,198,950	13,198,950
City of Nowthen	519,318	100.0000%	1,555,000	1,555,000
City of Ramsey	26,170,000	100.0000%	25,315,000	25,315,000
City of St. Francis	40,687,000	99.9000%	9,075,000	9,065,925
City of Spring Lake Park	5,430,160	97.4000%	3,975,000	3,871,650

Continue on next page -

¹ Underlying debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does *not* include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

UNDERLYING DEBT - *continued*

Taxing District	2018/19 Adjusted Taxable Net Tax Capacity	% In County	Total G.O. Debt	Authority's Proportionate Share
I.S.D. No. 11 (Anoka-Hennepin)	\$203,355,000	79.3000%	\$175,390,000	\$139,084,270
I.S.D. No. 12 (Centennial)	90,587,065	100.0000%	95,626,668	95,626,668
I.S.D. No. 13 (Columbia Heights Public School)	10,625,000	100.0000%	25,073,058	25,073,058
I.S.D. No. 14 (Fridley Public Schools)	56,575,000	100.0000%	51,485,000 ¹	51,485,000
I.S.D. No. 15 (St. Francis Public Schools)	94,610,000	93.5000%	91,770,000	85,804,950
I.S.D. No. 16 (Spring Lake Park Schools)	128,900,000	100.0000%	119,100,000 ¹	119,100,000
I.S.D. No. 624 (White Bear Lake)	85,805,000	3.0000%	77,560,000 ¹	2,326,800
I.S.D. No. 728 (Elk River)	211,600,000	6.3000%	207,155,000 ¹	13,050,765
I.S.D. No. 831 (Forest Lake)	163,990,000	31.9000%	155,405,000	49,574,195
Anoka County Regional Railroad Authority	395,512,424	92.7067%	21,655,000	20,075,636
Metropolitan Council	4,268,355,428	9.3000%	263,285,000 ²	<u>24,485,505</u>
Authority's Share of Total Underlying Debt				<u>\$890,414,186</u>

¹ Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

² The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value (\$37,207,021,465)	Debt/ Current Population Estimate (357,851)
Direct G.O. Debt Secured By:			
Taxes	\$ 57,180,000		
Housing Revenues	10,045,000		
Ice Arena Revenue	5,425,000		
Total General Obligation Debt (includes the Bonds)	<u>\$ 72,650,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ¹	<u>(15,470,000)</u>		
Tax Supported General Obligation Debt	\$ 57,180,000	0.15%	\$159.79
 County's Share of Total Underlying Debt	 <u>\$ 890,414,186</u>	 <u>2.39%</u>	 <u>\$2,488.23</u>
 Total	 <u><u>\$ 947,594,186</u></u>	 <u><u>2.55%</u></u>	 <u><u>\$2,648.01</u></u>

DEBT PAYMENT HISTORY

The County has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The County plans to issue its General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A in the estimated aggregate principal amount of \$10,690,000 in January 2020.

¹ Debt service on the County's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date ²	% Collected
2014/15	\$ 138,332,621	\$ 138,257,438	\$ 137,599,195	99.47%
2015/16	140,502,780	140,407,784	140,070,798	99.69%
2016/17	144,690,113	144,563,803	144,561,666	99.91%
2017/18	147,770,275	147,584,363	147,504,052	99.82%
2018/19	154,016,454	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

¹ This reflects the Final Levy Certification of the County after all adjustments have been made.

² Collections are through December 31, 2018.

³ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2014/15	2015/16	2016/17	2017/18	2018/19
Anoka County without Library	35.964%	36.637%	34.633%	33.269%	32.505%
Anoka County with Library	38.123%	38.894%	36.841%	35.334%	34.473%
City of Andover	37.070%	38.314%	37.375%	34.628%	35.311%
City of Anoka	45.014%	41.580%	40.913%	37.792%	36.165%
City of Bethel	66.108%	68.979%	63.964%	60.518%	54.394%
City of Blaine	35.495%	35.578%	34.946%	35.989%	35.952%
City of Centerville	66.452%	71.023%	69.654%	64.138%	57.483%
City of Circle Pines	56.638%	59.720%	59.484%	55.993%	56.434%
City of Columbia Heights	70.811%	74.841%	68.546%	67.645%	66.775%
City of Columbus	48.595%	53.143%	50.259%	51.706%	50.653%
City of Coon Rapids	44.754%	44.908%	44.212%	42.368%	41.232%
City of East Bethel	51.462%	51.052%	47.222%	44.510%	43.204%
City of Fridley	43.508%	44.960%	48.218%	47.907%	45.382%
City of Ham Lake	26.869%	26.914%	25.578%	25.007%	23.439%
City of Hilltop	96.622%	94.976%	94.971%	96.001%	96.833%
City of Lexington	67.465%	68.067%	63.665%	68.696%	54.920%
City of Lino Lakes	43.770%	46.019%	45.140%	42.826%	41.817%
City of Nowthen	26.104%	28.749%	26.417%	27.151%	24.165%
City of Oak Grove	27.186%	26.311%	25.580%	22.549%	21.026%
City of Ramsey	42.259%	43.316%	42.454%	41.730%	40.355%
City of St. Francis	58.909%	58.429%	54.117%	53.997%	53.177%
City of Spring Lake Park	52.877%	54.703%	52.464%	54.191%	48.812%
I.S.D. No. 11 (Anoka-Hennepin)	22.482%	20.885%	18.590%	18.392%	16.330%
I.S.D. No. 12 (Centennial)	36.562%	36.426%	29.097%	34.970%	35.984%
I.S.D. No. 13 (Columbus Heights Public School)	32.562%	29.442%	27.633%	27.900%	33.148%
I.S.D. No. 14 (Fridley Public Schools)	48.422%	54.252%	49.408%	51.066%	49.055%
I.S.D. No. 15 (St. Francis Public Schools)	29.449%	29.371%	28.893%	26.962%	24.858%

Continued on next page -

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

TAX CAPACITY RATES - *continued*

	2014/15	2015/16	2016/17	2017/18	2018/19
I.S.D. No. 16 (Spring Lake Park Schools)	40.045%	39.609%	40.229%	39.617%	37.632%
I.S.D. No. 624 (White Bear Lake)	26.659%	26.235%	23.477%	23.685%	26.081%
I.S.D. No. 728 (Elk River)	42.483%	39.266%	36.659%	36.137%	32.865%
I.S.D. No. 831 (Forest Lake)	21.145%	24.902%	31.213%	26.231%	24.856%
Anoka County HRA	1.438%	1.616%	1.536%	1.508%	1.504%
Anoka County Regional Railroad Authority	0.941%	0.851%	0.802%	0.738%	0.685%
Metropolitan Council	0.933%	0.958%	0.866%	0.841%	0.627%
Metropolitan Mosquito	0.485%	0.501%	0.467%	0.453%	0.415%
Metropolitan Transit District	1.429%	1.522%	1.416%	1.362%	1.388%
Rice Creek Watershed	1.913%	2.069%	1.827%	1.778%	1.750%
North Sub. Hospital	1.702%	1.690%	0.000%	0.000%	0.000%
Mississippi WMO	2.191%	1.963%	1.662%	1.339%	1.310%

Referendum Market Value Rates:

City of Andover	0.00719%	0.00700%	0.00682%	0.00617%	0.00573%
City of Blaine	0.00564%	0.00000%	0.00000%	0.00000%	0.00000%
City of East Bethel	0.01541%	0.01474%	0.01374%	0.01247%	0.01179%
City of Fridley	0.01623%	0.01600%	0.01462%	0.01450%	0.01383%
I.S.D. No. 11 (Anoka-Hennepin)	0.21266%	0.22047%	0.21561%	0.25862%	0.26028%
I.S.D. No. 12 (Centennial)	0.16627%	0.18997%	0.17495%	0.15137%	0.28318%
I.S.D. No. 13 (Columbus Heights Public School)	0.11543%	0.14127%	0.13400%	0.15423%	0.05240%
I.S.D. No. 14 (Fridley Public Schools)	0.16375%	0.16274%	0.17482%	0.16923%	0.16733%
I.S.D. No. 15 (St. Francis Public Schools)	0.10140%	0.10764%	0.10357%	0.09735%	0.10622%
I.S.D. No. 16 (Spring Lake Park Schools)	0.16175%	0.15883%	0.16249%	0.15858%	0.14913%
I.S.D. No. 624 (White Bear Lake)	0.23975%	0.23536%	0.22996%	0.22280%	0.23240%
I.S.D. No. 728 (Elk River)	0.19357%	0.19441%	0.19373%	0.19422%	0.19430%
I.S.D. No. 831 (Forest Lake)	0.13350%	0.13978%	0.12865%	0.11395%	0.20185%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Anoka County.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

THE COUNTY

COUNTY GOVERNMENT

The County was organized as a municipality in 1857, and is governed by an elected seven-member Board of County Commissioners. Decisions are made by a majority vote of a quorum. The County Administrator is appointed by the Board, and the County Auditor and Treasurer are elected.

EMPLOYEES; PENSIONS; UNIONS

The County has 2,101 full-time, 154 part-time, and 72 seasonal employees. All full-time and certain part-time employees of the County are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Highway and Park Maintenance	December 31, 2020
Corrections - Work Release Officers' Unit	December 31, 2019
Sheriff's Department - Licensed Officers	December 31, 2020
Sheriff's Department - Detention Sergeants/Lieutenants	December 31, 2020
Sheriff's Department - Detention Deputies/Corprals	December 31, 2020
Sheriff's Department - Sergeants	December 31, 2020
Sheriff's Department - Investigators	December 31, 2020
Sheriff's Department - Licensed Commanders and Lieutenants	December 31, 2020
Central Communications - 911 Dispatchers and Lead Dispatchers	December 31, 2019
Probation Officers - Juvenile Institutions	December 31, 2020

POST EMPLOYMENT BENEFITS

The County has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The County's most recent actuarial study shows a total OPEB liability of \$85,234,197 as of December 31, 2018. The Authority has been funding these obligations on a pay-as-you-go basis.

Source: The County's most recent actuarial study.

FUNDS ON HAND (as of August 31, 2019)

Fund	Total Cash and Investments
General	\$ 55,277,688
Special Revenue	103,841,564
Debt Service	12,379,928
Capital Projects	63,137,225
Proprietary Funds	(1,564,352)
Trust and Agency	9,605,819
Irrevocable OPEB Trust	71,621,204
Total Funds on Hand	<u>\$ 314,299,076</u>

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the County or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the County's General Fund. These summaries are not purported to be the complete audited financial statements of the County, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the County. Copies of the complete statements are available upon request. Appendix A includes the County's 2018 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2019 Adopted Budget ¹
	2015 Audited	2016 Audited	2017 Audited	2018 Audited	
Revenues					
Property taxes	\$ 54,474,189	\$ 57,526,244	\$ 60,636,255	\$ 64,257,848	\$ 77,862,205
Fees, licenses and permits	287,437	365,843	300,064	342,590	302,750
Intergovernmental	20,710,096	20,846,310	21,396,067	24,179,800	14,133,104
Charges for services	29,173,773	27,775,318	27,898,972	27,473,745	28,560,130
Fines and forfeitures	0	240	8,182	11,658	4,000
Investment earnings	2,152,577	2,942,455	3,547,596	5,235,931	2,605,000
Net change in fair value of investments	(744,160)	(944,690)	(586,976)	(760,916)	0
Other miscellaneous revenues	5,048,569	4,581,961	4,538,819	3,846,268	2,059,937
Total Revenues	\$111,102,481	\$113,093,681	\$117,738,979	\$124,586,924	\$125,527,126
Expenditures					
Current:					
General government	\$ 37,184,051	\$ 38,541,712	\$ 39,327,805	\$ 42,291,695	\$ 49,628,098
Public safety	60,757,078	61,067,199	64,086,566	66,343,912	71,401,875
Human services	383,567	418,567	418,567	416,692	0
Sanitation	4,359,185	3,811,342	4,810,451	4,141,402	5,640,507
Culture and recreation	152,623	152,623	244,043	152,623	167,623
Conservation of natural resources	148,992	148,992	166,992	166,992	169,492
Capital outlay	0	0	0	0	0
Total Expenditures	\$102,985,496	\$104,140,435	\$109,054,424	\$113,513,316	\$127,007,595
Excess of revenues over (under) expenditures	\$ 8,116,985	\$ 8,953,246	\$ 8,684,555	\$ 11,073,608	\$ (1,480,469)
Other Financing Sources (Uses)					
Transfers in	\$ 23,050	\$ 706,933	\$ 48,433	\$ 321,497	\$ 1,313,477
Transfers out	(9,954,640)	(6,347,831)	(6,628,017)	(7,219,487)	0
Total Other Financing Sources (Uses)	\$ (9,931,590)	\$ (5,640,898)	\$ (6,579,584)	\$ (6,897,990)	\$ 1,313,477
Net Changes in Fund Balances	\$ (1,814,605)	\$3,312,348	\$ 2,104,971	\$ 4,175,618	\$ (166,992)
General Fund Balance January 1	48,052,246	46,237,641	48,665,798	50,770,769	
Prior Period Adjustment	0	(884,191)	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$ 46,237,641	\$ 48,665,798	\$ 50,770,769	\$ 54,946,387	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 85,170	\$ 116,872	\$ 159,713	\$ 83,517	
Restricted	8,808,730	10,416,958	11,261,254	12,938,962	
Assigned	4,798,259	4,780,975	5,014,968	5,259,061	
Unassigned	32,545,482	33,350,993	34,334,834	36,664,847	
Total	\$ 46,237,641	\$ 48,665,798	\$ 50,770,769	\$ 54,946,387	

¹ The 2019 budget was adopted on December 31, 2018.

GENERAL INFORMATION

LOCATION

Anoka County, with a 2010 U.S. Census population of 330,844 and a current population estimate of 357,851, and comprising an area of 426.5 square miles (272,960 usable acres) and is located in the northwestern portion of the Minneapolis/St. Paul Metropolitan Area.

LARGER EMPLOYERS¹

Larger employers in Anoka County include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Medtronic Corporation	Medical device services	11,000 ²
I.S.D. No. 11 (Anoka-Hennepin)	Elementary and secondary education	7,291
Mercy Hospital and Unity Medical Center	Hospitals	3,775 ³
Anoka County	County government and services	2,361
Target Corporation	Retail	1,900 ⁴
Northtown Mall - Fridley	Shopping mall	1,500
Federal Premium Ammunition	Ammunition manufacturing	1,400
Pentair Technical Products	Electrical products	1,225
Cummins Power Generation - Fridley	Generator and diesel manufacturer	1,109
Walmart Corporation	Retail	1,000 ⁵

Source: *The County's 2018 CAFR.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

² Includes Fridley and Columbia Heights locations.

³ Includes Fridley and Coon Rapids locations.

⁴ Includes six stores and one distribution center.

⁵ Includes three locations.

U.S. CENSUS DATA

Population Trend: The County

2000 U.S. Census population	298,084
2010 U.S. Census population	330,844
2018 State Demographer's Estimate	357,851
Percent of Change 2000 - 2010	+10.99%

Income and Age Statistics

	The County	State of Minnesota	United States
2017 per capita income	\$34,321	\$34,712	\$31,177
2017 median household income	\$76,796	\$65,699	\$57,652
2017 median family income	\$89,666	\$82,785	\$70,850
2017 median gross rent	\$1,034	\$906	\$982
2017 median value owner occupied units	\$205,000	\$199,700	\$193,500
2017 median age	38.2 yrs.	37.9 yrs.	37.8 yrs.

	State of Minnesota	United States
Authority % of 2017 per capita income	98.87%	110.08%
Authority % of 2017 median family income	108.31%	126.56%

Housing Statistics

	<u>The County</u>		Percent of Change
	2000	2018	
All Housing Units	108,091	130,596	20.82%

Source: 2000 and 2010 Census of Population and Housing, and 2017 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://factfinder.census.gov>) and 2018 Final Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Anoka County	Anoka County	Anoka County	State of Minnesota
2015	182,979		3.6%	3.7%
2016	185,277		3.7%	3.9%
2017	188,873		3.3%	3.4%
2018	191,154		2.8%	2.9%
2019, September	194,539		2.5%	2.5%

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the County's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The County has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Final Official Statement, nor has the County requested that the Auditor consent to the use of such financial statements in this Final Official Statement. Although the inclusion of the financial statements in this Final Official Statement is not intended to demonstrate the fiscal condition of the County since the date of the financial statements, in connection with the issuance of the Bonds, the County represents that there have been no material adverse change in the financial position or results of operations of the County, nor has the County incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



Anoka County

FINANCE & CENTRAL SERVICES DIVISION

Enriching Community | Quality Service | Financial Integrity

Finance

Central Services

General Operations

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

ANOKA COUNTY, MINNESOTA

PREPARED BY

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

YEAR ENDED DECEMBER 31, 2018
Issued June 2019

ANOKA COUNTY
ANOKA, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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To the Honorable Board of County Commissioners:

I herewith submit to you a full and accurate statement of revenues and expenditures for the year 2018, together with an accurate statement of financial position of the County on December 31, 2018, including debts and liabilities, and the assets to discharge the same.

Respectfully submitted,



Rhonda Sivarajah
County Administrator

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June 13, 2019

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of Anoka County is herewith submitted for the fiscal year ended December 31, 2018. This report has been produced in compliance with Governmental Accounting Standards Board, Statement No. 34, as amended. The County's Finance and Central Services Division prepared this report in conformity with accounting principles generally accepted in the United States of America (GAAP). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

GOVERNMENTAL ORGANIZATION AND SERVICES

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

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

The County's functions and employees are divided among statutory offices, four divisions and several departments. During 2018, the elected County Attorney and County Sheriff managed their respective statutory offices. The division managers and remaining department heads and other County officials (such as Medical Examiner) are appointed by the County Board, with the exception of the Cooperative Extension Agent, who is appointed by the University of Minnesota.

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

THE FINANCIAL REPORTING ENTITY

This report includes Anoka County and its component units, the Anoka County Regional Railroad Authority, the Anoka County Housing and Redevelopment Authority, and the Joint Law Enforcement Council (JLEC). The criteria used in determining the financial reporting entity are consistent with Statement No. 14 of the Governmental Accounting Standards Board (GASB), "The Financial Reporting Entity," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34."

FINANCIAL MANAGEMENT

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

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

Government Center ▲ 2100 Third Avenue, STE 300 ▲ Anoka, MN 55303-5029 ▲ www.anokacounty.us
 Office: 763-324-4000 ▲ Fax: 763-324-1799

Affirmative Action / Equal Opportunity Employer

NOTES TO THE FINANCIAL STATEMENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

GENERAL INFORMATION CONCERNING THE COUNTY

Anoka County, established May 23, 1857, is located in the northwest portion of the Minneapolis/Saint Paul metropolitan area. It encompasses more than 440 square miles (approximately 272,960 useable acres) and includes all or portions of 20 cities and one township. Anoka County is Minnesota's fourth most populous county with a 2018 U.S. Census population estimate of 352,674.

INDUSTRY LEADERS IN EMERGING TECHNOLOGIES AND INNOVATION

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

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

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

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

ANOKA COUNTY COLLABORATION & VISION

Anoka County, Minnesota, located north of the Twin Cities metropolitan area, is comprised of 21 municipalities. Here you'll find a unique blend of urban amenities in a friendly, small town atmosphere. Despite today's challenging economic times, Anoka County continues to be a great place to live, work, and raise your family. Our award-winning schools and diverse secondary educational institutions are highly respected and provide the best of both worlds. The County has a variety of parks, trails, and commercial and industrial sites available for development including several hundred acres zoned industrial within the Metropolitan Urban Service Area (MUSA) 20 minutes from downtown Minneapolis and St. Paul.

Greater MSP, a regional economic development organization, is a proven partner in growing businesses in Anoka County. To date the partnership with Greater MSP has attracted \$37.4 million in new business investments and expansions, as well as the addition of 1,400 new jobs. A talent attraction initiative launched in 2015 is helping to attract young professionals from across the county to the region. To capitalize on the unique attributes that Anoka County has to offer potential businesses, the County hired an Economic Development Specialist in 2018. This position is responsible for leading development, implementation, and promotion of economic development strategies for the County. It is one of the goals of the County to develop strong working relationships with cities, chambers, businesses and regional economic development partners in effective marketing and branding initiatives that will position Anoka County as a great environment to start and expand businesses.

Transportation is a priority in Anoka County. Infrastructure such as railroads, airports, and freeways has a significant impact on economic growth. The County is served by three interstate highways: I-35W from downtown Minneapolis, I-35E from downtown St. Paul, and I-694 connecting the north metro. Other highways serving the County are U.S. Highways 10, 169, and 610, and State Highways 63 and 71. U.S. Highway 169 provides a nonstop freeway from the city of Anoka to both downtown Minneapolis and St. Paul. U.S. Highway 610, in conjunction with State Highway 252, links I-35W to I-94.

Norstar, the state's first commuter rail line, became operational in November, 2009. A service, designed almost exclusively to take people to and from work, Norstar carries passengers between Big Lake in Sherburne County and downtown Minneapolis, with stops in Elk River, Ramsey, Anoka, Coon Rapids, and Fridley. There have been multiple proposals to extend the line to St. Cloud and in a

2019 State Legislative session a compromise on the Transportation budget was reached. This funding will allow an exploratory study to be conducted into the possibility of extending the Northstar Line to St. Cloud.

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

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

The Anoka County Midwest Medical Examiner's Office is another example of how Anoka County achieves results with innovative and cost-effective partnerships. The facility and its programs include the Midwest Forensic Institute, which provides forensic science courses. It incorporates the latest scientific, death investigation methods, and tools while compassionately helping families and survivors learn the circumstances surrounding the death of their loved one.

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

FUTURE PROJECTS, CAPITAL IMPROVEMENTS FUNDING

Anoka County's 2019 Capital Improvement Budget (CIB) encompasses a wide array of construction and maintenance projects. These projects are planned at improving the functionality, and longevity of the County Buildings, Library System, Roads, Information Management Systems, and Parks. The overarching goal of these projects is to enhance the safety, security, and service to the constituents and visitors of Anoka County.

The 2019 Capital Improvement Budget includes several building maintenance projects designed to keep Anoka County buildings in respectable condition, therefore avoiding any unexpected, significant repairs in the future. \$500,000 is planned for the replacement of the central heating plant and domestic water delivery system at the Rum River Campus location. In order to accommodate Anoka County's growing population and insure that 911 call times remain minimal, \$230,000 has been budgeted to remodel the current 911 call facilities. The Blaine Human Services facility is undergoing a \$200,000 building infrastructure improvement, with the replacement of carpets, upgrading of elevators, and the patching and sealing of the parking lot.

Located in Circle Pines, Centennial Library has been allocated \$6.1 million in 2019. 2019 is scheduled to be the final year of a multi-year renovation project aimed at expanding the size of the library with the Grand Re-Opening of Centennial library occurring in June. This expansion will allow for more space for creativity and collaboration and make for a welcoming setting for all Anoka County residents.

Road and Bridge projects for 2019 include the replacement of CSAH 13 (Cedar) Bridge spanning Cedar Creek, the reconstruction of the Thurston and Falook Avenue Highway 10 crossings, and the Annual Road and Bridge Preservation Program. Budgeted at \$2.5 million, the replacement of the CSAH 13 Bridge is a three-tiered project that also involves the replacement of the BNSF Railroad crossing, and the reconstruction of approximately 2/3 of a mile of Highway 13. The results of this project will improve the safety for motorists and bicyclists on Highway 13. Due to the volume of traffic using both Highway 10 and Highway 13, there is an experience severe traffic delays that sometimes result in traffic congestion that stretches for miles. Auto accidents are also a common occurrence throughout this stretch of roadway. Over 100 accidents per year are recorded, with at least one accident occurring during peak driving times, resulting in dramatically longer drive times. Pedestrians also cross at unmarked crossings to avoid waiting for long crossing signals. According to projections, this project will reduce traffic accidents by up to 57%, reduce delays by 75%, provide pedestrians with safer crossing signals and walkways, and improve traffic efficiency and circulation. The County's Annual Road and Bridge Preservation Program has \$9.4 million budgeted in 2019 to maintain and repair the existing road and bridge infrastructure within the County. These preventative maintenance and repair projects are designed at improving the safety and functionality of the County's existing highway infrastructure. The County and the City of Coon Rapids have entered into a joint project to re-develop the "Port Riverwalk" area of Coon Rapids. In 2019, the County is funding \$1 million of this project with the aim of improving Coon Rapids Boulevard in this area, as well as improving the Coon Creek Regional Trail which passes through the site. It is hoped that this redevelopment will spur the economic and residential interest in this part of the County.

Leading the Information Management Capital Improvement Projects is the \$1.3 million cybersecurity infrastructure upgrade. Due to the ever-growing reliance upon computers and operating systems, it is of the utmost importance that the computer systems of Anoka County and its departments are safeguarded by the most up-to-date security measures. Through consistent updates to data and program protection, the Information Management Department will help the County to be better able to mitigate against vulnerabilities, provide defensive protections, lessen the impact of breaches, and increase the County's incident response capabilities.

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Parks and Recreation included ten projects totaling \$4.2 million to improve and maintain the facilities at Anoka County Parks. The largest of these projects included ten projects totaling \$4.2 million to improve and maintain the facilities at Anoka County Parks. The largest of these projects included ten projects totaling \$4.2 million to improve and maintain the facilities at Anoka County Parks. The largest of these projects included ten projects totaling \$4.2 million to improve and maintain the facilities at Anoka County Parks.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Anoka County Government operates. Along with the previous discussion about major industries and future development in the County, it is important to look at the impact of changes in population, employment and market value within the County.

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

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

A growing Anoka County citizenry, and by extension, its elected County Board members, have a keen and vested interest in transportation and public safety, assigning these two key issues their highest priorities. Transportation infrastructure improvements will be funded by federal, state and local government dollars.

The other projects related to high priority initiatives is the Sheriff's Office and the Midwest Regional Forensics Laboratory.

Still these critical initiatives are planned with fiscal control. Anoka County continues budget restraint, maintaining a moderate level of debt, and control over the number of County employees. The number of full-time equivalents (FTE) employed by Anoka County government per 1,000 residents has increased slightly from 5.6 FTE in 2017, to 5.7 FTE in 2018. This slight increase in FTE's can be attributed to the temporary to regular employee conversion that took place in 2018.

When looking at the employment within the County, the average number of employees has remained level in the ten-year comparison. Anoka County's unemployment rate is 2.9 percent for 2018, compared to the State of Minnesota rate of 2.6 percent and United States rate of 3.9 percent for 2018. The County's unemployment rate is significantly lower than the national and state averages. Over the last few years, the County's market value has increased by 44.8 percent, from \$1.2 billion in 2013, the County experienced a total increase in estimated market value of just over 44.8 percent, an increase of 10.5 percent over 2017. The Statistical Section of this financial report provides more detailed ten-year data on unemployment, market value in the County, demographics, employment and estimated payroll by industry.

ACCOUNTING SYSTEM, INTERNAL AND BUDGETARY CONTROL

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

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

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

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

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

The annual budgeting process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided, given the anticipated level of available resources. The County utilizes a "priority-based" service-level approach to resource allocation. Each program will prioritize services and allocate resources according to highest priority and greatest need. The County will attempt to maintain its present service level for all priority and essential services within available revenues. The

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budgeting process integrates and authorizes, for a given year, the decisions of the Board of Commissioners, management and the County's Capital Program. Budgetary control is the responsibility of the Auditor and the County's financial officer. Budgetary control is maintained at the County level and further monitored within each program by the major account groupings of personal services, operating expenses, program expenses, and capital outlay. Orders for services or materials in the form of purchase orders are considered obligated, for management and budget control purposes, against the budget at the time of issue of the purchase order. This recording of the obligation reserves that portion of the applicable appropriation and thereby maintains the integrity of the current year budget and subsequent budgets.

All departments and divisions submit budget requests in May of each year. In preparation of the request, each division/department performs a priority based service analysis to determine what services are being provided and assess any needed adjustments based on resources, laws and County policy. The budget priorities are presented to the Committees of Jurisdiction for approval in advance of the presentation to the Board of Commissioners in August. There is a discretionary period in which the departments/divisions may adjust their budgets prior to the County Board's adoption of the proposed budget and certification of proposed tax levy in September. The County Board conducts a meeting in early December, after which the final budget is adopted for the subsequent calendar year.

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

BUDGET FACTORS

For the 2018 budget, Anoka County implemented two steps to offset the cost of doing business: (1) Continue to manage infrastructure costs with annual levies committed to buildings and technology, thereby reducing debt service levies currently and in the future by paying cash instead of bonding for projects, and (2) looking for efficiencies to make current budgets more effective and improving services.

CASH MANAGEMENT

The County-appointed Finance and Central Services Division Manager is responsible for investing County funds. All funds were invested in securities in accordance with requirements set forth in Minnesota statutes. After adjustments in fair market value, the County had investment income in all governmental and proprietary funds of \$5,824,410 in 2018. This is a result of Governmental Accounting Standards Board (GASB), Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" which requires reporting the fair value of investments as opposed to the book value. The variance between fair value and book value of investments held on December 31, 2018 was (\$760,916), which must be recognized in the financial statements.

All cash and investments are deposited or invested in accordance with applicable statutes and the County's adopted investment policy governing safekeeping options and requirements.

DEBT ADMINISTRATION

The ratio of net bonded debt to tax capacity and to market value and the amount of bonded debt per capita are useful indicators of the County's debt position. These indicators for the County at the end of the 2018 fiscal year were (see Table 10 in the Statistical Section of this report):

Net Bonded Debt Amount	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Market Value	Ratio of Net Bonded Debt to Tax Capacity
\$ 104,091,219	\$ 295	0.30%	27.90%

Outstanding bonds and notes payable at December 31, 2018, totaled \$139,365,734, of which \$86,052,549 is G. O. Bonds and Notes payable to the State of Minnesota and \$53,313,185 is G.O. Bonds issued by the Metropolitan Council. The County's tax levy, \$23,510,947, is used to pay the interest on the bonds. The County's total debt is \$174,408,919, of which \$2,569,447 is Lease Revenue Obligations, \$17,445,791 is G.O. Bonds, Supported by Revenue for which there is no Credit tax levy. The amount available in debt service funds applicable to this debt is \$32,918,068, which leaves a net direct bonded debt, excluding the Lease Revenue Obligations, of \$104,091,219 (see Table 10 in the Statistical Section of this report).

Total bonded debt applicable to debt limit is \$115,255,000 less amounts available in funds of \$30,998,188 which leaves a net debt applicable to debt limit of \$84,256,812, which is approximately 8.12 percent of the County's statutory legal debt limit of \$1,037,611,580 (see Table 12 in the Statistical Section of this report).

INSURANCE

Anoka County has insurance coverage(s) in place to insure County property and assets against loss. In addition, the County self-insures against possible losses for general liability and workers' compensation. Table 20 in the Statistical Section provides detailed information on the levels and types of coverage in place.

CAPITAL PROJECTS FUND

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

INDEPENDENT AUDIT

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

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

SINGLE AUDIT

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

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in the Schedule of Expenditures of Federal Awards.

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Anoka County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This is the 31st consecutive year that the County has achieved this prestigious award.

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

A Certificate of Achievement is valid for a period of one year only. We believe this report for 2018 continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration.

ACKNOWLEDGMENTS

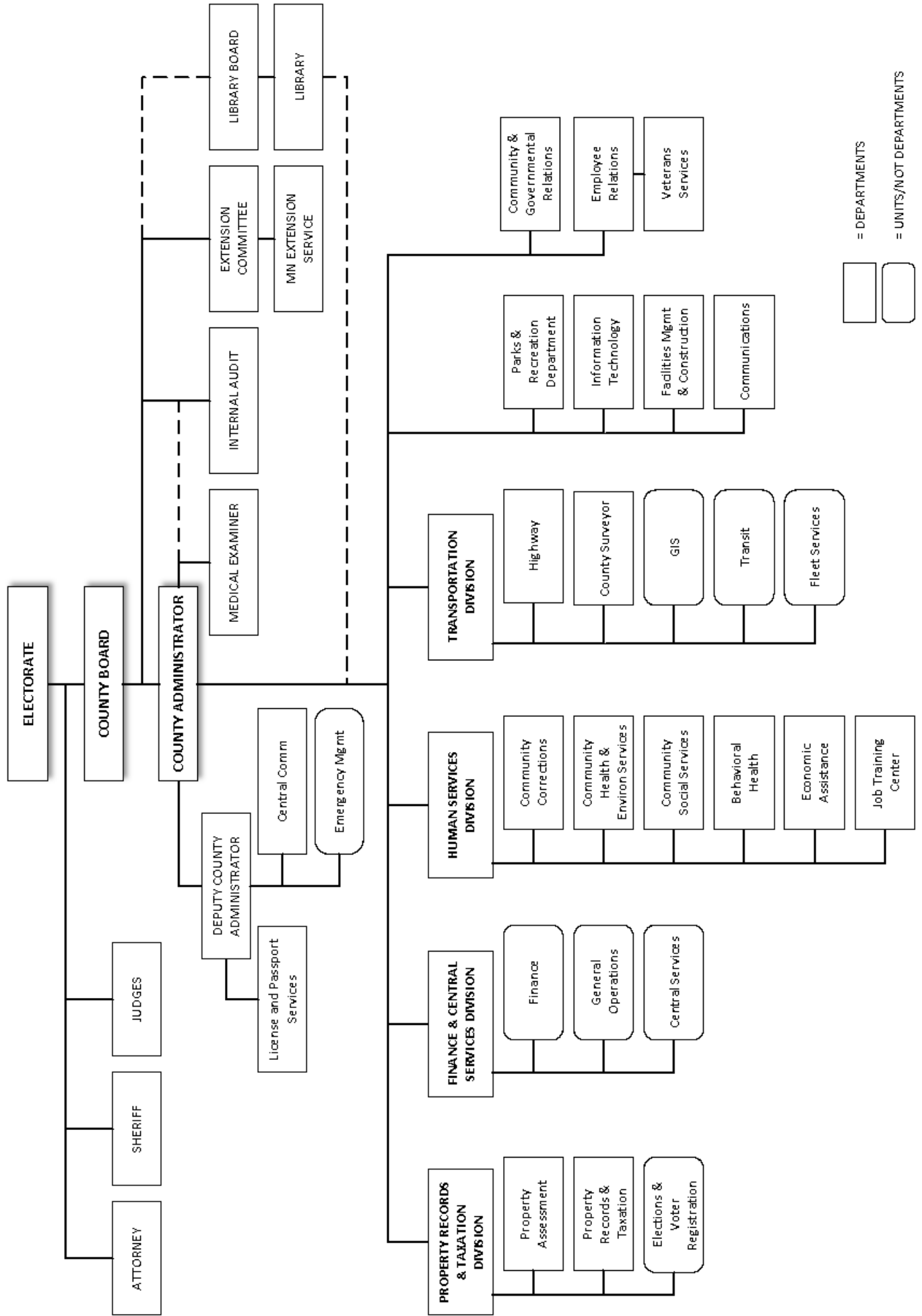
I wish to acknowledge the professional contribution and hard work put forth by the entire Finance staff and others in the Finance and Central Services Division throughout the year and during the preparation of this report. I also would like to thank the County Board of Commissioners for its interest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

Respectfully submitted,


Cory Kampf, Division Manager
Finance and Central Services Division

CC: Rhonda Sivanajah,
County Administrator

ANOKA COUNTY GOVERNMENT ORGANIZATIONAL CHART



= DEPARTMENTS
 = UNITS/NOT DEPARTMENTS

**ANOKA COUNTY
ANOKA, MINNESOTA
LIST OF PUBLIC OFFICIALS
2018**

Office	Name	Term Expires
County Board of Commissioners		
District #1	Matt Look	January 2021
District #2	Julie Braastad	January 2021
District #3	Robyn West	January 2021
District #4	Jim A. Kordiak	January 2019
District #4 Commissioner Elect	Mandy Meisner	January 2023
District #5	Mike Gascho	January 2023
District #6	Rhonnda Sivarajah, Chair	January 2021
District #7	Scott Schulte, Vice Chair	January 2023
Elected County Officials		
Attorney	Tony Palumbo	January 2023
Sheriff	James Stuart	January 2023
Appointed County Officials		
County Administrator	Jerry Soma	Indefinite
Medical Examiner	Quinn Strobl, M.D.	December 31, 2022
Extension Service Agent **	Sarah Chur	Indefinite
Library Director	Maggie Stow	Indefinite
Deputy County Administrator	Dee Gutman	Indefinite
Division Managers		
Finance and Central Services	Cory Kampf	Indefinite
Human Services	Cindy Cesare	Indefinite
Property Records and Taxation	Jonell Sawyer	Indefinite
Transportation	Doug Fischer	Indefinite
Employee Relations Director	Mike Ruff	Indefinite

* During 2018

** Appointed by the University of Minnesota



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Anoka County Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

ANOKA COUNTY
ANOKA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018
(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, 2018. 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 \$635.1 million (net position). Of this amount, the County has (\$5.6) million in unrestricted net position.
- The County's total net position increased by \$71.1 million or about 9.3 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of \$247.3 million. Approximately 64.8 percent of this total amount, \$160.3 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly \$123.7 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was \$41.9 million or 36.9 percent of total General Fund expenditures.
- Anoka County's bonded debt decreased by \$20.9 million (13.6 percent) during the current fiscal year, as a result of scheduled debt service payments and refunded debt from the 2017A refunding issuance.
- The County issued \$11.4 million in bonds during the year, which included \$3.1 million for a library remodeling project and \$8.3 million in refunding issuance.

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 Chronomix, 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 fund 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 17 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 12 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, Housing and Redevelopment Authority, Leasehold Properties, and Joint Law Enforcement Council 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 68 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 and information about the County's OPEB and pension plans, which can be found on pages 69 to 83; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 85 to 97 of this report; c) the Statement of Changes in Assets and Liabilities for the Agency Fund, which can be

found on page 103; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 105 to 116.

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 \$835.1 million at the close of the most recent fiscal year.

	2018	2017
Current and other assets	\$ 295,978	\$ 288,385
Capital assets	847,864	845,750
Total assets	1,147,662	1,114,141
Deferred outflows of resources	42,788	57,137
Long-term liabilities outstanding	243,328	304,384
Other liabilities	45,322	45,052
Total liabilities	292,660	349,996
Deferred inflows of resources	62,735	58,051
Net position:		
Unrestricted	758,592	736,625
Restricted	82,668	76,434
Unrestricted	(5,575)	(49,828)
Total net position, as reported	\$ 835,075	\$ 763,231
Reclassification of fund*		764
Total net position, as restated		\$ 763,995

* On January 1, 2018 the activity in the Joint Law Enforcement Council Agency Fund is now reported in the Joint Law Enforcement Council Special Revenue Fund.

By far the largest portion of Anoka County's net position, \$758.6 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 \$82.1 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$5.6) million is unrestricted net position.

The increase in net investment in capital assets portion of net position is the value of capital assets less the outstanding debt for those assets. The increase of \$21.9 million is the result of continuing county projects of CSAH 83 interchange (\$25.6 million), continuing work of CSAH 116 from Crane St. to VanBuren St. (\$12.7 million) and a decrease in debt related to capital assets of \$17.7 million. Anoka County has made it a high priority to reduce new debt issues and accelerate the payments on existing debt.

There was an increase of \$5.7 million in restricted net position primarily with the 0.25% transportation tax. A similar tax was previously collected by the Counties Transportation Improvement Board (CTIB) and used to fund specific transportation projects. CTIB was dissolved in 2017 and a new transportation tax of 0.25% (beginning in November 2017) is used to fund the Northstar commuter train agreement with the Metropolitan Council and Anoka County transportation projects.

The County is reporting a decrease of \$35.7 million in net pension liability (NPL) for a total NPL of \$90.8 million due to a difference in projected and actual investment earnings and adjusted actuarial assumptions. The State of Minnesota's new actuarial valuation report significantly reduced the liability and is reflected in the changes in actuarial assumptions. In addition to the NPL, the County is reporting deferred pension outflows of \$38.0 million and deferred pension inflows of \$60.5 million. For additional information, see Note 3.E on page 59 to 65.

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 \$71.1 million in 2018. Key elements of this increase are as follows:

Revenues from charges for services decreased by \$575.3 thousand (1.3 percent) in 2018.

Operating grants and contributions increased by \$5.3 million (5.2 percent) in 2018. The most significant changes occurred with a \$3.0 million increase in Highway user's tax (State Aid) for 2018. Human Services is funded with County levy and reimbursement grants. As a result, when the County provided an annual merit increase to personnel within the Human Services function, the reimbursements increased. The County received an increase in our Cost Allocation Plan of \$1.3 million of which Human Services benefited from.

Capital grants and contributions decreased by \$10.3 million (30.8 percent) in 2018. This is mainly due to the completion of the Armstrong Blvd. project in the City of Ramsey that occurred in 2017. The \$23.1 million reported as capital grants and contributions for 2018 reflects payments received for current road projects including the Hanson Blvd. rail separation project, and the interstate 35 interchange project at CSAH 64 and CSAH 23.

Property and transportation tax revenues increased by \$15.6 million (11.8 percent) during the year and reflects a budgeted property tax increase of \$5.0 million and the full year transportation tax (which began November 2017) receipts of an additional \$10 million.

Other revenues increased by \$7.4 million (66.5 percent) from an increase in County Program Aid of \$1.3 million as a result of legislative changes, investment income of \$2.1 million, and the recognition of earned revenue, but not available to fund current expenses related to Community Development agricultural and rehab loans that are to be paid back by clients over time.

	2018	2017
Revenues:		
Program revenues	\$ -44,368	\$ -44,943
Charges for services	105,759	109,595
Operating grants and contributions	23,105	33,393
Capital grants and contributions	147,455	131,855
General revenues:		
Property, transportation and wheelage taxes	18,984	17,159
Grants and contributions not restricted to	18,529	11,131
Other programs	3,581,189	338,966
Total revenues	49,905	57,115
Expenses:		
General government	74,935	72,692
Public safety	32,529	34,549
Highway and streets	86,750	89,995
Human services	4,126	4,538
Sanitation	16,632	16,812
Culture and recreation	14,757	9,407
Economic development resources	4,768	6,261
Interest on long-term debt	287,119	299,947
Total expenses	71,079	45,019
Increase (Decrease) in net position	763,995	718,212
Net position - January 1, as restated		
(Note 2.C)		
Net position - December 31	\$ 835,075	\$ 763,231

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 for Employers for Postemployment Benefits Other Than Pensions*. During 2018, the net other postemployment benefits (OPEB) obligation was increased by \$10.0 million. Changes in actuarial assumptions and differences between expected and actual experience resulted in an increase of \$1.9 million in the total OPEB liability, but the decrease in the fiduciary plans net position due to the unpredictable December stock market resulting in a GASB 31 adjustment leaving a negative investment earning for the year. The OPEB expense of \$970 thousand was allocated among the various functions of governmental activities. General government, public safety and human services each averaged \$259 thousand in OPEB expense. Additional information is provided in the "Notes to the Financial Statements", Note 3.C.4, pages 45 to 49.

In 2015, Anoka County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*. A new PERA valuation was completed for the pension plans and actuarial assumptions resulting in a \$3.4 million reduction to pension expense which was allocated to various functions of the governmental activities. General government, public safety and human services each averaged a negative \$1 million pension expense. This is offset by Anoka County's contributions to PERA throughout the year of \$10.1 million resulting in a \$6.7 million pension expense. Additional information is provided in the "Notes to the Financial Statements", Note 3E, pages 56 to 64.

General government expenses (excluding annual OPEB and pension costs) decreased \$6.4 million in 2018 as a result of net activity recording new assets and the retirement of old assets (\$5.1 million); decrease in pension expenses due to the effect of the new actuarial valuation report (\$3.4 million); and an increase in salaries due to a budgeted 3.0 percent merit increase.

Public safety expenses increased \$3.0 million (excluding annual OPEB and pension costs) due to an accounting change that moved the expense activity for the Joint Law Enforcement Council (JLEC) from an Agency Fund to the governmental funds of \$1.4 million. The Pooled Insurance Internal Service Fund allocation to this function increased by \$1.7 million as it looks at all insurance costs and loss ratios for the departments that are part of that governmental activities function.

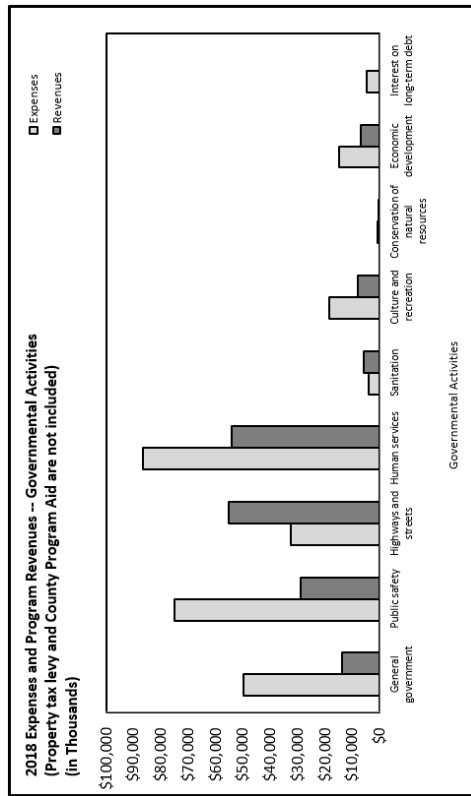
Highways and streets expenses (excluding OPEB and pension costs) decreased \$2 million primarily due to the completion of various projects.

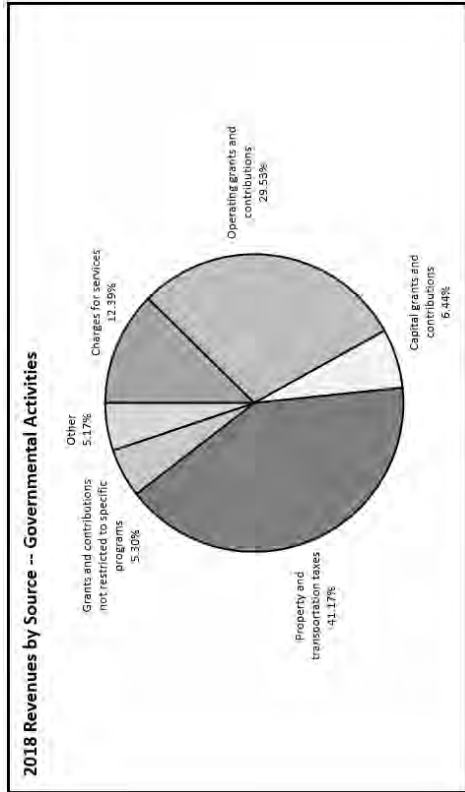
There was a \$2.2 million decrease in human services expenses (excluding OPEB and pension costs) largely as a result of the decrease cost of long term liabilities, such as compensated absences, allocated to the governmental activities function based on employee count. Human services has nearly 50 percent of the total County employees.

Sanitation, culture and recreation, and conservation of natural resources all had very little change from 2017 to 2018. All three functions were favorably affected by the pension costs.

Economic development expenses increased by \$5.3 million as Anoka County Regional Rail Authority (RRA) now pays the operating costs for the Northstar Commuter Rail, previously paid by Metro Transit (a division of the Metropolitan Council). This will be an ongoing cost for Anoka County. This was offset by the transportation tax revenue increase.

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 2018 than program expenses. Infrastructure capital 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 2018 than program expenses. These funds are available for use in future years for qualified 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 2018, Anoka County's governmental funds reported combined ending fund balances of \$247.3 million. This is a \$25.3 million increase (11.4 percent) from 2017. The operating funds, excluding capital projects and debt service funds, for the County reflect a \$27.2 million increase (21.8 percent) in fund balances. Approximately 64.8 percent, or \$160.3 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 (\$3.2 million); b) for amounts held by escrow agents, including highway right-of-way (\$5.9 million); c) for grants, donations, and revolving loans received but not yet fully expended (\$2.1 million); d) for debt service (\$30.0 million); e) for recorders compliance (\$4.7 million); f) for sanitation (\$22.9 million); g) for unspent bond proceeds (\$2.5 million); and h) 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 \$41.9 million, while total fund balance was \$54.9 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 36.9 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by \$23.0 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 \$4.2 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 \$3.5 million. Current year tax

collections and collection of delinquent taxes came in over budget by \$41.1 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 \$761 thousand. This amount is required to be recognized in the financial statements. General government expenditures came in over budget by \$1.1 million as the County refines the budget process to provide transparency to the final budget product. There was also a transfer of \$1.1 million to asset preservation for future capital projects.

- The Road and Bridge Fund showed a \$19.5 million increase in fund balance due to reimbursement of various project expenditures from the Capital Projects Fund.
- The Human Services Fund had an increase of \$1.3 million in fund balance for 2018 after transferring \$4.0 million to asset preservation for future capital projects.
- The Debt Service Fund's fund balance decreased by \$7.5 million due to regularly scheduled debt service payments, and refunded debt from the 2017A refunding issue and the issuance of \$6.4 million in refunding bonds.
- Fund balance in the Capital Projects Fund increased by \$5.5 million due to budget savings transferred from operating funds from the General Fund (\$1.1 million), Human Services Fund (\$4.0 million), and Library Fund (\$500 thousand), and a full calendar year of the transportation tax, as this was placed in service with the dissolution of the Counties Transit Improvement Board (CTIB).

The 2018 variance between the final budget and actual expenditures in the General Fund was a positive \$932 thousand due to prudent spending in all areas of the budget.

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

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was \$316 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 \$1.9 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 0.2 percent.

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

- Land values increased in the amount of \$3.6 million due to the purchase of \$5.6 million in land and the selling of a parcel in the amount of \$2.0 million for development near the Northstar commuter rail station.
- Buildings and structures decreased by \$1.8 million due to the remodeling of existing structures (\$3.4 million) and the replacement of two boilers (\$278 thousand) and the demolition of the Centennial Library (\$443 thousand).
- There was very little change in machinery and equipment this past year between purchasing of the new and selling/disposing of the old vehicles and equipment that still had asset value resulting in a decrease of \$476 thousand.
- Infrastructure values (net of depreciation) decreased by \$5.0 million resulting from the completion of several highway reconstruction projects including the reconstruction of CSAH 14 and various bridge improvements.
- The \$7.3 million increase in construction in progress is due to the start and continuation of several projects including the Centennial Library rebuild, Property Star Tax System and the Rwerfront Park redevelopment.

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 2019 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by \$23.0 million. Debt service and capital project funds comprise \$95.1 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.

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

	Governmental activities	
	2018	2017
Land	\$ 221,991	\$ 218,433
Buildings and structures	167,238	159,000
Improvements other than buildings	14,037	15,304
Machinery and equipment	22,741	23,218
Infrastructure	366,933	351,919
Software	3,132	3,360
Construction in progress	71,612	64,323
Total	\$ 847,684	\$ 845,757

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 \$132.7 million. Of this amount, \$115.3 million comprises debt backed by the full faith and credit of the County and \$17.4 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	
	2018	2017
General obligation bonds and notes	\$ 89,905	\$ 107,620
Lease revenue obligations	2,355	2,645
General obligation bonds supported by revenues	17,400	18,970
Limited tax bonds	22,985	24,310
Total	\$ 132,655	\$ 153,545

Anoka County's total bonded debt decreased by \$20.9 million (13.6 percent) during the current fiscal year, due to scheduled debt service payments and the early defeasance of two general obligation bond issues and one refunding bond issue which totaled \$33.3 million. Anoka County had two refunding bond issuances in 2018 totaling \$8.3 million and also a new general obligation bond issue in the amount of \$3.1 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 \$1.04 billion. The current general debt obligation is \$115.3 million, or approximately 11.1 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 56 of this report.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2018

EXHIBIT 1

	Primary Government
	Governmental Activities
Assets	
Cash, cash equivalents, and pooled investments	\$ 240,439,917
Cash and investments with escrow agents	3,269,255
Funds held with courts	2,633,723
Delinquent taxes receivable	1,625,679
Accounts receivable, net of allowance for doubtful accounts	2,641,809
Accrued interest receivable	1,540,550
Loans receivable, net of allowance for doubtful accounts	
Due within one year	526,682
Due in more than one year	2,548,169
Leases receivable	
Due within one year	873,774
Due in more than one year	5,935,786
Due from other governments	34,443,108
Inventories	2,831,563
Prepaid items	668,267
Capital assets not being depreciated	
Land	221,991,084
Construction in progress	71,611,850
Capital assets, net of accumulated depreciation:	
Buildings and structures	157,238,252
Improvements other than buildings	14,036,586
Machinery and equipment	22,741,535
Infrastructure	356,933,036
Software	3,131,806
	1,147,662,431
Deferred Outflows of Resources	
Deferred pension outflows	37,986,683
Deferred OPEB outflows	4,810,931
	42,797,614
Liabilities	
Accounts payable	3,400,305
Salaries payable	3,856,643
Contracts payable	2,791,346
Due to other governments	5,342,396
Matured interest payable	1,801,594
Unearned revenue	3,132,916
Noncurrent Liabilities:	
Due within one year	
Bonds and notes payable	21,250,000
Compensated absences	509,663
Outstanding claims payable	264,643
Capital leases payable	662,843
Loans payable	309,364
Due in more than one year	
Bonds and notes payable	118,115,734
Compensated absences	9,683,605
Outstanding claims payable	3,054,601
Capital lease payable	1,369,569
Loans payable	1,359,850
Net pension liability	90,845,868
Net other postemployment benefits (OPEB) liability	24,899,094
	292,650,034
Deferred Inflows of Resources	
Deferred pension inflows	60,452,887
Deferred OPEB inflows	2,282,032
	62,734,919
Net Position	
Net investment in capital assets	758,562,517
Restricted for:	
Debt service	30,927,420
General government	5,139,462
Public safety	3,215,239
Highway	2,633,723
Human services	27,127
Sanitation	22,946,087
Culture and recreation	240,596
Conservation of natural resources	64,481
Economic development	14,385,475
Capital projects	2,507,984
Unrestricted (deficit)	(5,575,019)
	\$ 835,075,092

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					Primary Government
Governmental activities:					Governmental Activities
General government	\$ 49,904,857	\$ 8,954,359	\$ 4,934,503	\$ -	\$(36,015,995)
Public safety	74,935,383	19,041,424	10,027,344	-	(45,866,615)
Highways and streets	32,529,127	340,620	34,118,187	20,607,773	22,537,453
Human services	86,749,627	3,862,677	50,258,445	-	(32,628,505)
Sanitation	4,126,110	4,556,151	1,415,081	-	1,845,122
Culture and recreation	18,631,923	4,416,950	1,095,495	2,496,805	(10,622,673)
Conservation of natural resources	717,508	87,683	74,500	-	(555,325)
Economic development	14,756,823	3,107,648	3,835,069	-	(7,814,106)
Interest expense and fiscal charges on long-term debt	4,767,771	-	-	-	(4,767,771)
Total governmental activities	\$ 287,119,129	\$ 44,367,512	\$ 105,758,624	\$ 23,104,578	\$ (113,888,415)
General Revenues:					
Property taxes collected for general purposes					119,723,756
Property taxes collected for debt service					15,866,366
Transportation taxes collected for transportation					11,865,020
Wheelage tax collected for highways and streets					30
Grants and contributions not restricted to specific programs					18,983,759
Unrestricted investment earnings					6,860,921
Gain on sale of capital assets					302,516
Miscellaneous					11,366,506
Total general revenues					184,968,874
Change in net position					71,080,459
Net position-January 1, as restated (Note 2.C.)					763,994,633
Net position-December 31					\$ 835,075,092

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	\$ 53,498,564	\$ 21,464,604	\$ 32,902,794	\$ 30,146,838	\$ 61,052,609	\$ 35,649,703	\$ 234,715,112
Cash and investments with escrow agents	-	-	-	2,623,946	-	645,309	3,269,255
Funds held with courts	-	2,633,723	-	-	-	-	2,633,723
Delinquent taxes receivable	924,618	110,033	406,312	1,192	1,968	181,556	1,625,679
Accounts receivable, net of allowance for doubtful accounts	616,229	30,687	1,638,733	1,650	195,986	151,686	2,634,971
Accrued interest receivable	1,540,550	-	-	-	-	-	1,540,550
Loans receivable	490,726	-	-	-	-	2,584,125	3,074,851
Leases receivable	6,809,560	-	-	-	-	-	6,809,560
Due from other funds	1,320,000	-	-	-	-	-	1,320,000
Due from other governments	4,467,792	18,585,484	8,277,396	-	1,065,550	2,046,561	34,442,783
Advances to other funds	-	-	-	-	987,484	-	987,484
Inventories	-	2,502,968	-	-	-	34,541	2,537,509
Prepaid items	83,517	-	30,540	-	-	554,210	668,267
Total Assets	69,751,556	45,327,499	43,255,775	32,773,626	63,303,597	41,847,691	296,259,744
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	1,263,899	227,162	1,168,761	43,420	97,388	444,924	3,245,554
Salaries payable	2,473,598	204,180	939,833	-	-	239,032	3,856,643
Contracts payable	315,547	882,436	798,861	-	552,157	205,449	2,754,450
Due to other funds	-	-	-	-	-	414,000	414,000
Due to other governments	1,425,849	1,329,168	1,830,706	-	212,156	533,613	5,331,492
Advances from other funds	209,575	-	-	-	-	777,909	987,484
Matured interest payable	-	-	-	55,679	-	-	55,679
Unearned revenues	822,782	-	700,500	-	-	1,609,634	3,132,916
Total Liabilities	6,511,250	2,642,946	5,438,661	99,099	861,701	4,224,561	19,778,218
Deferred Inflows of Resources							
Unavailable revenue	8,293,919	17,183,625	406,312	1,192	1,968	3,256,955	29,143,971
Fund Balances							
Nonspendable in (Note 3.D.)							
General Fund	83,517	-	-	-	-	-	83,517
Special revenue funds	-	2,502,968	30,540	-	-	588,751	3,122,259
Restricted in (Note 3.D.)							
General Fund	12,938,962	-	-	-	-	-	12,938,962
Special revenue funds	-	2,633,723	27,127	-	-	2,871,925	5,532,775
Debt Service Fund	-	-	-	32,673,335	-	-	32,673,335
Capital Projects Fund	-	-	-	-	32,688,437	-	32,688,437
Committed in (Note 3.D.)							
Special revenue funds	-	-	-	-	-	3,823,860	3,823,860
Assigned in (Note 3.D.)							
General Fund	5,259,061	-	-	-	-	-	5,259,061
Special revenue funds	-	20,364,237	37,353,135	-	-	27,142,437	84,859,809
Capital Projects Fund	-	-	-	-	29,751,491	-	29,751,491
Unassigned	36,664,847	-	-	-	-	(60,798)	36,604,049
Total Fund Balances	54,946,387	25,500,928	37,410,802	32,673,335	62,439,928	34,366,175	247,337,555
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 69,751,556	\$ 45,327,499	\$ 43,255,775	\$ 32,773,626	\$ 63,303,597	\$ 41,847,691	\$ 296,259,744

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Total fund balances for governmental funds (Exhibit 3)		\$ 247,337,555
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.		847,684,149
Deferred outflows resulting from pension obligations (\$37,986,683) and OPEB obligations (\$4,810,931) are not available resources and, therefore, are not reported in governmental funds.		42,797,614
Internal service funds are used by the County to charge the cost of insurance (\$2,274,083) to the individual funds as well as cost of maintenance and fuel for the County vehicles and large equipment (-\$675,856). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,598,227
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	\$ (139,365,734)	
Compensated absences	(10,193,268)	
Capital leases payable	(2,032,412)	
Loans payable	(1,669,214)	
Net pension liability	(90,845,868)	
Net other postemployment benefits liability	<u>(24,899,094)</u>	
Total long term liabilities		(269,005,590)
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	\$ (1,801,594)	
Matured interest payable reported on Exhibit 3	<u>55,679</u>	
		(1,745,915)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		29,143,971
Deferred inflows resulting from pension obligations (\$60,452,887) and OPEB obligations (\$2,282,032) are not due and payable in the current period and, therefore, are not reported in governmental funds.		
		<u>(62,734,919)</u>
Net position of governmental activities (Exhibit 1)		<u>\$ 835,075,092</u>

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 64,257,848	\$ 7,758,192	\$ 34,510,902	\$ 15,924,344	\$ 11,865,797	\$ 14,285,905	\$ 148,602,988
Licenses and permits	342,590	99,996	1,052,395	-	-	585	1,495,566
Intergovernmental	24,179,800	41,147,802	53,979,620	5,107	4,142,924	9,468,738	132,923,991
Charges for services	27,473,745	-	2,981,352	-	-	6,499,761	36,954,858
Fines and forfeitures	11,658	-	-	-	-	654,350	666,008
Investment income	5,235,931	62,678	-	69,538	24,363	431,900	5,824,410
Net change in fair value of investments	(760,916)	-	-	(28,943)	-	-	(789,859)
Miscellaneous	3,846,268	253,809	464,525	1,140,512	685,624	4,650,791	11,041,529
Total Revenues	124,586,924	49,322,477	92,988,794	17,110,558	16,718,708	35,992,030	336,719,491
Expenditures							
Current							
General government	42,291,695	-	-	-	5,220,787	662,330	48,174,812
Public safety	66,343,912	-	-	-	1,958,024	4,755,799	73,057,735
Highways and streets	-	36,850,102	-	-	2,514	-	36,852,616
Human services	416,692	-	87,625,085	-	171,304	-	88,213,081
Sanitation	4,141,402	-	-	-	-	-	4,141,402
Culture and recreation	152,623	-	-	-	588,960	18,714,906	19,456,489
Conservation of natural resources	166,992	-	-	-	-	552,783	719,775
Economic development	-	-	-	-	-	14,348,518	14,348,518
Debt Service							
Principal retirement	-	-	-	32,310,000	658,334	332,171	33,300,505
Interest	-	-	-	4,990,707	49,035	11,525	5,051,267
Bond issuance costs	-	-	-	172,350	-	-	172,350
Administrative charges	-	-	-	64,319	-	-	64,319
Capital Outlay							
General government	-	-	-	-	72,078	-	72,078
Public safety	-	-	-	-	1,041,482	-	1,041,482
Human services	-	-	-	-	41,902	-	41,902
Culture and recreation	-	-	-	-	1,086,148	-	1,086,148
Intergovernmental							
Highways and streets	-	218,186	-	-	-	-	218,186
Total Expenditures	113,513,316	37,068,288	87,625,085	37,537,376	10,890,568	39,378,032	326,012,665
Excess of Revenues Over (Under) Expenditures	11,073,608	12,254,189	5,363,709	(20,426,818)	5,828,140	(3,386,002)	10,706,826
Other Financing Sources (Uses)							
Transfers in	321,497	7,327,950	46,030	4,026,009	9,109,635	7,030,108	27,861,229
Transfers out	(7,219,487)	(71,500)	(4,101,134)	(14,214)	(12,766,197)	(3,688,697)	(27,861,229)
Bonds issued	-	-	-	-	3,115,000	-	3,115,000
Refunding bonds issued	-	-	-	8,305,000	-	-	8,305,000
Premium on bonds	-	-	-	611,166	244,734	-	855,900
Proceeds from land sales	-	3,500	-	-	-	2,298,715	2,302,215
Total Other Financing Sources (Uses)	(6,897,990)	7,259,950	(4,055,104)	12,927,961	(296,828)	5,640,126	14,578,115
Net Change in Fund Balances	4,175,618	19,514,139	1,308,605	(7,498,857)	5,531,312	2,254,124	25,284,941
Fund Balances - January 1, as restated (Note 2.C.)	50,770,769	6,024,713	36,102,197	40,172,192	56,908,616	32,097,242	222,075,729
Increase (decrease) in inventories	-	(37,924)	-	-	-	14,809	(23,115)
Fund Balances - December 31	\$ 54,946,387	\$ 25,500,928	\$ 37,410,802	\$ 32,673,335	\$ 62,439,928	\$ 34,366,175	\$ 247,337,555

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - total governmental funds (Exhibit 5) \$ 25,284,941

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

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	\$ 27,382,180	
Current year depreciation	<u>(22,198,692)</u>	5,183,488

The issuance of long-term debt (e.g., bonds) provides current financial resources and capital lease arrangements are considered a source of financing to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:		
General obligation bonds and notes	\$ (3,115,000)	
Refunding general obligation bonds and notes	(8,305,000)	
Loans	(363,365)	
Discounts and premiums	(855,900)	
Principal repayments:		
Debt service principal retirement	33,300,542	
Current year amortization of discounts and premiums	<u>1,337,005</u>	21,998,282

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position. (3,257,180)

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	\$ 29,143,971	
Unavailable revenue - January 1	<u>(9,130,019)</u>	20,013,952

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 (-\$43,070), change in interest payable (\$523,491), and changes in inventories (-\$23,115). 457,306

Current year net change in the net other postemployment benefits (OPEB) liability, deferred OPEB inflows and deferred OPEB outflows. (970,252)

Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows. 4,142,943

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. (1,773,020)

Changes in net position of governmental activities (Exhibit 2) \$ 71,080,460

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

		Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Cash and pooled investments	\$	5,724,805
Accounts receivable		6,838
Due from other governments		325
Inventories		294,054
		294,054
Total Assets		6,026,022
Liabilities		
Current Liabilities:		
Accounts payable		154,751
Contracts payable		36,896
Due to other governments		10,904
Due to other funds		906,000
Outstanding claims payable		264,643
		264,643
Total current liabilities		1,373,194
Noncurrent Liabilities:		
Outstanding claims payable		3,054,601
		3,054,601
Total Liabilities		4,427,795
Net Position		
Unrestricted		1,598,227
		1,598,227
Total Net Position	\$	1,598,227

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for services	\$ 4,017,572
Insurance recoveries	296,297
Miscellaneous	532,224
	4,846,093
<u>Operating Expenses</u>	
Personal services	1,372,815
Other services and charges	1,363,209
Supplies	1,123,317
Insurance	2,745,778
Capital outlay	13,994
	6,619,113
Increase (Decrease) in Net Position	(1,773,020)
Net Position - January 1	3,371,247
Net Position - December 31	\$ 1,598,227

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 9

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
Increase (Decrease) in Cash and Cash Equivalents**

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 4,840,607
Payments to suppliers	<u>(5,151,500)</u>
Net cash provided (used) by operating activities	(310,893)
Cash and cash equivalents, January 1	<u>6,035,698</u>
Cash and cash equivalents, December 31	<u>\$ 5,724,805</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Net operating income (loss)	<u>\$ (1,773,020)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in Accounts receivable	(5,882)
Increase (decrease) in Due from other governments	396
Increase (decrease) in Inventories	110,326
Increase (decrease) in Accounts payable	69,176
Increase (decrease) in Contracts payable	36,896
Increase (decrease) in Due to other funds	696,000
Increase (decrease) in Due to other governments	(3,023)
Increase (decrease) in Outstanding claims payable	<u>558,238</u>
Total adjustments	<u>1,462,127</u>
Net cash provided (used) by operating activities	<u>\$ (310,893)</u>

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 10

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

	<u>Other Postemployment Benefits Trust Fund</u>	<u>Agency Fund</u>
<u>Assets</u>		
Cash and pooled investments	\$ 61,978,650	\$ 8,893,967
Accounts receivable	-	11,424
Due from other governments	-	249,493
Total Assets	<u>61,978,650</u>	<u>9,154,884</u>
<u>Liabilities</u>		
Accounts payable	-	874,045
Due to other governments	1,643,547	8,280,839
Total Liabilities	<u>1,643,547</u>	<u>\$ 9,154,884</u>
<u>Net Position</u>		
Held in trust for postemployment benefits	<u>\$ 60,335,103</u>	

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 11

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Other Postemployment Benefits Trust Fund
<u>Additions</u>	
Employer contributions	\$ 2,091,448
Investment earnings (loss)	(2,758,513)
Less: investment expense	(4,342)
Net Investment earnings	(2,762,855)
Total Additions	(671,407)
<u>Deductions</u>	
Benefits	3,734,995
Change in net position	(4,406,402)
Net Position - January 1	64,741,505
Net Position - December 31	\$ 60,335,103

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (Continued)

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 (line 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 normal 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 capital outlay. 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.

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. § 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 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.

The **ANOKA COUNTY JOINT LAW ENFORCEMENT COUNCIL (JLEC)** is governed by a five-member executive committee consisting of the Anoka County Attorney, Anoka County Sheriff, and the police chiefs for the cities of Lino Lakes, Centennial Lakes and Coon Rapids. The Anoka County Attorney and the Anoka County Sheriff will always be a part of the executive committee, as Chair and Secretary Treasurer. This joint venture was granted by Minnesota Statute Section 471.59 to bring law enforcement groups together to improve the efficiency and the effectiveness of law enforcement and to improve public safety in Anoka County. The main goal of the Council is for a public safety communications system to operate as effectively as possible. Common equipment purchased through Anoka County is important to that goal. Although separate from the County, it is reported in Anoka County's financial statements as Anoka County is the fiscal agent and purchasing agent. Anoka County is also able to issue bonds for the equipment used by JLEC. Separate financial statements are not available for the Anoka County Joint Law Enforcement Council.

1. Summary of Significant Accounting Policies (Continued)
 D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

2. Receivables and Payables

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

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

Property Taxes

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

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

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

Loans

Loans may be made to private enterprises or individuals as per the parameters of the specific programs. The Community Development 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. Inventories

Inventories are 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. Depending on the nature of the item or the fund in which the inventory is recorded, the costs of the inventories are recorded as expenses/expenditures when purchased, or when consumed rather than when purchased. 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 balances to indicate that they do not constitute "available spendable resources."

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

4. Prepaid Items

Contract 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 of more than one year. Depreciation is calculated using the straight-line method. Property, plant, and equipment with a cost of less 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 (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the 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.

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, 2018. 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 Investment. 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:

- 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.
- Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.
- 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.
- Bankers' acceptances issued by United States banks.
- 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.
- With certain restrictions, as identified by statutes, repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred 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 incurred, but not yet earned, 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 three such items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting. Unavailable revenue is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third 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. Actual payment of the net OPEB liability are made directly from the same governmental funds that incurred the salary expenditures.

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 rate 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 in 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 "strategic earnings", which must be related 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 or supplies.
2. Spendable: All fund balances that are not classified as nonspendable are deemed spendable. The fund financial statements provide 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, needs to 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 assigned 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 event of a natural disaster. The policy requires that the minimum fund balance be equal to the property tax revenue for the current year less the amount of the current year's operating expenses. The minimum fund balance is not available for distribution until June 1. Therefore, the County Board has determined they need to maintain assigned 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 \$60,798 at December 31, 2018. This deficit will be eliminated with future lease revenues.

The Central Fleet Internal Services Fund had a deficit net position of \$675,866 at December 31, 2018. This deficit will be made up over time with a cost allocation plan to allocate expenditures throughout the county.

B. Excess of Expenditures Over Budget

The following nonmajor governmental funds have expenditures in excess of budget for the year ended December 31, 2018:

Special Revenue Fund	Final Budget		Expenditures		Excess
			Actual		
Parks and Recreation					
Debt service	\$	29,000	\$	29,108	\$ 108
Principal retirement					
Medical Examiner					
Current					
Public safety		3,327,030		3,327,249	219
Housing and Redevelopment Authority					
Current					
Economic Development					
Mississippi					
Chalmers-Barratt Gardens Senior Housing		373,020		579,359	579,359
Debt service				643,979	270,959
Interest					
Leasehold Properties					
Current					
General government		239,593		274,774	35,181
Joint Law Enforcement Council					
Current					
Public safety		1,378,940		1,423,042	44,102

2. Stewardship, Compliance, and Accountability (Continued)

C. Reclassification of Fund

On January 1, 2018, the activity in the Joint Law Enforcement Council Agency Fund is being reported as the Joint Law Enforcement Council Special Revenue Fund. As discussed in Note 1.A., the Joint Law Enforcement Council is considered to be a blended component unit of the County. Beginning fund balance in the Joint Law Enforcement Council Special Revenue Fund and net position in the Governmental Activities has been restated to reflect this change. Since the Agency Fund does not report fund balancemet position, this restatement was made to both assets (cash and pooled investments) and liabilities (due to other governments).

The effects of these changes are as follows:

	Governmental Activities	Joint Law Enforcement Council Special Revenue Fund	Agency Fund
Balance - January 1, 2018, as previously reported	\$ 763,231,073	\$ -	\$ 12,530,439
Fund Balance/Net Position			
Assets/Liabilities			
Reclassification of Joint Law Enforcement Council	763,560	763,560	(763,560)
Balance - January 1, 2018, as restated	\$ 763,994,633	\$ 763,560	\$ 11,766,879
Fund Balance/Net Position			
Assets/Liabilities			

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits

Minn. Stat. § 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, 2018, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value, net less amount of amortized cost, as appropriate. The following is a summary of the County's cash and investments, at December 31, 2018.

Primary government		
Cash, cash equivalents and pooled investments	\$	240,439,917
Cash and investments with escrow agents		3,269,255
Funds held with courts		2,633,723
Fiduciary funds		
Cash, cash equivalents and pooled investments		8,893,967
Agency Fund		
Investments		61,978,650
Trust Fund		
Total cash and investments	\$	<u>317,215,512</u>

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

- (1) Any federal reserve bank.
- (2) Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to the bank from which the investment is purchased.
- (3) A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York.
- (4) A securities broker-dealer, registered under Minn. Stat. § 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, 2018.

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

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

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's policy states all investment securities purchased by the County shall be held in safekeeping by a financially sound institution for the County. As of December 31, 2018, 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.

There were no investments in any one issuer that represent 5% or more of the County's investments as of December 31, 2018.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The primary objective of the County investment policy is capital preservation and liquidity. To achieve this goal, while enhancing returns and reducing risk, the County's investment policy is diversified with liquidity. The primary objective of the investment policy is to invest in securities that are diversified by 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 ladder 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)

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restriction on the amount of shares. There are no limits on the number of shares that can be redeemed. 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 \$61,978,850 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, 2018, were 99.39 percent (Table B) of the current levy, which was a sufficient amount to finance the 2018 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, 2018, were \$6,495,193 and the allowance for doubtful accounts was \$3,853,384 resulting in a net effect of \$2,641,809.

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, 2018:

	Original Loan Amount	Balance Repaid at December 31, 2018	Outstanding Balance - December 31, 2018	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	\$ 209,392	\$ 55,491	\$ 153,901	20	5.00
Various forfeited tax sale contracts for repurchase	747,659	410,834	336,825	Various	Various
Total General Fund	957,051	466,325	490,726		
Special Revenue Funds					
Community Development					
Loan programs	5,340,918	1,693,062	3,647,856	Various	Various
Less: Allowance for uncollectible loans		1,063,733	(1,063,733)		
Total Community Development, net of allowance	5,340,918	2,756,795	2,584,123		
Total Loans Receivable	\$ 6,297,969	\$ 3,223,118	\$ 3,074,851		
Due within one year			\$ 526,682		

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 expire June 30, 2019, 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) on the lease revenue plus any accrued interest earnings from the trust account. The trust account also receives a portion of the facility's proceeds from the sale of the facility. The trust account also receives a portion of the facility's proceeds from the sale of the facility. The trust account also receives a portion of the facility's proceeds from the sale of the facility. The trust account also receives a portion of the facility's proceeds from the sale of the facility. 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 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, 2018. The amounts for 2019 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
			Residences	Total	
2019	\$ 466,963	\$ 243,975	\$ 162,836	\$ 873,774	\$ 873,774
2020	460,887	245,081	163,253	869,221	869,221
2021	459,775	245,675	163,311	868,761	868,761
2022	463,550	245,631	163,000	872,381	872,381
2023	461,150	245,400	162,096	868,646	868,646
2024-2028	1,646,650	-	808,127	2,454,777	2,454,777
Total	\$ 3,960,975	\$ 1,225,962	\$ 1,622,623	\$ 6,809,560	\$ 6,809,560
Due within one year	\$ 466,963	\$ 243,975	\$ 162,836	\$ 873,774	\$ 873,774

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 218,433,153	\$ 5,588,401	\$ (2,030,470)	\$ 221,991,084
Construction in progress	64,323,052	16,096,380	(8,807,582)	71,611,850
Total capital assets, not being depreciated	282,756,205	21,684,781	(10,838,052)	293,602,934
Capital assets, being depreciated:				
Buildings and structures	241,115,358	3,785,189	(536,384)	244,364,163
Improvements other than buildings	32,572,242	139,713	-	32,711,955
Machinery and equipment	60,705,601	4,803,196	(3,000,673)	62,508,124
Infrastructure	498,444,965	5,566,232	(1,087,234)	502,923,963
Software	7,898,120	210,651	(100,000)	8,008,771
Total capital assets being depreciated	840,736,286	14,504,881	(4,724,291)	850,516,876
Less accumulated depreciation for:				
Buildings and structures	(82,114,871)	(5,343,343)	332,303	(87,125,911)
Improvements other than buildings	(17,288,573)	(1,406,796)	-	(18,695,369)
Machinery and equipment	(37,487,418)	(4,878,473)	2,599,302	(39,766,589)
Infrastructure	(136,525,504)	(9,968,699)	503,476	(145,990,727)
Software	(4,338,284)	(601,181)	62,500	(4,876,965)
Total accumulated depreciation	(277,734,650)	(22,198,692)	3,497,581	(296,435,761)
Total capital assets, being depreciated, net	563,001,636	(7,693,711)	(1,226,710)	554,081,215
Governmental activities capital assets, net	\$ 845,757,841	\$ 13,991,070	\$ (12,064,762)	\$ 847,684,149
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 4,275,219	
Public safety			2,945,015	
Highways and streets, including depreciation of general infrastructure assets			11,764,332	
Human services			129,987	
Sanitation			15,234	
Culture and recreation			2,562,197	
Economic development			466,766	
Total depreciation expense - governmental activities			\$ 22,198,692	
Construction in progress at December 31, 2018, comprises the to-date costs of the following projects:				
Highway infrastructure			\$ 64,295,872	
Parks/Library improvement projects			5,150,815	
Attorney case management			130,285	
M-F-Tech jail management system			1,940,366	
Miscellaneous building remodels			22,364	
Radio microphone security cam			71,381	
R/C core security system			1,587	
Total construction in progress			\$ 71,611,850	

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018, was as follows:

1. Due From and To Other Funds

	Receivable	Payable	Description
Major Governmental Funds			
General Fund	\$ 1,320,000	\$ -	Short term loan
Nonmajor Governmental Funds			
Special Revenue Funds	-	850,000	Short term loan
Job Training Center	-	64,000	Short term loan
Leasehold Properties	-	414,000	
Total Nonmajor Governmental Funds	-	1,328,000	
Internal Service Funds			
Central Fleet	\$ 1,320,000	\$ 1,320,000	Short term loan
Total Due From and To Other Funds	\$ 1,320,000	\$ 1,320,000	

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	\$ 987,484	\$ -
General Fund	-	209,575
Special Revenue Funds	-	538,927
Housing and Redevelopment Authority	-	238,982
Parks and Recreation	-	-
Total Advances To and From Other Funds	\$ 987,484	\$ 987,484

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

	Transfers in	Description
Major Governmental Funds		
Transfers to General Fund from:		
Human Services	\$ 111,134	Voluntary separation program
Capital Projects	34,275	Vehicle purchase
County Library	30,177	Economic development specialist position
Parks and Recreation	61,217	Voluntary separation program
Road and Bridge	13,200	Voluntary separation program
Total General Fund	321,147	Voluntary separation program
Transfers to Road and Bridge Fund from:		
Capital Projects	7,327,950	Roadway development
Transfers to Human Services Fund from:		
Capital Projects	46,030	CIP projects
Transfers to Debt Service Fund from:		
General Fund	911,729	Lease revenue debt payments
Regional Railroad Authority	1,768,743	Transfer for debt service
Housing and Redevelopment Authority	1,345,537	Debt service allocation from operations
Total Debt Service Fund	4,026,009	
Transfers to Capital Projects Fund from:		
General Fund	3,508,896	Recorder's technology and compliance fees
General Fund	1,110,739	Future capital projects
Human Services	3,990,000	Future capital projects
County Library	500,000	Future capital projects
Total Capital Projects Fund	9,109,635	
Transfers to other Governmental Funds from:		
Various funds	7,030,108	Miscellaneous
Total Transfers in: All Funds	\$ 27,861,229	

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2018, were as follows:

	Governmental Activities
Accounts	\$ 3,400,305
Salaries	3,656,643
Contracts	2,791,346
Due to other governments	5,342,890
Matured interest	1,801,394
Total payables	\$ 17,192,284

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

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, 2018, are summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Other	Total
Major Governmental Funds						
General	\$ 993,633	\$ 519,225	\$ 490,726	\$ 6,809,560	\$ 303,557	\$ 9,116,701
Road and Bridge	110,033	11,688	-	-	17,061,904	17,183,625
Human Services	406,312	228,888	-	-	470,612	1,106,812
Debt Service	1,192	-	-	-	-	1,192
Capital Projects	1,968	-	-	-	-	1,968
Total Major Governmental Funds	1,513,138	760,801	490,726	6,809,560	17,836,073	27,410,298
Nonmajor Governmental Funds						
	181,555	2,017,658	2,584,126	-	83,050	4,866,389
Total All Funds	\$ 1,694,693	\$ 2,778,659	\$ 3,074,852	\$ 6,809,560	\$ 17,919,123	\$ 32,276,887
Liability						
Unearned revenue	\$ -	\$ 2,275,697	\$ -	\$ -	\$ 857,219	\$ 3,132,916
Deferred Inflows of Resources						
Unavailable revenue	1,694,693	502,962	3,074,852	6,809,560	17,061,904	29,143,971
Totals	\$ 1,694,693	\$ 2,778,659	\$ 3,074,852	\$ 6,809,560	\$ 17,919,123	\$ 32,276,887

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2018. Following is a list of these projects and the corresponding amounts to be completed:

Major Governmental Funds	Amount
Special Revenue Funds	
Road and Bridge	\$ 17,113,799
Various road projects	
Capital Projects Fund	
Building projects	4,219,158
Elevators	4,946
Security systems	2,381
Public Safety Data System	309,684
System projects	5,144,062
Total Capital Projects Fund	9,680,231
Total All Funds	\$ 26,794,030

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

In addition to providing a pension benefits plan, the County provides postemployment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, including employee contribution and employer contribution, are administered by the County Commissioners and can be used for medical services, dental services, vision services, and life insurance. The 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, § 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 full 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 Members/Ship

Participants of the plan consisted of the following at December 31, 2017, the date of the actuarial valuation:

Inactive employees and spouses currently receiving benefit payments	863
Inactive employees and spouses entitled to but not currently receiving benefit payments	1,714
Active employees	<u>2,645</u>

Benefits Provided

Pursuant to Minn. Stat. § 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. § 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 \$65,234,197 was measured as of December 31, 2016 and was determined with a valuation date as of December 31, 2017.

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

The County's total OPEB liability of \$65,234,197 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal level percent of pay
Inflation	2.75 percent
Investment rate of return	7.00 percent
Healthcare cost trend rates: Pre-65	8.50 percent for 2016, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Healthcare cost trend rates: Post-65	6.00 percent for 2016, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent for 2022 and later years

The investment rate of return was valued using an assumption of 7.0 percent. The OPEB plan's fiduciary net position is projected to be sufficient to meet all projected benefit payments, therefore the discount rate used to value liabilities is the 7.0 percent expected rate of return of 6.0 percent for future valuations. Cash flows into the plan equal the average contributions from Anoka County over the last 5 years. Benefit payments were projected based on the assumptions and methods disclosed in the December 31, 2018 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-2014 employee mortality table for Males or Females, as appropriate, with adjustments for mortality improvements based on scale MP-2015.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2015 to December 31, 2017.

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, 2018, the County contributed \$3,734,996 and the retirees contributed \$1,351,796 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, 2018, were as follows:

Total OPEB Liability	\$ 85,234,197
Plan fiduciary net position	60,335,103
Net OPEB liability (asset)	<u>\$ 24,899,094</u>
Plan fiduciary net position as a percentage of the total OPEB liability	70.8%
Covered-employee payroll	\$ 110,100,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	22.6%

Investments

The OPEB investments are held in an irrevocable trust and invested 100% by the Minnesota State Board of Investment 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, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 4.32 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 6.0 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. The money-weighted rate of return on OPEB plan investments was 6.0 percent. The money-weighted rate of return on OPEB plan investments was 6.0 percent. Therefore, the longer-term 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

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 1/1/18	\$ 79,614,472	\$ 64,741,505	\$ 14,872,967
Changes for the year:			
Service cost	1,888,706	-	1,888,706
Interest	5,574,498	-	5,574,498
Difference between expected and actual experience	(2,635,326)	-	(2,635,326)
Changes of assumptions	4,526,842	-	4,526,842
Contributions - employer	2,091,448	-	(2,091,448)
Net investment income (loss)	(2,758,513)	-	2,758,513
Benefit payments	(3,734,995)	-	(3,734,995)
Administrative expense	-	(4,342)	4,342
Net change	5,619,725	(4,406,402)	10,026,127
Balance at 12/31/18	<u>\$ 85,234,197</u>	<u>\$ 60,335,103</u>	<u>\$ 24,899,094</u>

The following changes in assumptions affected the measurement of the total pension liability since the prior measurement date. The discount rate was lowered from 7.0 percent to 6.0 percent, the healthcare cost trend rates were updated, as well as other assumptions from the PERA valuations. There were no changes in plan provisions, cost allocation procedures, or methods from the previous measurement.

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	\$ 76,376,333	\$ 85,234,197	\$ 95,805,452
Plan fiduciary net position	60,335,103	60,335,103	60,335,103
Net OPEB Liability	<u>\$ 16,041,230</u>	<u>\$ 24,899,094</u>	<u>\$ 35,470,349</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

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

	1% Increase	Current Trend Rates	1% Decrease
Total OPEB Liability	\$ 98,241,168	\$ 85,234,197	\$ 74,623,024
Plan fiduciary net position	60,335,103	60,335,103	60,335,103
Net OPEB Liability	<u>\$ 37,906,065</u>	<u>\$ 24,899,094</u>	<u>\$ 14,287,921</u>

OPEB Plan Fiduciary Net Position

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

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

For the year ended December 31, 2018 the County recognized OPEB expense of \$970,252. At December 31, 2018, the County reported deferred inflows and outflows of resources related to OPEB from the following sources:

Source	Balances at December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,282,032
Changes of assumptions	3,919,969	-
Net difference between projected and actual earnings on investments	<u>890,962</u>	<u>2,282,032</u>
Total	<u>\$ 4,810,931</u>	<u>\$ 2,282,032</u>

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

Year	Amount
2019	\$ 68,383
2020	68,383
2021	68,383
2022	1,700,127
2023	253,581
Thereafter	370,042

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 \$651,913 at December 31, 2018, 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 full time equivalent (FTE) and years of service.

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at \$19,942,889 on December 31, 2018. 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 full time equivalent.

5. Operating Leases

The County currently has 13 operating leases. The County made operating lease payments totaling \$532,909 in 2018. The following is a schedule of future minimum operating lease payments.

Year Due	Lease Payments
2019	\$ 498,903
2020	478,620
2021	411,119
2022	377,114
2023	273,297
2024-2028	1,104,931
2029-2030	48,876
Total	\$ 3,192,860

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, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Lease Revenue Obligations	\$ 2,645,000	\$ -	\$ (280,000)	\$ 2,365,000	\$ 300,000
General Obligation Bonds and Capital Improvement Bonds	107,620,000	9,970,000	(27,685,000)	89,905,000	18,065,000
General Obligation Bonds Supported by Revenue	18,970,000	1,450,000	(3,020,000)	17,400,000	1,545,000
Limited Tax Bonds	24,310,000	-	(1,315,000)	22,995,000	1,340,000
Total Debt	153,545,000	11,420,000	(32,310,000)	132,655,000	21,250,000
Issuance premiums	7,223,076	855,900	(1,340,330)	6,738,646	-
Issuance discounts	(31,238)	-	3,326	(27,912)	-
Net Debt	\$ 160,736,838	\$ 12,275,900	\$ (33,647,004)	\$ 139,365,734	\$ 21,250,000

Refunding Bond and Note Disclosures

On January 30, 2018, the County issued \$1,450,000 General Obligation Housing Development Revenue Refunding Bonds, Series 2018A, with an interest rate of 2.50 percent to refund \$1,515,000 of the outstanding City of Ham Lake Refunding Bonds, Series 2008A with an average interest rate of 4.15 percent. The net proceeds of the 2018A bonds were used to refund the 2008A bonds on February 1, 2018. The County refunded the 2008A bonds to reduce its total debt service payments by \$203,435 and obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$88,793.

On November 20, 2018, the County issued \$6,855,000 General Obligation Refunding Bonds, Series 2018A, with an interest rate of 5.00 percent to refund \$7,370,000 of the outstanding General Obligation Capital Improvement Bonds, Series 2009A with an average interest rate of 4.00 percent. The net proceeds of the 2018A bonds will be used to refund the 2009A bonds on February 1, 2019. The County refunded the bonds to reduce its total debt service payments by \$520,652 and obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$484,645.

Bonds and notes payable at December 31, 2018 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 on or after 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 or after January 1, 2017, and are subject to interest 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.

\$1,930,000 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.

Total Lease Revenue Obligations

	\$ 1,100,000
	\$ 2,365,000

<u>3. Detailed Notes on All Funds</u>			
<u>C. Liabilities and Deferred Inflows of Resources</u>			
<u>6. Long-Term Debt - Bonds and Notes (Continued)</u>			
<u>b. General Obligation Bonds and Notes:</u>			
<p>\$1,395,000 July 17, 2008 General Obligation Airport Improvement Bonds (AMT): serial bonds maturing in amounts ranging from \$65,000 to \$125,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 4.50 to 5.00 percent. Bonds maturing on or after February 1, 2018, 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 Andak County/Blaine Airport.</p>	485,000	\$ 13,915,000	
<p>\$18,310,000 February 19, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$1,000,000 to \$1,620,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, Bunker Beach expansion, reconstruction of interchange of Main Street (CSAH 14) at I-35E, reconstruction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.</p>	8,640,000	7,240,000	
<p>\$3,000,000 July 9, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$290,000 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, 2016, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the construction of a Public Safety Campus facility.</p>	330,000	8,780,000	
<p>\$20,000,000 September 22, 2009 Taxable General Obligation OPEB Bonds: serial bonds maturing in amounts ranging from \$1,430,000 to \$2,235,000 each February 1 in the years 2011 to 2021 with interest due each February 1 and August 1 at a rate of 1.25 to 4.81 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund a portion of the County's actuarial determined liabilities to pay other post-employment benefits under GASB Statement No. 45.</p>	6,395,000	15,890,000	
<p>\$1,485,000 December 9, 2009 General Obligation Recreational Refunding Bonds: serial bonds maturing in amounts ranging from \$105,000 to \$145,000 each February 1 in the years 2012 to 2023 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund improvements to the County's Bunker Hills Aquatic Center.</p>	690,000	3,115,000	
<p>\$4,030,000 July 14, 2010 General Obligation Bonds: serial bonds maturing in amounts ranging from \$250,000 to \$500,000 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 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 building repair and maintenance, energy management improvements, and parking ramp and pavement restoration.</p>	535,000	6,855,000	
<p>\$8,180,000 September 29, 2011 General Obligation Bonds: serial bonds maturing in amounts ranging from \$370,000 to \$690,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 3.125 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, renovation of the law enforcement range, construction at St. Francis Library, and expansion of the Highway Campus facility.</p>	5,395,000	8,905,000	
<p>\$13,880,000 February 23, 2012 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$785,000 to \$1,155,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund reconstruction of Ulysses Street (CSAH 14) from Main Street (CSAH 116) to Bunker Lake Boulevard (CSAH 57) and reconstruction of Blaine Road (CSAH 116) from Bunker Lake Boulevard (CSAH 57) to Germanium Street, expansion of the Highway Campus facility, and pavement redamation and overlay.</p>	9,020,000	\$ 89,905,000	
Total General Obligation Bonds and Notes			\$ 89,905,000

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 (Continued)

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 coverage during 2016.

Debt Issuance	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage **
\$3,200,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2009A	\$ 610,800	\$ 365,191	\$ 245,609	\$ 180,000	\$ 75,108	\$ 235,108	1.09
\$5,750,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	738,445	418,134	320,311	200,000	136,543	336,543	0.90
\$3,170,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	838,795	658,232	180,563	85,000	88,914	173,914	1.06
\$5,230,000 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds, Series 2012A **	580,965	-	580,965	505,000	62,312	567,312	1.02
\$5,655,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2012B	481,850	-	481,850	400,000	67,000	467,000	1.05
\$1,450,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2018A	547,293	287,405	259,888	-	31,115	31,115	8.35

* 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)

\$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.

\$ 1,935,000

\$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.

4,915,000

\$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.

2,755,000

\$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.

2,685,000

\$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 \$730,000 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.

3,660,000

\$1,450,000 January 30, 2018 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$170,000 to \$200,000 each January 1 in the years 2019 to 2026 with interest due each January 1 and July 1 at a rate of 2.50 percent. Bonds maturing January 1, 2025, and thereafter are subject to redemption on January 1, 2024, and on any date thereafter at a price of par plus accrued interest. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Ham Lake.

1,450,000

Total General Obligation Bonds Supported by Revenue

17,400,000

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 August 1, 2025, are subject to redemption on 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 the remainder of Anoka County and Sherburne County's Regional Rail Authorities and their consulting portion of the Northstar Commuter Rail and extension of the Hiawatha Light Rail Transit Line.

22,995,000

Total Bonds and Notes Payable

\$ 132,655,000

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 Scheduled By Revenue		Total
			Capital Leases	General Obligation Bonds	
2019	\$ 406,811	\$ 21,032,210	\$ 2,003,251	\$ 21,250,000	\$ 4,252,578
2020	408,334	12,951,148	2,002,086	13,695,000	3,721,149
2021	408,987	12,891,319	2,001,206	14,240,000	3,214,586
2022	407,465	9,624,369	2,000,146	11,650,000	2,316,182
2023	407,436	9,624,369	2,000,146	11,650,000	2,316,182
2024-2028	808,125	29,932,614	6,289,976	40,880,000	6,405,771
2029-2033	-	8,441,691	3,239,653	18,440,000	1,428,817
2034-2038	-	-	1,480,300	1,410,000	70,300
Total payments less interest	2,845,585 (652,365)	104,225,485 (14,220,460)	21,009,581 (3,609,361)	28,729,072 (5,234,072)	\$ 24,157,723
Total principal due	\$ 2,935,000	\$ 89,295,000	\$ 17,400,000	\$ 22,895,000	\$ 132,655,000

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, 2018, are summarized as follows:

	Long-Term Obligations Governmental Activities	
	Capital Leases	Loans Payable
Payable, January 1, 2018	\$ 2,719,891	\$ 1,608,912
Additions	(887,470)	33,383
Deletions	(13,725,367)	(303,963)
Payable, December 31	\$ 2,032,412	\$ 1,669,214
Due within one year	\$ 662,843	\$ 309,364

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

8. Long-Term Obligations—Other (Continued)

Capital Leases

The County currently has a capital lease-to-purchase agreement for 70 golf carts at Chomony Golf Course, which ended at the end of 2018. 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	Year Due	Communication Equipment
2019		\$ 707,369
2020		707,369
2021		707,369
Total payments		2,122,107
Less interest		(89,695)
Present Value of Net Minimum Payments		\$ 2,032,412

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	Year Due	AgBMP
2019		\$ 309,364
2020		339,021
2021		274,449
2022		256,150
2023		168,641
2024-2028		314,590
2029		6,989
Total payments		\$ 1,669,214

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 \$13,595,000 at December 31, 2018. There are two recovery zone bond issuances at December 31, 2018:

	Issue	Principal Balance
Fridley Medical Center Project	2010A	\$ 10,720,000
Park River Estate Care Center	2010D	2,785,000
Total		\$ 13,505,000

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:					
Prepaid items	\$ 83,517	\$ 2,537,609	\$ -	\$ -	\$ 2,621,126
Total Nonspendable	\$ 83,517	\$ 2,537,609	\$ -	\$ -	\$ 2,621,126
Restricted for:					
911 capital expenditures	\$ 1,908,613	\$ -	\$ -	\$ -	\$ 1,908,613
Police and fire law	5,000	-	-	-	5,000
Narcotics program	750,000	-	-	-	750,000
Solid waste abatement (recycling)	170,000	-	-	-	170,000
Household Hazardous Waste program	552,995	-	-	-	552,995
Solid waste dump	5,684,009	-	-	-	5,684,009
Waste processing	1,000,000	-	-	-	1,000,000
Dedicated donations	44,608	48,257	-	-	92,865
Drug and narcotics enforcement	73,470	73,470	-	-	146,940
Economic development grants	847,457	647,457	-	-	1,494,914
Edin P. Wilgo estate	219,468	219,468	-	-	438,936
Ag Preservation programs	64,481	64,481	-	-	128,962
Law Enforcement Council	3,779	3,779	-	-	7,558
Law enforcement	230,438	230,438	-	-	460,876
Amounts with escrow agents	3,279,032	2,625,946	-	-	5,904,978
Debt proceeds restricted for capital projects	-	30,040,359	-	-	30,040,359
Household Hazardous Waste Facility	-	12,658,077	-	-	12,658,077
Transportation projects	-	2,507,984	-	-	2,507,984
Recident compliance	-	17,742,709	-	-	17,742,709
Total Restricted	\$ 12,938,862	\$ 5,532,775	\$ 32,675,335	\$ 32,688,437	\$ 83,835,399
Committed for:					
Library	\$ -	\$ 3,650,989	\$ -	\$ -	\$ 3,650,989
Cooperative Extension programs	-	172,871	-	-	172,871
Total Committed	\$ -	\$ 3,823,860	\$ -	\$ -	\$ 3,823,860
Assigned for:					
Secured juvenile facility	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
Drug and narcotics enforcement	13,961,551	-	-	-	13,961,551
Police and fire	146,695	97,853,135	-	-	148,549,830
Economic development	-	22,900,751	-	-	22,900,751
Parks	-	1,754,460	-	-	1,754,460
Bunker Beach Aquatic Center	252,815	675,447	-	-	928,262
Medical examine operations and building	-	1,713,386	-	-	1,713,386
Oaks of Lake George operations	-	8,393	-	-	8,393
One time capital projects	-	687,434	-	-	687,434
IT capital projects	-	12,574	-	-	12,574
Innovative capital projects	-	6,768,652	-	-	6,768,652
County building capital projects	-	650,459	-	-	650,459
Library building capital projects	-	2,293,894	-	-	2,293,894
Asset preservation	-	2,546,230	-	-	2,546,230
Transportation projects	-	16,194,669	-	-	16,194,669
Total Assigned	\$ 5,253,061	\$ 94,659,691	\$ -	\$ 29,751,491	\$ 119,664,243

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 (PERA). PERA administers the Coordinated Plan, the Police and Fire Plan, the Public Employees Plan (the General Employees Plan), the Public Employees Police and Fire Plan (the Police and Fire Plan), and the Public Employees Local Government Correctional Service Retirement Plan (the 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.

The General Employees 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 Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No Anoka County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the 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 prorated basis starting with 50 percent after five 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 5.00 percent 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 Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five 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 Plan and Police and Fire Plan benefit recipients receive a future annual 1.00 percent for the post-retirement benefit increase, while Correctional Plan benefit recipients receive 2.50 percent. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will be 2.50 percent. If, after reverting to a 2.50 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 1.00 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 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated 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 Coordinated Plan member is 1.20 percent of average salary for each of the first 10 years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

For General Employees 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 Police and Fire Plan and 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.

3. Detailed Notes on All Funds.

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

c. Contributors

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for contributions are established by Minnesota Statute 353.01. General Employees Plan members were required to contribute 6.50 percent of their annual covered salary in 2018. Police and Fire Plan members were required to contribute 10.80 percent of their annual covered salary in 2018. Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2018.

In 2018, the County was required to contribute the following percentages of annual covered salary:

General Employees Plan - Coordinated Plan members	7.50%
Police and Fire Plan	16.20%
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, 2018, to the pension plans were:

General Employees Plan	\$ 7,175,595
Police and Fire Plan	1,943,880
Correctional Plan	1,059,473

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

d. Pension Costs

General Employees Plan

At December 31, 2018, the County reported a liability of \$78,306,945 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 1.41 percent. It was 1.47 percent measured as of June 30, 2017. The County recognized pension expense of \$6,649,344 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized \$598,990 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 Police and Fire Plan, which qualifies as a special funding situation under Minnesota Statute 353.01. The State of Minnesota is required to contribute \$16 million to the General Employees Plan for the fiscal years ended June 30, 2018 and 2019, and \$6 million thereafter, through calendar year 2031.

Anoka County's proportionate share of the net pension liability	\$ 78,306,945
State of Minnesota's proportionate share of the net pension liability associated with the County	2,568,597
Total	\$ 80,875,532

3. Detailed Notes on All Funds.

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

The County reported its proportionate share of the General Employees 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	\$ 2,154,784	\$ 2,307,963
Changes in actuarial assumptions	7,559,183	9,048,456
Difference between projected and actual investment earnings	-	8,318,348
Changes in proportion	1,643,624	3,584,208
Contributions paid to PERA subsequent to the measurement date	3,577,068	-
Total	\$ 14,934,659	\$ 23,258,975

A total of \$3,577,068 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, 2019. 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
	2019	\$ 1,861,484
	2020	(4,614,111)
	2021	(7,514,356)
	2022	(1,634,401)

Police and Fire Plan

At December 31, 2018, the County reported a liability of \$11,562,037 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 1.09 percent. It was 1.14 percent measured as of June 30, 2017. The County recognized pension expense of \$1,218,270 for its proportionate share of the Police and Fire Plan's pension expense.

The County also recognized \$97,794 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 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 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	\$ 480,346	\$ 2,856,063
Changes in actuarial assumptions	14,272,135	17,884,473
Difference between projected and actual investment earnings	-	2,600,973
Changes in proportion	1,744,688	916,637
Contributions paid to PERA subsequent to the measurement date	1,021,191	-
Total	\$ 17,518,360	\$ 24,260,346

3. Detailed Notes on All Funds.

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

A total of \$1,021,191 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, 2019. 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
2019	(366,786)
2020	(926,548)
2021	(1,775,164)
2022	(4,534,081)
2023	(160,598)

Correctional Plan

At December 31, 2018, the County reported a liability of \$956,886 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2018, 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 determined on the basis of the County's contribution to the pension plan relative to the total employer contributions paid for the year ended July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 5.82 percent. It was 6.07 percent measured as of June 30, 2017. The County recognized pension expense of \$(1,134,494) for its proportionate share of the Correctional Plan's pension expense.

The County reported its proportionate share of the 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	\$ 49,968	\$ 106,711
Changes in actuarial assumptions	4,538,605	11,147,222
Difference between projected and actual investment earnings	-	1,133,251
Changes in proportion	401,845	546,382
Contributions paid to PERA subsequent to the measurement date	543,246	-
Total	\$ 5,533,664	\$ 12,933,566

A total of \$543,246 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, 2019. 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
2019	440,875
2020	(4,290,404)
2021	(3,583,200)
2022	(200,329)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2018, was \$6,733,120.

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, 2018, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled beneficiaries for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan and 2.00 percent for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 30, 2015. The experience study for the Police and Fire Plan was dated August 30, 2016. The experience study for the Correctional Plan was dated February 2012. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The long-term expected rate of return on pension plan investments is 7.50 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	36%	5.10%
International stocks	17%	5.30%
Bonds (fixed income)	20%	0.75%
Alternative assets (private markets)	25%	5.90%
Cash	2%	0.00%

f.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2018, which remained consistent with 2017. 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 Plan, the Police and Fire Plan, and the Correctional 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.

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 2018:

General Employees Plan

- The mortality projection scale was changed from MP-2015 to MP-2017.

- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

Police and Fire Plan

- The mortality projection scale was changed from MP-2016 to MP-2017.

- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.

- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Correctional Plan

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.

- The mortality projection scale was changed from MP-2016 to MP-2017.

- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

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 1.00 percentage point lower or 1.00 percentage point higher than the current discount rate:

	Proportionate Share of the:					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability (Asset)
1% Decrease	6.50%	\$ 127,258,811	6.50%	\$ 24,832,613	6.50%	\$ 8,189,300
Current	7.50%	78,306,945	7.50%	11,582,037	7.50%	966,886
1% Increase	8.50%	37,898,577	8.50%	624,360	8.50%	(4,828,824)

3. Detailed Notes on All Funds.

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

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 related supplementary information that report information obtained on the dates indicated in the report. The report is available for review at the County Auditor's Office, 1500 Washington Avenue, Suite 200, St. Paul, Minnesota 55103-2008, or by calling 651-266-7460 or 1-800-632-8026.

2. Defined Contribution Plan

Nine employees of Anoka County are covered by the Public Employees Defined Contribution Plan, a multiple-employer defined compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. § 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, 2018, were:

	Employee	Employer
Contribution amount	\$ 26,391	\$ 26,391
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.

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.

3. Detailed Notes on All Funds

F. Risk Management (Continued)

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:

	2018	2017
Unpaid claims, January 1	\$ 2,761,006	\$ 2,759,617
Self-funded claims	805,969	176,079
Adjustments	800,188	143,988
Claim payments	(1,047,919)	(318,678)
Unpaid claims, December 31	\$ 3,319,244	\$ 2,761,006
Due within one year	\$ 264,643	

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 2018 workers' compensation claims is \$500,000 per occurrence for all claims occurring in 2018 and 2019. 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. § 466.04 maximum liability and thus does not purchase any excess insurance.

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

	Per Person	Per Occurrence
All claims before 01/01/1988	\$ 200,000	\$ 600,000
Claims from 01/01/1988 to 12/31/1989	300,000	750,000
Claims from 01/01/2000 to 12/31/2007	300,000	1,000,000
Claims from 01/01/2008 to 07/01/2009	400,000	1,200,000
Claims on or after 07/01/2009	500,000	1,500,000

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

G. Joint Ventures

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

1. Metropolitan Emergency Services Board: The Metropolitan Emergency Services Board was established by a joint powers agreement pursuant to Minn. Stat. sec. 471.59 between the Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the City of Minneapolis, for the implementation and administration of a regional 911 system. Chicago 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 \$139,388 in 2018. 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, 2089 University Avenue, West Saint Paul, Minnesota 55104-3481.
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. § 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 grants and programs of the federal government, the State of Minnesota, and other governmental and private sources. The MELSA agency handles the ongoing function of the County. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, Minnesota 55104-9276.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

3. Northstar Corridor Development Authority (NCDA): Anoka County entered into a joint powers agreement with 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 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, including county contributions and the regional rail bond agreement, are used to fund the project. The NCDA has priority over other projects for funding for NCDA. Grants are paid to the NCDA. Beginning in 2017 Anoka County has contributed a standard amount of \$6,000 annually which will continue 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.

As of December 1, 2016, the NCDA was dissolved pending final payouts to occur in 2018. 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 § 360.04Z 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 § 297A.992, by joint powers agreement between the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington. Its purpose is to receive and distribute a 1/2 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. Final cash payout is to occur in 2019.

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, Coon Rapids, Fridley, Maple Grove, Ramsey and Rogers 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 2018. 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 2018.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

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, Levington, Lino Lakes, Ramsey, and Spring Lake Park, and the Circle Pines-Levignon-Centerville Joint Municipal Police Commission. This agreement superseded the previous agreements and created the JLEC by the power granted by Minn. Stat. § 471.59. Its purpose is to improve the efficiency and effectiveness of law enforcement and 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. Common equipment purchased through Anoka County 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 forensic 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, Chicago County, Isanti County, Kandake County, Miller Lake 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, § 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, § 79 which were defeased 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 geographic areas 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 § 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 2018, there were 17 pay-as-you-go notes within the County. The tax increment collections during 2018 associated with these notes totaled \$3,928,499. 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, 2018, 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	\$ 70,032	\$ 21,010
Blaine	3	388,944	116,683
Columbia Heights	3	511,211	153,363
Coon Rapids	2	178,146	53,444
Fridley	3	1,660,606	498,182
Lino Lakes	1	139,338	41,801
Ramsey	4	980,222	294,067
Total	17	\$ 3,928,499	\$ 1,178,550

D. Subsequent Event

On April 9, 2019, the County Board issued a \$1,550,000 conduit note that will be covered by the revenues of Sunwood Townhomes. The Note is a conduit or Private Activity Note, that has no pledge of taxes and therefore does not obligate Anoka County.

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues					
Taxes	\$ 63,847,013	\$ 63,847,013	\$	\$ 64,257,848	\$ 410,835
Licenses and permits	209,865	342,765		342,890	(175)
Intergovernmental	21,238,883	22,237,379		24,179,900	1,942,421
Grants	26,116,633	27,365,633		(46,669)	(46,669)
Fees and forfeitures	4,000	4,000		27,411,658	16,817,658
Investment income	1,700,000	1,700,000		5,235,931	3,535,931
Net change in fair value of investments	-	(760,916)		(760,916)	-
Miscellaneous	2,565,967	3,545,612		3,846,268	300,656
Total Revenues	117,662,161	118,851,196		124,586,924	5,735,728

REQUIRED SUPPLEMENTARY INFORMATION

	Budgeted Amounts		Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
Expenditures					
Current					
General government					
Management appropriations	932,367	932,367		921,437	10,930
Information technology	5,148,163	4,739,180		4,583,501	175,679
Government relations	169,232	(169,232)		164,910	4,322
Administration	(1,970,045)	(1,970,045)		1,794,910	(175,135)
County administration	919,045	890,945		818,989	100,056
Employee relations	1,704,933	1,612,238		1,582,146	30,090
Property tax administration and collection	6,780,867	6,583,116		6,427,689	155,417
License bureau	3,574,500	3,539,864		3,246,284	293,890
Internal audit	164,501	164,501		164,637	(136)
Arrest services	879,744	879,744		912,595	(32,851)
Alcohol	9,683,764	9,724,015		9,125,965	(622,230)
Surveyor	1,156,162	1,074,681		712,754	361,927
Facilities management and construction	1,372,827	1,662,708		1,967,559	(324,851)
Veterans services	578,063	583,102		586,818	26,184
Geographic information system	343,580	343,580		290,503	53,077
Transit and volunteer transportation	3,011,461	2,989,693		2,986,622	303,071
County engineering services	4,549,000	4,549,000		4,549,000	
County registration services	1,448,093	1,448,093		1,638,610	(190,517)
Public information	561,951	524,944		486,713	38,231
Miscellaneous	244,027	244,027		619,710	(375,683)
Total general government	40,928,929	41,168,657		42,291,695	(1,103,038)
Public safety					
Sheriff	35,757,986	36,453,999		36,403,933	50,066
Central communications	5,544,850	4,889,692		5,065,753	(176,061)
Emergency management	310,737	535,329		535,718	(389)
Corrections	25,271,445	25,242,228		24,338,508	903,720
Total public safety	66,914,918	67,121,248		66,343,912	777,336

(Continued)

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current (continued)				
Human services	\$ 418,567	\$ 418,567	\$ 416,692	\$ 1,875
Community action program				
Sanitation	5,530,507	5,477,601	4,141,402	1,336,199
Solid waste				
Culture and recreation	167,623	70,123	162,623	(62,500)
Historical society/airgrounds				
Conservation of natural resources	169,492	169,492	166,992	2,500
Soil and water conservation district				
Total Expenditures	114,129,936	114,445,698	113,513,316	932,372
Excess of Revenues Over (Under) Expenditures	3,552,245	4,405,608	11,073,608	6,668,100
Other Financing Sources (Uses)				
Transfers in	1,242,745	1,242,745	321,497	(921,248)
Transfers out	(3,225,739)	(4,830,381)	(7,219,487)	(2,389,106)
Total Other Financing Sources (Uses)	(1,982,993)	(3,587,636)	(6,897,990)	(3,310,354)
Net Change in Fund Balance	1,569,252	817,972	4,175,618	3,357,746
Fund Balance - January 1	50,770,769	50,770,769	50,770,769	-
Fund Balance - December 31	\$ 52,340,021	\$ 51,588,641	\$ 54,946,387	\$ 3,357,746

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,775,635	\$ 7,775,635	\$ 7,758,192	\$ (17,443)
Licenses and permits	51,000	51,000	99,896	48,896
Intergovernmental	45,080,297	45,080,297	41,147,802	(3,932,495)
Investment income	67,000	67,000	67,000	0
Miscellaneous	192,000	192,000	253,893	61,893
Total Revenues	53,128,932	53,128,932	49,322,477	(3,806,455)
Expenditures				
Current				
Highways and streets	1,260,711	1,260,711	1,262,216	28,495
Maintenance	10,938,741	11,007,745	8,703,949	2,303,796
Construction	37,601,367	37,583,571	24,250,955	13,332,616
Equipment maintenance and shop	3,309,360	3,309,360	2,632,862	676,378
Intergovernmental	31,917	31,917	218,166	(186,269)
Highways and streets				
Total Expenditures	53,172,066	53,223,304	37,068,288	16,155,016
Excess of Revenues Over (Under) Expenditures	(43,164)	(94,372)	12,254,189	12,348,661
Other Financing Sources (Uses)				
Transfers in			7,327,950	7,327,950
Transfers out	74,827	74,827	(71,500)	(46,327)
Proceeds from land sales			3,500	3,500
Total Other Financing Sources (Uses)	74,827	74,827	7,259,950	7,185,123
Net Change in Fund Balance	31,663	(19,545)	19,514,139	19,533,684
Fund Balance - January 1	6,024,713	6,024,713	6,024,713	-
Increase (decrease) in inventories				
Fund Balance - December 31	\$ 6,056,376	\$ 6,005,168	\$ 25,509,228	\$ (37,924)
				\$ 19,495,760

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, 2018

Schedule 3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	34,628,563	34,628,563	\$ 34,510,902	\$ (117,661)
Licenses and permits	1,049,504	1,049,504	1,052,395	2,891
Intergovernmental	53,839,598	53,839,598	53,979,620	140,022
Fees for services	2,165,000	2,165,000	2,465,522	300,522
Miscellaneous	230,925	230,925	484,525	173,570
Total Revenues	92,801,105	92,801,105	92,988,794	187,689
Expenditures				
Current				
Police services	31,703,542	31,416,946	28,968,008	2,448,938
Economic assistance	52,641,005	53,126,285	50,630,812	2,445,473
Social services	25,363	25,363	20,138	5,225
Mental health	8,431,196	8,314,059	7,956,127	357,942
Community health				
Total Expenditures	92,801,106	92,882,653	87,625,085	5,257,576
Excess of Revenues Over (Under) Expenditures	(1)	(81,558)	5,363,709	6,445,267
Other Financing Sources (Uses)				
Transfers in	-	-	46,030	46,030
Transfers out	-	-	(4,101,134)	(4,101,134)
Total Other Financing Sources (Uses)	-	-	(4,055,104)	(4,055,104)
Net Change in Fund Balance	(1)	(81,558)	1,308,605	1,390,163
Fund Balance - January 1	36,102,197	36,102,197	36,102,197	-
Fund Balance - December 31	36,102,196	36,020,639	37,410,802	1,390,163

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, 2018

Schedule 4

	2017	2018
Total OPEB Liability		
Service cost	\$ 1,638,484	\$ 1,885,706
Interest	5,326,822	5,574,498
Differences between expected and actual experience	-	(2,635,340)
Changes of assumptions	(3,619,603)	(3,734,995)
Benefit payments	3,343,703	5,619,725
Net change in total OPEB liability	76,270,769	79,614,472
Total OPEB Liability - Beginning	79,614,472	85,234,197
Total OPEB Liability - Ending (a)	155,885,241	164,848,669
Plan fiduciary net position		
Contributions - Employer	1,976,056	2,091,448
Net investment income (loss)	11,914,287	(2,756,513)
Benefit payments	(3,619,603)	(3,734,995)
Administrative expense	(3,937)	(4,342)
Net change in plan fiduciary net position	10,266,803	(4,406,402)
Plan fiduciary net position - beginning (b)	54,474,702	64,741,505
Plan fiduciary net position - ending (b)	64,741,505	60,335,103
Net OPEB Liability (asset) - ending (a) - (b)	\$ 14,872,967	\$ 24,899,094
Total OPEB Liability - ending	\$ 546,534	\$ 1,252,168
Sheriff's Licensed Deputies bargaining unit only		
Plan fiduciary net position as percentage of the total OPEB liability	81.30%	70.80%
Covered-employee payroll	\$ 106,400,000	\$ 110,100,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	14.0%	22.6%

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

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

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
DECEMBER 31, 2018

Schedule 5

	2017	2018
Actuarially determined contribution	\$ 3,479,801	\$ 4,027,444
Contributions in relation to the actuarially determined contribution	3,619,603	3,734,995
Contribution deficiency (excess)	\$ (139,802)	\$ 292,449
Covered-employee Payroll	\$ 106,400,000	\$ 110,100,000
Contributions as a percentage of covered-employee payroll	3.4%	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.

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2018

Schedule 6

	2017	2018
Annual money-weighted rate of return, net of investment expenses	22.21%	-4.32%

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

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

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ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 7

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) with Anoka County	State's Proportionate Share of the State's Related Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(a)	(b)	(c)	(d)	(e)	(f)
2015	1.470%	\$ 76,199,620	N/A	\$ 84,985,280	78.19%
2016	1.426%	116,919,659	1,576,652	89,515,671	68.91%
2017	1.426%	76,308,945	117,352,278	89,515,671	82.35%
2018	1.412%	76,308,945	80,875,532	94,878,167	79.50%

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.

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 8

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(a)	(b)	(c)	(d)	(e)
2015	1.131%	\$ 12,850,807	\$ 10,074,629	86.61%
2016	1.077%	43,221,884	10,373,698	63.88%
2017	1.141%	15,404,858	11,710,914	85.43%
2018	1.087%	11,582,037	11,357,344	88.80%

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, 2018

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%
2018	7,175,595	7,175,595	-	95,674,005	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.

SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018

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%
2018	1,928,534	1,943,880	15,346 *	11,904,636	16.33%

*An additional contribution was made for an employees military buyback in 2018. 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.

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, 2018

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 County Development Fund and the Job Training Center Fund, for which the County Board has authority, are budgeted on a calendar-year basis. The State and Federal Funds are budgeted on a fiscal year basis. Program changes and the resulting expenditures cannot be determined on an annual basis. Similarly, a budget is not adopted for the Forfeiture Funds Special Revenue Fund because it accounts for the proceeds from forfeited property, which cannot be determined on an annual basis.

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

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

2. Excess of Expenditures Over Budget

The following departments/divisions have expenditures in excess of budget for the year ended December 31, 2018:

	Expenditures		Excess
	Final Budget	Actual	
Major Governmental Funds			
General Fund			
Current			
General Government			
Countywide services	\$ (1,361,385)	\$ 1,219,587	\$ 2,580,972
Internal audit	164,501	164,637	136
Election services	1,035,570	1,328,926	293,356
Facilities management and construction	1,662,708	1,987,559	324,851
Courts administration	1,448,083	1,658,610	210,517
Miscellaneous	244,027	619,710	375,683
Public Safety			
Central communications	4,889,692	5,065,753	176,061
Emergency management	535,329	535,718	389
Culture and Recreation			
Historical society/Fairground	70,123	152,623	82,500
Road and Bridge Fund			
Intergovernmental			
Highways and Streets	31,917	218,186	186,269

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. 471.8175 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. See Note 3.C.4. in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

Schedule 9

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018**

Measurement Date	Employer's Proportionate Share of the Net Pension Liability (Asset)		Employer's Proportionate Share of the Net Pension Liability (Asset)		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	Proportion	Liability (Asset)	Proportion	Liability (Asset)	
2015	6.050%	\$ 935,330	10.872%	\$ 10,872,741	96.95%
2016	5.850%	24,370,869	11.034%	708	58.16%
2017	6.070%	17,269,561	12.092%	301	67.89%
2018	5.818%	956,886	11.878%	626	97.60%

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, 2018**

Year Ending	Statutorily Required Contributions		Contribution Excess (Deficiency)		Actual Contributions in Relation to Statutorily Required Contributions (b)	Actual Contributions as a Percentage of Covered Payroll (b/c)
	(a)	(b-a)	(c)	(b/c)		
2015	\$ 1,010,710	\$ -	\$ 11,550,976	8.75%		8.75%
2016	982,247	-	11,226,018	8.75%		8.75%
2017	1,039,660	-	11,883,441	8.75%		8.75%
2018	1,059,473	-	12,097,295	8.75%		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**

**ANOKA COUNTY
ANOKA, MINNESOTA**

5. Employer Contributions to Other Postemployment Benefits Actuarial Methods, and Assumptions (Continued)

The following changes in actuarial assumptions occurred at the end of 2018:

Discount rate	Decreased from 7.00% to 6.00%
Healthcare cost trend rates Pre-65	8.5% for 2018, decreasing 0.5% per year
Healthcare cost trend rates Post-65	6.0% for 2018, decreasing 0.25% per year to an ultimate rate of 5.0% for 2022 and later years
Retirement age	In the 2018 actuarial valuation, expected retirement ages were based on County experience and drawn from the PERA July 1, 2017 Actuarial Valuations
Mortality rate tables	Changed from RP-2000 to RP-2014 Employee Mortality Table with a projection scale MP-2015 or MP-2016, depending on the PERA plan

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, 2018:

General Employees Retirement Plan

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

2017

- The Combined Services 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

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions

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 invested 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 3.00 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 1.00 percent for all years to 1.00 percent per year through 2064, and 2.50 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 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

**ANOKA COUNTY
ANOKA, MINNESOTA**

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

Joint Law Enforcement Council - to account for the public safety revenues and expenditures resulting from a joint collaboration between Anoka County and several municipality fire and police departments within the County.

5. Defined Benefits Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (Continued)
Public Employees Correctional Plan

2018

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

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.

ANOKA COUNTY
ANOKA, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Job Training Center	County Library	Parks and Recreation	Medical Examiner	Cooperative Extension	Law Library	Special Revenue					Forfeiture Funds	Joint Law Enforcement Council	Total Nonmajor Governmental Funds
							Regional Railroad Authority	Housing and Redevelopment Authority	Leasehold Properties	Community Development	Regional Railroad Authority			
Assets														
Cash and pooled investments	\$ 1,146	\$ 4,643,001	\$ 2,756,176	\$ 1,699,626	\$ 246,760	\$ 345,206	\$ 13,814,752	\$ 9,890,994	\$ 2,908	\$ 360,855	\$ 337,199	\$ 35,649,703		
Escrow agents	-	-	-	-	-	-	-	645,309	-	-	-	645,309		
Delinquent taxes receivable	-	87,392	31,694	-	3,869	-	-	23,787	-	-	-	181,566		
Accounts receivable, net	-	35,460	13,854	90,400	-	-	34,924	2,561	-	-	-	151,686		
Loans receivable	-	-	-	-	-	-	-	-	9,411	-	-	2,584,125		
Due from other governments	381,622	13,828	1,538,101	69,735	-	26,625	-	-	-	3,516	-	2,046,561		
Inventories	-	-	34,541	-	-	-	-	-	-	-	-	34,541		
Prepaid items	-	-	-	-	-	-	-	-	-	-	554,210	554,210		
Total Assets	382,768	4,779,681	4,374,256	1,859,761	250,629	371,831	13,849,676	10,562,651	12,319	364,371	891,409	41,847,691		
Liabilities, Deferred Inflows of Resources and Fund Balances														
Liabilities														
Accounts payable	-	89,704	37,224	87,677	6,561	2,484	-	164,160	3,100	463	53,407	444,924		
Salaries payable	-	100,117	74,879	53,015	2,827	3,192	605	4,397	-	-	-	239,032		
Contracts payable	-	14,259	146,053	5,683	-	8,150	1,075	-	41	-	30,188	205,449		
Due to other funds	350,000	-	-	-	-	-	-	-	64,000	-	-	414,000		
Due to other governments	-	6,497	5,867	-	-	200	-	-	3,201	-	51,225	533,613		
Advances from other funds	-	-	238,982	-	-	-	-	536,927	-	-	-	777,909		
Unearned revenues	29,479	830,723	643,349	-	-	-	-	-	2,775	-	-	1,609,634		
Total Liabilities	379,479	1,041,300	1,146,354	146,375	9,408	14,036	1,680	707,484	73,117	463	134,820	4,224,561		
Deferred Inflows of Resources														
Unavailable revenue	-	87,392	522,658	-	3,869	-	34,923	23,787	-	-	-	3,256,955		
Fund Balances														
Nonspendable	-	-	34,541	-	-	-	-	-	-	-	-	554,210		
Restricted	3,289	-	240,596	-	64,481	357,795	-	645,309	-	363,908	202,379	2,871,925		
Committed	-	3,650,989	-	-	172,671	-	-	-	-	-	-	3,823,660		
Assigned	-	-	2,429,907	1,713,386	-	-	13,813,073	9,186,071	-	-	-	27,142,437		
Unassigned	-	-	-	-	-	-	-	-	(60,798)	-	-	(60,798)		
Total Fund Balances	3,289	3,650,989	2,705,044	1,713,386	237,352	357,795	13,813,073	9,831,380	(60,798)	363,908	756,589	34,366,175		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 382,768	\$ 4,779,681	\$ 4,374,256	\$ 1,859,761	\$ 250,629	\$ 371,831	\$ 13,849,676	\$ 10,562,651	\$ 12,319	\$ 364,371	\$ 891,409	\$ 41,847,691		

ANOKA COUNTY
ANOKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Statement 2

	Special Revenue											Total Nonmajor Governmental Funds
	Job Training Center	County Library	Parks and Recreation	Medical Examiner	Cooperative Extension	Law Library	Community Development	Regional Railroad Authority	Housing and Redevelopment Authority	Leasehold Properties	Forfeiture Funds	
Revenues												
Taxes	-	6,929,641	2,655,833	-	322,021	-	-	2,736,946	1,641,464	-	-	-
Licenses and permits	-	-	585	-	-	-	-	-	-	-	-	585
Intergovernmental	2,606,861	949,689	3,741,202	-	40,672	-	1,452,823	1,436	962	-	675,093	9,468,738
Charges for services	43,448	65,487	3,545,482	2,674,656	55,222	-	13,176	-	102,290	-	-	6,499,761
Fines and forfeitures	-	208,530	-	-	-	370,956	-	-	-	74,864	-	654,350
Investment income	-	-	6,251	-	-	-	47,433	226,727	151,489	-	-	431,900
Miscellaneous	71,697	130,370	631,059	11,032	32,461	5,033	147,665	369,739	2,948,872	14,543	-	4,650,791
Total Revenues	2,722,006	8,283,717	10,850,412	2,685,688	450,376	375,989	1,661,097	3,334,948	4,845,077	288,320	89,407	35,992,030
Expenditures												
Current												
General government	-	-	-	-	-	286,929	-	-	-	-	-	662,330
Public safety	-	-	-	3,327,249	-	-	-	-	-	-	1,423,042	4,755,799
Culture and recreation	-	7,710,064	11,004,842	-	-	-	-	-	-	-	-	18,714,906
Conservation of natural resources	-	-	-	-	552,783	-	-	6,488,691	3,053,871	-	-	552,783
Economic development	2,719,472	-	-	-	-	-	2,086,484	-	-	-	-	14,348,518
Debt service	-	-	29,108	-	-	-	303,063	-	-	-	-	332,171
Principal retirement	-	-	272	-	-	-	-	-	11,253	-	-	11,253
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	2,719,472	7,710,064	11,034,222	3,327,249	552,783	286,929	2,389,547	6,488,691	3,065,124	274,774	1,423,042	39,378,032
Excess of Revenues Over (Under) Expenditures	2,534	573,653	(453,810)	(641,561)	(102,407)	89,060	(728,450)	(3,153,843)	1,779,953	13,546	(747,949)	(3,386,002)
Other Financing Sources (Uses)												
Transfers in	-	-	-	845,564	101,581	-	-	5,327,771	14,214	-	740,978	7,030,108
Transfers out	-	(561,217)	(13,200)	-	-	-	-	(1,708,743)	(1,345,537)	-	-	(3,688,697)
Proceeds from land sales	-	-	-	-	-	-	-	2,298,715	-	-	-	2,298,715
Total Other Financing Sources (Uses)	-	(561,217)	(13,200)	845,564	101,581	-	-	5,857,743	(1,331,323)	-	740,978	5,640,126
Net Change in Fund Balances	2,534	12,436	(467,010)	204,003	(826)	89,060	(728,450)	2,703,900	448,630	13,546	(6,871)	2,254,124
Fund Balances - January 1, as restated (Note 2.C.)	765	3,638,563	3,157,245	1,509,383	238,178	268,735	1,722,618	11,109,173	9,382,750	(74,344)	763,660	32,097,242
Increase (decrease) in inventories	-	-	14,809	-	-	-	-	-	-	-	-	14,809
Fund Balances - December 31	\$ 3,289	\$ 3,650,989	\$ 2,705,044	\$ 1,713,386	\$ 237,352	\$ 357,795	\$ 994,168	\$ 13,813,073	\$ 9,831,380	\$ (60,799)	\$ 756,889	\$ 34,366,175

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY LIBRARY
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,911,991	\$ 6,911,991	\$ 6,929,641	\$ 17,650
Intergovernmental	1,068,504	1,068,504	965,429	(103,075)
Charges for services	60,500	60,500	65,489	4,989
Fees and forfeitures	215,500	215,500	208,530	(6,970)
Miscellaneous	103,350	103,350	130,370	27,020
Total Revenues	8,399,945	8,399,945	8,283,717	(107,228)
Expenditures				
Current	8,399,945	8,394,905	7,710,064	684,841
Culture and recreation				
Expenditures	-	(3,960)	573,653	577,613
Other Financing Sources (Uses)				
Transfers out	-	-	(561,217)	(561,217)
Net Change in Fund Balance	-	(3,960)	12,436	16,396
Fund Balance - January 1	3,638,553	3,638,553	3,638,553	-
Fund Balance - December 31	3,638,553	3,634,593	3,650,989	16,396

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,651,252	\$ 2,651,252	\$ 2,655,833	\$ 4,581
Fees and permits	1,400,000	1,400,000	1,400,000	-
Charges for services	3,424,420	3,732,880	3,741,200	(51,478)
Investment income	3,731,100	3,731,100	3,545,482	(185,618)
Miscellaneous	557,700	557,700	631,059	73,359
Total Revenues	10,386,472	10,734,732	10,580,412	(154,320)
Expenditures				
Current	10,327,141	11,029,428	11,004,842	24,586
Culture and recreation				
Debt Service	29,000	29,000	29,108	(108)
Principal retirement	1,500	1,500	272	1,228
Interest	-	-	-	-
Total Expenditures	10,357,641	11,059,928	11,034,222	25,706
Excess of Revenues Over (Under) Expenditures	8,831	(325,196)	(453,810)	(123,614)
Other Financing Sources (Uses)				
Transfers in	543,106	88,106	(13,200)	(68,106)
Transfers out	(551,937)	(96,937)	(96,937)	83,737
Total Other Financing Sources (Uses)	(8,831)	(8,831)	(13,200)	(4,369)
Net Change in Fund Balance	-	(334,027)	(467,010)	(132,983)
Fund Balance - January 1	3,157,245	3,157,245	3,157,245	-
Increase (Decrease) in Inventories	-	-	14,809	14,809
Fund Balance - December 31	3,157,245	2,823,218	2,705,044	(118,174)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEDICAL EXAMINER
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 2,474,445	\$ 2,474,445	\$ 2,674,656	\$ 200,211
Miscellaneous	7,021	7,021	11,032	4,011
Total Revenues	2,481,466	2,481,466	2,685,688	204,222
Expenditures				
Current				
Public safety	3,327,030	3,327,030	3,327,249	(219)
Excess of Revenues Over (Under) Expenditures	(845,564)	(845,564)	(641,561)	204,003
Other Financing Sources (Uses)				
Transfers in	845,564	845,564	845,564	-
Net Change in Fund Balance	-	-	204,003	204,003
Fund Balance - January 1	1,509,383	1,509,383	1,509,383	-
Fund Balance - December 31	1,509,383	1,509,383	1,713,386	204,003

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COOPERATIVE EXTENSION
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 323,079	\$ 323,079	\$ 322,021	\$ (1,058)
Intergovernmental	44,623	44,623	45,222	599
Charges for services	3,500	43,223	55,222	12,000
Miscellaneous	12,000	44,461	32,461	(12,000)
Total Revenues	379,202	451,485	450,376	(1,109)
Expenditures				
Current				
Conservation of natural resources	379,202	553,066	552,783	283
Excess of Revenues Over (Under) Expenditures	-	(101,581)	(102,407)	(826)
Other Financing Sources (Uses)				
Transfers in	-	60,081	101,581	41,500
Net Change in Fund Balance	-	(41,500)	(826)	40,674
Fund Balance - January 1	238,178	238,178	238,178	-
Fund Balance - December 31	238,178	196,678	237,352	40,674

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL
LAW LIBRARY

SPECIAL REVENUE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 332,000	\$ -	\$ 370,955	\$ 38,955
Fees and forfeitures	-	332,000	-	-
Miscellaneous	2,000	2,000	5,035	3,035
Total Revenues	334,000	334,000	375,989	41,989
Expenditures				
Current	334,000	334,000	286,929	47,071
General government	-	-	89,060	89,060
Net Change in Fund Balance	268,735	268,735	268,735	-
Fund Balance - January 1	268,735	268,735	357,795	89,060
Fund Balance - December 31				

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL
REGIONAL RAILROAD AUTHORITY

SPECIAL REVENUE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,591,206	\$ 2,891,206	\$ 2,736,946	\$ (164,260)
Intergovernmental	-	-	226,729	226,729
Interest income	-	-	369,739	369,739
Miscellaneous	-	-	-	-
Total Revenues	9,591,206	2,891,206	3,334,844	443,642
Expenditures				
Current	7,509,900	7,509,900	6,488,691	1,020,809
Economic development	-	-	-	-
Excess of Revenues Over (Under) Expenditures	2,081,706	(4,618,294)	(3,153,843)	1,464,451
Other Financing Sources (Uses)				
Transfers in	-	6,700,000	5,327,771	(1,372,229)
Transfers out	(2,081,706)	(2,081,706)	(1,768,743)	312,963
Proceeds from land sales	-	-	2,286,715	2,286,715
Total Other Financing Sources (Uses)	(2,081,706)	4,618,294	5,857,443	1,239,449
Net Change in Fund Balance	-	-	2,703,900	2,703,900
Fund Balance - January 1	11,109,173	11,109,173	11,109,173	-
Fund Balance - December 31	11,109,173	11,109,173	13,813,073	2,703,900

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Intergovernmental	1,639,912	1,639,912	1,641,464	\$ 1,552
Charges for services	93,864	93,864	102,200	8,426
Investment income	11,800	11,800	151,489	139,599
Miscellaneous	2,387,342	2,387,342	2,948,872	561,530
Total Revenues	4,133,008	4,133,008	4,845,077	712,069
Expenditures				
Current				
Economic development				
County	1,750,223	1,750,223	769,804	980,419
Cities	-	-	579,359	(579,359)
Willows Senior Housing	423,022	323,022	287,404	35,618
Chaunoy-Daier Gardens Senior Housing	373,020	373,020	943,979	(270,959)
St. George's Senior Housing	434,519	434,519	418,134	16,385
Oaks of Lake George Senior Housing	-	-	11,253	(11,253)
Debt service	-	-	-	-
Interest	-	-	11,253	(11,253)
Total Expenditures	3,386,439	3,281,439	3,065,124	216,315
Excess of Revenues Over (Under) Expenditures	746,569	851,569	1,779,953	928,384
Other Financing Sources (Uses)				
Transfers in	-	-	14,214	14,214
Transfers out	(1,133,299)	(1,133,299)	(1,345,537)	(212,238)
Total Other Financing Sources (Uses)	(1,133,299)	(1,133,299)	(1,331,323)	(188,024)
Net Change in Fund Balance	(386,730)	(281,730)	448,630	730,360
Fund Balance - January 1	9,382,750	9,382,750	9,382,750	-
Fund Balance - December 31	8,996,020	9,101,020	9,831,380	730,360

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
LEASEHOLD PROPERTIES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	289,635	289,635	288,320	\$ (1,315)
Expenditures				
Current				
General government	239,693	239,693	274,774	(35,181)
Net Change in Fund Balance	50,042	50,042	13,546	(36,496)
Fund Balance - January 1	(74,344)	(74,344)	(74,344)	-
Fund Balance - December 31	(24,302)	(24,302)	(60,798)	(36,496)

ANOKA COUNTY
ANOKA, MINNESOTA

NONMAJOR PROPRIETARY FUNDS
INTERNAL SERVICE FUNDS

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JOINT LAW ENFORCEMENT COUNCIL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 18

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental				
Expenditures				
Current				
Public safety	1,378,940	1,378,940	1,423,042	(44,102)
Excess of Revenues Over (Under)				
Expenditures	(740,978)	(740,978)	(747,948)	(6,971)
<u>Other Financing Sources (Uses)</u>				
Transfers in	740,978	740,978	740,978	-
Net Change in Fund Balance	-	-	(6,971)	(6,971)
Fund Balance January 1, as restated (Note 2.C.)	763,560	763,560	763,560	-
Fund Balance - December 31	<u>\$ 763,560</u>	<u>\$ 763,560</u>	<u>\$ 756,589</u>	<u>(6,971)</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Pooled Insurance	Central Fleet	Total Internal Service Funds
Operation Revenues			
Charges for services	\$ 1,991,471	\$ 2,026,101	\$ 4,017,572
Insurance recoveries	286,297	-	286,297
Miscellaneous	511,638	20,386	532,024
Total Operating Revenues	2,799,606	2,046,487	4,846,093
Operation Expenses			
Personnel services	385,000	987,615	1,372,615
Other services and charges	600,218	762,991	1,363,209
Supplies	2,181	1,121,136	1,123,317
Insurance	2,737,894	7,884	2,745,778
Capital outlay	11,690	2,304	13,994
Total Operating Expenses	3,736,983	2,862,130	6,619,113
Increase (Decrease) in Net Position	(937,377)	(815,643)	(1,773,020)
Net Position - January 1	3,211,460	159,787	3,371,247
Net Position - December 31	2,274,083	(675,856)	1,598,227

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018

	Pooled Insurance	Central Fleet	Total Internal Service Funds
Assets			
Current Assets:			
Cash and pooled investments	\$ 5,722,781	\$ 2,024	\$ 5,724,805
Accounts receivable	2,683	4,195	6,878
Due from other governments	-	325	325
Inventories	-	294,094	294,094
Total Assets	5,725,464	300,558	6,026,022
Liabilities			
Current Liabilities:			
Accounts payable	87,701	67,050	154,751
Contracts payable	36,898	-	36,898
Due to other governments	7,540	3,364	10,904
Due from other governments	-	906,000	906,000
Outstanding claims payable	264,643	-	264,643
Total current liabilities	396,780	976,414	1,373,194
Noncurrent Liabilities:			
Outstanding claims payable	3,054,601	-	3,054,601
Total Liabilities	3,451,381	976,414	4,427,795
Net Position	2,274,083	(675,856)	1,598,227
Unrestricted	2,274,083	(675,856)	1,598,227

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance January 1, as restated (Note 2.C.)	Additions	Deductions	Balance December 31
Assets				
Cash and pooled investments	\$ 11,641,736	\$ 389,986,718	\$ 392,734,487	\$ 8,893,967
Accounts receivable	-	657,804	646,380	11,424
Due from other governments	125,143	2,874,032	2,749,682	249,493
Total Assets	11,766,879	393,518,554	396,130,549	9,154,884
Liabilities				
Accounts payable	1,130,928	2,274,390	2,531,273	874,045
Contracts payable	8,204	-	8,204	-
Due to other governments	10,627,747	391,244,164	393,591,072	8,280,839
Total Liabilities	11,766,879	393,518,554	396,130,549	9,154,884

ANOKA COUNTY
ANOKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
Increase (Decrease) in Cash and Cash Equivalents

	Pooled Insurance	Central Fleet	Internal Service Funds	Total
Cash Flows from Operating Activities:				
Receipts from customers	\$ 2,797,644	\$ 2,042,963	\$ 4,840,607	\$ 9,681,214
Payments to suppliers	(3,097,941)	(2,053,559)	(5,151,500)	(6,242,000)
Net cash provided (used) by operating activities	(300,297)	(10,596)	(310,893)	(621,786)
Cash and cash equivalents, January 1	6,023,078	12,620	6,035,698	12,071,396
Cash and cash equivalents, December 31	5,722,781	2,024	5,724,805	11,449,610
Reconciliation of operating income to net cash provided (used) by operating activities:				
Net operating income (loss)	\$ (937,377)	\$ (835,643)	\$ (1,773,020)	\$ (3,546,040)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Increase (decrease) in Accounts receivable	(2,683)	(3,199)	(5,882)	(11,663)
Increase (decrease) in Due from other governments	721	(325)	396	1,424
Increase (decrease) in Inventories	-	110,326	110,326	69,176
Increase (decrease) in Accounts payable	46,435	22,741	69,176	38,896
Increase (decrease) in Contracts payable	36,896	-	36,896	69,023
Increase (decrease) in Due to other funds	(2,527)	696,000	693,473	(496)
Increase (decrease) in Due to other governments	558,238	(496)	557,742	-
Increase (decrease) in Outstanding claims payable	-	-	-	-
Total adjustments	637,080	825,047	1,462,127	(310,893)
Net cash provided (used) by operating activities	\$ (300,297)	\$ (10,596)	\$ (310,893)	\$ (621,786)

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF DEPOSITS AND INVESTMENTS
DECEMBER 31, 2018

Schedule 19

	Interest Rate	Maturity Date	Fair Value
Pooled Deposits and Investments			
Checking Accounts			
Non-Interest Bearing			
Wells Fargo Bank			\$ (1,936,889)
US Bank			188,516
US Bank HRA - Oaks of Lake George			20,044
US Bank HRA - Willows of Ham Lake			12,129
US Bank HRA - Chauncey-Barett			6,920
US Bank HRA - Savannah Oaks			5,800
Total Checking Accounts			(1,723,480)
Savings Accounts			
US Bank HRA - Oaks of Lake George	Variable		19,627
US Bank HRA - Willows of Ham Lake	Variable		17,767
US Bank HRA - Chauncey-Barett	Variable		15,286
US Bank HRA - Savannah Oaks	Variable		17,294
State of Minnesota Escrow Account	Variable		2,633,723
Total Savings Accounts			2,703,707
Money Market Accounts with Brokers			
US First National City	Varies		32,760
WF Bank	Varies		2,492,030
Wells Fargo Bank Trust Escrow	Varies		427,206
Total Money Market Accounts with Brokers			2,951,996
Commercial Paper			
US Bank Bond Proceeds	Varies		5,010,346
US Bank Balances Swept at 12/31/2018	Varies		209,108
Total Commercial Paper			5,219,454
MAGIC Investments			
PFM Asset Management, LLC	Varies		37,253,958
Magic Term Investments	Varies		47,000,000
Total MAGIC			84,253,958
Certificates of Deposit			
US Bank AC500 - County Treasury	Varies	01/18/2020	1,948,137
BMO Harris Bank			5,000,000
Magic			1,912,000
Total Certificates of Deposits			8,860,137
Government Securities			
US Bank - County Treasury	Varies	Various	112,925,794
US Bank - RBCGAMUS	Varies	Various	37,163,369
US Bank - Institutional Trust Escrow	Varies	Various	2,842,049
Total Government Securities			152,931,212
Trust Accounts			
OPEB Trust Accounts	Varies		61,978,650
Total Pooled Deposits and Investments			\$ 317,175,634

OTHER SUPPLEMENTARY INFORMATION

ANOKA COUNTY
ANOKA, MINNESOTA
COMBINED SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 20

	General Fund	Special Revenue Funds Schedule 21	Debt Service Fund	Capital Projects Fund	Total All Funds
Appropriations and Shared Revenue					
State					
Highway users tax	\$ -	\$ 33,037,664	\$ -	\$ -	\$ 33,037,664
Market value credit - agriculture	22,797	21,205	5,107	-	49,109
Market value credit - aquaculture	7,957,163	6,146,808	-	-	14,103,971
Aquaculture aid	148,200	148,200	-	3,211,732	3,508,132
Temporary maintenance of effort aid	73,259	-	-	-	73,259
Disparity reduction credit aid	126	-	-	-	126
Police state aid	1,115,787	-	-	-	1,115,787
Enhanced 911 aid	494,481	-	-	-	494,481
Local performance aid	272,856	-	-	-	272,856
Local recycling development program	991,651	-	-	-	991,651
SCORE	1,103,365	-	-	-	1,103,365
PERA aid	72,568	-	-	-	72,568
Payments in lieu of tax	-	50,000	-	-	50,000
Riparian protection aid	-	-	-	-	-
Total Appropriations and Shared Revenue	12,129,053	39,821,075	5,107	3,211,732	55,166,967
Reimbursement for Services					
State					
Human Services	260,138	5,091,050	-	-	5,341,188
Grants					
State					
Agriculture	9,374	-	-	-	9,374
Commerce	16,550	-	-	-	16,550
Health	1,829,056	-	-	-	1,829,056
Public Safety	284,944	-	-	-	284,944
Employment and Economic Development	1,057,331	-	-	-	1,057,331
Radical Resources	46,451	-	-	-	46,451
Technical Resources	3,144,018	-	-	-	3,144,018
Human Services	15,713,182	-	-	-	15,713,182
Housing Finance	366,793	-	-	-	366,793
Corrections	5,400,749	-	-	-	5,400,749
Education	3,682	-	-	-	3,682
Volunteer Center Agency	141,200	-	-	141,200	282,400
Wildlife Affairs	15,038	-	-	-	15,038
Peace Officer Board	134,938	-	-	-	134,938
Secretary of State	237,826	-	-	-	237,826
State Supreme Court	2,613	-	-	-	2,613
Total State	6,152,165	22,225,170	-	141,200	28,518,535
Federal Department / Agency					
Agriculture	767,196	3,164,185	-	-	3,931,381
Housing and Urban Development	517,540	1,319,790	-	-	1,837,330
Justice	37,131	554,671	-	-	591,802
Labor	536,098	1,444,710	-	-	1,980,808
Transportation	2,460,922	2,187,155	-	-	4,648,077
Health and Human Services	1,250,863	23,685,593	-	-	24,936,456
Corporation for National and Community Service	141,830	43,038	-	-	184,868
Executive Office of the President	456,321	91	-	-	456,412
Social Security Administration	-	91	-	-	91
Homeland Security	-	-	-	-	-
Total Federal	3,671,848	32,120,597	-	-	35,792,445
Local					
Other	56,375	7,584	-	-	63,959
Cities / Counties	1,920,221	2,596,642	-	789,992	5,306,855
Councils / Transit Improvement Board	-	2,654,088	-	-	2,654,088
Metropolitan Library Service Agency (MELSA)	-	79,544	-	-	79,544
Total Local	1,976,596	5,340,268	-	789,992	8,106,856
Total Grants	11,800,609	89,664,035	-	931,192	102,395,836
Total Intergovernmental Revenue	\$ 24,179,800	\$ 104,966,160	\$ 5,107	\$ 4,142,924	\$ 133,293,991

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 21

COMBINING SCHEDULE OF INTERGOVERNMENTAL REVENUE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Major Governmental Funds							Nonmajor Governmental Funds					Total
	Road and Bridge	Human Services	Job Training Center	County Library	Parks and Recreation	Cooperative Extension	Community Development	Regional Railroad Authority	Housing and Redevelopment Authority	Joint Law Enforcement Council			
Appropriations and Shared Revenue													
State	\$ 33,037,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Highway users tax	2,796	12,454	-	2,486	954	117	-	1,436	962	-	-	33,037,664	
Market value credit - agriculture	976,072	4,346,909	-	867,659	332,811	40,555	-	-	-	-	-	21,205	
County program aid	-	-	-	-	148,200	-	-	-	-	-	-	6,564,006	
Aquatic species aid	-	-	-	-	-	-	-	-	-	-	-	148,200	
Riparian protection aid	50,000	-	-	-	-	-	-	-	-	-	-	50,000	
Total Appropriations and Shared Revenue	34,066,532	4,359,363	-	870,145	481,965	40,672	-	1,436	962	-	-	39,821,075	
Reimbursement for Services													
State	-	5,091,050	-	-	-	-	-	-	-	-	-	5,091,050	
Human Services	-	5,091,050	-	-	-	-	-	-	-	-	-	5,091,050	
Grants													
State													
Health	-	1,829,056	-	-	-	-	-	-	-	-	-	1,829,056	
Employment and Economic Development	-	-	1,057,331	-	-	-	-	-	-	-	-	1,057,331	
Natural Resources	-	-	-	-	112,790	-	-	-	-	-	-	112,790	
Transportation	3,144,018	-	-	-	-	-	-	-	-	-	-	3,144,018	
Human Services	-	15,713,182	-	-	-	-	-	-	-	-	-	15,713,182	
Housing Finance	-	233,760	-	-	-	-	133,033	-	-	-	-	366,793	
Total State	3,144,018	17,775,998	1,057,331	-	112,790	-	133,033	-	-	-	-	22,223,170	
Federal Department / Agency													
Agriculture	-	3,164,185	-	-	-	-	-	-	-	-	-	3,164,185	
Housing and Urban Development	-	-	-	-	-	-	1,319,790	-	-	-	-	1,319,790	
Justice	-	-	-	-	-	-	-	-	-	37,131	-	37,131	
Labor	-	-	1,444,710	-	-	-	-	-	-	-	-	1,444,710	
Transportation	1,976,572	-	-	-	484,365	-	-	-	-	-	-	2,460,937	
Health and Human Services	-	23,545,895	39,698	-	-	-	-	-	-	-	-	23,585,593	
Education	-	-	65,122	-	-	-	-	-	-	-	-	65,122	
Corporation for National and Community Service	-	43,038	-	-	-	-	-	-	-	-	-	43,038	
Social Security Administration	-	91	-	-	-	-	-	-	-	-	-	91	
Total Federal	1,976,572	26,753,209	1,549,530	-	484,365	-	1,319,790	-	-	37,131	-	32,120,597	
Local													
Other	-	-	-	-	7,994	-	-	-	-	-	-	7,994	
Cities / Counties	1,960,680	-	-	-	-	-	-	-	-	637,962	-	2,598,642	
Metropolitan Council	-	-	-	-	2,654,088	-	-	-	-	-	-	2,654,088	
Metropolitan Library Service Agency (MELSA)	-	-	-	79,544	-	-	-	-	-	-	-	79,544	
Total Local	1,960,680	-	-	79,544	2,662,082	-	-	-	-	637,962	-	5,340,268	
Total Grants	7,081,270	44,529,207	2,606,861	79,544	3,259,237	-	1,452,823	-	-	675,093	-	59,684,035	
Total Intergovernmental Revenue	\$ 41,147,802	\$ 53,979,620	\$ 2,606,861	\$ 949,689	\$ 3,741,202	\$ 40,672	\$ 1,452,823	\$ 1,436	\$ 962	\$ 675,093	\$ 962	\$ 104,596,160	

Federal Grantor Agency Program or Cluster Title	Federal Number	Pass Through Number	Expenditures	Pass Through Subrecipients
U.S. Department of Agriculture Paid through Minnesota Department of Education: School Breakfast Program National School Lunch Program WIC Grants to States (WGS)	10553 10556 10578	Not provided Not provided R162AN004W1003	\$ 64,231 98,980 1,097,645	- - -
U.S. Department of Health and Human Services Paid through Minnesota Department of Health: SNAP-Child State Administrative Matching Grants for the Supplemental Nutrition Assistance Program State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program: 10,561 \$2,066,494)	10561 10561 10561	182AN0152304 182AN0152304 182AN0152304	5,442,314 104,688 10,817	- - -
U.S. Department of Housing and Urban Development Paid through Minnesota Department of Agriculture: WIC Farmer's Market Nutrition Program (FMNP) Total U.S. Department of Agriculture	10572	60416012014	2,250 3,031,381	- -
U.S. Department of Housing and Urban Development Paid through Minnesota Department of Health: Community Development Block Grants - Entitlement Grants Home Investment Partnerships Program Total U.S. Department of Housing and Urban Development	14218 14229	Not provided	1,251,787 68,003	1,030,314 41,172
U.S. Department of Justice Paid through Minnesota Department of Public Safety: Drug Court Discretionary Grant Program DNA Backlog Reduction Program Enabling Sharing Program Special Data Conditions and Statistical Studies Total U.S. Department of Justice	16586 16741 16922 16922 16924	Not provided	68,070 22,044 7,544 88,390	- - - -
U.S. Department of Labor Paid through Minnesota Department of Employment and Economic Development: Employment Service Cluster Senior Community Service Employment Program Senior Community Service Employment Program Workforce Investment Act (WIA) National Emergency Grants Total U.S. Department of Labor	17207 17235 17235 17235 17235	457100 815100 815100 512200	95,655 72,861 88,791 28,791	- - - -
U.S. Department of Labor Paid through Minnesota Department of Employment and Economic Development: WIA Adult Program WIA Adult Program WIA Adult Program WIA Youth Activities WIA Youth Activities WIA Youth Activities WIA Dislocated Worker Formula Grants WIA Dislocated Worker Formula Grants (Total WIA Dislocated Worker Formula Grants: 17,278 \$35,545) Total U.S. Department of Labor	17258 17258 17258 17259 17259 17259 17278 17278 17278	512100 512100 512100 612000 612000 612000 512000 512000 812000	1,675 22,467 27,183 32,615 32,615 19,871 98,447 98,627 21,279	- - - - - - - - -
U.S. Department of Transportation Paid through Minnesota Department of Transportation: Federal Transit Cluster Highway Planning and Construction Total U.S. Department of Transportation	20205 20507	00002 562016021	1,438,816 20,419	- -
U.S. Department of Transportation Paid through Minnesota Department of Transportation: Federal Transit Cluster Highway Planning and Construction Total U.S. Department of Transportation	20600 20616 20608	A-ENR16-2018-ANOKASO-053 A-ENR16-2018-ANOKASO-012 A-ENR16-2018-ANOKASO-053	23,368 22,007 192,000	22,212 47,566 188,900
Total U.S. Department of Transportation			\$ 1,958,686	\$ 188,900

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

ANOKA COUNTY
ANOKA, MINNESOTA

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

2. Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Anoka County under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Anoka County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Anoka County.

3. Summary of Significant Accounting Policies
Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Anoka County has elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 35,792,445
Grants unavailable in 2017, recognized as revenue in 2018	(1,033,609)
Highway Planning and Construction	(16,228)
Federal Transit-Formula Grants	11,688
Grants received more than 120 days after year-end, unavailable in 2018	11,688
Highway Planning and Construction	11,688
Expenditures per Schedule of Expenditures of Federal Awards	\$ 34,754,096

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 23

SCHEDULE OF CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION
DECEMBER 31, 2018

Function	Total	Land	Buildings and Structures	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Software	Construction in Progress
General government	\$ 138,502,406	\$ 3,861,850	\$ 111,810,524	\$ 1,814,791	\$ 11,652,444	\$ -	\$ 7,198,231	\$ 2,164,566
Public safety	89,045,605	784,914	64,271,466	509,088	23,479,540	-	-	597
Highways and streets	789,155,281	185,794,531	19,013,792	809,324	16,317,799	502,923,963	-	64,295,872
Human services	1,935,670	-	478,934	-	646,196	-	810,540	-
Sanitation	1,320,691	751,282	514,000	-	55,409	-	-	-
Culture and recreation	107,101,646	29,849,289	32,171,533	29,578,752	10,351,257	-	-	5,150,815
Economic development	17,058,611	949,218	16,103,914	-	5,479	-	-	-
Total capital assets allocated to functions	\$ 1,144,119,910	\$ 221,991,084	\$ 244,364,163	\$ 32,711,955	\$ 62,508,124	\$ 502,923,963	\$ 8,008,771	\$ 71,611,850

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF CHANGES IN CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION
DECEMBER 31, 2018

Schedule 24

Function	Capital Assets Jan. 1, 2018	Additions	Deductions	Capital Assets Dec. 31, 2018
General government	\$ 136,795,298	\$ 5,488,873	\$ 3,781,765	\$ 138,502,406
Public safety	87,677,664	2,208,864	840,923	89,045,605
Highways and streets	773,906,880	22,701,925	7,453,524	789,155,281
Human services	1,383,526	785,745	233,601	1,935,670
Sanitation	1,320,691	-	-	1,320,691
Culture and recreation	103,366,851	5,004,355	1,259,580	107,101,646
Economic development	19,051,581	-	1,992,970	17,058,611
Total capital assets	\$ 1,123,692,491	\$ 36,189,762	\$ 15,562,343	\$ 1,144,119,910

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF FUND TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 25

Funds	Transfer-In	Transfer-Out	Description
General Fund			
Human Services	\$ 111,134	\$ -	Voluntary separation program
Capital Projects	34,275	-	Vehicle purchase
Joint Law Enforcement	30,171	-	Economic development specialist position
County Library	-	740,978	Shared costs
Parks and Recreation	61,217	-	Voluntary separation program
Regional Railroad Authority	13,200	-	Voluntary separation program
Cooperative Extension	71,506	-	Voluntary separation program
Medical Examiners	-	101,581	Board approved transfer
Debt Service	-	845,564	Allocation for contract services
Capital Projects	-	911,729	Lease revenue debt payments
Capital Projects	-	3,508,896	Future capital projects
Capital Projects	-	1,110,739	Recorder's technology and compliance fees
Total General Fund	321,497	7,219,487	
Special Revenue Funds			
Road and Bridge	-	71,500	Voluntary separation program
Capital Projects	7,327,950	-	TH 97 interchange
Total Road and Bridge	7,327,950	71,500	
Human Services	-	111,134	Voluntary separation program
Capital Projects	-	3,990,000	Future capital projects
Capital Projects	46,030	-	
Total Human Services	46,030	4,101,134	
Joint Law Enforcement	-	-	Shared costs
General Fund	740,978	-	
County Library	-	61,217	Voluntary separation program
General Fund	-	500,000	Future capital projects
Total County Library	-	661,217	
Parks and Recreation	-	-	Voluntary separation program
General Fund	-	13,200	
Cooperative Extension	101,581	-	Board approved transfer
General Fund	-	-	
Regional Railroad Authority	5,327,771	-	Regional Railroad bonds
Capital Projects	-	1,768,743	Transfer for Debt Service
Debt Service	-	-	
Total Regional Railroad Authority	5,327,771	1,768,743	
Housing and Redevelopment Authority	-	-	Escrow allocation
Debt Service	14,214	-	Escrow allocation
Debt Service	-	1,345,537	Escrow allocation
Total Housing and Redevelopment Authority	14,214	1,345,537	
Medical Examiner	-	-	Allocation for contract services
General Fund	845,564	-	
Total Special Revenue Funds	\$ 14,404,088	\$ 7,861,331	

(Continued)

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2018

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF FUND TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 25
(Continued)

Funds	Transfer In	Transfer Out	Description
Debt Service Fund			
General Fund	911,729	-	Lease revenue debt payments
Regional Railroad Authority	1,768,743	14,214	Debt service
Housing and Redevelopment Authority	-	-	Escrow allocation
Housing and Redevelopment Authority	1,945,537	-	Escrow allocation
Total Debt Service Fund	4,026,009	14,214	
Capital Projects Fund			
General Fund	3,508,896	-	Future capital projects
General Fund	1,110,739	34,275	Technology and compliance fees
General Fund	-	30,171	Vehicle purchase
General Fund	-	7,327,950	EDS position
Road and Bridge	3,990,000	-	Various road projects
Human Services	-	46,030	Future capital projects
Human Services	500,000	-	CIP projects
Regional Railroad Authority	-	5,327,771	Capital projects
			Operating expenses
Total Capital Projects Fund	9,108,635	12,766,197	
Total All Funds	\$ 27,961,229	\$ 27,961,229	

Revenue	Economic Development	Willows Senior Housing	Oaks of Lake George Senior Housing	Chauncoy-Barratt Gardens Senior Housing	Savannah Oaks Senior Housing	Total
Taxes	\$ 1,641,464	\$ -	\$ -	\$ -	\$ -	\$ 1,641,464
Intergovernmental	962	-	-	-	-	962
Charges for services	15,000	20,270	23,095	20,445	23,460	102,270
Investment income	145,510	416	1,099	819	4,315	151,489
Miscellaneous	306,808	526,637	714,251	818,201	983,005	2,988,672
Total Revenues	2,108,744	547,293	738,445	838,795	610,800	4,845,077
Expenditures						
Salaries	178,265	64,237	52,543	65,897	63,988	424,940
Other services and charges	1,170,897	223,168	365,591	589,535	291,193	2,640,184
Total Expenditures	1,349,162	287,405	418,134	655,232	355,191	3,065,124
Excess of Revenues Over (Under) Expenditures	760,582	259,888	320,311	183,563	255,609	1,779,953
Other Financing Sources (Uses)						
Transfers in *	-	284,915	376,658	375,171	459,078	1,495,622
Transfers out	(31,356)	(785,251)	(751,475)	(547,424)	(701,155)	(2,827,145)
Total Other Financing Sources (Uses)	(31,356)	(500,336)	(374,817)	(172,253)	(242,077)	(1,331,323)
Net Change in Fund Balances	729,226	(240,532)	(64,506)	11,310	13,532	448,630
Fund Balances - January 1	9,306,876	247,663	133,716	(665,542)	360,037	9,382,750
Fund Balances - December 31	\$ 10,036,102	\$ (92,869)	\$ 79,210	\$ (654,232)	\$ 373,569	\$ 9,851,308

* Transfers between Economic Development and the senior housing projects of \$ 1,481,608 is eliminated on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances.

**ANOKA COUNTY
ANOKA, MINNESOTA**

**STATISTICAL SECTION
DECEMBER 31, 2018**

This part of Anoka County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

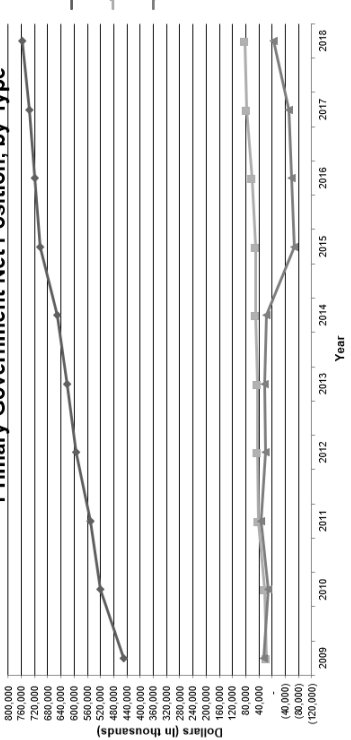
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

Table 1
**ANOKA COUNTY
ANOKA, MINNESOTA
NET POSITION
ASSETS AND LIABILITIES
(Full Accrual Basis of Accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
Net investment in capital assets	\$ 449,070,666	\$ 514,773,017	\$ 543,246,118	\$ 580,005,088	\$ 615,176,935	\$ 645,949,748	\$ 686,930,272	\$ 713,074,471	\$ 738,025,220	\$ 759,562,517
Capital projects	3,289,973	650,968	20,470,488	323,249	26,091,017	14,935,136	17,950,175	18,597,710	661,921	2,507,984
Public safety	2,059,716	2,037,718	5,420,783	5,944,412	6,190,910	6,284,912	6,567,710	6,860,821	6,936,616	5,139,462
General government	8,198,860	17,894,466	3,744,397	3,861,023	2,038,102	4,207,284	4,650,892	4,600,880	5,050,088	2,333,223
Human services	-	-	5,962,323	6,747,010	7,048,393	16,800,342	15,245,180	20,741,332	21,958,589	22,747,277
Culture and recreation	335,087	339,800	321,609	332,177	329,098	286,181	291,624	292,744	292,589	22,449,596
Construction of capital assets	483,286	604,417	741,222	1,026,913	1,032,798	1,400,868	1,647,048	2,043,315	2,672,330	14,365,175
Unrestricted	24,125,485	10,376,493	31,704,128	19,911,989	21,413,017	15,416,835	16,937,451	60,171,933	69,239,231	65,973,019
State-local Government Activities	497,351,889	568,647,720	615,000,407	652,000,307	681,548,959	709,440,263	680,004,174	712,864,882	733,133,072	835,075,092
Change from prior year	6.02%	11.60%	12.29%	5.88%	4.44%	4.17%	-4.00%	4.74%	7.05%	9.41%
Business-type Activities:										
Net investment in capital assets	1,302,721	6,207,747	6,105,048	6,677,313	5,644,422	5,792,986	5,531,551	5,559,536	N/A	N/A
Unrestricted (deficit)	577,757	517,254	542,481	724,931	892,468	975,973	1,029,625	1,520,353	N/A	N/A
State-local Business-type Activities	1,880,478	6,824,991	6,647,529	7,402,244	6,536,890	6,768,959	6,561,176	6,980,889	N/A	N/A
Change from prior year	-3.97%	201.87%	-2.31%	9.99%	-9.88%	3.39%	-2.89%	-2.74%	N/A	N/A
Private Government:										
Net investment in capital assets	440,379,386	501,061,384	548,353,166	593,862,411	630,821,357	651,232,332	702,451,853	719,234,107	738,623,229	758,562,517
Capital projects	3,289,973	650,968	470,488	328,249	26,091,017	14,935,136	17,950,175	18,597,710	661,921	2,507,984
Debt service	3,747,431	3,726,462	23,803,273	24,817,893	25,091,017	16,805,978	12,861,178	18,627,238	43,009,440	30,327,420
Public safety	2,059,716	2,037,718	5,420,783	5,944,412	6,190,910	6,284,912	6,567,710	6,860,821	6,936,616	5,139,462
Human services	8,198,860	17,894,466	3,744,397	3,861,023	2,038,102	4,207,284	4,650,892	4,600,880	5,050,088	2,333,223
Human services	-	-	5,962,323	6,747,010	7,048,393	16,800,342	15,245,180	20,741,332	21,958,589	22,747,277
Construction of capital assets	335,087	339,800	321,609	332,177	329,098	286,181	291,624	292,744	292,589	22,449,596
Unrestricted	37,892	41,089	42,201	54,796	72,608	76,555	67,958	41,232	42,503	14,365,175
State-local Government Net Position	26,703,242	10,869,717	32,309,609	20,600,000	22,305,486	15,362,808	16,937,451	69,239,231	69,239,231	65,973,019
Change from prior year	5.98%	12.51%	12.11%	5.78%	4.39%	4.16%	-4.05%	4.57%	6.10%	9.41%

Primary Government Net Position, by Type

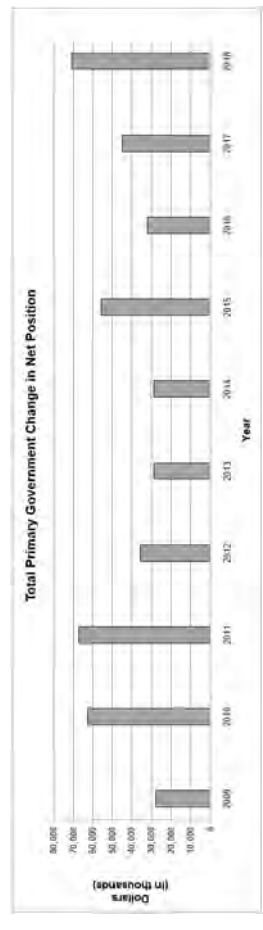


Unaudited
In 2017, Anoka County moved the activities of the Anoka County Enterprise Fund to the Parks and Recreation Special Revenue Fund. As a result, the County no longer reports business-type activities.

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 1
CHANGES IN NET POSITION LAST FISCAL YEAR (Full actual basis of financing)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Business-type activities	\$ 58,933,140	\$ 60,478,482	\$ 42,103,832	\$ 37,772,485	\$ 47,921,380	\$ 48,427,288	\$ 45,030,661	\$ 48,703,707	\$ 57,115,200	\$ 49,904,857
General government	56,371,699	58,033,981	40,179,403	39,024,039	50,737,454	51,161,107	64,800,595	73,235,782	75,091,022	74,903,393
Public safety	72,195,470	73,463,861	58,857,977	59,854,959	68,162,577	69,650,109	75,272,946	79,810,773	80,707,774	80,957,668
Human services	73,679,824	81,327,421	73,980,277	79,398,235	77,939,088	78,482,598	80,076,740	83,986,194	88,948,927	86,749,627
Infrastructure	14,889,884	17,883,983	14,333,489	15,733,849	16,820,380	16,820,380	17,516,885	18,814,621	18,631,223	18,631,223
Culture and recreation	806,623	1,029,411	986,047	1,073,117	1,562,118	1,562,118	1,562,118	1,562,118	1,562,118	1,562,118
Conservation of natural resources	1,937,731	3,783,281	11,497,117	10,972,117	10,972,117	10,972,117	10,972,117	10,972,117	10,972,117	10,972,117
Interest expense and fiscal charges on long-term debt	28,689,529	29,720,127	25,737,028	23,929,170	23,929,170	23,929,170	23,929,170	23,929,170	23,929,170	23,929,170
Total governmental activities expenses	73,771	1,197,239	1,390,589	1,390,589	1,390,589	1,390,589	1,390,589	1,390,589	1,390,589	1,390,589
Business-type activities:										
Amortization	20,470,300	20,470,300	20,470,300	20,470,300	20,470,300	20,470,300	20,470,300	20,470,300	20,470,300	20,470,300
Total primary government expenses	120,820,268	(89,890,183)	(87,863,263)	(111,405,648)	(109,632,129)	(120,372,627)	(94,693,363)	(121,417,247)	(115,106,421)	(113,888,415)
Net Resources/Revenue										
Governmental activities	120,820,268	121,528,890	124,438,805	117,023,562	114,418,590	120,362,092	124,688,438	112,735,575	114,159,436	119,723,756
Business-type activities	120,820,268	121,528,890	124,438,805	117,023,562	114,418,590	120,362,092	124,688,438	112,735,575	114,159,436	119,723,756
Total primary government net expense										
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes	120,487,286	121,158,890	124,438,805	117,023,562	114,418,590	120,362,092	124,688,438	112,735,575	114,159,436	119,723,756
Property taxes collected for general purposes	120,487,286	121,158,890	124,438,805	117,023,562	114,418,590	120,362,092	124,688,438	112,735,575	114,159,436	119,723,756
Property taxes collected for special services	18,936,010	18,655,079	20,986,043	19,765,144	18,980,614	17,836,669	15,902,486	15,317,159	15,944,406	15,866,200
Sales taxes	1,387,818	1,355,067	1,385,440	1,388,877	1,388,877	1,382,710	1,388,877	1,382,710	1,382,710	1,382,710
Other taxes	2,308,125	3,605,062	5,108,171	3,242,169	(2,972,209)	6,951,161	2,185,709	17,210,735	17,568,882	18,883,759
Licenses and permit earnings	5,710,300	6,673,710	5,818,889	5,657,689	5,897,078	4,728,318	7,239,611	4,584,005	6,401,324	6,922,716
Monies from other sources	18,401,399	17,127,133	15,335,985	14,724,235	13,251,231	12,672,330	10,453,501	10,351,885	10,323,731	10,323,731
Total governmental activities	(20,000,000)	4,546,295	4,781,720	(647,417)	(655,000)	(71,097)	(655,000)	(406,200)	53,295,905	60,182,781
Business-type activities:										
Fees	148,171,898	151,743,488	154,317,148	149,877,121	138,128,231	148,899,298	150,086,361	150,086,361	150,086,361	150,086,361
Total primary government	27,899,011	57,487,030	67,432,077	36,018,930	28,949,022	28,400,784	55,745,538	32,284,708	45,019,360	71,680,459
Change in Net Position	17,729,019	4,994,483	(1,577,447)	8,944,483	8,646,483	211,869	(42,507)	(179,117)	(179,117)	N/A
Business-type activities	27,899,011	57,487,030	67,432,077	36,018,930	28,949,022	28,400,784	55,745,538	32,284,708	45,019,360	71,680,459
Total primary government	\$ 27,899,011	\$ 57,487,030	\$ 67,432,077	\$ 36,018,930	\$ 28,949,022	\$ 28,400,784	\$ 55,745,538	\$ 32,284,708	\$ 45,019,360	\$ 71,680,459



ANOKA COUNTY
ANOKA, MINNESOTA

Table 3

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

	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018
General Fund										
Prior to GASB #54	\$ 2,186,610	\$ 358,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	43,435,882	46,789,211	-	-	-	-	-	-	-	-
Unreserved	-	-	106,939	115,221	23,082	88,191	85,170	116,872	159,713	83,517
After GASB #54	-	-	12,044,111	13,689,641	15,538,497	11,722,812	8,808,730	10,416,958	11,261,254	12,938,962
Nonspendable	-	-	4,903,766	4,659,222	3,353,129	5,191,846	4,798,259	4,780,975	5,014,968	5,259,061
Restricted	-	-	29,545,493	28,704,982	28,060,067	31,049,397	32,545,482	33,350,993	34,334,834	36,664,847
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	45,622,492	47,148,206	46,600,309	47,169,066	46,974,775	48,052,246	46,237,641	48,665,798	50,770,769	54,946,387
General Fund change from prior year	9.70%	3.34%	-1.16%	1.22%	-0.4%	2.29%	-3.78%	5.25%	4.33%	8.22%
Other Governmental Funds										
Prior to GASB #54	18,279,740	25,589,823	-	-	-	-	-	-	-	-
Reserved	79,479,906	72,403,556	-	-	-	-	-	-	-	-
Unreserved	-	-	2,761,804	2,725,292	2,914,695	2,220,498	2,382,003	2,659,947	2,581,280	3,122,259
After GASB #54	-	-	32,214,783	44,718,410	63,485,715	65,311,580	80,272,621	85,355,323	67,442,232	70,894,547
Nonspendable	-	-	5,407,567	6,722,520	4,165,048	4,348,612	4,221,032	4,291,344	3,832,188	3,823,860
Restricted	-	-	86,149,888	86,142,696	75,205,864	65,027,417	66,667,038	76,388,333	97,375,885	114,611,300
Committed	-	-	-	(11,827,509)	(8,750,562)	(8,574,727)	(10,577,317)	(3,533,373)	(690,185)	(60,798)
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Other Governmental Funds	97,759,646	97,993,379	126,534,042	128,481,409	137,020,760	128,333,380	142,965,377	165,161,574	170,541,400	192,391,168
Other Governmental Funds change from prior year	29.14%	0.24%	29.13%	1.54%	6.65%	-6.34%	11.40%	15.53%	3.26%	12.81%
Total Governmental Funds	\$ 143,382,138	\$ 145,141,585	\$ 173,134,351	\$ 175,650,475	\$ 183,995,535	\$ 176,385,626	\$ 189,203,018	\$ 213,827,372	\$ 221,312,169	\$ 247,337,555
Total Governmental Funds change from prior year	22.25%	1.23%	19.29%	1.45%	4.75%	-4.14%	7.27%	13.01%	3.50%	11.76%

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

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

Table 4

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 120,075,679	\$ 123,897,801	\$ 127,336,139	\$ 125,537,553	\$ 123,415,633	\$ 122,484,908	\$ 124,419,795	\$ 128,863,248	\$ 134,388,106	\$ 148,602,988
Licenses and permits	1,148,764	1,126,284	1,164,390	1,285,216	1,418,030	1,312,655	1,430,745	1,494,548	1,472,913	1,495,566
Intergovernmental	122,186,767	138,721,917	136,159,618	117,467,375	117,420,542	116,194,432	144,525,316	134,054,322	147,754,506	132,923,991
Charges for service	36,784,476	36,600,357	34,011,575	32,475,447	30,632,254	32,277,458	34,100,783	34,963,562	36,998,985	36,954,858
Fines and forfeits	753,134	736,414	729,874	671,706	600,202	600,833	517,584	740,041	648,179	666,008
Investment income	1,381,306	3,191,446	2,445,639	1,165,349	471,193	2,779,582	1,647,432	3,357,496	3,956,066	5,824,410
Net change in fair value of investments	460,506	(113,794)	2,206,715	1,755,739	(3,404,462)	2,502,497	(104,002)	(918,435)	(494,036)	(789,859)
Interest earned on securities lending	5,639	-	-	-	-	-	-	-	-	-
net of related expenses (1)	11,514,726	14,137,678	13,925,691	14,179,081	13,984,324	13,551,125	13,151,259	12,992,234	13,836,903	11,041,529
Miscellaneous	294,310,997	318,298,103	317,979,641	294,537,466	284,537,716	291,703,490	319,688,912	315,547,016	338,561,622	336,719,491
Total revenues										
Expenditures										
Current										
General government	55,669,453	39,825,483	40,000,510	40,437,536	40,291,064	39,179,092	39,163,703	41,654,394	48,421,198	48,174,812
Public safety	58,544,342	59,494,694	56,708,799	56,378,077	57,141,812	61,077,451	61,860,154	64,680,722	65,940,912	73,057,735
Highways and streets	37,545,483	46,571,830	58,934,529	63,461,363	49,200,205	45,267,411	74,283,231	50,987,117	59,257,168	36,852,616
Human services	76,262,810	80,738,615	75,773,592	74,302,122	75,879,508	78,877,459	81,064,682	84,176,052	86,061,731	88,213,081
Sanitation	7,391,853	6,720,175	4,717,810	4,509,247	3,786,478	3,685,412	4,378,966	3,811,342	4,810,451	4,141,402
Culture and recreation	15,297,073	22,350,737	15,759,477	15,314,212	17,613,565	14,460,071	15,462,018	16,125,211	17,967,583	19,456,489
Conservation of natural resources	620,866	599,602	586,757	570,286	589,538	593,527	594,602	608,190	637,074	719,775
Economic development	20,383,650	20,273,953	10,962,426	17,733,747	14,881,205	10,581,236	9,993,573	8,368,401	8,804,463	14,348,518
Capital outlay	27,979,598	17,071,301	9,842,751	20,791,424	12,741,144	7,821,422	7,898,666	7,551,507	7,614,290	2,241,610
Debt service										
Principal retirement	14,434,736	21,322,184	21,686,262	19,726,766	16,497,873	29,774,254	43,264,559	15,123,887	49,861,079	33,300,505
Interest	8,552,098	9,333,850	9,199,314	8,519,814	8,744,027	8,315,051	6,925,642	7,163,497	6,298,985	5,051,267
Bond issuance costs	810,141	203,316	324,185	431,736	332,043	15,000	622,583	100,808	154,378	172,350
Administrative charges	117,600	71,482	143,865	57,083	182,896	42,714	95,415	90,743	64,319	64,319
Intergovernmental	654,846	88,692	98,445	96,325	95,327	32,935	1,400,670	295,465	150,830	218,186
Total expenditures	324,264,549	324,665,914	304,738,722	322,329,738	297,976,705	299,823,035	347,008,464	300,737,336	355,637,772	326,012,665
Excess of revenues over (under) expenditures	(29,953,552)	(6,367,811)	13,240,919	(27,792,272)	(13,438,989)	(8,119,545)	(27,319,552)	14,809,680	(17,076,150)	10,706,826
Other Financing Sources (Uses)										
Transfers in	10,225,279	15,836,065	29,322,255	18,324,236	12,793,243	17,107,043	16,298,111	14,663,394	17,334,107	27,861,229
Transfers out	(9,995,279)	(15,369,865)	(28,843,523)	(18,876,719)	(12,338,243)	(17,031,946)	(15,843,111)	(14,197,144)	(17,955,580)	(27,861,229)
Bonds issued	51,730,000	7,460,000	8,875,000	13,880,000	-	-	-	8,780,000	-	3,115,000
Refunding bonds issued	4,685,000	1,930,000	8,920,000	15,205,000	20,145,000	-	37,945,000	-	15,890,000	8,305,000
Payment of refunded bonds	-	(1,845,000)	(1,430,000)	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(3,000,000)	-	(3,180,000)	-	-	-	-	-	-	-
Premium on debt	2,147,809	77,133	446,535	1,744,159	1,906,156	-	1,463,205	297,415	2,176,128	855,900
Discount on debt	-	-	(32,135)	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	97,148	-	-	-	112,183	-	2,053,875	2,302,215
Insurance proceeds	-	4,752	-	-	-	-	-	-	3,536,846	-
Total other financing sources (uses)	55,792,809	8,093,085	14,275,280	30,276,676	22,506,156	75,097	39,975,388	9,543,665	23,035,376	14,578,115
Prior Period Adjustments										
Increase (decrease) in inventories	252,784	235,361	476,567	31,720	(722,107)	434,539	161,556	271,009	311,990	(23,115)
Net change in fund balances	\$ 26,092,041	\$ 1,759,447	\$ 27,992,766	\$ 2,516,124	\$ 8,345,060	\$ (7,609,909)	\$ 12,817,392	\$ 24,624,354	\$ 6,271,216	\$ 25,261,826
Debt service as a percentage of noncapital expenditures	8.21%	11.63%	12.09%	10.34%	10.10%	14.02%	17.54%	8.52%	18.38%	12.84%

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

ANOKA COUNTY
ANOKA, MINNESOTA

Table 5

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

Fiscal Year	Real Estate Property					Public Utility	Railroad	Personal Property	Total Estimated Market Value	Total Taxable Market Value	Total Net Tax Capacity Value	Total Net Tax Capacity as a Percentage of Taxable Market Value	Total Direct Tax Rate
	Residential Homestead Non-AG	Residential Non Homestead	Commercial Residential Seasonal	Commercial & Industrial	Agricultural								
2009	\$ 21,403,847	\$ 3,259,121	\$ 42,983	\$ 4,589,486	\$ 578,626	\$ 35,078	\$ 33,559	\$ 255,786	\$ 30,198,486	\$ 29,871,966	\$ 348,048	1.17%	34.969
2010	19,309,920	2,929,711	36,293	4,181,347	500,806	37,965	32,265	272,391	27,300,698	27,025,523	315,214	1.17%	38.609
2011	18,611,726	2,818,962	33,447	3,937,270	471,829	38,190	31,557	271,044	26,214,025	24,028,138	282,472	1.18%	43.492
2012	17,036,780	2,721,244	29,198	3,548,678	415,432	43,438	35,376	280,091	24,110,237	21,845,050	256,725	1.18%	43.948
2013	16,819,959	2,789,991	24,743	3,449,548	412,432	43,948	40,346	271,093	23,852,060	21,583,951	253,041	1.17%	47.215
2014	19,210,085	3,205,637	25,626	3,568,921	423,523	45,203	40,958	288,947	26,788,900	24,689,832	285,532	1.16%	46.165
2015	19,830,926	3,393,127	27,622	3,705,613	427,149	49,318	44,540	283,815	27,762,110	25,685,050	297,330	1.16%	40.822
2016	20,986,937	3,583,860	28,106	4,025,384	431,335	50,404	57,529	300,676	29,464,251	27,414,117	318,646	1.16%	41.865
2017	23,194,053	3,846,501	28,894	4,078,121	444,841	51,666	62,671	323,398	32,030,145	30,098,715	346,498	1.15%	39.611
2018	24,990,753	4,239,207	30,034	4,374,169	452,904	54,014	61,446	344,899	34,547,426	32,686,969	375,454	1.15%	38.091

Source: Anoka County Property Tax Division

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

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

2018 TAX CAPACITY VALUE - PAYABLE 2019

Table 7

Taxpayer	Type of Business	Rank	Estimated Market Value	2018 Tax Capacity Value	Percentage of Total Tax Capacity Value
Minnesota, Inc.	Utility	1	\$ 120,920,700	\$ 2,415,263	0.64%
Medtronic, Inc.	Manufacturing	2	117,843,500	2,353,870	0.63%
Comexus Energy	Utility	3	92,571,800	1,846,546	0.49%
Northern States Power Co.	Utility	4	85,117,700	1,699,486	0.45%
BRE DDR Riverdale Village Outer Ring, LLC	Retail	5	59,652,900	1,192,300	0.32%
Burlington Northern	Railroad	6	56,972,400	1,137,900	0.31%
Target	Retail	7	49,722,400	1,015,532	0.28%
BRE DDR Riverdale Village Inner Ring, LLC	Retail	8	48,424,200	966,525	0.26%
Target	Retail	9	48,296,900	961,888	0.26%
Menard Inc	Retail	10	37,686,300	748,987	0.20%
TOTALS			\$ 726,001,700	\$ 14,492,219	3.86%

Total Tax Capacity Value

**ANOKA COUNTY
ANOKA, MINNESOTA**

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

2009 TAX CAPACITY VALUE - PAYABLE 2010

Taxpayer	Type of Business	Rank	Estimated Market Value	2009 Tax Capacity Value	Percentage of Total Tax Capacity Value
Medtronic Inc	Manufacturing	1	\$ 109,300,600	\$ 2,183,762	0.63%
Comexus Energy	Utility	2	96,900,500	1,930,252	0.55%
Minnesota Inc	Utility	3	62,806,100	1,253,389	0.38%
Target Corporation	Retail	4	57,789,900	1,152,048	0.33%
Clanfield Realty Trust	Real Estate	5	55,253,300	1,101,532	0.32%
Target	Retail	6	49,722,400	966,525	0.28%
DDR MDT Riverdale VII Outer Ring LLC	Retail	7	49,459,600	988,042	0.28%
Dayton Hudson Corp	Retail	8	49,112,600	980,752	0.28%
DDR MDT Riverdale VII Inner Ring LLC	Retail	9	46,088,300	916,673	0.26%
Menard Inc	Retail	10	38,973,800	776,923	0.22%
TOTALS			\$ 619,989,500	\$ 12,370,209	3.94%

Total Tax Capacity Value

Source: Anoka County Property Tax Division
Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

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

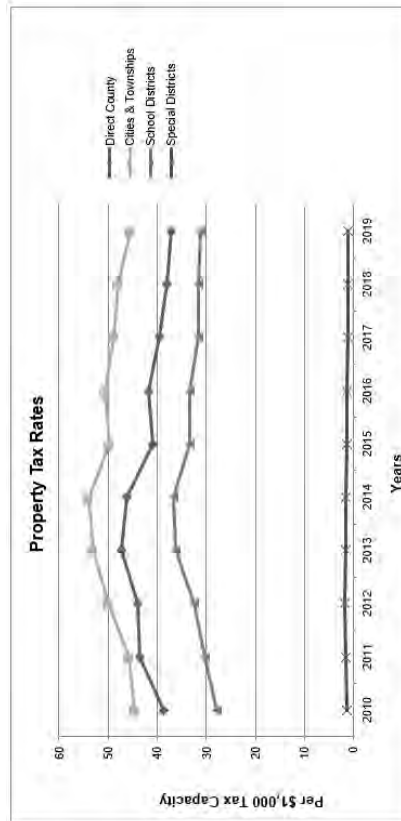
Table 6

Tax Year	Anoka County					Average rates within each classification		
	General	Bonds	Regional Railroad Authority	Housing and Redevelopment Authority	Total	Cities/Townships	School Districts	Special Districts
2010	30.170	5.404	0.767	1.754	38.699	44,710	27,922	1,383
2011	33.890	6.486	0.748	1.784	43.482	45,670	30,218	1,493
2012	35.304	6.281	0.695	1.653	43,933	32,426	32,426	1,676
2013	37.398	6.136	0.692	1.670	46,165	36,752	36,752	1,592
2014	37.477	6.136	0.673	1.670	46,165	36,752	36,752	1,592
2015	33.400	4.953	0.354	1.438	40,822	48,626	33,312	1,437
2016	34.626	4.772	0.520	1.616	41,865	50,610	31,056	1,418
2017	32.723	4.540	0.309	1.536	38,611	48,937	31,689	1,172
2018	31.537	4.283	0.309	1.508	36,081	47,898	31,662	1,140
2019	31.108	3.600	0.346	1.504	37,205	45,451	31,201	1,083

Tax Year 2019
Number of taxing districts: 21
Minimum levy rate: 21.025
Maximum levy rate: 96.653

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

Source: Anoka County Property Tax Division



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

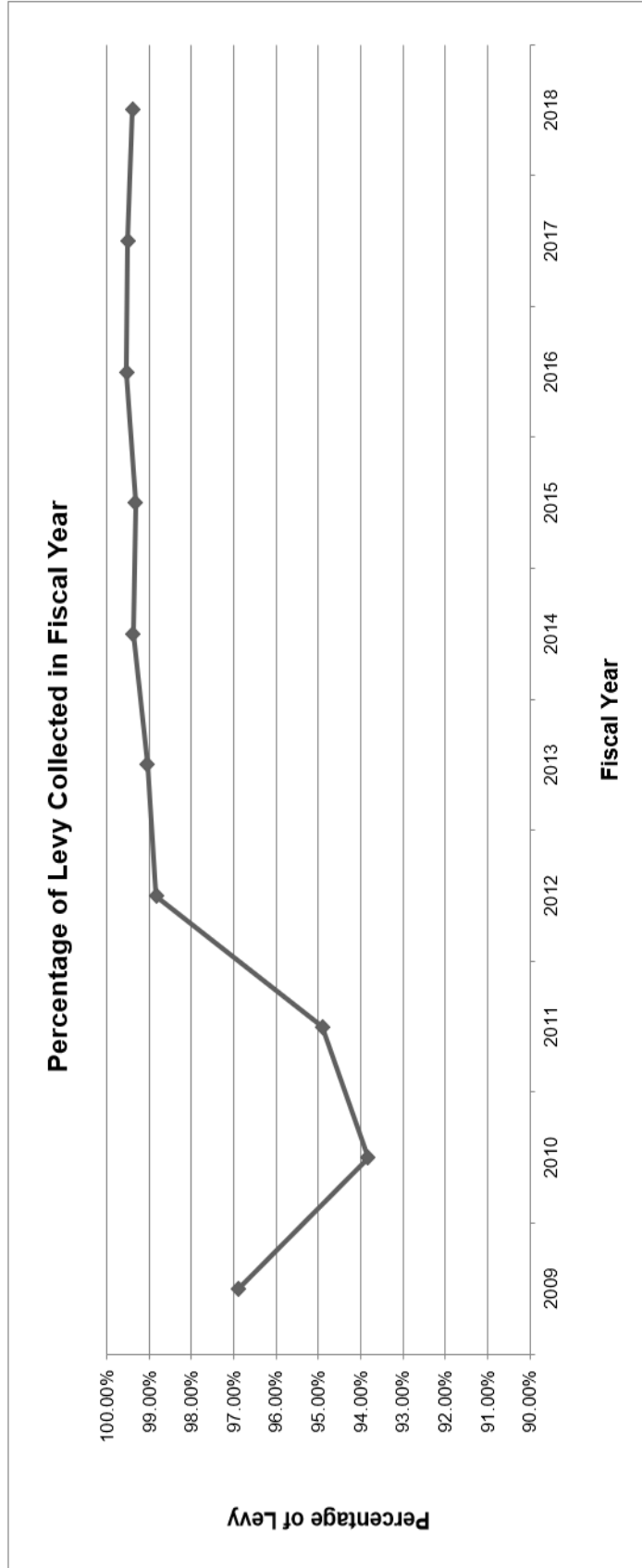
Table 8

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

Fiscal Year	Tax Levied for the Fiscal Year		Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent (net of abatements)	
	Amount (\$)	Percentage of Levy	Amount (1)	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	\$ 139,702,338	96.88%	\$ 135,349,593	96.88%	2,159,691	\$ 137,509,284	98.43%	\$ 16,771	0.01%
2010	145,151,888	93.83%	136,193,948	93.83%	1,707,859	137,901,807	95.01%	30,301	0.02%
2011	147,665,592	94.91%	140,146,703	94.91%	1,287,764	141,434,467	95.78%	43,617	0.03%
2012	137,162,350	98.83%	135,566,093	98.83%	856,792	136,412,885	99.45%	45,783	0.03%
2013	134,407,455	99.04%	133,122,700	99.04%	980,088	134,102,788	99.77%	55,485	0.04%
2014	138,332,621	99.38%	137,481,497	99.38%	733,426	138,214,923	99.91%	75,183	0.05%
2015	140,502,780	99.32%	139,553,245	99.32%	431,982	139,985,227	99.63%	94,996	0.07%
2016	144,690,113	99.54%	144,024,750	99.54%	128,447	144,153,197	99.63%	126,310	0.09%
2017	147,770,275	99.51%	147,048,399	99.51%	266,223	147,314,622	99.69%	185,912	0.13%
2018	154,016,454	99.39%	153,076,755	99.39%	-	153,076,755	99.39%	727,320	0.47%

Notes:

- (1) Includes state paid credits.
- (2) Tax Aids and Credits from the State of Minnesota were reduced significantly in an attempt to balance the State budget.



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

ANOKA COUNTY
ANOKA, MINNESOTA

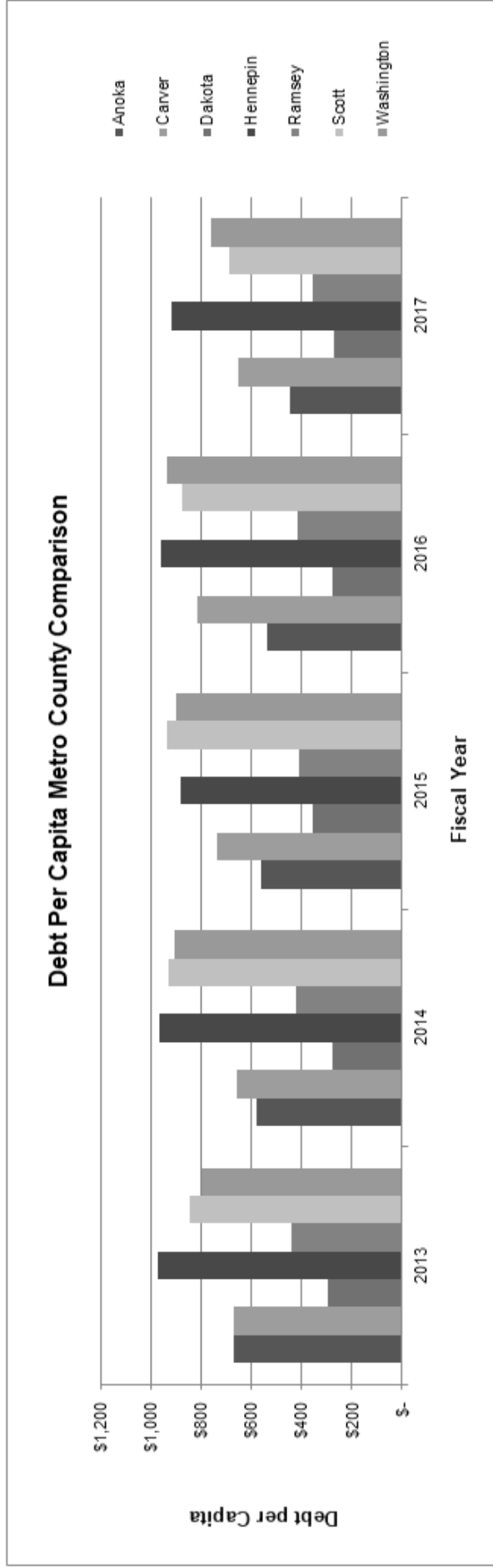
Table 9

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

Fiscal Year	Governmental Activities										Ratio of Debt To Personal Income	Population (2)	Debt Per Capita
	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported by Revenue	Limited Tax Bonds	Capital Leases	Revolving Loans	Total Primary Government	Personal Income (1)					
2009	\$ 12,813,161	\$ 172,293,731	\$ 23,530,025	\$ 30,990,000	\$ 756,416	\$ -	\$ 240,383,333	\$ 12,440,174,000	1.93%	335,308	\$ 717		
2010	11,605,296	161,335,487	22,615,613	30,155,000	703,449	-	226,414,845	12,704,109,000	1.78%	330,844	684		
2011	10,907,721	147,321,217	30,530,527	29,285,000	75,882	-	217,920,347	13,499,611,000	1.60%	334,045	652		
2012	10,180,223	149,630,836	40,342,575	28,380,000	52,967	-	228,586,601	14,082,943,000	1.62%	336,748	679		
2013	9,427,600	157,475,392	39,214,624	27,440,000	29,091	-	233,586,707	14,340,488,000	1.63%	339,765	687		
2014	8,759,600	144,173,823	23,926,674	26,460,000	4,213	167,181	203,491,491	14,840,833,000	1.37%	341,864	595		
2015	3,560,977	119,811,329	22,318,722	53,226,507	86,268	649,789	199,653,592	15,678,200,000	1.27%	339,534	588		
2016	3,151,480	117,933,909	20,685,771	50,574,653	57,897	1,220,056	193,623,766	16,225,834,000	1.19%	345,957	580		
2017	2,646,930	114,269,352	19,958,756	24,862,800	2,719,891	1,608,912	165,065,641	17,107,249,000	0.96%*	352,266	489		
2018	2,356,447	96,052,549	17,445,791	23,510,947	2,032,412	1,669,214	143,067,360	*	*	352,674	406		

Notes:
(1) Source: U.S. Bureau of Economic Analysis
(2) Source: U.S. Census Bureau
(3) Graph shows the most recent five years available

* not available or estimated



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 10

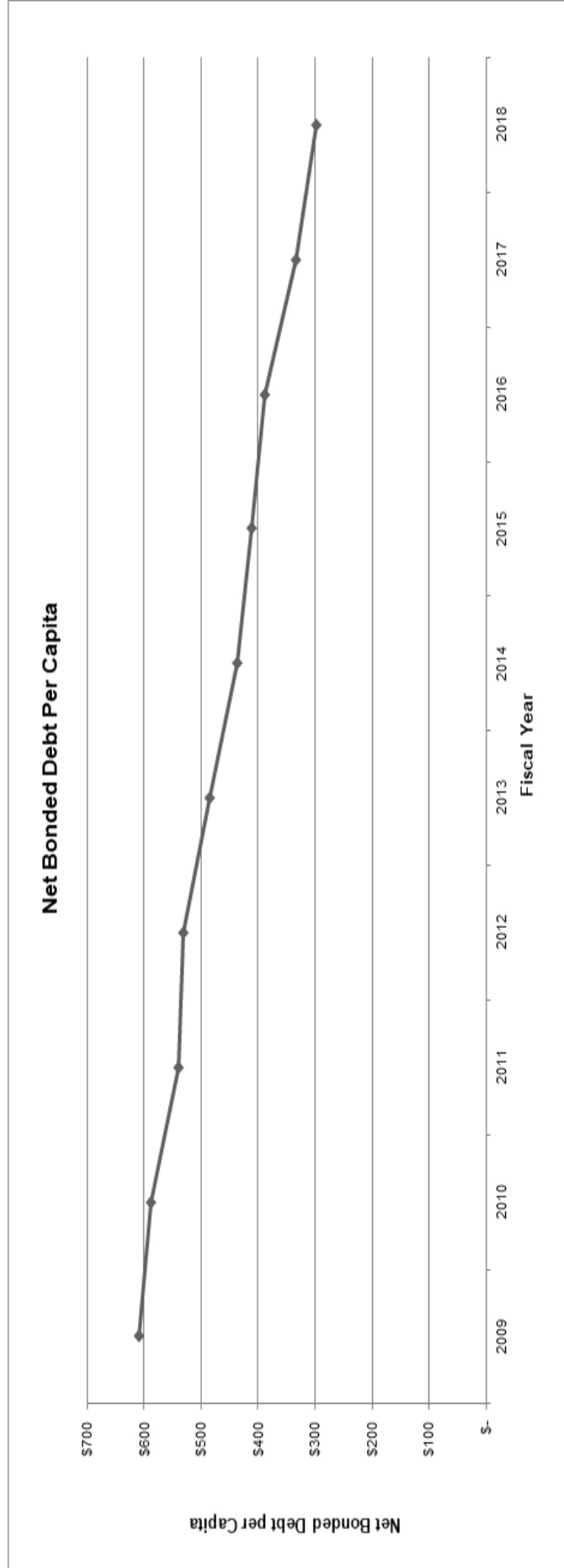
**RATIOS OF NET BONDED DEBT TO ESTIMATED MARKET VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Total Bonded Debt	Net Bonded Debt	Estimated Market Value (1)	Net Bonded Debt of Estimated Market Value	Population (2)	Net Bonded Debt Per Capita
	General Obligation Bonds and Notes	General Obligation Bonds Supported by Revenue	Limited Tax Bonds	Amounts Available in Funds	Net Bonded Debt						
2009	\$ 172,293,731	\$ 23,530,025	\$ 30,990,000	\$ 22,860,813	\$ 203,952,943	\$ 30,198,485,700	0.68%	\$ 608			
2010	161,335,487	22,615,613	30,155,000	19,402,447	194,703,653	27,300,698,200	0.71%	589			
2011	147,121,217	30,530,527	29,285,000	26,554,006	180,382,738	26,214,024,800	0.69%	540			
2012	149,630,836	40,342,575	28,380,000	39,123,413	179,229,998	24,110,238,400	0.74%	532			
2013	157,475,392	39,214,624	27,440,000	59,646,182	164,483,834	23,852,062,600	0.69%	484			
2014	144,173,823	23,926,674	26,460,000	45,287,188	149,273,309	26,788,899,100	0.56%	437			
2015	119,811,329	22,318,722	53,226,507	55,639,172	139,717,386	27,762,109,400	0.50%	411			
2016	117,933,909	20,685,771	50,574,653	54,501,915	134,692,418	29,464,251,000	0.46%	389			
2017	114,268,352	18,958,756	24,862,800	40,172,192	117,917,716	32,030,143,600	0.37%	335			
2018	96,052,549	17,445,791	23,510,947	32,918,068	104,091,219	34,547,426,500	0.30%	295			

Notes

(1) Source: Anoka County Property Tax Division

(2) Source: U.S. Census Bureau



**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 11

**COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING
LONG-TERM DEBT
DECEMBER 31, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to County (1)</u>	<u>County's Share of Debt</u>
Direct:			
Anoka County	\$ 143,067,360	100.0%	\$ 143,067,360
Overlapping:			
Metropolitan Council	1,549,087,966	9.3%	143,540,890
Underlying:			
City of Andover	28,639,000	100.0%	28,639,000
City of Anoka	10,060,000	100.0%	10,060,000
City of Bethel	995,000	100.0%	995,000
City of Blaine	56,716,760	99.2%	56,252,876
City of Centerville	5,138,440	100.0%	5,138,440
City of Circle Pines	20,925,000	100.0%	20,925,000
City of Columbia Heights	24,070,000	100.0%	24,070,000
City of Columbus	10,816,000	100.0%	10,816,000
City of Coon Rapids	64,093,285	100.0%	64,093,285
City of East Bethel	18,380,000	100.0%	18,380,000
City of Fridley	56,250,000	100.0%	56,250,000
City of Ham Lake	1,551,010	100.0%	1,551,010
City of Lexington	2,748,640	100.0%	2,748,640
City of Lino Lakes	23,941,025	100.0%	23,941,025
City of Nowthen	519,318	100.0%	519,318
City of Oak Grove	278,000	100.0%	278,000
City of Ramsey	26,170,000	100.0%	26,170,000
City of St. Francis	40,687,000	99.9%	40,628,466
City of Spring Lake Park	5,430,160	97.4%	5,291,570
School District #11	203,355,000	79.3%	161,250,035
School District #12	90,587,065	100.0%	90,587,065
School District #13	10,625,000	100.0%	10,625,000
School District #14	56,575,000	100.0%	56,575,000
School District #15	94,610,000	93.5%	88,489,964
School District #16	128,900,000	100.0%	128,900,000
School District #624	85,805,000	3.0%	2,610,748
School District #728	211,600,000	6.3%	13,406,438
School District #831	163,990,000	31.9%	52,338,925
Total Underlying	1,443,455,703		1,001,530,805
Grand Total	\$ 3,135,611,029		\$ 1,288,139,055

Notes:

(1) Determined by the portion of the long-term debt which is secured by taxable real estate located within Anoka County.

Source: Anoka County Property Tax Division

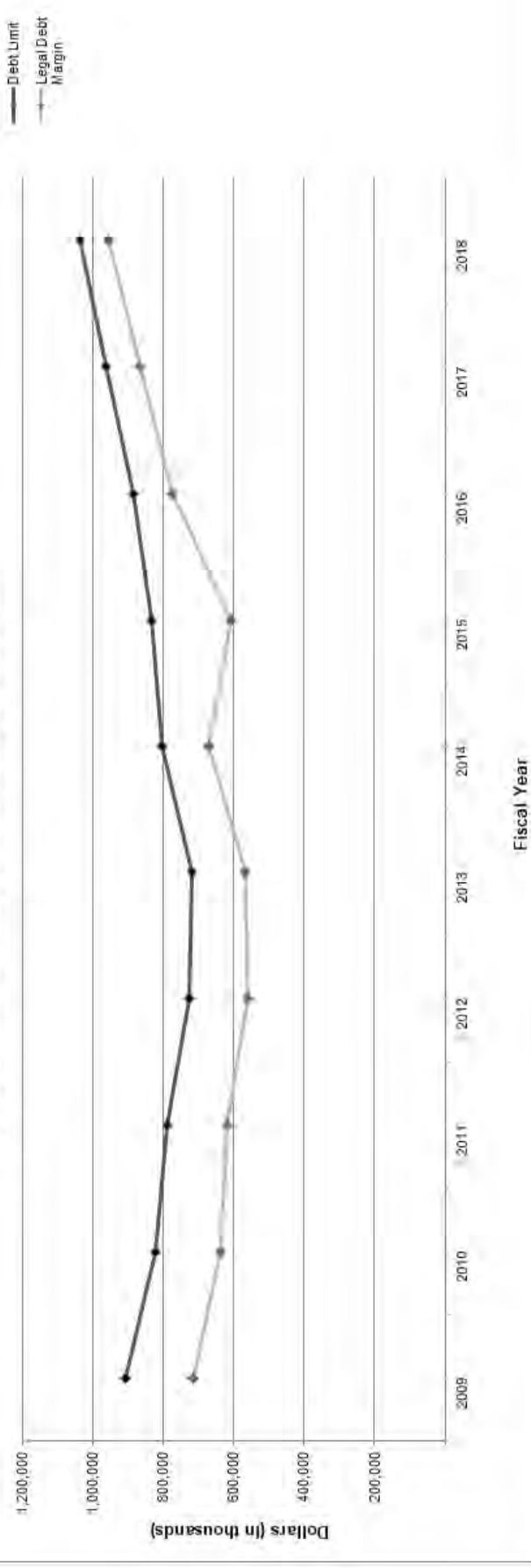
Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Estimated market value (EMV) (1)	\$ 30,198,485,700	\$ 27,300,698,200	\$ 26,214,025,000	\$ 24,110,238,400	\$ 23,852,062,600	\$ 26,788,899,100	\$ 27,762,109,400	\$ 29,464,250,000	\$ 32,030,143,600	\$ 34,547,426,500
Add: Estimated market value of certain property exempt from taxation at its 1966 valuation, Extra session laws 1967, Chapter 32, Article 15	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178
Net estimated market value (EMV)	\$ 30,238,111,878	\$ 27,340,324,378	\$ 26,253,651,178	\$ 24,149,864,578	\$ 23,891,688,778	\$ 26,828,525,278	\$ 27,801,735,578	\$ 29,503,876,178	\$ 32,069,769,778	\$ 34,587,052,678
Debt limit as a percentage of EMV (2)	78.87%	77.76%	78.70%	77.12%	79.27%	83.25%	86.10%	87.30%	90.15%	91.88%
Amount of debt applicable to debt limit	\$ 23,852,062,600	\$ 21,110,238,400	\$ 20,605,332,000	\$ 18,498,937,000	\$ 18,937,651,000	\$ 22,410,238,400	\$ 23,937,651,000	\$ 25,876,178,000	\$ 28,937,651,000	\$ 31,769,769,778
Total bonded debt (3)	213,076,649	200,262,432	184,333,505	183,899,654	188,685,657	174,231,281	170,551,284	165,910,411	133,925,000	115,255,000
Less: Amount available in funds (3)	(21,353,266)	(17,874,475)	(16,605,632)	(18,139,377)	(40,132,711)	(39,434,246)	(54,636,802)	(53,528,861)	(39,206,517)	(30,998,188)
Total debt applicable to debt limit	\$ 191,723,383	\$ 182,387,957	\$ 167,727,869	\$ 165,760,277	\$ 148,552,946	\$ 134,797,035	\$ 115,914,482	\$ 112,381,550	\$ 94,718,483	\$ 84,256,812
Legal Debt Margin	\$ 715,419,973	\$ 637,821,774	\$ 619,881,562	\$ 558,735,660	\$ 568,187,717	\$ 670,058,223	\$ 718,137,585	\$ 772,734,735	\$ 867,374,610	\$ 953,354,768

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

COMPARISON OF LEGAL DEBT MARGIN TO DEBT LIMIT



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 13

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

City of Ham Lake Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Ham Lake and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2009	\$ 451,681	\$ 194,260	\$ 257,421	\$ 40,000	\$ 87,007	\$ 127,007	2.03
2010	470,824	233,727	237,097	115,000	112,315	227,315	1.04
2011	479,434	203,579	275,855	120,000	107,615	227,615	1.21
2012	472,279	252,714	219,565	125,000	102,715	227,715	0.96
2013	487,255	261,271	225,984	130,000	97,615	227,615	0.99
2014	501,781	274,177	227,604	135,000	92,315	227,315	1.00
2015	507,994	337,787	170,207	140,000	84,015	224,015	0.76
2016	513,957	325,917	188,040	145,000	78,215	223,215	0.84
2017	520,769	304,434	216,335	150,000	75,215	225,215	0.96
2018	547,293	287,405	259,888	-	31,115	31,115	8.35

City of Centerville Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Centerville and Interest Income from Escrow and Miscellaneous Accounts							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2009	\$ 468,961	\$ 241,181	\$ 227,780	\$ 80,000	\$ 192,275	\$ 272,275	0.84
2010	462,576	278,429	184,147	85,000	189,960	274,960	0.67
2011	484,910	238,662	246,248	90,000	187,245	277,245	0.89
2012	474,969	245,531	229,438	95,000	184,024	279,024	0.82
2013	516,282	259,608	256,674	105,000	180,379	285,379	0.90
2014	526,690	328,599	198,091	140,000	197,370	337,370	0.59
2015	534,167	284,875	249,292	75,000	93,814	168,814	1.48
2016	546,544	344,724	201,820	80,000	92,264	172,264	1.17
2017	563,096	417,949	145,147	85,000	90,614	175,614	0.83
2018	838,795	655,232	183,563	85,000	88,914	173,914	1.06

City of Ramsey Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Ramsey and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2009	\$ 494,617	\$ 810,397	\$ (315,780)	\$ -	\$ 185,610	\$ 185,610	(1.70)
2010	515,900	275,423	240,477	105,000	105,458	210,458	1.14
2011	519,944	276,011	243,933	135,000	103,058	238,058	1.02
2012	524,622	274,228	250,394	135,000	100,358	235,358	1.06
2013	541,644	255,793	285,851	140,000	97,608	237,608	1.20
2014	552,271	279,451	272,820	140,000	93,408	233,408	1.17
2015	561,535	290,830	270,705	145,000	89,058	234,058	1.16
2016	577,901	297,910	279,991	150,000	84,558	234,558	1.19
2017	593,752	365,994	227,758	155,000	82,233	237,233	0.96
2018	610,800	355,191	255,609	160,000	75,108	235,108	1.09

City of Oak Grove Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Oak Grove and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2009	\$ 357,493	\$ 283,996	\$ 73,497	\$ 100,000	\$ 267,273	\$ 367,273	0.20
2010	425,607	280,279	145,328	110,000	264,323	374,323	0.39
2011	455,686	307,906	147,780	115,000	260,833	375,833	0.39
2012	484,137	330,939	153,198	125,000	256,649	381,649	0.40
2013	550,374	301,534	248,840	135,000	251,909	386,909	0.64
2014	668,770	355,493	313,277	170,000	294,649	464,649	0.67
2015	709,751	394,034	315,717	180,000	167,843	347,843	0.91
2016	748,551	397,968	350,583	185,000	164,193	349,193	1.00
2017	724,900	332,514	392,386	190,000	160,443	350,443	1.12
2018	738,445	418,134	320,311	200,000	156,543	356,543	0.90

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

ANOKA COUNTY
ANOKA, MINNESOTA

Table 14

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

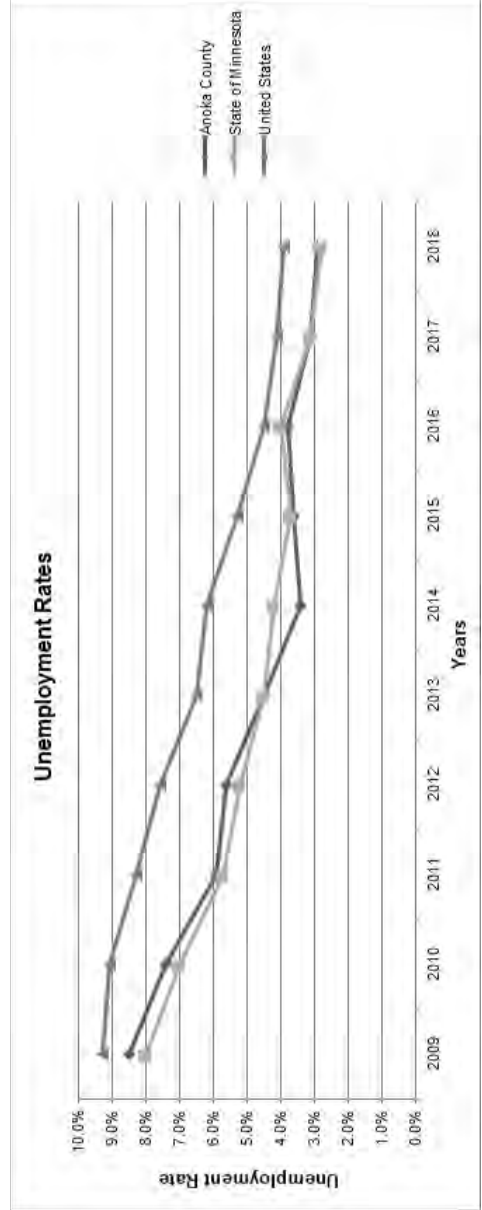
Fiscal Year	Population				Anoka County				Anoka County				Education Level	
	State of Minnesota (3) (7)	Mpls.-St. Paul Metropolitan Area (1)	Anoka County		Rank in Size of Minnesota Counties (7)	Personal Income (2)	Per Capita Income (9)	Percent of Change	Percent of Change	Median Age (3)(6)	in years of Formal Schooling (4)	School Enrollment (K thru 12) (5)	Anoka County	
			Population (3)	Percent of Change									Unemployment Rate	Percent of Change
2009	5,300,942	2,881,812	335,308	0.8%	4th	\$ 12,440,174,000	\$ 37,101	-2.5%	-3.3%	37.2	13.4	63,985		
2010	5,303,925	2,849,567	330,844	-1.3%	4th	12,704,109,000	38,399	2.1%	3.5%	36.8	13.5	62,372		
2011	5,379,646	2,873,444	334,045	1.0%	4th	13,499,611,000	40,413	6.3%	5.2%	37.7	13.5	62,256		
2012	5,420,380	2,909,001	336,748	0.8%	4th	14,082,943,000	41,820	4.3%	3.5%	37.6	13.6	62,064		
2013	5,422,060	2,950,885	339,765	0.9%	4th	14,340,458,000	42,207	1.8%	0.9%	37.8	13.6	63,127		
2014	5,457,173	2,979,343	341,864	0.6%	4th	14,840,833,000	43,412	3.5%	2.9%	38.2	13.6	63,581		
2015	5,482,435	3,012,117	339,534	-0.7%	4th	15,678,200,000	45,556	5.6%	4.9%	38.3	13.6	64,707		
2016	5,519,952	3,041,526	345,957	1.9%	4th	16,225,834,000	46,901	3.5%	3.0%	37.9	13.6	62,696		
2017	5,576,606	3,075,563	352,266	1.8%	4th	17,107,249,000	48,563	5.4%	3.5%	38.2	13.7	64,737	*	
2018	5,611,179	*	352,674	0.1%	4th	*	*	*	*	*	*	*	*	*

Anoka County Employment (8)

Fiscal Year	Anoka County			State of Minnesota			United States		
	Labor Force	Employment	Percent of Change	Unemployment	Unemployment Rate	Percent of Change	Unemployment Rate	Unemployment Rate	Percent of Change
2009	192,530	176,075	-2.5%	16,455	8.5%	57.4%	8.0%	9.3%	3.5%
2010	188,381	174,533	-0.9%	13,848	7.4%	-15.8%	7.0%	9.1%	-0.2%
2011	190,741	179,527	2.9%	11,214	5.9%	-19.0%	5.7%	8.3%	-0.8%
2012	187,806	177,616	-1.1%	10,190	5.6%	-9.1%	5.2%	7.6%	-0.7%
2013	188,200	179,917	1.3%	8,283	4.5%	-18.7%	4.5%	6.5%	-1.1%
2014	189,696	182,015	1.2%	7,681	3.4%	-7.3%	4.2%	6.2%	-0.3%
2015	191,432	184,454	0.9%	6,978	3.6%	-9.2%	3.7%	5.3%	-0.9%
2016	189,256	181,997	-1.1%	7,259	3.8%	4.0%	4.0%	4.5%	-0.8%
2017	195,688	189,642	3.4%	6,046	3.1%	-16.7%	3.1%	4.1%	-0.4%
2018	197,151	191,336	0.7%	5,815	2.9%	-3.8%	2.8%	3.9%	-0.2%

- Notes: (1) Source: Metropolitan Council
 (2018 population is an estimate based on past years' growth)
 (2) Source: U. S. Bureau of Economic Analysis
 (3) Source: U. S. Census Bureau
 (4) Persons 25 years and over. Source: U. S. Census Bureau
 (5) Public schools only
 Source: Minnesota Department of Education
 (6) The most recent data available is from the 2015 American Community Survey from the U. S. Census Bureau
 (7) Source: Minnesota QuickFacts from the U. S. Census Bureau
 (8) Annual averages
 Source: Minnesota Department of Employment and Economic Development
 (9) Calculation of Personal Income and Population

* not available or estimated



Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

TEN LARGEST EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR

Table 15

2018 Employers

Taxpayer	Type of Business	Rank	Approximate Employment	Percentage of Total Employment
Medtronic Corporation	Medical Device Services	1	1,000 (1)	8.82%
Anoka-Hennepin Independent School District #11	Public Education	2	825 (2)	7.25%
Mercy Hospital and Unity Medical Center	Hospital	3	3,775 (3)	33.03%
Anoka County	County Government	4	2,391 (4)	21.18%
Target Corporation (six stores & distribution center)	Retail	5	1,900 (2)(8)	16.8%
Northtown Mall	Shopping Mall	6	1,500 (3)(8)	13.2%
Federal Premium Annuities	Amusement, Recreation, and Entertainment	7	1,400 (5)	12.4%
Medical Products	Medical Products	8	1,200 (6)	10.6%
United Parcel Service	Generator and Diesel Manufacturer	9	1,100 (4)(8)	9.7%
Walmart Corporation (three locations)	Retail	10	1,000 (2)(8)	8.80%
Total Anoka County Employment			124,794 (7)	

Source: Minnesota Department of Employment and Economic Development. 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 did not respond.

2009 Employers

Taxpayer	Type of Business	Rank	Approximate Employment	Percentage of Total Employment
Anoka-Hennepin Independent School District #11	Public Education	1	6,395 (2)	5.92%
Mercy Hospital and Unity Medical Center	Medical Services	2	3,000 (2)	2.78%
Anoka County	Hospital	3	1,815 (2)	1.68%
Onan Corporation	County Government	4	1,700 (2)	1.57%
BAE Systems (2)	Generator and Diesel Manufacturer	5	1,500 (2)	1.39%
Federal Cartridge Corporation	Pumps/Naval Ordnance	6	1,023 (2)	0.95%
Minco Products	Ammunition Manufacturer	7	750 (2)	0.70%
Parsons Electric Company	Electronics	8	750 (2)	0.69%
Burlington Northern Railroad	Transportation	9	750 (2)	0.69%
Minco Products, Incorporated	Electronic Devices	10	750 (2)	0.69%
Total Anoka County Employment			107,989 (6)	

Source: Telephone survey of individual employers by Bond Advisors, October 2009 and Anoka County Finance and Central Services Division

- Notes:
- (1) Corporate-wide total is 49,000; 11,000 in Anoka County sites.
 - (2) Includes full-time employees, excludes seasonal and temporary employees.
 - (3) Includes full-time employees only.
 - (4) Former name was Onan Corporation.
 - (5) Former name was Federal Cartridge Corporation.
 - (6) Minnesota Department of Employment and Economic Development - NAICS, based on the average of the first three months of 2009.
 - (7) Minnesota Department of Employment and Economic Development - NAICS, based on the average of the first three quarters of 2018.
 - (8) Information as of February 2017, most recent information available.

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA
COMPARISON OF EMPLOYMENT BY INDUSTRY
2017 AND 2008

Table 16

2017 (1)

Industry	Wages	Average Number of Employees	Percent of All Employment
Natural Resources and Mining	\$ 13,202,610	421	0.34%
Construction	530,848,578	8,156	6.66%
Manufacturing	1,796,401,348	22,722	18.55%
Trade, Transportation and Utilities	1,177,396,367	26,522	21.66%
Information	31,690,735	711	0.58%
Financial Activities	239,492,140	3,629	3.13%
Professional and Business Services	1,398,981,441	27,953	22.82%
Education and Health Services	1,398,981,441	27,953	22.82%
Leisure and Hospitality	244,409,891	13,204	10.78%
Other Services	154,259,489	4,915	4.01%
Public Administration	263,127,145	4,892	4.00%
Total, all industries	\$ 6,348,431,175	122,461	100.00%

2008 (1)

Industry	Wages	Average Number of Employees	Percent of All Employment
Natural Resources and Mining	\$ 10,283,981	394	0.34%
Construction	368,549,749	7,170	6.35%
Manufacturing	1,485,355,744	23,309	20.65%
Trade, Transportation and Utilities	878,879,890	24,940	22.10%
Financial Activities	142,211,658	3,410	3.02%
Professional and Business Services	353,812,082	9,484	8.40%
Education and Health Services	1,039,021,532	23,938	21.21%
Leisure and Hospitality	153,223,895	11,476	10.17%
Other Services	102,286,074	4,033	3.57%
Public Administration	219,642,178	4,733	4.19%
Total, all industries	\$ 4,753,266,793	112,877	100.00%

Note: 2017 is the most recent period that data is available for this table.

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

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA
SUMMARY OF INSURANCE IN FORCE
YEAR ENDED DECEMBER 31, 2016

Insurance Coverage	Company	Amount/Limit
American International Group (National Union Fire)	American International Group (National Union Fire)	\$530,230,695
American International Group (National Union Fire)	American International Group (National Union Fire)	\$750,000
Anoka County Liability Indemnification Plan	Anoka County Liability Indemnification Plan	\$500,000 per person/\$1,500,000 per occurrence
Chromox	Chromox	\$1,000,000 per occurrence/\$2,000,000 aggregate
EUCLID (Hudson Insurance Company)	EUCLID (Hudson Insurance Company)	\$1,000,000 per occurrence/\$2,000,000 aggregate
Medical Medical Insurance	Medical Medical Insurance	\$1,500,000 CSU/\$50,000 UM/\$50,000 UM
Anoka County Workers Comp. Self Insured Plan	Anoka County Workers Comp. Self Insured Plan	\$3,000,000 each claim/\$5,000,000 aggregate
Founders	Founders	Statutory
General Star	General Star	\$1,000,000 per occurrence/\$2,000,000 aggregate
Auto Owners	Auto Owners	\$2,000,000 per occurrence/\$4,000,000 aggregate
LMCIT	LMCIT	\$757,007
LMCIT	LMCIT	\$250,000 per occurrence
LMCIT	LMCIT	\$250,000 per occurrence
State Fund Mutual	State Fund Mutual	\$100,000 per occurrence
SFM	SFM	Statutory
LMCIT	LMCIT	\$2,000,000 per occurrence
LMCIT	LMCIT	\$250,000 per occurrence
LMCIT	LMCIT	\$250,000 per occurrence

Table 19

ANOKA COUNTY
ANOKA, MINNESOTA
CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government:										
Correctional institution	1	1	1	1	1	1	1	1	1	1
Government Center	1	1	1	1	1	1	1	1	1	1
Human Service Center	1	1	1	1	1	1	1	1	1	1
Head start facility	1	1	1	1	1	1	1	1	1	1
Miscellaneous structures	3	3	3	3	3	3	6	6	6	6
Regional Treatment Center buildings	16	16	17	17	17	17	17	17	17	17
Ground and maintenance equipment	12	13	13	12	12	13	13	13	14	15
Licensed vehicles/trailers	28	29	31	33	33	33	34	33	30	28
Public safety:										
Adult correctional institutions	2	2	2	2	2	2	2	2	2	2
Juvenile correctional institutions	5	5	5	5	5	5	5	5	5	5
Medical Examiner building	2	1	1	1	1	1	1	1	1	1
Sheriff's Public Safety Campus	1	1	1	1	1	1	1	1	1	1
Sheriff's patrol buildings	4	4	4	4	4	4	4	4	4	4
Sheriff's office buildings	6	4	4	4	4	4	4	4	4	4
Boats, motors, snowmobiles, av	16	17	17	18	19	19	19	19	19	18
Licensed vehicles/trailers	24	23	28	28	29	31	29	28	34	33
Paro vans	84	85	86	86	94	95	101	98	101	102
Highways and streets:										
Highway buildings	8	8	8	8	8	8	7	7	7	7
Licensed vehicles/trailers	28	25	26	27	30	30	35	35	36	48
Two lane (road miles)	83	83	82	84	98	93	95	100	107	111
Bridges	320.64	311.81	306.37	304.81	301.23	301.23	289.65	280.79	282.11	282.11
Bridges	101.70	107.70	111.70	114.70	117.70	122.70	133.70	137.70	137.70	137.70
Human services:										
Head start facility	1	1	1	1	1	1	1	1	1	1
Sanitation:										
Educational trailers	2	2	2	2	2	2	2	2	2	2
Household hazardous waste facility	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
County parks	7	7	7	7	8	8	8	8	8	8
Regional park reserves	6	6	6	6	6	6	6	6	6	6
Activity center/contract stations	2	3	3	4	4	4	4	4	4	4
Anderson House	10	10	10	10	10	10	10	10	10	10
Artery range	2	2	2	2	2	2	2	2	2	2
Camp Center for the Arts	2	2	2	2	2	2	2	2	2	2
Camp Sallis	3	3	3	3	3	3	3	3	3	3
Camping cabin sites	3	3	3	3	3	3	3	3	3	3
Wargo Nature Center	4	4	4	4	4	4	4	4	4	4
Miscellaneous park buildings	21	20	21	20	20	21	21	21	21	20
Park shelters and restrooms	57	55	57	57	57	57	57	57	57	56
Rieder Farm Estate	1	1	1	1	1	1	1	1	1	1
Wargo Nature Center	1	1	1	1	1	1	1	1	1	1
Chromox Golf Course (18 hole)	1	1	1	1	1	1	1	1	1	1
Summer Beach Aquatic Center	80	87	86	84	86	89	92	96	97	115
Licensed vehicles/trailers	47	47	47	46	46	47	46	48	48	48
Lobbies	2	2	2	2	2	2	2	2	2	2
Branch	5	5	5	5	5	5	5	5	5	4
Economic development:										
Senior housing developments	4	4	4	4	4	4	4	4	4	4

Source: Anoka County Capital Asset Master File
Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

**SUMMARY OF INSURANCE IN FORCE
YEAR ENDED DECEMBER 31, 2016**

**Table 20
(Continued)**

Insurance Coverage	Company	Amounts/Limit
HRA - Chauncey-Baret Gardens - Bldg. 1 of Centerville General Liability Property & Contents Sewer Backup	LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence \$2,000,000 per occurrence \$2,720,638 Included
HRA - Chauncey-Baret Gardens - Bldg. 11 of Centerville Crime Property & Contents Sewer Backup	LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence \$250,000 per occurrence \$3,359,081 Included
HRA - Swannah Oaks of Ramsey General Liability Crime Property & Contents Sewer Backup	LMCIT LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence \$250,000 per occurrence \$8,316,849 Included
HRA - Oaks of Lake George General Liability Crime Property & Contents Sewer Backup	LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence \$250,000 per occurrence \$8,854,597 Included
Minnesota Youth Program Workers' Compensation	Accident Fund	Statutory
Job Training Center - Students Accident/Medical	Omaha Mutual	\$25,000 per person
Job Training Center - SCSEP Program Workers' Compensation	RTW, Inc	Statutory
Minnesota Family Investment Program Workers' Compensation	State Fund Mutual	Statutory
Anoka-Hennepin Narcotics and Violent Crimes Task Force Liability Auto Liability Auto (Hired, non-owned) Petrolfund Property	LMCIT LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence/\$3,000,000 aggregate \$2,000,000 per occurrence/aggregate \$250,000 per occurrence \$429,688
Northwestern Anoka Co. Community Consortium Liability Property Petrolfund Crime AIB (Hired, non-owned)	LMCIT LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence \$250,000 \$250,000 \$250,000 \$2,000,000 CSL
Northwestern Anoka Co. Community Consortium Workers' Compensation	SFM	Statutory
Joint Law Enforcement Council Liability Property Crime Petrolfund Data Breach AIB	LMCIT LMCIT LMCIT LMCIT LMCIT LMCIT	\$2,000,000 per occurrence/\$3,000,000 aggregate \$4,886,681 \$250,000 \$250,000 \$250,000 \$500,000/\$1,500,000
2018 Special Comp Fund Assess Workers' Compensation	2018 Special Comp Fund Assess	
2018 Reinsurance Workers' Compensation	WGRA	

Source: Anoka County Finance and Central Services Division
Unaudited

FORM OF LEGAL OPINION

(See following pages)



Offices in 470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis MN 55402-1458
Saint Paul (612) 337-9300 telephone
(612) 337-9310 fax
St. Cloud www.kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

\$8,290,000
Anoka County Housing and Redevelopment Authority
Housing Development Revenue Refunding Bonds
(Anoka County, Minnesota General Obligation)
Series 2019A

We have acted as bond counsel to the Anoka County Housing and Redevelopment Authority (the “Issuer”) in connection with the issuance by the Issuer of its Housing Development Revenue Refunding Bonds (Anoka County, Minnesota General Obligation), Series 2019A (the “Bonds”), originally dated December __, 2019, and issued in the original aggregate principal amount of \$8,290,000. The Bonds are issued pursuant to a resolution adopted by the Board of Trustees of the Issuer on October 22, 2019 (the “Resolution”). The Bonds are secured by a pledge of the full faith and credit of Anoka County, Minnesota (the “County”) pursuant to a resolution adopted by the Board of Commissioners of the County on October 22, 2019 (the “County Resolution”). 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 Issuer is a public body corporate and politic duly organized and existing under the laws of the State of Minnesota. The Issuer is authorized under applicable laws of the State of Minnesota to issue the Bonds and to apply the proceeds derived from the sale of the Bonds for the purposes set forth in the Resolution.

2. The Bonds have been issued in accordance with the Resolution and applicable laws of the State of Minnesota and are valid and binding limited obligations of the Issuer enforceable in accordance with their terms and the terms of the Resolution.

3. The Issuer has validly pledged the full faith and credit of the County to the Bonds in accordance with the provisions of Minnesota Statutes, Section 469.034, subdivision 2, and the Bonds are general obligations of the County as authorized in the County Resolution.

4. Interest on the Bonds (including any original issue discount allocable to an owner thereof) is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is 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.

5. The Issuer has deemed designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(D) of the Code.

6. 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 December __, 2019 at Minneapolis, Minnesota.

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities 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 Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Authority 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Authority or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Authority, 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 Authority or 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.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Authority or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

\$8,290,000
Anoka County Housing and Redevelopment Authority
Housing Development Revenue Refunding Bonds
(Anoka County, Minnesota General Obligation)
Series 2019A

CONTINUING DISCLOSURE CERTIFICATE

December __, 2019

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Anoka County Housing and Redevelopment Authority (the “Issuer”) and Anoka County, Minnesota (the “County”) in connection with the issuance of the Issuer’s Housing Development Revenue Refunding Bonds (Anoka County, Minnesota General Obligation), Series 2019A (the “Bonds”), in the original aggregate principal amount of \$8,290,000, to which the County has pledged its full faith and credit. The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the Issuer on October 29, 2019 (the “Bond Resolution”). The County approved the pledge by the Issuer of the County’s full faith and credit and taxing powers to the payment of debt service on the Bonds pursuant to a resolution adopted by the Board of Commissioners of the County on October 29, 2019 (the “County Resolution,” and together with the Bond Resolution, the “Resolutions”). The Bonds are special, limited obligations of the Issuer payable only from amounts pledged thereto pursuant to the Resolutions. The Bonds are being delivered to Baird, Milwaukee, Wisconsin (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer and the County have 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 and the County hereby covenant and agree as follows:

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

“Audited Financial Statements” means annual financial statements of the County and the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the Housing Development Revenue Refunding Bonds (Anoka County, Minnesota General Obligation), Series 2019A, issued by the Issuer in the original aggregate principal amount of \$8,290,000.

“County” means Anoka County, Minnesota, which is an obligated person with respect to the Bonds.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“Dissemination Agent” means any dissemination agent designated in writing by it and which has filed with the Issuer or the County, respectively, a written acceptance of such designation. If no Dissemination Agent is designated, the Issuer will act as its own Dissemination Agent and the County will act as its own Dissemination Agent.

“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 deemed Final Official Statement, dated _____, 2019, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer or the County, as the case may be.

“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 the Anoka County Housing and Redevelopment Authority, which is an 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 Baird, Milwaukee, Wisconsin.

“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) County.

1. The County shall, or shall cause the Dissemination Agent to, not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2019, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the County may be submitted separately from the balance of the Annual Report.

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

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

(b) Issuer.

1. The Issuer shall, or shall cause the Dissemination Agent to, not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2019, provide to the Repository 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.

2. 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, or cause the Dissemination Agent to send, a notice of that fact to the Repository and the MSRB.

3. 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.

(a) County. The County's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

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.

(b) Issuer. The Issuer’s Annual Report shall contain or incorporate by reference the financial information or operating data with respect to the Project (as defined in the Resolutions), provided at least annually, of the type included in Exhibit A hereto, which Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed in paragraphs (a) and (b) above may be incorporated by reference from other documents, including official statements of debt issues of the County, 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 County or the Issuer as the case may be shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

Section 7. Termination of Reporting Obligation. The Issuer's and the County'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 and the County may each, from time to time, appoint or engage a Dissemination Agent to assist the Issuer or the County in carrying out the Issuer's or the County's respective obligations under 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 this Disclosure Certificate, the Issuer and the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions 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 or the County 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 or the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer or the County chooses to include any information in any

Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer and the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer or the County to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer and the County to comply with their 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 or the County to comply with this Disclosure Certificate shall be an action to compel performance.

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

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Issuer and the County have executed this Continuing Disclosure Certificate as of the date and year first written above.

**ANOKA COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**

By _____
Its Chair

By _____
Its Executive Director

Execution page of the County to the Continuing Disclosure Certificate, dated as of the date and year first written above.

ANOKA COUNTY, MINNESOTA

By _____
Its Chair

By _____
Its County Administrator

EXHIBIT A-1

ANNUAL REPORT OF THE ISSUER – RAMSEY PROJECT

\$8,290,000

Anoka County Housing and Redevelopment Authority
Housing Development Revenue Refunding Bonds
(Anoka County, Minnesota General Obligation)
Series 2019A

Report for Period Ending _____

THE PROJECT

Name: [Ramsey Project] _____
Address: [Address] _____
Occupancy: low- and moderate-income elderly tenants _____
Number of Units: 50 _____
Number of Units Occupied as of Report Date: _____

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended _____, as derived from the Issuer’s audited financial statements.

Operating Income of the Project
Investment Earnings
Issuer Pledge¹
Operating Expenses²
Net Operating Income Prior to Debt Service on the Bonds
Debt Service on the Bonds
Net Operating Income/(Loss) After Debt Service After Debt Service on the Bonds

¹ As defined in the Resolutions

² Excludes depreciation and other non-cash expenses, includes management fee.

The average occupancy of the Project for the fiscal year ended _____, _____ was ____%.

EXHIBIT A-2

ANNUAL REPORT OF THE ISSUER – CENTERVILLE PROJECT

\$8,290,000
Anoka County Housing and Redevelopment Authority
Housing Development Revenue Refunding Bonds
(Anoka County, Minnesota General Obligation)
Series 2019A

Report for Period Ending _____

THE PROJECT

Name: [Centerville Project] _____
Address: [Address] _____
Occupancy: low- and moderate-income elderly tenants _____
Number of Units: 47 _____
Number of Units Occupied as of Report Date: _____

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended _____, as derived from the Issuer’s audited financial statements.

Operating Income of the Project
Investment Earnings
Issuer Pledge¹
Operating Expenses²
Net Operating Income Prior to Debt Service on the Bonds
Debt Service on the Bonds
Net Operating Income/(Loss) After Debt Service After Debt Service on the Bonds

¹ As defined in the Resolutions

² Excludes depreciation and other non-cash expenses, includes management fee.

The average occupancy of the Project for the fiscal year ended _____, _____ was ____%.

EXHIBIT A-3

ANNUAL REPORT OF THE ISSUER – OAK GROVE PROJECT

\$8,290,000
Anoka County Housing and Redevelopment Authority
Housing Development Revenue Refunding Bonds
(Anoka County, Minnesota General Obligation)
Series 2019A

Report for Period Ending _____

THE PROJECT

Name: [Oak Grove Project]
Address: [Address]
Occupancy: low- and moderate-income elderly tenants
Number of Units: 52
Number of Units Occupied as of Report Date: _____

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended _____, as derived from the Issuer’s audited financial statements.

Operating Income of the Project
Investment Earnings
Issuer Pledge¹
Operating Expenses²
Net Operating Income Prior to Debt Service on the Bonds
Debt Service on the Bonds
Net Operating Income/(Loss) After Debt Service After Debt Service on the Bonds

¹ As defined in the Resolutions

² Excludes depreciation and other non-cash expenses, includes management fee.

The average occupancy of the Project for the fiscal year ended _____, _____ was ____%.