

ANOKA COUNTY SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019
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 2019, together with an accurate statement of the financial position of the county on December 31, 2019, including debts and liabilities, and the assets to discharge the same.

Respectfully submitted,



Cory Kamp
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 (Vice Chair)
Commissioner, District 2
(763) 324-4700

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

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

Mike Gamache
Commissioner, District 5
(763) 324-4700

Jeff Reinert
Commissioner, District 6
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Scott Schulte, (Chair)
Commissioner, District 7
(763) 324-4700

Rhonda Sivarajah
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 2019	Total 2018	Percent Increase/Decrease
Population *	353,813	352,674	0.32%
Total Estimated Market Value of all Taxable Property (in thousands)	\$37,426,768	\$34,547,427	8.33%
Percent of Property Taxes Collected	99.40%	99.39%	(0.01%)
Total Revenues (All Governmental Funds)	\$363,636,982	\$336,719,491	7.99%
Total Current County Expenditures (All Governmental Funds)	\$354,698,411	\$326,012,665	8.80%
Total Debt Applicable to Legal Debt Limit	\$74,780,039	\$84,256,812	(11.25%)
Bond Rating on Most Recent General Obligation Bond Issue	AA+ Aa1	AA+ Aa1	Standard & Poor's Moody's
Total Number of Full Time Employees	2044.2	2022.1	1.09%

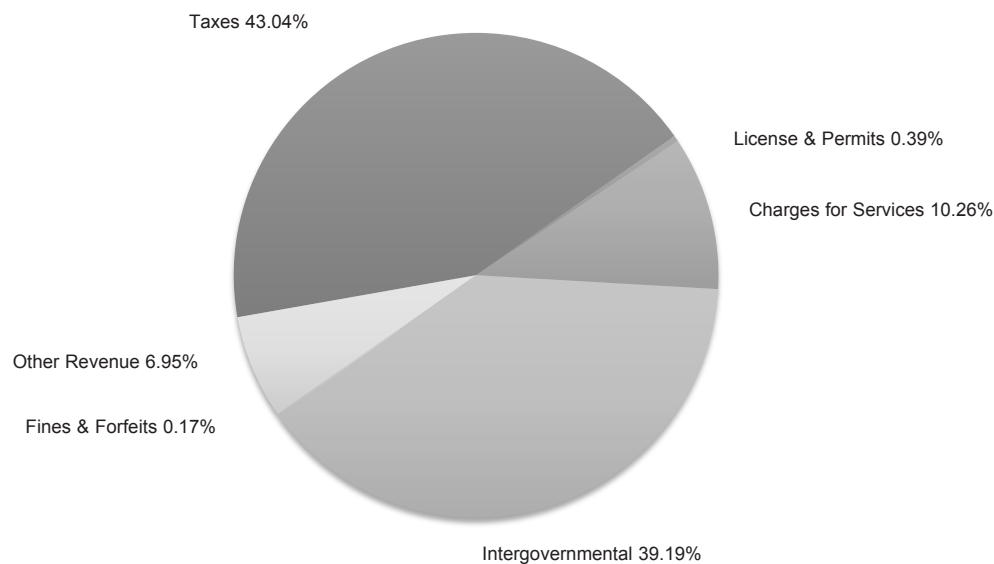
* The population amount for 2019 is an estimate, whereas 2018 population is based on actual data provided by the Metropolitan Council.

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.

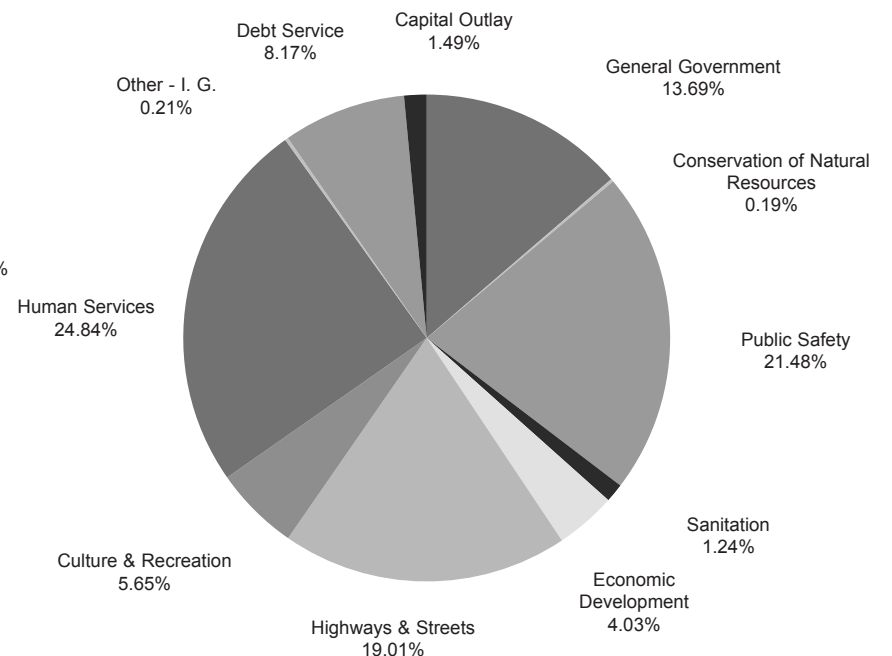
The demand for county services continues to rise. Yet, the Anoka County Board of Commissioners is committed to keeping county taxes reasonable and affordable. For example, Anoka County leads the way in the State of Minnesota in protecting the property taxpayer. Anoka County's taxes on a per capita basis were among the lowest in the metropolitan area in 2019. 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 2019 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 County has two internal service funds: Pooled Insurance – for the County's benefits and insurance coverage; Central Fleet – to manage the maintenance of the County's vehicles. The internal service fund is eliminated on the government-wide financial statements to avoid duplication of expenditures.

– Continued on next page.

ANOKA COUNTY'S STATEMENT OF NET POSITION DECEMBER 31, 2019		EXHIBIT 1
		Primary Government
		Governmental Activities
Assets		
Cash, cash equivalents, and pooled investments	\$ 257,365,412	
Cash and investments with escrow agents	3,641,595	
Funds held with courts	1,385,553	
Delinquent taxes receivable	1,896,520	
Accounts receivable, net of allowance for doubtful accounts	7,333,299	
Accrued interest receivable	1,534,335	
Loans receivable, net of allowance for doubtful accounts		
Due within one year	557,371	
Due in more than one year	2,508,515	
Leases receivable		
Due within one year	869,221	
Due in more than one year	5,066,565	
Due from other governments	32,518,578	
Inventories	2,276,415	
Prepaid items	49,828	
Capital assets not being depreciated		
Land	223,969,529	
Construction in progress	91,699,302	
Capital assets, net of accumulated depreciation:		
Buildings and structures	159,184,574	
Improvements other than buildings	15,909,139	
Machinery and equipment	22,551,392	
Infrastructure	356,940,074	
Software	2,530,181	
Total Assets		1,189,787,398
Deferred Outflows of Resources		
Deferred pension outflows	20,706,087	
Deferred OPEB outflows	51,306,797	
Total Deferred Outflows of Resources		72,012,884
Liabilities		
Accounts payable	3,856,033	
Salaries payable	4,700,619	
Contracts payable	4,944,268	
Due to other governments	4,064,140	
Matured interest payable	1,608,422	
Unearned revenue	3,062,545	
Noncurrent Liabilities:		
Due within one year		
Bonds and notes payable	20,600,000	
Benefits payable	2,008,630	
Compensated absences	535,457	
Outstanding claims payable	260,648	
Capital leases payable	707,057	
Loans payable	90,436	
Due in more than one year		
Bonds and notes payable	103,381,324	
Benefits payable	784,770	
Compensated absences	10,173,681	
Outstanding claims payable	2,846,560	
Capital lease payable	723,481	
Loans payable	1,329,402	
Net pension liability	89,140,260	
Other postemployment benefits (OPEB) liability	66,281,388	
Total Liabilities		321,099,121
Deferred Inflows of Resources		
Advances from other governments	605	
Deferred pension inflows	45,493,421	
Deferred OPEB inflows	13,326,510	
Total Deferred Inflows of Resources		58,820,536
Net Position		
Net investment in capital assets	792,508,382	
Restricted for:		
Debt service	28,165,781	
General government	5,029,900	
Public safety	4,341,788	
Highway	1,385,553	
Sanitation	24,988,132	
Culture and recreation	195,293	
Conservation of natural resources	58,956	
Economic development	2,042,306	
Capital projects	16,229,642	
Unrestricted (deficit)	6,934,892	
Total net position		\$ 881,880,625

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, the Emergency Communications department 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.

ANOKA COUNTY'S STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019				EXHIBIT 2		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Program Revenues			Primary Government	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary Government:						
Governmental activities:						
General government	\$ 53,779,843	\$ 10,054,356	\$ 5,562,380	\$ -	\$ (38,163,107)	
Public safety	81,340,626	19,421,407	9,842,837	-	(52,076,382)	
Highways and streets	43,982,591	450,578	33,672,945	14,055,681	4,196,613	
Human services	91,107,594	3,756,619	51,100,360	-	(36,250,615)	
Sanitation	4,436,680	4,632,797	1,457,552	-	1,653,669	
Culture and recreation	21,151,827	4,402,721	958,470	2,197,288	(13,593,348)	
Conservation of natural resources	674,604	20,743	-	-	(653,861)	
Economic development	14,962,282	2,631,696	4,675,495	-	(7,655,091)	
Interest expense and fiscal charges on long-term debt	4,458,496	-	-	-	(4,458,496)	
Total governmental activities	\$ 315,894,543	\$ 45,370,917	\$ 107,270,039	\$ 16,252,969	\$ (147,000,618)	
General Revenues:						
					126,882,400	
					15,665,044	
					12,714,730	
					18,876,364	
					11,613,530	
					139,107	
					7,939,973	
Total general revenues and transfers					193,831,148	
Change in net position					46,830,530	
Net position-January 1, as restated					835,050,095	
Net position-December 31					\$ 881,880,625	

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 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. In an effort to capitalize on the unique attributes that Anoka County has to offer potential businesses, the County hired an Economic Development Specialist position that was filled in 2018. This position is responsible for leading development, implementation, and promotion of economic development strategies for the County.

In addition to the hire of the County Economic Development Specialist, the County launched a new website in early 2019 dedicated to highlighting Anoka County's business attributes. www.anokacountysuccess.org is a joint Countywide effort

ANOKA COUNTY'S BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2019

EXHIBIT 3

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	\$ 64,099,398	\$ 17,525,012	\$ 32,270,136	\$ 27,361,384	\$ 78,231,198	\$ 37,214,277	\$ 256,701,405
Cash and investments with escrow agents	-	-	-	2,746,138	-	895,457	3,641,595
Funds held with courts	-	1,385,553	-	-	-	-	1,385,553
Delinquent taxes receivable	1,149,807	119,906	470,478	977	1,475	153,877	1,896,520
Accounts receivable, net of allowance for doubtful accounts	1,225,221	1,008,844	582,814	1,149	6,210	218,934	3,043,172
Accrued interest receivable	1,534,335	-	-	-	-	-	1,534,335
Loans receivable	445,740	-	-	-	-	2,620,146	3,065,886
Leases receivable	5,935,786	-	-	-	-	-	5,935,786
Due from other funds	205,000	-	-	-	-	-	205,000
Due from other governments	2,900,431	17,862,269	8,475,666	-	1,153,896	2,113,241	32,505,503
Advances to other funds	-	-	-	-	720,730	-	720,730
Inventories	-	1,939,398	-	-	-	24,836	1,964,234
Prepaid items	7,320	-	42,508	-	-	-	49,828
Total Assets	77,503,038	39,840,982	41,841,602	30,109,648	80,113,509	43,240,768	312,649,547
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	1,182,601	568,355	980,436	330,468	90,456	554,343	3,706,659
Salaries payable	3,062,626	216,431	1,122,136	-	-	299,426	4,700,619
Contracts payable	384,434	2,914,603	881,161	4,000	498,736	261,184	4,944,118
Due to other funds	-	-	-	-	-	205,000	205,000
Due to other governments	1,458,109	1,384,419	1,158,753	-	4,500	52,397	4,058,178
Advances from other funds	105,835	-	-	-	-	614,895	720,730
Matured interest payable	-	-	-	16,000	-	-	16,000
Unearned revenues	915,852	-	671,416	-	-	1,475,277	3,062,545
Total Liabilities	7,109,457	5,083,808	4,813,902	350,468	593,692	3,462,522	21,413,849
Deferred Inflows of Resources							
Advances from other governments	-	-	-	-	-	605	605
Unavailable revenue	7,668,763	16,196,282	470,478	977	1,475	3,096,042	27,434,017
Total Deferred Inflows of Resources	7,668,763	16,196,282	470,478	977	1,475	3,096,647	27,434,622
Fund Balances							
Nonspendable in							
General Fund	7,320	-	-	-	-	-	7,320
Special revenue funds	-	1,939,398	42,508	-	-	24,836	2,006,742
Restricted in							
General Fund	15,692,399	-	-	-	-	-	15,692,399
Special revenue funds	-	1,385,553	-	-	-	3,821,764	5,207,317
Debt Service Fund	-	-	-	29,758,203	-	-	29,758,203
Capital Projects Fund	-	-	-	-	33,371,854	-	33,371,854
Committed in							
Special revenue funds	-	-	-	-	-	3,725,124	3,725,124
Assigned in							
General Fund	5,187,105	-	-	-	-	-	5,187,105
Special revenue funds	-	15,235,941	36,514,714	-	-	29,130,423	80,881,078
Capital Projects Fund	-	-	-	-	46,146,488	-	46,146,488
Unassigned	41,837,994	-	-	-	-	(20,548)	41,817,446
Total Fund Balances	62,724,818	18,560,892	36,557,222	29,758,203	79,518,342	36,681,599	263,801,076
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 77,503,038	\$ 39,840,982	\$ 41,841,602	\$ 30,109,648	\$ 80,113,509	\$ 43,240,768	\$ 312,649,547

which highlights the area's core industries, ranging from data centers to manufacturers. This website aims to promote Anoka County's assets, low taxes, educated population, affordable land, and close proximity to the Minneapolis - St. Paul metropolitan area. This is part of a broad initiative by the County to be competitive with its neighbors, change perceptions about the County, and attract new businesses and investments.

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. In order for the transportation system to keep up with the anticipated employment and population growth in the region, three of the major highway/interstates that serve the County will undergo significant improvements over the coming decade.

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

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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 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-six 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 2020 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 2020 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. In order to start being more energy-efficient, \$500,000 has been

- Continued on next page.

ANOKA COUNTY'S RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2019		EXHIBIT 4
Total fund balances for governmental funds (Exhibit 3)		\$ 263,801,076
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.		872,784,191
Deferred outflows resulting from pension obligations (\$20,706,087) and OPEB obligations (\$51,306,797) are not available resources and, therefore, are not reported in governmental funds.		72,012,884
Internal service funds are used by the County to charge the cost of insurance (-\$1,048,782) to the individual funds as well as cost of maintenance and fuel for the County vehicles and large equipment (\$272,078). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		(776,704)
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	\$ (123,981,324)	
Compensated absences	(10,709,138)	
Capital leases payable	(1,430,538)	
Loans payable	(1,419,838)	
Net pension liability	(89,140,260)	
Other postemployment benefits liability	<u>(66,281,388)</u>	
Total long term liabilities		(292,962,486)
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	\$ (1,608,422)	
Matured interest payable reported on Exhibit 3	<u>16,000</u>	
		(1,592,422)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		27,434,017
Deferred inflows resulting from pension obligations (\$45,493,421) and OPEB obligations (\$13,326,510) are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(58,819,931)</u>
Net position of governmental activities (Exhibit 1)		<u>\$ 881,880,625</u>

budgeted to replace two rooftop units (RTU) at the Lino Lakes Juvenile Center ACS with newer models.

Another major Capital Improvement project for 2020 is the replacement of the generator at the Anoka County Sheriff's Office. Approximately \$500,000 has been budgeted for the replacement of the current emergency generator at the ACSO. It is the desire of the County Board that the Anoka County Courts provide a safe, clean, comfortable, and effective environment in which County staff and the public can conduct business. Therefore, \$330,000 has been budgeted for the interior finishes at the County Courthouse. Interior improvements to the courthouse include carpet replacement, wall covering, bathroom upgrades, and minor structural alterations as needed.

Located in Circle Pines, Centennial Library just wrapped up a multi-year, \$6.1 million renovation project. This project expanded the square-footage of the library, creating more space for learning, creativity, and collaboration. One of these new spaces features the IQ Kitchen featuring a fully equipped classroom kitchen. The IQ kitchen is a teaching kitchen where participants can come take classes on cooking and baking and increase their overall culinary skills. Multiple cameras around the kitchen allow for easier viewing of the instructor and will allow for classes to be recorded. It is intended that these tutorials will be shown on the library's YouTube channel. Since celebrating its Grand Re-Opening in June 2019 Centennial Library makes for a welcoming setting for all Anoka County residents.

Averaging approximately 30,000 vehicles a day, Hanson Boulevard between Northdale and Main Street is one of the busiest travel corridors within Anoka County. This critical North-South artery connects locations within Anoka County to US Highway 10, and the greater Twin Cities Metropolitan area. There are roughly \$4.9 million worth of improvements that are scheduled for 2020 and are designed to improve the safe and efficient movement of vehicles traveling along this route. Some of the safety enhancements include: raised medians, dedicated left and right turn lanes, shoulder additions, traffic signal replacement at 121st Ave NW, and pedestrian and ADA improvements. This is the last in a series of three major road projects over the course of three years along Hanson Boulevard that when complete will

greatly improve existing and future traffic needs. The reconstruction of Foley Boulevard between the East River Road and Coon Rapids Boulevard is to begin this summer. The bulk of this project, as well as its completion is scheduled for the Summer of 2021. Approximately \$3.5 million has been budgeted for 2020 to start the process of turning Foley Blvd into a 4-lane, urban divided highway. The primary component of this project is the construction of a Railroad overpass. Currently the at-grade Railroad crossing poses a significant safety threat as up to 92 trains a day travel this busy corridor at speeds of up to 75 mph. This creates a significant safety concern due to the high volume of vehicle and train traffic. When the separated railroad grade is complete four-lanes of traffic as well as two lanes of non-motorized traffic on each side of Foley Blvd will be able to travel without the interruption in a safe and efficient manner. The current section of 125th Avenue –

CSAH 14 in Blaine is a rural section of four lane undivided highway in Blaine. In order to handle the increasing flow of traffic on this highway, \$3 million has been budgeted to turn 125th Ave into a four-lane median divided highway. Other enhancements will include: curbs, gutters, designated turn lanes, and safety improvements for pedestrians. The County's Annual Road and Bridge Preservation Program has \$9.3 million budgeted in 2020 to maintain and repair the existing road and bridge infrastructure within the County. These preventative maintenance and repair projects are designed at improving the safety and functionality of the County's existing highway infrastructure.

The Anoka County Attorney's Office has budgeted \$400,000 for a new case management system. The current case management system is set to expire

– Continued on next page.

ANOKA COUNTY'S STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES							EXHIBIT 5
GOVERNMENTAL FUNDS							
FOR THE YEAR ENDED DECEMBER 31, 2019							
	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 70,036,081	\$ 8,072,689	\$ 35,157,045	\$ 15,831,317	\$ 12,714,910	\$ 14,687,566	\$ 156,499,608
Licenses and permits	266,994	99,392	1,057,996	-	-	1,110	1,425,492
Intergovernmental	24,195,569	49,236,789	54,750,940	5,781	4,392,689	9,931,824	142,513,592
Charges for services	27,594,908	-	2,893,608	-	-	6,816,258	37,304,774
Fines and forfeitures	555	-	-	-	-	623,234	623,789
Investment income	6,460,904	40,997	-	32,846	19,200	581,233	7,135,180
Net change in fair value of investments	2,518,125	-	-	-	-	-	2,518,125
Miscellaneous	6,854,792	347,821	365,189	1,153,760	1,178,100	5,716,760	15,616,422
Total Revenues	137,927,928	57,797,688	94,224,778	17,023,704	18,304,899	38,357,985	363,636,982
Expenditures							
Current							
General government	43,966,021	-	-	-	4,007,017	573,717	48,546,755
Public safety	69,191,597	-	-	-	1,875,945	5,142,817	76,210,359
Highways and streets	-	67,294,617	-	-	143,889	-	67,438,506
Human services	-	-	88,068,358	-	57,991	-	88,126,349
Sanitation	4,396,298	-	-	-	-	-	4,396,298
Culture and recreation	157,560	-	-	-	847,085	19,025,774	20,030,419
Conservation of natural resources	178,992	-	-	-	-	488,995	667,987
Economic development	-	-	-	-	-	14,285,869	14,285,869
Debt Service							
Principal retirement	-	-	-	23,020,000	639,599	711,420	24,371,019
Interest	-	-	-	4,252,579	44,526	15,947	4,313,052
Bond issuance costs	-	-	-	202,547	40,705	-	243,252
Administrative charges	-	-	-	52,359	-	-	52,359
Capital Outlay							
General government	-	-	-	-	249,697	-	249,697
Public safety	-	-	-	-	1,200,732	-	1,200,732
Culture and recreation	-	-	-	-	3,833,637	-	3,833,637
Intergovernmental							
Highways and streets	-	732,120	-	-	-	-	732,120
Total Expenditures	117,890,468	68,026,737	88,068,358	27,527,485	12,940,823	40,244,539	354,698,410
Excess of Revenues Over (Under) Expenditures	20,037,460	(10,229,049)	6,156,420	(10,503,781)	5,364,076	(1,886,554)	8,938,572
Other Financing Sources (Uses)							
Transfers in	121,709	4,590,793	-	3,747,218	21,983,173	7,256,430	37,699,323
Transfers out	(12,355,741)	(1,243,340)	(7,010,000)	(5,020,000)	(10,268,835)	(3,044,747)	(38,942,663)
Refunding bonds issued	-	-	-	8,290,000	-	-	8,290,000
Premium on bonds	-	-	-	571,431	-	-	571,431
Proceeds from land sales	-	27,000	-	-	-	-	27,000
Total Other Financing Sources (Uses)	(12,234,032)	3,374,453	(7,010,000)	7,588,649	11,714,338	4,211,683	7,645,091
Net Change in Fund Balances	7,803,428	(6,854,596)	(853,580)	(2,915,132)	17,078,414	2,325,129	16,583,663
Fund Balances - January 1, as restated	54,921,390	25,500,928	37,410,802	32,673,335	62,439,928	34,366,175	247,312,558
Increase (decrease) in inventories	-	(85,440)	-	-	-	(9,705)	(95,145)
Fund Balances - December 31	\$ 62,724,818	\$ 18,560,892	\$ 36,557,222	\$ 29,758,203	\$ 79,518,342	\$ 36,681,599	\$ 263,801,076

in 2020. An outside consulting firm was hired in 2018 to assess both current and future business needs. A Request for Procurement (RFP) was published in late 2018, a vendor was selected, and the County is proceeding to solidify requirements and final pricing. This is to be completed by the end of 2020. The current Anoka County Jail Records Management System (RMS), Warrants, and Civil Software package is 15 years old and failing. There are also concerns that the vendor of the current system is a small company with limited sites using their software. Therefore, \$300,000 has been budgeted in 2020 to assist with the software upgrade. As of 2019, Anoka County has over 475 security cameras spread out over 13 facilities. These security systems are used to capture video that may need to be referenced should an incident occur or to record evidence. In an effort to make sure all these security camera operating systems are standardized, approximately \$250,000 has been budgeted to continue with efforts to keep these systems in line with technology.

Parks and Recreation have budgeted approximately \$3.2 million in 2020 to improve and maintain the facilities at Anoka County Parks. With an average daily attendance of 1,300 – 1,600 people during the busy season, Bunker Beach Waterpark is the County’s most popular attraction within the parks system. In order to keep the Waterpark, particularly the wave pool functioning safely and efficiently \$2.0 million has been budgeted for investment in the wave pool’s aging infrastructure in 2020, with another \$4.5 million planned in 2021. The mechanical equipment that powers the wave pool is over 30 years old and nearing the end of its functional life. Of the \$6.5 million budgeted for this project, \$1.75 million is planned to be financed by the Metropolitan Council thus alleviating the taxpayers of Anoka County a substantial portion of the overall improvement costs. \$350,000 has been budgeted for the Rice Creek Chain of Lakes – Wargo Nature Center improvement. The interior of the interpretive center has not been updated since the center was built in 1993. 45,000 people visit the nature center annually and the funds, which

will be completely supplied by the Metropolitan Council, will be used to update and rehabilitate the interpretive displays and add new features. Rum River Central Park located on the banks of the Rum River provides a wide array of outdoor recreation activities. The park offers users a diversity of river, prairie, and woodland settings encompassing 434 acres. \$315,000 supplied by the Metropolitan Council will be used to acquire six acres of beautiful oak woodland making for a welcome addition to the

Anoka County Park system.

DELIVERY OF SERVICES

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

– Continued on next page.

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, 2019		EXHIBIT 6
Net change in fund balances - total governmental funds (Exhibit 5)		\$ 16,583,663
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	\$ 47,928,760	
Current year depreciation	<u>(22,284,892)</u>	25,643,868
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	\$ (8,290,000)	
Capital Lease	(92,893)	
Loans	(430,119)	
Discounts and premiums	(571,431)	
Principal repayments:		
Debt service principal retirement	24,394,262	
Current year amortization of discounts and premiums	<u>1,225,842</u>	16,235,661
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position.		
		(543,827)
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	\$ 27,434,017	
Unavailable revenue - January 1	<u>(29,143,971)</u>	(1,709,954)
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 (-\$515,870), change in interest payable (\$153,493), and changes in inventories (-\$95,145).		
		(457,522)
Current year net change in the net other postemployment benefits (OPEB) liability, deferred OPEB inflows and deferred OPEB outflows.		
		(5,930,906)
Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows.		
		(615,522)
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>(2,374,931)</u>
Changes in net position of governmental activities (Exhibit 2)		<u>\$ 46,830,530</u>

ANOKA COUNTY'S STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

EXHIBIT 7

Governmental
Activities -
Internal Service
Funds

Assets

Current Assets:

Cash and pooled investments	\$	664,007
Accounts receivable		90,127
Due from other governments		13,075
Due from other funds		4,200,000
Inventory		312,181

Total Assets

5,279,390

Liabilities

Current Liabilities:

Accounts payable		149,374
Contracts payable		150
Due to other governments		5,962
Benefits payable		2,008,630
Outstanding claims payable		260,648

Total current liabilities

2,424,764

Noncurrent Liabilities:

Benefits payable		784,770
Outstanding claims payable		2,846,560

Total noncurrent liabilities

3,631,330

Total Liabilities

6,056,094

Net Position

Unrestricted		(776,704)
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Total Net Position

\$ (776,704)

ANOKA COUNTY'S STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

EXHIBIT 8

Governmental
Activities -
Internal Service
Funds

Operating Revenues

Charges for services	\$	38,807,613
Insurance recoveries		234,787
Miscellaneous		4,519,508

Total Operating Revenues

43,561,908

Operating Expenses

Personal services		1,407,046
Other services and charges		1,623,871
Supplies		947,766
Employee benefits		33,632,368
Retiree benefits		7,281,070
Insurance		2,288,058

Total Operating Expenses

47,180,179

Income (Loss) Before Transfers

(3,618,271)

Transfers

Transfers in		1,243,340
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Increase (Decrease) in Net Position

(2,374,931)

Net position - January 1

1,598,227

Net position - December 31

\$ (776,704)

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.

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 Emergency 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.



'A rendering of the Bunker Beach Water Park renovations, which is expected to be completed for the 2021 season. The renovations include new water features and asset preservation components.'

