

ANOKA COUNTY SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018
OFFICIAL PUBLICATION

To the Honorable Board of County Commissioners:

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

Respectfully submitted,



Cory Kampf
Division Manager
Finance and Central Services Division

The purpose of this report is to provide a summary of financial information concerning Anoka County for interested citizens. Questions about this report should be directed to the Finance and Central Services Division, (763) 324-1700.

A FULL AND COMPLETE COPY OF THE COUNTY'S COMPREHENSIVE ANNUAL FINANCIAL STATEMENT IS AVAILABLE THROUGH OUR WEBSITE AT WWW.ANOKACOUNTY.US, UPON REQUEST BY CALLING (763) 324-4700, OR BY WRITING TO THE COUNTY ADMINISTRATOR, ANOKA COUNTY GOVERNMENT CENTER, 2100 THIRD AVENUE - ROOM 700, ANOKA, MN 55303



A view of the Anoka County Government Center from Jackson Street.

COUNTY OFFICIALS

Matt Look
Commissioner, District 1
(763) 324-4700

Julie Braastad
Commissioner, District 2
(763) 324-4700

Robyn West
Commissioner, District 3
(763) 324-4700

Jim Kordiak
Commissioner, District 4
(763) 324-4700

Mandy Meisner
Commissioner Elect, District 4
(763) 324-4700

Mike Gamache
Commissioner, District 5
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Rhonda Sivarajah, (Chair 2018)
Commissioner, District 6
(763) 324-4700

Scott Schulte, (Vice Chair 2018)
Commissioner, District 7
(763) 324-4700

Jerry Soma
County Administrator
(763) 324-4700

Tony Palumbo
Attorney
(763) 324-5550

James Stuart
County Sheriff
(763) 324-5010

A PROFILE OF ANOKA COUNTY

County Statistical Information

Key Indicator	Total 2018	Total 2017	Percent Increase/Decrease
Population *	352,674	352,266	.12%
Total Estimated Market Value of all Taxable Property (in thousands)	\$34,547,427	\$32,030,145	7.86%
Percent of Property Taxes Collected	99.39%	99.51%	(0.12%)
Total Revenues (All Governmental Funds)	\$336,719,491	\$338,561,622	(0.54%)
Total Current County Expenditures (All Governmental Funds)	\$326,012,665	\$355,637,772	(8.33%)
Total Debt Applicable to Legal Debt Limit	\$84,256,812	\$94,718,483	(11.05%)
Bond Rating on Most Recent General Obligation Bond Issue	AA+ Aa1	AA+ Aa1	Standard & Poor's Moody's
Total Number of Full Time Employees	2022.1	1963.1	3.01%

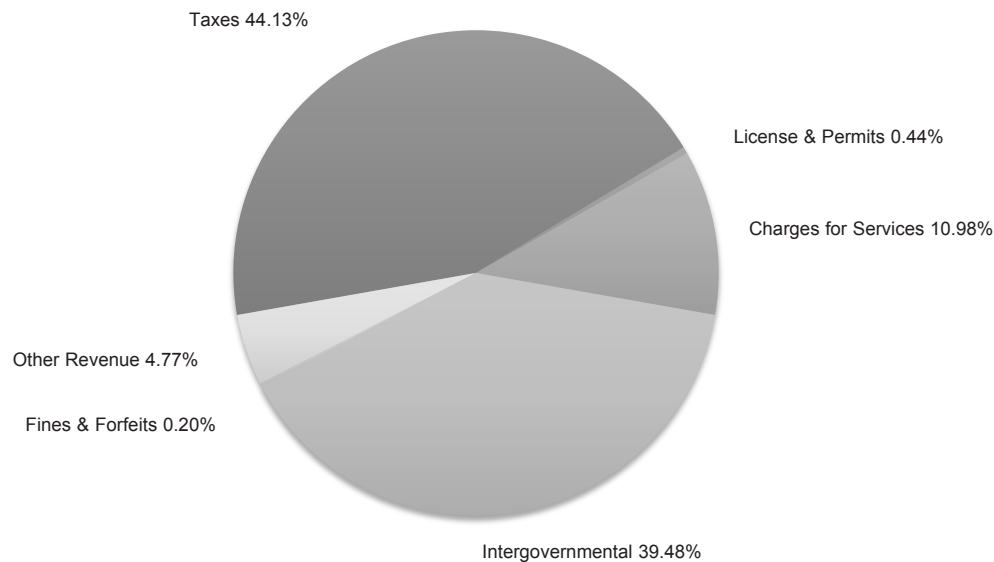
* The population amount for 2018 is an estimate, whereas 2017 population is based on actual data provided by the Metropolitan Council.

Anoka County is Minnesota's fourth most populous county. The county's 2010 U.S. Census population count of 330,844 was 11% greater than its 2000 count of 298,084. The 2010 U.S. Census of housing showed a 16.1% increase in the number of housing units in the county from 108,091 in 2000 to 125,525 in 2010.

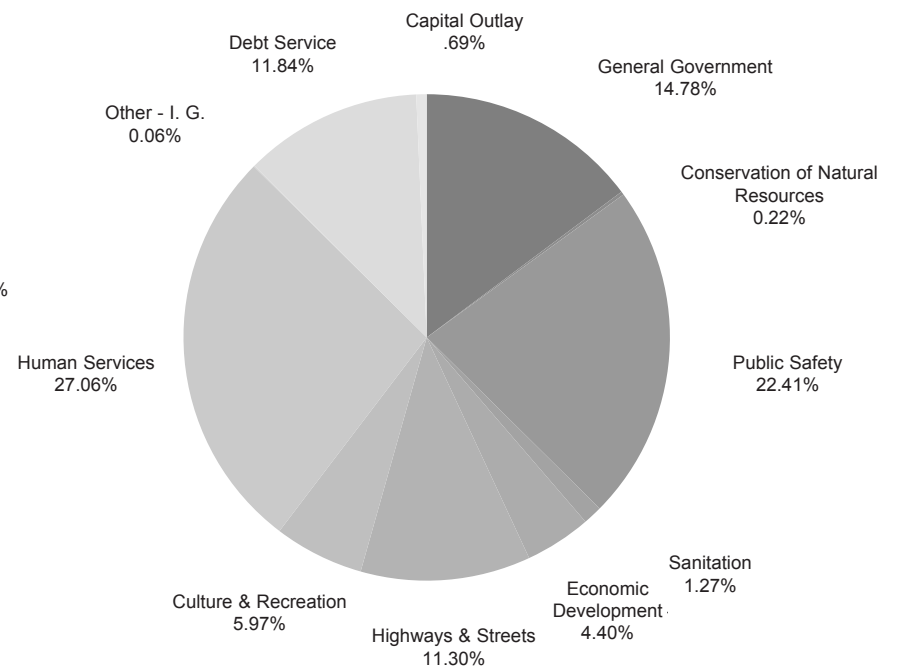
The demand for county services continues to rise. Yet, the Anoka County Board of Commissioners is committed to keeping county taxes reasonable and affordable. For example, Anoka County leads the way in the State of Minnesota in protecting the property taxpayer. Anoka County's taxes on a per capita basis were among the lowest in the metropolitan area in 2018. Additionally, Anoka County's tax levy, on a per capita basis, is among the lowest of all 87 counties in the entire state.

Anoka County 2018 Finances

Governmental Funds WHERE THE FUNDS COME FROM...



Governmental Funds WHERE THE FUNDS GO...



A USER'S GUIDE TO COUNTY FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of Anoka County's finances, in a manner similar to private-sector businesses. The government-wide Statement of Net Position (Exhibit 1) is reported on a full accrual basis, which recognizes all long-term assets as well as long-term obligations. The Statement of Activities (Exhibit 2) demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements (Exhibits 3 & 5) focus on spendable resources. Reconciliations (Exhibits 4 & 6) are provided between the governmental fund statements and the government-wide statements.

COUNTY GOVERNMENTAL FUND TYPES

Governmental fund statements (Exhibits 3 & 5) include the following funds:

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The major funds are reported individually on the governmental fund statements and include Road & Bridge and Human Services. All non-major funds are consolidated in the other governmental funds column, those funds include the Job Training Center, County Library, Parks and Recreation, Medical Examiner, Cooperative Extension, Law Library, Community Development, Regional Rail Authority, Housing and Redevelopment Authority, Leasehold Properties, Forfeiture Funds and the Joint Law Enforcement Council.

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

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

Governmental funds are reported as governmental activities in the Statement of Net Position and Statement of Activities.

COUNTY PROPRIETARY FUND TYPES

Proprietary fund statements (Exhibits 7 & 8) include the following fund:

Internal Service Funds are used to account for the financing of the goods or services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement or rental basis. The internal service fund is eliminated on the government-wide financial statements to avoid duplication of expenditures.

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ANOKA COUNTY'S STATEMENT OF NET POSITION DECEMBER 31, 2018		EXHIBIT 1
		Primary Government
		Governmental Activities
Assets		
Cash, cash equivalents, and pooled investments	\$	240,439,917
Cash and investments with escrow agents		3,269,255
Funds held with courts		2,633,723
Delinquent taxes receivable		1,625,679
Accounts receivable, net of allowance for doubtful accounts		2,641,809
Accrued interest receivable		1,540,550
Loans receivable, net of allowance for doubtful accounts		
Due within one year		526,682
Due in more than one year		2,548,169
Leases receivable		
Due within one year		873,774
Due in more than one year		5,935,786
Due from other governments		34,443,108
Inventories		2,831,563
Prepaid items		668,267
Capital assets not being depreciated		
Land		221,991,084
Construction in progress		71,611,850
Capital assets, net of accumulated depreciation:		
Buildings and structures		157,238,252
Improvements other than buildings		14,036,586
Machinery and equipment		22,741,535
Infrastructure		356,933,036
Software		3,131,806
Total Assets		1,147,662,431
Deferred Outflows of Resources		
Deferred pension outflows		37,986,683
Deferred OPEB outflows		4,810,931
Total Deferred Outflows of Resources		42,797,614
Liabilities		
Accounts payable		3,400,305
Salaries payable		3,856,643
Contracts payable		2,791,346
Due to other governments		5,342,396
Matured interest payable		1,801,594
Unearned revenue		3,132,916
Noncurrent Liabilities:		
Due within one year		
Bonds and notes payable		21,250,000
Compensated absences		509,663
Outstanding claims payable		264,643
Capital leases payable		662,843
Loans payable		309,364
Due in more than one year		
Bonds and notes payable		118,115,734
Compensated absences		9,683,605
Outstanding claims payable		3,054,601
Capital lease payable		1,369,569
Loans payable		1,359,850
Net pension liability		90,845,868
Other postemployment benefits (OPEB) liability		24,899,094
Total Liabilities		292,650,034
Deferred Inflows of Resources		
Deferred pension inflows		60,452,887
Deferred OPEB inflows		2,282,032
Total Deferred Inflows of Resources		62,734,919
Net Position		
Net investment in capital assets		758,562,517
Restricted for:		
Debt service		30,927,420
General government		5,139,462
Public safety		3,215,239
Highway		2,633,723
Human services		27,127
Sanitation		22,946,087
Culture and recreation		240,596
Conservation of natural resources		64,481
Economic development		14,385,475
Capital projects		2,507,984
Unrestricted (deficit)		(5,575,019)
Total net position	\$	835,075,092

MAJOR CATEGORIES OF COUNTY EXPENDITURES

The functions of government as shown in Exhibit 5:

The **General Government** function includes expenditures for salaries and expenses for general county activities such as the County Commissioner's, the County Administrator's Office, the County Attorney's Office, the Property Records and Taxation Division, the Finance and Central Services Division, Surveyors/GIS, Transit, License Bureau, Employee Relations, Veteran Services, Communications, and Information Technology departments.

The **Public Safety** function includes expenditures for corrections' activities, the operation of the County Sheriff's office, the County Jail, Central Communications and the County Medical Examiner.

The **Sanitation** function includes expenditures for county solid waste collection and disposal programs, including county sponsored recycling programs.

The **Highways and Streets** function includes expenditures for all Highway Department road construction and maintenance programs, as well as bridge construction and maintenance, signs, signals, design, right-of-way acquisition, etc.

The **Human Services** function includes the administration of all federal, state and county human services programs, including: economic assistance, child support collection, social service and behavioral health programs such as chemical dependency treatment programs and child protection

services. Also included are expenditures for the County Public Health Department, including inoculation programs, home health aid services and programs to protect public and private drinking water systems.

The **Culture and Recreation** function includes expenditures for county libraries, county parks and recreation programs, including the development and maintenance of all county and regional park facilities.

The **Conservation of Natural Resources** function includes expenditures relating to soil and water conservation and the County Extension Office.

The **Economic Development** function includes expenditures for economic development programs such as the Community Development Block Grant Program, HOME Program, Housing and Redevelopment Authority, Federal Economic Security Programs and the County Regional Railroad Authority.

Debt Service includes all expenditures for the repayment of bonds issued by the county and lease purchase agreements entered into by the county, including the payment of principal, interest and other fiscal charges associated with the bonds and lease purchase agreements.

Capital Outlay includes all expenditures for the construction of county facilities or the purchase of buildings, land or major equipment by the county.

These activities, except for Debt Service and Capital Outlay, are used in both the government-wide and governmental funds statements.

ANOKA COUNTY'S STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT 2

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

ANOKA COUNTY COLLABORATION AND VISION

Anoka County, Minnesota, located north of the Twin Cities metropolitan area, is comprised of 21 municipalities. Here you'll find a unique blend of urban amenities in a friendly, small town atmosphere. Despite today's challenging economic times, Anoka County continues to be a great place to live, work, play, and do business. With award-winning schools and several post-secondary educational institutions, Anoka County residents are well-educated and take pride in their work and community. The County has numerous commercial and industrial sites available for development including several hundred acres zoned industrial within the Metropolitan Urban Service Area (MUSA) 20 minutes from downtown Minneapolis and St. Paul.

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

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

U.S. Highway 610, in conjunction with State Highway 252, links I-35W to I-94.

Northstar, the state's first commuter rail line, became operational in November 2009. A service designed almost exclusively to take people to and from work, Northstar carries passengers between Big Lake in Sherburne County and downtown Minneapolis, with stops in Elk River, Ramsey, Anoka, Coon Rapids, and Fridley. There have been multiple proposals to extend the line to St. Cloud and in a 2019 State Legislative session a compromise on the Transportation budget was reached. This funding will allow an exploratory study to be conducted into the possibility of extending the Northstar Line to St. Cloud.

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

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ANOKA COUNTY'S BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2018

EXHIBIT 3

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

lease payments for hangars and ramp space from the facility's management organization, LYNX FBO Anoka, LLC, and its tenants.

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

The Anoka County Midwest Medical Examiner's Office is another example of how Anoka County

achieves results with innovative cooperative initiatives. The facility serves and shares costs with twenty-five Minnesota counties including Anoka, and three Wisconsin counties. It incorporates the latest scientific death investigation methods and tools while compassionately helping families and survivors learn the circumstances surrounding the death of their loved one.

The National Sports Center in the City of Blaine is featured in the Guinness Book of World Records as the world's largest indoor hockey facility with eight indoor ice rinks, the Herb Brooks Training Facility/Hall of Fame, and a dry floor training facility for figure skating. Additionally, the Schwan's Super Rink has become the largest skating venue in the world. The National Sports Center is the home training center for the USA Women's Olympic Hockey team and hosts the world's largest soccer tournament, the Schwan's USA Cup. In 2012, the National Sports Center completed

construction of a convention and exhibition center providing the region with top notch meeting and exhibition areas. The Center attracts more than four million visitors each year.

FUTURE PROJECTS, CAPITAL IMPROVEMENTS FUNDING

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

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

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

Road and Bridge projects for 2019 include the replacement of CSAH 13 (Cedar) Bridge spanning Cedar Creek, the reconstruction of the Thurston and Fairoak Avenue Highway 10 crossings, and the Annual Road and Bridge Preservation Program. Budgeted at \$2.5 million the replacement of the CSAH 13 Bridge is a three-tiered

ANOKA COUNTY'S RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2018		EXHIBIT 4
Total fund balances for governmental funds (Exhibit 3)		\$ 247,337,555
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		847,684,149
Deferred outflows resulting from pension obligations (\$37,986,683) and OPEB obligations (\$4,810,931) are not available resources and, therefore, are not reported in governmental funds.		42,797,614
Internal service funds are used by the County to charge the cost of insurance (\$2,274,083) to the individual funds as well as cost of maintenance and fuel for the County vehicles and large equipment (-\$675,856). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,598,227
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.		
Bonds and notes payable - net of premium and discount	\$ (139,365,734)	
Compensated absences	(10,193,268)	
Capital leases payable	(2,032,412)	
Loans payable	(1,669,214)	
Net pension liability	(90,845,868)	
Other postemployment benefits liability	<u>(24,899,094)</u>	
Total long term liabilities		(269,005,590)
Matured interest payable is not due and payable in the current period and therefore, is not reported on the fund statements.		
Matured interest payable reported on Exhibit 1	\$ (1,801,594)	
Matured interest payable reported on Exhibit 3	<u>55,679</u>	
		(1,745,915)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		29,143,971
Deferred inflows resulting from pension obligations (\$60,452,887) and OPEB obligations (\$2,282,032) are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(62,734,919)</u>
Net position of governmental activities (Exhibit 1)		<u><u>\$ 835,075,092</u></u>

project that also involves the replacement of the BNSF Railroad crossing, and the reconstruction of approximately 2/3 of a mile of Highway 13. The results of this project will improve the safety for motorists along this section of the Highway 13 corridor. \$1.7 million has been budgeted to improve Thurston and Fair oak Avenues crossings at Highway 10. Due to heavy volumes of traffic using both Highway 10 and

Thurston/Fairoak, users can experience severe traffic delays that sometimes result in traffic congestion that stretches for miles. Auto accidents are also a common occurrence throughout this stretch of roadway. Over 100 accidents-a-year are recorded, with at least one accident occurring during peak driving times, resulting in dramatically longer drive times. Pedestrians also cross at unmarked crossings to avoid waiting for long

crossing signals. According to projections, this project will reduce traffic accidents by to 57%, reduce delays by 75%, provide pedestrians with safer crossing signals and walkways, and improve traffic efficiency and circulation. The County's Annual Road and Bridge Preservation Program has \$9.4 million budgeted

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

EXHIBIT 5

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

in 2019 to maintain and repair the existing road and bridge infrastructure within the county. These preventative maintenance and repair projects are designed at improving the safety and the functionality of the County's existing highway infrastructure. The County as well as the City of Coon Rapids have entered into a joint project to re-develop the "Port Riverwalk" area of Coon Rapids. In 2019 the County is funding \$1 million of this project with the aim of improving Coon Rapids Boulevard in this area, as well as improving the Coon Creek Regional Trail which passes through the site. It is hoped that this redevelopment will spur the economic and residential interest in this part of the County.

Leading the Information Management Capital Improvement Projects is the \$1.3 million cybersecurity infrastructure upgrade. Due to the ever-growing reliance upon computers and operating systems, it is of the utmost importance that the computer systems of Anoka County and data within are safeguarded by the most up-to-date security measures thereby keeping constituent's data private and protected. Security specific projects will be evaluated and implemented based upon their ability to protect the assets of Anoka County. This Cybersecurity system will help the County to be better able to mitigate against vulnerabilities, provide defensive protections, lessen the impact of breaches, and increase the County's incident response capabilities.

Parks and Recreation included ten projects totaling \$4.2 million to improve and maintain the facilities at Anoka County Parks. The largest of these projects is the Rice Creek Chain of Lakes – Wargo Nature Center improvements. This is a three-year improvement project with construction slated to take place in 2019, 2020, and 2023. \$1 million is budgeted in 2019 for the Nature Center Entrance Road reconstruction to improve the existing road surface. Along with this road reconstruction is also the development of a shared bicycle/pedestrian trail promoting the shared use of the entry road. The improvements of this shared trail will allow for greater connectivity, allowing users access to the Central Anoka County Regional Trail.

DELIVERY OF SERVICES

The Board of Commissioners is committed to providing a full range of services for county residents. Those services are as listed:

Law Enforcement - The Sheriff provides patrol of county highways, a crime lab and criminal investigation unit, water patrol and incarceration of prisoners in the county jail.

Public Works - The Highway Department plans, designs, builds, and maintains county highways and bridges. The Parks and Recreation Department operates several county and regional parks, a golf course and an aquatic center which provide recreational opportunities for county residents.

Library Services - Two main resource libraries along with several regional and neighborhood branch libraries offer all residents the opportunity for access to a wide range of books, computers, and resource materials.

ANOKA COUNTY'S RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018		EXHIBIT 6
Net change in fund balances - total governmental funds (Exhibit 5)		\$ 25,284,941
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	\$ 27,382,180	
Current year depreciation	<u>(22,198,692)</u>	5,183,488
The issuance of long-term debt (e.g., bonds) provides current financial resources and capital lease arrangements are considered a source of financing to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
General obligation bonds and notes	\$ (3,115,000)	
Refunding general obligation bonds and notes	(8,305,000)	
Loans	(363,365)	
Discounts and premiums	(855,900)	
Principal repayments:		
Debt service principal retirement	33,300,542	
Current year amortization of discounts and premiums	<u>1,337,005</u>	21,998,282
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position.		
		(3,257,180)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Earned but unavailable revenue reported in the governmental funds net of current year delinquent tax collections.		
Unavailable revenue - December 31	\$ 29,143,971	
Unavailable revenue - January 1	<u>(9,130,019)</u>	20,013,952
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in compensated absences (-\$43,070), change in interest payable (\$523,491), and changes in inventories (-\$23,115).		
		457,306
Current year net change in the net other postemployment benefits (OPEB) liability, deferred OPEB inflows and deferred OPEB outflows.		
		(970,252)
Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows.		
		4,142,943
The internal service funds are used to accumulate and allocate costs from the central fleet internal service fund and pooled insurance fund to the individual funds within Anoka County. The increase in net position of the internal service funds are reported in the government-wide statement of activities.		
		<u>(1,773,020)</u>
Changes in net position of governmental activities (Exhibit 2)		<u>\$ 71,080,460</u>

ANOKA COUNTY'S STATEMENT OF NET POSITION
 PROPRIETARY FUNDS DECEMBER 31, 2018

EXHIBIT 7

Governmental
 Activities -
 Internal Service
 Funds

Assets

Current Assets:

Cash and pooled investments	\$ 5,724,805
Accounts receivable	6,838
Due from other governments	325
Inventory	294,054

Total Assets

6,026,022

Liabilities

Current Liabilities:

Accounts payable	154,751
Contracts payable	36,896
Due to other governments	10,904
Due to other funds	906,000
Outstanding claims payable	264,643

Total current liabilities

1,373,194

Noncurrent Liabilities:

Outstanding claims payable	3,054,601
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Total Liabilities

4,427,795

Net Position

Unrestricted	1,598,227
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Total Net Position

\$ 1,598,227

Community Corrections - Probation and parole counseling, work release, adult DWI school and juvenile detention services are provided to those who have been adjudicated of crimes.

Property Records and Taxation - The county maintains records of all property transactions, calculates assessed property value and bills and collects property taxes for the county, cities, townships, schools and special taxing districts within the county.

Legal Services - The County Attorney's Office investigates and prosecutes civil and criminal matters and pursues judgements of paternity and support in child support cases. Legal support is also provided in all county business functions.

Human Services - The Economic Assistance Department determines eligibility for cash assistance, medical care and food stamps. Social Services and Behavioral Health provides access to services for individuals with disabilities, adults and children needing protection, mental health and chemical health, aging and licensing for foster care and child care. Public Health provides services for pregnant teens, new parents, the elderly who require home care and well-child clinics to promote healthier children.

Other Government Services - Services to veterans, election services, voter registration, selling license plates and tabs, and hunting and fishing licenses are all provided to residents. The county's Central Communications unit operates a state-of-the-art 911 emergency dispatch center for all police, fire and medical emergency needs in the county.

Administrative Services - Support services are provided to the other departments by County Administration, the Finance and Central Services Division, Information Technology and Employee Relations departments.

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

EXHIBIT 8

Governmental
 Activities -
 Internal Service
 Funds

Operating Revenues

Charges for services	\$ 4,017,572
Insurance recoveries	296,297
Miscellaneous	532,224

Total Operating Revenues

4,846,093

Operating Expenses

Personal services	1,372,815
Other services and charges	1,363,209
Supplies	1,123,317
Insurance	2,745,778
Capital outlay	13,994

Total Operating Expenses

6,619,113

Increase (Decrease) in Net Position

(1,773,020)

Net position - January 1

3,371,247

Net position - December 31

\$ 1,598,227



After 10 months of construction the Anoka County Library – Centennial branch opened on June 29, 2019. Answering the community's desires to have more meeting and study spaces, a larger children's area, and more comfortable seating for readers, the 13,000 square foot Centennial branch is double the size of the previous building and offers a place for people of all ages to feel at home with access to resources and information.

