

FINAL OFFICIAL STATEMENT DATED DECEMBER 7, 2021

REFUNDING ISSUE
TAXABLE BONDS

BOOK ENTRY ONLY
STANDARD & POOR'S RATING "AA+"

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of their issuance and delivery to the original purchaser, interest on the Bonds is TAXABLE and included in gross income for United States income tax purposes and is included, to the same extent, in both gross and taxable net income for State of Minnesota income tax purposes.

ANOKA COUNTY REGIONAL RAILROAD AUTHORITY, MINNESOTA

\$4,215,000

Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A

Dated Date: Date of Delivery (January 6, 2022)

**Interest Due: Each February 1 and August 1
Commencing August 1, 2022**

<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Yield</u>	<u>Price</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Yield</u>	<u>Price</u>
\$1,375,000	2.00%	2/1/2025	1.05%	102.861	\$1,435,000	2.00%	2/1/2027	1.35%	103.174
1,405,000	2.00	2/1/2026	1.25	102.966					

United Bankers' Bank has agreed to purchase the Bonds from the Anoka County Regional Railroad Authority, Minnesota for an aggregate price of \$4,323,644.20. Final delivery date is January 6, 2021.

The Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A (the "Bonds" or the "Issue") are being issued by the Anoka County Regional Railroad Authority, Minnesota (the "Authority" or the "Issuer") pursuant to Minnesota Statutes, Chapters 398A, including in particular, Section 398A.07, and 475, as amended. Proceeds of the Bonds will be used to crossover refund the Authority's General Obligation Limited Tax Refunding Bonds, Series 2015A, and to pay costs associated with issuance of the Bonds. See *Authority and Purpose* herein for additional information.

The Bonds are limited tax general obligations of the Authority payable from the levy of ad valorem taxes, which tax levy shall not exceed an annual rate of .04835 percent of the estimated market value of all taxable property located within Anoka County (the "County"). The full faith, credit and limited taxing powers of the Authority will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of moneys in the general fund of the Authority which are available for such purpose. See *Security/Sources and Uses of Funds* herein for additional information.

The Bonds are not subject to optional redemption or prepayment prior to maturity.

Principal due with respect to the Bonds is payable annually on February 1, commencing February 1, 2025. Interest due with respect to the Bonds is payable semiannually on February 1 and August 1, commencing August 1, 2022. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of Bonds. See "Book-Entry System" in *Description of the Bonds* herein for additional information. The Paying Agent/Registrar and Escrow Agent will be U.S. Bank National Association, St. Paul, Minnesota. The escrow account will be funded with securities described in Minnesota Statutes, Section 475.67, subdivision 8. Verification Agent will be Robert Thomas CPA, LLC, Minneapolis, Minnesota.

Underwriter:



Municipal Advisor:



DEBT SERVICE AND CUSIP NUMBERS*

**Anoka County Regional Railroad Authority, Minnesota
\$4,215,000 Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total	CUSIP Base 036269
01/06/2022	-	-	-	-	-	
08/01/2022	-	-	48,004.17	48,004.17	-	
02/01/2023	-	-	42,150.00	42,150.00	90,154.17	
08/01/2023	-	-	42,150.00	42,150.00	-	
02/01/2024	-	-	42,150.00	42,150.00	84,300.00	
08/01/2024	-	-	42,150.00	42,150.00	-	
02/01/2025	1,375,000.00	2.000%	42,150.00	1,417,150.00	1,459,300.00	BU1
08/01/2025	-	-	28,400.00	28,400.00	-	
02/01/2026	1,405,000.00	2.000%	28,400.00	1,433,400.00	1,461,800.00	BV9
08/01/2026	-	-	14,350.00	14,350.00	-	
02/01/2027	1,435,000.00	2.000%	14,350.00	1,449,350.00	1,463,700.00	BW7
Total	\$4,215,000.00	-	\$344,254.17	\$4,559,254.17	-	

Yield Statistics

Bond Year Dollars	\$17,212.71
Average Life	4.084 Years
Average Coupon	2.0000000%
Net Interest Cost (NIC)	1.3688140%
True Interest Cost (TIC)	1.3483244%
Bond Yield for Arbitrage Purposes	1.2427752%
All Inclusive Cost (AIC)	1.6080778%

IRS Form 8038

Net Interest Cost	1.2275685%
Weighted Average Maturity	4.085 Years

* CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

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THE BONDS ARE OFFERED, SUBJECT TO PRIOR SALE, WHEN, AS AND IF ACCEPTED BY THE UNDERWRITER(S) NAMED ON THE FRONT COVER OF THIS OFFICIAL STATEMENT AND SUBJECT TO AN OPINION AS TO VALIDITY OF THE BONDS BY BOND COUNSEL. SUBJECT TO APPLICABLE SECURITIES LAWS AND PREVAILING MARKET CONDITIONS, THE UNDERWRITER(S) INTENDS, BUT IS NOT OBLIGATED, TO EFFECT SECONDARY MARKET TRADING FOR THE BONDS. CLOSING DATE IS JANUARY 6, 2022.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERS MADE HEREBY, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AUTHORITY OR THE UNDERWRITER(S). NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE AUTHORITY AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER(S).

SUMMARY OF OFFERING

Anoka County Regional Railroad Authority, Minnesota
\$4,215,000
Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A
(Book-Entry Only)

AMOUNT -	\$4,215,000						
ISSUER -	Anoka County Regional Railroad Authority, Minnesota (the “Authority” or the “Issuer”)						
AWARD DATE -	December 3, 2021						
MUNICIPAL ADVISOR -	Northland Securities, Inc. (the “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402, telephone: 612-851-5900 or 800-851-2920						
TYPE OF ISSUE -	Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A (the “Bonds” or the “Issue”)						
AUTHORITY, PURPOSE & SECURITY -	The Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A (the “Bonds”) are being issued by the Anoka County Regional Railroad Authority, Minnesota (the “Authority”) pursuant to Minnesota Statutes, Chapters 398A, including in particular, Section 398A.07, and 475, as amended. Proceeds of the Bonds will be used to crossover refund the Authority's General Obligation Limited Tax Refunding Bonds, Series 2015A, and to pay costs associated with issuance of the Bonds. The Bonds are limited tax general obligations of the Authority payable from the levy of ad valorem taxes, which tax levy shall not exceed an annual rate of .04835 percent of the estimated market value of all taxable property located within Anoka County (the “County”). The full faith, credit and limited taxing powers of the Authority will be and are irrevocably pledged to the payment of the Bonds. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of moneys in the general fund of the Authority which are available for such purpose. See <i>Authority and Purpose</i> as well as <i>Security/Sources and Uses of Funds</i> herein for additional information.						
DATE OF ISSUE -	Date of Delivery (January 6, 2022)						
INTEREST PAID -	Semiannually on each February 1 and August 1, commencing August 1, 2022, to registered owners of the Bonds appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).						
MATURITIES -	<table><tr><td>2/1/2025</td><td>\$1,375,000</td><td>2/1/2026</td><td>\$1,405,000</td><td>2/1/27</td><td>\$1,435,000</td></tr></table>	2/1/2025	\$1,375,000	2/1/2026	\$1,405,000	2/1/27	\$1,435,000
2/1/2025	\$1,375,000	2/1/2026	\$1,405,000	2/1/27	\$1,435,000		
REDEMPTION -	The Bonds are not subject to optional redemption or prepayment prior to maturity.						
BOOK-ENTRY -	The Bonds will be issued as fully registered and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments will be made. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of the Bonds.						
PAYING AGENT/REGISTRAR -	U.S. Bank National Association, St. Paul, Minnesota						
ESCROW AGENT -	U.S. Bank National Association, St. Paul, Minnesota						
TAX DESIGNATIONS -	<u>NOT Private Activity Bonds</u> - The Bonds are not “private activity bonds” as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). <u>Not Bank Qualified Tax-Exempt Obligations</u> - The Authority will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.						
LEGAL OPINION -	Kennedy & Graven, Chartered, Minneapolis, Minnesota (“Bond Counsel”)						
BOND RATING -	The Authority received an underlying rating of “AA+” from S&P Global Ratings (“S&P”). See <i>Bond Rating</i> herein for additional information.						
CLOSING -	January 6, 2022						
PRIMARY CONTACTS -	Dee Guthman, Executive Director, Anoka County Regional Railroad Authority, Minnesota 763-324-4707 Tammy Omdal, Managing Director, Northland Securities, Inc., 612-851-4964						

ANOKA COUNTY REGIONAL RAILROAD AUTHORITY, MINNESOTA

PRINCIPAL AUTHORITY OFFICIALS

Elected Officials

Name

Matt Look
Scott Schulte
Julie Braastad
Robyn West
Mandy Meisner
Mike Gamache
Jeff Reinert

Regional Railroad Authority Board

Position

Term Expires

Chair January 2025
Vice Chair January 2023
Commissioner January 2025
Commissioner January 2025
Commissioner January 2023
Commissioner January 2025
Commissioner January 2025

Primary Contacts

Dee Guthman

Executive Director

BOND COUNSEL

Kennedy & Graven, Chartered
Minneapolis, Minnesota

MUNICIPAL ADVISOR

Northland Securities, Inc.
Minneapolis, Minnesota

AUTHORITY AND PURPOSE

The Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A (the “Bonds” or the “Issue”) are being issued by the Anoka County Regional Railroad Authority, Minnesota (the “Authority”) pursuant to Minnesota Statutes, Chapters 398A, including in particular, Section 398A.07, and 475, as amended. Proceeds from issuance of the Bonds will be used to crossover refund the Authority's General Obligation Limited Tax Refunding Bonds, Series 2015A (the “Refunded Bonds”) on February 1, 2024 at a price of par plus accrued interest, and to pay costs associated with issuance of the Bonds.

Proceeds of the Bonds will be deposited in an escrow account with U.S. Bank National Association, St. Paul, Minnesota (the “Escrow Agent”) and invested in U.S. Treasury or agency obligations. The obligations deposited in the escrow account shall be in such amounts and shall bear interest at such rates as to provide sufficient funds to pay the interest coming due on the Bonds through and including the February 1, 2024 payment date, and to pay the called principal amount, totaling \$14,355,000, of the 2025 through 2032 maturities of the General Obligation Limited Tax Refunding Bonds, Series 2015A on February 1, 2024 at a price of par plus accrued interest.

SECURITY/SOURCES AND USES OF FUNDS

Security

The Bonds are limited tax general obligations of the Authority payable from the levy of ad valorem taxes, which tax levy shall not exceed an annual rate of .04835 percent of the estimated market value of all taxable property located within Anoka County (the “County”). The annual levy will be in an amount equal to at least 105% of the principal and interest to become due on the Bonds the following year. The full faith, credit and limited taxing powers of the Authority will be and are irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of moneys in the general fund of the Authority which are available for such purpose and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

The Bonds and any Additional Bonds shall have a first lien upon Authority tax revenues. Except for refunding Bonds, no Additional Bonds shall be issued on a parity of lien with the Bonds unless Potential Tax Revenue as defined in the Bond Resolution for the issue is at least 175% of the maximum annual principal and interest to become due with respect to (a) all Bonds then outstanding and (b) the Additional Bonds.

The Authority is authorized to levy a property tax that shall not exceed an annual rate of .04835 percent of the estimated market value of all taxable property located within Anoka County. The table on the following page displays the projected debt service coverage assuming the Authority were to levy the maximum amount permitted based on the estimated market value of \$39,642,862,000 for taxes payable in 2021, and based on preliminary debt service estimates, which are subject to change.

Projected Debt Service Coverage

Calendar Year	Series 2015A Principal and Interest	Series 2022A Principal and Interest ¹	Total Debt Service	Maximum Authorized Property Tax Levy ²	Projected Debt Service Coverage ³
2022	\$ 2,060,269	\$0	\$2,060,269	\$19,167,323	9.30
2023	2,052,181	0	2,052,181	19,167,323	9.34
2024	1,818,641	42,150	1,860,791	19,167,323	10.30
2025	0	1,445,550	1,445,550	19,167,323	13.26
2026	0	1,447,750	1,447,750	19,167,323	13.24
2027	0	1,449,350	1,449,350	19,167,323	13.22

Sources and Uses of Funds

Following are the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount of Bonds	\$ 4,215,000
Reoffering Premium	126,558
Issuer Equity Contribution	<u>10,061,955</u>
Total Sources of Funds:	<u>\$ 14,403,513</u>

Uses of Funds

Deposit to Escrow Refunding Fund	\$ 14,338,625
Costs of Issuance/Underwriter's Discount	61,626
Rounding Amount	<u>3,261</u>
Total Uses of Funds:	<u>\$ 14,403,513</u>

BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization proclaimed the novel strain of Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. As the federal, state and local governments, including the Issuer, continue efforts to contain and limit the spread of

¹ Excludes interest payments paid from escrow account

² Based on the estimated market value of \$39,642,862,000 for taxes payable in 2021.

³ Based on maximum authorized property tax levy.

COVID-19 disease, future tax and other revenue collections may deviate from historical or anticipated collections and may have an adverse impact on the financial position and operations of the Issuer and its ability to fund debt obligations, including the Bonds in accordance with their terms. The Issuer is not able to predict and makes no representations as to the economic impact of the COVID-19 pandemic on the Issuer or its ongoing financial position. Ridership levels for the Northstar Commuter Rail have been impacted during the pandemic. See "Northstar Commuter Rail Information" herein for additional information

Changes in Market Value

The Authority's ability to levy property taxes is limited to a percentage of estimated market value in Anoka County. Reductions in market value would result in a lower maximum property tax levy.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, any secondary marketing practices in connection with a particular bond issue are suspended or terminated. Additionally, prices of bond issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

Ratings Loss

S&P Global Ratings has assigned a rating of "AA+" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the 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.

Additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Economy, State Aids

A combination of economic, climatic, political or civil disruptions outside of the control of the Issuer, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local governments. Real or perceived threats to the financial stability of the Issuer may have an adverse effect on the value of the Bonds in the secondary market. State of Minnesota cash flow problems could also affect local governments, including reductions in, or delayed payments of, local government state aid (LGA) and possibly increase Issuer property taxes.

Cybersecurity

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

DESCRIPTION OF THE BONDS

Details of Certain Terms

The Bonds will be dated, as originally issued, as of the date of delivery (January 6, 2022), and will be issued as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. Principal will be payable annually February 1, commencing February 1, 2025. Interest on the Bonds will be payable semiannually on each February 1 and August 1, commencing August 1, 2022. The Bonds when issued, will be registered in the name of Cede & Co. (the “Registered Holder”), as nominee of The Depository Trust Company, New York, New York (“DTC”), the initial custodian for the Bonds, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the Registered Holder of the Bonds. See “Book-Entry System” in *Description of the Bonds* herein for additional information. So long as the Book-Entry Only System is used, individual purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof (“Authorized Denominations”). Individual purchasers (“Beneficial Owners”) of the Bonds will not receive physical delivery of bond certificates, and registration, exchange, transfer, tender and redemption of the Bonds with respect to Beneficial Owners shall be governed by the Book-Entry Only System.

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Bond Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the

registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).

Registration, Transfer and Exchange

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the Bonds may be transferred upon surrender of the Bonds at the principal office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing. The Bonds, upon surrender thereof at the principal office of the Bond Registrar, may also be exchanged for other Bonds of the same series, of any authorized denominations having the same form, terms, interest rates and maturities as the Bonds being exchanged. The Bond Registrar will require the payment by the Bond holder requesting such exchange or transfer of any tax or governmental charge required to be paid with respect to such exchange or transfer. The Bond Registrar is not required to (i) issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen days before any selection of Bonds of a particular stated maturity for redemption in accordance with the provisions of the Bond resolution and ending on the day of the first mailing of the relevant notice of redemption or (ii) to transfer any Bonds or portion thereof selected for redemption.

Optional Redemption

The Bonds are not subject to optional redemption or prepayment prior to maturity.

Book-Entry System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (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 the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtcc.org.

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 Bonds (“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 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 affect 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.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 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 Authority or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds 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 Authority believes to be reliable, but the Anoka County Regional Railroad Authority takes no responsibility for the accuracy thereof.

ORIGINAL ISSUE PREMIUM

The Bonds maturing in certain years are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire Bonds at a premium, even Bonds that were not initially offered at a premium, must, from time to time, reduce their federal and Minnesota

tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal and Minnesota income and franchise tax purposes on the basis of a Bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, Bondholders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal or Minnesota income tax purposes. 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 state and local tax consequences of owning and selling Bonds acquired at a premium.

FULL CONTINUING DISCLOSURE

In order to assist the Underwriter(s) in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to a resolution awarding the Issue and a Continuing Disclosure Certificate (the "Certificate") to be executed on behalf of the Authority on or before Bond closing, the Authority has and will covenant for the benefit of holders of the Bonds to annually provide certain financial and operating data, relating to the County to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, and to provide notices of the occurrence of certain events enumerated in the Rule to the MSRB. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events (including the two new events) is set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix B.

To the best of its knowledge, the Authority has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events within the past five years. A failure by the Authority to comply with the Certificate will not constitute an event of default on the Bonds (although holders will have an enforceable right to specific performance). 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. Please see *Appendix B – Continuing Disclosure Certificate* herein for additional information.

MUNICIPAL ADVISOR

The Authority has retained Northland Securities, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. Northland Securities, Inc. is registered as a municipal advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources that have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Authority to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

FUTURE FINANCING

The Authority does not anticipate the need to issue any additional general obligation debt within the next three months.

BOND RATING

The Authority received an underlying rating of "AA+" from S&P Global Ratings ("S&P"). No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the opinion of S&P and any explanation of the significance of this 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 or withdrawn, if in the judgment of S&P, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. This rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency.

LITIGATION

As of the date of this Official Statement, the Authority is not aware of any threatened or pending litigation that questions the organization or boundaries of the Authority or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

CERTIFICATION

The Authority will furnish a statement to the effect that this Official Statement to the best of its knowledge and belief, as of the date of sale and the date of delivery, is true and correct in all material respects, and does not contain any untrue statements of a 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.

The Authority has always promptly met all payments of principal and interest on its indebtedness when due.

LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota (“Bond Counsel”) as to validity and taxability of interest. A copy of such opinion will be available at the time of the delivery of the Bonds. See *Appendix A –Form of Legal Opinion*.

Bond Counsel has not participated in the preparation of this Official Statement and is not passing 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.

TAXABILITY OF INTEREST

At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is included in gross income for United States income tax purposes and is included, to the same extent, in both gross income and taxable net income for State of Minnesota income tax purposes. Bond Counsel expresses no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

ANOKA COUNTY REGIONAL RAILROAD AUTHORITY, MINNESOTA

History

The Anoka County Board of Commissioners created the Anoka County Regional Railroad Authority in May of 1987 in accordance with the Regional Railroad Authorities Act. The purpose of the Regional Railroad Authorities Act (Minnesota Statutes, Section 398A.01 to 398A.09) is to provide a means whereby a county or municipality within a county may provide for the preservation and improvement of local rail service for agriculture, industry, and passenger traffic when determined to be practical and necessary for the public welfare.

The principal office of the Authority is in the Anoka County Government Center located in Anoka, Minnesota. The business and property of the Authority is managed and controlled by the Authority's Board of Commissioners in accordance with the power and duties set forth in Minnesota Statutes, Chapter 398A. The Authority is made up of the seven Anoka County Commissioners.

When the Authority was created in 1987, it was authorized to acquire rights-of-way and abandoned rights-of-way within Anoka County for the public welfare of Anoka County residents.

The Authority is a local government unit and political subdivision of the State of Minnesota. The Authority has completed the procedures set forth in Minnesota Statutes, Section 398A.04, Subd. 8, giving the Authority the ability to levy a property tax up to .04835 percent of the estimated market value of all taxable property in Anoka County. The Authority also has the ability to enter into contracts and issue bonds.

Management

The Authority may appoint an executive director and other officers or employ staff, consultants or agents needed to perform its duties and exercise its powers, provided that the provisions of Minnesota Statutes, Chapter 353 shall apply. While the Authority has no employees of its own, it does enter into professional service agreements directly with consultants and uses Anoka County employees to perform services. Dee Guthman, who serves as Deputy County Administrator of Anoka County, also serves as Executive Director of the Authority.

Northstar Commuter Rail Information and History

The Northstar Commuter Rail is the State of Minnesota's first commuter rail line. The Northstar Commuter Rail provides commuter rail service along a 40-mile corridor from downtown Minneapolis to the City of Big Lake, Minnesota, parallel to Trunk Highways 47 and 10. It utilizes existing railroad tracks owned by Burlington Northern Santa Fe Railroad (BNSF) and includes seven stations: Big Lake, Elk River, Ramsey, Anoka, Coon Rapids-Riverdale, Fridley and Target Field (downtown Minneapolis). The rail line has inter-modal connections to bus transit and to the METRO Blue Line (Hiawatha) Light Rail Transit line which runs from downtown Minneapolis to the Mall of America in the City of Bloomington, Minnesota and to the METRO Green Line Light Rail Transit line which runs from downtown Minneapolis to downtown St. Paul. With the exception of the downtown Minneapolis (Target Field) station, all of the stations have park and ride facilities.

Northstar Commuter Rail service began on November 16, 2009. The rail line has seven stations with an estimated daily ridership of 2,818 (before the COVID-19 pandemic) and a daily capacity of 10,000 riders. In 2020, there were 148,330 riders, down from the over 800,000 riders in 2019, due to the COVID-19 pandemic. Fares are between \$3.25 and \$6.25 depending on time of day.

Authority Budgets

Following are the Authority's 2020 and 2021 budgets:

	2020	2021
Expenditures:		
Northstar Corridor (including debt service on the 2015A Bonds)	\$8,775,206	\$5,140,487
Management Costs:		
Administrative Expenses	28,000	28,000
IntraCounty Transfer/Administration	216,500	216,500
Professional Services	5,000	5,000
Inter-Department Services	5,000	5,000
Special Projects		
Northstar Bus	5,000	5,000
Property Maintenance for Rail Authority	6,000	0
Multi Modal Facility Development	35,000	0
Admin/Misc. Land Assessments	8,000	0
Corridor Development	0	0
Total Expenditures	\$9,083,706	\$5,399,987
Revenues:		
Transportation Tax	\$6,700,000	\$3,061,531
Gross Levy	2,231,646	2,186,396
Designated Use of Reserve	152,060	152,060
Total Revenues	\$9,083,706	\$5,399,987

GENERAL INFORMATION OF THE AUTHORITY AND THE COUNTY

Location, Access and Transportation

Anoka County is located in the northwestern portion of the Twin Cities Metropolitan Area. The County is comprised of 20 cities and one township. Access is provided via Interstate I-35E and I-35W, and I-694, U.S. Highways 10, 169 and 610, State Highways 65 and 47. The Anoka County/Blaine Airport is located in the County. Rail service is provided by Burlington Northern Santa Fe Railroad. Northstar, the state's first commuter rail line, became operational in November 2009. The Northstar line operates between the City of Big Lake and downtown Minneapolis, and has stops in the cities of Elk River, Ramsey, Anoka, Coon Rapids, and Fridley.

Area

272,960 Acres
(426.5 Square Miles)

Population*

1980 Census	195,998	2010 Census	330,844
1990 Census	243,641	2020 Census	363,887
2000 Census	298,084	2021 County Estimate	367,417

Income Data¹

Comparative income levels are listed below for the Anoka County, the State of Minnesota and the United States.

	<u>Anoka County</u>	<u>State of Minnesota</u>	<u>United States</u>
Median Family Income	\$95,429	\$89,842	\$77,263
Per Capita Income	36,978	37,625	34,103

Labor Force Data²

Comparative average labor force and unemployment rate figures for 2021 (through August) and year-end 2020 are listed below. Figures are not seasonally adjusted and numbers of people are estimated by place of residence.

	<u>2021 (August)</u>		<u>2020</u>	
	<u>Civilian</u> <u>Labor Force</u>	<u>Unemployment</u> <u>Rate</u>	<u>Civilian</u> <u>Labor Force</u>	<u>Unemployment</u> <u>Rate</u>
Anoka County	193,901	4.2%	196,510	6.0%
Minneapolis-St. Paul MSA	1,974,483	4.1	2,005,559	6.0
Minnesota	3,023,257	4.2	3,094,701	6.2

County Government

Anoka County was organized on May 23, 1857. The County has a governing body with a seven-member Commission which meets twice each month. Commissioners are elected by District and serve overlapping four-year terms.

Ms. Rhonda Sivarajah was appointed as the County Administrator on May 14, 2019. Responsibilities include managing the County budget, assisting the County Board to ensure the effectiveness of all County services, and

* Source: U.S. Census Bureau.

¹ Source: 2015-2019 American Community Survey, U.S. Census Bureau.

² Source: Minnesota Department of Employment and Economic Development website.

providing county board agendas and minutes.

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.

Building Permits

Building permits issued in the County have been as follows:

<u>Year</u>	<u>New Single Family Number</u>	<u>Value</u>	<u>Total Value</u>
2021 (as of 10/06)	1,180	\$369,811,100	\$555,961,900
2020	966	286,060,400	608,632,100
2019	939	250,331,279	515,242,200
2018	726	217,257,471	842,361,623
2017	831	208,755,980	795,030,082
2016	1,000	204,595,608	661,441,684

Financial Institutions¹

The following banks/financial institutions serve Anoka County.

Bank Name

21st Century Bank
Anchor Bank, National Association
BMO Harris Bank, National Association
Boundary Waters Bank
Central Bank
Community Pride Bank
Cortrust Bank National Association
First Farmers & Merchants State Bank
First Minnesota Bank
First Resource Bank
Guaranty Bank
Landmark Community Bank, National Association
Northeast Bank
Peoples Bank of Commerce
Pine River State Bank

Bank Name

Premier Bank
TCF National Bank
The First National Bank of Elk River
U.S. Bank National Association
Wells Fargo Bank, National Association
Village Bank
MINNCO
Sharepoint
Financial One
United Educators
Spire
Wings Financial
Affinity Plus
SMW Financial

Education

Nine independent school districts serve the County: ISD No. 11, Anoka-Hennepin; ISD No. 12, Centennial; ISD No. 13, Columbia Heights; ISD No. 14, Fridley; ISD No. 15, St. Francis; ISD No. 16, Spring Lake Park; ISD No. 624, White Bear Lake; ISD No. 728, Elk River, and ISD No. 831, Forest Lake.

¹ Source: Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration website.

Major/Leading Employers

The following are some of the major employers within the County:

<u>Name</u>	<u>Product/Service</u>	<u>Number of Employees</u>
ISD No. 11, Anoka-Hennepin	Education	7,310
Medtronic Corporation	Medical Devices	4,064
Mercy and United Hospital	Medical Services	3,101
Anoka County	County Government	2,327
Northtown Mall	Retail	1,500
Target Corporation	Retail	1,496
Federal Premium Ammunition	Ammunition Manufacturing	1,453
Pentair Technical Products	Electrical Products	1,225
Cummins Power Generation	Generator Manufacturing	1,210
RMS Company	Medical and Aerospace Components	950

Source: *The County, Reference USA, and Minnesota Manufacturers Register.*

Largest Taxpayers¹

Following are ten of the largest taxpayers within the Authority:

<u>Name</u>	<u>Classification</u>	<u>2020/2021 Tax Capacity</u>	<u>Percent of Total Tax Capacity (\$435,406,606)²</u>
Medtronic Inc.	Medical Device Services	\$2,967,079	0.68%
Minnegasco Inc.	Gas Utility	2,606,734	0.60
Coon Rapids Riverdale Village	Retail	2,111,076	0.49
Connexus Energy	Electric Utility	1,996,575	0.46
Xcel Energy	Electric Utility	1,814,470	0.42
BNSF Railroad	Railroad Transportation	1,081,827	0.25
Glimcher Northtown Venture	Shopping Center	1,079,694	0.25
Target Corporation	Retail	1,027,344	0.24
Residence at the COR Apartments	Apartments	1,024,869	0.24
Allina Health System	Health Care	<u>926,335</u>	<u>0.21</u>
		<u>\$ 16,636,003</u>	<u>3.82%</u>

¹ As reported by Anoka County.

² Before tax increment deduction.

MINNESOTA VALUATIONS; PROPERTY TAX CLASSIFICATIONS

Market Value

State Law defines the “market value” of real property as the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The assessor uses sales and market value income trends to estimate the value of property in an open market transaction. This value is also called “estimated market value”. This value is set on January 2 of each year. Property taxes levied each year are based on the value of property on January 2 of the preceding year. According to Minnesota Statutes, Chapter 273, all real property subject to taxation is to be appraised at maximum intervals of five years.

Taxable Market Value

The “taxable market value” is the amount used for calculating property taxes. The taxable market value may differ from the estimated market value due to the application of special programs that exclude value from taxation. These programs currently include, but are not limited to, Homestead Market Value Exclusion and Green Acres.

Market Value Exclusion

In 2011, the State Legislature eliminated the Homestead Market Value Credit. The Credit was an amount paid by the State to local taxing jurisdictions to reduce taxes paid by homesteaded property. The Credit has been replaced by a Homestead Market Value Exclusion. The Exclusion reduces the taxable market value (beginning with taxes payable 2012) of a jurisdiction by excluding a portion of the value of homesteaded property from taxation. For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$30,400 at \$76,000 of market value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or more, there is no valuation exclusion.

Sales Ratio

The Minnesota Department of Revenue conducts the Assessment Sales Ratio Study to compare real estate sales prices to local assessor valuations. The State uses the study results to ensure consistency in property assessments across the state. There are three different sales ratio studies that cover three distinct time periods. The 12-month study includes sales that occur from October 1st of a given year to September 30th of the following year and are compared to market values used for property taxation. The median ratio from the 12-month study is the sales ratio used to calculate indicated and economic market values.

Economic and Indicated Market Value

“Economic market value” and “indicated market value” reflect adjustments made to account for the effects of the sales ratio. The economic market value is determined by dividing the estimated market value of the jurisdiction by the sales ratio. Economic market value provides an estimation of the full value of property if it were valued at 100% of its value in the marketplace (prior to the application of legislatively mandated exclusions). The indicated market value is determined by dividing the taxable market value of the jurisdiction by the sales ratio. This value represents an estimation of the “full value” of property for taxation, after the deduction of legislative exclusions.

Net Tax Capacity

Property taxes are calculated on the basis of the “net tax capacity value”. Net tax capacity is calculated by multiplying the taxable market value of a parcel by the statutory class rate for the use classification of the property. These class rates are subject to revisions by the State Legislature. The table following this section contains current and historical class rates for primary property classifications.

Tax Cycle

Minnesota local government ad valorem property taxes are extended and collected by the various counties within the state. The process begins in the fall of every year with the certification, to the county auditor, of all local taxing districts' property tax levies. Local tax rates are calculated by dividing each taxing district's levy by its net tax capacity. One percentage point of local tax rate represents one dollar of tax per \$100 net tax capacity. A list of taxes due is then prepared by the county auditor and turned over to the county treasurer on or before the first Monday in January.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements (excluding manufactured homes) are to be mailed out no later than March 31, and manufactured home property tax statements no later than July 15. The due dates for payment of real and personal property taxes (excluding manufactured homes) are one-half on or before May 15 (May 31 for resorts) and one-half on or before October 15 (November 15 for farm property). Personal property taxes for manufactured homes become due one-half on or before August 31 and one-half on or before November 15. Delinquent property taxes are penalized at various rates depending on the type of property and the length of delinquency.

Tax Levies for General Obligation Bonds (Minnesota Statutes, Section 475.61)

State Law requires the governing body of any municipality issuing general obligations, prior to delivery of the obligations, to levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years shall be specified and such that if collected in full will, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, produce at least five percent in excess of the amount needed to meet the principal and interest payments on the obligations when due.

Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality's debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations.

The governing body may, at its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected and remitted, and the amount therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

The recording officer of the municipality shall file in the office of the county auditor of each county in which any part of the municipality is located a certified copy of the resolution, together with full information regarding the obligations for which the tax is levied. No further action by the municipality is required to authorize the extension, assessment and collection of the tax, but the municipality's liability on the obligations is not limited thereto and its governing body shall levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal and interest. The auditor shall annually assess and extend upon the tax rolls the amount specified for such year in the resolution, unless the amount has been reduced as authorized below or, if the municipality is located in more than one county, the portion thereof that bears the same ratio to the whole amount as the tax capacity value of taxable property in that part of the municipality located in the county bears to the tax capacity value of all taxable property in the municipality.

Tax levies so made and filed shall be irrevocable, except that if the governing body in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of that levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality.

Levy Limits

The State Legislature periodically enacts limitations on the ability of cities and counties to levy property taxes. Levy limits were reenacted in 2013 and applied to all counties with a population over 5,000 and all cities with a population over 2,500 for taxes payable in 2014 only. Levies “to pay the costs of the principal and interest on bonded indebtedness” and “to provide for the bonded indebtedness portion of payments made to another political subdivision of the State of Minnesota” are designated special levies and can be levied in addition to the amount allowed by levy limitations.

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The following is a partial summary of these factors:

Property Tax Classifications

<u>Class</u>	<u>Type of Property</u>	<u>Class Rate Schedule</u>		
		<u>2018/ 2019</u>	<u>2019/ 2020</u>	<u>2020/ 2021</u>
1a	<u>Residential Homestead</u> : First \$500,000	1.00%	1.00%	1.00%
	Over \$500,000	1.25	1.25	1.25
1c	<u>Commercial seasonal-residential recreational-</u> under 250 days and includes homestead			
	First \$600,000	.50	.50	.50
	\$600,001-2,300,000	1.00	1.00	1.00
	Over \$2,300,000 [†]	1.25	1.25	1.25
2a	<u>Agricultural Homestead – House, Garage, One Acre:</u>			
	First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
	Remainder of Farm* –			
	First \$1,880,000		.50	
	Over \$1,880,000		1.00	
	First \$1,900,000	.50		0.50
	Over \$1,900,000	1.00		1.00
	<u>Agricultural Homestead Land</u> ¹	1.00	1.00	1.00
2a	<u>Non-Homestead Agricultural Productive Land</u> *	1.00	1.00	1.00
2b	<u>Non-Homestead Rural Vacant Land</u> ²	1.00	1.00	1.00
3a	<u>Commercial/Industrial and Public Utility</u>			
	First \$100,000			
	\$100,001 – 150,000 [†]			
	First \$150,000 [†]	1.50	1.50	1.50
	Over \$150,000 [†]	2.00	2.00	2.00
4a	<u>Apartment</u> (4+ units, incl. private for-profit hospitals)	1.25	1.25	1.25
	<u>Residential Non-Homestead</u> (Single Unit)			
4bb(1)	First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
4c(1)	<u>Seasonal Residential Recreational/Commercial</u> [†]			
	(Resort): First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
4c(12)	<u>Seasonal Residential Recreational</u> [†]			
	Non-Commercial (Cabin): First \$500,000*	1.00	1.00	1.00
	Over \$500,000*	1.25	1.25	1.25
4d	<u>Qualifying Low-Income Rental Housing</u>			
	First \$121,000	.75		
	Over \$121,000	.25		
	First \$150,000		.75	
	Over \$150,000		.25	
	First \$162,000			.75
	Over \$162,000			.25

[†] Subject to the state general property tax.

* Exempt from referendum market value-based taxes.

¹ Homestead remainder & non-homestead; includes structures.

² Homestead remainder & non-homestead; includes minor ancillary structures.

ANOKA COUNTY REGIONAL RAILROAD AUTHORITY, MINNESOTA

ECONOMIC AND FINANCIAL INFORMATION¹

Valuations

	<i>Estimated Market Value 2020/2021</i>	<i>Net Tax Capacity 2020/2021</i>
Real Property	\$39,274,744,600	\$ 428,249,700
Personal Property	368,117,400	7,156,906
Less Tax Increment Deduction	---	(11,716,803)
Fiscal Disparities ²	---	
(Contribution to Pool)	---	(37,477,299)
Distribution from Pool	---	<u>67,263,903</u>
	<u>\$39,642,862,000</u>	<u>\$ 453,476,407</u>

Valuation Trends (Real and Personal Property)

<i>Levy Year/ Collection Year</i>	<i>Economic Market Value</i>	<i>Sales Ratio</i>	<i>Estimated Market Value</i>	<i>Market Value Homestead Exclusion</i>	<i>Taxable Market Value</i>	<i>Tax Capacity Before Tax Increments</i>	<i>Tax Capacity After Tax Increments</i>
2020/21	\$42,661,812,083	93.08%	\$39,642,862,000	\$1,299,106,487	\$37,901,478,797	\$435,406,606	\$453,476,407
2019/20	39,794,923,680	94.14	34,547,426,500	1,507,716,002	33,686,968,630	398,421,940	395,512,424
2018/19	34,330,886,742	93.30	32,030,143,600	1,625,301,131	30,098,714,813	367,449,158	366,666,711
2017/18	31,869,303,350	92.30	29,464,250,000	1,759,500,322	27,414,116,939	340,322,423	338,381,787
2016/17	30,013,348,152	92.40	27,762,109,400	1,812,416,079	25,685,050,471	313,290,263	316,505,881

Breakdown of Valuations

2020/2021 Tax Capacity, Real and Personal Property (before tax increment and fiscal disparities adjustments):

Residential Homestead	\$ 270,575,330	62.14%
Agricultural	3,591,980	0.82
Commercial & Industrial	98,586,314	22.64
Public Utility	865,674	0.20
Railroad	1,358,167	0.31
Residential Non-Homestead	52,300,035	12.01
Seasonal Recreational	972,200	0.22
Personal Property	<u>7,156,906</u>	<u>1.64</u>
Totals:	<u>\$ 435,406,606</u>	<u>100.00%</u>

¹ Property valuations, tax rates, and tax levies and collections are provided by Anoka County. Economic market value and sales ratio are provided by the Minnesota Department of Revenue.

² Fiscal Disparities Law

The 1971 Legislature enacted a "fiscal disparities law" which allows all the Twin City Metropolitan Area Municipalities to share in commercial/industrial growth, regardless of where the growth occurred geographically. Forty percent (40%) of every metropolitan municipality's growth in commercial/industrial assessed valuation is pooled and then redistributed to all municipalities on the basis of population and per capita valuation after the tax increment and fiscal disparity adjustments.

Tax Capacity Rates

Tax capacity rates for an Authority resident within the City of Coon Rapids, for the past five-assessable/collection years have been as follows:

<i>Levy Year/ Collection Year</i>	<i>2016/17 Tax Capacity Rates</i>	<i>2017/18 Tax Capacity Rates</i>	<i>2018/19 Tax Capacity Rates</i>	<i>2019/20 Tax Capacity Rates</i>	<i>2020/21 Tax Capacity Rates</i>
Anoka County	36.780%	35.334%	34.473%	33.078%	31.086%
City of Coon Rapids	44.164	42.368	41.232	40.199	38.553
ISD No. 11 (Anoka-Hennepin)	18.604	18.392	16.330	16.948	16.152
Regional Rail Authority	0.801	0.738	0.685	0.494	0.481
Special Districts	<u>5.802</u>	<u>5.663</u>	<u>5.231</u>	<u>5.017</u>	<u>4.860</u>
Totals:	<u>106.151%</u>	<u>102.495%</u>	<u>97.951%</u>	<u>95.736%</u>	<u>91.132%</u>

Tax Levies and Collections¹

<u>Levy/Collect</u>	<u>Net Levy</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated as of 5/31/21</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2020/2021	\$2,189,891		In Process of Collection		
2019/2020	2,236,067	\$2,200,672	98.42%	\$2,214,847	99.05%
2018/2019	2,740,327	2,711,343	98.94	2,730,660	99.65
2017/2018	2,742,030	2,723,107	99.31	2,739,843	99.92
2016/2017	2,739,472	2,715,140	99.11	2,738,118	99.95

¹ 2020/2021 property taxes are currently in the process of collection/reporting and updated figures are not yet available from Anoka County.

SUMMARY OF DEBT AND DEBT STATISTICS

Statutory Debt Limit¹

Minnesota Statutes, Section 475.53 states that a city or county may not incur or be subject to a net debt in excess of three percent (3%) of its estimated market value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes. The Authority is not subject to the debt limit.

¹ Effective June 2, 1997 and pursuant to Minnesota Statutes 465.71, any lease revenue or public project revenue bond issues/agreements of \$1,000,000 or more are subject to the statutory debt limit. Lease revenue or public project revenue bond issues/agreements less than \$1,000,000 are not subject to the statutory debt limit.

ANOKA COUNTY REGIONAL RAIL AUTHORITY, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM TAXES
(As of November 2, 2021, Plus This Issue)

Purpose:	This Issue				
	G.O. Limited Tax Refunding Bonds, Series 2015A	Taxable G.O. Limited Tax Crossover Refunding Bonds, Series 2022A			
Dated:	06/16/15	01/06/22			
Original Amount:	\$27,155,000	\$4,215,000			
Maturity:	1-Feb	1-Feb	TOTAL	TOTAL	
Interest Rates:	2.00-4.00%	2.00%	PRINCIPAL:	PRIN & INT:	
2021	\$0	\$0	\$0	\$0	2021
2022	1,455,000	0	1,455,000	2,060,269	2022
2023	1,495,000	0	1,495,000	2,052,181	2023
2024	1,555,000	0	1,555,000	1,860,791	2024
2025	0	1,375,000	1,375,000	1,445,550	2025
2026	0	1,405,000	1,405,000	1,447,750	2026
2027	0	1,435,000	1,435,000	1,449,350	2027
	\$4,505,000	\$4,215,000	\$8,720,000	\$10,315,891	
		(1)			

NOTE: 100% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAXES WILL BE RETIRED WITHIN TEN YEARS.

(1) These bonds will crossover refund the 2025 through 2032 maturities of the Authority's \$27,155,000 General Obligation Limited Tax Refunding Bonds, Series 2015A, on February 1, 2024 at a price of par plus accrued interest.

Indirect Debt*

<u>Issuer</u>	<u>2020/2021 Tax Capacity Value¹</u>	<u>2020/2021 Tax Capacity Value in County¹</u>	<u>Percentage Applicable in Authority</u>	<u>Outstanding General Obligation Debt</u>	<u>Taxpayers' Share of Debt</u>
Counties:					
Anoka	\$453,476,407	\$453,476,407	100.00%	\$ 49,145,000	\$ 49,145,000
Cities:					
Andover	41,373,759	41,373,759	100.00	10,955,000	10,955,000
Anoka	21,581,035	21,581,035	100.00	38,650,000	38,650,000
Bethel	547,884	547,884	100.00	0	0
Blaine	95,087,044	94,402,224	99.28	46,120,000	45,787,936
Centerville	5,347,561	5,347,561	100.00	2,304,402	2,304,402
Circle Pines	5,509,623	5,509,623	100.00	9,925,000	9,925,000
Columbia Heights	20,102,020	20,102,020	100.00	23,200,000	23,200,000
Columbus	7,224,695	7,224,695	100.00	8,170,000	8,170,000
Coon Rapids	76,395,992	76,395,992	100.00	42,645,000	42,645,000
East Bethel	14,974,943	14,974,943	100.00	16,520,000	16,520,000
Fridley	36,601,604	36,601,604	100.00	44,645,000	44,645,000
Ham Lake	23,718,202	23,718,202	100.00	1,231,010	1,231,010
Lexington	2,511,147	2,511,147	100.00	1,749,857	1,749,857
Lino Lakes	27,800,937	27,800,937	100.00	14,774,720	14,774,720
Nowthen	6,691,831	6,691,831	100.00	1,428,000 ²	1,428,000
Ramsey	33,103,293	33,103,293	100.00	28,900,000	28,900,000
St. Francis	8,372,216	8,362,412	99.88	5,745,000	5,738,106
Spring Lake Park	7,994,442	7,792,450	97.47	2,665,400	2,597,965
Towns:					
Linwood	6,821,970	6,821,970	100.00	62,000 ²	62,000
Independent School Districts:					
ISD 11 (Anoka-Hennepin)	301,895,093	239,260,137	79.25	251,620,000	199,408,850
ISD 12 (Centennial)	45,479,432	45,479,432	100.00	88,547,738 ²	88,547,738
ISD 13 (Columbia Heights)	27,546,083	27,546,083	100.00	20,718,058	20,718,058
ISD 14 (Fridley)	19,104,916	19,104,916	100.00	44,985,000	44,985,000
ISD 15 (St. Francis)	40,833,612	38,091,782	93.29	85,080,000	79,371,132
ISD 16 (Spring Lake Park)	51,728,367	51,728,367	100.00	106,060,000	106,060,000
ISD 624 (White Bear Lake)	103,793,266	3,210,515	3.09	326,625,000	10,092,713
ISD 728 (Elk River)	100,690,423	6,184,134	6.14	302,775,000	18,590,385
ISD 831 (Forest Lake)	70,566,281	22,871,040	32.41	156,965,000	50,872,357
Special Districts:					
Metropolitan Council	4,884,505,255	453,476,406	9.28	8,800,000 ³	816,640
Metropolitan Transit	4,335,201,647	339,316,902	7.83	217,685,000 ⁴	17,044,736
				Total:	<u>\$984,936,605</u>

* Only those taxing jurisdictions with general obligation debt outstanding are included. Debt figures do not include non-general obligation debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness. Debt is as of December 2, 2021, unless otherwise noted.

¹ After tax increment deduction.

² As of December 31, 2020.

³ Metropolitan Council has \$8,800,000 of general obligation debt outstanding as of December 31, 2020. This debt is payable from ad valorem taxes levied on all taxable property within the Metropolitan Taxing District. This amount excludes \$1,279,945,062 of general obligation debt payable from wastewater and sewer revenues, and lease agreements.

⁴ Metropolitan Transit has \$217,685,000 of property tax supported general obligation debt outstanding as of December 31, 2020. Transit debt is issued by Metropolitan Council for public transit operations and is payable from ad valorem taxes levied on all taxable property within the Metropolitan Transit District.

General Obligation Debt

Bonds secured by limited tax revenues (includes this issue)	\$ <u>8,720,000</u>
<i>Direct General Obligation Debt</i>	8,720,000
Add taxpayers' share of indirect debt	<u>984,936,605</u>
<i>Direct and Indirect Debt</i>	<u>\$ 993,656,605</u>

Facts for Ratio Computations

2020/2021 Economic Market Value (real and personal property)	\$42,661,812,083
Population (2021 estimate)	367,417

Debt Ratios Excluding Revenue-Supported Debt

	<i>Direct Debt</i>	<i>Indirect Debt</i>	<i>Direct and Indirect Debt</i>
To Economic Market Value	.02%	2.31%	2.33%
Per Capita	\$24	\$2,681	\$2,705

APPENDIX A

Legal Opinion



Offices in
Minneapolis
Saint Paul
St. Cloud

Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action. Equal Opportunity Employer

\$ _____
Anoka County Regional Railroad Authority, Minnesota
Taxable General Obligation Limited Tax Crossover Refunding Bonds
Series 2022A

We have acted as bond counsel to the Anoka County Regional Railroad Authority, Minnesota (the "Authority") in connection with the issuance by the Authority of its Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A (the "Bonds"), originally dated as of the date of delivery, and issued in the original aggregate principal amount of \$ _____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding limited tax general obligations of the Authority, enforceable in accordance with their terms.
2. The principal of and interest on the Bonds are payable from ad valorem taxes levied on all taxable property in Anoka County pursuant to Minnesota Statutes, Section 398A.04, Subdivision 8, in an amount sufficient to pay principal of and interest on the Bonds when due, subject to limitation as to amount imposed by of taxes imposed by Section 398A.04, Subdivision 8.
3. Interest on the Bonds is included in gross income for federal and state income tax purposes income tax purposes.
4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated January __, 2022 at Minneapolis, Minnesota.

APPENDIX B

Continuing Disclosure Undertaking

\$ _____
Anoka County Regional Rail Authority, Minnesota
Taxable General Obligation Limited Tax Crossover Refunding Bonds
Series 2022A

CONTINUING DISCLOSURE CERTIFICATE

January __, 2022

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Anoka County Regional Rail Authority, Minnesota (the “Authority”) in connection with the issuance of its Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A (the “Bonds”), in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the Board of Commissioners of the Authority (the “Resolutions”). The Bonds are being delivered to _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Authority has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Authority hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

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

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

“Audited Financial Statements” means annual financial statements of the County, prepared in accordance with GAAP as prescribed by GASB, and containing audited financial information of the Authority as a component unit.

“Bonds” means the Taxable General Obligation Limited Tax Crossover Refunding Bonds, Series 2022A, issued by the Authority in the original aggregate principal amount of \$ _____.

“County” means Anoka County, Minnesota.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

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

“Final Official Statement” means the deemed final Official Statement, dated _____, 20__, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

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

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

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

“GASB” means the Governmental Accounting Standards Board.

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

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

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

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

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

“Purchaser” means _____.

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

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

“SEC” means Securities and Exchange Commission, and any successor thereto.

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

(a) The Authority shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2021, 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 Authority may be submitted separately from the balance of the Annual Report.

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

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

1. Economic and Financial Information – “Valuations,” “Tax Capacity Rates,” and “Tax Levies and Collections”
2. Summary of Debt and Debt Statistics

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 Authority 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 Authority shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Authority 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 Authority shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Authority'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 Authority shall make all filings required under this Disclosure Certificate solely with EMMA.

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

Section 8. Agent. The Authority 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 Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Authority delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Authority to the Repository of the proposed amendment and an opinion of nationally

recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority 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 Authority 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 Authority 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 Authority 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 Authority 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 Authority 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 Authority, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

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

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

**ANOKA COUNTY REGIONAL RAILROAD
AUTHORITY, MINNESOTA**

Chair

Executive Director

APPENDIX C

County's Financial Statements

The following financial statements are excerpts from the annual financial report for the year ended December 31, 2020. The complete financial statements for the year 2020 and the prior two years are available for inspection at the Anoka County offices and the office of Northland Securities, Inc. The reader of this Official Statement should be aware that the complete financial report may have further data relating to the excerpts presented in the appendix which may provide additional explanation, interpretation or modification of the excerpts.



INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County
Anoka, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of December 31, 2020, 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.

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 Governmental Accounting Standards Board, 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 as listed in the table of contents 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 Combining and Individual Fund Financial Statements and the Other Supplementary Information are 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 24, 2021, on our consideration of Anoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Anoka County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anoka County's internal control over financial reporting and compliance.



JULIE BLAHA
STATE AUDITOR



DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

June 24, 2021

**ANOKA COUNTY
ANOKA, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020
(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, 2020. 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 xiii of this report.

Financial Highlights

- The assets and deferred outflows of resources of Anoka County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$974.3 million (net position). Of this amount, the County has \$70.5 million in unrestricted net position.
- The County's total net position increased by \$92.4 million or about 10.5 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of \$309.3 million. Approximately 70.9 percent of this total amount, \$219.4 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly \$183.7 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was \$40.9 million or 29.0 percent of total General Fund expenditures.
- Anoka County's bonded debt decreased by \$22.3 million (18.9 percent) during the current fiscal year, as a result of scheduled debt service payments and refunded debt from the 2008D general obligation bonds, 2010B general obligation CIP bonds, 2011A general obligation CIP bonds, and 2012A general obligation CIP bonds.
- The County issued \$10.1 million in bonds during the year all being part of the 2020A general obligation CIP refunding issuance of the 2011A and 2012A general obligation CIP bonds.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Anoka County reports three 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 Private Purpose Trust Fund is used to account for funds in trust that the County is holding for individuals receiving social welfare assistance. The Custodial Funds account for monies held in a fiduciary capacity on behalf of school districts and special districts that use the County as a depository; property taxes and fees collected on behalf of other governments; and individual inmate accounts from the County jail. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Anoka County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 to 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents other information, including: a) required supplementary information, other than Management's Discussion and Analysis (MD&A), that includes budgetary comparison schedules and information about the County's OPEB and pension plans, which can be found on pages 69 to 83; b) combining and individual fund

statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 85 to 97 of this report; c) combining statements for the custodial funds, which can be found on pages 102 to 104; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 105 to 116.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Anoka County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$974.3 million at the close of the most recent fiscal year.

Anoka County Net Position (in Thousands)

	Governmental activities	
	2020	2019
Current and other assets	\$ 383,859	\$ 317,003
Capital assets	880,213	872,784
Total assets	1,264,072	1,189,787
Deferred outflows of resources	59,784	72,013
Long-term liabilities outstanding	267,657	274,661
Other liabilities	44,512	46,438
Total liabilities	312,169	321,099
Deferred inflows of resources	37,429	58,821
Net position:		
Net investment in capital assets	817,141	792,508
Restricted	86,650	82,437
Unrestricted	70,467	6,935
Total net position, as reported	\$ 974,258	\$ 881,880

By far the largest portion of Anoka County's net position, \$817.1 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 \$86.7 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$70.5 million is unrestricted net position.

The increase in net investment in the capital assets portion of net position is the value of capital assets less the outstanding debt for those assets. The increase of \$24.6 million is the result of the continuation of county highway projects; (\$6.0 million for the CSAH 78 grade separation, CSAH 11 reconstruction \$9.3 million, and \$12.7 million for the CSAH 116 reconstruction combined with the decrease in debt related to capital assets).

There was an increase in unrestricted fund balance of \$63.5 million due to a change in routine spending and the receipt of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The property tax receipts stayed close to budget while, the amount of normal expenditures that Anoka County would experience in a non-pandemic year decreased drastically. The decrease in expenditures were due to a shutdown of government facilities and a change in delivery of many County services. The County conducted much business remotely and has generated discussion and evaluation of service delivery going forward.

The County is reporting an increase of \$11.7 million in net pension liability (NPL) for a total NPL of \$100.9 million. In addition to the NPL, the County is reporting deferred pension outflows of \$16.6 million and deferred pension inflows of \$20.3 million. For additional information, see Note 3.E on page 58 to 64.

The County is reporting a net OPEB liability of \$61.5 million. In addition the County is reporting deferred OPEB outflows of \$43.2 million and deferred OPEB inflows of \$17.1 million.

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

Governmental activities. Anoka County's governmental activities' net position increased \$92.4 million in 2020. Key elements of this increase are as follows:

Revenues from charges for services decreased by \$1.2 million (2.6 percent) in 2020. This decrease is due to Anoka County not being able to provide as many services due to certain programs being closed for a stretch of time because of the COVID-19 pandemic. The services affected by facility closures and pandemic restrictions were license and passport centers, Chomonix Golf Course, parks and campgrounds, and Bunker Beach Wave Pool. The County utilized these closures to make repairs and improvements to these facilities.

Operating grants and contributions increased by \$8.9 million (8.3 percent) in 2020. Human Services is funded with county levy and reimbursement grants. As a result, when the County provided an annual merit increase to personnel within the Human Services function, the reimbursements increased. Also, Anoka County was awarded \$7.1 million in Minnesota State Business Relief funds in late December, with grants made to recipients in early 2021.

Capital grants and contributions increased by \$6.4 million (39.5 percent) in 2020. This is mainly due to the continuation and completion of infrastructure projects around the County. Many of these projects are reimbursed after the expenditures are made.

Property and transportation tax revenues increased by \$6.2 million (4.0 percent) in 2020. County property tax levy went up by \$5.5 million while retaining a high collection rate. Despite the pandemic, the County also saw an increase of \$462 thousand in transportation taxes in 2020.

Grants and contributions not restricted to specific programs increased by \$44.5 million (235.6 percent) in 2020. Anoka County received CARES Act funding that was used to offset many expenses that were COVID-19 eligible.

Anoka County Changes in Net Position
(in Thousands)

	Governmental activities	
	2020	2019
Revenues:		
Program revenues		
Charges for services	\$ 44,180	\$ 45,371
Operating grants and contributions	116,209	107,270
Capital grants and contributions	22,672	16,253
General revenues:		
Property, transportation and wheelage taxes	161,416	155,262
Grants and contributions not restricted to specific programs	63,340	18,876
Other	15,519	19,693
Total revenues	423,336	362,725
Expenses:		
General government	65,755	53,780
Public safety	76,973	81,340
Highway and streets	54,871	43,983
Human services	89,212	91,108
Sanitation	4,564	4,437
Culture and recreation	19,736	21,152
Conservation of natural resources	567	675
Economic development	15,529	14,962
Interest on long-term debt	3,751	4,458
Total expenses	330,958	315,895
Increase (Decrease) in net position	92,378	46,830
Net position - January 1	881,880	835,050
Net position - December 31	\$ 974,258	\$ 881,880

In 2017, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. During 2020, the net other postemployment benefits (OPEB) obligation was decreased by \$4.8 million. Changes in actuarial assumptions and differences between expected and actual experience resulted in a decrease of XXXXX thousand in the total OPEB liability. The difference between expected and actual experience (\$888.8 thousand) is primarily due to medical rate changes as well as the medical trend change which was partially offset by net investment income (-\$13.6 million). All other assumptions remained unchanged. Several factors will be reviewed for a new valuation that is scheduled for 2021. The OPEB expense of \$7.1 million was allocated among the various functions of governmental activities. The average OPEB expense for general government, public safety and human services is \$1.9 million. Additional information is provided in the "Notes to the Financial Statements", Note 3.C.4, pages 44 to 48.

In 2015, Anoka County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*. A new PERA valuation was completed for the pension plans and actuarial assumptions resulting in a \$9.5 million decrease to pension expense which was allocated to various functions of the governmental activities. General government and human services each averaged a decrease of \$1.0 million pension expense. Public safety saw a decrease of \$6.7 million. This is offset by Anoka County's contributions to PERA throughout the year of \$11.1 million resulting in a \$2.1 million pension expense. Additional information is provided in the "Notes to the Financial Statements", Note 3.E, pages 58 to 64.

General government expenses increased by \$12.0 million in large part to COVID-19 related expenses which were recorded within the General Fund. The COVID-19 expenditures included Economic Recovery and funding totaling \$5.3 million and disbursed to 272 local businesses; safety net funding (\$1.9 million) for general assistance to 50 non-profit organizations, transportation assistance and five food programs and two housing agencies for individuals experiencing a hardship due to COVID-19; Local Government funding for changes to service delivery at the County. Staff costs for public safety and public health as well as a leave pool for employees utilizing emergency paid sick leave (EPSL) or emergency family medical leave (EFML), personal protective equipment (PPE) and COVID-19 testing and facility modifications and additional tools to change the way the County offered services to the public.

Public safety expenses decreased by \$4.4 million. The net of OPEB and pension decreased expenditures by \$5.6 million. Anoka County had additional expenses for facility modification and safety supplies as an outcome of COVID-19 for \$1.9 million.

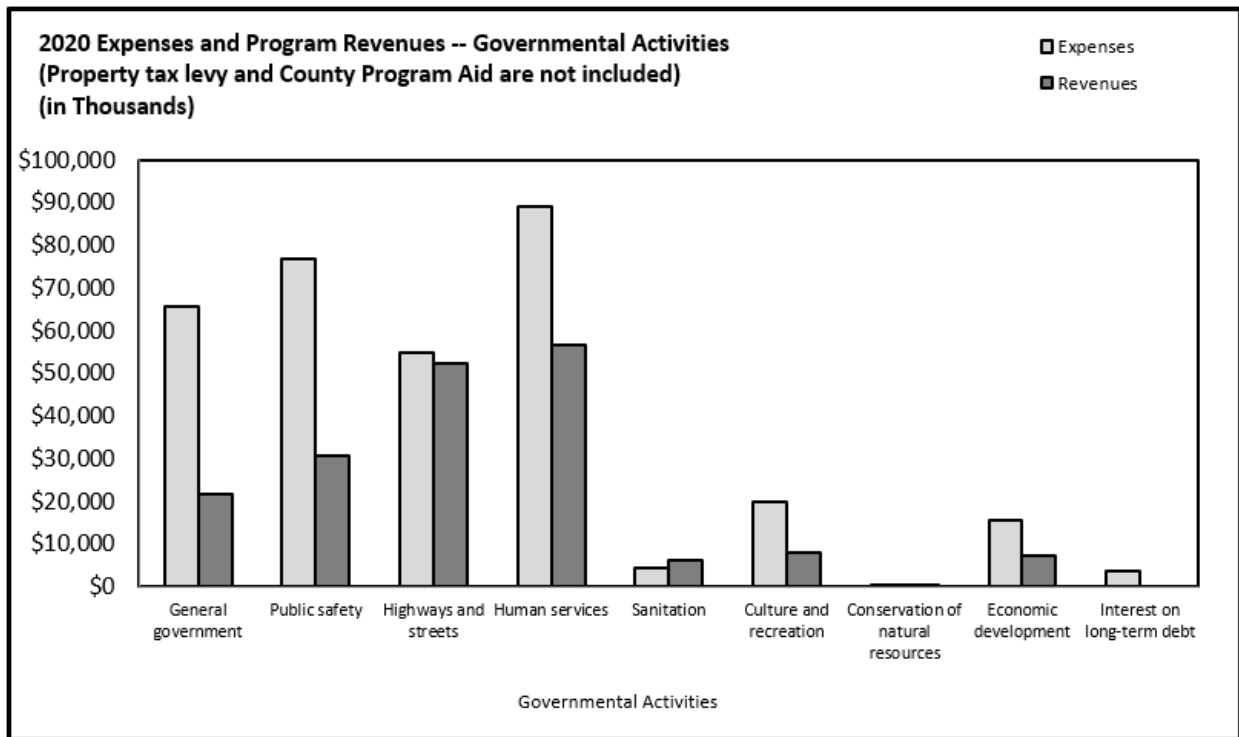
Highways and streets expenses (excluding OPEB and pension costs) increased \$10.2 million primarily due to the construction of various road projects.

There was a \$1.9 million decrease in human services expenses due in large part to the OPEB and pension costs.

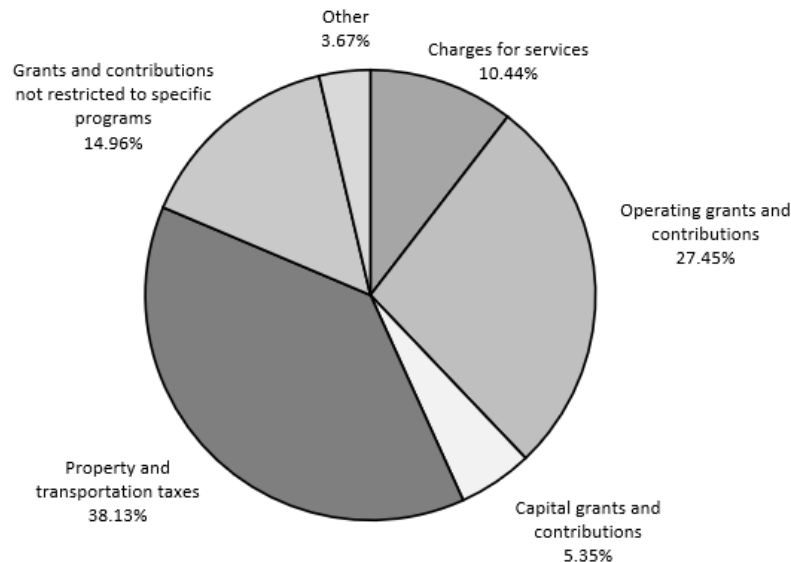
Culture and recreation had a decrease in expenses of \$1.4 million and was due to closed facilities as a result of the pandemic.

Sanitation, conservation of natural resources and economic development had very little change from 2019 to 2020.

The graph below reflects program expenses and program revenues. The Property tax levy and County Program Aid are not exhibited at the program level, but rather as general revenues, which are not displayed in this graph. General revenues are a significant portion of general government, public safety, human services, culture and recreation and interest on long-term debt. Therefore, the gap between the program expenses and revenues for those functions are greater than the gap between expenses and revenues for economic development. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Sanitation received more outside revenue in 2020 than program expenses. These funds are available for use in future years for qualified projects.



2020 Revenues by Source -- Governmental Activities



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 2020, Anoka County's governmental funds reported combined ending fund balances of \$309.3 million. This is a \$45.5 million increase (17.2 percent) from 2019. The operating funds, excluding capital projects and debt service funds for the County reflect a \$13.0 million increase (8.4 percent) in fund balances. Approximately 70.9 percent, or \$219.4 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 the 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 (\$1.8 million); b) for amounts held by escrow agents, including highway right-of-way (\$3.3 million); c) for grants, donations, and revolving loans received but not yet fully expended (\$1.6 million); d) for debt service (\$20.1 million); e) for recorder's compliance (\$5.0 million); f) for sanitation (\$26.9 million); and g) variety of public safety programs and initiatives (\$4.5 million); h) Minnesota State Business Relief funds (\$7.2 million); and i) 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 \$40.9 million, while the total fund balance was \$65.6 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 29.0 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by \$69.5 million as a result of planned actions of the County.

- Fund balance in the General Fund increased by \$2.9 million and most revenue categories came in better than budget. Due to a favorable interest rate environment and continued execution of the County's investment program, investment income came in over budget by \$2.4 million. Current year intergovernmental revenue came in \$51.9 million over budget, which was mainly caused by receiving Federal CARES Act funds and Minnesota State Business Relief funds that were not budgeted for. 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 increased total revenues with a gain of \$1.1 million. This amount is required to be recognized in the financial statements. General Fund total expenditures came in over budget by \$15.5 million. This is largely due to the spending of unbudgeted CARES Act funding including grants and funding to 272 businesses, 50 non-profits, transportation, food and housing assistance, County facility modifications, telework support for remote working, safety equipment and COVID-19 testing.

- The Road and Bridge Fund showed a \$9.9 million increase in fund balance due to receiving funding for the completion of various projects.
- The Human Services Fund had an increase of \$2.0 million in fund balance for 2020 after transferring \$8.0 million to asset preservation for future capital projects.
- The Debt Service Funds' fund balance decreased by \$7.5 million due to regularly scheduled debt service payments, and refunded debt from the 2008D general obligation bonds, 2010B general obligation CIP bonds, 2011A general obligation CIP bonds, and the 2012A general obligation CIP bonds.
- Fund balance in the Capital Projects Fund increased by \$40.0 million due to budget savings transferred from operating funds from the General Fund (\$28.5 million), Human Services Fund (\$8 million), Debt Service Fund (\$4.3 million), and Library Fund (\$400 thousand).

The 2020 variance between the final budget and actual expenditures in the General Fund was a negative \$15.5 million due to COVID-19 related expenditures.

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

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was \$1.1 million which reflects changes to how benefit contributions are now reported in the Proprietary Funds. This was a change in budgeting strategy.

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 \$7.4 million. Investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, bridges, and software. The total increase in Anoka County's investment in capital assets for the current fiscal year was 0.9 percent.

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

- Land values increased in the amount of \$1.9 million due to right of way for future infrastructure projects.
- Buildings and structures decreased by \$3.3 million due to depreciation expense and some remodeling projects completed.
- The \$25.3 million increase in infrastructure is due to the completion of the grade and reconstruction project of CSAH 78
- The \$17.6 million decrease in construction in progress is due to the completion of several projects including infrastructure reconstruction and grade separation of CSAH 78.

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

	Governmental activities	
	2020	2019
Land	\$ 225,851	\$ 223,970
Buildings and structures	155,902	159,185
Improvements other than buildings	15,546	15,909
Machinery and equipment	24,300	22,551
Infrastructure	382,268	356,940
Software	2,276	2,530
Construction in progress	74,070	91,699
Total	\$ 880,213	\$ 872,784

Additional information on Anoka County's capital assets can be found in Note 3.A.3. on page 40 of this report.

Long-term debt. At the end of the current fiscal year, Anoka County had total bonded debt outstanding of \$95.6 million. Of this amount, \$81.7 million comprises debt backed by the full faith and credit of the County and \$13.9 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	
	2020	2019
General obligation bonds and notes	\$ 59,665	\$ 71,840
Lease revenue obligations	1,740	2,055
General obligation bonds supported by revenues	13,895	22,375
Limited tax bonds	20,280	21,655
Total	\$ 95,580	\$ 117,925

Anoka County's total bonded debt decreased by \$22.3 million (18.9 percent) during the current fiscal year, due to scheduled debt service payments and the early defeasance of two general obligation bond issues (2008D, 2010B, 2011A, and 2012A) all of which totaled \$32.5 million of principal paid in 2020. Anoka County had one general obligation refunding bond issuance in 2020 totaling the amount of \$10.1 million.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total estimated market value. The current debt limitation for Anoka County is \$1.19 billion. The current general debt obligation is \$81.7 million, or approximately 6.9 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 49 to 55 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 2021 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by \$47.2 million. Debt service and capital project funds comprise \$141.7 million of the total fund balance to be used for future debt payments and completion of current capital projects. The Anoka County Financial Policies delegate authority to the Division Manager of Finance and Central Services to assign fund balance for a specific purpose to be spent in future years.

Request for Information

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

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BASIC FINANCIAL STATEMENTS

**ANOKA COUNTY
ANOKA, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

EXHIBIT 1

	Primary Government
	Governmental Activities
<u>Assets</u>	
Cash, cash equivalents, and pooled investments	\$ 323,919,342
Cash and investments with escrow agents	2,472,613
Funds held with courts	783,146
Delinquent taxes receivable	2,539,239
Accounts receivable, net of allowance for doubtful accounts	1,505,886
Accrued interest receivable	1,580,336
Loans receivable, net of allowance for doubtful accounts	
Due within one year	486,371
Due in more than one year	2,471,327
Leases receivable	
Due within one year	868,761
Due in more than one year	4,197,803
Due from other governments	40,711,648
Inventories	1,981,899
Prepaid items	341,200
Capital assets not being depreciated	
Land	225,850,428
Construction in progress	74,069,439
Capital assets, net of accumulated depreciation:	
Buildings and structures	155,902,406
Improvements other than buildings	15,546,374
Machinery and equipment	24,300,136
Infrastructure	382,267,759
Software	2,276,119
Total Assets	1,264,072,232
<u>Deferred Outflows of Resources</u>	
Deferred pension outflows	16,618,651
Deferred OPEB outflows	43,165,591
Total Deferred Outflows of Resources	59,784,242
<u>Liabilities</u>	
Accounts payable	3,069,658
Salaries payable	6,074,685
Contracts payable	4,058,538
Due to other governments	6,664,322
Matured interest payable	1,438,883
Unearned revenue	4,816,832
Noncurrent Liabilities:	
Due within one year	
Bonds and notes payable	13,800,000
Benefits payable	2,676,316
Compensated absences	692,852
Outstanding claims payable	264,181
Capital leases payable	723,480
Loans payable	232,534
Due in more than one year	
Bonds and notes payable	87,817,100
Benefits payable	1,067,329
Compensated absences	13,164,192
Outstanding claims payable	1,803,517
Loans payable	1,481,076
Net pension liability	100,851,687
Other postemployment benefits (OPEB) liability	61,471,739
Total Liabilities	312,168,921
<u>Deferred Inflows of Resources</u>	
Deferred pension inflows	20,310,390
Deferred OPEB inflows	17,118,365
Total Deferred Inflows of Resources	37,428,755
<u>Net Position</u>	
Net investment in capital assets	817,141,235
Restricted for:	
Debt service	20,822,526
General government	5,404,555
Public safety	4,602,171
Highway	783,146
Sanitation	26,852,795
Culture and recreation	194,667
Conservation of natural resources	87,933
Economic development	8,844,580
Capital projects	19,058,385
Unrestricted (deficit)	70,466,805
Total net position	\$ 974,258,798

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 2

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

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
Primary Government:					
Governmental activities:					
General government	\$ 65,754,804	\$ 9,583,677	\$ 11,878,163	\$ 205,799	\$ (44,087,165)
Public safety	76,973,261	20,970,583	9,814,205	-	(46,188,473)
Highways and streets	54,871,255	380,016	33,867,710	17,987,678	(2,635,851)
Human services	89,211,901	3,486,496	53,312,277	-	(32,413,128)
Sanitation	4,563,682	4,651,090	1,522,747	-	1,610,155
Culture and recreation	19,735,784	2,371,200	1,128,423	4,478,367	(11,757,794)
Conservation of natural resources	567,308	4,339	-	-	(562,969)
Economic development	15,528,438	2,732,591	4,685,384	-	(8,110,463)
Interest expense and fiscal charges on long-term debt	3,751,301	-	-	-	(3,751,301)
Total governmental activities	<u>\$ 330,957,734</u>	<u>\$ 44,179,992</u>	<u>\$ 116,208,909</u>	<u>\$ 22,671,844</u>	<u>\$ (147,896,989)</u>
General Revenues:					
Property taxes collected for general purposes					131,643,773
Property taxes collected for debt service					16,595,304
Transportation taxes collected for transportation					13,176,764
Grants and contributions not restricted to specific programs					63,340,463
Unrestricted investment earnings					11,402,827
Miscellaneous					<u>4,116,031</u>
Total general revenues and transfers					<u>240,275,162</u>
Change in net position					92,378,173
Net position-January 1					<u>881,880,625</u>
Net position-December 31					<u>\$ 974,258,798</u>

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 3

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	\$ 60,680,812	\$ 30,286,382	\$ 35,052,244	\$ 20,004,632	\$ 117,990,485	\$ 38,858,723	\$ 302,873,278
Cash and investments with escrow agents	-	-	-	2,195,224	-	277,389	2,472,613
Funds held with courts	-	783,146	-	-	-	-	783,146
Delinquent taxes receivable	1,508,387	151,963	630,649	912	1,429	245,899	2,539,239
Accounts receivable, net of allowance for doubtful accounts	385,338	99,405	545,955	63,053	76,814	298,308	1,468,873
Accrued interest receivable	1,580,336	-	-	-	-	-	1,580,336
Loans receivable	336,124	-	-	-	-	2,621,574	2,957,698
Leases receivable	5,066,564	-	-	-	-	-	5,066,564
Due from other funds	200,000	-	-	-	-	-	200,000
Due from other governments	11,451,069	17,707,697	8,496,607	-	1,119,846	1,935,652	40,710,871
Advances to other funds	-	-	-	-	506,158	-	506,158
Inventories	-	1,449,734	-	-	-	4,817	1,454,551
Prepaid items	295,710	-	35,880	-	-	9,610	341,200
Total Assets	81,504,340	50,478,327	44,761,335	22,263,821	119,694,732	44,251,972	362,954,527
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	940,484	412,664	952,522	1,500	121,460	505,784	2,934,414
Salaries payable	3,926,024	328,224	1,425,191	-	-	395,246	6,074,685
Contracts payable	529,620	2,564,687	610,751	-	98,081	255,399	4,058,538
Due to other funds	-	-	-	-	-	200,000	200,000
Due to other governments	990,817	1,309,832	1,776,329	-	-	2,572,693	6,649,671
Advances from other funds	-	-	-	-	-	506,158	506,158
Matured interest payable	-	-	-	13,875	-	-	13,875
Unearned revenues	2,430,004	-	803,014	-	-	1,571,602	4,804,620
Total Liabilities	8,816,949	4,615,407	5,567,807	15,375	219,541	6,006,882	25,241,961
Deferred Inflows of Resources							
Unavailable revenue	7,051,953	17,440,063	630,649	912	1,429	3,294,134	28,419,140
Fund Balances							
Nonspendable in (Note 3.D.)							
General fund	295,710	-	-	-	-	-	295,710
Special revenue funds	-	1,449,734	35,880	-	-	14,427	1,500,041
Restricted in (Note 3.D.)							
General fund	24,390,123	-	-	-	-	-	24,390,123
Special revenue funds	-	783,146	-	-	-	3,505,495	4,288,641
Debt service fund	-	-	-	22,247,534	-	-	22,247,534
Capital projects fund	-	-	-	-	37,149,468	-	37,149,468
Committed in (Note 3.D.)							
Special revenue funds	-	-	-	-	-	3,735,527	3,735,527
Assigned in (Note 3.D.)							
General fund	5,215,452	-	-	-	-	-	5,215,452
Special revenue funds	-	26,189,977	38,526,999	-	-	27,695,507	92,412,483
Capital projects fund	-	-	-	-	82,324,294	-	82,324,294
Unassigned	35,734,153	-	-	-	-	-	35,734,153
Total Fund Balances	65,635,438	28,422,857	38,562,879	22,247,534	119,473,762	34,950,956	309,293,426
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 81,504,340	\$ 50,478,327	\$ 44,761,335	\$ 22,263,821	\$ 119,694,732	\$ 44,251,972	\$ 362,954,527

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total fund balances for governmental funds (Exhibit 3)		\$ 309,293,426
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.		880,212,661
Deferred outflows resulting from pension obligations (\$16,618,651) and OPEB obligations (\$43,165,591) are not available resources and, therefore, are not reported in governmental funds.		59,784,242
Internal service funds are used by the County to charge the cost of insurance (\$13,071,273) to the individual funds as well as cost of maintenance and fuel for the County vehicles and large equipment (\$2,566,479). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		15,637,752
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	\$ (101,617,100)	
Compensated absences	(13,857,044)	
Capital leases payable	(723,480)	
Loans payable	(1,713,610)	
Net pension liability	(100,851,687)	
Other postemployment benefits liability	(61,471,739)	
Total long term liabilities		(280,234,660)
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	\$ (1,438,883)	
Matured interest payable reported on Exhibit 3	13,875	
		(1,425,008)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		28,419,140
Deferred inflows resulting from pension obligations (\$20,310,390) and OPEB obligations (\$17,118,365) are not due and payable in the current period and, therefore, are not reported in governmental funds.		(37,428,755)
Net position of governmental activities (Exhibit 1)		<u><u>\$ 974,258,798</u></u>

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 72,378,306	\$ 8,072,700	\$ 36,702,999	\$ 16,595,304	\$ 13,176,764	\$ 14,667,042	\$ 161,593,115
Licenses and permits	561,454	84,025	1,026,033	-	-	390	1,671,902
Intergovernmental	75,812,422	51,684,354	57,413,221	6,522	3,575,468	12,034,956	200,526,943
Charges for services	27,287,610	-	2,655,061	-	-	5,528,638	35,471,309
Fines and forfeitures	-	-	-	-	-	474,375	474,375
Investment income	5,508,448	7,719	-	6,379	13,935	504,116	6,040,597
Net change in fair value of investments	3,126,346	-	-	-	-	-	3,126,346
Miscellaneous	4,688,602	298,262	438,531	1,104,407	912,936	4,895,967	12,338,705
Total Revenues	189,363,188	60,147,060	98,235,845	17,712,612	17,679,103	38,105,484	421,243,292
Expenditures							
Current							
General government	57,588,616	-	-	-	2,779,398	581,668	60,949,682
Public safety	73,310,389	-	-	-	1,906,330	5,606,297	80,823,016
Highways and streets	98,370	57,114,129	-	-	11,783	-	57,224,282
Human services	487,916	-	88,230,188	-	48,757	-	88,766,861
Sanitation	4,453,659	-	-	-	-	-	4,453,659
Culture and recreation	473,515	-	-	-	541,389	22,469,193	23,484,097
Conservation of natural resources	166,992	-	-	-	-	394,865	561,857
Economic development	191,617	-	-	-	-	14,803,085	14,994,702
Debt Service							
Principal retirement	-	-	-	32,460,000	677,367	245,270	33,382,637
Interest	-	-	-	3,784,808	30,002	16,888	3,831,698
Bond issuance costs	-	-	-	20,881	-	-	20,881
Administrative charges	-	-	-	41,550	-	-	41,550
Capital Outlay							
General government	2,201,283	-	-	-	1,064,209	-	3,265,492
Public safety	1,902,405	-	-	-	838,124	-	2,740,529
Highways and streets	38,708	-	-	-	-	-	38,708
Culture and recreation	206,654	-	-	-	184,593	-	391,247
Intergovernmental							
Highways and streets	-	130,964	-	-	-	-	130,964
Total Expenditures	141,120,124	57,245,093	88,230,188	36,307,239	8,081,952	44,117,266	375,101,862
Excess of Revenues Over (Under) Expenditures	48,243,064	2,901,967	10,005,657	(18,594,627)	9,597,151	(6,011,782)	46,141,430
Other Financing Sources (Uses)							
Transfers in	475,279	7,269,493	-	3,722,631	43,348,319	7,954,294	62,770,016
Transfers out	(45,807,723)	-	(8,000,000)	(4,319,107)	(12,990,050)	(3,653,136)	(74,770,016)
Refunding bonds issued	-	-	-	10,115,000	-	-	10,115,000
Premium on bonds	-	-	-	1,565,434	-	-	1,565,434
Total Other Financing Sources (Uses)	(45,332,444)	7,269,493	(8,000,000)	11,083,958	30,358,269	4,301,158	(319,566)
Net Change in Fund Balances	2,910,620	10,171,460	2,005,657	(7,510,669)	39,955,420	(1,710,624)	45,821,864
Fund Balances - January 1	62,724,818	18,560,892	36,557,222	29,758,203	79,518,342	36,681,599	263,801,076
Increase (decrease) in inventories	-	(309,495)	-	-	-	(20,019)	(329,514)
Fund Balances - December 31	\$ 65,635,438	\$ 28,422,857	\$ 38,562,879	\$ 22,247,534	\$ 119,473,762	\$ 34,950,956	\$ 309,293,426

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds (Exhibit 5) \$ 45,821,864

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	\$ 33,328,162	
Current year depreciation	<u>(22,995,705)</u>	
		10,332,457

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	\$ (10,115,000)	
Loans	(509,351)	
Discounts and premiums	(1,565,434)	
Principal repayments:		
Debt service principal retirement	33,382,637	
Current year amortization of discounts and premiums	<u>1,584,658</u>	
		22,777,510

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position. (2,903,987)

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	\$ 28,419,140	
Unavailable revenue - January 1	<u>(27,434,017)</u>	
		985,123

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 (-\$3,147,906), change in interest payable (\$167,414), and changes in inventories (-\$329,514). (3,310,006)

Current year net change in the other postemployment benefits (OPEB) liability, deferred OPEB inflows and deferred OPEB outflows. (7,123,412)

Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows. 9,384,168

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. 16,414,456

Changes in net position of governmental activities (Exhibit 2) \$ 92,378,173

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Governmental Activities - Internal Service Funds
<u>Assets</u>	
Current Assets:	
Cash and pooled investments	\$ 21,046,064
Accounts receivable, net of allowance for doubtful	37,013
Due from other governments	777
Inventory	527,348
	<hr/>
Total Assets	21,611,202
	<hr/>
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable	135,244
Due to other governments	14,651
Unearned revenue	12,212
Benefits payable	2,676,316
Outstanding claims payable	264,181
	<hr/>
Total current liabilities	3,102,604
	<hr/>
Noncurrent Liabilities:	
Benefits payable	1,067,329
Outstanding claims payable	1,803,517
	<hr/>
Total noncurrent liabilities	2,870,846
	<hr/>
Total Liabilities	5,973,450
	<hr/>
<u>Net Position</u>	
Unrestricted	15,637,752
	<hr/>
Total Net Position	\$ 15,637,752
	<hr/> <hr/>

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for services	\$ 45,909,745
Insurance recoveries	394,213
Miscellaneous	4,184,030
Total Operating Revenues	50,487,988
<u>Operating Expenses</u>	
Personal services	1,412,875
Other services and charges	1,669,561
Supplies	478,067
Employee benefits	33,912,532
Retiree benefits	7,298,843
Insurance	1,301,654
Total Operating Expenses	46,073,532
Income (Loss) Before Transfers	4,414,456
<u>Transfers</u>	
Transfers in	12,000,000
Increase (Decrease) in Net Position	16,414,456
Net position - January 1	(776,704)
Net position - December 31	\$ 15,637,752

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
Increase (Decrease) in Cash and Cash Equivalents

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:	
Receipts from customers	\$ 54,753,400
Payments to suppliers	(46,371,343)
Net cash provided (used) by operating activities	8,382,057
Cash Flows from Noncapital Financing Activities:	
Transfer from other funds	12,000,000
Net increase (decrease) in cash and cash equivalents	20,382,057
Cash and cash equivalents, January 1	664,007
Cash and cash equivalents, December 31	\$ 21,046,064
Reconciliation of operating income to net cash provided (used) by operating activities:	
Income (loss) before transfers	\$ 4,414,456
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in Accounts receivable	53,114
(Increase) decrease in Due from other governments	12,298
(Increase) decrease in Due from other funds	4,200,000
(Increase) decrease in Inventories	(215,167)
Increase (decrease) in Accounts payable	(14,130)
Increase (decrease) in Benefits payable	950,245
Increase (decrease) in Contracts payable	(150)
Increase (decrease) in Due to other governments	8,689
Increase (decrease) in Unearned revenue	12,212
Increase (decrease) in Outstanding claims payable	(1,039,510)
Total adjustments	3,967,601
Net cash provided (used) by operating activities	\$ 8,382,057

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 10

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Private Purpose Trust Funds	Other Postemployment Benefits Trust Fund	Custodial Funds
<u>Assets</u>			
Cash and pooled investments	\$ 835,696	\$ 84,810,760	\$ 27,135,245
Delinquent taxes receivable	-	-	17,200,699
Accounts receivable, net of allowance for doubtful accounts	-	-	1,253,983
Due from other governments	-	-	222,949
Total Assets	835,696	84,810,760	45,812,876
<u>Liabilities</u>			
Accounts payable	-	-	227,193
Salaries payable	-	-	40,859
Contracts payable	-	-	1,589
Due to other governments	-	-	4,308,180
Property taxes payable	-	-	3,778,487
Total Liabilities	-	-	8,356,308
<u>Net Position</u>			
Restricted for:			
Individuals, organizations, and other governments	835,696	84,810,760	37,456,568
Total Net Position	\$ 835,696	\$ 84,810,760	\$ 37,456,568

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

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 11

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Private Purpose Trust Funds	Other Postemployment Benefits Trust Fund	Custodial Funds
<u>Additions</u>			
Contributions:			
Individuals	\$ -	\$ -	\$ 10,700,721
Employer	-	714,207	-
Other governments	3,568,845	-	6,390,724
Property tax collections	-	-	401,439,510
License and fees collected	-	-	25,969,595
Investment earnings	-	13,568,089	63,549
Less: investment expense	-	(4,951)	-
Miscellaneous	-	-	698,126
Total Additions	3,568,845	14,277,345	445,262,225
<u>Deductions</u>			
Payments for personnel and benefits	-	4,814,207	1,138,610
Payments of property tax to other entities	-	-	387,616,017
Payments to individuals and other entities	-	-	10,607,004
Payments of grant awards	-	-	181,267
Administrative expense	3,297,315	-	28,791,995
Total Deductions	3,297,315	4,814,207	428,334,893
Change in net position	271,530	9,463,138	16,927,332
Net position - January 1	564,166	75,347,622	20,529,236
Net position - December 31	\$ 835,696	\$ 84,810,760	\$ 37,456,568

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

**ANOKA COUNTY
ANOKA, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

For financial reporting purposes, Anoka County has included all funds, organizations, agencies, boards, commissions, and authorities, and has considered all potential component units for which the County is financially accountable, and other organizations whose nature and 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.

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

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements

1. Government-Wide Statements

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

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

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

2. Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

Additionally, the County reports the following fund types:

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

The OPEB 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 Private-Purpose Trust Fund accounts for funds in trust that the County is holding for individuals receiving social welfare assistance.

The Custodial Funds account for monies held in a fiduciary capacity on behalf of school districts and special districts that use the County as a depository; property taxes and fees collected on behalf of other governments; and individual inmate accounts from the County jail.

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Anoka County considers all revenues to be *available* if they are collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants for which the period is 90 days. Property and other taxes, shared revenues, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

1. Cash and Investments

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

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

Pooled (in lieu of cash) investments are stated at fair value at December 31, 2020. Investment earnings are allocated to the special revenue funds, Debt Service Fund, Capital Projects Fund, OPEB Trust Fund, and custodial funds based on cash balances set aside for specific purposes within those funds. Pursuant to Minn. Stat. § 385.07, investment income on unallocated cash and pooled investments are credited to the General Fund. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value.

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

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

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

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

- 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.

1. Summary of Significant Accounting Policies

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

2. Receivables and Payables

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

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

Property Taxes

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

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

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

Loans

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

Leases

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

3. Inventories

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

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

4. Prepaid items

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

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

5. Capital Assets

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

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

1. Summary of Significant Accounting Policies

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

5. Capital Assets (Continued)

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

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

6. Compensated Absences

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

7. Deferred Outflows/Inflows of Resources / Unearned Revenue

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

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

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

8. Postemployment Benefits Other Than Pensions (OPEB)

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

9. Long-Term Obligations

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

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

1. Summary of Significant Accounting Policies

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

9. Long-Term Obligations (Continued)

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

10. Pensions

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

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

11. Fund Equity

Classification of Net Position

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

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

Classification of Fund Balances

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

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

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

1. Summary of Significant Accounting Policies

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

11. Fund Equity (Continued)

Minimum Fund Balance Policy

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

12. Use of Estimates

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

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Budget

The following nonmajor governmental funds have expenditures in excess of budget for the year ended December 31, 2020:

<u>Special Revenue Fund</u>	<u>Expenditures</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Parks and Recreation			
Current			
Culture and Recreation	\$ 10,582,071	\$ 14,094,057	\$ 3,511,986
Medical Examiner			
Current			
Public safety	3,764,279	4,151,706	387,427
Housing and Redevelopment Authority			
Current			
Economic Development			
Cities	-	994,234	994,234
Debt service			
Interest	-	8,580	8,580

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. County policy requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank irrevocable letters of credit may be substituted for qualifying government securities at some institutions. Depository balances are monitored as necessary, to assure the coverage in place, meets or exceeds statutory requirements as specified in Minn. Stat. § 118A.03. As of December 31, 2020, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value, net asset value, or amortized cost, as appropriate. The following is a summary of the County's cash and investments, at December 31, 2020:

Primary government		
Cash, cash equivalents and pooled investments	\$	323,919,342
Cash and investments with escrow agents		2,472,613
Funds held with courts		783,146
Fiduciary funds		
Cash, cash equivalents and pooled investments		
Custodial Fund		27,135,245
Investments		
Private Purpose Trust Fund		835,696
Other Postemployment Benefits Trust Fund		84,810,760
		<hr/>
Total cash and investments	\$	<u>439,956,802</u>

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

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

The County's ownership of all securities must be evidenced by written acknowledgments 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, 2020.

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

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

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's policy states all investment securities purchased by the County shall be held in safekeeping by a third-party designated institution for the County. As of December 31, 2020, 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:

<u>Issuer</u>	<u>Reported Amount</u>
Federal National Mortgage Association Note (FNMA)	\$ 78,334,708
Local Government Investment Pools	87,971,447

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

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

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

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

The following table presents the County's investment balances at December 31, 2020, 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	Total
U.S. Government Agency securities								
Farmer Mac USDA (FAMC)	NR		Custody	0.80%	\$ 3,542,580	\$ -	\$ -	\$ 3,542,580
Federal Farm Credit Bank (FFCB)	Aaa/AA+	M, S&P	Custody	3.99%	5,810,754	-	11,818,830	17,629,584
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	2.05%	5,058,620	-	4,010,260	9,068,880
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+NR	M, S&P	Custody	4.25%	322,899	13,368,117	5,088,889	18,779,905
Federal National Mortgage Association Note (FNMA)	Aaa/AA+NR	M, S&P	Custody	17.72%	-	60,762,164	17,572,544	78,334,708
Government National Mortgage Association (GNMA)	NR	M, S&P	Custody	0.54%	-	-	2,397,174	2,397,174
Tennessee Valley Authority (TVA)	Aaa/AA+	M, S&P	Custody	1.37%	4,017,120	2,055,380	-	6,072,500
Total U.S. Government Agency Securities				30.72%	18,751,973	76,185,661	40,887,697	135,825,331
U.S. Treasury Securities (UST)	Aaa/NR	M, S&P	Custody	1.29%	-	3,237,800	2,476,840	5,714,640
Municipal securities								
State of Arkansas	NR/AA	M, S&P	Custody	0.57%	\$ 2,022,120	\$ 519,185	\$ -	\$ 2,541,305
State of Connecticut	A1/A	M, S&P	Custody	0.80%	305,544	3,246,738	-	3,552,282
State of Georgia	Aaa/AAA	M, S&P	Custody	0.21%	-	494,143	431,940	926,083
State of Hawaii	Aa2/AA+	M, S&P	Custody	0.13%	-	572,754	-	572,754
State of Massachusetts	Aa1/AA	M, S&P	Custody	0.10%	-	452,856	-	452,856
State of Minnesota	Aa1/AAA	M, S&P	Custody	0.34%	728,632	766,570	-	1,495,202
State of Wisconsin	Aa2/AA-	M, S&P	Custody	0.05%	-	203,922	-	203,922
Big Stone County, Minnesota	NR/AA-	M, S&P	Custody	0.05%	-	213,308	-	213,308
Cuyahoga County, Ohio	Aa2/AA	M, S&P	Custody	0.04%	-	-	190,399	190,399
Hubbard County, Minnesota	Aa3/NA	M, S&P	Custody	0.47%	-	-	2,067,373	2,067,373
Tax Increment Finance Authority of Lansing Counties, Michigan	NR/A+	M, S&P	Custody	0.02%	-	-	109,424	109,424
Mahoning County, Ohio	NR/AA	M, S&P	Custody	0.05%	-	200,628	-	200,628
Milwaukee County, Wisconsin	Aa2/AA	M, S&P	Custody	0.24%	-	1,041,600	-	1,041,600
Monroe County, Michigan	NR/AA	M, S&P	Custody	0.02%	100,684	-	-	100,684
Oklahoma County, Oklahoma	NR/AA-	M, S&P	Custody	0.10%	-	420,060	-	420,060
Orange County, New York	Aa2/AA	M, S&P	Custody	0.27%	-	1,174,307	-	1,174,307
Swift County, Minnesota	NR/AA-	M, S&P	Custody	0.08%	-	358,986	-	358,986
Williamson County, Texas	NR/AAA	M, S&P	Custody	0.24%	-	-	1,042,780	1,042,780
City of Anchorage, Alaska	NR/AAA	M, S&P	Custody	0.05%	-	-	233,057	233,057
City of Bangor, Maine	Aa2/AA-	M, S&P	Custody	0.05%	-	-	203,164	203,164
City of Becker, Minnesota	Aa1/NR	M, S&P	Custody	0.32%	675,230	720,274	-	1,395,504
City of Bemidji, Minnesota	NR/AAA	M, S&P	Custody	0.08%	-	356,783	-	356,783
City of Blaine, Minnesota	NR/AAA	M, S&P	Custody	0.18%	395,426	401,944	-	797,370
City of Bloomington, Minnesota	Aaa/AAA	M, S&P	Custody	0.09%	415,361	-	-	415,361
City of Cincinnati, Ohio	Aa2/NR	M, S&P	Custody	0.09%	-	379,688	-	379,688
City of Columbus, Minnesota	A1/NR	M, S&P	Custody	0.29%	-	-	1,294,537	1,294,537
City of Dawson, Minnesota	NR/AAA	M, S&P	Custody	0.08%	-	333,080	-	333,080
City of Duluth, Minnesota	Aa2/AA	M, S&P	Custody	0.15%	681,340	-	-	681,340
City of Fargo, North Dakota	Aa2/NR	M, S&P	Custody	0.13%	-	554,394	-	554,394
City of Federal Way, Washington	Aa2/NR	M, S&P	Custody	0.32%	456,098	959,980	-	1,416,078
City of Houston, Texas	Aa3/NR	M, S&P	Custody	0.32%	-	660,270	743,176	1,403,446
City of Kennebunkport, Maine	Aa1/AAA	M, S&P	Custody	0.73%	-	3,222,750	-	3,222,750
City of Lino Lakes, Minnesota	NR/AA+	M, S&P	Custody	0.10%	460,166	-	-	460,166
City of Lubbock, Texas	Aa2/AA+	M, S&P	Custody	0.10%	-	424,267	-	424,267
City of Luverne, Minnesota	NR/AAA	M, S&P	Custody	0.08%	-	334,577	-	334,577
City of Madison, Alabama	Aa2/AA+	M, S&P	Custody	0.46%	-	1,011,590	1,025,630	2,037,220
City of Madison Heights, Michigan	NR/AA-	M, S&P	Custody	0.17%	-	-	741,174	741,174
City of Marshall, Minnesota	NR/AA	M, S&P	Custody	0.06%	-	262,875	-	262,875
City of Marshfield, Wisconsin	A1/NR	M, S&P	Custody	0.25%	145,144	733,836	224,561	1,103,541
City of Mountain Lake, Minnesota	NR/A+	M, S&P	Custody	0.06%	-	275,572	-	275,572
City of New Orleans, Louisiana	A2/AA	M, S&P	Custody	0.25%	-	-	1,084,170	1,084,170
New York City Transitional Finance Authority	Aa1/AAA	M, S&P	Custody	0.62%	-	2,747,580	-	2,747,580
City of Nicholasville, Kentucky	NR/AA	M, S&P	Custody	0.38%	-	1,694,587	-	1,694,587
City of Norfolk, Virginia	Aa2/NR	M, S&P	Custody	0.06%	-	-	273,463	273,463
City of Oklahoma City, Oklahoma	Aaa/AAA	M, S&P	Custody	0.12%	-	-	515,379	515,379
City of Omaha, Nebraska	Aa2/AA+	M, S&P	Custody	0.05%	-	207,476	-	207,476
City of Otsego, Minnesota	NR/AA+	M, S&P	Custody	0.18%	-	802,001	-	802,001
City of Owensboro, Kentucky	A1/NR	M, S&P	Custody	0.43%	-	1,910,945	-	1,910,945
City of Oxford, Alabama	Aa2/AA	M, S&P	Custody	0.06%	-	275,138	-	275,138
City of Portsmouth, Virginia	Aa2/AA	M, S&P	Custody	0.47%	-	2,086,140	-	2,086,140
City of Rochester, Minnesota	Aaa/AAA	M, S&P	Custody	1.28%	-	3,325,290	2,319,420	5,644,710

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Less than 1 year	1 to 5 years	More than 5 years	Total
Municipal securities (Continued)								
City of St Joseph, Minnesota	NR/AA-	M, S&P	Custody	0.04%	-	185,361	-	185,361
City of San Antonio, Texas	Aaa/AAA	M, S&P	Custody	0.23%	-	1,017,033	-	1,017,033
City of Seattle, Washington	Aaa/AAA	M, S&P	Custody	0.10%	-	436,250	-	436,250
City of Temple, Texas	NR/AA	M, S&P	Custody	0.11%	-	-	467,455	467,455
City of Tigard, Oregon	Aa3/AA	M, S&P	Custody	0.09%	-	-	380,905	380,905
City of Winthrop, Minnesota	NR/A+	M, S&P	Custody	0.19%	-	853,049	-	853,049
Town of North Hempstead, New York	Aaa/NR	M, S&P	Custody	0.46%	-	2,037,720	-	2,037,720
Town of Scarborough, Maine	Aa3/AA+	M, S&P	Custody	0.06%	-	-	257,033	257,033
Village of Winnetka, Illinois	Aaa/NR	M, S&P	Custody	0.04%	-	170,829	-	170,829
Amarillo ISD, Texas	Aaa/AAA	M, S&P	Custody	0.11%	-	489,190	-	489,190
Austin ISD, Texas	Aa2/NR	M, S&P	Custody	0.06%	-	257,588	-	257,588
Azle ISD, Texas	NR/NR	M, S&P	Custody	0.23%	1,038,664	-	-	1,038,664
Becker ISD, Minnesota	NR/AAA	M, S&P	Custody	0.27%	-	1,201,992	-	1,201,992
Berkeley County ISD, South Carolina	Aa1/AA	M, S&P	Custody	0.34%	1,508,265	-	-	1,508,265
Boerne ISD, Texas	Aaa/NR	M, S&P	Custody	0.14%	-	631,230	-	631,230
Brainerd ISD, Minnesota	NR/AAA	M, S&P	Custody	1.19%	2,293,687	2,973,498	-	5,267,185
Brownsville ISD, Texas	Aaa/NR	M, S&P	Custody	0.11%	-	495,574	-	495,574
Burnsville ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.24%	-	-	1,029,239	1,029,239
Canadian County ISD, Oklahoma	NR/A+	M, S&P	Custody	0.47%	-	2,092,100	-	2,092,100
Chaska ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.23%	-	1,036,560	-	1,036,560
Clinton ISD, Texas	Aaa/NR	M, S&P	Custody	0.25%	-	1,125,896	-	1,125,896
Columbus ISD, Ohio	Aa2/AA	M, S&P	Custody	0.11%	-	-	495,368	495,368
Denver City and County, Colorado	Aa3/AA-	M, S&P	Custody	0.06%	-	279,285	-	279,285
Desoto ISD, Texas	NR/AA	M, S&P	Custody	0.24%	-	1,052,563	-	1,052,563
Douglas County ISD, Nebraska	NR/AA-	M, S&P	Custody	0.05%	-	-	205,360	205,360
Dipping Springs ISD, Texas	NR/AAA	M, S&P	Custody	0.19%	-	570,115	253,498	823,613
Duluth ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.10%	200,180	236,323	-	436,503
Evansville Vanderburgh Independent School Corp, Indiana	NR/AA+	M, S&P	Custody	0.29%	-	1,302,535	-	1,302,535
Florence Township School District, New Jersey	NR/AA-	M, S&P	Custody	0.09%	-	-	401,340	401,340
Florida Housing Finance Corporation, Florida	NR/AA+	M, S&P	Custody	0.07%	-	313,209	-	313,209
Garden Grove ISD, California	Aa2/AA-	M, S&P	Custody	0.06%	-	-	284,234	284,234
Grundy and Will County United School District, Illinois	Aa3/NR	M, S&P	Custody	0.34%	-	1,512,749	-	1,512,749
Hampton Roads Sanitation District, Virginia	NR/AA+	M, S&P	Custody	0.06%	-	285,813	-	285,813
Hempstead Union Free SD, New York	MIG1/NR	M, S&P	Custody	0.46%	2,014,780	-	-	2,014,780
Houston Combined Utility System, Texas	Aa2/AA	M, S&P	Custody	0.12%	-	-	532,665	532,665
Idaho State Building Authority	Aa2/AA	M, S&P	Custody	0.06%	-	271,209	-	271,209
Indianapolis Public Improvement, Indiana	NR/AA+	M, S&P	Custody	0.27%	-	1,180,250	-	1,180,250
Inver Grove Heights ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.15%	-	685,119	-	685,119
Ivanhoe ISD, Minnesota	NR/AAA	M, S&P	Custody	0.08%	-	346,552	-	346,552
Jordan ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.27%	-	1,196,438	-	1,196,438
Keller ISD, Texas	Aaa/AAA	M, S&P	Custody	0.11%	-	484,885	-	484,885
Lancaster County ISD, Nebraska	Aa1/AAA	M, S&P	Custody	0.29%	-	1,294,488	-	1,294,488
Mankato ISD, Minnesota	Aa2/NR	M, S&P	Custody	1.14%	-	-	5,031,907	5,031,907
Middletown ISD, Ohio	NR/AA	M, S&P	Custody	0.24%	-	1,066,910	-	1,066,910
Milpitas Unified SD, California	Aa1/NR	M, S&P	Custody	0.08%	-	-	356,027	356,027
Minnetonka ISD, Minnesota	Aaa/NR	M, S&P	Custody	0.09%	-	408,208	-	408,208
Moundsview ISD, Minnesota	NR/AAA	M, S&P	Custody	0.43%	-	1,919,214	-	1,919,214
Nashville and Davidson County, Tennessee	Aa2/NR	M, S&P	Custody	0.08%	-	340,735	-	340,735
North Carolina State University, North Carolina	Aa1/AA	M, S&P	Custody	0.03%	-	-	130,428	130,428
Oregon School Board, Oregon	Aa2/AA	M, S&P	Custody	0.49%	-	2,145,660	-	2,145,660
Oxnard ISD, California	NR/AA	M, S&P	Custody	0.10%	-	426,684	-	426,684
Pike Township ISD, Indiana	NR/AA+	M, S&P	Custody	0.23%	-	1,034,874	-	1,034,874
Pillager ISD, Minnesota	NR/AAA	M, S&P	Custody	0.09%	-	379,125	-	379,125
Port Authority City of St. Paul, Minnesota	NR/AAA	M, S&P	Custody	0.46%	205,340	1,812,988	-	2,018,328
Redmond ISD, Oregon	Aa1/NR	M, S&P	Custody	0.06%	-	-	252,350	252,350
Richfield ISD, Minnesota	NR/AAA	M, S&P	Custody	0.34%	-	1,513,151	-	1,513,151
Rutgers University, New Jersey	Aa3/A+	M, S&P	Custody	0.11%	-	-	503,324	503,324
Sacramento Suburban Water District, California	NR/AA+	M, S&P	Custody	0.05%	-	-	214,120	214,120
San Francisco City and County, California	Aaa/AAA	M, S&P	Custody	0.07%	-	-	295,644	295,644
Sauk Rapids ISD, Minnesota	NR/AAA	M, S&P	Custody	0.19%	-	852,070	-	852,070
South Washington County ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.14%	-	635,517	-	635,517
Tampa Sports Authority, Florida	Aa2/NR	M, S&P	Custody	0.13%	-	579,327	-	579,327
Texas A&M University, Texas	Aaa/AAA	M, S&P	Custody	0.03%	-	130,833	-	130,833
Thief River Falls ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.24%	-	419,270	622,703	1,041,973
Toledo City School District, Ohio	Aa2/AA	M, S&P	Custody	0.11%	-	-	467,624	467,624
Tyler ISD, Texas	NR/AAA	M, S&P	Custody	0.09%	-	-	404,647	404,647
University of California, California	Aa2/AA	M, S&P	Custody	0.04%	-	187,078	-	187,078
University of Washington, Washington	Aaa/AA+	M, S&P	Custody	0.21%	-	940,500	-	940,500
Valdosta Lowndes County Industrial Authority, Georgia	Aa2/NR	M, S&P	Custody	0.28%	-	1,222,910	-	1,222,910
Virginia ISD, Minnesota	NR/AAA	M, S&P	Custody	0.09%	-	385,887	-	385,887
Virginia Resources Authority, Virginia	Aaa/AAA	M, S&P	Custody	0.10%	-	-	421,184	421,184
Winona ISD, Minnesota	NR/AAA	M, S&P	Custody	0.04%	-	191,061	-	191,061
Total Municipal Securities				26.05%	13,646,661	75,953,499	25,506,702	115,106,862
Commercial Paper				0.02%	87,341	-	-	87,341
Certificates of Deposits				0.66%	1,917,950	1,004,931	-	2,922,881
Money Market Funds				2.19%	9,706,686	-	-	9,706,686
Local Government Investment Pools				19.89%	87,971,447	-	-	87,971,447
Index Fund								
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	19.18%	84,810,761	-	-	84,810,761
Portfolio Total				100.00%	\$ 216,892,819	\$ 156,381,891	\$ 68,871,239	\$ 442,145,949

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

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

At December 31, 2020, the County had the following recurring fair value measurements:

		Fair Value Measurements Using		
	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Government agencies	\$ 135,825,331	\$ -	\$ 135,825,331	\$ -
U.S. Treasury securities	5,714,640	-	5,714,640	-
Money Market Funds	1,217,087	-	1,217,087	-
Municipal bonds	115,106,862	-	115,106,862	-
Negotiable Certificates of Deposits	1,252,881	-	1,252,881	-
Total debt securities	259,116,801	\$ -	\$ 259,116,801	\$ -
Investments measured at the net asset value (NAV)				
Commercial Paper	87,341			
Certificates of Deposit	1,670,000			
MAGIC Portfolio	67,971,447			
MAGIC Term	20,000,000			
Money Market Funds	8,489,599			
Total Investments measured at NAV	98,218,387			
Total Investments	\$ 357,335,188			

Debt securities classified in Level 1 are valued using a market approach quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using the following approaches:

- (a) U.S. Treasuries, and U.S. Agencies: a market approach by utilizing prices for identical securities in markets that are not active;
- (b) Corporate and municipal bonds: a market approach using quoted prices for similar securities in active markets;
- (c) Money market and negotiable certificates of deposit: a market approach using published fair value per share (unit) for each fund;

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

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

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

The County also holds \$84,810,761 in the Internal Equity Pool with the State Board of Investment, an external investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. Pursuant to Minn. Stat. § 471.6175, the County may only redeem these funds for the use of postemployment benefits. The County invests in this pool due to the increased investment authority, historically high rate of return on investments, and the reduction of the postemployment benefit liability recorded in its financial statements.

2. Receivables

a. Property Tax Receivable

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

Current property tax collections for the year ended December 31, 2020, were 99.78 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2020 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, 2020, were \$2,822,630 for governmental activities, and \$2,596,503 for fiduciary funds. The allowance for doubtful accounts was \$1,316,744 for governmental activities, and \$1,342,520 for fiduciary funds resulting in a net effect of \$1,505,886 and \$1,253,983 respectively.

c. Loans Receivable

Loans receivable include an allowance for doubtful accounts.

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2020:

	Original Loan Amount	Balance Repaid at December 31, 2020	Outstanding Balance - December 31, 2020	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	\$ 209,392	\$ 74,144	\$ 135,248	20	5.00
Various forfeited tax sale contracts for repurchase	444,676	243,800	200,876	Various	Various
Total General Fund	654,068	317,944	336,124		
Special Revenue Funds					
Community Development					
Loan programs	5,483,231	1,969,352	3,513,879	Various	Various
Less: Allowance for uncollectible loans	-	892,305	(892,305)		
Total Community Development, net of allowance	5,483,231	2,861,657	2,621,574		
Total Loans Receivable	\$ 6,137,299	\$ 3,179,601	\$ 2,957,698		
Due within one year			\$ 486,371		

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

d. Leases Receivable

Anoka County has leased portions of the Anoka County Human Service Center to the State of Minnesota and various community-based non-profit organizations to be used for office space. There are six lease agreements, which expired June 30, 2021, with an automatic 2-year extension. Tenants pay rent in monthly installments, in advance, on the first day of every month during the term of their lease. Rent is recorded as revenue when received.

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

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

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

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

Amounts due under the Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and unearned revenue in the General Fund at December 31, 2020. The amounts for 2021 are considered current and due within one year. Amounts remaining to be paid are as follows:

<u>Year Due</u>	<u>Ice Arena</u>	<u>MMCD Project</u>	<u>ACCAP Residences</u>	<u>Total</u>
2021	\$ 459,775	\$ 245,675	\$ 163,311	\$ 868,761
2022	463,550	245,831	163,000	872,381
2023	461,150	245,400	162,096	868,646
2024	457,600	-	160,640	618,240
2025	463,850	-	163,790	627,640
2026-2030	727,200	-	483,696	1,210,896
Total	<u>\$ 3,033,125</u>	<u>\$ 736,906</u>	<u>\$ 1,296,533</u>	<u>\$ 5,066,564</u>
Due within one year	<u>\$ 459,775</u>	<u>\$ 245,675</u>	<u>\$ 163,311</u>	<u>\$ 868,761</u>

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 223,969,529	\$ 1,880,899	\$ -	\$ 225,850,428
Construction in progress	91,699,302	23,048,687	(40,678,550)	74,069,439
Total capital assets, not being depreciated	315,668,831	24,929,586	(40,678,550)	299,919,867
Capital assets, being depreciated:				
Buildings and structures	251,789,927	2,843,463	(508,034)	254,125,356
Improvements other than buildings	35,976,180	1,208,970	(337,511)	36,847,639
Machinery and equipment	64,979,368	8,232,647	(6,170,998)	67,041,017
Infrastructure	512,922,496	36,429,372	(1,650,679)	547,701,189
Software	8,008,771	362,674	-	8,371,445
Total capital assets being depreciated	873,676,742	49,077,126	(8,667,222)	914,086,646
Less accumulated depreciation for:				
Buildings and structures	(92,605,353)	(5,689,586)	71,989	(98,222,950)
Improvements other than buildings	(20,067,041)	(1,492,845)	258,621	(21,301,265)
Machinery and equipment	(42,427,976)	(4,938,088)	4,625,183	(42,740,881)
Infrastructure	(155,982,422)	(10,258,450)	807,442	(165,433,430)
Software	(5,478,590)	(616,736)	-	(6,095,326)
Total accumulated depreciation	(316,561,382)	(22,995,705)	5,763,235	(333,793,852)
Total capital assets, being depreciated, net	557,115,360	26,081,421	(2,903,987)	580,292,794
Governmental activities capital assets, net	<u>\$ 872,784,191</u>	<u>\$ 51,011,007</u>	<u>\$ (43,582,537)</u>	<u>\$ 880,212,661</u>

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

Governmental activities:	
General government	\$ 4,036,849
Public safety	3,255,067
Highways and streets, including depreciation of general infrastructure assets	12,217,946
Human services	136,680
Sanitation	15,618
Culture and recreation	2,874,164
Economic development	459,381
Total depreciation expense - governmental activities	<u>\$ 22,995,705</u>

Construction in progress at December 31, 2020, comprises the to-date costs of the following projects:

Highway infrastructure	\$ 63,263,179
Highway vehicle	58,318
Parks/Library improvement projects	6,046,655
Digital engagement service	1,053,825
Attorney case management	468,235
Property start tax system	2,277,186
Virtual infrastructure	218,391
Server/Storage infrastructure	29,243
Compost project	556,369
Lino Lakes facility security system	98,038
Total construction in progress	<u>\$ 74,069,439</u>

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2020, was as follows:

1. Due From and To Other Funds

	<u>Receivable</u>	<u>Payable</u>	<u>Description</u>
Major Governmental Funds			
General Fund	\$ 200,000	\$ -	Short term loan
Nonmajor Governmental Funds			
Special Revenue Funds			
Job Training Center	-	200,000	Short term loan
	<u>-</u>	<u>200,000</u>	
Total Due From and To Other Funds	<u>\$ 200,000</u>	<u>\$ 200,000</u>	

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 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.

	<u>Advances To</u>	<u>Advances From</u>
Capital Projects Fund	\$ 506,158	\$ -
Special Revenue Funds		
Housing and Redevelopment Authority	-	394,211
Parks and Recreation	-	111,947
	<u>-</u>	<u>506,158</u>
Total Advances To and From Other Funds	<u>\$ 506,158</u>	<u>\$ 506,158</u>

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2020, consisted of the following:

	Transfers in	Description
Major Governmental Funds		
Transfers to General Fund from:		
Capital Projects	\$ 349,371	Transportation projects
Capital Projects	53,993	Vehicle purchase
Capital Projects	71,915	Midwest forensic lab remodel
Total General Fund	<u>475,279</u>	
Transfers to Road and Bridge Fund from:		
Capital Projects	<u>7,269,493</u>	Roadway development
Transfers to Debt Service Fund from:		
General Fund	908,015	Lease revenue debt payments
Regional Railroad Authority	1,763,220	Debt service payments
Housing and Redevelopment Authority	1,051,396	Debt service allocation from operations
Total Debt Service Fund	<u>3,722,631</u>	
Transfers to Capital Projects Fund from:		
General Fund	108,436	Future midwest forensic lab projects
General Fund	1,628,223	Recorder's technology and compliance fees
General Fund	62,825	Future vehicle purchase
General Fund	28,000,000	Future capital project
General Fund	196,000	Future allocated capital project
General Fund	200,000	Future technology projects
Human Services	8,000,000	Future capital projects
County Library	400,000	Future capital projects
Housing and Redevelopment Authority	438,520	Escrow funds
Debt Service	4,250,000	Public safety data system
Debt Service	64,315	Escrow funds
Total Capital Projects Fund	<u>43,348,319</u>	
Transfers to other Governmental Funds from:		
Various funds	7,954,294	Miscellaneous
Total Transfers In: Governmental Funds	<u>\$ 62,770,016</u>	
Transfers to Central Fleet Internal Service Fund from:		
General Fund	<u>2,000,000</u>	Allocation for shared services
Transfers to Pooled Insurance Internal Service Fund from:		
General Fund	<u>10,000,000</u>	Insurance reserves
Total Transfers In: Internal Service Fund	<u>\$ 12,000,000</u>	
Total Transfers in: All Funds	<u>\$ 74,770,016</u>	

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2020, were as follows:

	Governmental Activities
Accounts	\$ 3,069,658
Salaries	6,074,685
Contracts	4,058,538
Due to other governments	6,664,322
Matured interest	1,438,883
Total payables	<u>\$ 21,306,086</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, 2020, are summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Other	Total
Major Governmental Funds						
General	\$ 1,649,265	\$ 835,056	\$ 336,124	\$ 5,066,564	\$ 1,594,948	\$ 9,481,957
Road and Bridge	151,963	1,534,946	-	-	15,753,154	17,440,063
Human Services	630,649	296,801	-	-	506,213	1,433,663
Debt Service	912	-	-	-	-	912
Capital Projects	1,429	-	-	-	-	1,429
Total Major Governmental Funds	2,434,218	2,666,803	336,124	5,066,564	17,854,315	28,358,024
Nonmajor Governmental Funds	245,899	1,673,666	2,621,574	-	324,597	4,865,736
Nonmajor Proprietary Funds	-	-	-	-	12,212	12,212
Total All Funds	<u>\$ 2,680,117</u>	<u>\$ 4,340,469</u>	<u>\$ 2,957,698</u>	<u>\$ 5,066,564</u>	<u>\$ 18,191,124</u>	<u>\$ 33,235,972</u>
Liability						
Unearned revenue	\$ -	\$ 2,378,862	\$ -	\$ -	\$ 2,437,970	\$ 4,816,832
Deferred Inflows of Resources						
Unavailable revenue	2,680,117	1,961,607	2,957,698	5,066,564	15,753,154	28,419,140
Totals	<u>\$ 2,680,117</u>	<u>\$ 4,340,469</u>	<u>\$ 2,957,698</u>	<u>\$ 5,066,564</u>	<u>\$ 18,191,124</u>	<u>\$ 33,235,972</u>

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2020. Following is a list of these projects and the corresponding amounts to be completed:

Major Governmental Funds

Special Revenue Funds

Road and Bridge

Various road projects \$ 3,142,151

Capital Projects Fund

Building projects

215,324

System projects

8,206,007

Total Capital Projects Fund

8,421,331

Total All Funds

\$ 11,563,482

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

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

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

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

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

Participants or Plan Membership

Participants of the plan consisted of the following at December 31, 2018, the date of the actuarial valuation:

Inactive employees and spouses currently receiving benefit payments	948
Inactive employees and spouses entitled to but not currently receiving benefit payments	57
Active employees	<u>1,821</u>
	<u>2,826</u>

Benefits Provided

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

Additionally, the County provides benefits to retirees as required by Minn. Stat. § 471.61, Subd.2(b). All medical health care benefits are provided through the County's health insurance provider and are the same as those afforded to active employees. Benefits include medical services and prescriptions. A \$2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County. The County's total OPEB liability of \$146,282,500 was measured as of December 31, 2020 and was determined with a valuation date as of December 31, 2018.

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

The County's total OPEB liability of \$146,282,500 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal level percent of pay
Discount rate	7.00 percent
Long-term expected investment return	7.00 percent
Index rate used in discount rate determination	3.13 percent
Inflation rate	2.50 percent
General Inflation (CPI-U)	2.50 percent
Payroll Growth Rate	3.25 percent
Mortality	RP-2014 mortality tables with projected mortality improvements based on the scale MP-2018, and other adjustments
Healthcare cost trend rate	6.40 percent for 2019, gradually decreasing over several decades to an ultimate rate of 4.0 percent in FY2075 and later years

The County has assets designated for OPEB in a qualified irrevocable trust. No future trust contributions are expected to be deposited to the irrevocable trust. Annual explicit plus implicit subsidy benefits are paid from general assets. After year end, the County makes trust reimbursements for a portion of the retiree benefit costs. Future trust reimbursements are assumed to be \$2.5 million annually.

The investment rate of return was valued using an assumption of 7.0 percent. The OPEB plan's fiduciary net position is projected to be sufficient to make all projected benefit payments, so therefore the discount rate used to value liabilities is the long-term expected rate of return of 7.0 percent for future valuations. Based on these parameters and GASB 75 guidelines, future plan assets are projected to be sufficient to pay all future benefit reimbursements. Therefore, the discount rate is equal to the long-term expected investment return assumption. Benefit payments were projected based on the assumptions and methods disclosed in the December 31, 2018 valuation report.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. It is assumed that the benefits are paid out of the OPEB trust until assets are depleted and projected employer contributions are first applied to employee service costs in each period (including future employees) before paying for current accrued benefit costs. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2018 to December 31, 2019.

Funding Policy and Contributions

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

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus \$2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2020, the County contributed \$6,604,430 including the implicit rate subsidy amount of \$1,790,223, and the retirees contributed \$1,902,140 toward the cost of their healthcare coverage.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability

The components of the net OPEB liability of Anoka County at December 31, 2020, were as follows:

Total OPEB Liability	\$ 146,282,499
Plan fiduciary net position	<u>84,810,760</u>
Net OPEB liability (asset)	<u>\$ 61,471,739</u>
Plan fiduciary net position as a percentage of the total OPEB liability	58.0%
Covered-employee payroll	\$ 122,452,963
Net OPEB liability (asset) as a percentage of covered-employee payroll	50.2%

Investments

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

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The weighted asset class estimates are combined with the inflation and investment expense assumptions to produce the portfolio long-term expected rate of return. The assumed asset weighting is based on target allocations in the plan's investment policy statement. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Asset Class	Target Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	99.29%	4.76%	7.26%
International equity	0.00%	5.41%	7.91%
Fixed Income	0.00%	2.01%	4.51%
Real estate and alternatives	0.00%	4.53%	7.03%
Cash and equivalents	0.71%	0.74%	3.24%
Total	100.00%		7.22%
Reduction for assumed investment expense			(0.10)%
Net long-term investment return (rounded to 1/4%)			7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 percent. The County currently pays explicit plus implicit subsidy costs from general assets. After year end, the County makes trust reimbursements for a portion of the retiree benefit costs. Future trust reimbursements are assumed to be \$2.5 million annually. Based on these parameters and GASB 75 guidelines, future plan assets are projected to be sufficient to pay all future benefit reimbursements. Therefore, the discount rate is equal to the long-term expected investment return assumption.

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)

Changes in the Net OPEB Liability

		Increase (Decrease)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 1/1/20	\$ 141,629,010	\$ 75,347,622	\$ 66,281,388
Changes for the year:			
Service cost	2,302,682	-	2,302,682
Interest	9,844,063	-	9,844,063
Difference between expected and actual experience	(888,826)	-	(888,826)
Contributions - employer	-	6,604,429	(6,604,429)
Net investment income	-	13,563,139	(13,563,139)
Benefit payments	(6,604,430)	(6,604,430)	-
Benefit reimbursement	-	(4,100,000)	4,100,000
Net change	4,653,489	9,463,138	(4,809,649)
Balance at 12/31/20	\$ 146,282,499	\$ 84,810,760	\$ 61,471,739

The following changes in assumptions affected the measurement of the total pension liability since the prior measurement date. The discount rate was increased from 6.0 percent to 7.0 percent. The healthcare cost trend rates were reset to reflect updated cost increase expectations and were added to future active contribution rates. The healthcare trend rate is 6.4 percent for 2019, decreasing to an ultimate rate of 4 percent in 2075. The medical per capita claims costs, disability rates, and mortality and salary increase rates, were updated. The percent of future retirees not eligible for an explicity subsidy assumed to elect coverage at retirement changed from 90% to 50% to reflect recent plan experience and future changes. The inflation assumption was changed from 2.75% to 2.50%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rates

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

	1% Increase	Current Discount Rate	1% Decrease
Total OPEB Liability	\$ 131,190,526	\$ 146,282,500	\$ 164,393,654
Plan fiduciary net position	84,810,761	84,810,761	84,810,761
Net OPEB Liability	\$ 46,379,765	\$ 61,471,739	\$ 79,582,893

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

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

	1% Increase	Current Trend Rates	1% Decrease
Total OPEB Liability	\$ 169,143,199	\$ 146,282,500	\$ 127,624,861
Plan fiduciary net position	84,810,761	84,810,761	84,810,761
Net OPEB Liability	\$ 84,332,438	\$ 61,471,739	\$ 42,814,100

OPEB Plan Fiduciary Net Position

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

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)

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

For the year ended December 31, 2020 the County recognized OPEB expense of \$7,123,412. At December 31, 2020, the County reported deferred inflows and outflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ 24,551,795	\$ 2,343,669
Change of assumptions	18,613,796	-
Net difference between projected and actual earnings on investments	-	14,774,696
Contributions between measurement date and reporting date	N/A	N/A
Total	<u>\$ 43,165,591</u>	<u>\$ 17,118,365</u>

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

Year	Amount
2021	\$ 2,693,481
2022	4,325,227
2023	2,878,679
2024	5,997,161
2025	7,530,195
Thereafter	2,622,483

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 \$608,000 at December 31, 2020, is available to union employees in the event of illness-related absences, and is not paid to them at termination.

c. Flexible Time Off and Extended Medical Benefit

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

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

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at \$21,126,191 on December 31, 2020. EMB hours are available for use in times of illness, after using 40 FTO or leave without pay hours. Full time employees accrue eight days of EMB per year, and part time employees receive a pro-rated amount based on their full time equivalent.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

5. Operating Leases

The County currently has 11 operating leases. The County made operating lease payments totaling \$546,346 in 2020. The following is a schedule of future minimum operating lease payments:

<u>Year Due</u>	<u>Lease Payments</u>
2021	\$ 484,044
2022	493,849
2023	392,192
2024	399,472
2025	406,108
2026-2030	1,282,048
2031-2032	6
Total	<u>\$ 3,457,719</u>

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, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease Revenue Obligations	\$ 2,055,000	\$ -	\$ (315,000)	\$ 1,740,000	\$ 330,000
General Obligation Bonds and Notes	71,840,000	10,115,000	(22,290,000)	59,665,000	10,520,000
General Obligation Bonds Supported by Revenue	22,375,000	-	(8,480,000)	13,895,000	1,530,000
Limited Tax Bonds	21,655,000	-	(1,375,000)	20,280,000	1,420,000
Total Debt	117,925,000	10,115,000	(32,460,000)	95,580,000	13,800,000
Issuance premiums	6,080,910	1,565,434	(1,609,244)	6,037,100	-
Issuance discounts	(24,586)	-	24,586	-	-
Net Debt	<u>\$ 123,981,324</u>	<u>\$ 11,680,434</u>	<u>\$ (34,044,658)</u>	<u>\$ 101,617,100</u>	<u>\$ 13,800,000</u>

Refunding Bond and Note Disclosures

On January 9, 2020, the County issued \$10,115,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A; with an average interest rate of 5.00 percent to refund \$11,580,000 of the outstanding Refunding Bonds, Series 2011A and 2012A, with an average interest rate of 3.10 percent. The net proceeds of the 2020A bonds were used to refund the 2011A bonds and the 2012A bonds on February 1, 2020. The County refunded the 2011A and 2012A bonds to reduce its total debt service payments by \$1,190,384 and obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$1,193,650.

Bonds and notes payable at December 31, 2020 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.

\$ 690,000

\$1,930,000 July 22, 2010 Taxable Refunding Certificates of Participation. These certificates mature in amounts ranging from \$70,000 to \$155,000 each June 1 in the years 2011 to 2028 with interest due each June 1 and December 1 at rates from 1.72 to 5.67 percent. Certificates maturing on or after June 1, 2018, are subject to redemption on June 1, 2019, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to refinance group homes and low income housing located in the City of Fridley.

1,050,000

Total Lease Revenue Obligations

\$ 1,740,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

b. General Obligation Bonds and Notes:

\$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.	\$	2,235,000
\$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.		425,000
\$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.		9,565,000
\$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 2015 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.		2,345,000
\$8,040,000 March 24, 2015 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$385,000 to \$940,000 each February 1 and August 1 in the years 2018 to 2029 with interest due each February 1 and August 1 in the years of 2015 to 2029 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund reconstruction of Hanson Boulevard (CSAH 11)/TH 10 interchange.		5,600,000
\$8,780,000 April 19, 2016 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$490,000 to \$680,000 each February 1 and August 1 in the years 2019 to 2033 with interest due each February 1 and August 1 in the years of 2017 to 2033 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2026, are subject to redemption on February 1, 2025, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund court remodeling, Coon Lake Park improvements, and jail improvements.		7,785,000
\$15,890,000 April 27, 2017 General Obligation Capital Improvement Refunding Bonds (2008A and 2008C): serial bonds maturing in amounts ranging from \$855,000 to \$1,815,000 each February 1 and August 1 in the years 2019 to 2030 with interest due each February 1 and August 1 in the years of 2017 to 2030 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2027, are subject to redemption on February 1, 2026, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the reconstruction of Hanson Boulevard (CSAH 11/TH 10) interchange, the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65. The original bond also funded Medical Examiner office and morgue and Central Communications expansion.	\$	12,815,000

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)

\$3,115,000 November 20, 2018 General Obligation Bonds: serial bonds maturing in amounts ranging from \$250,000 to \$370,000 each February 1 and August 1 in the years 2021 to 2030 with interest due each February 1 and August 1 in the years of 2019 to 2030 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2028, are subject to redemption on February 1, 2027, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the remodel and expansion of the Centennial Library branch located in the City of Circle Pines.

\$ 3,115,000

\$6,855,000 November 20, 2018 Refunding Bonds (2009A): serial bonds maturing in amounts ranging from \$1,190,000 to \$1,520,000 each February 1 and August 1 in the years 2020 to 2024 with interest due each February 1 and August 1 in the years of 2020 to 2024 at a rate of 5.00 percent. The refunding bonds will refund the original bond issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, Bunker Beach expansion, reconstruction of interchange of Main Street (CSAH 14) at I-35E, construction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, and reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.

5,665,000

\$10,115,000 January 9, 2020 Refunding Bonds (2020A): serial bonds maturing in amounts ranging from \$1,220,000 to \$1,650,000 each February 1 and August 1 in the years 2021 to 2027 with interest due each February 1 and August 1 in the years of 2022 to 2027 at a rate of 5.00 percent. The refunding bonds will refund the original bonds issued to fund building repair and maintenance, renovation of the law enforcement range, construction at St. Francis Library, expansion of the Highway Campus facility, 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.

10,115,000

Total General Obligation Bonds and Notes

\$ 59,665,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

c. General Obligation Bonds Supported by Revenue:

For each of the following bond issues, 100 percent of rental income equaling the amount of principal and interest payments due, has been pledged for debt retirement. These pledges extend throughout the life of each debt issuance. All General Obligation Bonds Supported by Revenues were issued for the purpose of constructing facilities. Below is a table of the terms relevant to each issuance which describes the pledged revenue coverages during 2020:

Debt Issuance	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
\$1,475,000 Anoka County Housing and Redevelopment Authority Housing Development 2019A Refunding Bonds of 2009A	\$ 641,327	\$ 344,005	\$ 297,322	\$ -	\$ 38,842	\$ 38,842	7.65
\$4,355,000 Anoka County Housing and Redevelopment Authority Housing Development 2019A Refunding Bonds of 2011A ***	776,223	359,840	416,383	210,000	163,602	373,602	1.11
\$2,460,000 Anoka County Housing and Redevelopment Authority Housing Development 2019A Refunding Bonds of 2011A ***	604,943	337,580	267,363	95,000	92,630	187,630	1.42
\$5,230,000 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds, Series 2012A **	532,220	-	532,220	525,000	45,060	570,060	0.93
\$5,655,000 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds, Series 2012B**	484,839	-	484,839	405,000	55,888	460,888	1.05
\$1,450,000 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds, Series 2018A	581,687	255,975	325,712	170,000	27,750	197,750	1.65

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

** Expenditures information is not available

*** The 2011A refunding bonds were fully defeased in February of 2020 with a new 2019A Anoka County Housing and Redevelopment Authority General Obligation Refunding Bond in the amount of \$8,290,000 on December 4, 2019.

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)

\$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.

\$ 1,645,000

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

2,850,000

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

1,110,000

\$8,290,000 December 4, 2019 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$365,000 to \$660,000 each February 1 in the years 2021 to 2036 with interest due each February 1 and August 1 at a rate of 2.00 to 4.00 percent. Bonds maturing on February 1, 2030, and thereafter are subject to call for prior optional redemption on February 1, 2029 or any date thereafter, at a price of par plus accrued interest. The original bond was issued to fund acquiring, constructing, and equipping senior rental housing facilities in the Cities of Oak Grove, Centerville and Ramsey and to finance the addition on the Centerville senior rental housing facility.

8,290,000

Total General Obligation Bonds Supported by Revenue

13,895,000

d. Limited Tax Bonds:

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

20,280,000

Total Bonds and Notes Payable

\$ 95,580,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

7. Debt Service Requirements

Year Due	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Limited Tax Bonds	Total	
					Principal	Interest
2021	\$ 408,987	\$ 12,655,619	\$ 1,897,390	\$ 2,061,206	\$ 13,800,000	\$ 3,223,202
2022	408,832	9,546,410	1,951,109	2,060,269	11,220,000	2,746,620
2023	407,496	8,787,819	1,950,591	2,052,181	10,885,000	2,313,087
2024	160,640	8,600,191	1,374,636	2,058,956	10,315,000	1,879,423
2025	163,789	5,581,001	1,360,311	2,051,706	7,630,000	1,526,807
2026-2030	483,698	20,730,079	4,352,556	10,240,391	32,145,000	3,661,724
2031-2035	-	2,733,383	2,812,038	4,089,475	9,205,000	429,896
2036-2040	-	-	384,513	-	380,000	4,513
Total payments	2,033,442	68,634,502	16,083,144	24,614,184		
less interest	(293,442)	(8,969,502)	(2,188,144)	(4,334,184)		\$ 15,785,272
Total principal due	\$ 1,740,000	\$ 59,665,000	\$ 13,895,000	\$ 20,280,000	\$ 95,580,000	

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

8. Long-Term Obligations – Other

Changes in long-term obligations, other than bonds, for the year ended December 31, 2020, are summarized as follows:

	Long-Term Obligations		
	Governmental Activities		
	Capital Leases	Compensated Absences	Loans Payable
Payable, January 1, 2020	\$ 1,430,538	\$ 10,709,138	\$ 1,419,838
Additions	-	15,384,345	509,351
Deletions	(707,058)	(12,236,439)	(215,579)
Payable, December 31	\$ 723,480	\$ 13,857,044	\$ 1,713,610
Due within one year	\$ 723,480	\$ 692,852	\$ 232,534

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

8. Long-Term Obligations – Other (Continued)

Capital Leases

The County currently has a capital lease-to-purchase agreement for 70 golf carts at Chomonix Golf Course, which ends at the end of 2021. 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 \$114,000. Annual liquidation of this capital lease liability is reported in the Parks and Recreation Special Revenue Fund.

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

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

<u>Year Due</u>	<u>Golf Carts</u>	<u>Communication Equipment</u>	<u>Total by Year</u>
2021	\$ 38,000	\$ 707,369	\$ 745,369
Total payments	38,000	707,369	745,369
Less interest	(6,724)	(15,165)	(21,889)
Present Value of Net Minimum Payments	<u>\$ 31,276</u>	<u>\$ 692,204</u>	<u>\$ 723,480</u>

Compensated Absences

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

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

Loans Payable

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

The following is a schedule of future loan payments:

<u>Year Due</u>	<u>AgBMP</u>
2021	\$ 232,534
2022	382,865
2023	312,547
2024	249,408
2025	187,854
2026-2030	337,024
2031	<u>11,378</u>
Total payments	<u>\$ 1,713,610</u>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

9. HRA Recovery Zone Economic Development Bonds

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

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

The recovery zone bonds have an outstanding principal balance of \$12,895,000 at December 31, 2020. There are two recovery zone bond issuances at December 31, 2020:

	<u>Issue</u>	<u>Principal Balance</u>
Fridley Medical Center Project	2010A	\$ 10,270,000
Park River Estate Care Center	2010D	2,625,000
		<u>\$ 12,895,000</u>

10. Conduit Debt

The County has issued a multifamily housing revenue refunding note to provide financial assistance to a private sector entity for the acquisition and construction of low income townhomes located in Ramsey, Minnesota. This note is secured by the property financed and are payable solely from the revenue derived from the loan agreements. Upon repayment of the note, 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 notes. Accordingly, they are not reported as a liability in the accompanying financial statements.

As of December 31, 2020, there is one issue outstanding with a principle amount of \$1,301,471.

3. Detailed Notes on All Funds (Continued)

D. Fund Balances

The summary of fund balance classifications is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable for:					
Inventories	\$ -	\$ 1,454,551	\$ -	\$ -	\$ 1,454,551
Prepaid items	295,710	45,490	-	-	341,200
Total Nonspendable	\$ 295,710	\$ 1,500,041	\$ -	\$ -	\$ 1,795,751
Restricted for:					
911 capital expenditures	\$ 2,170,128	\$ -	\$ -	\$ -	\$ 2,170,128
Conceal and Carry law	812,448	-	-	-	812,448
Narcotics program	5,000	-	-	-	5,000
Solid waste abatement (recycling)	750,000	-	-	-	750,000
Household Hazardous Waste program	750,000	-	-	-	750,000
SCORE program	1,500,000	-	-	-	1,500,000
Solid waste cleanup	540,246	-	-	-	540,246
Waste processing	9,192,576	-	-	-	9,192,576
Solid waste	1,053,416	-	-	-	1,053,416
Dedicated donations	52,358	9,205	-	-	61,563
Drug and narcotics enforcement	-	52,642	-	-	52,642
Economic development grants	-	1,260,138	-	-	1,260,138
Revolving loans	-	150,000	-	-	150,000
Edith P. Wargo estate	-	185,462	-	-	185,462
Ag Preservation programs	-	87,933	-	-	87,933
Law library	-	380,029	-	-	380,029
Joint Law Enforcement Council	-	754,160	-	-	754,160
Law enforcement	-	348,537	-	-	348,537
Prisoner Needs (Canteen)	406,248	-	-	-	406,248
DWI Assessment	650	-	-	-	650
Amounts with escrow agents	-	1,060,535	2,195,224	-	3,255,759
Debt service	-	-	20,052,310	-	20,052,310
Household Hazardous Waste Facility	-	-	-	13,066,557	13,066,557
Transportation projects	-	-	-	19,058,385	19,058,385
Recorders compliance	-	-	-	5,024,526	5,024,526
Minnesota State Business Relief	7,157,053	-	-	-	7,157,053
Total Restricted	\$ 24,390,123	\$ 4,288,641	\$ 22,247,534	\$ 37,149,468	\$ 88,075,766
Committed for:					
Library	\$ -	\$ 3,529,545	\$ -	\$ -	\$ 3,529,545
Cooperative Extension programs	-	205,982	-	-	205,982
Total Committed	\$ -	\$ 3,735,527	\$ -	\$ -	\$ 3,735,527
Assigned for:					
Self insurance liabilities	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
Secured juvenile facility	1,536,783	-	-	-	1,536,783
Drug and narcotics enforcement	164,148	-	-	-	164,148
Human service programs	-	38,526,999	-	-	38,526,999
Economic development	-	9,978,476	-	-	9,978,476
Parks	-	2,049,563	-	-	2,049,563
Bunker Beach Aquatic Center	-	262,781	-	-	262,781
Midwest Forensic Laboratory	14,521	-	-	296,815	311,336
Medical examiner operations and building	-	2,094,953	-	-	2,094,953
Oaks of Lake George operations	-	96,460	-	-	96,460
Savannah Oaks operations	-	81,577	-	-	81,577
Willows of Ham Lake operations	-	40,970	-	-	40,970
Advances from other funds	-	-	-	506,157	506,157
Allocated capital projects	-	-	-	4,412,669	4,412,669
One time capital projects	-	-	-	1,393,154	1,393,154
IT capital projects	-	-	-	14,749,991	14,749,991
Innovative capital projects	-	-	-	633,665	633,665
Building security projects	-	-	-	567,796	567,796
Blade server capital projects	-	-	-	68,261	68,261
County building capital projects	-	29,739	-	4,205,049	4,234,788
Library building capital projects	-	-	-	2,444,306	2,444,306
Asset preservation	-	-	-	53,046,431	53,046,431
Transportation Projects	-	39,250,965	-	-	39,250,965
Total Assigned	\$ 5,215,452	\$ 92,412,483	\$ -	\$ 82,324,294	\$ 179,952,229

3. Detailed Notes on All Funds (Continued)

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description

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

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, and the Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No Anoka County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a prorated basis starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5.00 percent 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 Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after 10 years.

b. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January.

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan benefit recipients will receive a 1.00 percent post-retirement increase. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Correctional Plan benefit recipients will receive a post-retirement increase equal to 100 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 2.50 percent. If the Correctional Plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.50 percent to 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

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

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 Plan members were required to contribute 6.50 percent of their annual covered salary in 2020. Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in 2020. Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2020.

In 2020, the County was required to contribute the following percentages of annual covered salary:

General Employees Plan - Coordinated Plan members	7.50%
Police and Fire Plan	17.70%
Correctional Plan	8.75%

The Police and Fire Plan member and employer contribution rates increase 0.50 percent and 0.75 percent, respectively, from 2019.

The County's contributions for the year ended December 31, 2020, to the pension plans were:

General Employees Plan	\$	7,578,649
Police and Fire Plan		2,362,819
Correctional Plan		1,115,589

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

d. Pension Costs

General Employees Plan

At December 31, 2020, the County reported a liability of \$84,201,368 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the County's proportion was 1.40 percent. It was 1.37 percent measured as of June 30, 2019. The County recognized pension expense of \$3,211,770 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized \$225,970 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan annually until September 15, 2031.

Anoka County's proportionate share of the net pension liability	\$	84,201,368
State of Minnesota's proportionate share of the net pension liability associated with the County		<u>2,596,450</u>
Total	\$	<u><u>86,797,818</u></u>

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 750,560	\$ 318,579
Changes in actuarial assumptions	-	3,106,535
Difference between projected and actual investment earnings	1,251,326	-
Changes in proportion	1,331,211	2,131,161
Contributions paid to PERA subsequent to the measurement date	3,788,891	-
Total	<u>\$ 7,121,988</u>	<u>\$ 5,556,275</u>

A total of \$3,788,891 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, 2021. 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
2021	\$ (6,089,569)
2022	(209,613)
2023	2,041,670
2024	2,034,334

Police and Fire Plan

At December 31, 2020, the County reported a liability of \$15,075,190 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the County's proportion was 1.14 percent. It was 1.17 percent measured as of June 30, 2019. The County recognized pension expense of \$1,889,397 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation.

Legislation required the State of Minnesota to pay direct state aid of \$4.5 million on October 1, 2019, and to pay \$9 million by October 1 of each subsequent year until full funding is reached, or July 1, 2048, whichever is earlier. The County recognized an additional \$109,268 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

The County's proportionate share of the net pension liability	\$ 15,075,190
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>355,162</u>
Total	<u>\$ 15,430,352</u>

Legislation also requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded, or until the State Patrol Plan is 90 percent funded, whichever occurs later. The County also recognized \$102,932 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 662,452	\$ 674,156
Changes in actuarial assumptions	4,757,379	9,372,891
Difference between projected and actual investment earnings	516,307	-
Changes in proportion	1,473,654	734,191
Contributions paid to PERA subsequent to the measurement date	1,211,742	-
Total	<u>\$ 8,621,534</u>	<u>\$ 10,781,238</u>

A total of \$1,211,742 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, 2021. 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>
2021	\$ (979,679)
2022	(3,738,596)
2023	634,890
2024	754,271
2025	(42,332)

Correctional Plan

At December 31, 2020, the County reported a liability of \$1,575,129 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the County's proportion was 5.81 percent. It was 5.94 percent measured as of June 30, 2019. The County recognized pension expense of \$(2,990,108) for its proportionate share of the Correctional Plan's pension expense.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 14,797	\$ 580,878
Changes in actuarial assumptions	-	3,198,171
Difference between projected and actual investment earnings	278,333	193,828
Changes in proportion	10,238	-
Contributions paid to PERA subsequent to the measurement date	571,761	-
Total	<u>\$ 875,129</u>	<u>\$ 3,972,877</u>

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Correctional Plan (Continued)

A total of \$571,761 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, 2021. 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>
2021	\$ (3,864,931)
2022	(172,059)
2023	83,327
2024	284,154

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2020, was \$2,111,059.

e. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

	<u>General Employees Fund</u>	<u>Police and Fire Fund</u>	<u>Correctional Fund</u>
Inflation	2.25 % per year	2.50 % per year	2.50 % per year
Active Member Payroll Growth	3.00% per year	3.25% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disability rates were based on the Pub-2010 General Employee Mortality Table for the General Employees Plan and the RP-2014 mortality tables for the Police and Fire and the Correctional Plans, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan and 2.00 percent for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated August 30, 2016. The experience study for the Correctional Plan was dated February 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study. Inflation and investment assumptions for all plans were reviewed in the experience study report for the General Employees Plan.

The long-term expected rate of return on pension plan investments is 7.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities	35.50%	5.10%
Broad international stock pool	17.50%	5.30%
Bond pool	20.00%	0.75%
Alternatives	25.00%	5.90%
Cash equivalents	2.00%	0.00%

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

f. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2020, which remained consistent with 2019. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net positions of the General Employees Plan, the Police and Fire Plan, and the Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2020:

General Employees Plan

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The changes result in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Plan

- The mortality projection scale was changed from MP-2018 to MP-2019.

Correctional Plan

- The mortality projection scale was changed from MP-2018 to MP-2019.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

h. Pension Liability Sensitivity

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

	Proportionate Share of the:					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability (Asset)
1% Decrease	6.50%	\$ 134,945,589	6.50%	\$ 30,047,023	6.50%	\$ 9,789,262
Current	7.50%	84,201,368	7.50%	15,075,190	7.50%	1,575,129
1% Increase	8.50%	42,341,465	8.50%	2,688,621	8.50%	(5,001,530)

i. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plan

Nine employees of Anoka County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. § 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 five 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 two 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, 2020, were:

	Employee	Employer
Contribution amount	\$ 29,940	\$ 29,940
Percentage of covered payroll	5%	5%

3. Central Pension Fund

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

3. Detailed Notes on All Funds (Continued)

F. Risk Management

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

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

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

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

	2020	2019
Unpaid claims, January 1	\$ 3,107,208	\$ 3,319,244
Self-funded claims	288,736	471,739
Adjustments	(820,076)	(222,626)
Claim payments	(508,170)	(461,149)
Unpaid claims, December 31	<u>\$ 2,067,698</u>	<u>\$ 3,107,208</u>
Due within one year	<u>\$ 264,181</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.

Anoka County has elected lower self-insurance retention since becoming self-insured in 2002. The self-insurance retention limit for 2020 workers' compensation claims is \$500,000 per occurrence for all claims occurring in 2020 and 2021. Once this limit is met, the Workers' Compensation Reinsurance Association (WCRA) becomes liable.

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

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

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

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

3. Detailed Notes on All Funds (Continued)

G. Joint Ventures

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

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

Anoka County paid annual dues of \$138,665 in 2020. Except for annual dues the County has no other financial obligations. Current financial statements of the Metropolitan Emergency Services Board are available at the 911 Board Office, 2099 University Avenue, West Saint Paul, Minnesota 55104-3431.

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

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

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

The NCDA was created to develop the Northstar commuter rail project from St. Cloud, Minnesota to Minneapolis, Minnesota. Grant monies, member county contributions and the regional railroad authorities' agreement to allocate the initial contributions of capital has provided funding for the NCDA. Members pay annual dues to NCDA, which will continue until 2021. In 2020 Anoka County paid \$3,000 to St. Cloud Metro Transit Commission.

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.

NCDA was dissolved in 2019. Sherburne County, in an agency capacity, reports the cash transactions of the NCDA in an agency fund on its financial statements. Current financial statements are available from the NCDA office, 13880 Business Center Dr. NW, Elk River, Minnesota 55330.

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

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

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

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

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

CTIB was dissolved as of September 30, 2017. All funds will be dispersed by CTIB. Final cash payouts of \$205,799 were received in 2020.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

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

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

Fiscal agent responsibilities for the Task Force are with Anoka County. Anoka County provided \$15,375 to this organization in 2020. Funding will be provided in the form of a matching grant from the federal government. The parties shall contribute at least 25% of the total budget established for the current year. Separate financial statements for the Anoka-Hennepin Narcotics and Violent Crimes Task Force are not available.

7. Agricultural Best Management Practices Loan Program. The County has entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to individuals to implement projects that prevent or mitigate nonpoint sources water pollution. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. The County has met those responsibilities for 2020.
8. Midwest Regional Forensic Laboratory. In August of 2012, a joint agreement was entered into by the Counties of Anoka, Sherburne, and Wright. The purpose of the agreement is to continue to jointly address the Member Counties' long-term needs for a regional forensics crime laboratory. Anoka used grant monies from the Dept. of Public Safety to contribute to the costs to design, construct, furnish and equip the facility. Anoka shall provide all labor, equipment, tools and supplies necessary to operate the facility and will be reimbursed from operating costs contributed by each Member County. Each Member County shall pay its percentage share of the total annual budget in direct proportion to that Member County's population percentage of the total population of all Member Counties based on the 2010 Census.
9. East Central Regional Juvenile Center. Effective January 1, 2012 a joint powers agreement was entered into by Anoka County, Chisago County, Isanti County, Kanabec County, Mille Lacs County, Pine County, Sherburne County, Washington County and Wright County. The purpose of the agreements was to jointly address the Member Counties long-term needs for juvenile detention and treatment facility capacity.

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

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

4. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

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

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

B. Related Organization

The Coon Creek Watershed District is governed by a Watershed District Board appointed by the Anoka County Board of Commissioners from a given list of nominees. A watershed district is comprised of a geographic area, which is affected by the watershed from a particular source. The Watershed District Board in each district is responsible for initiating and overseeing certain actions such as ditching, ditch maintenance, engineering, and ditch repair. The costs of these actions, plus the associated administrative costs, must be borne by the "benefited" property owners within each district, through a special assessment against the benefited property. There is no corresponding financial accountability necessary for including this organization as a component unit of Anoka County. Financial statements are available upon request at the Coon Creek Watershed District Office, 13632 Van Buren Street Northeast, Ham Lake, Minnesota 55304.

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

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

The pay-as-you-go note provides for payment to the developer of a percentage of all tax increment received in the prior six months. The payment reimburses the developer for certain public improvements. During 2020, there were 23 pay-as-you-go notes within the County. The tax increment collections during 2020 associated with these notes totaled \$3,979,807. The County's portion of the captured tax capacity and related property taxes was approximately 30%.

In the case of the County, TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2020, as shown below:

<u>Tax Abatement Program</u>	<u>Number of Pay-As-You- Go TIF</u>	<u>Taxes Abated</u>	<u>Impact to Anoka County</u>
Tax Increment Financing (TIF)			
City of:			
Andover	1	\$ 76,276	\$ 22,883
Blaine	4	425,906	127,772
Columbia Heights	4	1,072,611	321,784
Columbus	1	6,839	2,052
Coon Rapids	2	189,369	56,811
East Bethel	1	12,214	3,664
Fridley	3	709,305	212,792
Lexington	1	7,953	2,386
Lino Lakes	1	254,585	76,376
Ramsey	5	1,224,749	367,425
Total	23	\$ 3,979,807	\$ 1,193,945

D. Subsequent Events

As a result of COVID-19 pandemic, Federal and State dollars were allotted to Local Governments. Anoka County received \$7.1 million from the State of Minnesota to provide direct relief payments to eligible restaurants, bars, gyms, and bowling centers impacted by the COVID-19 pandemic. The full amount was paid out in the first quarter of 2021.

On March 11, 2021 the American Rescue Plan Act of 2021 (ARPA) was signed into law. The relief package provides funding in several areas such as state and local aid, education, rental assistance, transit, stimulus payments for individuals, and other provisions. The local funding portion is approximately \$130 billion, equally divided between cities and counties. Localities will receive the funds in two tranches - the first, after the U.S. Treasury certifies the proceeds to each jurisdiction and the second, one year later. Funding must be spent by the end of calendar year 2024. Anoka County is to receive a total of \$69 million, over the next three years.