

FINAL OFFICIAL STATEMENT DATED MARCH 30, 2017

NEW ISSUE
NOT BANK QUALIFIED

S&P Rating: AA+

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

\$15,890,000

Anoka County, Minnesota

**General Obligation Capital Improvement Refunding Bonds, Series 2017A
(the "Bonds")**

(Book Entry Only)

Dated Date: Date of Delivery

**Interest Due: Each February 1 and August 1,
commencing August 1, 2017**

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

Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213	Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213
2019	\$1,585,000	5.00%	1.04%	7F 7	2025	\$1,000,000	5.00%	2.12%	7M 2
2020	\$1,490,000	5.00%	1.21%	7G 5	2026	\$1,050,000	5.00%	2.25%	7N 0
2021	\$1,565,000	5.00%	1.39%	7H 3	2027	\$1,105,000	5.00%	2.34%*	7P 5
2022	\$1,645,000	5.00%	1.60%	7J 9	2028	\$1,165,000	4.00%	2.55%*	7Q 3
2023	\$1,735,000	5.00%	1.80%	7K 6	2029	\$ 855,000	3.00%	2.90%*	7R 1
2024	\$1,815,000	5.00%	1.97%	7L 4	2030	\$ 880,000	3.00%	3.00%	7S 9

* Priced to the first optional call date of February 1, 2026.

The County may elect on February 1, 2026, and on any day thereafter, to redeem Bonds due on or after February 1, 2027 at a price of par plus accrued interest.

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Bonds will be used to (i) redeem the February 1, 2019 through February 1, 2028 maturities of the County's General Obligation Capital Improvement Bonds, Series 2008A, dated February 28, 2008; (ii) redeem the February 1, 2019 through February 1, 2030 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2008C, dated July 17, 2008; and (iii) pay the costs of issuance for the Bonds.

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

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, St. Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about April 27, 2017.

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

Jefferies

ANOKA COUNTY, MINNESOTA

BOARD OF COMMISSIONERS

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

COUNTY ADMINISTRATOR

Jerry Soma

FINANCE AND CENTRAL SERVICES DIVISION MANAGER

Cory Kampf

MUNICIPAL ADVISOR

Springsted Incorporated
St. Paul, Minnesota

BOND COUNSEL

Faegre Baker Daniels LLP
Minneapolis, Minnesota

The Official Statement dated March 30, 2017 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

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

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

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

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

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

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OFFICIAL STATEMENT

\$15,890,000

ANOKA COUNTY, MINNESOTA

GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2017A

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to Anoka County, Minnesota (the “County”) and its issuance of \$15,890,000 General Obligation Capital Improvement Refunding Bonds, Series 2017A (the “Bonds”). The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes.

CONTINUING DISCLOSURE

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

The County has complied for the past five years in all respects in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. A failure by the County to comply with the Undertaking will not constitute an event of default on the Bonds (although holders may take such actions as may be necessary and appropriate including mandamus or specific performance by court order). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2017. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled “Book Entry System.” U.S. Bank National Association, St. Paul, Minnesota will serve as Registrar for the Bonds, and the County will pay for registrar services.

Redemption Provisions

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

Optional Redemption

The County may elect on February 1, 2026, and on any day thereafter, to redeem Bonds due on or after February 1, 2027. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

Book Entry System

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

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

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

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

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

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

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

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

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

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

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

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Section 373.40. The Bonds have been structured as a crossover refunding and are being issued to achieve debt service savings. The proceeds of the Bonds will be used to:

- redeem the February 1, 2019 through February 1, 2028 maturities (the “Series 2008A Refunded Maturities”) of the County’s General Obligation Capital Improvement Bonds, Series 2008A, dated February 28, 2008 (the “Series 2008A Bonds”),
- redeem the February 1, 2019 through February 1, 2030 (the “Series 2008C Refunded Maturities”) of the County’s General Obligation Capital Improvement Plan Bonds, Series 2008C, dated July 17, 2008 (the “Series 2008C Bonds”), and
- pay the costs of issuance for the Bonds.

The Series 2008A Refunded Maturities and the Series 2008C Refunded Maturities are collectively referred to as the “Refunded Maturities.” The Series 2008A Bonds and the Series 2008C Bonds are collectively referred to as the “Refunded Bonds.”

Specifically, the proceeds of the Bonds will be placed in an escrow account with U.S. Bank National Association (the “Escrow Agent”). The amounts on deposit with the Escrow Agent will be (i) used to pay the costs associated with the issuance of the Bonds; and (ii) will be invested in special obligations of the United States Treasury or other obligations of the United States or of its agencies, which shall mature in such amounts and at such times as to be available to:

- pay the interest on the Bonds to and including February 1, 2018, the anticipated call date of the Refunded Bonds; and
- redeem the Refunded Maturities on the anticipated call date of February 1, 2018 at a price of par plus accrued interest.

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

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	\$15,890,000.00
Reoffering Premium	<u>2,176,128.50</u>
Total Sources of Funds	\$18,066,128.50
Uses of Funds:	
Deposit to Escrow Fund	\$17,911,750.98
Underwriter’s Compensation	77,288.64
Costs of Issuance	<u>77,088.88</u>
Total Uses of Funds	\$18,066,128.50

SECURITY AND FINANCING

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The escrow account established with the proceeds of the Bonds will make the interest payments due on the Bonds through February 1, 2018. Thereafter, each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Minnesota Statutes, Section 373.40, limits the maximum amount of principal and interest to become due in any year on all outstanding capital improvement plan bonds to not more than 0.12% of the estimated market value of property in the County for taxes payable in the year in which the bonds are issued or sold. The statutory maximum allowable for annual debt service on the County's capital improvement plan bonds is \$35,357,100, based on the County's 2016/17 estimated market value of \$29,464,250,000. The maximum annual debt service for the County's outstanding capital improvement plan bonds, including the Bonds and excluding the Refunded Maturities, is approximately \$8,725,635, which is within the statutory limit.

FUTURE FINANCING

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

LITIGATION

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

LEGALITY

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

TAX EXEMPTION

In the opinion of Faegre Baker Daniels LLP, Minneapolis, Minnesota, Bond Counsel, under existing laws, regulations, rulings, and decisions, and assuming continuing compliance by the County with covenants made to satisfy requirements of the Code, interest on the Bonds is not included in gross income for federal income tax purposes and, to the same extent, is not included in taxable net income of

individuals, estates, and trusts for Minnesota income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the computation of the alternative minimum tax imposed on individuals and corporations under federal law and on individuals, estates, and trusts under Minnesota law. Interest on the Bonds is included in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. Interest on the Bonds is subject to the Minnesota franchise tax imposed on corporations, including financial institutions.

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

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

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

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

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

Original Issue Premium

Bonds maturing on February 1 in the years 2019 through 2029 have been sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

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

RATING

S&P Global Ratings (“S&P”), 55 Water Street, New York, New York has assigned a rating of “AA+” to the Bonds. The rating reflects only the opinion of S&P. Any explanation of the significance of the rating may be obtained only from S&P.

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

MUNICIPAL ADVISOR

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

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

CERTIFICATION

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

UNDERWRITING

An underwriting syndicate managed by Jefferies & Company, Inc. in New York, New York with co-managers Raymond James & Associates, Inc.; First Tennessee Bank; Morgan Stanley & Co. Inc.; and Samuel A. Ramirez & Co., Inc. (collectively, the “Purchaser”) has agreed to purchase the Bonds for a purchase price of \$17,988,839.86 (representing the principal amount of \$15,890,000.00, plus a reoffering premium of \$2,176,128.50 and less the underwriter’s compensation of \$77,288.64). The public offering prices of all the Bonds may be changed from time to time by the Purchaser.

COUNTY PROPERTY VALUES

Trend of Values^(a)

Assessment/ Collection <u>Year</u>	Assessor's Estimated <u>Market Value</u>	Sales <u>Ratio</u> ^(b)	Economic <u>Market Value</u> ^(c)	Market Value Homestead <u>Exclusion</u>	Taxable <u>Market Value</u>	Adjusted Taxable Net <u>Tax Capacity</u>
2016/17	\$29,464,250,000	N/A	N/A	N/A	\$27,414,116,939	\$338,381,787
2015/16	27,762,109,400	92.4%	\$30,013,348,152	\$1,812,416,079	25,685,050,471	316,505,881
2014/15	26,788,899,100	94.5	28,315,044,012	1,845,082,160	24,689,831,722	304,499,149
2013/14	23,852,062,600	91.3	26,072,126,819	2,046,784,342	21,583,951,833	270,881,340
2012/13	24,110,238,400	97.5	24,712,332,051	2,029,321,225	21,845,050,079	268,861,400

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

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

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

Source: Anoka County, Minnesota, February 2017, except as otherwise noted.

2016/17 Adjusted Taxable Net Tax Capacity: \$338,381,787*

Real Estate:		
Residential Homestead	\$190,773,843	59.9%
Commercial/Industrial, Railroad, and Public Utility	80,136,970	25.2
Residential Non-Homestead	38,702,024	12.1
Agricultural	2,739,686	0.9
Seasonal Recreational	293,365	0.1
Personal Property	<u>5,818,590</u>	<u>1.8</u>
2016/17 Net Tax Capacity	\$318,464,478	100.0%
Less: Captured Tax Increment	(5,174,215)	
Contribution to Fiscal Disparities	<u>(29,800,831)</u>	
Local Tax Rate Value	\$283,489,432	
Plus: Distribution from Fiscal Disparities	<u>54,892,355</u>	
2016/17 Adjusted Taxable Net Tax Capacity	\$338,381,787	

* Excludes mobile home valuation of \$569,525.

Ten of the Largest Taxpayers in the County

<u>Taxpayer</u>	<u>Type of Property</u>	2015/16 Net <u>Tax Capacity</u> ^(a)
Coon Rapids Riverdale Village	Retail	\$ 2,152,215
Medtronic Inc.	Medical Device Services	2,133,670
Minnegasco Inc.	Gas Utility	1,782,907
Target Corporation	Retail	1,720,810
Connexus Energy	Electric Utility	1,579,464
Xcel Energy	Electric Utility	1,500,245
Glimcher Northtown Venture	Shopping Center	943,642
BNSF Railroad	Railroad Transportation	849,515
Menards Inc.	Home Improvement	726,216
Allina Health System	Health Care	<u>664,043</u>
Total		\$14,052,727 ^(b)

(a) 2016/17 taxpayers are not yet available.

(b) Represents 4.4% of the County's 2015/16 adjusted taxable net tax capacity of \$316,505,881.

COUNTY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2016/17 Estimated Market Value)	\$883,927,500
Less: Outstanding Debt Subject to Limit (Including the Bonds)	<u>(86,775,000)</u>
 Legal Debt Margin as of April 27, 2017	 \$797,152,500

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

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

General Obligation Debt Supported Solely by Taxes^(a)

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 4-27-17
2-15-08	\$16,505,000	Capital Improvements	2-1-2018	\$ 1,065,000 ^(b)
7-17-08	13,195,000	Capital Improvements	2-1-2018	570,000 ^(c)
7-17-08	1,395,000	Airport Improvements (AMT)	2-1-2023	580,000
2-19-09	18,310,000	Capital Improvements	2-1-2024	9,860,000
7-9-09	3,000,000	Capital Improvements	2-1-2019	650,000
9-22-09	20,000,000	Taxable OPEB	2-1-2021	8,335,000 ^(d)
12-9-09	2,530,000	Capital Improvements	8-1-2024	565,000
12-9-09	3,695,000	Capital Improvements	8-1-2023	2,960,000 ^(e)
12-9-09	455,000	Library	8-1-2024	150,000
12-9-09	1,485,000	Refunding – Aquatic Center	2-1-2023	815,000
7-14-10	3,240,000	Capital Improvements	2-1-2020	540,000
7-14-10	790,000	Library	2-1-2020	250,000
9-29-11	8,180,000	Capital Improvements	2-1-2027	5,905,000
2-23-12	13,880,000	Capital Improvements	2-1-2027	9,870,000
2-23-12	2,725,000	Capital Improvements Refunding	2-1-2018	195,000
2-5-13	10,615,000	Airport Refunding	2-1-2029	9,330,000
2-5-13	7,835,000	Capital Improvements Refunding	2-1-2022	5,510,000
2-5-13	1,695,000	Library Refunding	2-1-2022	1,205,000
3-24-15	2,750,000	Airport Refunding (AMT)	2-1-2033	2,750,000
3-24-15	8,040,000	Capital Improvements Refunding	2-1-2029	8,040,000
4-19-16	8,780,000	Capital Improvements	2-1-2033	8,780,000
4-27-17	15,890,000	Capital Improvements Refunding (the Bonds)	2-1-2030	<u>15,890,000</u>
 Total				 \$93,815,000

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

(b) Excludes the Series 2008A Refunded Maturities.

(c) Excludes the Series 2008C Refunded Maturities.

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

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

General Obligation Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 4-27-17</u>
6-28-05	\$1,600,000	Juvenile Detention Facility Refunding	12-1-2017	\$ 190,000
2-25-09	3,200,000	Housing Development	2-1-2028	2,095,000*
10-27-11	8,920,000	Housing Development Refunding	2-1-2036	7,955,000*
12-27-12	5,230,000	Taxable Ice Arena Refunding	2-1-2023	<u>3,190,000*</u>
Total				\$13,430,000

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

Lease Obligations

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 4-27-17</u>
11-28-07	\$2,705,000	Metropolitan Mosquito Control District	2-1-2023	\$1,295,000 ^{(a)(b)}
7-1-08	1,205,000	ACCAP Refunding	8-1-2018	215,411 ^(c)
7-22-10	1,930,000	ACCAP Refunding	6-1-2028	1,440,000 ^(d)
12-27-12	5,655,000	Ice Arena Refunding	2-1-2026	<u>4,060,000^(e)</u>
Total				\$7,010,411

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

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

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

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

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

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

<u>Year</u>	<u>G.O. Debt Supported Solely by Taxes</u>		<u>G.O. Revenue Debt</u>	
	<u>Principal</u>	<u>Principal & Interest^(a)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2017 (at 4-27)	\$ 440,000	\$ 2,242,576	\$ 190,000	\$ 394,618
2018	10,660,000	14,019,560	950,000	1,335,276
2019	11,165,000	14,079,454	970,000	1,336,764
2020	11,005,000	13,494,765	1,000,000	1,346,211
2021	11,170,000	13,226,277	1,020,000	1,342,949
2022	8,420,000	10,090,338	1,045,000	1,341,875
2023	7,925,000	9,265,222	1,080,000	1,348,178
2024	8,010,000	9,018,844	535,000	779,746
2025	4,635,000	5,383,613	550,000	777,301
2026	4,800,000	5,374,660	565,000	773,688
2027	4,980,000	5,371,213	685,000	871,650
2028	3,265,000	3,512,285	705,000	866,220
2029	2,995,000	3,150,166	500,000	639,815
2030	1,715,000	1,805,399	520,000	642,475
2031	855,000	911,672	540,000	644,455
2032	875,000	909,871	570,000	654,730
2033	900,000	911,840	595,000	658,178
2034			620,000	660,700
2035			385,000	407,108
2036			<u>405,000</u>	<u>412,493</u>
Total	\$93,815,000^(b)	\$112,767,815	\$13,430,000^(c)	\$17,234,430

<u>Year</u>	<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Principal & Interest</u>
2017 (at 4-27)	\$ 232,014	\$ 373,851
2018	763,397	951,520
2019	705,000	873,774
2020	720,000	869,222
2021	740,000	868,762
2022	765,000	872,382
2023	785,000	868,646
2024	555,000	618,240
2025	580,000	627,639
2026	860,000	888,463
2027	150,000	163,041
2028	<u>155,000</u>	<u>159,394</u>
Total	\$7,010,411^(d)	\$8,134,934

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

(b) 83.4% of this debt will be retired within ten years.

(c) 80.2% of this debt will be retired within ten years.

(d) 95.6% of this debt will be retired within ten years.

Other Debt Obligations

School District Lease Revenue Bonds

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

Operating Leases

The County currently has 12 various operating leases, and the County made operating lease payments totaling \$392,944 in 2015. The following is a schedule by years of future minimum rental payments required under these operating leases as of December 31, 2015:

Year Ending December 31

2016	\$ 373,892
2017	352,567
2018	283,631
2019	87,598
2020-2024	64,818
2025-2027	<u>9</u>
Total	\$1,162,515

Capital Leases

On January 15, 2017, the County entered into a capital operating lease with Key Government Finance, Inc. for various equipment in the principal amount of \$3,536,845.13. Payments in the amount of \$707,369.03 will be made on March 15, 2017 and each January 15, in the years 2018 through 2021.

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Overlapping Debt

Taxing Unit ^(a)	2015/16 Adjusted Taxable Net Tax Capacity	Est. G.O. Debt As of 4-27-17 ^(b)	Debt Applicable to Tax Capacity in County	
			Percent	Amount
Anoka County Regional Railroad Authority	\$ 316,505,881	\$ 24,615,000	100.0%	\$ 24,615,000
Cities:				
Andover	29,808,451	31,195,000 ^(c)	100.0	31,195,000
Anoka	15,270,496	9,110,000	100.0	9,110,000
Bethel	364,041	250,000	100.0	250,000
Blaine	62,212,815	21,340,000 ^(d)	99.3	21,190,620
Centerville	3,633,862	5,944,750	100.0	5,944,750
Circle Pines	3,950,761	15,680,000	100.0	15,680,000
Columbia Heights	14,194,354	19,975,000	100.0	19,975,000
Columbus	5,135,841	11,407,000	100.0	11,407,000
Coon Rapids	55,424,277	25,430,000	100.0	25,430,000
East Bethel	10,021,857	995,000	100.0	995,000
Fridley	26,500,433	51,180,000	100.0	51,180,000
Ham Lake	16,594,510	1,540,000	100.0	1,540,000
Lexington	1,567,655	224,625	100.0	224,625
Lino Lakes	19,819,213	20,336,250	100.0	20,336,250
Nowthen	4,746,939	568,106	100.0	568,106
Oak Grove	8,283,138	1,215,000	100.0	1,215,000
Ramsey	23,105,341	34,070,000	100.0	34,070,000
St. Francis	5,478,035	9,425,000	97.3	9,170,525
Spring Lake Park	5,541,932	3,275,000 ^(e)	99.9	3,271,725
School Districts:				
ISD 11 (Anoka-Hennepin)	200,738,104	43,790,000	79.2	34,681,680
ISD 12 (Centennial)	29,814,881	85,363,685	100.0	85,363,685
ISD 13 (Columbia Heights)	19,699,567	12,390,000	100.0	12,390,000
ISD 14 (Fridley)	12,938,417	54,300,000	100.0	54,300,000
ISD 15 (St. Francis)	26,972,946	22,535,000	93.5	21,070,225
ISD 16 (Spring Lake Park)	35,871,253	132,445,000	100.0	132,445,000
ISD 624 (White Bear Lake)	72,379,318	78,640,000	3.3	2,595,120
ISD 728 (Elk River)	69,754,210	208,497,767	6.1	12,718,364
ISD 831 (Forest Lake)	51,330,073	157,480,000	29.9	47,086,520
Special Districts:				
Metropolitan Council	3,475,846,085	11,735,000 ^(g)	9.7	1,138,295
Metropolitan Transit	2,767,556,165	141,535,000	12.2	<u>17,267,270</u>
Total				\$708,424,760

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

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

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

(d) Represents the total outstanding principal amount of bond issues for fire protection services issued by the City of Blaine that are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2016, the proportionate shares for each City are 75.293%, 16.099%, and 8.608% for Blaine, Mounds View, and Spring Lake Park, respectively.

(e) Excludes the City of Spring Lake Park's proportionate share of outstanding general obligation debt for fire improvements, which was issued by the City of Blaine and are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2016, the City of Spring Lake Park's share is 8.608% of the total debt service on the bonds.

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

Debt Ratios*

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
To 2016/17 Estimated Market Value (\$29,464,250,000)	0.32%	2.73%
Per Capita - (344,838 - 2015 MN Demographer Estimate)	\$276	\$2,330

* Includes the Metropolitan Mosquito Control District lease obligation. Excludes general obligation debt supported by revenues, other debt obligations, and all other lease obligations.

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates

City of Coon Rapids

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Anoka County	44.411%	43.239%	38.123%	38.894%	36.780%
City of Coon Rapids	48.835	47.509	44.754	44.908	44.164
ISD No. 11 (Anoka-Hennepin) ^(a)	26.801	28.265	22.482	20.885	18.604
Regional Rail Authority	0.777	0.882	0.941	0.851	0.801
Special Districts ^(b)	<u>6.491</u>	<u>6.543</u>	<u>5.922</u>	<u>6.924</u>	<u>5.802</u>
Total	127.315%	126.438%	112.222%	112.462%	106.151%

^(a) Independent School District No. 11 (Anoka-Hennepin) also has a 2016/17 tax rate of 0.21555% spread on the market value of property in support of an excess operating levy.

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

Selected Totals for Other Cities

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
City of Anoka	131.609%	126.678%	110.283%	106.270%	101.633%
City of Blaine	114.587	114.647	102.241	101.708	96.709
City of Columbia Heights	162.414	153.233	147.957	150.477	139.172
City of Fridley	152.513	151.644	139.132	147.728	141.084

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

Tax Levies and Collections

<u>Levy/Collect</u>	<u>Net Levy*</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated as of 12-31-15</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2015/16	\$123,830,212				
2014/15	119,352,875	\$118,219,255	99.1%	\$118,219,255	99.1%
2013/14	118,316,675	117,017,785	98.9	117,960,123	99.7
2012/13	118,346,730	116,693,958	98.6	118,082,991	99.8
2011/12	119,786,417	117,753,677	98.3	119,615,051	99.9

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

FUNDS ON HAND As of December 31, 2016 (unaudited)

<u>Funds</u>	<u>Cash and Investments</u>
General	\$ 53,164,823
Special Revenue	69,989,987*
Debt Service	52,706,077*
Capital Projects	38,373,718*
Proprietary	5,400,680
Trust and Agency	9,587,632
Irrevocable OPEB Trust	<u>54,474,702</u>
Total	\$283,697,619

* These funds contain a total of \$42,491,465 in escrowed accounts.

INVESTMENTS

The County's current investment policy was adopted by the County Board on January 24, 2017 replacing the one from December 1992. County investments are made in accordance with Minnesota Statutes, Section 118A, and in a manner that seeks to ensure in order of priority, the preservation of capital, maintenance of liquidity, and maximization of yield. The responsibility for conducting investment transactions involving public funds of the County resides with the Finance and Central Services Division. The Finance & Central Services Division Manager is designated as investment officer and is responsible for investment decisions and activities, under the oversight of the Investment Review Committee that was formed per the January 24, 2017 Investment Policy. Investments as of December 31, 2016 had a market value of \$244,350,131. The investment portfolio is invested as follows:

	<u>Market Value As of 12-31-16*</u>	<u>Percent of Portfolio</u>
Cash and Commercial Paper	\$ 13,304,187	5.5%
U.S. Treasuries, Agencies, and Government Obligations	61,640,205	25.2
Municipal Bonds	55,489,303	22.7
Pooled Investments/Mutual Funds	111,209,436	45.5
Certificates of Deposit	<u>2,707,000</u>	<u>1.1</u>
Total County Investments	\$244,350,131	100.0%

* Unaudited.

GENERAL INFORMATION CONCERNING THE COUNTY

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

Population

The County's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2015 MN State Demographer Estimate	344,838	4.2%
2010 U.S. Census	330,844	11.0
2000 U.S. Census	298,084	22.3
1990 U.S. Census	243,641	24.3
1980 U.S. Census	195,998	--

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

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

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

Source: Claritas, Inc. and The Nielsen Company.

Transportation

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

AREA ECONOMY

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Medtronic Corporation (Fridley and Columbia Heights)	Medical device services	9,000 ^(a)
Independent School District No. 11 (Anoka-Hennepin)	Public education	7,435 ^(b)
Mercy and Unity Hospital (Fridley and Coon Rapids)	Hospitals	3,775
Target Corporation (six stores and one distribution center)	Retail	1,900 ^(b)
Anoka County (Anoka)	County government	1,820
Federal Premium Ammunition (Anoka)	Ammunition manufacturing	1,500
Northtown Mall (Fridley)	Shopping mall	1,500 ^(c)
Pentair Technical Products (Anoka)	Electrical products	1,225
Cummins Power Generation (Fridley)	Generator and diesel manufacturer	1,109
Wal Mart (3 locations)	Retail	1,000 ^(b)
Independent School District No. 15 (St. Francis)	Public education	800
RMS Company (Coon Rapids)	Medical and aerospace components	790 ^(d)
Cub Foods (6 locations)	Grocery store	780 ^(b)
Parsons Electric Company (Fridley)	Electrical services	700
Aveda Corporation (Blaine)	Health and beauty aids	650
BNSF Railroad (Fridley)	Railroad transportation	650
Independent School District No. 16 (Spring Lake Park)	Public education	650
Honeywell Commercial Flight Systems (Coon Rapids)	Commercial aviation	600
BAE Systems (Fridley)	Pumps/naval ordnance	600
Mary T. Inc. (Coon Rapids)	Group home	575
Independent School District No. 13 (Columbia Heights)	Public education	515 ^(b)
Minco Products, Inc. (Fridley)	Electronic devices	526
Anoka Ramsey Community College (Coon Rapids)	Community college	509 ^(b)
State of Minnesota Correctional Facility (Lino Lakes)	Medium security prison	472
Anoka Metro Regional Treatment Center (Anoka)	Psychiatric hospital	436
Best Buy (Blaine – 2 locations)	Electronics retail	157 ^(b)

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

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

^(c) Includes full-time employees only.

^(d) Does not include temporary employees.

Source: This does not purport to be a comprehensive list and is based on a February 2017 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Labor Force Data

	Annual Average			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Labor Force:				
Anoka County	189,194	189,650	191,057	192,263
Minneapolis-St. Paul MSA	1,909,871	1,923,003	1,938,857	1,952,204
State of Minnesota	2,971,523	2,982,750	3,010,366	3,019,622
Unemployment Rate:				
Anoka County	5.0%	4.1%	3.6%	3.7%
Minneapolis-St. Paul MSA	4.7	3.9	3.4	3.5
State of Minnesota	4.9	4.2	3.7	3.8

Source: *Minnesota Department of Employment and Economic Development*, <https://apps.deed.state.mn.us/lmi/laus>.

Retail Sales and Effective Buying Income (EBI)

Anoka County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2016/17	\$4,857,535	\$9,421,969	\$62,169
2015/16	4,428,876	8,946,250	60,388
2014/15	4,175,734	8,685,587	58,438
2013/14	4,005,487	7,741,875	53,659
2012/13	3,865,879	7,554,007	52,310

The 2016/17 Median Household EBI for the State of Minnesota was \$54,485. The 2016/17 Median Household EBI for the United States was \$48,043.

Source: *Claritas, Inc. and The Nielsen Company*.

Permits Issued in the County

<u>Fiscal Year</u>	<u>Total Permits*</u>		<u>New Single-Family Homes</u>	
	<u>Number</u>	<u>Value</u>	<u>Units</u>	<u>Value</u>
2016	14,484	\$483,938,212	727	\$207,415,491
2015	11,009	385,117,171	499	140,323,137
2014	10,386	401,207,482	478	141,029,347
2013	10,704	357,440,792	590	138,631,931
2012	10,256	310,043,395	551	139,005,750
2011	9,564	211,740,466	440	103,536,407
2010	9,501	222,135,454	444	97,775,780
2009	10,545	190,312,566	370	72,994,092

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

Source: *This does not purport to be a comprehensive list and is based on a February 2017 best efforts email survey of individual cities. Some cities do not respond to inquiries.*

Local Economy

Anoka County is home to well-recognized industry leaders such as Medtronic Corporation, Infinite Campus, Federal Premium Ammunition, BAE Systems, Honeywell Commercial Flight Systems, Aveda Corporation, Onan Corporation, and Pentair Technical Products. These companies, along with other existing and emerging companies, caused total employment in the County to grow rapidly in the past three decades.

The County's emphasis on technology-based companies has resulted in new companies relocating to the area's business development centers. Two of these centers, the Minnesota Medical Enterprise Park in the City of Coon Rapids and the Development Center in the City of Columbia Heights, have focused on attracting developing medical and high technology companies to the County. Technology-based companies located in the County include SarTec, Infinite Campus, Parametric Technology, N.T. International, Dymedix, Comedicus, Visual Circuits, Bionenergy, 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 9,000 people and consolidates the Cardiac Rhythm Disease division.

The construction of an eight-story office tower in the City of Blaine nears completion at the site of Infinite Campus, doubling its workforce.

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

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

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

Financial Institutions

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

	Deposits <u>As of 9-30-16</u>
Village Bank (City of St. Francis)	\$195,750,000
Border State Bank (City of Coon Rapids)	328,303,000
First Resource Bank (City of Lino Lakes)	<u>40,376,000</u>
Total	\$564,429,000

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

* This does not purport to be a comprehensive list.

Source: Federal Deposit Insurance Corporation, <http://www5.fdic.gov/idasp/main.asp>.

Health Care Services

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

<u>Facility</u>	<u>Location</u>	<u>No. of Beds</u>	
Anoka Metro Regional Treatment Center	City of Anoka	29	Supervised Living
		175	Other Licensed
Anoka Rehab and Living Center	City of Anoka	120	Nursing Home
Anthony Louis Center	City of Blaine	22	Supervised Living
Benedictine Living Center	City of Fridley	50	Nursing Home
Bethesda Lutheran	City of Coon Rapids	12	Supervised Living
Camilia Rose Care Center LLC	City of Coon Rapids	80	Nursing Home
		29	Supervised Living
Crest View Lutheran Home	City of Columbia Heights	122	Nursing Home
Golden Livingcenter Lynwood	City of Fridley	54	Nursing Home
Golden Livingcenter Twin River	City of Anoka	56	Nursing Home
Mercy Hospital	City of Coon Rapids	546	Hospital Beds
		27	Infant Bassinets
MSOCS Blaine Home	City of Blaine	6	Supervised Living
Park River Estates Care Center	City of Coon Rapids	99	Nursing Home
Unity Hospital	City of Fridley	275	Hospital
		36	Infant Bassinets

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

Education

Public Education

The following districts serve the residents of the County:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2016/17 Enrollment</u>
ISD No. 11 (Anoka-Hennepin)	City of Anoka	K-12	37,912
ISD No. 12 (Centennial)	City of Circle Pines	K-12	6,548
ISD No. 13 (Columbia Heights)	City of Columbia Heights	K-12	3,120
ISD No. 14 (Fridley)	City of Fridley	K-12	3,049
ISD No. 15 (St. Francis)	City of St. Francis	K-12	4,616
ISD No. 16 (Spring Lake Park)	City of Spring Lake Park	K-12	5,671
ISD No. 624 (White Bear Lake)	City of White Bear Lake	K-12	8,257
ISD No. 728 (Elk River)	City of Elk River	K-12	12,906
ISD No. 831 (Forest Lake)	City of Forest Lake	K-12	6,256

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

Non-Public Education

County residents are also served by the following private schools:

<u>School</u>	<u>Grades</u>	<u>2016/17 Enrollment</u>
Totino Grace High School	9-12	734
Legacy Christian Academy	K-12	413
Al-Amal School	K-12	338
St. Stephen	K-8	304
Calvin Christian School – Blaine	K-8	205
Epiphany Education Center	K-8	196
Woodcrest Baptist Academy	K-12	162
Immaculate Conception	K-8	122
Cross of Christ Lutheran	K-8	103
St. Francis Christian	K-12	85
Calvin Christian High School	9-12	66
The Way of the Shepherd	K-6	62
Trinity Lutheran	K-8	55
Northside Christian (Blaine Campus)	K-12	49
Coon Rapids Christian	K-12	27
Crown Christian School	K-6	27
Grace Lutheran	K-8	20
Minnesota Renaissance School	K-8	16
Anoka Adventist Christian	1-8	11
Little Voyageur's Montessori	K	1

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

Post-Secondary Education

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

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

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

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

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

Mr. Cory Kampf has been the County’s Chief Financial Officer and Finance & Central Services Division Manager since October 13, 2014. Under the direction of the County Administrator and the County Board, the Finance & Central Services Division Manager directs and administers the financial, purchasing, and risk management affairs of the County. Responsibilities include cash management, investments, debt management, preparation of the County’s operating and capital improvement budgets, procurement, management of county-wide insurance program, county-wide financial reporting systems, and preparation of the County’s comprehensive annual financial report. Mr. Kampf serves on the Treasury and Investment Management Committee with the Government Finance Officers Association of the United States and Canada, and is a past president of the Minnesota Government Finance Officers Association. Mr. Kampf holds a Bachelor’s degree in Accounting with a minor in Computer Science from Bemidji State University and is a Certified Public Accountant (inactive). Mr. Kampf’s experience includes 26 years in public sector finance working for state and local governments. Prior to joining the County, Mr. Kampf served as the Director of Finance for the City of Brooklyn Park, Minnesota from May 2007 until October 2014.

Services

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

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

Labor Contracts

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

<u>Union</u>	<u>Number of Employees</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Local No. 49 International Union of Operating Engineers	74	Highway and Park Maintenance	12/31/2017
Law Enforcement Labor Services (LELS)	41	Corrections – Work Release Officers’ Unit	12/31/2016*
	91	Sheriff’s Department – Licensed Officers	12/31/2017
	10	Sheriff’s Department – Detention Sergeants/Lieutenants	12/31/2017
	70	Sheriff’s Department – Detention Deputies/Corporals	12/31/2017
	13	Sheriff’s Department – Sergeants	12/31/2017
	16	Sheriff’s Department – Investigators	12/31/2017
	8	Sheriff’s Department – Licensed Commanders And Lieutenants	12/31/2017
	37	Central Communications – 911 Dispatchers and Lead Dispatchers	12/31/2017
American Federation of State, County, and Municipal Employees (AFSCME)	<u>36</u>	Probation Officers – Juvenile Institutions	N/A
Subtotal	396		
Non-unionized employees	<u>1,424</u>		
Total employees	1,820		

* *Currently in negotiations.*

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

Employee Pensions

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

GERF members either belong to the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan and benefits vest after five years of credited service. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF. All correctional guards or officers, joint jailers/dispatchers, or supervisors of correctional guards or officers or joint jailers/dispatchers that are directly responsible for the direct security, custody, and control of the County correctional institution and its inmates are covered by PECF. PERA also provides retirement benefits as well as disability benefits to members, and their survivors upon death of eligible members. Benefits are established by Minnesota Statutes and are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Minnesota Statutes set the rates for employer and employee contributions, and the County makes annual contributions to the pension plans equal to the amount required by Minnesota Statutes. As of December 31, 2016, GERP Basic and Coordinated Plan members were required to contribute 9.10% and 6.25%, respectively, of their annual covered salaries; PEPFF members were required to contribute 10.80% of their annual covered salaries; PECF members were required to contribute 5.83% of their annual covered salaries.

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

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

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

	<u>GERF</u>	<u>PEPFF</u>	<u>PECP</u>
2016 (unaudited)	\$6,934,754	\$1,739,499	\$ 982,247
2015	6,781,097	1,758,815	1,010,709
2014	6,629,745	1,609,505	966,370
2013	6,285,220	1,435,884	892,179
2012	6,218,521	1,373,778	874,101

As of December 31, 2016, seven employees were covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer, deferred compensation plan administered by PERA. The PEDCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. Plan benefits depend solely on the amounts contributed to the plan, plus investment earnings, less administrative expenses. An eligible elected official participating in this plan contributes 5% of their salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. The combined employee and employer contributions to PEDCP for the past five years are as follows:

	<u>PEDCP</u>
2016 (unaudited)	\$35,453
2015	33,677
2014	32,692
2013	30,261
2012	25,479

For more information regarding the liability of the County with respect to its employees, please reference "Note 3E, Employee Retirement Systems and Pension Plans" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2015, an excerpt of which is included as Appendix IV of this Official Statement. (The County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2016 is not yet available.)

GASB 68

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

For the fiscal year ended December 31, 2015, the County’s proportionate shares of the GERF, PEPFF, and PECF pension costs were 1.47%, 1.131%, and 6.05%, respectively; and the County’s net pension liability for GERF, PEPFF, and PECF were \$76,199,920, \$12,850,807, and \$935,330, respectively.

For more information regarding the liability of the County with respect to its employees, please reference “Note 3E, Employee Retirement Systems and Pension Plans” of the County’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2015, an excerpt of which is included as Appendix IV of this Official Statement. (The County’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2016 is not yet available.)

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

Sources: County’s Comprehensive Annual Financial Reports.

Other Post-Employment Benefits

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

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

The County provides a contribution towards the premium for health insurance for retired County employees who are benefit eligible and have been employed by the County for a minimum of ten (10) years. All medical health care benefits are provided through the County’s health insurance provider and are the same as those afforded to active employees. Benefits include medical services and prescriptions. The rate of the contribution provided by the County is based on the length of service the employee has with the County. As of December 31, 2013 (the date of the last actuarial valuation), the County had 2,322 eligible participants, of which 1,633 were currently employed with the County and 689 were retired participants and their spouses. A \$2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County.

The County established both an OPEB revocable trust and an irrevocable trust to prefund a portion of the OPEB liability. The County closed the revocable trust in December 2016. PERA serves as the trust administrator to both of the trust accounts. Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions.

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than ten (10) years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of the service, the County contributes 50% of the single contribution made for active employees plus \$2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount toward family coverage based on the retiree's years of service. For fiscal year ended December 31, 2015, the retirees contributed \$1,056,506 toward the cost of their healthcare coverage.

With the advent of GASB 45, the County has engaged actuaries to provide actuarial valuation reports. Under GASB 45 such costs must be accounted for on an accrual basis. The County must report an annual OPEB cost based on actuarially determined amounts that, if paid on an ongoing basis, will provide sufficient resources to pay these benefits. The most recent actuarial report is dated December 31, 2015, for a valuation date of December 2015. Components of the County's annual OPEB cost, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation to the plan for the fiscal year ended December 31, 2015 are as follows:

Annual required contribution (ARC)	\$ 3,067,501
Interest on net OPEB obligations	1,495,465
Adjustment to annual required contribution	<u>(1,687,795)</u>
Annual OPEB cost (expense)	\$ 2,875,171
Contributions made	<u>(2,738,455)</u>
Increase in net OPEB obligation	\$ 136,716
Net OPEB obligation – beginning of year	<u>20,213,671</u>
Net OPEB obligation – end of year	<u>\$20,350,387</u>

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>UAAL as a percentage of Annual Covered Payroll</u>
December 31, 2013	\$46,532,793	\$ 60,464,918	\$ 13,932,125	12.97%
December 31, 2011	29,290,357	69,623,253	40,332,896	38.58
December 31, 2009	21,376,934	71,980,996	50,604,062	48.65
December 31, 2007	0	129,648,121	129,648,121	125.42

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

<u>Fiscal Year Ended</u>	<u>OPEB Cost</u>	<u>Employer Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
December 31, 2015	\$2,875,000	\$2,738,455	95.24%	\$20,350,387
December 31, 2014	2,918,325	2,623,775	89.91	20,213,671
December 31, 2013	5,734,838	2,758,819	48.11	19,919,121
December 31, 2012	5,783,122	4,083,305	70.61	16,943,102
December 31, 2011	6,461,225	3,639,729	56.33	15,243,285

For more information regarding the liability of the County with respect to its employees, please reference "Note 3C4, Employment and Other Postemployment Benefits" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2015, an excerpt of which is included as Appendix IV of this Official Statement. (The County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2016 is not yet available.)

Sources: County's Comprehensive Annual Financial Reports.

Capital Improvements Plan and Budget

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

Operating Budget

The County’s operating budget process is under the direction of the County Administrator, but is managed and prepared by the Budget Director and Division Finance Manager. The County Administrator works closely with the County Board so that he can communicate their goals and direction. Elected and appointed department heads prepare and submit budget requests for their individual departments, utilizing a centralized, automated system. The Budget is adopted by the County Board after deliberation with each department, working through the budget process.

The County prepares an annual budget document. The document is submitted to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration for the Distinguished Budget Presentation Award. The County has received the Distinguished Budget Presentation Award annually from 1999 through 2014. The County no longer prepares an annual budget document. However, the County now has a web-based tool called Open Gov that gives their citizens the ability to explore the County’s budget in greater detail at their convenience.

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Operating Budget Summary

	2016 <u>Adopted</u>	2017 <u>Adopted</u>
Revenues:		
County Share of Tax Levy	\$122,385,080	\$125,444,707
State Paid Credits	<u>16,577,582</u>	<u>16,535,710</u>
Total Tax Levy	\$138,962,662	\$141,980,417
Other Taxes	\$ 450,250	\$ 454,250
Licenses and Permits	1,188,023	1,203,684
Charges for Services	35,263,991	36,689,352
Fines and Forfeits	164,000	164,000
Intergovernmental:		
Federal	38,306,843	29,172,000
State	59,734,208	75,386,068
Other	17,753,910	12,434,949
Interest on Investments	1,622,000	1,619,166
Miscellaneous	<u>5,036,415</u>	<u>4,732,599</u>
Total Revenues	\$298,482,302	\$303,836,485
Other Sources:		
Budgeted Use of Fund Balance	\$ 715,332	\$ 1,152
Non-Revenue	<u>1,417,029</u>	<u>2,079,755</u>
Total Other Sources	<u>\$ 2,132,361</u>	<u>\$ 2,080,907</u>
Total Revenues and Other Sources	<u>\$300,614,663</u>	<u>\$305,917,392</u>
Expenditures:		
General Government	\$ 40,880,383	\$ 42,739,469
Public Safety	63,930,984	66,366,861
Road and Bridge	59,205,712	60,736,656
Human Services	73,069,377	74,391,453
Health	14,695,881	15,491,866
Environment and Sanitation	5,444,813	5,464,483
Culture and Recreation	19,593,340	17,094,865
Conservation of Natural Resources	505,429	531,164
Economic Development and Assistance	5,755,288	5,048,020
Debt Service/Capital Improvements	<u>16,903,179</u>	<u>17,694,761</u>
Total Expenditures	\$299,984,386	\$305,559,598
Other Uses		
Budgeted Increase(Decrease)		
– Fund Balance	<u>\$ 630,277</u>	<u>\$ 357,794</u>
Total Expenditures and Other Uses	<u>\$300,614,663</u>	<u>\$305,917,392</u>

General Fund Budget Summary

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2016 Estimated</u>	<u>2017 Budget</u>
Fund Balance – January 1	\$ 48,052,246	\$ 48,052,246	\$ 45,353,450*	\$ 45,353,450
Revenues:				
Taxes	\$ 61,099,584	\$ 54,474,189	\$ 64,834,646	\$ 66,844,533
Licenses and Permits	106,522	287,437	101,844	111,805
Charges for Services	27,766,426	29,173,773	26,180,749	27,361,502
Fines and Forfeits	7,000	0	1,000	1,000
Intergovernmental	12,576,186	20,710,096	12,007,110	12,366,131
Investment Income	1,585,000	2,152,577	2,633,303	2,472,536
Miscellaneous	2,715,584	5,048,569	1,585,000	1,565,000
Net Change in Fair Value of Investments	0	(744,160)	0	0
Transfers In	<u>1,514,136</u>	<u>23,050</u>	<u>512,604</u>	<u>695,233</u>
Total Revenues	\$107,370,438	\$111,125,531	\$107,856,256	\$111,417,740
Expenditures:				
General Government	\$ 38,793,310	\$ 37,184,051	\$ 39,983,372	\$ 47,707,545
Public Safety	61,724,092	60,757,078	60,949,621	63,169,231
Road and Bridge	0	0	15,010	0
Human Services	383,567	383,567	383,567	418,567
Environment and Sanitation	5,485,441	4,359,185	5,444,813	5,464,483
Culture and Recreation	167,623	152,623	167,623	167,623
Conservation of Natural Resources	151,492	148,992	151,492	169,492
Budgeted Interfund Balance	0	0	760,758	320,799
Transfers Out	<u>0</u>	<u>9,954,640</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$106,705,525	\$112,940,136	\$107,856,256	\$111,417,740
Fund Balance – December 31	\$ 48,717,159	\$ 46,237,641	\$ 45,353,450	\$ 45,353,450

* The 2016 beginning fund balance was adjusted for the Medical Examiner which moved from the general fund to a revenue fund.

Sources: County's Comprehensive Annual Financial Reports, the County, and 2017 Budget.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Taxes	\$49,552,260	\$50,675,280	\$50,886,651	\$51,651,670	\$54,474,189
Charges for Services	29,678,313	28,357,490	26,406,196	27,112,823	29,173,773
Intergovernmental	22,83,8532	20,380,831	18,559,719	19,952,070	20,710,096
Miscellaneous	5,124,240	5,187,702	5,421,559	5,065,074	5,048,569
Licenses and Permits	164,495	239,855	357,320	225,863	287,437
Transfers In	0	694,934	3,520,778	316,439	23,050

Sources: County's Comprehensive Annual Financial Reports.

PROPOSED FORM OF LEGAL OPINION

Faegre Baker Daniels LLP
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Minneapolis ▾ Minnesota 55402-3901
Phone +1 612 766 7000
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April 27, 2017

Anoka County
Anoka, Minnesota

RE: Anoka County, Minnesota
\$15,890,000 General Obligation Capital Improvement Refunding Bonds, Series 2017A

Ladies and Gentlemen:

We have acted as bond counsel to Anoka County, Minnesota (the “County”), in connection with the issuance by the County of its General Obligation Capital Improvement Refunding Bonds, Series 2017A, dated April 27, 2017, in the aggregate principal amount of \$15,890,000 (the “Bonds”).

We have examined such certified proceedings, documents and certifications of public officials as we deem necessary to render this opinion, including the form of the Bonds and a resolution of the Board of Commissioners of the County adopted on March 27, 2017 (the “Bond Resolution”). As to questions of fact material to our opinion, we have relied upon such certified proceedings, documents and certifications furnished to us without undertaking to verify such facts by independent investigation.

We have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the County’s Official Statement dated March 30, 2017, or other offering material relating to the Bonds, and we express no opinion relating thereto.

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

1. The Bonds are valid and binding general obligations of the County issued under authority of Minnesota Statutes, Sections 373.40 and Chapter 475.
2. The Bonds are payable as to principal and interest from ad valorem taxes levied on all taxable property in the County, which taxes are without limitation as to rate or amount.
3. The interest on the Bonds is excludable from gross income for purposes of federal income taxation and from taxable net income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. The Bonds are not “private activity bonds” within the meaning of Section 141(a) of the Internal Revenue Code of 1986 (the “Code”). Interest on the Bonds is not an item of tax preference required to be included in the computation of “alternative minimum taxable income” for purposes of federal alternative minimum tax

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

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

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

Very truly yours,

FAEGRE BAKER DANIELS LLP

CONTINUING DISCLOSURE UNDERTAKING

\$15,890,000**Anoka County, Minnesota****General Obligation Capital Improvement Refunding Bonds, Series 2017A****April 27, 2017**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Anoka County, Minnesota (the “County”), in connection with the issuance of its General Obligation Capital Improvement Refunding Bonds, Series 2017A (the “Bonds”), in the original aggregate principal amount of \$15,890,000. The Bonds are being issued pursuant to a resolution adopted by the Board of Commissioners of the County on March 27, 2017 (the “Resolution”), and delivered on the date hereof. The County hereby covenants and agrees as follows:

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

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

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

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

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

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

“Final Official Statement” means the final official statement dated March 30, 2017, delivered in connection with the Bonds, which is available from the MSRB.

“Fiscal Year” means the fiscal year of the County.

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

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

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

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

“Repository” means EMMA, or any successor thereto.

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

“SEC” means the Securities and Exchange Commission.

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

(a) The County shall provide, as soon as available, but not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2016, the Repository with an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the County may be submitted separately from the balance of the Annual Report and will be submitted as soon as available.

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

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

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

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

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

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

Section 5. Reporting of Material Events.

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

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

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

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

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

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

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

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

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

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

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

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

ANOKA COUNTY, MINNESOTA

By _____
Its Chair

(SEAL)

By _____
Its County Administrator

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

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

Property Valuations (Chapter 273, Minnesota Statutes)

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

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

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

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

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

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

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

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

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

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

Property Tax Credits (Chapter 273, Minnesota Statutes)

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

Debt Limitations

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

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

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

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

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

**Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes)
“Fiscal Disparities Law”**

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

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

<u>Property Type</u>	<u>Local Tax Payable 2012-2014</u>	<u>Local Tax Payable 2015</u>	<u>Local Tax Payable 2016</u>
Residential Homestead (1a)			
Up to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
Residential Non-homestead			
Single Unit (4bb1)			
Up to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%	1.25%
Market Rate Apartments			
Regular (4a)	1.25%	1.25%	1.25%
Low-Income (4d)	0.75%		
Up to \$100,000		0.75%	
Over \$100,000		0.25%	
Up to \$106,000			0.75%
Over \$106,000			0.25%
Commercial/Industrial/Public Utility (3a)			
Up to \$150,000	1.50% ^(a)	1.50% ^(a)	1.50% ^(a)
Over \$150,000	2.00% ^(a)	2.00% ^(a)	2.00% ^(a)
Electric Generation Machinery	2.00%	2.00%	2.00%
Commercial Seasonal Residential			
Homestead Resorts (1c)			
Up to \$600,000	0.55%	0.50%	0.50%
\$600,000 - \$2,300,000	1.00%	1.00%	1.00%
Over \$2,300,000	1.25% ^(a)	1.25% ^(a)	1.25% ^(a)
Seasonal Resorts (4c)			
Up to \$500,000	1.00% ^(a)	1.00% ^(a)	1.00% ^(a)
Over \$500,000	1.25% ^(a)	1.25% ^(a)	1.25% ^(a)
Non-Commercial (4c12)			
Up to \$500,000	1.00% ^{(a)(b)}	1.00% ^{(a)(b)}	1.00% ^{(a)(b)}
Over \$500,000	1.25% ^{(a)(b)}	1.25% ^{(a)(b)}	1.25% ^{(a)(b)}
Disabled Homestead (1b)			
Up to \$50,000	0.45%	0.45%	0.45%
Agricultural Land & Buildings			
Homestead (2a)			
Up to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
Remainder of Farm			
Up to \$2,140,000 ^(c)	0.50% ^(b)	0.50% ^(b)	0.50% ^(b)
Over \$2,140,000 ^(c)	1.00% ^(b)	1.00% ^(b)	1.00% ^(b)
Non-homestead (2b)	1.00% ^(b)	1.00% ^(b)	1.00% ^(b)

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

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

^(c) Legislative increases, payable 2016. Historical valuations are: Payable 2015 - \$1,900,000; Payable 2014 - \$1,500,000; Payable 2013 - \$1,290,000; and Payable 2012 - \$1,210,000.

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

EXCERPT OF 2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Data on the following pages was extracted from the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2015. (The County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2016 is not yet available.) The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here. The County's complete Comprehensive Annual Financial Report for the year ending December 31, 2015 is available online at <http://www.co.anoka.mn.us/>.

The County's comprehensive annual financial reports for the years ending 1986 through 2015 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County
Anoka, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1.E. to the financial statements, in 2015 the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 82, *Pension Issues*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2016, on our consideration of Anoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anoka County's internal control over financial reporting and compliance.


REBECCA OTTO
STATE AUDITOR


GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 16, 2016

**ANOKA COUNTY
ANOKA, MINNESOTA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi to xi of this report.

Financial Highlights

- The assets of Anoka County exceeded its liabilities at the close of the fiscal year by \$687 million (net position). Of this amount, the County has (\$65.9) million in unrestricted net position.
- The County's total net position decreased by \$29.0 million or about 3.9 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of \$189 million. Approximately 51.6 percent of this total amount, \$98 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly \$76 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was \$37.3 million or 36.3 percent of total General Fund expenditures.
- Anoka County's bonded debt decreased by \$5.3 million (2.7 percent) during the current fiscal year, primarily due to the retirement of previously refunded debt.
- The County acquired three parcels of land for \$2.25 million adjacent to the jail for future expansion purposes.
- The County issued three refunding bonds during the year for a reduction of total debt service payments of \$2.8 million.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Anoka County maintains fifteen 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 ten funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 to 64 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents other information, including: a) required supplementary information, other than Management's Discussion and Analysis (MD&A), that includes budgetary comparison schedules, which can be found on pages 66 to 75; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 79 to 87 of this report; c) the Statement of Changes in Assets and Liabilities for the Agency Fund, which can be found on page 88; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 89 to 101.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Anoka County, assets exceeded liabilities by \$687 million at the close of the most recent fiscal year.

Anoka County Net Position
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 235,585	\$ 221,188	\$ 1,206	\$ 999	\$ 236,791	\$ 222,187
Capital assets	800,448	760,945	5,532	5,783	805,980	766,728
Total assets	1,036,033	982,133	6,738	6,782	1,042,771	988,915
Deferred outflows of resources	15,246	-	23	-	15,269	-
Long-term liabilities outstanding	308,268	194,474	177	13	308,445	194,487
Other liabilities	49,507	74,918	4	10	49,511	74,928
Total liabilities	355,775	269,392	181	23	355,956	269,415
Deferred inflows of resources	14,844	3,291	20	-	14,864	3,291
Net position:						
Net investment in capital assets	696,920	645,450	5,531	5,783	702,451	651,233
Restricted	50,711	48,583	-	-	50,711	48,583
Unrestricted	(66,971)	15,417	1,029	976	(65,942)	16,393
Total net position	\$ 680,660	\$ 709,450	\$ 6,560	\$ 6,759	\$ 687,220	\$ 716,209

By far the largest portion of Anoka County's net position, \$702 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 \$50.7 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(65.9) million is unrestricted net position.

The increase in net investment in capital assets portion of net position of \$51.2 million is due to the completion of various highway projects, which includes the reconstruction of CSAH 14 from Crane Street to Ulysses Street of \$39.2 million.

There was an increase of \$2.1 million in restricted net position in connection with Anoka County's governmental activities, primarily in the capital projects fund for future capital improvements for sanitation.

Due to the implementation of Governmental Accounting Standards Board (GASB) Statements No. 68, 71, and 82, the County is reporting an increase in liabilities of \$90 million for a net pension liability (NPL). In addition to the NPL, the County is reporting deferred pension outflows of \$15.2 million and deferred pension inflows of \$11.9 million. For additional information, see note 3.E on page 55 to 61.

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

Governmental activities. Governmental activities contributed \$55.7 million of the increase in Anoka County's total net position. Key elements of this increase are as follows:

Revenues from charges for services increased by \$1.9 million primarily related to an increase of \$705 thousand for a rate increase and additional contracted services provided to other counties and cities, a \$543 thousand increase in transportation services provided for the U.S. Marshals, and a \$334 thousand increase in property deed registrations.

Operating grants and contributions increased by \$17.9 million. The most significant changes occurred with a \$15.4 million increase in Highway's revenues for funding of various road projects that were completed during 2015, an increase of \$3.5 million in Human Services revenues related to the MN Choices program and a decrease of \$1.7 million in General Government revenues due to additional receipts in 2014 revenues related to reimbursement for debt service expenditures from a local government.

Capital grants and contributions increased by \$11.6 million in 2015. The increase from the prior year is primarily related to the completion of various projects during 2015 but also including the receipt of \$6.4 million in for rail improvements.

Property tax revenue increased by \$2.3 million (1.7 percent) during the year and reflects the amounts collected for debt service payments and an increase in the property tax collection rate of the current year levy. Anoka County had planned for an increase in levy of \$2.2 million.

Other revenues decreased by \$1 million primarily due to 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 as well as a reimbursement received related to completion of the Ramsey rail station.

Anoka County Changes in Net Position
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	\$ 40,093	\$ 38,165	\$ 1,771	\$ 1,467	\$ 41,864	\$ 39,632
Operating grants and contributions	103,885	85,943	-	-	103,885	85,943
Capital grants and contributions	27,566	15,931	-	-	27,566	15,931
General revenues:						
Property and wheelage taxes	140,572	138,229	-	-	140,572	138,229
Other	9,437	10,470	-	-	9,437	10,470
Total revenues	321,553	288,738	1,771	1,467	323,324	290,205
Expenses:						
General government	45,037	44,437	-	-	45,037	44,437
Public safety	64,661	66,142	-	-	64,661	66,142
Highway and streets	35,292	31,192	-	-	35,292	31,192
Human services	81,886	79,493	-	-	81,886	79,493
Sanitation	4,562	3,869	-	-	4,562	3,869
Culture and recreation	16,168	15,843	1,359	1,170	17,527	17,013
Conservation of natural resources	599	593	-	-	599	593
Economic development	10,381	10,919	-	-	10,381	10,919
Interest on long-term debt	7,648	7,924	-	-	7,648	7,924
Total expenses	266,234	260,412	1,359	1,170	267,593	261,582
Increase (Decrease) in net position before transfers	55,319	28,326	412	297	55,731	28,623
Transfers	455	75	(455)	(75)	-	-
Increase (Decrease) in net position	55,774	28,401	(43)	222	55,731	28,623
Net position - January 1:						
As previously reported	709,450	681,049	6,759	6,537	716,209	687,586
Change in accounting principal *	(84,564)	-	(156)	-	(84,720)	-
Net position - January 1, as restated	624,886	-	6,603	-	631,489	-
Net position -December 31	\$ 680,660	\$ 709,450	\$ 6,560	\$ 6,759	\$ 687,220	\$ 716,209

* This is the first year the County implemented the new pension accounting and financial reporting standards GASB Statements 68, 71, and 82. The County had to make a prior year change in accounting principles to record the County's net pension liability and related deferred outflows and deferred inflows of resources.

In 2007 Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. During 2015, the net Other Postemployment Benefits (OPEB) obligation was increased by \$137 thousand. That increase was allocated among various functions of governmental activities. General government, public safety and human services each averaged a \$38 thousand increase in OPEB expenses for 2015. In 2015, Anoka County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The related pension expense for 2015 was \$2 million and was allocated among the various functions of governmental activities. General government, public safety and human services each averaged \$569 thousand in pension expenses for 2015.

General government expenses (excluding annual OPEB and pension costs) remained level with a minor increase of \$229 thousand or 0.52 percent.

Public safety expenses decreased \$2.2 million (excluding annual OPEB and pension costs) primarily due to the completion of several maintenance and improvement projects during 2015. Reducing this decrease was three new positions and the associated salary and benefits, and increased service fees related to Sheriff programs during 2015.

Highway expenses (excluding OPEB and pension costs) increased \$4.0 million. This change is due to increased activity related to transportation projects; for example those for the CSAH 83 interchange which was finalized during 2015 and the Armstrong interchange on Highway 10 which will be finalized at a later date. Because of this, the change in highway expenses is a timing issue rather than a significant change in expenses or spending.

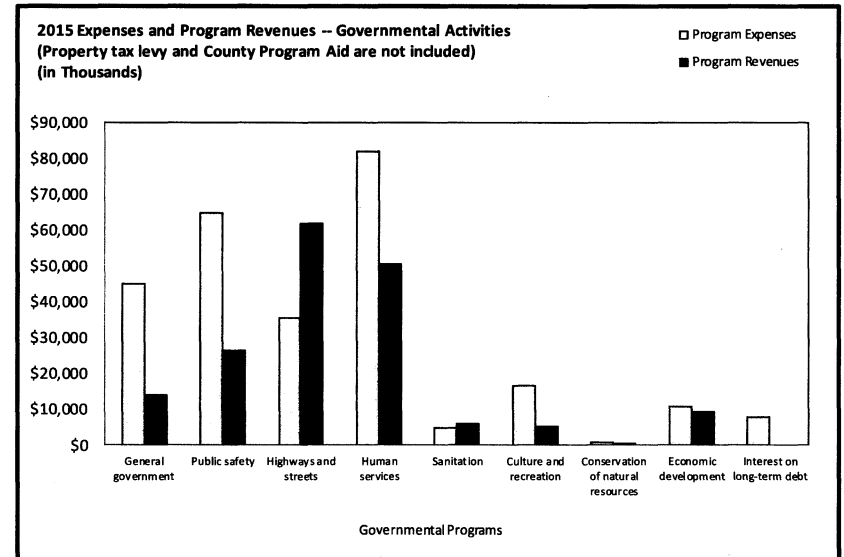
There was a \$1.9 million increase in human service expenses (excluding OPEB and pension costs) largely due to increased personnel costs related to legislative changes.

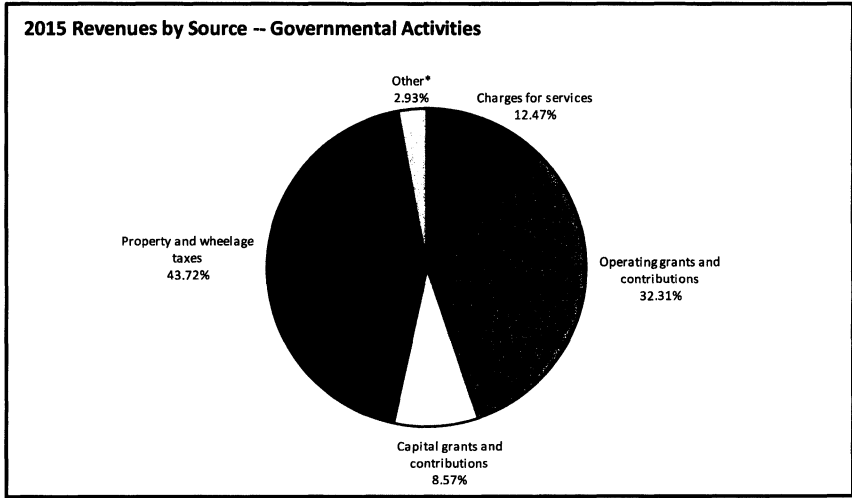
Sanitation expenses increased by \$685 thousand (excluding OPEB and pension costs) offset by increased programmatic revenues.

Culture and recreation expenses remained level with a minor increase of only \$237 thousand or 1.50 percent.

Economic development expenses decreased by \$580 thousand in 2015 due to the 2014 completion of the Ramsey Northstar rail station.

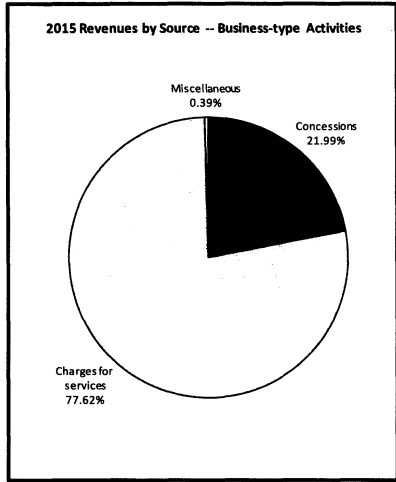
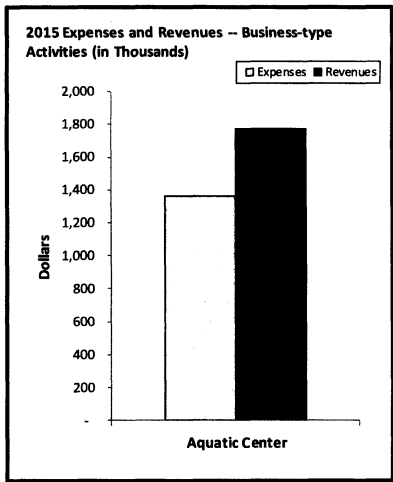
The graph below reflects the program expenses and program revenues. Property tax levy and County Program Aid are not exhibited at the program level, but rather as general revenues, which are not displayed in this graph. General revenues are a significant portion of general government, public safety, human services, and interest on long-term debt, therefore the gap between the program expenses and revenues for those functions are greater than the gap between expenses and revenues for economic development and culture and recreation. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Highways and streets received more outside revenue in 2015 than program expenses. Infrastructure capital asset additions, which are funded in large part by grant revenues, are not included as expenses but are instead capitalized on the statement of net position. Sanitation also received more outside revenue in 2015 than program expenses. These funds are used in future years for various capital projects.





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

Business-type activities. Business-type activities decreased Anoka County's net position by \$42.5 thousand. The season for Bunker Beach Activity Center is from Memorial Day to Labor Day. Above average temperatures for the summer of the prior year allowed for increased activity resulting in a decrease for the current year.



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 2015, Anoka County's governmental funds reported combined ending fund balances of \$189.2 million. This is a \$12.8 million increase from 2014. The operating funds, excluding capital projects and debt service funds, for the County reflect a \$1.1 million decrease in fund balances. Approximately 51.6 percent, or \$97.7 million of the combined fund balance total, represents a combination of *committed, assigned and unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is not available for new spending because it has already been dedicated: a) to cover inventories and prepaid items (\$2.5 million); b) for amounts held by escrow agents, including highway right-of-way (\$42.5 million); c) for funds held in an OPEB revocable trust account (\$438 thousand); d) for grants, donations, and revolving loans received but not yet fully expended (\$1.3 million); e) for debt service (\$18 million); f) for recorder's compliance (\$6.1 million); g) for sanitation (\$18.2 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 \$37.3 million, while total fund balance was \$46.2 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 36.3 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by \$10.9 million as a result of planned actions of the County. The key factors contributing to this change in fund balance are as follows:

- Fund balance in the General Fund decreased by \$1.8 million. Most revenues categories came in better than budgeted while miscellaneous income is significantly under budget due to revenues related to a leases receivable not coming in due to a debt refunding. 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 \$744 thousand. This amount is required to be recognized in the financial statements. Sanitation had actual expenditures \$1.3 million less than budgeted, due to not implementing some planned recycling programs. Corrections came in under budgeted expenditures by \$1.1 million due to prudent spending in all areas of the budget. These budgetary gains were not enough to offset the budgetary losses of several departments, which came in over budget by marginal amounts, and fund balance transfers to other funds that also exceeded the expected amount.
- The Road and Bridge Fund showed a \$2.6 million decrease in fund balance due to the increased project related expenditures where project related grant revenues had been made available to the County in the previous year.
- Human Services' Fund balance increased \$1.4 million due to increased funding for legislative changes and judicious spending with budget savings transferred to other funds for future capital projects.
- The Debt Service Fund balance increased by \$10.3 million due to the issuances of refunded bonds.
- Fund balance in the Capital Projects Fund increased by \$3.6 million due to transfers from other funds for future projects.

The 2015 variance between the final budget and actual expenditures in the General Fund was a positive \$3.3 million due to prudent spending in all areas of the budget.

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

Unrestricted net position of the Aquatic Center Enterprise Fund at the end of the current year was \$1 million. The Pooled Insurance Internal Service Fund has an unrestricted net position of \$1.2 million.

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was \$948 thousand which reflects changes to additional grant funding received and transfers to other funds for future capital purposes.

Capital Asset and Debt Administration

Capital assets. The total increase in Anoka County's capital assets, net of depreciation, for the current fiscal year was \$40.3 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 5.3 percent.

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

- There were land purchases of \$4.4 million for infrastructure.
- Infrastructure values (net of depreciation) increased by \$69.5 million resulting from the completion of several highway reconstruction projects. The completion of the reconstruction of CSAH 14 from Crane Street to Ulysses Street contributed \$39.2 million of the increase.
- The \$29.3 million decrease in construction in progress reflects the completion of several projects (road construction projects, jail security improvements, elevator improvements, and various parks projects.)

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

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 211,271	\$ 206,157	\$ -	\$ -	\$ 211,271	\$ 206,157
Buildings and structures	155,180	155,896	4,125	4,234	159,305	160,130
Improvements other than buildings	13,368	12,990	919	1,007	14,287	13,997
Machinery and equipment	19,878	18,623	487	542	20,365	19,165
Infrastructure	330,953	267,523	-	-	330,953	267,523
Software	4,745	5,337	-	-	4,745	5,337
Construction in progress	65,054	94,419	-	-	65,054	94,419
Total	\$ 800,449	\$ 760,945	\$ 5,531	\$ 5,783	\$ 805,980	\$ 766,728

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

Long-term debt. At the end of the current fiscal year, Anoka County had total bonded debt outstanding of \$192.8 million. Of this amount, \$170.5 million comprises debt backed by the full faith and credit of the County and \$22.3 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	
	2015	2014
General obligation bonds and notes	\$ 114,410	\$ 139,035
Lease revenue obligations	3,541	8,736
General obligation bonds supported by revenues	22,275	23,880
Limited tax bonds	52,600	26,460
Total	\$ 192,826	\$ 198,111

Anoka County's total bonded debt decreased by \$5.28 million (2.7 percent) during the current fiscal year, resulting from debt retirements and defeasance of refunded bonds.

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 \$834.1 million. The current general debt obligation is \$170.6 million, or approximately 20.4 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 46 to 53 of this report.

Economic Factors and Next Year's Budgets and Rates

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

These and other factors were considered in preparing Anoka County's budget for the 2016 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by \$10.9 million. Debt service and capital project funds comprise \$91 million of the total available fund balance to be used for future debt payments and completion of current capital projects. The Anoka County Financial Policies delegate authority to the Division Manager of Finance and Central Services to assign fund balance for a specific purpose to be spent in future years.

Request for Information

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

BASIC FINANCIAL STATEMENTS

ANOKA COUNTY
ANOKA, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents, and pooled investments	\$ 154,969,094	\$ 1,205,867	\$ 156,174,961
Cash and investments with escrow agents	42,504,686	-	42,504,686
Investments with trust account	437,793	-	437,793
Delinquent taxes receivable	2,263,968	-	2,263,968
Accounts receivable, net of allowance for doubtful accounts	5,533,940	-	5,533,940
Accrued interest receivable	847,993	-	847,993
Land held for resale	266,408	-	266,408
Loans receivable			
Due within one year	367,971	-	367,971
Due in more than one year	3,864,110	-	3,864,110
Leases receivable			
Due within one year	1,027,689	-	1,027,689
Due in more than one year	8,783,619	-	8,783,619
Due from other governments	12,250,661	-	12,250,661
Inventories	2,382,003	-	2,382,003
Prepaid items	85,170	-	85,170
Capital assets not being depreciated:			
Land	211,270,948	-	211,270,948
Construction in progress	65,053,454	-	65,053,454
Capital assets, net of accumulated depreciation:			
Buildings and structures	155,179,834	4,125,280	159,305,114
Improvements other than buildings	13,368,293	918,898	14,287,191
Machinery and equipment	19,878,086	487,403	20,365,489
Infrastructure	330,953,297	-	330,953,297
Software	4,744,644	-	4,744,644
Total Assets	1,036,033,661	6,737,448	1,042,771,109
Deferred Outflows of Resources			
Deferred pension outflows	15,245,653	23,299	15,268,952
Liabilities			
Accounts payable	3,266,066	388	3,266,454
Salaries payable	3,011,627	2,742	3,014,369
Contracts payable	5,420,717	-	5,420,717
Due to other governments	4,782,542	-	4,782,542
Matured interest payable	3,146,623	-	3,146,623
Unearned revenue	14,079,013	-	14,079,013
Noncurrent Liabilities:			
Due within one year			
Bonds and notes payable	15,050,873	-	15,050,873
Compensated absences	477,475	776	478,251
Outstanding claims payable	206,153	-	206,153
Capital leases payable	29,379	-	29,379
Loans payable	36,570	-	36,570
Due in more than one year			
Bonds and notes payable	183,866,662	-	183,866,662
Compensated absences	9,072,033	14,755	9,086,788
Outstanding claims payable	2,484,259	-	2,484,259
Capital leases payable	56,889	-	56,889
Loans payable	613,219	-	613,219
Net pension liability	89,824,381	161,865	89,986,246
Other postemployment benefits (OPEB) liability	20,350,387	-	20,350,387
Total Liabilities	355,774,868	180,526	355,955,394
Deferred Inflows of Resources			
Advances from other governments	3,000,710	-	3,000,710
Deferred pension inflows	11,843,562	20,015	11,863,577
Total Deferred Inflows of Resources	14,844,272	20,015	14,864,287
Net Position			
Net investment in capital assets	696,920,272	5,531,581	702,451,853
Restricted for:			
Debt service	17,269,178	-	17,269,178
General government	6,659,710	-	6,659,710
Public safety	2,375,202	-	2,375,202
Highway	3,981,448	-	3,981,448
Sanitation	18,219,190	-	18,219,190
Culture and recreation	291,624	-	291,624
Conservation of natural resources	67,958	-	67,958
Economic development	1,847,047	-	1,847,047
Unrestricted (deficit)	(66,971,455)	1,028,625	(65,942,830)
Total net position	\$ 680,660,174	\$ 6,560,206	\$ 687,220,380

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

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		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 45,036,661	\$ 9,068,198	\$ 4,529,956	\$ -	\$ (31,438,507)	\$ -	\$ (31,438,507)
Public safety	64,660,585	18,192,743	8,052,751	-	(38,415,091)	-	(38,415,091)
Highways and streets	35,292,215	433,599	35,425,332	25,967,786	26,534,502	-	26,534,502
Human services	81,886,194	2,989,297	47,212,899	-	(31,683,998)	-	(31,683,998)
Sanitation	4,562,129	4,298,962	1,381,314	-	1,118,147	-	1,118,147
Culture and recreation	16,168,478	2,554,037	689,376	1,598,538	(11,326,527)	-	(11,326,527)
Conservation of natural resources	598,548	44,172	12,000	-	(542,376)	-	(542,376)
Economic development	10,381,003	2,511,793	6,581,317	-	(1,287,893)	-	(1,287,893)
Interest expense and fiscal charges on long-term debt	7,647,620	-	-	-	(7,647,620)	-	(7,647,620)
Total governmental activities	266,233,433	40,092,801	103,884,945	27,566,324	(94,689,363)	-	(94,689,363)
Business-type activities:							
Aquatic center	1,358,752	1,771,245	-	-	-	412,493	412,493
Total primary government	<u>\$ 267,592,185</u>	<u>\$ 41,864,046</u>	<u>\$ 103,884,945</u>	<u>\$ 27,566,324</u>			
General Revenues:							
Property taxes collected for general purposes					124,668,438	-	124,668,438
Property taxes collected for debt service					15,902,486	-	15,902,486
Wheelage tax collected for highways and streets					653	-	653
Unrestricted investment earnings					2,135,736	-	2,135,736
Gain on sale of capital assets					41,977	-	41,977
Miscellaneous					7,259,611	-	7,259,611
Transfers					455,000	(455,000)	-
Total general revenues and transfers					150,463,901	(455,000)	150,008,901
Change in net position					55,774,538	(42,507)	55,732,031
Net position--January 1, as restated (Note 1.E.)					624,885,636	6,602,713	631,488,349
Net position--December 31					<u>\$ 680,660,174</u>	<u>\$ 6,560,206</u>	<u>\$ 687,220,380</u>

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and pooled investments	\$ 44,351,792	\$ 84,162	\$ 30,039,523	\$ 17,967,437	\$ 34,975,105	\$ 23,645,881	\$ 151,063,900
Cash and investments with escrow agents	-	3,981,448	-	37,637,267	-	885,971	42,504,686
Investments with trust account	437,793	-	-	-	-	-	437,793
Delinquent taxes receivable	947,334	185,147	555,526	314,112	6,319	255,530	2,263,968
Accounts receivable, net of allowance for doubtful accounts	2,223,463	30,297	3,225,259	26,672	-	28,249	5,533,940
Accrued interest receivable	707,399	-	-	140,594	-	-	847,993
Land held for resale	-	-	-	-	-	266,408	266,408
Loans receivable	333,663	-	-	-	-	3,898,418	4,232,081
Leases receivable	9,811,308	-	-	-	-	-	9,811,308
Due from other funds	2,800,000	-	-	-	-	-	2,800,000
Due from other governments	2,619,862	2,157,818	5,500,689	-	-	1,972,292	12,250,661
Advances to other funds	-	-	-	-	1,474,506	-	1,474,506
Inventories	-	2,353,190	-	-	-	28,813	2,382,003
Prepaid items	85,170	-	-	-	-	-	85,170
Total Assets	64,317,784	8,792,062	39,320,997	56,086,082	36,455,930	30,981,562	235,954,417
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	1,220,049	895,026	850,894	11,650	16,946	271,501	3,266,066
Salaries payable	2,200,030	104,623	595,105	-	1,318	110,551	3,011,627
Contracts payable	326,672	2,924,158	913,062	-	1,073,846	182,979	5,420,717
Due to other funds	-	2,500,000	-	-	-	300,000	2,800,000
Due to other governments	1,428,138	1,299,214	1,921,903	34,612	-	98,409	4,782,276
Advance from other funds	508,632	-	-	-	-	965,874	1,474,506
Matured interest payable	-	-	-	86,536	-	-	86,536
Unearned revenue	11,015,097	10,558	1,544,808	-	4,503	1,504,047	14,079,013
Total Liabilities	16,698,618	7,733,579	5,825,772	132,798	1,096,613	3,433,361	34,920,741
Deferred Inflows of Resources							
Advance from other governments	-	3,000,710	-	-	-	-	3,000,710
Unavailable revenue	1,381,525	2,300,452	555,526	314,112	6,319	4,272,014	8,829,948
Total Deferred Inflows of Resources	1,381,525	5,301,162	555,526	314,112	6,319	4,272,014	11,830,658
Fund Balances							
Nonspendable in (Note 3.D.):							
General Fund	85,170	-	-	-	-	-	85,170
Special revenue funds	-	2,353,190	-	-	-	28,813	2,382,003
Restricted in (Note 3.D.):							
General Fund	8,808,730	-	-	-	-	-	8,808,730
Special revenue funds	-	3,981,448	-	-	-	2,583,849	6,565,297
Debt Service Fund	-	-	-	55,639,172	-	-	55,639,172
Capital Projects Fund	-	-	-	-	18,068,152	-	18,068,152
Committed in (Note 3.D.):							
Special revenue funds	-	-	-	-	-	4,221,032	4,221,032
Assigned in (Note 3.D.):							
General Fund	4,798,259	-	-	-	-	-	4,798,259
Special revenue funds	-	-	32,939,699	-	-	16,442,493	49,382,192
Capital Projects Fund	-	-	-	-	17,284,846	-	17,284,846
Unassigned	32,545,482	(10,577,317)	-	-	-	-	21,968,165
Total Fund Balances	46,237,641	(4,242,679)	32,939,699	55,639,172	35,352,998	23,276,187	189,203,018
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 64,317,784	\$ 8,792,062	\$ 39,320,997	\$ 56,086,082	\$ 36,455,930	\$ 30,981,562	\$ 235,954,417

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015**

Total fund balances for governmental funds (Exhibit 3)	\$	189,203,018
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.		800,448,556
Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.		15,245,653
An internal service fund is used by the County to charge the cost of insurance to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,214,516
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	\$ (198,917,535)	
Compensated absences	(9,549,508)	
Capital leases payable	(86,268)	
Loans payable	(649,789)	
Net pension liability	(89,824,381)	
Other postemployment benefits	<u>(20,350,387)</u>	
Total long term liabilities		(319,377,868)
Matured interest payable is not due and payable in the current period and therefore, is not reported on the fund statements.		
Matured interest payable reported on Exhibit 1	\$ (3,146,623)	
Matured interest payable reported on Exhibit 3	<u>86,536</u>	
		(3,060,087)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		8,829,948
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(11,843,562)</u>
Net position of governmental activities (Exhibit 1)	\$	<u><u>680,660,174</u></u>

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 54,474,189	\$ 10,518,605	\$ 30,418,532	\$ 15,984,627	\$ 133	\$ 13,023,709	\$ 124,419,795
Licenses and permits	287,437	79,700	1,061,688	-	-	1,920	1,430,745
Intergovernmental	20,710,096	61,882,899	49,673,635	8,031	3,428,171	8,822,484	144,525,316
Charges for services	29,173,773	-	2,977,104	-	-	1,949,906	34,100,783
Fines and forfeits	-	-	-	-	-	517,584	517,584
Investment income	2,152,577	22,130	-	(606,162)	46,251	32,636	1,647,432
Net change in fair value of investments	(744,160)	-	-	640,158	-	-	(104,002)
Miscellaneous	5,048,569	386,542	510,823	1,115,153	188,898	5,901,274	13,151,259
Total Revenues	111,102,481	72,889,876	84,641,782	17,141,807	3,663,453	30,249,513	319,688,912
Expenditures							
Current							
General government	37,184,051	-	-	-	1,652,530	327,122	39,163,703
Public safety	60,757,078	-	-	-	1,097,222	5,854	61,860,154
Highways and streets	-	74,283,231	-	-	-	-	74,283,231
Human services	383,567	-	80,230,473	-	450,642	-	81,064,682
Sanitation	4,359,185	-	-	-	19,781	-	4,378,966
Culture and recreation	152,623	-	-	-	7,953	15,301,442	15,462,018
Conservation of natural resources	148,992	-	-	-	-	445,610	594,602
Economic development	-	-	-	-	-	9,993,573	9,993,573
Debt Service							
Principal retirement	-	-	-	43,229,997	-	34,562	43,264,559
Interest	-	-	-	6,906,836	-	18,806	6,925,642
Bond issuance costs	-	-	-	622,583	-	-	622,583
Administrative charges	-	-	-	95,415	-	-	95,415
Capital Outlay							
General government	-	-	-	-	4,766,435	-	4,766,435
Public safety	-	-	-	-	2,594,396	-	2,594,396
Sanitation	-	-	-	-	195,223	-	195,223
Culture and recreation	-	-	-	-	342,612	-	342,612
Intergovernmental							
Highways and streets	-	1,400,670	-	-	-	-	1,400,670
Total Expenditures	102,985,496	75,683,901	80,230,473	50,854,831	11,126,794	26,126,969	347,008,464
Excess of Revenues Over (Under) Expenditures	8,116,985	(2,794,025)	4,411,309	(33,713,024)	(7,463,341)	4,122,544	(27,319,552)
Other Financing Sources (Uses)							
Transfers in	23,050	-	32,829	4,656,803	11,092,346	493,083	16,298,111
Transfers out	(9,954,640)	(8,800)	(3,000,000)	-	(47,079)	(2,832,592)	(15,843,111)
Refunding bonds issued	-	-	-	37,945,000	-	-	37,945,000
Premium on bonds	-	-	-	1,463,205	-	-	1,463,205
Capital leases	-	-	-	-	-	112,183	112,183
Total Other Financing Sources (Uses)	(9,931,590)	(8,800)	(2,967,171)	44,065,008	11,045,267	(2,227,326)	39,975,388
Net Change in Fund Balances	(1,814,605)	(2,802,825)	1,444,138	10,351,984	3,581,926	1,895,218	12,655,836
Fund Balances - January 1	48,052,246	(1,598,735)	31,495,561	45,287,188	31,771,072	21,378,294	176,385,626
Increase (decrease) in inventories	-	158,881	-	-	-	2,675	161,556
Fund Balances - December 31	\$ 46,237,641	\$ (4,242,679)	\$ 32,939,699	\$ 55,639,172	\$ 35,352,998	\$ 23,276,187	\$ 189,203,018

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Net change in fund balances - total governmental funds (Exhibit 5) \$ 12,655,836

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	\$ 60,785,593	
Current year depreciation	(18,661,440)	
		42,124,153

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

Debt issued:		
Refunding general obligation (GO) bonds	\$ (10,790,000)	
Refunding limited tax bonds	(27,155,000)	
Capital leases	(112,183)	
Loans	(487,042)	
Discounts and premiums	(1,463,205)	
Principal repayments:		
Debt service principal retirement	43,264,559	
Current year amortization of discounts and premiums	<u>580,770</u>	
		3,837,899

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position. (2,620,909)

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	\$ 8,829,948	
Unavailable revenue - January 1	<u>(7,241,272)</u>	
		1,588,676

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 (-\$553,528), change in interest payable (\$11,123), and changes in inventories (\$161,556). (380,849)

Current year net change in other postemployment benefits (OPEB) obligation. (136,716)

Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows. (1,858,163)

An internal service fund is used to charge the insurance costs to the individual funds. The increase in net position of the internal service fund is reported in the government-wide statement of activities. 564,611

Changes in net position of governmental activities (Exhibit 2) \$ 55,774,538

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
<u>Assets</u>		
Current Assets:		
Cash and pooled investments	\$ 1,205,867	\$ 3,905,194
Total current assets	1,205,867	3,905,194
Noncurrent Assets:		
Capital assets	8,529,682	-
Less: accumulated depreciation	(2,998,101)	-
Total capital assets (net of accumulated depreciation)	5,531,581	-
Total noncurrent assets	5,531,581	-
Total Assets	6,737,448	3,905,194
<u>Deferred Outflows of Resources</u>		
Deferred pension outflows	23,299	-
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	388	-
Salaries payable	2,742	-
Due to other governments	-	266
Compensated absences	776	-
Outstanding claims payable	-	206,153
Total current liabilities	3,906	206,419
Noncurrent Liabilities:		
Compensated absences	14,755	-
Outstanding claims payable	-	2,484,259
Net pension liability	161,865	-
Total noncurrent liabilities	176,620	2,484,259
Total Liabilities	180,526	2,690,678
<u>Deferred Inflows of Resources</u>		
Deferred pension inflows	20,015	-
<u>Net Position</u>		
Net investment in capital assets	5,531,581	-
Unrestricted	1,028,625	1,214,516
Total Net Position	\$ 6,560,206	\$ 1,214,516

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
<u>Operating Revenues</u>		
Charges for services	\$ 1,374,947	\$ -
Concessions	389,447	-
Insurance fees	-	767,713
Miscellaneous	6,851	1,808
	1,771,245	769,521
Total Operating Revenues		
<u>Operating Expenses</u>		
Personal services	615,742	-
Other services and charges	271,061	-
Supplies	220,944	-
Insurance	-	204,928
Depreciation	251,005	-
	1,358,752	204,928
Total Operating Expenses		
Operating Income (Loss)	412,493	564,593
<u>Nonoperating Revenues (Expenses)</u>		
Investment income	-	18
	-	18
Total Nonoperating Revenues (Expenses)		
Net Income (Loss) Before Transfers and Contributions	412,493	564,611
<u>Transfers</u>		
Transfers out	(455,000)	-
	(455,000)	-
Total Transfers		
Increase (Decrease) in Net Position	(42,507)	564,611
Net position - January 1, as restated (Note 1.E.)	6,602,713	649,905
Net position - December 31	\$ 6,560,206	\$ 1,214,516

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
Increase (Decrease) in Cash and Cash Equivalents**

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 1,772,104	\$ 769,521
Payments to suppliers	(493,472)	(417,078)
Payments to employees	(615,993)	-
	662,639	352,443
Net cash provided (used) by operating activities		
Cash Flows from Noncapital Financing Activities:		
Transfer to other funds	(455,000)	-
	-	-
Cash Flows from Investing Activities:		
Interest received	-	18
	-	18
Net increase (decrease) in cash and cash equivalents	207,639	352,461
Cash and cash equivalents, January 1	998,228	3,552,733
Cash and cash equivalents, December 31	\$ 1,205,867	\$ 3,905,194
Reconciliation of operating income to net cash provided (used) by operating activities:		
Net operating income (loss)	\$ 412,493	\$ 564,593
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	251,005	-
(Increase) decrease in Accounts receivable	859	-
Increase (decrease) in Accounts payable	(410)	-
Increase (decrease) in Salaries payable	(4,805)	-
Increase (decrease) in Due to other governments	(1,057)	(9,345)
Increase (decrease) in Deferred pension outflows	(16,626)	-
Increase (decrease) in Deferred pension inflows	20,015	-
Increase (decrease) in Net pension liability	(654)	-
Increase (decrease) in Compensated absences	1,819	-
Increase (decrease) in Outstanding claims payable	-	(202,805)
	250,146	(212,150)
Total adjustments		
Net cash provided (used) by operating activities	\$ 662,639	\$ 352,443

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015**

	<u>Other Postemployment Benefits Trust Fund</u>	<u>Agency Fund</u>
<u>Assets</u>		
Cash and pooled investments	\$ -	\$ 8,646,551
Investments, at fair value		
Index Funds	51,357,376	-
Accounts receivable	-	6
Due from other governments	-	331,630
	<u>51,357,376</u>	<u>8,978,187</u>
Total Assets		
<u>Liabilities</u>		
Accounts payable	1,600,000	1,485,144
Due to other governments	-	7,493,043
	<u>1,600,000</u>	<u>\$ 8,978,187</u>
Total Liabilities		
<u>Net Position</u>		
Held in trust for postemployment benefits	<u>\$ 49,757,376</u>	

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Other Postemployment Benefits Trust Fund</u>
<u>Additions</u>	
Investment earnings	\$ 752,784
Less investment expense	<u>3,820</u>
Net investment earnings	<u>748,964</u>
Total Additions	<u>748,964</u>
<u>Deductions</u>	
Benefits	<u>1,600,000</u>
Change in net position	(851,036)
Net position - January 1	<u>50,608,412</u>
Net position - December 31	<u>\$ 49,757,376</u>

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

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

Blended Component Units

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

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

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

B. Basic Financial Statements

1. Government-Wide Statements

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

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

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

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

2. Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

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

1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash and Investments

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

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

Pooled (in lieu of cash) investments are stated at fair value. Investment earnings are allocated to the Road and Bridge and Regional Railroad Authority Special Revenue Funds, 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.

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.

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

- a. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6.
- b. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.
- c. General obligations of the State of Minnesota and its municipalities; and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service.
- d. Bankers' acceptances issued by United States banks.
- e. Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized ratings agencies and matures in 270 days or less.
- f. With certain restrictions, as identified by statutes, repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

2. Receivables and Payables

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

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

1. Summary of Significant Accounting Policies

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

2. Receivables and Payables (Continued)

Property Taxes

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

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

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

Loans

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

Leases

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

3. Land Held for Resale

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

4. Inventories and Prepaid Items

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

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

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

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

5. Capital Assets

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

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

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred 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 and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion of the compensated absences liability is calculated at five percent of the total liability.

7. Deferred Inflows/Outflows 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. This item, deferred pension outflows, is discussed below in Note 1.D.9.

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; however, the second item, advance from other governments, arises under both the modified accrual and the full accrual basis of accounting. Unavailable revenue and the advance from other governments are reported in the governmental funds balance sheet, while the advance from other government is also reported in the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third item, deferred pension inflows, is discussed below in Note 1.D.9.

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

8. Long-Term Obligations

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

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

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

1. Summary of Significant Accounting Policies

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

9. 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. Prior years net pension liabilities were paid from the General fund, Special Revenue Funds and the Enterprise Fund.

10. Fund Equity

Classification of Net Position

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

1. Net investment in capital assets: the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.
2. Restricted net position: the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position: the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Classification of Fund Balances

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

1. Nonspendable: Fund balances classified as nonspendable include assets that will never convert to cash, such as prepaid items and inventories of supplies.
2. Spendable: All fund balances that are not classified as nonspendable are deemed spendable. The statement provides for classifications within the spendable category based upon the relative strength of the constraints that control how specific amounts can be spent. Those classifications are as follows:
 - a. Restricted: Net fund resources that are subject to externally enforceable legal restrictions are deemed to be restricted. These restrictions are either 1) externally imposed by creditors (via bond or loan covenants), grantors, contributors or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.
 - b. Committed: Net fund balances that represent resources that can be used only for the specific purposes determined by formal action of the Board are deemed to be committed. The County's formal actions, or board resolutions, are the highest decision making level and remain binding unless removed in the same manner. Additionally, any Board action, either binding or unbinding, need be taken prior to the end of the calendar year.
 - c. Assigned: Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board has by resolution authorized the Finance and Central Services Division Manager to assign fund balance.
 - d. Unassigned: The residual classification of the County's General Fund not contained in the other classifications is deemed to be unassigned. In other governmental funds, the unassigned classification is used only to report deficit balances resulting from overspending for specific purposes for which amounts had been restricted or committed.

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

Minimum Fund Balance Policy

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

1. Summary of Significant Accounting Policies

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

11. Use of Estimates

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

E. Change in Accounting Principles

During the year ended December 31, 2015, the County adopted new accounting guidance by implementing the provisions of GASB Statements 68, 71, and 82. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, requires governments providing defined benefit pensions to employees through pension plans administered through trusts to record their proportionate share of the net pension obligation as a liability on their financial statements along with related deferred outflows of resources, deferred inflows of resources, and pension expense. This statement also requires additional note disclosures and schedules in the required supplementary information.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, addresses an issue regarding amounts associated with contributions made to a pension plan after the measurement date of the net pension liability.

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73*, modifies the measure of payroll that is presented in the required supplementary information schedules.

GASB Statements 68 and 71 require the County to report its proportionate share of the PERA total employers' unfunded pension liability. As a result, beginning net position has been restated to record the County's net pension liability and related deferred outflows of resources.

	Governmental Activities	Business-Type Activities
Net Position, January 1, as previously reported	\$ 709,449,763	\$ 6,758,559
Change in accounting principles	(84,564,127)	(155,846)
Net Position, January 1, as restated	<u>\$ 624,885,636</u>	<u>\$ 6,602,713</u>

2. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance

At December 31, 2015, the Road and Bridge Special Revenue Fund had a deficit fund balance of \$4,242,679. The deficit will be eliminated with future State Aid highway allotments.

B. Excess of Expenditures Over Budget

The following nonmajor governmental funds have expenditures in excess of budget for the year ended December 31, 2015:

Special Revenue Fund	Expenditures		
	Final Budget	Actual	Excess
Cooperative Extension			
Current			
Conservation of natural resources	\$ 391,301	\$ 445,610	\$ 54,309
Housing and Redevelopment Authority			
Current			
Economic development	2,762,691	2,808,101	45,410
Debt Service	-	15,243	15,243

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits

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

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

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. County policy requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank irrevocable letters of credit may be substituted for qualifying government securities at some institutions. Depository balances are monitored as necessary, to assure the coverage in place, meets or exceeds statutory requirements as specified in Minn. Stat. 118A.03. As of December 31, 2015, the County's deposits were exposed to custodial credit risk, being insufficiently covered through collateral agreements with designated depositories.

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value. The following is a summary of the fair values of the County's investments, at December 31, 2015:

Primary government	
Cash, cash equivalents and pooled investments	\$ 156,174,961
Cash and investments with escrow agents	42,504,686
Investments with trust account	437,793
Fiduciary funds	
Cash, cash equivalents and pooled investments	
Agency Fund	8,646,551
Investments	
Trust Fund	51,357,376
Total cash and investments	<u>\$ 259,121,367</u>

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

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

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

Anoka County contracts with an authorized third party institution for safekeeping. All County investment securities were properly safe kept, at December 31, 2015.

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's policy states all investment securities purchased by the County shall be held in safekeeping by a third-party designated institution as agency for the County. As of December 31, 2015, the County's investments were not exposed to custodial credit risk.

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

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

Issuer	Reported Amount
U.S. Treasury Securities (UST)	\$ 19,268,953
Federal National Mortgage Association Note (FNMA)	19,406,046

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

- (1) The core reserve portfolio pool will have a longer time horizon and will not be needed to fund current operations. The funds in this pool are comprised of reserve funds, which are managed on a total return basis.
- (2) The liquidity reserve portfolio is a pool comprised of investments of shorter maturities, which may be needed to fund temporary shortfalls in operating cashflows. The pool size is varied to meet changing liquidity circumstances and laddered to assure even maturities over time to supplement short liquidity positions.
- (3) The current cash flow or liquidity portion of the portfolio is intended to balance cash flow timing with current and statutory payment obligations. Investment maturities are matched with current liabilities and payables.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The following table presents the County's investment balances at December 31, 2015, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Less than 1 year	1 to 5 years	More than 5 years
U.S. Government Agency securities							
Farmer Mac USDN (FARM)	N/A		Custody	1.21%	-	1,975,490	683,423
Financial Assistanced Corporation (FAC)	Aaa/AA+	M, S&P	Custody	0.91%	-	1,987,260	-
Federal Farm Credit Bank (FFCB)	Aaa/AA+	M, S&P	Custody	2.04%	599,441	1,492,131	2,288,525
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	1.89%	687,801	1,232,561	2,422,840
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	M, S&P	Custody	3.97%	498,569	4,488,495	3,677,997
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	M, S&P	Custody	8.86%	490,807	12,279,317	6,635,622
Small Business Association (SBA)	Aaa/AA+	M, S&P	Custody	0.14%	273	299,812	-
Financing Corporation (FCO)	Aaa/AA+	M, S&P	Custody	0.23%	-	496,129	-
Government National Mortgage Association (GNMA)	Aaa/AA+	M, S&P	Custody	0.23%	-	-	495,703
National Credit Union Association (NCUA)	Aaa/AA+	M, S&P	Custody	0.00%	-	-	-
Tennessee Valley Authority (TVA)	Aaa/AA+	M, S&P	Custody	2.11%	-	2,290,597	2,314,065
Veterans Administration Vendee Mortgage	Aaa/AA+	M, S&P	Custody	0.05%	-	-	110,733
Total U.S. Government Agency Securities				21.76%	2,388,711	28,551,762	18,698,808
U.S. Treasury Securities (UST)	Aaa/AA+	M, S&P	Custody	8.82%	-	10,579,929	8,689,024
Municipal securities							
State of Connecticut	Aa3/AA	M, S&P	Custody	1.13%	-	153,116	2,326,720
State of California	Aa2/NR	M, S&P	Custody	0.13%	-	278,362	-
State of Georgia	Aaa/AAA	M, S&P	Custody	1.18%	-	2,009,760	519,056
State of Hawaii	Aa2/AA	M, S&P	Custody	1.05%	-	2,003,980	292,888
State of Massachusetts	Aa1/AAA	M, S&P	Custody	0.43%	-	503,865	433,127
State of Michigan	Aa2/AA-	M, S&P	Custody	0.22%	258,145	-	-
State of Minnesota	Aa1/AA+	M, S&P	Custody	1.21%	-	1,195,534	1,440,576
State of Mississippi	Aa2/AA	M, S&P	Custody	0.16%	-	351,596	-
State of Montana	Aa3/AA	M, S&P	Custody	0.21%	-	496,073	-
State of Nevada	Aa2/AA-	M, S&P	Custody	0.84%	-	-	1,845,015
State of Ohio	Aa1/AA+	M, S&P	Custody	0.16%	-	349,989	-
State of Pennsylvania	Aa3/AA-	M, S&P	Custody	0.20%	-	-	541,530
State of Texas	Aaa/AAA	M, S&P	Custody	0.08%	-	180,347	-
State of Washington	Aa1/AA+	M, S&P	Custody	0.82%	-	2,000,100	-
Baltimore County, Maryland	Aaa/AAA	M, S&P	Custody	0.10%	-	-	209,438
Harris County, Texas	Aaa/AAA	M, S&P	Custody	0.21%	-	-	451,296
Hubbard County, MN	Aa3/NA	M, S&P	Custody	0.89%	-	-	1,841,393
King County, Washington	Aa1/AAA	M, S&P	Custody	0.08%	-	174,755	-
Monroe County, Michigan	NR/AA	M, S&P	Custody	0.05%	-	-	101,012
Texas County, Texas	Aaa/AAA	M, S&P	Custody	0.16%	-	-	347,599
Ouchita Parish, LA	NR/AA-	M, S&P	Custody	0.12%	-	254,028	-
City of Albuquerque, New Mexico	Aa2/AAA	M, S&P	Custody	0.15%	-	-	328,581
City of Akron, Ohio	NR/AA-	M, S&P	Custody	0.08%	169,752	-	-
City of Bloomington, Illinois	Aa2/NR	M, S&P	Custody	0.16%	-	357,838	-
City of Boston, Massachusetts	AAA/AAA	M, S&P	Custody	0.05%	-	106,534	-
City of Bridgewater, New Jersey	NA/AA-	M, S&P	Custody	0.12%	-	273,062	-
City of Cincinnati, Ohio	Aa2/AA-	M, S&P	Custody	0.23%	-	511,332	-
City of Columbus, Minnesota	AT/NR	M, S&P	Custody	0.43%	-	-	936,630
City of Columbus, Ohio	Aaa/AAA	M, S&P	Custody	0.19%	245,135	-	186,304
City of Dallas, Texas	Aa1/AA+	M, S&P	Custody	0.07%	-	151,017	-
City of Danville, VA	Aa2/AA	M, S&P	Custody	0.15%	-	328,193	-
City of Desert Sands, California	Aa2/AA-	M, S&P	Custody	0.16%	-	-	349,783
City of Duluth, Minnesota	Aa2/AA	M, S&P	Custody	0.54%	-	474,285	707,404
City of Fargo, North Dakota	Aa1/NR	M, S&P	Custody	0.64%	-	886,485	502,844
City of Honolulu, Hawaii	Aa2/NR	M, S&P	Custody	0.29%	-	-	628,669
City of Lubbock, Texas	Aa2/AA+	M, S&P	Custody	0.19%	-	-	408,468
City of Moline, Illinois	Aa2/NR	M, S&P	Custody	0.05%	119,905	-	-
City of Morgan Hill, California	Aa1/NR	M, S&P	Custody	0.14%	-	299,229	-
City of New Orleans, Louisiana	A2/AA	M, S&P	Custody	0.45%	-	-	981,600
City of Owensboro Kentucky	Aa2/AA	M, S&P	Custody	0.83%	-	-	1,813,939
City of Portsmouth, Virginia	Aa2/AA	M, S&P	Custody	0.95%	-	-	2,075,240
City of Raubsville, Michigan	Aa1/NR	M, S&P	Custody	0.21%	-	451,566	-
City of Richmond, Virginia	Aa2/AA-	M, S&P	Custody	0.08%	135,310	-	-
City of Seattle, Washington	Aa1/AAA	M, S&P	Custody	0.19%	-	-	425,918
City of St. Paul, Minnesota	Aa2/AA+	M, S&P	Custody	0.83%	-	2,029,630	-
New York City, New York	Aa1/AAA	M, S&P	Custody	0.89%	-	-	1,949,580
California University Revenue Bonds	Aa2/AA	M, S&P	Custody	0.11%	-	250,595	-
Crosby Ironton, Minnesota School District	NR/AA-	M, S&P	Custody	0.20%	-	446,459	-
Hurst Etoile Bedford Texas School District	NR/AAA	M, S&P	Custody	0.32%	-	-	696,451
Los Angeles Community College	Aa1/AA+	M, S&P	Custody	0.09%	-	201,044	-
Olentangy ISD, Ohio	Aa1/AA+	M, S&P	Custody	0.09%	203,788	-	-
Sioux Falls, South Dakota School District No 49-5	NR/AA-	M, S&P	Custody	0.09%	201,800	-	-
Texas Tech University	Aaa/AA+	M, S&P	Custody	0.16%	-	401,912	-
East Bay Waste Water, California	Aa2/AAA	M, S&P	Custody	0.15%	-	333,291	-
Las Vegas Valley, Nevada, Water District	Aa2/AA	M, S&P	Custody	0.09%	-	204,764	-
Upper Oconee Water District, Georgia	Aa2/NR	M, S&P	Custody	0.19%	-	413,120	-
Metropolitan Council, Minnesota	AA/AAA	M, S&P	Custody	0.14%	-	304,896	-
Metropolitan Government Nashville, Tennessee	Aa1/AA	M, S&P	Custody	0.12%	-	264,725	-
Total Municipal Securities				19.48%	1,333,835	18,818,853	22,420,001
Commercial Paper							
Repurchase Agreements							
Certificates of Deposits							
Money Market Funds							
Local Government Investment Pools							
Index Fund							
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	23.71%	51,795,189	-	-
Portfolio Total				100.00%	218,490,578		

3. Detailed Notes on All Funds

A. Assets (Continued)

2. Receivables

a. Property Tax Receivable

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

Current property tax collections for the year ended December 31, 2015, were 99.32 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2015 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, 2015, were \$6,719,676 and the allowance for doubtful accounts was \$1,185,736 resulting in a net effect of \$5,533,940.

c. Loans Receivable

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2015:

	Original Loan Amount	Balance Repaid at December 31, 2015	Outstanding Balance - December 31, 2015	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	\$ 209,392	\$ 30,778	\$ 178,614	20	5.00
Various forfeited tax sale contracts for repurchase	389,784	234,735	155,049	Various	Various
Total General Fund	599,176	265,513	333,663		
Special Revenue Funds					
Community Development Loan programs	4,641,502	743,084	3,898,418	Various	Various
Total Loans Receivable	\$ 5,240,678	\$ 1,008,597	\$ 4,232,081		
Due within one year			<u>\$ 367,971</u>		

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, 2017, with an automatic 2-year extension. Tenants pay rent in monthly installments, in advance, on the first day of every month during the term of their lease. Rent is recorded as revenue when received.

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

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

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

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

3. Detailed Notes on All Funds

A. Assets

2. Receivables

d. Leases Receivable (Continued)

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 Head Start Facility, Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and unearned revenue in the General Fund at December 31, 2015. The amounts for 2016 are considered current and due within one year. Amounts remaining to be paid are as follows:

Year Due	Head Start Facility	Ice Arena	MMCD Project	ACCAP Residences	Total
2016	\$ 150,074	\$ 464,900	\$ 248,250	\$ 164,465	\$ 1,027,689
2017	150,074	465,975	245,494	160,996	1,022,539
2018	75,037	467,000	247,419	162,065	951,521
2019	-	466,963	243,975	162,836	873,774
2020	-	460,887	245,081	163,253	869,221
2021-2025	-	2,305,925	736,906	812,836	3,855,667
2026-2028	-	727,200	-	483,697	1,210,897
Total	\$ 375,185	\$ 5,358,850	\$ 1,967,125	\$ 2,110,148	\$ 9,811,308
Due within one year	<u>\$ 150,074</u>	<u>\$ 464,900</u>	<u>\$ 248,250</u>	<u>\$ 164,465</u>	<u>\$ 1,027,689</u>

3. Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 206,157,000	\$ 5,396,802	\$ (282,854)	\$ 211,270,948
Construction in progress	94,419,530	55,497,961	(84,864,037)	65,053,454
Total capital assets, not being depreciated	300,576,530	60,894,763	(85,146,891)	276,324,402
Capital assets, being depreciated:				
Buildings and structures	223,697,195	4,011,837	(182,937)	227,526,095
Improvements other than buildings	25,563,151	1,521,498	-	27,084,649
Machinery and equipment	48,252,851	6,107,189	(1,748,078)	52,611,962
Infrastructure	380,792,694	73,114,343	(3,588,650)	450,318,387
Software	7,898,120	-	-	7,898,120
Total capital assets being depreciated	686,204,011	84,754,867	(5,519,665)	765,439,213
Less accumulated depreciation for:				
Buildings and structures	(67,801,568)	(4,591,126)	46,433	(72,346,261)
Improvements other than buildings	(12,573,130)	(1,143,226)	-	(13,716,356)
Machinery and equipment	(29,629,699)	(4,718,830)	1,614,653	(32,733,876)
Infrastructure	(113,269,760)	(7,615,854)	1,520,524	(119,365,090)
Software	(2,561,072)	(592,404)	-	(3,153,476)
Total accumulated depreciation	(225,835,229)	(18,661,440)	3,181,610	(241,315,059)
Total capital assets, being depreciated, net	460,368,782	66,093,427	(2,338,055)	524,124,154
Governmental activities capital assets, net	\$ 760,945,312	\$ 126,988,190	\$ (87,484,946)	\$ 800,448,556

3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activity:				
Buildings and structures	\$ 5,429,337	\$ -	\$ -	\$ 5,429,337
Improvements other than buildings	1,879,575	-	-	1,879,575
Machinery and equipment	1,220,770	-	-	1,220,770
Total capital assets being depreciated	8,529,682	-	-	8,529,682
Less accumulated depreciation for:				
Buildings and structures	(1,195,470)	(108,587)	-	(1,304,057)
Improvements other than buildings	(872,558)	(88,119)	-	(960,677)
Machinery and equipment	(679,068)	(54,298)	-	(733,367)
Total accumulated depreciation	(2,747,096)	(251,005)	-	(2,998,101)
Business-type activity capital assets, net	\$ 5,782,586	\$ (251,005)	\$ -	\$ 5,531,581

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

Governmental activities:

General government	\$ 3,609,530
Public safety	3,319,603
Highways and streets, including depreciation of general infrastructure assets	9,151,967
Human services	170,674
Sanitation	13,699
Culture and recreation	2,073,889
Economic development	322,078
Total depreciation expense-governmental activities	\$ 18,661,440

Business-type activity:

Aquatic Center	\$ 251,005
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Construction in progress at December 31, 2015, comprises the to-date costs of the following projects:

Highway infrastructure	\$ 59,298,980
Elevator upgrades	1,682,433
Parks/Library improvement projects	1,314,350
Courtroom remodel	1,093,267
800 MHz upgrade	787,279
Tri-Tech jail management system	590,000
Miscellaneous building remodels	138,547
Jail security and hvac	115,280
Sheriff's squad	33,318
	\$ 65,053,454

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2015 was as follows:

1. Due From and To Other Funds

	Receivable	Payable	Description
Major Governmental Funds			
General Fund	\$ 2,800,000	\$ -	Short term loan
Road and Bridge	-	2,500,000	Short term loan
Total Major Governmental Funds	2,800,000	2,500,000	
Nonmajor Governmental Funds			
Special Revenue Funds			
Job Training Center	-	300,000	Short term loan
Total Governmental Funds	2,800,000	2,800,000	
Total Due From and To Other Funds	\$ 2,800,000	\$ 2,800,000	

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		
General Fund	\$ 1,474,506	\$ -
Housing and Redevelopment Authority Fund	-	508,632
Parks and Recreation Special Revenue Fund	-	745,676
	-	220,198
Total Advances To and From Other Funds	\$ 1,474,506	\$ 1,474,506

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2015, consisted of the following:

	Transfers in	Description
Major Governmental Funds		
Transfers to General Fund from:		
Road and Bridge	\$ 8,800	Vehicle purchase
Capital Projects	14,250	Vehicle purchase
Total General Fund	<u>23,050</u>	
Transfers to Human Services Fund from:		
Capital Projects	<u>32,829</u>	CIP projects
Transfers to Debt Service Fund from:		
General Fund	1,657,211	Lease revenue debt payments
General Fund	167,000	Transfer for debt service
Regional Railroad Authority	1,830,721	Transfer for debt service
Housing and Redevelopment Authority	<u>1,001,871</u>	Debt service allocation from operations
Total Debt Service Fund	<u>4,656,803</u>	
Transfers to Capital Projects Fund from:		
General Fund	4,877,670	Approved use of reserves Building Fund
General Fund	867,369	Recorder's technology and compliance fees
General Fund	2,130,013	Approved use of reserves
General Fund	217,294	Broadband project
Human Services	<u>3,000,000</u>	Approved use of reserves
Total Capital Projects Fund	<u>11,092,346</u>	
Transfers to other governmental funds from:		
Various funds	<u>493,083</u>	Miscellaneous
Total Transfers In: Governmental Funds	<u>\$ 16,298,111</u>	

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2015, were as follows:

	Governmental Activities	Business-type Activities
Accounts	\$ 3,266,066	\$ 388
Salaries	3,011,627	2,742
Contracts	5,420,717	-
Due to other governments	4,782,542	-
Matured interest payable	<u>3,146,623</u>	<u>-</u>
Total payables	<u>\$ 19,627,575</u>	<u>\$ 3,130</u>

2. Unearned Revenues/ Deferred Inflows of Resources

Unearned revenues and deferred inflows of resources consist of unavailable revenue arising from taxes receivable, state and federal grants, installment loans and other items that are not collected soon enough after year-end to pay liabilities of the current year as well as state and federal grants, leases, and other items that have been received but not yet earned. Unearned revenues and deferred inflows of resources, at December 31, 2015, are summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Advances From Other Governments	Other	Total
Major Governmental Funds							
General	\$ 1,047,862	\$ 785,846	\$ 333,663	\$ 9,811,308	\$ -	\$ 417,943	\$ 12,396,622
Road and Bridge	185,147	147,154	-	-	3,000,710	1,978,709	5,311,720
Human Services	555,526	1,101,569	-	-	-	443,239	2,100,334
Debt Service	314,112	-	-	-	-	-	314,112
Capital Projects	<u>6,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,503</u>	<u>10,822</u>
Total Major Governmental Funds	<u>2,108,966</u>	<u>2,034,569</u>	<u>333,663</u>	<u>9,811,308</u>	<u>3,000,710</u>	<u>2,844,394</u>	<u>20,133,610</u>
Nonmajor Governmental Funds							
	<u>255,530</u>	<u>1,300,181</u>	<u>3,896,418</u>	<u>-</u>	<u>-</u>	<u>321,932</u>	<u>5,778,061</u>
Total All Funds	<u>\$ 2,364,496</u>	<u>\$ 3,334,750</u>	<u>\$ 4,232,081</u>	<u>\$ 9,811,308</u>	<u>\$ 3,000,710</u>	<u>\$ 3,166,326</u>	<u>\$ 25,909,671</u>
Liability							
Unearned revenue	\$ -	\$ 3,099,723	\$ -	\$ 9,811,308	\$ -	\$ 1,167,982	\$ 14,079,013
Deferred Inflow of Resources							
Advances from other governments	-	-	-	-	3,000,710	-	3,000,710
Unavailable revenue	<u>2,364,496</u>	<u>235,027</u>	<u>4,232,081</u>	<u>-</u>	<u>-</u>	<u>1,996,344</u>	<u>8,829,948</u>
Total Deferred Inflow of Resources	<u>2,364,496</u>	<u>235,027</u>	<u>4,232,081</u>	<u>-</u>	<u>3,000,710</u>	<u>1,996,344</u>	<u>11,830,658</u>
	<u>\$ 2,364,496</u>	<u>\$ 3,334,750</u>	<u>\$ 4,232,081</u>	<u>\$ 9,811,308</u>	<u>\$ 3,000,710</u>	<u>\$ 3,166,326</u>	<u>\$ 25,909,671</u>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2015. Following is a list of these projects and the corresponding amounts to be completed:

Major Governmental Funds

Special Revenue Funds	
Road and Bridge	
Various road projects	\$ 20,932,557
Capital Projects Fund	
Building projects	1,370,239
Courthouse remodel	5,968,095
Elevators	190,937
Financial system projects	120,389
Security systems	312,415
Public Safety Data System	2,388,719
System projects	1,251,412

Total Capital Projects Fund	11,600,206

Total All Funds	\$ 32,532,763

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

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

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

Participants

Participants of the plan consisted of the following at December 31, 2013, the date of the actuarial valuation:

Active employees	1,833
Retired employees and spouses	689

	2,322

Trust Fund

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

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

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Funding Policy and Contributions

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus \$2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2015, the retirees contributed \$1,056,506 toward the cost of their healthcare coverage.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2015, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 3,067,501
Interest on net OPEB obligations	1,495,465
Adjustments to ARC	(1,687,795)
Annual OPEB Cost	2,875,171
Contributions to medical and life insurance on behalf of retirees	(2,738,455)
Increase (decrease) in net OPEB obligation	136,716
Net OPEB beginning of year	20,213,671
Net OPEB end of year	\$ 20,350,387

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the years ended December 31, 2011 through 2015 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
12/31/11	\$ 6,461,225	\$ 3,639,729	56.33%	\$ 15,243,285
12/31/12	5,783,122	4,083,305	70.61%	16,943,102
12/31/13	5,734,838	2,758,819	48.11%	19,919,121
12/31/14	2,918,325	2,623,775	89.91%	20,213,671
12/31/15	2,875,171	2,738,455	95.24%	20,350,387

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

Funding Status

The County issued bonds in September 2009, for the purpose of partially funding its OPEB liability. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the actuarial valuations presented in the table below.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2009	\$ 21,376,934	\$ 71,980,996	\$ 50,604,062	29.70%	\$ 104,014,943	48.65%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	105,150,429	38.36%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	104,554,188	38.58%
12/31/2013	46,532,793	60,464,918	13,932,125	76.96%	107,417,920	12.97%
12/31/2013	46,532,793	60,464,918	13,932,125	76.96%	110,785,411	12.58%

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

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

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

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5% discount rate, which is based on the estimated long-term investment yield on the general assets of the County. An inflation rate of 3.0% is an implicit assumption within the report. The report states health care costs rates are trending down from 8.0% in 2015 to 5.0% in 2021. The unfunded actuarial accrued liability is amortized as a level dollar amount with an open 30 year amortization period.

b. Vacation and Sick Leave

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

Unused accumulated vacation and vested sick leave are paid to employees upon termination. Unvested sick leave, valued at \$723,041 at December 31, 2015, is available to union employees in the event of illness-related absences, and is not paid to them at termination.

c. Flexible Time Off and Extended Medical Benefit

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

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

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at \$18,917,322 on December 31, 2015. EMB hours are available for use in times of illness, after using 40 FTO or leave without pay hours. Full time employees accrue eight days of EMB per year, and part time employees receive a pro-rated amount based on their schedule.

5. Operating Leases

The County currently has 12 operating leases. The County made operating lease payments totaling \$392,944 in 2015. The following is a schedule of future minimum operating lease payments:

<u>Year Due</u>	<u>Lease Payments</u>
2016	\$ 373,892
2017	352,567
2018	283,631
2019	87,598
2020-2024	64,818
2025-2027	9
Total	<u>\$ 1,162,515</u>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

6. Long-Term Debt - Bonds and Notes

The following is a summary of Anoka County's long-term bonded debt transactions for its governmental activities for the year ended December 31, 2015:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease Revenue Obligations	\$ 8,736,281	\$ -	\$ (5,194,997)	\$ 3,541,284	\$ 405,873
General Obligation Bonds and Notes	139,035,000	10,790,000	(35,415,000)	114,410,000	10,400,000
General Obligation Bonds Supported by Revenue	23,880,000	-	(1,605,000)	22,275,000	1,630,000
Limited Tax Bonds	26,460,000	27,155,000	(1,015,000)	52,600,000	2,615,000
Total Bonded Debt	198,111,281	37,945,000	(43,229,997)	192,826,284	15,050,873
Issuance premiums	5,425,784	1,463,205	(595,873)	6,293,116	-
Issuance discounts	(216,968)	-	15,103	(201,865)	-
Net Bonded Debt	\$ 203,320,097	\$ 39,408,205	\$ (43,810,767)	\$ 198,917,535	\$ 15,050,873

Refunding Bond and Note Disclosures

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

On March 24, 2015, the County Issued \$2,750,000 General Obligation Airport Refunding Bonds, Series 2015A; with an average interest rate of 3.47 percent to refund \$2,785,000 of outstanding General Obligation Airport Improvement Bonds, Series 2006C with an average interest rate of 5.00 percent. The net proceeds of the 2015A bonds were used to refund the 2006C bonds on May 1, 2015. The County refunded the Series 2006C bonds to reduce its total debt service payments by \$475,738 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$406,827.

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

Bonds and notes payable at December 31, 2015 comprise the following individual issues:

a. Lease Revenue Obligations:

\$2,705,000 November 28, 2007 Metropolitan Mosquito Control District Project Certificates of Participation. These certificates mature in amounts ranging from \$115,000 to \$240,000 each February 1 in the years 2010 to 2023 with interest due each February 1 and August 1 at rates from 4.25 to 4.50 percent. Certificates maturing on or after February 1, 2018 are subject to redemption on February 1, 2017, and on any date thereafter at a price of par plus accrued interest. The bond was issued to fund new building construction and improvements to be used by the Metropolitan Mosquito Control District.	\$ 1,660,000
\$1,205,000 July 8, 2008 Anoka County Community Action Program Annual Appropriation (ACCAP) Lease and Refunding of Certificates of Participation. These certificates mature in amounts ranging from \$49,304 to \$73,396 each June 1 and December 1 in the years 2009 to 2018 with interest due each June 1 and December 1 at a rate of 4.47 percent. The bond was issued for building improvements.	351,284
\$1,930,000 July 22, 2010 Taxable Refunding Certificates of Participation. These certificates mature in amounts ranging from \$70,000 to \$155,000 each June 1 in the years 2011 to 2028 with interest due each June 1 and December 1 at rates from 1.72 to 5.67 percent. Certificates maturing on or after June 1, 2018, are subject to redemption on June 1, 2019, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to refinance group homes and low income housing located in the City of Fridley.	1,530,000
Total Lease Revenue Obligations	3,541,284

b. General Obligation Bonds and Notes:

\$4,285,000 February 15, 2006 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$370,000 to \$500,000 each February 1 in the years 2007 to 2016 with interest due each February 1 and August 1 at rates from 3.25 to 4.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the restoration of the Blaine Work Force Center, construction of an interchange (TH 242/TH 65) in Blaine, and reconstruction of Hanson Boulevard (CSAH 78).	500,000
\$12,255,000 July 16, 2007 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$360,000 to \$905,000 each February 1 in the years 2010 to 2029 with interest due each February 1 and August 1 at a rate of 4.25 to 5.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The bond was issued for the reconstruction of Hanson Boulevard (CSAH 11/TH 10) interchange.	8,900,000
\$16,505,000 February 28, 2008 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$380,000 to \$1,220,000 each February 1 in the years 2010 to 2028 with interest due each February 1 and August 1 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the reconstruction of Hanson Boulevard (CSAH 11/TH 10) interchange.	\$ 11,325,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

\$13,195,000 July 17, 2008 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$435,000 to \$980,000 each February 1 in the years 2011 to 2030 with interest due each February 1 and August 1 at a rate of 4.00 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116 from Main Street (CSAH 14) to TH 65.	\$ 10,850,000
\$1,395,000 July 17, 2008 General Obligation Airport Improvement Bonds (AMT); serial bonds maturing in amounts ranging from \$65,000 to \$125,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 4.50 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund improvements to the Anoka County/Blaine Airport.	755,000
\$18,310,000 February 19, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$1,000,000 to \$1,620,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, reconstruction of interchange of Main Street (CSAH 14) at I-35E, construction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.	12,160,000
\$3,000,000 July 9, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$280,000 to \$330,000 each February 1 in the years 2010 to 2019 with interest due each February 1 and August 1 at a rate of 3.50 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the construction of a Public Safety Campus facility.	1,265,000
\$20,000,000 September 22, 2009 Taxable General Obligation OPEB Bonds: serial bonds maturing in amounts ranging from \$1,430,000 to \$2,235,000 each February 1, in the years 2011 to 2021 with interest due each February 1 and August 1 at a rate of 1.25 to 4.81 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund a portion of the County's actuarial determined liabilities to pay other post employment benefits under GASB Statement No. 45.	11,980,000
\$6,680,000 December 9, 2009 General Obligation Bonds: serial bonds maturing in amounts ranging from \$405,000 to \$495,000 each August 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after August 1, 2018, are subject to redemption on August 1, 2017, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund a portion of the construction of TH 242/CSAH 14 interchange from Ulysses Street to Aberdeen Street and library building improvements.	4,095,000
\$1,485,000 December 9, 2009 General Obligation Recreational Refunding Bonds: serial bonds maturing in amounts ranging from \$105,000 to \$145,000 each February 1 in the years 2012 to 2023 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund improvements to the County's Bunker Hills Aquatic Center.	\$ 1,050,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

\$4,030,000 July 14, 2010 General Obligation Bonds: serial bonds maturing in amounts ranging from \$250,000 to \$560,000 each February 1 in the years 2011 to 2020 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, and energy management improvements, parking ramp and pavement restoration.

\$ 1,290,000

\$8,180,000 September 29, 2011 General Obligation Bonds: serial bonds maturing in amounts ranging from \$370,000 to \$680,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 3.125 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, renovation of the law enforcement range, construction of St. Francis Library, and expansion of the Highway Campus facility.

6,880,000

\$795,000 September 29, 2011 General Obligation Capital Notes: serial notes maturing in amounts ranging from \$145,000 to \$170,000 each February 1 in the years 2013 to 2017 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. The notes were issued to fund Information Technology server room mechanical upgrades.

335,000

\$13,880,000 February 23, 2012 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$785,000 to \$1,155,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund reconstruction of Lexington Avenue (CSAH 17) from Main Street (CSAH 14) to north of Bunker Lake Boulevard (CSAH 116), reconstruction of Bunker Lake Boulevard (CSAH 116) from Sunfish Lake Boulevard (CSAH 57) to Germanium Street, expansion of the Highway Campus facility, and pavement reclamation and overlay.

11,515,000

\$4,320,000 February 23, 2012 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$195,000 to \$1,235,000 each February 1 in the years 2013 to 2018 with interest due each February 1 and August 1 at a rate of 2.00 to 2.50 percent. No redemption option is available. The original bonds were issued to fund the construction of a Senior Rental Housing facility, building repair and maintenance, a portion of construction for the Public Safety Campus facility, construction of Lino Lakes emergency powerhouse, parking ramp restoration, resurface road and parking lots, and land purchase of a future Library.

575,000

\$20,145,000 February 5, 2013 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$905,000 to \$2,280,000 each February 1 in the years 2016 to 2029 with interest due each February 1 and August 1 at a rate of 3.00 percent. No redemption option is available. The original bonds were issued to fund airport safety improvements, energy management improvements, construction of a Public Safety Campus facility, purchase of land for the County morgue, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, and bridge and highway reconstruction.

20,145,000

\$2,750,000 March 24, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$130,000 to \$220,000 each February 1 and August 1 in the years 2018 to 2033 with interest due each February 1 and August 1 in the years of 2015 to 2033 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund airport land improvements.

\$ 2,750,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

\$8,040,000 March 24, 2015 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$385,000 to \$940,000 each February 1 and August 1 in the years 2018 to 2029 with interest due each February 1 and August 1 in the years of 2015 to 2029 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund reconstruction of Hanson Boulevard (CSAH 11)/TH 10 interchange.

\$ 8,040,000

Total General Obligation Bonds and Notes

114,410,000

c. General Obligation Bonds Supported by Revenue:

For each of the following bond issues, 100 percent of rental income equaling the amount of principal and interest payments due, has been pledged for debt retirement. These pledges extend throughout the life of each debt issuance. All General Obligation Bonds Supported by Revenues were issued for the purpose of constructing facilities. Below is a table of the terms relevant to each issuance which describes the pledged revenue coverages during 2015:

	Debt Issuance	Available Revenue	Operating Expenditures	Available Revenues	Principal	Interest	Total	Coverage *
	\$1,600,000 General Obligation Revenue Refunding Bonds, Series 2005E	\$ 2,894,608	\$ 2,734,918	\$ 159,690	\$ 175,000	\$ 21,270	\$ 196,270	0.81
	\$2,770,000 Ham Lake Senior Housing Refunding Bonds, Series 2008A	507,994	337,787	170,207	140,000	84,015	224,015	0.76
	\$3,200,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2009A	561,535	290,830	270,705	145,000	89,058	234,058	1.16
	\$5,750,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	534,167	284,875	249,292	75,000	93,814	168,814	1.48
	\$3,170,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	709,751	394,034	315,717	180,000	167,843	347,843	0.91
	\$5,230,000 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds, Series 2012A **	532,739	-	532,739	500,000	77,536	577,536	0.92
	\$5,655,000 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds, Series 2012B**	447,818	-	447,818	390,000	78,800	468,800	0.96

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

\$1,600,000 June 28, 2005 General Obligation Revenue Refunding Bonds: serial bonds maturing in amounts ranging from \$135,000 to \$190,000 each December 1 in the years 2009 to 2017 with interest due each June 1 and December 1 at rates from 3.00 to 4.00 percent. Bonds maturing on or after December 1, 2014, are subject to redemption on December 1, 2013, and on any date thereafter at a price of par plus accrued interest. The bond was issued to fund construction of the juvenile detention and treatment facility.

370,000

\$2,770,000 September 29, 2008 Ham Lake Senior Housing Refunding Bonds: serial bonds maturing in amounts ranging from \$40,000 to \$200,000 each January 1 in the years 2010 to 2024 with interest due each January 1 and July 1 at rates from 4.00 to 4.50 percent. Bonds maturing January 1, 2019, and thereafter are subject to redemption on January 1, 2018, and on any date thereafter at a price of par. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Ham Lake.

\$ 1,965,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

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

\$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 and Coon Rapids.

\$ 2,400,000

\$5,750,000 October 27, 2011 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from \$30,000 to \$405,000 each February 1 in the years 2012 to 2036 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Oak Grove.

5,490,000

\$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.

3,005,000

\$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.

4,200,000

\$5,655,000 December 27, 2012 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$420,000 to \$720,000 each February 1 in the years 2014 to 2026 with interest due each February 1 and August 1 at a rate of 1.00 to 2.00 percent. Bonds maturing February 1, 2022, and thereafter are subject to redemption on February 1, 2021, and on any date thereafter at a price of par. The original bond was issued to fund a portion of the cost of designing and constructing an ice arena and associated improvements.

4,845,000

Total General Obligation Bonds Supported by Revenue

22,275,000

d. Limited Tax Bonds:

\$32,510,000 January 16, 2007 Limited Tax Bonds: serial bonds maturing in amounts ranging from \$715,000 to \$2,065,000 each February 1 in the years 2009 to 2032 with interest due each February 1 and August 1 at a rate of 4.00 to 4.50 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the remainder of Anoka County and Sherburne County's Regional Rail Authorities and their correlating portion of the Northstar Commuter Rail and extension of the Hiawatha Light Rail Transit Line.

\$ 25,445,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

d. Limited Tax Bonds: (Continued)

\$27,155,000 June 16, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$1,285,000 to \$2,010,000 each February 1 in the years 2016 to 2032 with interest due each February 1 and August 1 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund bridge reconstruction and land for the new County morgue facility.

\$ 27,155,000

Total Limited Tax Bonds 52,600,000

Total Bonds and Notes Payable \$ 192,826,284

7. Debt Service Requirements

Year Due	Lease Revenue Obligations	General Obligation Bonds and Notes	Obligation Bonds Supported By Revenue	Limited Tax Bonds	Total	
					Principal	Interest
2016	\$ 562,789	\$ 14,819,808	\$ 2,212,510	\$ 4,604,508	\$ 15,050,873	\$ 7,148,542
2017	556,564	14,177,526	2,225,482	4,200,007	14,722,014	6,437,565
2018	484,520	14,902,321	2,020,891	4,204,107	15,693,397	5,918,442
2019	406,811	14,648,434	2,025,686	4,194,158	15,905,000	5,370,069
2020	408,334	14,059,065	2,026,781	4,183,698	15,890,000	4,787,878
2021-2025	1,549,742	49,208,517	8,978,433	20,921,389	65,025,000	15,633,061
2025-2030	483,698	18,420,884	4,727,188	20,828,200	38,800,000	5,659,870
2031-2035	-	668,341	3,025,170	8,313,300	11,335,000	671,811
2036	-	-	412,493	-	405,000	7,493
Total payments	4,452,458	140,904,696	27,654,614	71,449,347		
less interest	(911,174)	(26,494,696)	(5,379,614)	(18,849,347)		\$ 51,634,831
Total principal due	\$ 3,541,284	\$ 114,410,000	\$ 22,275,000	\$ 52,600,000	\$ 192,826,284	

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, 2015, are summarized as follows:

	Long-Term Obligations			
	Governmental Activities			Business-Type Activities
	Capital Leases	Compensated Absences	Loans Payable	Compensated Absences
Payable, January 1	\$ 4,213	\$ 8,995,980	\$ 167,181	\$ 13,712
Additions	112,183	13,686,631	487,042	23,839
Deletions	(30,128)	(13,133,103)	(4,434)	(22,020)
Payable, December 31	\$ 86,268	\$ 9,549,508	\$ 649,789	\$ 15,531
Due within one year	\$ 29,379	\$ 477,475	\$ 36,570	\$ 776

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

8. Long-Term Obligations – Other (Continued)

Capital Leases

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

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

Year Due	Golf Carts
2016	\$ 29,379
2017	29,379
2018	29,379
Total payments	88,137
Less interest	(1,869)
Present Value of Net Minimum Payments	\$ 86,268

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 absence liabilities were paid from the General Fund, Special Revenue Funds and the Enterprise Fund.

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 Fund.

The following is a schedule of future loan payments:

Year Due	AgBMP
2016	\$ 36,570
2017	174,667
2018	117,118
2019	120,661
2020	110,992
2021-2025	79,679
2026	10,102
Total payments	\$ 649,789

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.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

9. HRA Recovery Zone Economic Development Bonds (Continued)

The recovery zone bonds have an outstanding principal balance of \$14,250,000 at December 31, 2015. There are four recovery zone bond issuances at December 31, 2015:

Issue	Principal Balance
Fridley Medical Center Project 2010A	\$ 10,925,000
Fridley Medical Center Project 2010B	340,000
Park River Estate Care Center 2010D	2,915,000
Park River Estate Care Center 2010E	70,000
	<u>\$ 14,250,000</u>

10. Conduit Debt

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

As of December 31, 2015, there are four issues outstanding with an aggregate principal amount payable of \$15,065,000.

Issue	Principal Balance
Spectrum Building Company 2012A	\$ 11,000,000
Spectrum Building Company 2014A	3,880,000
Spectrum Building Company 2014B	185,000
	<u>\$ 15,065,000</u>

D. Fund Balances

The summary of fund balance classifications is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable for:					
Inventories	\$ -	\$ 2,382,003	\$ -	\$ -	\$ 2,382,003
Prepaid items	85,170	-	-	-	85,170
Total Nonspendable	<u>\$ 85,170</u>	<u>\$ 2,382,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,467,173</u>
Restricted for:					
Capital expenditures	\$ 1533,722	\$ -	\$ -	\$ -	\$ 1533,722
Conceal and Carry law	810,802	-	-	-	810,802
Investments with trust account	437,793	-	-	-	437,793
Narcotics program	5,000	-	-	-	5,000
Solid waste abatement (recycling)	750,000	-	-	-	750,000
Household Hazardous Waste program	750,000	-	-	12,004,846	12,754,846
SCORE program	1,600,000	-	-	-	1,600,000
Solid waste cleanup	619,911	-	-	-	619,911
Waste processing	1,494,913	-	-	-	1,494,913
Solid waste	1,100,720	-	-	-	1,100,720
Dedicated donations	6,869	-	-	-	6,869
Drug and narcotics enforcement	-	25,045	-	-	25,045
Economic development grants	-	811,076	-	-	811,076
Revolving loans	-	50,000	-	-	50,000
Edith P. Wiargo estate	-	29,624	-	-	29,624
Ag Preservation programs	-	87,958	-	-	87,958
Law library	-	157,748	-	-	157,748
Law enforcement	-	194,427	-	-	194,427
Amounts with escrow agents	-	4,867,419	37,637,267	-	42,504,686
Debt service	-	-	18,001,905	-	18,001,905
Recorders compliance	-	-	-	6,063,506	6,063,506
Total Restricted	<u>\$ 8,808,730</u>	<u>\$ 6,565,297</u>	<u>\$ 55,839,172</u>	<u>\$ 18,068,352</u>	<u>\$ 89,081,351</u>

(Continued)

3. Detailed Notes on All Funds

D. Fund Balances (Continued)

	General	Special Revenue	Debt Service	Capital Projects	Total
Committed for:					
Library	\$ -	\$ 4,027,369	\$ -	\$ -	\$ 4,027,369
Cooperative Extension programs	-	193,663	-	-	193,663
Total Committed	\$ -	\$ 4,221,032	\$ -	\$ -	\$ 4,221,032
Assigned for:					
Self insurance liabilities	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000
Secured juvenile facility	982,248	-	-	-	982,248
Drug and narcotics enforcement	130,658	-	-	-	130,658
Medical examiner operations and building	685,353	-	-	-	685,353
Computer system upgrades	-	100,000	-	-	100,000
Space remodel	-	369,519	-	-	369,519
Walker/Sandford remodel	-	40,000	-	-	40,000
Human service programs	-	32,430,180	-	-	32,430,180
Economic development	-	6,746,031	-	-	6,746,031
Parks	-	1,793,029	-	-	1,793,029
Future capital improvements	-	7,794,889	-	-	7,794,889
Willows operations	-	57,732	-	-	57,732
Savannah Oaks operations	-	44,661	-	-	44,661
Oaks of Lake George operations	-	6,151	-	-	6,151
Advances to other funds	-	-	-	1,474,506	1,474,506
Allocated capital projects	-	-	-	913,473	913,473
One time capital projects	-	-	-	2,333,786	2,333,786
IT capital projects	-	-	-	2,815,879	2,815,879
Innovative capital projects	-	-	-	190,072	190,072
Blade server capital projects	-	-	-	152,251	152,251
County building capital projects	-	-	-	1,958,580	1,958,580
Library building capital projects	-	-	-	1,764,149	1,764,149
Asset preservation	-	-	-	5,662,150	5,662,150
Total Assigned	\$ 4,798,259	\$ 49,382,192	\$ -	\$ 17,284,846	\$ 71,465,297

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

a. Plan Description

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

General Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

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

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

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. Benefit recipients receive a future annual 1.0 percent post-retirement benefit increase. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.5 percent. If, after reverting to a 2.5 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.0 percent.

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

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

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

c. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in 2015. Public Employees Police and Fire Fund members were required to contribute 10.80 percent of their annual covered salary in 2015. Public Employees Correctional Fund members were required to contribute 5.83 percent of their annual covered salary in 2015.

In 2015, the County was required to contribute the following percentages of annual covered salary:

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

The General Employees Retirement Fund Coordinated Plan member and employer contribution rates each reflect a 0.25 percent increase from 2014. The Public Employees Police and Fire Fund member and employer contribution rates increased 0.60 percent and 0.90 percent, respectively, from 2014.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

c. Contributions (Continued)

The County's contributions for the year ended December 31, 2015, to the pension plans were:

General Employees Retirement Fund	\$	6,781,097
Public Employees Police and Fire Fund		1,758,815
Public Employees Correctional Fund		1,010,709

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

d. Pension Costs

General Employees Retirement Fund

At December 31, 2015, the County reported a liability of \$76,199,920 for its proportionate share of the General Employees Retirement Fund's net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the County's proportion was 1.47 percent. It was 1.63 percent measured as of June 30, 2014. For the year ended June 30, 2015, the County recognized pension expense of \$8,270,914 for its proportionate share of the General Employees Retirement Fund's pension expense.

At June 30, 2015, the County reported its proportionate share of the General Employees Retirement Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 3,841,771
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	7,213,493	-
Changes in proportion	-	5,579,725
Contributions paid to PERA subsequent to the measurement date	<u>3,510,778</u>	<u>-</u>
Total	<u>\$ 10,724,271</u>	<u>\$ 9,421,496</u>

A total of \$3,510,778 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2016	\$ (1,337,125)
2017	(1,337,125)
2018	(1,337,125)
2019	1,803,373

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs (Continued)

Public Employees Police and Fire Fund

At December 31, 2015, the County reported a liability of \$12,850,807 for its proportionate share of the Public Employees Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the County's proportion was 1.13 percent. It was 1.12 percent measured as of June 30, 2014. For the year ended June 30, 2015, the County recognized pension expense of \$2,229,754 for its proportionate share of the Public Employees Police and Fire Fund's pension expense.

The County also recognized \$100,980 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Fund. Legislation requires the State of Minnesota to contribute \$9 million to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90 percent funded.

At June 30, 2015, the County's reported its proportionate share of the Public Employees Police and Fire Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 2,083,981
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	2,239,041	-
Changes in proportion	81,003	-
Contributions paid to PERA subsequent to the measurement date	<u>919,372</u>	<u>-</u>
Total	<u>\$ 3,239,416</u>	<u>\$ 2,083,981</u>

A total of \$919,372 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2016	\$ (107,899)
2017	(107,899)
2018	(107,899)
2019	559,760

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs (Continued)

Public Employees Correctional Fund

At December 31, 2015, the County reported a liability of \$935,330 for its proportionate share of the Public Employees Correctional Fund's net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the County's proportion was 6.05 percent. It was 6.04 percent measured as of June 30, 2014. For the year ended June 30, 2015, the County recognized pension expense of \$1,009,097 for its proportionate share of the Public Employees Correctional Fund's pension expense.

At June 30, 2015, the County reported its proportionate share of the Public Employees Correctional Fund'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	\$ -	\$ 358,100
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	779,664	-
Changes in proportion	566	-
Contributions paid to PERA subsequent to the measurement date	525,035	-
Total	\$ 1,305,265	\$ 358,100

A total of \$525,035 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, 2016. 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
2016	\$ 75,738
2017	75,738
2018	75,738
2019	194,916

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended June 30, 2015, was \$11,509,764.

e. Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.75 percent per year
Active member payroll growth	3.50 percent per year
Investment rate of return	7.90 percent

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

e. Actuarial Assumptions (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled members were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Fund and the Public Employees Police and Fire Fund, cost of living benefit increases for retirees are assumed to be 1.0 percent effective every January 1 through 2035 and 2037, respectively, and 2.5 percent thereafter. Cost of living benefit increases for retirees are assumed to be 2.5 percent for all years for the Public Employees Correctional Fund.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Fund was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. The experience study for the Public Employees Police and Fire Fund was for the period July 1, 2004, through June 30, 2009. The experience study for the Public Employees Correctional Fund was for the period July 1, 2006, through June 30, 2011.

In 2015, an updated experience study was done for PERA's General Employees Retirement Fund for the six-year period ending June 30, 2014, which would result in a larger pension liability. However, PERA will not implement the changes in assumptions until its June 30, 2016, estimate of pension liability.

The long-term expected rate of return on pension plan investments is 7.9 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	45%	5.50%
International stocks	15	6.00
Bonds	18	1.45
Alternative assets	20	6.40
Cash	2	0.50

f. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent. The discount rate did not change since the prior measurement date. 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, each of the pension plan's fiduciary net position was 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.

g. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
Proportionate share of the			
General Employees Retirement Fund			
net pension liability	\$ 119,813,410	\$ 76,199,920	\$ 40,181,936
Public Employees Police and Fire Fund			
net pension liability	25,046,357	12,850,807	2,775,157
Public Employees Correctional Fund			
net pension liability	6,513,793	935,330	(3,529,691)

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

h. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plan

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. 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, 2015, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$ 33,677	\$ 33,677
Percentage of covered payroll	5%	5%

F. Risk Management

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

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

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

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

	<u>2015</u>	<u>2014</u>
Unpaid claims, January 1	\$ 2,893,217	\$ 1,821,443
Self-funded claims	474,663	237,903
Adjustments	(277,460)	1,047,186
Claim payments	(400,008)	(213,315)
Unpaid claims, December 31	<u>\$ 2,690,412</u>	<u>\$ 2,893,217</u>
Due within one year	<u>\$ 206,153</u>	

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

3. Detailed Notes on All Funds

F. Risk Management (Continued)

Anoka County has elected lower self-insurance retention since becoming self-insured in 2002. The self-insurance retention limit for 2015 workers' compensation claims is \$490,000 per occurrence for all claims occurring in 2015. Once this limit is met, the Workers' Compensation Reinsurance Association (WCRA) becomes liable.

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

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

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

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

G. Joint Ventures

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

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

Anoka County paid annual dues of \$129,040 in 2015. Except for annual dues the County has no other financial obligations. Current financial statements of the Metropolitan Emergency Services Board are available at the 911 Board Office, 2099 University Avenue, West Saint Paul, Minnesota 55104-3431.

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

3. Northstar Corridor Development Authority (NCDA). Anoka County entered into a joint powers agreement with 32 counties, regional rail authorities, cities and townships along the Northstar Corridor to create the Northstar Corridor Development Authority, in May 1997. Six participants have since withdrawn from the NCDA, leaving 26 members in the joint powers agreement. The joint powers board consists of one elected official each from the member governmental units.

The NCDA was created to develop the Northstar commuter rail project from St. Cloud, Minnesota to Minneapolis, Minnesota. Grant monies, member county contributions and the regional railroad authorities' agreement to allocate the initial contributions of capital has provided funding for the NCDA. Members pay annual dues to NCDA. In 2015 Anoka County paid dues of \$36,172 to the NCDA, which is reflected as an expenditure in the Regional Railroad Authority Special Revenue Fund. The dues for 2016 are anticipated to be \$44,685

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

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

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

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

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

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

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

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

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

The Task Force has the authority to adopt budgets; enter into transactions, contracts, and leases; incur debts, liabilities, and obligations; employ agents and employees; and enter into legal claims. The Task Force is also a separate entity from its members, and the members are not liable for the Task Force's actions. Funding for the Rush Line Corridor Task Force is comprised of federal and state grant monies and contributions from the member organizations based on corridor county population for the most recent census year or state demographer data available. During 2015, Anoka County did not make any contributions or payments. Current financial statements for the Rush Line Corridor Task Force are not available.

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

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

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

Fiscal agent responsibilities for the Task Force are with Anoka County. Anoka County provided \$15,375 to this organization in 2015. Separate financial statements for the Anoka-Hennepin Narcotics and Violent Crimes Task Force are not available.

8. 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 2015.

4. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

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

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

B. Related Organization

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

C. Subsequent Event

On April 19, 2016, the County Board issued \$8,780,000 General Obligation Capital Improvement Plan Bonds, Series 2016A.

**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 54,016,539	\$ 54,016,539	\$ 54,474,189	\$ 457,650
Licenses and permits	106,522	187,649	287,437	99,788
Intergovernmental	19,659,231	19,833,774	20,710,096	876,322
Charges for services	27,770,426	27,770,426	29,173,773	1,403,347
Fines and forfeits	7,000	7,000	-	(7,000)
Investment income	1,585,000	1,585,000	2,152,577	567,577
Net change in fair value of investments	-	-	(744,160)	(744,160)
Miscellaneous	3,257,249	10,539,108	5,048,569	(5,490,539)
Total Revenues	106,401,967	113,939,496	111,102,481	(2,837,015)
Expenditures				
Current				
General government				
Management appropriations	885,500	885,500	834,892	50,608
Information technology	4,361,753	4,328,970	3,955,271	373,699
Government relations	210,151	210,151	225,530	(15,379)
Countywide services	(1,319,806)	(1,019,806)	(382,140)	(637,666)
County administration	1,002,319	1,002,319	796,633	205,686
Employee relations	1,358,136	1,467,352	1,275,650	191,702
Property tax administration and collection	6,530,284	6,530,284	6,557,764	(27,480)
License bureau	3,002,768	3,040,268	2,864,909	175,359
Internal audit	149,502	149,502	150,359	(857)
Election services	566,124	566,124	577,473	(11,349)
Attorney	6,620,424	6,833,019	8,174,356	658,663
Surveyor	1,088,969	1,118,239	1,007,734	110,505
Facilities management and construction	1,077,305	1,097,305	1,119,654	(22,349)
Veterans services	527,220	557,604	552,420	5,184
Geographic information system	240,624	240,624	240,498	126
Transit and volunteer transportation	3,293,984	3,293,991	3,173,147	120,844
Accounting and central services	3,970,837	3,973,037	3,527,087	445,950
Courts administration	1,434,439	1,434,439	1,474,813	(40,374)
Public information	532,706	504,706	489,839	14,867
Miscellaneous	339,032	339,032	568,162	(229,130)
Total general government	37,872,291	38,552,660	37,184,051	1,368,609
Public safety				
Sheriff	31,906,155	32,184,325	32,088,963	95,342
Central communications	3,986,543	3,892,259	4,166,083	(273,824)
Emergency management	277,864	281,936	459,970	(178,034)
Corrections	22,667,678	22,561,836	21,454,622	1,107,214
Medical examiner	2,445,121	2,446,849	2,587,420	(140,571)
Total public safety	\$ 61,283,361	\$ 61,367,205	\$ 60,757,078	\$ 610,127

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Human services				
Community action program	\$ 383,567	\$ 383,567	\$ 383,567	\$ -
Sanitation				
Solid waste	5,485,441	5,668,852	4,359,185	1,309,667
Culture and recreation				
Historical society/Fair grounds	167,623	167,623	152,623	15,000
Conservation of natural resources				
Soil and water conservation district	151,492	151,492	148,992	2,500
Total Expenditures	105,343,775	106,291,399	102,985,496	3,305,903
Excess of Revenues Over (Under) Expenditures	1,058,192	7,648,097	8,116,985	468,888
Other Financing Sources (Uses)				
Transfers in	940,536	940,536	23,050	(917,486)
Transfers out	(2,050,168)	(9,224,575)	(9,954,640)	(730,065)
Total Other Financing Sources (Uses)	(1,109,632)	(8,284,039)	(9,931,590)	(1,647,551)
Net Change in Fund Balance	(51,440)	(635,942)	(1,814,605)	(1,178,663)
Fund Balance - January 1	48,052,246	48,052,246	48,052,246	-
Fund Balance - December 31	\$ 48,000,806	\$ 47,416,304	\$ 46,237,641	\$ (1,178,663)

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,538,258	\$ 10,538,258	\$ 10,518,605	\$ (19,653)
Licenses and permits	53,000	53,000	79,700	26,700
Intergovernmental	29,573,403	29,573,403	61,882,899	32,309,496
Investment income	30,000	30,000	22,130	(7,870)
Miscellaneous	190,000	190,000	386,542	196,542
Total Revenues	40,384,661	40,384,661	72,889,876	32,505,215
Expenditures				
Current				
Highways and streets				
Administration	1,301,565	1,475,510	1,284,221	191,289
Maintenance	9,347,417	9,347,417	7,544,010	1,803,407
Construction	33,600,307	33,600,307	62,479,699	(28,879,392)
Equipment maintenance and shop	2,998,228	2,998,228	2,975,301	22,927
Intergovernmental				
Highways and streets	29,264	29,264	1,400,670	(1,371,406)
Total Expenditures	47,276,781	47,460,726	75,683,901	(28,233,175)
Excess of Revenues Over (Under) Expenditures	(6,892,120)	(7,066,065)	(2,794,025)	4,272,040
Other Financing Sources (Uses)				
Transfers out	-	-	(8,800)	(8,800)
Net Change in Fund Balance	(6,892,120)	(7,066,065)	(2,802,825)	4,263,240
Fund Balance - January 1	(1,598,735)	(1,598,735)	(1,598,735)	-
Increase (Decrease) in Inventories	-	-	158,881	158,881
Fund Balance - December 31	\$ (8,490,855)	\$ (8,664,800)	\$ (4,242,679)	\$ 4,422,121

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

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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, 2015

ANOKA COUNTY
ANOKA, MINNESOTA
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
	Original	Final									
Revenues											
Taxes	\$ 30,476,009	\$ 30,476,009	\$ 30,418,532	\$ (57,477)	12/31/2009	\$ 21,376,934	\$ 71,980,996	\$ 50,604,062	29.70%	\$ 104,014,943	48.85%
Licenses and permits	1,002,779	1,002,779	1,061,688	58,909	12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	105,150,429	38.36%
Intergovernmental	48,220,358	48,220,358	49,673,635	1,453,277	12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	104,554,188	38.58%
Charges for services	3,199,144	3,199,144	2,977,104	(222,040)	12/31/2013	46,532,793	60,464,918	13,932,125	76.96%	107,417,920	12.97%
Fines And Forfeits	-	-	-	-	12/31/2013	46,532,793	60,464,918	13,932,125	76.96%	110,785,411	12.58%
Investment income	-	-	-	-							
Miscellaneous	446,109	446,109	510,823	64,714							
Total Revenues	83,344,399	83,344,399	84,641,782	1,297,383							
Expenditures											
Current											
Human services											
Economic assistance	28,490,725	28,428,124	28,184,457	243,667							
Social services	46,810,317	46,744,863	45,149,792	1,595,071							
Mental health	25,363	25,363	11,389	13,974							
Community health	7,314,458	7,293,977	6,884,835	409,142							
Intergovernmental	-	-	-	-							
Total Expenditures	82,640,863	82,492,327	80,230,473	2,261,854							
Excess of Revenues Over (Under) Expenditures	703,536	852,072	4,411,309	3,559,237							
Other Financing Sources (Uses)											
Transfers in	-	-	32,829	32,829							
Transfers out	-	-	(3,000,000)	(3,000,000)							
Total Other Financing Sources (Uses)	-	-	(2,967,171)	(2,967,171)							
Net Change in Fund Balance	703,536	852,072	1,444,138	592,066							
Fund Balance - January 1	31,495,561	31,495,561	31,495,561	-							
Fund Balance - December 31	\$ 32,199,097	\$ 32,347,633	\$ 32,939,699	\$ 592,066							

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

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ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT FUND
DECEMBER 31, 2015

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.470%	\$ 76,199,920	\$ 89,464,339	85.17%	78.19%

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 OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
DECEMBER 31, 2015

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.131%	\$ 12,850,807	\$ 10,645,170	120.72%	86.61%

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 FUND
DECEMBER 31, 2015

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	\$ 6,841,501	\$ 60,404	\$ 91,314,453	7.49%

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 FUND
DECEMBER 31, 2015

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	\$ 1,706,627	\$ (52,188)	\$ 10,564,162	16.15%

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.

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**ANOKA COUNTY
ANOKA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2015

**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
DECEMBER 31, 2015**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	6.050%	\$ 935,330	\$ 10,946,199	8.54%	96.95%

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 FUND
DECEMBER 31, 2015**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 1,010,710	\$ 980,999	\$(29,711)	\$ 11,177,048	8.78%

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.

1. Budgetary Information

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

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

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

2. Excess of Expenditures Over Budget

The following departments/divisions have expenditures in excess of budget for the year ended December 31, 2015:

	Expenditures		
	Final Budget	Actual	Excess
Major Governmental Funds			
General Fund			
Current			
General Government			
Government relations	\$ 210,151	\$ 225,530	\$ 15,379
Countywide services	(1,019,806)	(382,140)	637,666
Property tax administration and collector	6,530,284	6,557,764	27,480
Internal audit	149,502	150,359	857
Election services	566,124	577,473	11,349
Facilities management and construction	1,097,305	1,119,654	22,349
Courts administration	1,434,439	1,474,813	40,374
Miscellaneous	339,032	568,162	229,130
Public Safety			
Central communications	3,892,259	4,166,083	273,824
Emergency management	281,936	459,970	178,034
Medical examiner	2,446,849	2,587,420	140,571
Road and Bridge	47,450,726	75,683,901	28,233,175

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Other Postemployment Benefits Funding Status

Beginning in 2007, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. In 2009, the County established both a revocable and an irrevocable trust, pursuant to MN statutes, ch. 471.6175, to prefund a portion of the liability of the plan. The County issued bonds in September 2009, for the purpose of partially funding its OPEB liability. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the December 31, 2013, actuarial valuation.

4. Employer Contributions to Other Postemployment Benefits

For 2015, employer contributions include \$2.6 million in direct payments to insurance carriers for benefits.

<u>Year Ended December 31</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2013	\$ 2,758,819	\$ 5,873,925	46.97%
2014	2,623,775	3,110,459	84.35%
2015	2,738,455	3,067,501	89.27%