

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**CITY OF WASILLA, ALASKA**

June 30, 2005

Dianne M. Keller  
Mayor

Prepared By  
Finance Department

Ted Leonard  
Finance Director

# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

Year Ended June 30, 2005

### Table of Contents

<b>INTRODUCTORY SECTION</b>		<u>Page</u>
Letter of Transmittal		vii-xi
City Officials		xii
Organizational Chart		xiii
Certificate of Achievement for Excellence in Financial Reporting		xiv
 <b>FINANCIAL SECTION</b>		
	<u>Exhibit</u>	<u>Page</u>
<b>Independent Auditor's Report</b>		1-2
<b>Management's Discussion and Analysis</b>		3-15
<b>Basic Financial Statements</b>		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	18
Statement of Activities	A-2	19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	20
Reconciliation of Governmental Funds		
Balance Sheet to Statement of Net Assets	B-2	21
Statement of Revenues, Expenditures, and		
Changes in Fund Balances	B-3	22
Reconciliation of Change in Fund Balances of		
Governmental Funds to Statement of Activities	B-4	23
General Fund – Statement of Revenues, Expenditures,		
and Changes in Fund Balance – Budget and Actual	C-1	24
Enterprise Funds:		
Statement of Net Assets	D-1	25
Statement of Revenues, Expenses and		
Changes in Net Assets	D-2	26
Statement of Cash Flows	D-3	27-28
Notes to Basic Financial Statements		30-48

# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

### Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information</b>		
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Balance Sheet	E-1	51
Statement of Revenues, Expenditures and Changes in Fund Balance	E-2	52
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	E-3	53-58
Nonmajor Funds:		
Combining Balance Sheet	F-1	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	60
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	G-1	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	G-2	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Library	G-3	64
Youth Court	G-4	65
Federal Asset Forfeiture	G-5	66
Capital Reserve	G-6	67
Technology Replacement	G-7	68
State Asset Forfeiture	G-8	69
Nonmajor Debt Service Funds:		
Combining Balance Sheet	H-1	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)	H-2	73
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual:		
1982 Original Water Bond	H-3	74
1986 Southside Water District Bond	H-4	75
1987 Sewer Improvement District Bond	H-5	76
Street Paving Assessment Bonds	H-6	77
Gas Assessments	H-7	78
1988 Overlook Sewer Improvement Bond	H-8	79
Bond Guarantee	H-9	80
Street Paving General Obligation Bond	H-10	81

# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

### Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information, continued</b>		
Combining and Individual Fund Financial Statements and Schedules, continued:		
Nonmajor Capital Project Funds:		
Combining Balance Sheet	I-1	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	I-2	84
Miscellaneous Projects Capital Project Fund – Schedule of Expenditures by Project	I-3	85
Cemetery Permanent Fund - Statement of Revenues, Expenditures and Changes in Fund Balance	J-1	87
Enterprise Funds:		
Water Utility:		
Statement of Net Assets	K-1	90-91
Statement of Revenues, Expenses and Changes in Net Assets	K-2	92
Statement of Cash Flows	K-3	93
Sewer Utility:		
Statement of Net Assets	K-4	94-95
Statement of Revenues, Expenses and Changes in Net Assets	K-5	96
Statement of Cash Flows	K-6	97
Municipal Airport:		
Statement of Net Assets	K-7	98
Statement of Revenues, Expenses and Changes in Net Assets	K-8	99
Statement of Cash Flows	K-9	100
Multi-Use Sports Complex:		
Statement of Net Assets	K-10	101
Statement of Revenues, Expenses and Changes in Net Assets	K-11	102
Statement of Cash Flows	K-12	103

# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

### Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information, continued</b>		
Combining and Individual Fund Financial Statements and Schedules, continued:		
Capital Assets:		
Schedule of Governmental Capital Assets	L-1	104
Schedule of Governmental Capital Assets by Function and Activity	L-2	105
Schedule of Changes in Governmental Capital Assets by Function and Activity	L-3	106
Schedule of Expenditures of Federal Awards	M-1	107
Schedule of State Financial Assistance	N-1	108
<b>STATISTICAL SECTION</b>		
	<u>Table</u>	
General Governmental Expenditures by Function	1	109
General Governmental Revenues by Source	2	110
Assessed Valuation, Tax Levies and Collections	3	111
Tax Revenues By Source	4	112
Assessed and Estimated Actual Value of Taxable Property	5	113
Property Tax Rates – All Direct and Overlapping Governments	6	114
Principal Taxpayers	7	115
Special Assessment Collections	8	116
Computation of Legal Debt Margin	9	117
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	10	118
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	11	119
Computation of Direct and Overlapping Bonded Debt General Obligation Bonds	12	120
Demographic Statistics	13	121
Property Value, Construction and Bank Deposits	14	122
Land Use Permits Issued	15	123
Fund Balances of Governmental Funds	16	124
Changes in Fund Balances of Governmental Funds	17	125
Full-Time Equivalent Employees By Fund	18	126

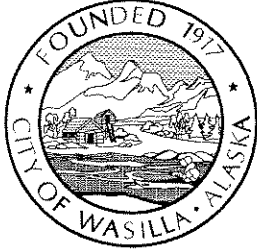
(this page left blank intentionally)

# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

### Table of Contents, continued

<b>SINGLE AUDIT SECTION</b>	<u>Page</u>
<b>Federal Single Audit Reports</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	127-128
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	129-130
Schedule of Findings and Questioned Costs	131
Summary Schedule of Prior Audit Findings	132
Corrective Action Plan	133
<b>State of Alaska Single Audit Reports</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	134-135
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>	136-137



# CITY OF WASILLA

290 East Herning Avenue • Wasilla • Alaska • 99654-7091  
• Telephone 907-373-9080 • Fax 907-373-9085

---

November 18, 2005

To the Citizens of the City of Wasilla:

The comprehensive annual financial report of the City of Wasilla for the fiscal year ended June 30, 2005, is hereby submitted. The City's Finance Department prepared the report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the City. Included in this report are disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis, the basic financial statements, additional information, and related schedules. This section also includes the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Wasilla is required to undergo an annual single audit in conformity with the provisions of the Federal and State Single Audit Acts. Information related to assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

This report includes all funds of the City. The City provides a full range of municipal services authorized by state statute and City code. This includes police, planning and land use control, animal control, sewer, water, road maintenance, parks and recreation, museums, library and other cultural services. In addition to general governmental activities, the City provides financial support to certain community service organizations, which promote education, health care, recreation, arts, and economic stability for the citizens of the community.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements. Such narrative is presented in the form of a Management's Discussion and Analysis (MD&A), which should be read in conjunction with this letter of transmittal. The City's MD&A can be found immediately following the report of the independent auditors.



## **The Reporting Entity**

The City of Wasilla is a First Class City incorporated under Title 29 of the Alaska State Statutes. City code establishes a June 30 fiscal year end. There are no component units included in our financial statements.

## **Summary of Local Economy**

The City of Wasilla is located in the fastest growing area of Alaska and serves as the retail trade center for the Matanuska-Susitna Borough. As measured by increased population and sales tax receipts, the growth of the service-oriented economy of the City of Wasilla continues to increase steadily. The City of Wasilla remains primarily a bedroom community of Anchorage due to a lack of large-scale primary industry. The City of Wasilla offers an attractive lifestyle in which the cost of housing is much less than in Anchorage due to an abundance of less expensive land. Many residents in our workforce travel the daily commute to Anchorage and find the quality of life quite high in our community.

## **The Future**

The City continues to look toward growth in the service industries to maintain our position as the trade center of the Matanuska-Susitna Valley. Also, resource extraction industries will continue to fuel our economic growth in an indirect way. Other proposed projects that will benefit our economy are the continued Port development at Pt. McKenzie and the proposed Trans Alaska Gas Pipeline.

The population growth trend in the City of Wasilla and the Matanuska-Susitna Valley continues to show an upward trend. The continuing increase in Wasilla sales tax receipts and Anchorage-Valley vehicle counts are indicators of the continuing population growth occurring in Wasilla and the Valley.

The City of Wasilla completed the construction of a multi-use sports complex which opened in February 2004. Due to the opening of the sports complex, we are becoming more of a "destination point" in South Central Alaska.

## **Long-term Financial Planning**

The most significant actions that the City took in FY05 were the initiation of projects to improve our infrastructure, including resurfacing of roads, major extensions to our water and sewer system and increasing our water capacity. The road improvements and water and sewer extensions will continue to help spur development in the core area of the City. We are continuing to work with other government agencies to improve the traffic flow in and around our community.

Major improvements in parks and recreation facilities built at Iditapark are progressing. One of the most exciting initiatives for the City has been the completion of construction of our Multi-use Sports Complex.

The voters passed a bond proposition on March 5, 2002 to build a \$14,700,000 Multi-use Sports Complex and it was opened in February 2004. In FY 06, we will be adding a commercial kitchen to the complex. We believe that with continued improvements and additions to the facility, the facility will continue to be a key component in spurring more economic development in the surrounding area.

### **Accounting System and Budgetary Control**

The City's financial statements for all funds have been prepared in conformity with generally accepted accounting principles.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition and 2) the reliability of financial records for preparing the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the evaluation of the costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City adopts fiscal year budgets for all governmental funds. Budget amendments over \$10,000 between departments within funds and transfers between funds require approval of the City Council. The City's policy is that estimated purchase order amounts are encumbered prior to the release of the order to the vendor. When an encumbrance exceeds the available appropriation authority, policy is that the order is delayed until the budget is amended. Operating budgets lapse at year-end. Any outstanding operating encumbrances are charged against the new year's budget. Capital budget funds remaining are reappropriated in the new year's budget.

### **Cash Management**

All funds of the City are invested and earn interest every day of the year. Funds not needed for daily outlay are invested in overnight repurchase agreements with the Wells Fargo Bank.

All investments are made according to the City's conservative investment and collateralization policy approved by the City Council in 1986 and revised in 2002, Chapter 5.12 of the Wasilla Municipal Code.

## **Risk Management**

The City of Wasilla is a member in good standing in the Alaska Public Entity Joint Insurance Association (APEI), which is a pooling arrangement of Alaskan cities, boroughs and school districts. The concept of shared risk was originally started to ensure that all municipalities had access to insurance coverage on a long-term basis, although not necessarily the least expensive coverage. Claims are covered on an occurrence basis. The APEI provides risk management services and appraisal services.

## **Pension and Other Postemployment Benefits**

The City provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The City has no obligation in connection with employee benefits offered through this plan beyond its annual required payment to the pension plan.

Additional information on pension arrangements and postemployment benefits can be found in Note 6 in the Notes to the Basic Financial Statements.

## **Independent Audit**

The City Code, Section 5.04.060 requires examination of the City's financial records and statements by a Certified Public Accounting Firm, licensed to perform financial audits in the State of Alaska. The completion of this examination with the Auditor's opinion on the financial statements must be completed by November 30 of each year.

## **Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to Susan Colligan, Sally Schug, Sharon Sinko, Kelly Caldwell, Deborah Davis, April Dwyer, and Kim Byrne for their capable help. Also, thanks to John Bost, Audit Partner, and the staff of Mikunda, Cottrell & Co. for their very professional manner, patience, and communication skills.

We would also like to thank the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

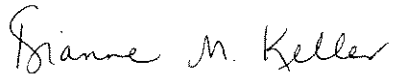
## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasilla for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

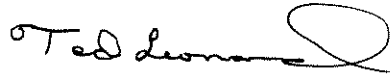
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

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

Respectfully submitted,



Dianne M. Keller  
Mayor



Ted Leonard, CMA, SPHR  
Director of Finance and Admin. Services

# CITY OF WASILLA, ALASKA

## CITY OFFICIALS

### CITY COUNCIL

Mark A. Ewing  
Ron Cox  
Noel H. Lowe  
Howard O'Neil (Deputy Mayor)  
Robert Sande  
Diana L. Straub

### STAFF

Mayor	Dianne M. Keller
Public Works Director	Archie Giddings
City Clerk	Kristie Smithers
Director of Finance and Admin. Services	Ted Leonard
Deputy Director of Finance	Susan Colligan
Culture & Recreation Manager	Bruce Urban
Police Chief	Don Savage
Economic Development Director	Ron Single
City Planner	Sandra Garley

### PLANNING COMMISSION

Jessie Elkins	Ray McCarthy
Dorothy Hamilton	Stan Tucker (Chair)
Gregory Koskela	John Vinette
William McCain	

### PARKS AND RECREATION COMMISSION

Cathy Bowen	Mary Shampine
Joan Matthews	Dave Tuttle (Chair)
Maureen McCombs	

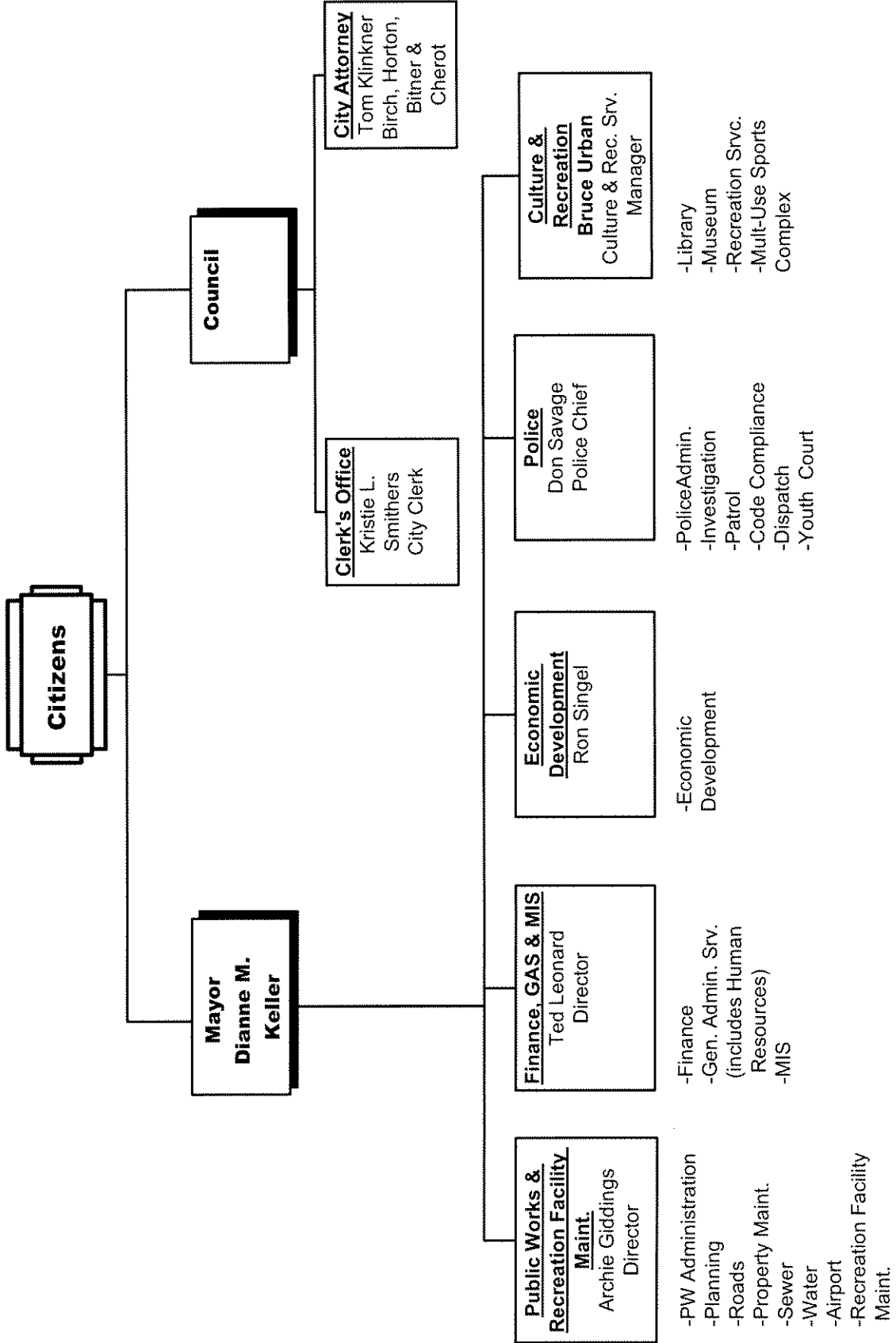
### AIRPORT COMMISSION

Sherman W. Bear	John Maketa
L.C. Billingsley, Jr.	Steve Short
Ray Block	

### CONSULTANTS

City Attorney	Thomas Klinkner
Auditors	Mikunda, Cottrell & Co.
Insurance Pool	Alaska Public Entity Joint Insurance Association
Insurance Broker	Brandon Allen, Marsh Inc.

**City of Wasilla**  
 Organizational Chart  
 Fiscal Year 2005



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wasilla,  
Alaska

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zielle*

President

*Jeffrey R. Emer*

Executive Director

# MIKUNDA, COTTRELL & Co.

*A Professional Corporation*

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3601 "C" Street, Suite 600 • Anchorage, Alaska 99503

(907) 278-8878, Fax (907) 278-5779

www.mcc-cpa.com

## Independent Auditor's Report

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla, Alaska as of and for the year ended June 30, 2005 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla, Alaska, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2005 on our consideration of City of Wasilla's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Honorable Mayor and City Council  
City of Wasilla, Alaska

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wasilla's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and the Schedule of State Financial Assistance is required by the State of Alaska Office of Management and Budget, *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been audited by us and accordingly, we express no opinion on them.

*Mikunda, Cottrell & Co.*

October 7, 2005

# CITY OF WASILLA

## Management's Discussion and Analysis

June 30, 2005

As management of the City of Wasilla, we offer readers of these Financial Statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended June 30, 2005. We encourage the reader 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 vii-xi of this report.

### Financial Highlights

- The assets of the City of Wasilla exceeded its liabilities at the close of the most current fiscal year by \$71,479,708 (total net assets). Of this amount, \$11,979,099 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of business of the current fiscal year, the City of Wasilla's governmental funds reported combined ending fund balances of \$8,656,868. Of this total, \$5,749,192 is undesignated and available for spending at the government's discretion.
- The City's total outstanding debt decreased by \$1,606,613 to a year-end balance of \$21,428,120. The City's long-term debt table can be found on pages 40-44 of the Notes to the Basic Financial Statements.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Wasilla's basic financial statements. The City's basic financial statements 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 are designed to provide readers with a broad overview of the City of Wasilla's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Wasilla include general government, public safety, public works, parks and recreation, library, and community service. The business-type activities of the City include water, sewer, airport and operation of a Multi-use Sports Complex.

The government-wide financial statements can be found on pages 18-19 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. The City of Wasilla, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available 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 government 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.

The City of Wasilla maintains 21 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 and the Miscellaneous Capital Projects Fund, which are considered to be major funds. The other 19 governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Funds Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 19 nonmajor funds is presented in Combining Balance sheets for Nonmajor Governmental funds and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The City of Wasilla adopts annual appropriated budgets for its General Fund, special revenue funds, and debt service funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

**Proprietary funds.** The City of Wasilla maintains enterprise funds, a type of proprietary fund, to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, multi-use sports complex, and airport operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, sports complex and airport, all of which are considered to be major funds of the City of Wasilla.

The basic proprietary fund financial statements can be found on pages 25-28 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 30-48 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Wasilla's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 44-46 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 59 and 60. Combining and individual fund statements and schedules can be found on pages 62 through 106.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Wasilla, assets exceeded liabilities by \$71,479,708 at the close of the most recent fiscal year.

By far the largest portion of the City of Wasilla's net assets (82%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

City of Wasilla's Net Assets  
June 30, 2005

	Governmental Activities		Business-type Activities		Total Activities	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 9,715,327	9,822,788	5,358,492	5,048,888	15,073,819	14,871,676
Capital assets, net of depreciation	<u>25,604,561</u>	<u>22,408,693</u>	<u>53,810,491</u>	<u>50,582,835</u>	<u>79,415,052</u>	<u>72,991,528</u>
Total assets	<u>\$ 35,319,888</u>	<u>32,231,481</u>	<u>59,168,983</u>	<u>55,631,723</u>	<u>94,488,871</u>	<u>87,863,204</u>
Long-term liabilities outstanding	\$ 5,288,315	5,588,897	16,215,592	17,531,096	21,503,907	23,119,993
Other liabilities	<u>650,238</u>	<u>1,183,351</u>	<u>855,018</u>	<u>514,916</u>	<u>1,505,256</u>	<u>1,698,267</u>
Total liabilities	<u>\$ 5,938,553</u>	<u>6,772,248</u>	<u>17,070,610</u>	<u>18,046,012</u>	<u>23,009,163</u>	<u>24,818,260</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 20,799,331	17,095,906	37,690,590	33,769,762	58,489,921	50,865,668
Restricted for debt service	-	-	1,010,688	551,224	1,010,688	551,224
Unrestricted	<u>8,582,004</u>	<u>8,363,327</u>	<u>3,397,095</u>	<u>3,264,405</u>	<u>11,979,099</u>	<u>11,628,032</u>
Total net assets	<u>\$ 29,381,335</u>	<u>25,459,233</u>	<u>42,098,373</u>	<u>37,585,711</u>	<u>71,479,708</u>	<u>63,044,944</u>

An additional portion of the City of Wasilla's net assets (1.4%) represents sources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$11,979,099) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Wasilla is able to report positive balance in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net assets increased by \$8,434,764 during the current fiscal year. Over 70% of this increase represents capital grant and contributions for construction of capital projects. Another approximate 20% is attributable to sales tax collected that is dedicated for payment of the debt service on the Multi-Use Sport Complex. The remainder of the growth largely reflects the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

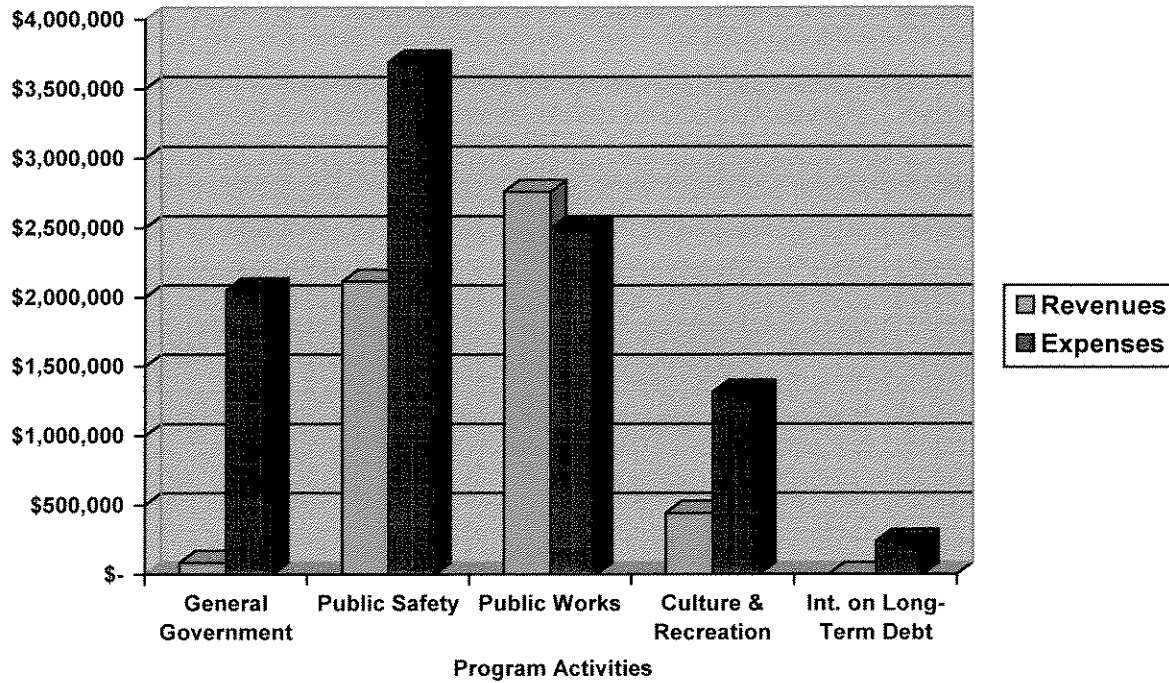
**Governmental Activities.** Governmental activities increased the City of Wasilla's net assets by \$3,922,102. The largest portion of this increase resulted from Capital Grants and Contributions at \$2,835,696. The remainder of the increase largely reflects the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses and transfers to other funds (\$1,086,406).

City of Wasilla's Changes in Net Assets  
For Year Ended June 30, 2005

	Governmental Activities		Business-type Activities		Total Activities	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 2,201,367	174,764	2,018,828	1,438,017	4,220,195	1,612,781
Operating grants and contributions	364,245	787,076	-	-	364,245	787,076
Capital grants and contributions	2,835,696	2,704,812	3,196,010	1,726,849	6,031,706	4,431,661
General revenues:						
Property and vehicle taxes	280,272	330,766	-	-	280,272	330,766
Sales taxes	8,346,749	7,659,612	2,087,056	1,880,477	10,433,805	9,540,089
Payment in lieu of assessments	-	-	-	92,367	-	92,367
Grants and contributions not restricted to specific programs	226,516	331,124	-	-	226,516	333,124
Investment income	176,928	76,293	65,450	10,773	242,378	87,066
Other	<u>121,429</u>	<u>123,614</u>	<u>27,104</u>	<u>35,930</u>	<u>148,533</u>	<u>159,544</u>
Total revenues	<u>14,553,202</u>	<u>12,190,061</u>	<u>7,394,448</u>	<u>5,184,413</u>	<u>21,947,650</u>	<u>17,374,474</u>
Expenses:						
General government	2,050,929	1,794,203	-	-	2,050,929	1,794,203
Public safety	3,692,121	2,592,610	-	-	3,692,121	2,592,610
Public works	2,254,234	2,028,541	-	-	2,254,234	2,028,541
Culture and recreation	1,314,516	1,245,813	-	-	1,314,516	1,245,813
Interest on long-term debt	239,298	230,014	-	-	239,298	230,014
Water utility	-	-	946,892	746,930	946,892	746,930
Sewer utility	-	-	967,021	890,619	967,021	890,619
Municipal Airport	-	-	434,727	382,024	434,727	382,024
Multi-Use Sports Complex	-	-	<u>1,613,148</u>	<u>404,940</u>	<u>1,613,148</u>	<u>404,940</u>
Total expenses	<u>9,551,098</u>	<u>7,891,181</u>	<u>3,961,788</u>	<u>2,424,513</u>	<u>13,512,886</u>	<u>10,315,694</u>
Increase in net assets before transfers	5,002,104	4,298,880	3,432,660	2,759,900	8,434,764	7,058,780
Transfers	<u>(1,080,002)</u>	<u>(1,108,823)</u>	<u>1,080,002</u>	<u>1,108,823</u>	-	-
Increase in net assets	3,922,102	3,190,057	4,512,662	3,868,723	8,434,764	7,058,780
Net assets 7/01/2004	<u>25,459,233</u>	<u>22,269,176</u>	<u>37,585,711</u>	<u>33,716,988</u>	<u>63,044,944</u>	<u>55,986,164</u>
Net assets 6/30/2005	<u>\$ 29,381,335</u>	<u>25,459,233</u>	<u>42,098,373</u>	<u>37,585,711</u>	<u>71,479,708</u>	<u>63,044,944</u>

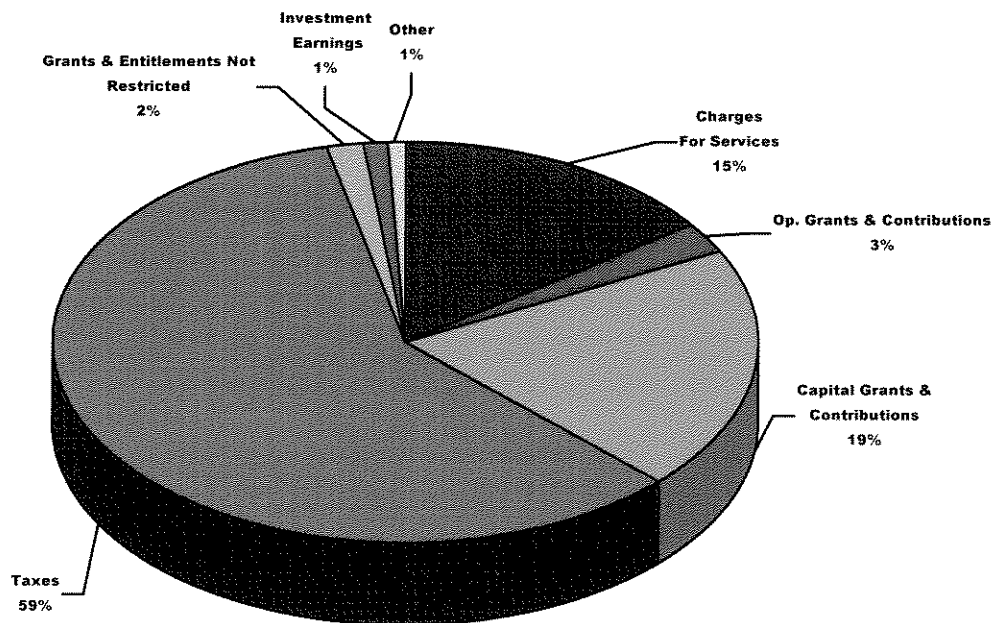
The following graph displays governmental activities expenses and the related revenues dedicated to each activity. This shows the amount of dedicated revenues associated with the various kinds of activities. Other revenues also support governmental activities, but are general in nature and apply to all categories. They include property and sales taxes, grants and entitlements not restricted for a specific purpose, investment income, and other general revenues.

**Program Revenues and Expenses - Governmental Activities**  
**(Includes capital grants)**



The following graph shows the percentages of all revenue sources for governmental activities. Taxes are the largest revenue source the City of Wasilla has, followed in order by Capital Grants & Contributions, Charges for Services, Operating Grants & Contributions, Nonrestricted Grants & Entitlements, Investment Income and then Other Revenue. Taxes increased from 2004 to 2005 by \$636,643. This increase in tax revenues is the result of the continued trend in growth of sales tax revenue. Sales tax revenue increased by over 9% from last fiscal year. This growth trend in sales tax is projected to continue in the near future. Investment income has increased by \$100,635 due to increasing rates and due to a more aggressive investment portfolio. Most of our expenses have had normal increases. Several areas that have increased all governmental activities are both general insurance and group health insurance. One exception is the public safety expenditures. Those expenditures have increased by \$1,099,511. The main reason for this increase in public safety expenditures is due to the fact that the City has taken over dispatch services for the Alaska State Troopers in the Matanuska-Susitna Borough and other areas of the State. The City was paid \$928,882 for providing those dispatch services.

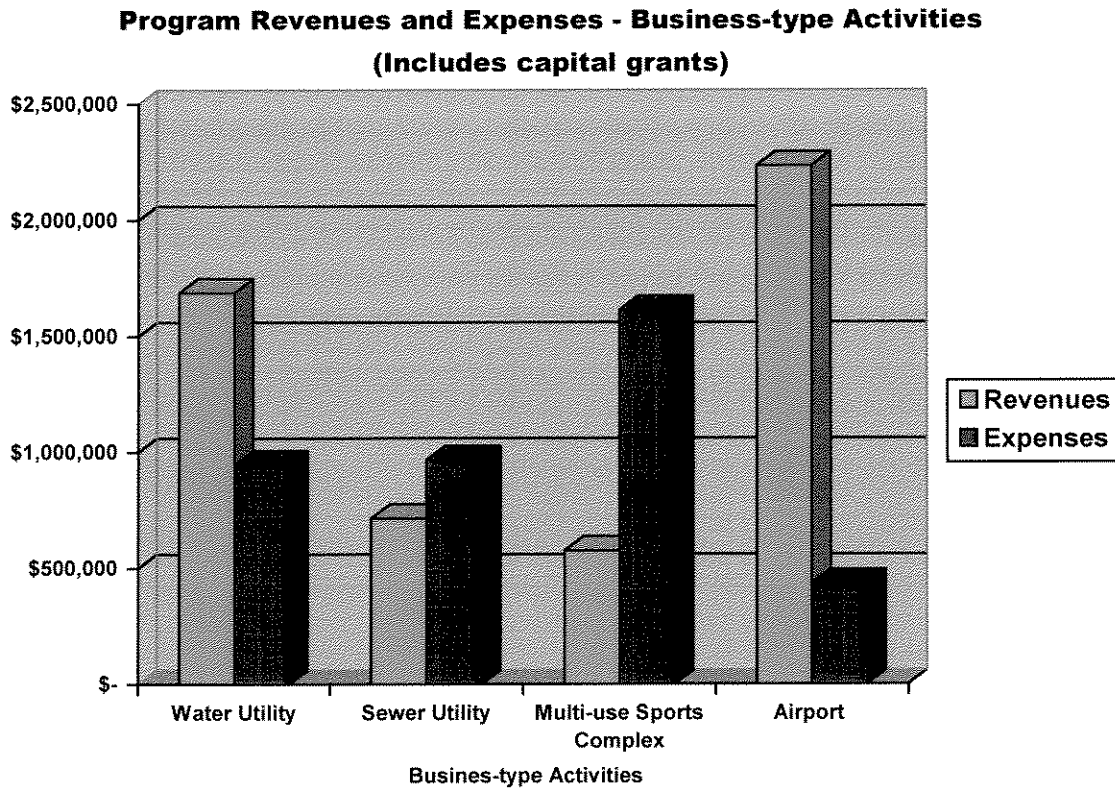
### Revenues By Source - Governmental Activities



**Business-type activities.** Business-type activities increased the City of Wasilla's net assets by \$4,512,662. The largest portion of this increase resulted from Capital Grants and Contributions at \$3,196,010. Sales tax dedicated for payment of the debt service on the multi-sports complex net of interest paid on the debt in FY05 made the second largest contribution at \$1,584,703.

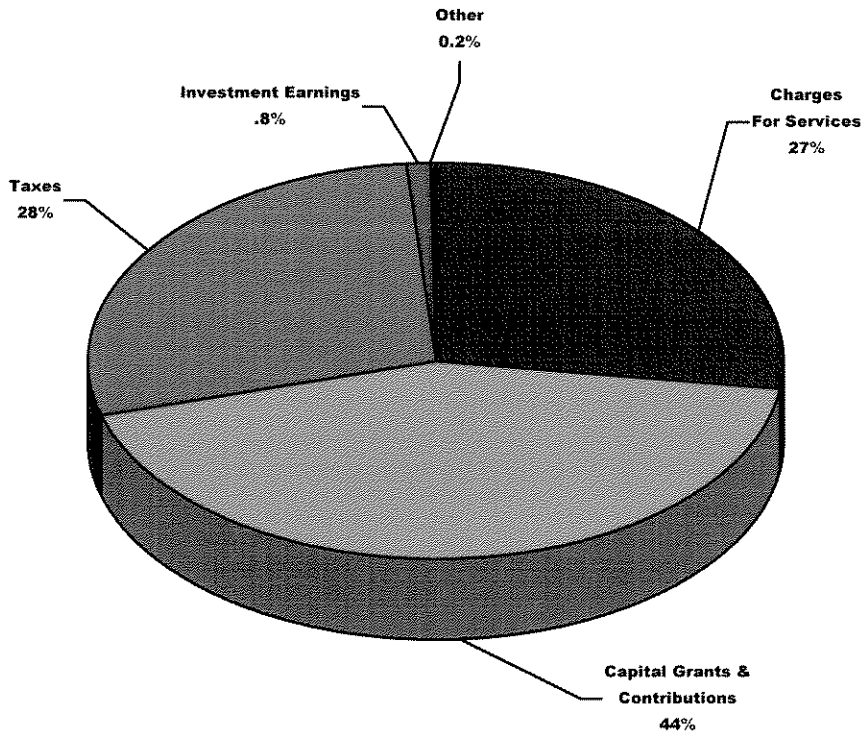


The following graph illustrates expenses and program revenues for all business-type activities. Not included in the revenues are taxes, investment earnings, transfers, and some other miscellaneous revenues. As reflected in the graph, Water and Airport funds had program revenues in excess of expenses. The Sewer and Multi-Use Sports Complex operations had revenues that were below expenses.



The following graph depicts the percentages of all revenue sources for business-type activities. Capital Grants & Contributions are the largest revenue source the City of Wasilla has, followed in order by Taxes, Charges for Services, Investment Earnings and then Other Revenue. Capital Grants & Contributions increased from 2004 to 2005 by \$1,469,161. Taxes increased from 2004 to 2005 by \$206,579. This increase in tax revenues is the result of the continued trend in growth of sales tax revenue. Sales tax revenue increased by over 9% from last fiscal year. This growth trend in sales tax is projected to continue in the near future. Charges for services increased by \$580,811. This increase was mainly contributed to the Multi-Use Sports Complex having a full year of operation.

## Revenues By Source - Business-type Activities



### Financial Analysis of the Government's Funds

As noted earlier, the City of Wasilla uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Wasilla's financing requirements. In particular, unreserved fund balance 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 the current fiscal year, the City of Wasilla's governmental funds reported combined ending fund balances of \$8,656,868, an increase of \$571,000 in comparison with the prior year. The City's total fund balance is made up of 3 components.

The first component is reserved to indicate it is not available for spending at the government's discretion. The reserved portion is 11.4% (\$989,223) of the total fund balance. The next component is designated fund balance. Our designated fund balance is 22.2% (\$1,918,453) of the total. Designated fund balance is held for specific expenditures such as capital projects, and subsequent year's expenditures. The undesignated fund balance reflects the balance of \$5,749,192. These are funds that the City can use for any purpose.

The General Fund is the chief operating fund of the City of Wasilla. At the end of the current fiscal year, undesignated fund balance of the General Fund was \$5,383,604 while total fund balance was \$5,548,357. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 73.5% of total General Fund expenditures, while total fund balance represents 75.7% of that same amount.

The fund balance of the City of Wasilla's General Fund increased by \$44,712 during the current fiscal year. The revised budget for fiscal year 2005 originally budgeted for a reduction in General Fund balance of \$1,030,720. Key factors in the fund balance increasing and not decreasing by the budgeted amount include:

- Actual Sales Tax collections were \$451,749 over projections based on an upswing in the local economy and the opening of two major retail establishments.
- All expenditure functions of the General Fund were under the revised budget by \$704,669.

The other major fund, the Miscellaneous Projects Capital Project Fund, has a total fund balance of \$1,304,936. This total amount is reserved and designated for future capital project construction expenditures. The fund balance in this fund has increased by \$115,505 over the prior year. The key factor in the increase is that the \$115,505 represents transfers to the fund for future capital project construction.

***Proprietary funds.*** The City of Wasilla's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water utility's unrestricted net assets were \$1,692,338. Unrestricted net assets will decline as the City starts to invest a portion of the unrestricted net assets for capital construction.

The sewer utility's unrestricted net assets were \$1,076,820. Unrestricted net assets are projected to remain steady in fiscal year 2006.

The Airport Fund's unrestricted net assets were \$304,357. Unrestricted net assets are projected to remain steady in fiscal year 2006. The airport operations continue to generate operating losses before depreciation. The City will continue to offset these losses with transfers from the General Fund and is seeking ways to lower the operating loss in the Airport Fund.

The Multi-use Sports Complex Fund has unrestricted net assets of \$323,580. \$1,010,688 of the net assets is restricted and will be set-aside for retirement of the sports complex general obligation debt.

### **General Fund Budgetary Highlights**

The overall difference in the original and final amended budget was \$1,190,226. The major components of the difference are as follows:

- An appropriation of \$864,359 to transfer funds to the Capital Reserve Fund for future funding of capital construction.
- Increase appropriation of grants revenue of \$250,244 and expenditures were increased in the public safety, and culture and recreation functions for the same amount.
- An appropriation of \$90,000 to transfer funds to the Airport Fund to fund the Airport Apron Expansion.

The increases to the amended budget were funded with General Fund reserves.

### Capital Asset and Debt Administration

**Capital assets.** The City of Wasilla’s investment in capital assets for its governmental and business type activities as of June 30, 2005 amounts to \$79,415,052 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and construction in progress.

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

- Storm drain additions
- South Mack Road & Church Road Intersection construction
- Palmer/Wasilla water reservoir construction
- Water and sewer line extensions
- Airport apron expansion

City of Wasilla’s Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Activities	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land and land improvements	\$ 4,533,005	4,533,005	5,316,131	5,573,137	9,849,136	10,106,142
Buildings	2,912,639	2,612,394	14,800,695	14,620,654	17,713,334	17,233,048
Improvements other than buildings	-	-	26,831,123	26,534,629	26,831,123	26,534,629
Infrastructure	15,972,608	10,234,051	-	-	15,972,608	10,234,051
Furniture and equipment	626,525	575,033	-	-	626,525	575,033
Vehicles and equipment	775,548	816,953	2,678,488	2,813,543	3,454,036	3,630,496
Construction in progress	<u>784,236</u>	<u>3,637,257</u>	<u>4,184,054</u>	<u>1,040,872</u>	<u>4,968,290</u>	<u>4,678,129</u>
Total capital assets	\$ <u>25,604,561</u>	<u>22,408,693</u>	<u>53,810,491</u>	<u>50,582,835</u>	<u>79,415,052</u>	<u>72,991,528</u>

Additional information on the City of Wasilla’s capital assets can be found in note 3 on pages 38 and 39 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Wasilla had total long-term debt outstanding of \$21,428,120 including \$380,798 of compensated absences. Of this amount, \$16,648,776 comprises debt backed by the full faith and credit of the government. The remainder of the City of Wasilla’s debt represents bonds and loans secured solely by specified revenue sources (i.e., Long-term loans) in the amount of \$4,779,344.

City of Wasilla's Outstanding Debt  
General Obligation and Revenue Bonds, Loans, and Capital Lease

	Governmental Activities		Business-type Activities		Total Activities	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General Obligation	\$ 4,355,000	4,570,000	11,715,000	12,840,000	16,070,000	17,410,000
Other Debt	933,315	1,018,897	137,118	87,423	1,070,433	1,106,320
Loans, Long-Term	-	-	4,287,687	4,518,413	4,287,687	4,518,413
Total Long-Term Debt	<u>\$ 5,288,315</u>	<u>5,588,897</u>	<u>16,139,805</u>	<u>17,445,836</u>	<u>21,428,120</u>	<u>23,034,733</u>

Additional information on the City's long-term debt can be found on pages 40–44 of this report.

### Economic Factors and Next Year's Budgets and Rates

In setting the budgets for fiscal year 2006, the City considered a number of issues with citywide impact. Among them are the following:

- Sales taxes growth rate will increase from the current projected growth trend rate of 5.6% to 10% based on the fact that the City will collect sales tax for a full year of operations on two major retail establishments. In addition, new economic development investments by the City of Wasilla will generate more sales tax.
- User fees and charges in the business-type activities will increase by 4% due to the fact that the City has completed several large infrastructure projects that are projected to increase the utility customer base by 8%.
- The City of Wasilla will continue to launch programs to keep local government small, efficient, and accountable to the citizens of Wasilla while absorbing projected increases in personnel services due to PERS retirement contribution increases (projected increase of 5%) and health and worker's compensation insurance increases (projected average increase of 15% for health insurance and 10% for worker's compensation insurance).
- The City of Wasilla will continue to aggressively invest in needed infrastructure and will transfer at least \$1,560,000 from the City's Funds to the Capital Projects Funds for construction of capital projects.
- The City of Wasilla will continue to make progress in making the enterprise funds (Water, Sewer, Airport, and Multi-use Sports Complex) self-sufficient while ensuring the systems meet environment and development needs of the citizens and the businesses in the City of Wasilla.

All of these factors were considered in preparing the City's budget for fiscal year 2006. As a result the fiscal year 2006 budget includes a decrease in the City of Wasilla's property tax rate of .10 mills from the current rate of .40 mills to an approved rate of .30 mills.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Wasilla's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Wasilla, Attn: Director of Finance and Administrative Services, 290 E. Herning Ave, Wasilla, Alaska 99654.

(this page left blank intentionally)

## **BASIC FINANCIAL STATEMENTS**



## CITY OF WASILLA, ALASKA

## Statement of Net Assets

June 30, 2005

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 7,146,146	3,736,315	10,882,461
Receivables, net of allowance for uncollectible amounts:			
Accounts	-	138,653	138,653
Sales and property taxes	827,909	206,977	1,034,886
Grants and shared revenues	1,255,168	528,525	1,783,693
Special assessments	462,080	10,413	472,493
Notes	-	2,577	2,577
Other	7,125	-	7,125
Prepaid items	16,899	-	16,899
Inventories	-	137,733	137,733
Restricted cash and investments	-	580,844	580,844
Deferred charges, net of accumulated amortization	-	13,025	13,025
Notes receivable, net of current portion	-	3,430	3,430
Capital assets not being depreciated - land and construction in progress	5,317,241	6,897,744	12,214,985
Other capital assets, net of accumulated depreciation	<u>20,287,320</u>	<u>46,912,747</u>	<u>67,200,067</u>
 Total assets	 \$ <u>35,319,888</u>	 <u>59,168,983</u>	 <u>94,488,871</u>
<u>Liabilities</u>			
Accounts payable	296,151	583,784	879,935
Accrued payroll and employee benefits	251,538	34,421	285,959
Customer deposits	-	42,695	42,695
Accrued interest	53,859	165,297	219,156
Unearned revenue	48,690	28,821	77,511
Noncurrent liabilities:			
Due within one year:			
Accrued leave	328,801	51,997	380,798
ADEC loans	-	230,726	230,726
General obligation bonds	225,000	1,240,000	1,465,000
Special assessment bonds	101,922	8,471	110,393
Due in more than one year:			
ADEC loans	-	4,056,961	4,056,961
General obligation bonds	4,130,000	10,475,000	14,605,000
Special assessment bonds	348,308	32,956	381,264
Unamortized bond premium	-	75,787	75,787
Net pension obligation	<u>154,284</u>	<u>43,694</u>	<u>197,978</u>
Total liabilities	<u>5,938,553</u>	<u>17,070,610</u>	<u>23,009,163</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	20,799,331	37,833,931	58,633,262
Restricted for debt service	-	1,010,688	1,010,688
Unrestricted	<u>8,582,004</u>	<u>3,253,754</u>	<u>11,835,758</u>
Total net assets	<u>29,381,335</u>	<u>42,098,373</u>	<u>71,479,708</u>
 Total liabilities and net assets	 \$ <u>35,319,888</u>	 <u>59,168,983</u>	 <u>94,488,871</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

Statement of Activities  
Year Ended June 30, 2005

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental:							
General government	\$ 2,050,929	84,850	-	-	(1,966,079)	-	(1,966,079)
Public safety	3,692,121	1,165,503	333,022	601,274	(1,592,322)	-	(1,592,322)
Public works	2,254,234	554,450	-	2,204,992	505,208	-	505,208
Culture and recreation	1,314,516	396,564	31,223	29,430	(857,299)	-	(857,299)
Interest on long-term debt	239,298	-	-	-	(239,298)	-	(239,298)
Total governmental activities	<u>9,551,098</u>	<u>2,201,367</u>	<u>364,245</u>	<u>2,835,696</u>	<u>(4,149,790)</u>	<u>-</u>	<u>(4,149,790)</u>
Business-type:							
Water Utility	946,892	743,673	-	945,283	-	742,064	742,064
Sewer Utility	967,021	642,553	-	72,704	-	(251,764)	(251,764)
Municipal Airport	434,727	56,047	-	2,178,023	-	1,799,343	1,799,343
Multi-Use Sports Complex	<u>1,613,148</u>	<u>576,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,036,593)</u>	<u>(1,036,593)</u>
Total business-type activities	<u>3,961,788</u>	<u>2,018,828</u>	<u>-</u>	<u>3,196,010</u>	<u>-</u>	<u>1,253,050</u>	<u>1,253,050</u>
Totals	\$ <u>13,512,886</u>	<u>4,220,195</u>	<u>364,245</u>	<u>6,031,706</u>	<u>(4,149,790)</u>	<u>1,253,050</u>	<u>(2,896,740)</u>
General revenues:							
Sales taxes					\$ 8,346,749	2,087,056	10,433,805
Property and vehicle taxes					280,272	-	280,272
Grants and entitlements not restricted to a specific purpose					226,516	-	226,516
Investment income					176,928	65,450	242,378
Other					121,429	27,104	148,533
Transfers					<u>(1,080,002)</u>	<u>1,080,002</u>	<u>-</u>
Total general revenues and transfers					<u>8,071,892</u>	<u>3,259,612</u>	<u>11,331,504</u>
Change in net assets					3,922,102	4,512,662	8,434,764
Net assets at beginning of year					<u>25,459,233</u>	<u>37,585,711</u>	<u>63,044,944</u>
Net assets at end of year					\$ <u>29,381,335</u>	<u>42,098,373</u>	<u>71,479,708</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Governmental Funds

## Balance Sheet

June 30, 2005

<u>Assets</u>	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Miscellaneous Projects Capital Project</u>	<u>Nonmajor Funds</u>	
Cash and investments	\$ 4,753,301	608,230	1,784,615	7,146,146
Receivables, net of allowance for uncollectible accounts:				
Sales taxes	827,909	-	-	827,909
Grants and shared revenues	342,496	801,232	111,440	1,255,168
Special assessments	-	-	462,080	462,080
Other	-	7,125	-	7,125
Prepaid items	16,899	-	-	16,899
Due from other funds	4,454	-	-	4,454
 Total assets	 \$ <u>5,945,059</u>	 <u>1,416,587</u>	 <u>2,358,135</u>	 <u>9,719,781</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	136,741	106,098	53,312	296,151
Accrued payroll and employee benefits	211,771	5,553	34,214	251,538
Due to other funds	-	-	4,454	4,454
Deferred revenue	48,190	-	462,580	510,770
Total liabilities	<u>396,702</u>	<u>111,651</u>	<u>554,560</u>	<u>1,062,913</u>
Fund balances:				
Reserved:				
Encumbrances	93,518	307,383	63,271	464,172
Insurance premium increases	54,336	-	-	54,336
Prepaid items	16,899	-	-	16,899
Debt service	-	-	289,311	289,311
Investments	-	-	164,505	164,505
Unreserved:				
Designated:				
Operations	-	-	476,158	476,158
Capital improvements	-	997,553	444,742	1,442,295
Undesignated:				
General Fund	5,383,604	-	-	5,383,604
Debt service funds	-	-	365,588	365,588
Total fund balances	<u>5,548,357</u>	<u>1,304,936</u>	<u>1,803,575</u>	<u>8,656,868</u>
 Total liabilities and fund balances	 \$ <u>5,945,059</u>	 <u>1,416,587</u>	 <u>2,358,135</u>	 <u>9,719,781</u>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
 Reconciliation of Governmental Funds Balance Sheet  
 to Statement of Net Assets  
 June 30, 2005

Total fund balances for governmental funds \$ 8,656,868

Total net assets reported for governmental activities in the  
 Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds. These  
 assets, net of accumulated depreciation consist of:

Land and land improvements	\$	4,533,005	
Buildings		3,930,846	
Office furniture and equipment		1,289,236	
Vehicles and equipment		1,782,255	
Infrastructure		21,725,537	
Construction in progress		784,236	
Accumulated depreciation		<u>(8,440,554)</u>	
Total capital assets			25,604,561

Other long-term assets are not available to pay for current period  
 expenditures and therefore are deferred in the funds. These assets  
 consist of deferred assessments. 462,080

Long-term liabilities, including bonds payable and accrued leave,  
 are not due and payable in the current period and therefore are  
 not reported as fund liabilities. These liabilities consist of:

General obligation bonds payable	(4,355,000)		
Special assessment bonds payable	(450,230)		
Accrued interest on bonds	(53,859)		
Accrued leave	(328,801)		
Net pension obligation	<u>(154,284)</u>		
Total long term liabilities			<u>(5,342,174)</u>

Total net assets of governmental activities \$ 29,381,335

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended June 30, 2005

	<u>Major Funds</u>			Total Governmental Funds
	<u>General</u>	Miscellaneous Projects Capital Project	Nonmajor Funds	
Revenues:				
Taxes	\$ 8,627,021	-	-	8,627,021
Licenses and permits	39,155	-	-	39,155
Fines, forfeitures and penalties	100,652	-	31,101	131,753
Intergovernmental	604,721	2,716,379	1,123,264	4,444,364
Special assessments	-	-	217,992	217,992
Charges for services	928,882	-	-	928,882
Investment income (loss)	152,326	(4,060)	28,662	176,928
Lot sales	-	-	18,800	18,800
Other	26,595	50,683	60,544	137,822
Total revenues	<u>10,479,352</u>	<u>2,763,002</u>	<u>1,480,363</u>	<u>14,722,717</u>
Expenditures:				
Current:				
General government	1,782,619	-	33,009	1,815,628
Public safety	3,286,366	-	141,012	3,427,378
Public works	1,611,765	-	-	1,611,765
Culture and recreation	581,136	-	685,316	1,266,452
Nondepartmental	66,590	-	-	66,590
Debt service:				
Principal	-	-	507,557	507,557
Interest	-	-	263,465	263,465
Capital outlay	-	3,343,139	769,741	4,112,880
Total expenditures	<u>7,328,476</u>	<u>3,343,139</u>	<u>2,400,100</u>	<u>13,071,715</u>
Excess of revenues over (under) expenditures	3,150,876	(580,137)	(919,737)	1,651,002
Other financing sources (uses):				
Transfers in	15,971	708,888	1,986,021	2,710,880
Transfers out	<u>(3,122,135)</u>	<u>(13,246)</u>	<u>(655,501)</u>	<u>(3,790,882)</u>
Net other financing sources (uses)	<u>(3,106,164)</u>	<u>695,642</u>	<u>1,330,520</u>	<u>(1,080,002)</u>
Net change in fund balances	44,712	115,505	410,783	571,000
Beginning fund balances	<u>5,503,645</u>	<u>1,189,431</u>	<u>1,392,792</u>	<u>8,085,868</u>
Ending fund balances	\$ <u>5,548,357</u>	<u>1,304,936</u>	<u>1,803,575</u>	<u>8,656,868</u>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
 Reconciliation of the Change in Fund Balances of Governmental Funds  
 to Statement of Activities  
 Year Ended June 30, 2005

Net change in fund balances - total governmental funds \$ 571,000

The change in net assets reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays (\$4,165,552) exceeded depreciation (\$969,684). 3,195,868

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the decrease in other long-term assets. (169,515)

The repayment of principal of long-term debt (\$507,557) consumes current financial resources in governmental funds, but does not have any effect on net assets. 507,557

Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This is the amount of the decrease in accrued interest payable. 24,167

Accrued leave and net pension obligation 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. The following are net increases:

Accrued leave	\$	(52,691)	
Net pension obligation		<u>(154,284)</u>	
			<u>(206,975)</u>

Change in net assets of governmental activities \$ 3,922,102

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Taxes	\$ 8,188,269	8,188,269	8,627,021	438,752
Licenses and permits	43,100	43,100	39,155	(3,945)
Fines, forfeitures and penalties	76,000	76,000	100,652	24,652
Intergovernmental	431,137	681,361	604,721	(76,640)
Charges for services	905,028	962,815	928,882	(33,933)
Investment income	135,000	135,000	152,326	17,326
Other	91,427	87,140	26,595	(60,545)
Total revenues	<u>9,869,961</u>	<u>10,173,685</u>	<u>10,479,352</u>	<u>305,667</u>
Expenditures:				
General government	1,871,744	1,944,532	1,782,619	161,913
Public safety	3,341,843	3,657,315	3,286,366	370,949
Public works	1,727,539	1,764,880	1,611,765	153,115
Culture and recreation	556,582	596,418	581,136	15,282
Nondepartmental	70,000	70,000	66,590	3,410
Total expenditures	<u>7,567,708</u>	<u>8,033,145</u>	<u>7,328,476</u>	<u>704,669</u>
Excess of revenues over expenditures	2,302,253	2,140,540	3,150,876	1,010,336
Other financing sources (uses):				
Transfers in	1,000	14,246	15,971	1,725
Transfers out	<u>(2,143,747)</u>	<u>(3,185,506)</u>	<u>(3,122,135)</u>	<u>63,371</u>
Net other financing sources (uses)	<u>(2,142,747)</u>	<u>(3,171,260)</u>	<u>(3,106,164)</u>	<u>65,096</u>
Net change in fund balance	\$ <u>159,506</u>	<u>(1,030,720)</u>	44,712	<u>1,075,432</u>
Beginning fund balance			<u>5,503,645</u>	
Ending fund balance			\$ <u>5,548,357</u>	

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

Enterprise Funds  
Statement of Net Assets  
June 30, 2005

Assets	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Multi-Use Sports Complex	
Current assets:					
Cash and investments	\$ 1,770,029	984,380	212,968	768,938	3,736,315
Receivables					
Accounts	80,825	72,199	549	419	153,992
Allowance for doubtful accounts	(8,163)	(7,176)	-	-	(15,339)
Grants	265,600	84	262,841	-	528,525
Special assessments	-	10,413	-	-	10,413
Notes	-	2,577	-	-	2,577
Sales taxes	-	-	-	206,977	206,977
Inventories	52,164	85,569	-	-	137,733
Total current assets	<u>2,160,455</u>	<u>1,148,046</u>	<u>476,358</u>	<u>976,334</u>	<u>4,761,193</u>
Noncurrent assets:					
Restricted cash - bond redemption	-	-	-	580,844	580,844
Notes receivable, net of current portion	-	3,430	-	-	3,430
Property, plant and equipment	19,939,846	22,892,164	10,098,205	15,755,186	68,685,401
Less accumulated depreciation	<u>(3,622,455)</u>	<u>(7,578,665)</u>	<u>(3,352,289)</u>	<u>(321,501)</u>	<u>(14,874,910)</u>
Net property, plant and equipment	<u>16,317,391</u>	<u>15,313,499</u>	<u>6,745,916</u>	<u>15,433,685</u>	<u>53,810,491</u>
Deferred charges, net of accumulated amortization	13,025	-	-	-	13,025
Total noncurrent assets	<u>16,330,416</u>	<u>15,316,929</u>	<u>6,745,916</u>	<u>16,014,529</u>	<u>54,407,790</u>
Total assets	\$ <u>18,490,871</u>	<u>16,464,975</u>	<u>7,222,274</u>	<u>16,990,863</u>	<u>59,168,983</u>
<u>Liabilities and Net Assets</u>					
Liabilities:					
Current liabilities:					
Accounts payable	366,924	4,350	164,315	48,195	583,784
Accrued payroll and employee benefits	10,885	9,416	1,375	12,745	34,421
Accrued annual and sick leave	11,383	23,650	1,665	15,299	51,997
Customer deposits	25,789	16,906	-	-	42,695
Accrued interest	38,816	4,992	-	121,489	165,297
Deferred revenue	13,501	-	3,700	11,620	28,821
Current portion of bonds and loans	213,455	25,742	-	1,240,000	1,479,197
Total current liabilities	<u>680,753</u>	<u>85,056</u>	<u>171,055</u>	<u>1,449,348</u>	<u>2,386,212</u>
Long-term debt, net of current portion:					
General obligation bonds	-	-	-	10,475,000	10,475,000
Special assessment bonds	-	32,956	-	-	32,956
ADEC loans	3,761,137	295,824	-	-	4,056,961
Unamortized bond premium	-	-	-	75,787	75,787
Net pension obligation	13,844	15,342	946	13,562	43,694
Total long-term debt, net of current portion	<u>3,774,981</u>	<u>344,122</u>	<u>946</u>	<u>10,564,349</u>	<u>14,684,398</u>
Total liabilities	<u>4,455,734</u>	<u>429,178</u>	<u>172,001</u>	<u>12,013,697</u>	<u>17,070,610</u>
Net assets:					
Invested in capital assets, net of related debt	12,342,799	14,958,977	6,745,916	3,786,239	37,833,931
Restricted for debt service	-	-	-	1,010,688	1,010,688
Unrestricted	1,692,338	1,076,820	304,357	180,239	3,253,754
Total net assets	<u>14,035,137</u>	<u>16,035,797</u>	<u>7,050,273</u>	<u>4,977,166</u>	<u>42,098,373</u>
Total liabilities and net assets	\$ <u>18,490,871</u>	<u>16,464,975</u>	<u>7,222,274</u>	<u>16,990,863</u>	<u>59,168,983</u>

See accompanying notes to basic financial statements.



**CITY OF WASILLA, ALASKA**  
Enterprise Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2005

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Multi-Use Sports Complex	
Operating revenues - charges for services	\$ 743,673	642,553	56,047	576,555	2,018,828
Operating expense:					
Salaries and benefits	301,208	333,592	35,097	433,851	1,103,748
Other operating expenses	253,887	237,874	61,947	355,443	909,151
Depreciation	362,924	384,882	337,683	321,501	1,406,990
Total operating expenses	918,019	956,348	434,727	1,110,795	3,419,889
Operating loss	(174,346)	(313,795)	(378,680)	(534,240)	(1,401,061)
Nonoperating revenues (expenses):					
Sales tax revenue	-	-	255	2,086,801	2,087,056
Payments in lieu of assessments	45,536	64,650	-	-	110,186
Interest expense	(28,873)	(10,673)	-	(502,353)	(541,899)
Investment income	22,409	15,286	247	27,508	65,450
Other revenue	-	-	-	27,104	27,104
Net nonoperating revenues (expenses)	39,072	69,263	502	1,639,060	1,747,897
Income (loss) before transfers and contributions	(135,274)	(244,532)	(378,178)	1,104,820	346,836
Transfers in	853,888	80,000	149,114	-	1,083,002
Transfers out	(1,500)	(1,500)	-	-	(3,000)
Capital contributions	899,747	8,054	2,178,023	-	3,085,824
Change in net assets	1,616,861	(157,978)	1,948,959	1,104,820	4,512,662
Beginning net assets	12,418,276	16,193,775	5,101,314	3,872,346	37,585,711
Ending net assets	\$ 14,035,137	16,035,797	7,050,273	4,977,166	42,098,373

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

Enterprise Funds  
Statement of Cash Flows  
Year Ended June 30, 2005

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Multi-Use Sports Complex	
Cash flows from operating activities:					
Receipts from customers and users	\$ 750,981	640,908	53,157	556,740	2,001,786
Other miscellaneous receipts	-	-	-	27,104	27,104
Payments to suppliers	78,841	(251,435)	102,368	(487,868)	(558,094)
Payments to employees	(288,220)	(316,450)	(33,835)	(409,624)	(1,048,129)
Net cash flows from operating activities	<u>541,602</u>	<u>73,023</u>	<u>121,690</u>	<u>(313,648)</u>	<u>422,667</u>
Cash flows from noncapital financing activities - transfers in					
	-	-	43,809	-	43,809
Cash flows from capital and related financing activities:					
Principal and interest paid on long-term debt	(235,086)	(36,377)	-	(1,645,966)	(1,917,429)
Special assessments received	-	31,782	-	-	31,782
Receipt of payments in lieu of assessments	45,536	64,650	-	-	110,186
Acquisition and construction of capital assets	(1,757,418)	(83,065)	(2,256,327)	(537,836)	(4,634,646)
Capital contributions received	1,310,713	162,136	1,956,576	-	3,429,425
Sales tax received	-	-	255	2,068,572	2,068,827
Transfers in	853,888	80,000	105,305	-	1,039,193
Transfers out	(1,500)	(1,500)	-	-	(3,000)
Net cash flows from capital and related financing activities	<u>216,133</u>	<u>217,626</u>	<u>(194,191)</u>	<u>(115,230)</u>	<u>124,338</u>
Cash flows from investing activities:					
Investment income received	22,409	15,286	247	27,508	65,450
Principal payments received on notes receivable	-	4,412	-	-	4,412
Net cash flows from investing activities	<u>22,409</u>	<u>19,698</u>	<u>247</u>	<u>27,508</u>	<u>69,862</u>
Net increase (decrease) in cash and investments	780,144	310,347	(28,445)	(401,370)	660,676
Beginning cash and investments	<u>989,885</u>	<u>674,033</u>	<u>241,413</u>	<u>1,751,152</u>	<u>3,656,483</u>
Ending cash and investments	\$ <u>1,770,029</u>	<u>984,380</u>	<u>212,968</u>	<u>1,349,782</u>	<u>4,317,159</u>
Reconciliation of cash and investments to balance sheet:					
Cash and investments:					
Current assets	1,770,029	984,380	212,968	768,938	3,736,315
Restricted assets	-	-	-	580,844	580,844
\$	<u>1,770,029</u>	<u>984,380</u>	<u>212,968</u>	<u>1,349,782</u>	<u>4,317,159</u>

## CITY OF WASILLA, ALASKA

## Enterprise Funds

## Statement of Cash Flows, continued

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Multi-Use Sports Complex	
Reconciliation of operating loss to net cash flows from operating activities:					
Operating loss	\$ (174,346)	(313,795)	(378,680)	(534,240)	(1,401,061)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation and amortization	363,306	384,882	337,683	321,501	1,407,372
Increase in allowance for doubtful accounts	2,720	2,349	-	-	5,069
Other nonoperating revenues	-	-	-	27,104	27,104
(Increase) decrease in assets:					
Accounts receivable	3,903	4,356	(438)	(419)	7,402
Inventory	(8,711)	(14,636)	-	-	(23,347)
Increase (decrease) in liabilities:					
Accounts payable	341,057	1,075	164,315	(132,425)	374,022
Revenue billed in advance	7,695	-	(2,452)	-	5,243
Accrued payroll and employee benefits	302	(779)	57	(2,127)	(2,547)
Accrued annual and sick leave	(1,158)	2,579	259	12,792	14,472
Net pension obligation	13,844	15,342	946	13,562	43,694
Customer deposits	(7,010)	(8,350)	-	-	(15,360)
Deferred revenue	-	-	-	(19,396)	(19,396)
Net cash flows from operating activities	\$ <u>541,602</u>	<u>73,023</u>	<u>121,690</u>	<u>(313,648)</u>	<u>422,667</u>

See accompanying notes to basic financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

The Notes to the Basic Financial Statements are a summary of significant accounting policies and other notes to the financial statements necessary for adequate disclosure.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements

June 30, 2005

### (1) Summary of Significant Accounting Policies

#### General

The accompanying financial statements include all activities of the City of Wasilla, a municipal corporation operating as a first class city under the provisions of Alaska statutes. The City operates under a Mayor-Council form of government.

#### Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units by using criteria provided by the Governmental Accounting Standards Board. Based upon the application of these criteria, there are no component units for which the City of Wasilla is financially accountable, nor do any special financial relationships exist between the City and any other entity.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### **Summary of Significant Accounting Policies, continued**

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to accrued leave are recorded only to the extent they have matured.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major funds:

#### Major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *Miscellaneous Projects Capital Project Fund* accounts for various capital activities of the City.

#### Major proprietary funds:

The *Water Utility Enterprise Fund* is used to account for the operations of the City water system.

The *Sewer Utility Enterprise Fund* is used to account for the operations of the wastewater utility.

The *Municipal Airport Enterprise Fund* is used to account for the operations of Wasilla Municipal Airport.

The *Multi-Use Sport Complex Enterprise Fund* is used to account for the operations of the new recreational sports complex facility.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes (including the City's dedicated sales taxes), investment income, and State of Alaska entitlement revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### Budgets

The annual City operating budget is prepared by management in the spring preceding the fiscal year to which it relates. All funds are budgeted on an annual basis encompassing a fiscal year. The Capital Project Funds have project-length budgets. The budget is submitted to the City Council for review and approval. Legal enactment of the budget is obtained through passage of a City ordinance. Amendments to the budget can occur any time during the fiscal year through City Council action. The legal level of budgetary control for all funds is at the function or activity level. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered, except for capital projects.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### **Summary of Significant Accounting Policies, continued**

#### Budgets, continued

Annual budgets for the General, Special Revenue and Debt Service Funds are legally adopted on the same modified accrual basis used to reflect actual revenues and expenditures.

Annual budgets are also adopted for the Enterprise Funds. However, generally accepted accounting principles do not require the adoption of budgets for Enterprise Funds, and budgetary comparisons are not included for these funds since the measurement focus is upon determination of net income and financial position.

#### Central Treasury

The cash transactions of the City's funds are handled primarily in an overnight repurchase agreement account. Investment earnings are allocated among the funds based on their respective equity in the central treasury.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Enterprise Funds consider all cash and investments to be cash and cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

#### Inventory

Inventory is valued at the lower of average cost or market in the Enterprise Funds.

#### Short-Term Interfund Receivables/Payables

Short-term interfund loans are classified as "due from other funds" or "due to other funds" on the balance sheet.

#### Advances to Other Funds

Noncurrent portions of long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

#### Accrued Leave

All full-time employees are eligible for paid leave (vacation and sick leave). Employees may accrue a maximum of 480 hours of vacation which may be cashed out upon termination at 100% of value. Sick leave has no limit on the amount that can be accrued and may be cashed out at 25% of the value upon termination. Accrued leave is recorded as an expense in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).



# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### Summary of Significant Accounting Policies, continued

#### Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items, regardless of their acquisition date.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	20-40 years
Infrastructure	50 years
System infrastructure	20-50 years
Machinery and equipment	3-8 years

#### Deferred Grant Revenue

Amounts received from grantor agencies which are restricted as to use and have not been expended for the intended use are shown as deferred revenue.

#### Long-Term Debt

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

#### Encumbrances

Encumbrances outstanding at year end, including purchase orders, contracts and other commitments for the expenditure of monies, are reported as reservations of fund balances in the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds since they do not constitute expenditures or liabilities.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### **Summary of Significant Accounting Policies, continued**

#### Property Taxes

Property taxes are levied on the assessed value of taxable property as of January 1 and are payable in two installments in August and February. An enforceable lien is attached on all taxable property as of January 1. The Matanuska-Susitna Borough bills and collects all property taxes for the City.

#### Grants and Other Intergovernmental Revenues

In applying the measurable and available concepts to grants and intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered "earned"; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

#### Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

#### Administrative Fees

Grants are charged an administrative fee if allowable under the terms of the grants. The fee is recorded as revenue in the General Fund.

#### Pension Plans

Substantially all employees of the City participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska.

#### Reclassifications

Certain reclassifications have been made to the 2004 financial statements to make them comparable with the 2005 presentation.

#### Comparative Data

Comparative data for the prior year have been presented in some of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### (2) Cash and Investments

The City of Wasilla utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "Cash and investments", or is included in "Due to other funds."

#### Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of June 30, 2005.

Bank deposits	\$ 721,533
Investments	<u>10,741,772</u>
	\$ <u>11,463,305</u>
Cash and investments	\$ 10,882,461
Restricted cash and investments	<u>580,844</u>
	\$ <u>11,463,305</u>

#### General Investments

##### *Investment Policy*

The City is authorized to invest in the following:

- Government obligations: shares of SEC registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations of the United States and repurchase agreements backed by those obligations and rated in the highest category by S&P and Moody's.
- Commercial paper: having original maturities of not more than two hundred seventy (270) days and rated at all times "A-1" or better by S&P and "P-1" or better by Moody's, and bearing interest at a rate at least twenty-five basis points (.25%) above the rate of interest on United States Treasury obligations of the same maturity at the time of purchase.
- Interest bearing obligations of a corporation, or of any state of the United States of America or any political subdivision thereof, which obligations at all times are rated at least "AA" by S&P or Moody's; provided, that any such obligation of a corporation shall bear interest at a rate of at least twenty-five basis points (.25%) above the rate of interest on United States Treasury obligations of the same maturity at the time of purchase.

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Cash and Investments, continued**

*Investment Policy, continued*

- Certificates of deposit of any rated bank, provided that such certificates of deposit are:
  - Fully insured by an appropriate insuring agency of the United States; and
  - To the extent not so insured, collateralized with government obligations held by a third party custodian, in an amount equal to one hundred-two percent (102%) of the principal and unpaid accrued interest.
  
- Repurchase agreements with primary dealers or rated banks, collateralized with government obligations held by a third party custodian, in an amount equal to one hundred-two percent (102%) of the principal and unpaid accrued interest.
  
- The Alaska Municipal League Investment Pool, Inc. (AMLIP).

*Interest Rate Risk*

Investment maturities in general investments at June 30, 2005 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
U.S. Treasuries	\$ 1,568,983	-	1,568,983
U.S. government agencies	3,934,199	1,286,678	2,647,521
Repurchase agreement	<u>855,194</u>	<u>855,194</u>	<u>-</u>
Total subject to interest rate risk	6,358,376	<u>2,141,872</u>	<u>4,216,504</u>
Pooled investments	<u>4,383,396</u>		
Total investments	\$ <u>10,741,772</u>		

*Credit Risk*

Pooled investments are invested with the Alaska Municipal League Investment Pool, Inc. (AMLIP). The AMLIP is an external investment pool which is not SEC registered and is not rated for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

(3) **Capital Assets**

Capital asset activity for the year ended June 30, 2005 follows:

	Balance July 1, <u>2004</u>	Additions and <u>Reclassifications</u>	Deletions and <u>Reclassifications</u>	Balance June 30, <u>2005</u>
<b><u>Governmental Activities</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,533,005	-	-	4,533,005
Construction in progress	<u>3,637,257</u>	<u>574,301</u>	<u>3,427,322</u>	<u>784,236</u>
Total assets not being depreciated	<u>8,170,262</u>	<u>574,301</u>	<u>3,427,322</u>	<u>5,317,241</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,532,563	398,283	-	3,930,846
Office furniture and equipment	1,079,118	210,118	-	1,289,236
Vehicles and equipment	1,639,339	142,916	-	1,782,255
Infrastructure	<u>15,458,281</u>	<u>6,267,256</u>	<u>-</u>	<u>21,725,537</u>
Total assets being depreciated	<u>21,709,301</u>	<u>7,018,573</u>	<u>-</u>	<u>28,727,874</u>
Less accumulated depreciation for:				
Buildings	920,169	98,038	-	1,018,207
Office furniture and equipment	504,085	158,626	-	662,711
Vehicles and equipment	822,386	184,321	-	1,006,707
Infrastructure	<u>5,224,230</u>	<u>528,699</u>	<u>-</u>	<u>5,752,929</u>
Total accumulated depreciation	<u>7,470,870</u>	<u>969,684</u>	<u>-</u>	<u>8,440,554</u>
Total capital assets being depreciated, net	<u>14,238,431</u>	<u>6,048,889</u>	<u>-</u>	<u>20,287,320</u>
Governmental activity capital assets, net	\$ <u>22,408,693</u>	<u>6,623,190</u>	<u>3,427,322</u>	<u>25,604,561</u>
<b><u>Business-type Activities</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,695,914	17,776	-	2,713,690
Construction in progress	<u>1,040,872</u>	<u>3,837,910</u>	<u>694,728</u>	<u>4,184,054</u>
Total assets not being depreciated	<u>3,736,786</u>	<u>3,855,686</u>	<u>694,728</u>	<u>6,897,744</u>
<i>Capital assets being depreciated:</i>				
Land improvements	5,620,175	-	-	5,620,175
Buildings	14,620,654	472,454	-	15,093,108
Treatment system	8,079,120	1,685	-	8,080,805
Collection/distribution system	19,039,286	882,258	-	19,921,544
Water tank and fence	6,496,230	42,060	-	6,538,290
Wells/well house	367,793	-	-	367,793
Vehicle and equipment	<u>6,090,722</u>	<u>75,220</u>	<u>-</u>	<u>6,165,942</u>
Total assets being depreciated	<u>60,313,980</u>	<u>1,473,677</u>	<u>-</u>	<u>61,787,657</u>
Less accumulated depreciation for:				
Land improvements	2,742,952	274,782	-	3,017,734
Buildings	-	292,413	-	292,413
Treatment system	1,728,107	142,924	-	1,871,031
Collection/distribution system	4,706,857	360,528	-	5,067,385
Water tank and fence	849,958	120,628	-	970,586
Wells/well house	162,878	5,429	-	168,307
Vehicle and equipment	<u>3,277,179</u>	<u>210,275</u>	<u>-</u>	<u>3,487,454</u>
Total accumulated depreciation	<u>13,467,931</u>	<u>1,406,979</u>	<u>-</u>	<u>14,874,910</u>
Total capital assets being depreciated, net	<u>46,846,049</u>	<u>66,698</u>	<u>-</u>	<u>46,912,747</u>
Business-type activity capital assets, net	\$ <u>50,582,835</u>	<u>3,922,384</u>	<u>694,728</u>	<u>53,810,491</u>

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Capital Assets, continued**

Depreciation expense was charged to the functions as follows:

**Governmental Activities**

General government	\$ 90,109
Public safety	207,419
Public works	617,984
Culture and recreation	<u>54,172</u>
Total depreciation expense – governmental activities	<u>969,684</u>

**Business-type Activities**

Water utility	\$ 362,924
Sewer utility	384,882
Municipal airport	337,683
Multi-use sports complex	<u>321,501</u>
Total depreciation expense – business-type activities	<u>1,406,990</u>
Total depreciation expense	\$ <u>2,376,674</u>

(4) **Interfund Receivables, Payables, and Transfers**

A schedule of interfund balances and transfers for the year ended June 30, 2005, follows:

***Due from other funds:***

Due from nonmajor funds to the General Fund for short-term operating subsidy	\$ <u>4,454</u>
--	-----------------

***Transfers:***

From Miscellaneous Projects Capital Project Fund to General Fund for operating subsidy	\$ 13,246
--	-----------

From General Fund to:

Sewer Utility Fund for capital expenditures	80,000
Water Utility Fund for capital expenditures	220,000
Municipal Airport Fund for capital expenditures	105,305
Municipal Airport Fund for operating subsidy	43,809
Miscellaneous Projects Capital Project Fund for capital expenditures	700,000
Nonmajor governmental funds for debt service	436,347
Nonmajor governmental funds for operating subsidy	143,400
Nonmajor governmental funds for capital expenditures	1,393,274

From Sewer Utility Fund to nonmajor governmental funds for capital expenditures	1,500
---	-------

From Water Utility Fund to nonmajor governmental funds for capital expenditures	1,500
---	-------

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Interfund Receivables, Payables, and Transfers, continued**

***Transfers, continued:***

From nonmajor governmental funds to:

General Fund for operating costs	\$ 2,725
Miscellaneous Projects Capital Project Fund for capital expenditures	8,888
Water Utility Fund for capital expenditures	633,888
Nonmajor governmental funds for capital expenditures	<u>10,000</u>
Total transfers to other funds	\$ <u>3,793,882</u>

(5) **Long-Term Debt**

On March 16, 2004, the City entered into a loan agreement with the Alaska Department of Environmental Conservation (ADEC) to borrow \$3,309,000 at 2.5% interest. The proceeds were used to fully retire the \$3,000,000 interim loan that was used to fund the water improvement projects. Repayment of the ADEC loan began on March 4, 2005.

On August 7 and November 6, 2002, the City entered into two loan agreements with ADEC to help fund the costs of additional sewer and water main improvements. The maximum amount of each loan is \$50,000. During 2004, the City drew an additional \$4,952 and \$5,247, respectively bringing the final balances to \$44,353 for the sewer loan and \$39,049 for the water loan. Repayment of these loans started on September 30, 2004.

Long-term debt consists of the following at June 30, 2005:

<b><u>Governmental Activities</u></b>	<b><u>Balance</u></b> <b><u>July 1, 2004</u></b>	<b><u>Additions</u></b>	<b><u>Retired</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2005</u></b>	<b><u>Due</u></b> <b><u>Within</u></b> <b><u>One Year</u></b>
Special Assessment Bonds:					
\$329,300 1986 Southside Water District Bond, due in annual installments of \$3,954 to \$6,454 through June 30, 2015; plus interest at 6.125%	\$ 52,702	-	3,954	48,748	3,954
\$626,000 1987 Sewer Improvement District Bond, due in annual installments of \$3,775 to \$4,900 through August 17, 2027; plus interest at 6.5%	103,350	-	3,775	99,575	3,775
\$261,942 1995 Whispering Woods/ Nelson Avenue/Lake View Avenue Paving Improvement Districts Bond, final installment of \$1,588 due July 26, 2004; plus interest at 6.825%;	1,588	-	1,588	-	-
\$251,298 1997 Westpoint/Hallea Lane/ Wild Adventure/Southview Paving Improvement Districts Bond, due in annual installments of \$25,130 through March 17, 2004 with a final installment of \$20,189 due March 17, 2005; plus interest at 6.435%	20,189	-	20,189	-	-

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Long-Term Debt, continued**

<u>Governmental Activities, continued</u>	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2005</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Special Assessment Bonds, continued:					
\$287,200 2001 Wood Crest/Patricia/ Century Park Paving Improvement Districts Bond, due in annual installments of \$19,300 through November 24, 2008; plus interest at 5.9%	\$ 80,600	-	19,300	61,300	19,300
\$189,320 2002 North Country Paving Improvement District Bond, due in annual installments of \$18,932 through April 6, 2008; plus interest at 6.545%	93,792	-	48,932	44,860	18,932
\$17,400 2001 Susitna Area Paving Improvement District Bond, due in final installment of \$1,449 on June 28, 2006; plus interest at 4.55%	3,580	-	2,131	1,449	1,449
\$199,088 2001 Talerico Paving Improvement District Bond, due in annual installments of \$19,909 through June 28, 2007; plus interest at 4.55%	75,562	-	39,084	36,478	19,909
\$117,690 2003 Prospector Hills and WVCSA Paving Bond, due in annual installments of \$11,769 through March 1, 2010; plus interest at 5.25%	105,920	-	55,769	50,151	11,769
\$228,338 2003 GVC/GGL Subdivision Paving Bond, due in annual installments of \$22,834 through March 1, 2010; plus interest at 5.25%	<u>205,504</u>	<u>-</u>	<u>97,835</u>	<u>107,669</u>	<u>22,834</u>
Total special assessment bonds	<u>742,787</u>	<u>-</u>	<u>292,557</u>	<u>450,230</u>	<u>101,922</u>
General Obligation Bonds -					
\$5,500,000 1998 Street Paving/Street Improvements General Obligation Bonds, due in annual installments of \$225,000 to \$420,000 through October 1, 2018; plus variable interest from 4.625% to 5.0%	<u>4,570,000</u>	<u>-</u>	<u>215,000</u>	<u>4,355,000</u>	<u>225,000</u>
Accrued leave	276,110	345,794	293,103	328,801	328,801
Net pension obligation	<u>-</u>	<u>154,284</u>	<u>-</u>	<u>154,284</u>	<u>-</u>
Total governmental activities	<u>\$ 5,588,897</u>	<u>500,078</u>	<u>800,660</u>	<u>5,288,315</u>	<u>665,435</u>

Other long-term liabilities related to governmental activities, such as accrued leave and pension liabilities, are generally liquidated by the General Fund.



**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Long-Term Debt, continued**

<b><u>Business-type Activities</u></b>	Balance July 1, 2004	<u>Additions</u>	<u>Retired</u>	Balance June 30, 2005	Due Within One Year
Special Assessment Bonds - \$84,711 2001 Broadview Sewer Improvement District Bond, due in annual installments of \$8,471 through June 28, 2011; plus interest at 4.55%	\$ <u>49,898</u>	<u>-</u>	<u>8,471</u>	<u>41,427</u>	<u>8,471</u>
General Obligation Bonds - \$14,700,000 2002 Multi-Use Sports Complex General Obligation Bonds, due in annual installments of \$1,240,000 to \$2,180,000 through April 1, 2012; plus variable interest from 3.0% to 4.5%	<u>12,840,000</u>	<u>-</u>	<u>1,125,000</u>	<u>11,715,000</u>	<u>1,240,000</u>
Loans Payable:					
\$177,100 Water loan payable, due in annual installments of \$8,754 through August 3, 2018, plus interest at 2.5%	131,313	-	8,754	122,559	8,754
\$745,939 Water loan payable, due in annual installments of \$37,299 through November 15, 2022; plus interest at 2.5%	708,685	-	37,299	671,386	37,299
\$301,066 Sewer loan payable, due in annual installments of \$15,053 through November 15, 2022; plus interest at 1.5%	286,013	-	15,053	270,960	15,053
\$39,049 Water loan payable, due in annual installments of \$1,952 through September 30, 2023; plus interest at 2.5%	39,049	-	1,952	37,097	1,952
\$44,353 Sewer loan payable, due in annual installments of \$2,218 through September 30, 2023; plus interest at 1.5%	44,353	-	2,218	42,135	2,218
\$3,309,000 Water loan payable, due in annual installments of \$165,450 through March 4, 2024; plus interest at 2.5%	<u>3,309,000</u>	<u>-</u>	<u>165,450</u>	<u>3,143,550</u>	<u>165,450</u>
Total loans payable	<u>4,518,413</u>	<u>-</u>	<u>230,726</u>	<u>4,287,687</u>	<u>230,726</u>
Accrued leave	37,525	41,191	26,719	51,997	51,997
Net pension obligation	<u>-</u>	<u>43,694</u>	<u>-</u>	<u>43,694</u>	<u>-</u>
Total business type activities	\$ <u>17,445,836</u>	<u>84,885</u>	<u>1,390,916</u>	<u>16,139,805</u>	<u>1,531,194</u>

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Long-Term Debt, continued**

Annual debt service requirements to maturity for all of the above obligations, except the accrued leave and net pension obligation, follow:

**Governmental Activities**

Year Ending June 30,	<u>Special Assessment Bonds</u>			<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 101,922	26,022	127,944	225,000	209,810	434,810
2007	97,258	20,369	117,627	235,000	198,310	433,310
2008	68,752	14,934	83,686	245,000	186,310	431,310
2009	45,856	11,016	56,872	260,000	173,685	433,685
2010	27,265	8,503	35,768	270,000	160,941	430,941
2011-2015	48,477	29,064	77,541	1,560,000	591,259	2,151,259
2016-2020	21,500	17,127	38,627	1,560,000	161,000	1,721,000
2021-2025	24,500	9,555	34,055	-	-	-
2026-2028	14,700	1,911	16,611	-	-	-
	<u>\$ 450,230</u>	<u>138,501</u>	<u>588,731</u>	<u>4,355,000</u>	<u>1,681,315</u>	<u>6,036,315</u>

**Business-type Activities**

Year Ending June 30,	<u>Special Assessment Bonds</u>			<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 8,471	1,885	10,356	1,240,000	485,956	1,725,956
2007	8,471	1,499	9,970	1,365,000	442,556	1,807,556
2008	8,471	1,114	9,585	1,495,000	391,369	1,886,369
2009	8,471	729	9,200	1,645,000	331,569	1,976,569
2010	7,543	343	7,886	1,805,000	261,656	2,066,656
2011-2012	-	-	-	4,165,000	283,044	4,448,044
	<u>\$ 41,427</u>	<u>5,570</u>	<u>46,997</u>	<u>11,715,000</u>	<u>2,196,150</u>	<u>13,911,150</u>

Year Ending June 30,	<u>Principal</u>	<u>Loans</u>	
		<u>Interest</u>	<u>Total</u>
2006	\$ 230,726	105,699	336,425
2007	230,726	98,865	329,591
2008	230,726	93,248	323,974
2009	230,726	87,629	318,355
2010	230,726	82,013	312,739
2011-2015	1,153,633	325,795	1,479,428
2016-2020	1,144,882	185,355	1,330,237
2021-2024	835,541	49,354	884,895
	<u>\$ 4,287,686</u>	<u>1,027,958</u>	<u>5,315,644</u>

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### **Long-Term Debt, continued**

#### **Special Assessment Bond Covenants**

By City Ordinance 82-14 and as amended by subsequent ordinances, the City created a bond guarantee fund. The purpose of the fund is to guarantee the payment of the principal of all special assessment bonds, warrants, and notes issued on any special assessment district funds and interest pertaining thereto. The City covenants that:

- The Bond Guarantee Fund shall be kept separate from all other money and funds of the City and shall be held in trust for the uses and purposes provided for in the ordinances.
- From the date of delivery of the bonds, the City will make certain minimum payments into the bond guarantee fund. The payments vary with each special assessment bond issue.

All special assessment bonds are secured by special assessments levied against properties specifically benefited by the improvement within each district

### (6) **Defined Benefit Pension Plan**

#### **Description of Plan**

The City participates in the Alaska Public Employees Retirement System (PERS), an agent multiple employer plan which covers eligible State and local government employees. The plan was established and is administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, AK 99811-0203

#### **Funding Policy**

Under PERS, employees are required to contribute 6.75% (7.5% for peace officers and firefighters) of their annual covered salary. Under the plan, the funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due. The City's current contribution rate for PERS follows:

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Defined Benefit Pension Plan, continued**

**Funding Policy, continued**

	<u>PERS</u>	
	Adjusted Actual <u>Rate</u>	Actuarially Required <u>Rate</u>
Pension	7.12%	11.45%
Postemployment healthcare	<u>4.32%</u>	<u>6.96%</u>
Total contribution rate	<u>11.44%</u>	<u>18.41%</u>

Under the plan, employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The plan uses the level dollar method to amortize the unfunded liability over an open, rolling twenty-five year period. Funding surpluses are amortized over twenty-five years.

The required contribution for each plan was determined as part of the June 30, 2002 actuarial valuation. The significant actuarial assumptions used in the valuation of the plan follow:

1. Investment return of 8.25% per annum, compounded annually, net of expenses;
2. Projected salary increases of 5.5% for the first ten years of employment and 4.0% thereafter; (police and fire 6.0% for the first five years and 4.5% thereafter);
3. Health cost inflation of 12.0% for 2003 through 2005, trending downward 0.5% per year to 7.0% in FY15, 6.0% in FY16, and 5.0% thereafter;
4. Total inflation, as measured by the Consumer Price Index for urban and clerical workers for Anchorage, is assumed to increase 3.5% annually; and
5. Asset valuation – recognizes 20% of the investment gain or loss in each of the current and preceding four years. Assets are valued at market value and are accounted for on an accrual basis. Valuation assets cannot be outside the range of 80% to 120% of market value of assets.

**Annual Pension and Postemployment Healthcare Cost - PERS**

For the year ended June 30, 2005, the City’s annual pension and other post-employment benefit (OPEB) cost was \$770,476, consisting solely of the actuarially required contribution (no beginning net pension obligation, and no interest component).

Three-year trend information for PERS follows:

	<u>Year Ending June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation*</u>
Pension	2003	\$ 168,090	\$ 168,090	100%	-
	2004	127,793	127,793	100%	-
	2005	479,313	281,335	59%	197,978

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Defined Benefit Pension Plan, continued**

**Annual Pension and Postemployment Healthcare Cost – PERS, continued**

	<u>Year Ending June 30,</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation*</u>
Postemployment healthcare	2003	\$ 71,286	\$ 71,286	100%	-
	2004	85,409	85,409	100%	-
	2005	291,163	170,896	59%	120,267

\*Generally accepted accounting principles (GAAP) currently dictate the recognition of a net pension obligation when actual contributions do not equal the actuarially required contribution for pensions. Current GAAP do not mandate the recognition of a liability for related postemployment benefits. As such, the City has recorded a net pension obligation in the amount of \$197,978. No liability has been recorded for the \$120,267 OPEB obligation.

A schedule of funding progress for PERS for the three most recently published actuarial valuations follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as Percentage of Covered Payroll</u>
June 30, 2001:						
Pension	\$ 5,190,000	\$ 5,239,000	\$ 49,000	99%	\$ 2,676,000	2%
Postemployment healthcare	2,198,000	2,219,000	21,000	99%	2,676,000	1%
June 30, 2002:						
Pension	4,385,000	5,967,000	1,582,000	73%	3,071,000	52%
Postemployment healthcare	2,664,000	3,625,000	961,000	73%	3,071,000	31%
June 30, 2003:						
Pension	4,734,000	6,358,000	1,624,000	74%	2,873,000	57%
Postemployment healthcare	3,164,000	4,250,000	1,086,000	74%	2,873,000	38%

(7) **Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Deferred Compensation Plan, continued**

In accordance with the current Internal Revenue Code, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The City does not report these assets and income in the financial statements.

#### (8) **Risk Management**

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs.

The City is a member of Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI provides the City coverage for property, including building and contents, automobiles, mobile equipment and data processing equipment; casualty, including general liability, public officials and employees liability, law enforcement professional liability, auto liability and employee benefit liability; workers' compensation, including employers liability; and commercial blanket bond. The City also has boiler and machinery, and airport liability coverage. The City has no coverage for potential losses from environmental damages.

APEI is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. APEI made no supplemental assessments during the year ended June 30, 2005. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

#### (9) **Conduit Debt**

On April 22, 1996, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Cook Inlet Housing Development Corporation to purchase a facility. The bonds were issued in the amount of \$2,327,532. The outstanding balance at June 30, 2005 was \$1,916,916.

On November 27, 2000, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Southcentral Foundation to finance the construction of a facility. The bonds were issued in the amount of \$9,800,000. The outstanding balance at June 30, 2005 was \$8,660,756.

Neither of these bonds constitutes a general obligation debt or pledge of the full faith and credit of the City and, accordingly, the bonds and related assets are not reflected in the accompanying financial statements.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

(10) **Contingencies**

The City, in the normal course of its activities, is involved in various claims and pending litigation and has accrued amounts it considers sufficient to cover settlements that may be payable as a result of unfavorable outcomes. The City intends to vigorously defend actions against it and pursue claims in its favor, and in the opinion of management and legal counsel, the disposition of these matters is not expected to have a material effect on the City's financial statements.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the applicable funds.

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES



## GENERAL FUND

The General Fund accounts for all transactions not recorded in other funds and receives financial support from such sources as property taxes, sales taxes, licenses and permits, intergovernmental revenues and charges for services. Expenditures are authorized in the budget for such functions as general administration, public safety, property and road maintenance, and museum and other recreational services.

**CITY OF WASILLA, ALASKA**

General Fund

Balance Sheet

June 30, 2005

(With Comparative Amounts for 2004)

<u>Assets</u>	<u>2005</u>	<u>2004</u>
Cash and investments	\$ <u>4,753,301</u>	<u>4,499,973</u>
Receivables:		
Sales taxes	827,909	754,994
Grants and shared revenues	<u>342,496</u>	<u>414,833</u>
Total receivables	<u>1,170,405</u>	<u>1,169,827</u>
Prepaid items	16,899	13,511
Due from other funds	4,454	39,017
Advances to Bond Guarantee Debt Service Fund	<u>-</u>	<u>15,221</u>
Total assets	\$ <u>5,945,059</u>	<u>5,737,549</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	136,741	59,568
Accrued payroll and employee benefits	211,771	161,859
Deferred revenue	<u>48,190</u>	<u>12,477</u>
Total liabilities	<u>396,702</u>	<u>233,904</u>
Fund balance:		
Reserved:		
Encumbrances	93,518	100,930
Advances to other funds	-	15,221
Insurance premium increases	54,336	54,336
Prepaid items	16,899	13,511
Unreserved and undesignated	<u>5,383,604</u>	<u>5,319,647</u>
Total fund balance	<u>5,548,357</u>	<u>5,503,645</u>
Total liabilities and fund balance	\$ <u>5,945,059</u>	<u>5,737,549</u>

**CITY OF WASILLA, ALASKA**

## General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2005

(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Revenues:		
Taxes	\$ 8,627,021	7,990,378
Licenses and permits	39,155	41,112
Fines, forfeitures and penalties	100,652	33,727
Intergovernmental	604,721	605,014
Charges for services	928,882	7,662
Investment income	152,326	73,174
Other	<u>26,595</u>	<u>83,651</u>
Total revenues	<u>10,479,352</u>	<u>8,834,718</u>
Expenditures:		
General government:		
City Council	365,809	347,581
Administration	201,569	198,958
General administration services	362,595	377,761
Finance	524,082	492,731
Economic development	167,688	65,787
Management information systems	<u>160,876</u>	<u>186,315</u>
Total general government	<u>1,782,619</u>	<u>1,669,133</u>
Public safety	<u>3,286,366</u>	<u>2,212,835</u>
Public works:		
Administration	338,192	280,808
Road maintenance	653,921	577,481
Property maintenance	427,628	290,773
Planning	<u>192,024</u>	<u>179,821</u>
Total public works	<u>1,611,765</u>	<u>1,328,883</u>
Culture and recreation:		
Museum	97,362	85,666
Parks maintenance	409,889	412,192
Recreation services	<u>73,885</u>	<u>-</u>
Total culture and recreation	<u>581,136</u>	<u>497,858</u>
Nondepartmental	<u>66,590</u>	<u>66,154</u>
Total expenditures	<u>7,328,476</u>	<u>5,774,863</u>
Excess of revenues over expenditures	3,150,876	3,059,855
Other financing sources (uses):		
Transfers in	15,971	7,171
Transfers out	<u>(3,122,135)</u>	<u>(2,562,744)</u>
Net other financing sources (uses)	<u>(3,106,164)</u>	<u>(2,555,573)</u>
Net change in fund balance	44,712	504,282
Beginning fund balance	5,503,645	4,790,547
Cumulative effect of a change in accounting principle	<u>-</u>	<u>208,816</u>
Ending fund balance	<u>\$ 5,548,357</u>	<u>5,503,645</u>

**CITY OF WASILLA, ALASKA**  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
Sales taxes, including penalty and interest	\$ 7,895,000	8,346,749	451,749	7,659,612
Property and vehicle taxes	293,269	280,272	(12,997)	330,766
Total taxes	<u>8,188,269</u>	<u>8,627,021</u>	<u>438,752</u>	<u>7,990,378</u>
Licenses and permits:				
City business licenses	20,000	20,615	615	18,875
Land use permits	10,000	15,700	5,700	16,225
Utility permits	8,500	50	(8,450)	1,872
Driveway permits	1,500	2,400	900	2,250
Taxicab permits	2,500	150	(2,350)	1,350
Animal licenses	100	140	40	120
Vendor permits	500	100	(400)	420
Total licenses and permits	<u>43,100</u>	<u>39,155</u>	<u>(3,945)</u>	<u>41,112</u>
Fines, forfeitures and penalties	<u>76,000</u>	<u>100,652</u>	<u>24,652</u>	<u>33,727</u>
Intergovernmental:				
Temporary fiscal relief	-	-	-	96,368
Electric and telephone co-op tax	220,000	225,103	5,103	219,512
Public safety grants	404,990	333,022	(71,968)	267,389
Culture and recreation grants	15,321	14,151	(1,170)	-
Alcoholic beverage tax	24,000	17,500	(6,500)	15,800
Aviation fuel tax revenue sharing	2,000	1,413	(587)	1,445
Matanuska-Susitna Borough:				
Solid waste	1,000	-	(1,000)	4,500
Tourism infrastructure	14,050	13,532	(518)	-
Total intergovernmental	<u>681,361</u>	<u>604,721</u>	<u>(76,640)</u>	<u>605,014</u>
Charges for services	<u>962,815</u>	<u>928,882</u>	<u>(33,933)</u>	<u>7,662</u>
Investment income	<u>135,000</u>	<u>152,326</u>	<u>17,326</u>	<u>73,174</u>
Other:				
Administration fee revenue	6,940	852	(6,088)	6,860
Building rentals	11,400	12,000	600	12,000
Donations	4,000	40	(3,960)	4,876
Youth litter patrol	8,500	3,500	(5,000)	3,500
Sale of capital assets	40,000	-	(40,000)	4,621
Miscellaneous	16,300	10,203	(6,097)	51,794
Total other	<u>87,140</u>	<u>26,595</u>	<u>(60,545)</u>	<u>83,651</u>
Total revenues	<u>10,173,685</u>	<u>10,479,352</u>	<u>305,667</u>	<u>8,834,718</u>

## CITY OF WASILLA, ALASKA

## General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual, continued

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
City Council:				
Salaries	\$ 148,998	137,719	11,279	132,560
Employee benefits	54,259	43,788	10,471	34,957
Professional and technical services	131,935	110,070	21,865	128,935
Property services	7,265	6,801	464	5,644
Other purchased services	53,000	46,993	6,007	40,708
Supplies	12,071	12,169	(98)	4,777
Capital expenditures	8,289	8,269	20	-
Total City Council	<u>415,817</u>	<u>365,809</u>	<u>50,008</u>	<u>347,581</u>
Administration:				
Salaries	116,257	118,386	(2,129)	115,924
Employee benefits	45,175	45,758	(583)	39,050
Professional and technical services	25,000	16,911	8,089	25,004
Property services	3,648	3,525	123	2,748
Other purchased services	15,800	11,302	4,498	13,292
Supplies	6,750	5,535	1,215	2,940
Other	-	152	(152)	-
Total administration	<u>212,630</u>	<u>201,569</u>	<u>11,061</u>	<u>198,958</u>
General administration services:				
Salaries	71,691	74,426	(2,735)	62,023
Employee benefits	26,691	25,333	1,358	18,678
Professional and technical services	167,500	163,294	4,206	149,182
Property services	11,500	9,896	1,604	9,500
Other purchased services	75,482	74,082	1,400	115,438
Supplies	20,000	15,564	4,436	22,940
Total general administration services	<u>372,864</u>	<u>362,595</u>	<u>10,269</u>	<u>377,761</u>
Finance:				
Salaries	314,221	327,499	(13,278)	300,389
Employee benefits	136,461	130,718	5,743	104,912
Professional and technical services	57,000	18,736	38,264	41,122
Property services	3,640	3,766	(126)	4,735
Other purchased services	67,035	30,167	36,868	30,694
Supplies	12,000	13,196	(1,196)	10,879
Total finance	<u>590,357</u>	<u>524,082</u>	<u>66,275</u>	<u>492,731</u>
Economic development:				
Salaries	71,462	71,270	192	-
Employee benefits	22,988	22,676	312	656
Professional and technical services	56,228	58,365	(2,137)	59,025
Other purchased services	15,600	12,468	3,132	5,511
Supplies	2,500	2,909	(409)	595
Total economic development	<u>168,778</u>	<u>167,688</u>	<u>1,090</u>	<u>65,787</u>

## CITY OF WASILLA, ALASKA

## General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual, continued

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Management information systems:				
Salaries	\$ 19,592	19,726	(134)	19,900
Employee benefits	6,999	7,065	(66)	5,748
Professional and technical services	33,350	15,686	17,664	65,669
Property services	109,045	91,704	17,341	66,186
Other purchased services	4,400	4,876	(476)	732
Supplies	10,700	21,819	(11,119)	28,080
Total management information systems	<u>184,086</u>	<u>160,876</u>	<u>23,210</u>	<u>186,315</u>
Total general government	<u>1,944,532</u>	<u>1,782,619</u>	<u>161,913</u>	<u>1,669,133</u>
Public safety:				
Police:				
Salaries	155,216	144,955	10,261	115,075
Employee benefits	54,834	47,998	6,836	28,312
Professional and technical services	32,000	25,977	6,023	18,336
Property services	16,400	5,685	10,715	9,544
Other purchased services	48,747	60,296	(11,549)	38,065
Supplies	163,128	169,357	(6,229)	14,214
Total police	<u>470,325</u>	<u>454,268</u>	<u>16,057</u>	<u>223,546</u>
Multitask drug enforcement:				
Salaries	59,458	55,565	3,893	56,342
Employee benefits	25,787	25,469	318	22,069
Property services	2,400	-	2,400	6,108
Other purchased services	1,600	402	1,198	824
Total multitask drug enforcement	<u>89,245</u>	<u>81,436</u>	<u>7,809</u>	<u>85,343</u>
Stop violence against women grant:				
Salaries	62,305	62,033	272	61,001
Employee benefits	26,985	27,038	(53)	21,482
Property services	200	100	100	-
Other purchased services	8,240	6,968	1,272	143
Supplies	3,200	1,842	1,358	-
Total stop violence against women grant	<u>100,930</u>	<u>97,981</u>	<u>2,949</u>	<u>82,626</u>
Police patrol:				
Salaries	936,403	902,603	33,800	866,712
Employee benefits	360,102	349,082	11,020	294,977
Professional and technical services	13,300	6,713	6,587	2,767
Property services	29,575	31,261	(1,686)	17,331
Other purchased services	105,840	69,218	36,622	256,248
Supplies	145,164	89,683	55,481	159,609
Total police patrol	<u>1,590,384</u>	<u>1,448,560</u>	<u>141,824</u>	<u>1,597,644</u>

## CITY OF WASILLA, ALASKA

## General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual, continued

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures continued:				
Public safety, continued:				
Patrol - motorcycle grant:				
Salaries	\$ 35,855	22,001	13,854	6,106
Employee benefits	15,470	8,945	6,525	1,697
Professional and technical services	4,465	809	3,656	-
Property services	-	-	-	2,000
Other purchased services	5,813	3,868	1,945	-
Supplies	988	538	450	1,893
Capital expenditures	4,195	5,566	(1,371)	19,231
Total patrol - motorcycle grant	<u>66,786</u>	<u>41,727</u>	<u>25,059</u>	<u>30,927</u>
COPS - universal hiring grant:				
Salaries	35,519	11,834	23,685	-
Employee benefits	18,106	4,288	13,818	-
Total COPS - universal hiring grant	<u>53,625</u>	<u>16,122</u>	<u>37,503</u>	<u>-</u>
Dispatch center:				
Salaries	640,740	687,213	(46,473)	120,202
Employee benefits	297,534	274,543	22,991	34,677
Professional and technical services	104,650	16,895	87,755	14,022
Property services	57,760	44,995	12,765	12,325
Other purchased services	64,411	34,111	30,300	9,262
Supplies	29,481	26,229	3,252	2,261
Total dispatch center	<u>1,194,576</u>	<u>1,083,986</u>	<u>110,590</u>	<u>192,749</u>
Code compliance:				
Salaries	53,605	39,015	14,590	-
Employee benefits	23,801	12,164	11,637	-
Other purchased services	6,388	4,810	1,578	-
Supplies	7,650	6,297	1,353	-
Total code compliance	<u>91,444</u>	<u>62,286</u>	<u>29,158</u>	<u>-</u>
Total public safety	<u>3,657,315</u>	<u>3,286,366</u>	<u>370,949</u>	<u>2,212,835</u>
Public works:				
Administration:				
Salaries	186,949	178,820	8,129	184,206
Employee benefits	81,229	74,165	7,064	56,433
Professional and technical services	51,400	17,930	33,470	478
Property services	14,189	7,166	7,023	11,662
Other purchased services	35,201	36,136	(935)	14,320
Supplies	31,923	23,975	7,948	13,709
Total administration	<u>400,891</u>	<u>338,192</u>	<u>62,699</u>	<u>280,808</u>

## CITY OF WASILLA, ALASKA

## General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual, continued

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Expenditures continued:				
Public works, continued:				
Road maintenance:				
Salaries	\$ 196,960	197,023	(63)	192,961
Employee benefits	89,698	88,662	1,036	74,979
Property services	50,000	15,899	34,101	37,087
Other purchased services	176,418	151,005	25,413	148,872
Supplies	160,080	186,332	(26,252)	120,480
Capital expenditures	15,000	15,000	-	3,102
Total road maintenance	<u>688,156</u>	<u>653,921</u>	<u>34,235</u>	<u>577,481</u>
Property maintenance:				
Salaries	88,396	79,472	8,924	56,946
Employee benefits	36,238	28,408	7,830	21,637
Property services	177,603	164,710	12,893	94,537
Other purchased services	49,272	40,304	8,968	24,611
Supplies	98,350	111,978	(13,628)	91,643
Special assessments	-	2,756	(2,756)	1,399
Other	3,789	-	3,789	-
Total property maintenance	<u>453,648</u>	<u>427,628</u>	<u>26,020</u>	<u>290,773</u>
Planning:				
Salaries	118,658	118,872	(214)	118,721
Employee benefits	46,219	42,497	3,722	31,449
Professional services	30,365	9,378	20,987	17,028
Property services	592	545	47	1,076
Other purchased services	21,213	16,180	5,033	6,417
Supplies	5,138	4,552	586	5,130
Total planning	<u>222,185</u>	<u>192,024</u>	<u>30,161</u>	<u>179,821</u>
Total public works	<u>1,764,880</u>	<u>1,611,765</u>	<u>153,115</u>	<u>1,328,883</u>
Culture and recreation:				
Museum:				
Salaries	31,833	33,481	(1,648)	33,346
Employee benefits	10,822	9,749	1,073	9,479
Professional and technical services	3,000	969	2,031	2,497
Property services	7,150	6,658	492	5,741
Other purchased services	33,801	30,724	3,077	16,989
Supplies	15,422	15,781	(359)	17,614
Total museum	<u>102,028</u>	<u>97,362</u>	<u>4,666</u>	<u>85,666</u>



## CITY OF WASILLA, ALASKA

## General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual, continued

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures continued:				
Parks maintenance:				
Salaries	\$ 215,280	213,657	1,623	231,565
Employee benefits	61,358	61,092	266	56,993
Professional and technical services	-	1,459	(1,459)	8,039
Property services	52,716	45,644	7,072	35,147
Other purchased services	17,696	22,486	(4,790)	9,402
Supplies	57,315	60,151	(2,836)	71,046
Capital expenditures	10,000	5,400	4,600	-
Total parks maintenance	<u>414,365</u>	<u>409,889</u>	<u>4,476</u>	<u>412,192</u>
Recreation services:				
Salaries	36,307	37,254	(947)	-
Employee benefits	8,218	9,901	(1,683)	-
Professional and technical services	17,500	11,557	5,943	-
Other purchased services	15,000	11,020	3,980	-
Supplies	3,000	4,153	(1,153)	-
Total recreation services	<u>80,025</u>	<u>73,885</u>	<u>6,140</u>	<u>-</u>
Total culture and recreation	<u>596,418</u>	<u>581,136</u>	<u>15,282</u>	<u>497,858</u>
Nondepartmental:				
Insurance deductible	10,000	16,590	(6,590)	(2,697)
Foreclosed tax payments	10,000	-	10,000	-
Animal control	50,000	50,000	-	26,000
Donations to nonprofit organizations	-	-	-	42,851
Total nondepartmental	<u>70,000</u>	<u>66,590</u>	<u>3,410</u>	<u>66,154</u>
Total expenditures	<u>8,033,145</u>	<u>7,328,476</u>	<u>704,669</u>	<u>5,774,863</u>
Excess of revenues over expenditures	<u>2,140,540</u>	<u>3,150,876</u>	<u>1,010,336</u>	<u>3,059,855</u>
Other financing sources (uses):				
Transfers in	14,246	15,971	1,725	7,171
Transfers out	<u>(3,185,506)</u>	<u>(3,122,135)</u>	<u>63,371</u>	<u>(2,562,744)</u>
Net other financing sources (uses)	<u>(3,171,260)</u>	<u>(3,106,164)</u>	<u>65,096</u>	<u>(2,555,573)</u>
Net change in fund balance	\$ <u>(1,030,720)</u>	44,712	<u>1,075,432</u>	504,282
Beginning fund balance		5,503,645		4,790,547
Cumulative effect of a change in accounting principle		-		<u>208,816</u>
Ending fund balance		\$ <u>5,548,357</u>		<u>5,503,645</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2005

<u>Assets</u>	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Cash and investments	\$ 519,750	655,028	445,332	164,505	1,784,615
Receivables:					
Grants	4,502	-	106,938	-	111,440
Special assessments, net	<u>-</u>	<u>462,080</u>	<u>-</u>	<u>-</u>	<u>462,080</u>
 Total assets	 \$ <u>524,252</u>	 <u>1,117,108</u>	 <u>552,270</u>	 <u>164,505</u>	 <u>2,358,135</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	11,708	-	41,604	-	53,312
Accrued payroll and employee benefits	34,214	-	-	-	34,214
Due to other funds	-	129	4,325	-	4,454
Deferred revenue	<u>500</u>	<u>462,080</u>	<u>-</u>	<u>-</u>	<u>462,580</u>
Total liabilities	<u>46,422</u>	<u>462,209</u>	<u>45,929</u>	<u>-</u>	<u>554,560</u>
Fund balances:					
Reserved:					
Encumbrances	1,672	-	61,599	-	63,271
Debt service	-	289,311	-	-	289,311
Investments	-	-	-	164,505	164,505
Unreserved:					
Designated:					
Operations	476,158	-	-	-	476,158
Capital improvements	-	-	444,742	-	444,742
Undesignated	<u>-</u>	<u>365,588</u>	<u>-</u>	<u>-</u>	<u>365,588</u>
Total fund balances	<u>477,830</u>	<u>654,899</u>	<u>506,341</u>	<u>164,505</u>	<u>1,803,575</u>
 Total liabilities and fund balances	 \$ <u>524,252</u>	 <u>1,117,108</u>	 <u>552,270</u>	 <u>164,505</u>	 <u>2,358,135</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended June 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Intergovernmental	\$ 521,990	-	601,274	-	1,123,264
Fines and charges	31,101	-	-	-	31,101
Special assessments	-	217,992	-	-	217,992
Investment income	5,225	13,680	7,032	2,725	28,662
Lot sales	-	-	-	18,800	18,800
Other	28,203	-	32,341	-	60,544
Total revenues	<u>586,519</u>	<u>231,672</u>	<u>640,647</u>	<u>21,525</u>	<u>1,480,363</u>
Expenditures:					
General government	33,009	-	-	-	33,009
Public safety	141,012	-	-	-	141,012
Culture and recreation	685,316	-	-	-	685,316
Debt service :					
Principal	-	507,557	-	-	507,557
Interest	-	263,465	-	-	263,465
Capital outlay	-	-	769,741	-	769,741
Total expenditures	<u>859,337</u>	<u>771,022</u>	<u>769,741</u>	<u>-</u>	<u>2,400,100</u>
Excess of revenues over (under) expenditures	(272,818)	(539,350)	(129,094)	21,525	(919,737)
Other financing sources (uses):					
Transfers in	1,251,274	436,347	298,400	-	1,986,021
Transfers out	(635,000)	(17,776)	-	(2,725)	(655,501)
Net other financing sources (uses)	<u>616,274</u>	<u>418,571</u>	<u>298,400</u>	<u>(2,725)</u>	<u>1,330,520</u>
Net change in fund balances	343,456	(120,779)	169,306	18,800	410,783
Beginning fund balances	<u>134,374</u>	<u>775,678</u>	<u>337,035</u>	<u>145,705</u>	<u>1,392,792</u>
Ending fund balances	\$ <u>477,830</u>	<u>654,899</u>	<u>506,341</u>	<u>164,505</u>	<u>1,803,575</u>

## SPECIAL REVENUE FUNDS

Library – This fund is used to account for the activities of the City library.

Youth Court – This fund is used to account for the activities of the Mat-Su Youth Court.

Federal Asset Forfeiture – This fund is used to account for the activities related to federal drug enforcement activities.

Capital Reserve – This fund is used to accumulate monies for funding of capital projects.

Technology Replacement – This fund is used to accumulate monies for technology upgrades and replacements.

State Asset Forfeiture – This fund is used to account for the activities related to State drug enforcement activities.

**CITY OF WASILLA, ALASKA**  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2005

<u>Assets</u>	<u>Library</u>	<u>Youth Court</u>	<u>Capital Reserve</u>	<u>Technology Replacement</u>	<u>State Asset Forfeiture</u>	<u>Totals</u>
Cash and investments	\$ 81,664	47,032	282,824	102,049	6,181	519,750
Receivables - grants	<u>-</u>	<u>4,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,502</u>
 Total assets	 \$ <u>81,664</u>	 <u>51,534</u>	 <u>282,824</u>	 <u>102,049</u>	 <u>6,181</u>	 <u>524,252</u>
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	10,024	1,684	-	-	-	11,708
Accrued payroll and employee benefits	30,193	4,021	-	-	-	34,214
Deferred revenue	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total liabilities	<u>40,717</u>	<u>5,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,422</u>
Fund balances:						
Reserved for encumbrances	1,672	-	-	-	-	1,672
Unreserved - designated for operations	<u>39,275</u>	<u>45,829</u>	<u>282,824</u>	<u>102,049</u>	<u>6,181</u>	<u>476,158</u>
Total fund balances	<u>40,947</u>	<u>45,829</u>	<u>282,824</u>	<u>102,049</u>	<u>6,181</u>	<u>477,830</u>
 Total liabilities and fund balances	 \$ <u>81,664</u>	 <u>51,534</u>	 <u>282,824</u>	 <u>102,049</u>	 <u>6,181</u>	 <u>524,252</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended June 30, 2005

	Library	Youth Court	Federal Asset Forfeiture	Capital Reserve	Technology Replacement	State Asset Forfeiture	Totals
<b>Revenues:</b>							
Intergovernmental	\$ 385,769	131,356	-	-	-	4,865	521,990
Fines and charges	17,803	13,298	-	-	-	-	31,101
Investment income	-	490	-	3,568	1,167	-	5,225
Other	500	27,703	-	-	-	-	28,203
<b>Total revenues</b>	<u>404,072</u>	<u>172,847</u>	<u>-</u>	<u>3,568</u>	<u>1,167</u>	<u>4,865</u>	<u>586,519</u>
<b>Expenditures:</b>							
Salaries	345,351	78,442	-	-	-	-	423,793
Employee benefits	108,267	33,229	-	-	-	-	141,496
Professional and technical services	49,138	-	-	-	-	-	49,138
Property services	29,079	-	-	-	-	-	29,079
Other purchased services	37,203	14,426	-	-	-	2,570	54,199
Supplies	110,028	14,915	6	-	25,568	4,865	155,382
Capital expenditures	6,250	-	-	-	-	-	6,250
<b>Total expenditures</b>	<u>685,316</u>	<u>141,012</u>	<u>6</u>	<u>-</u>	<u>25,568</u>	<u>7,435</u>	<u>859,337</u>
Excess of revenues over (under) expenditures	(281,244)	31,835	(6)	3,568	(24,401)	(2,570)	(272,818)
<b>Other financing sources (uses):</b>							
Transfers in	292,915	-	-	864,359	94,000	-	1,251,274
Transfers out	(10,000)	-	-	(625,000)	-	-	(635,000)
<b>Net other financing sources (uses)</b>	<u>282,915</u>	<u>-</u>	<u>-</u>	<u>239,359</u>	<u>94,000</u>	<u>-</u>	<u>616,274</u>
Net change in fund balances	1,671	31,835	(6)	242,927	69,599	(2,570)	343,456
Beginning fund balances	39,276	13,994	6	39,897	32,450	8,751	134,374
Ending fund balances	\$ <u>40,947</u>	<u>45,829</u>	<u>-</u>	<u>282,824</u>	<u>102,049</u>	<u>6,181</u>	<u>477,830</u>

## CITY OF WASILLA, ALASKA

## Library Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual

Year Ended June 30, 2005

(With Comparative Amounts for 2004)

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental	\$ 412,069	385,769	(26,300)	385,819
Charges	2,400	2,176	(224)	2,247
Library fines	17,750	15,627	(2,123)	14,441
Investment income	250	-	(250)	48
Other	600	500	(100)	7
Total revenues	<u>433,069</u>	<u>404,072</u>	<u>(28,997)</u>	<u>402,562</u>
Expenditures:				
Salaries	355,379	345,351	10,028	340,541
Employee benefits	121,159	108,267	12,892	94,022
Professional and technical services	49,653	49,138	515	51,233
Property services	44,820	29,079	15,741	40,224
Other purchased services	59,763	37,203	22,560	38,548
Supplies	116,120	110,028	6,092	81,558
Capital expenditures	6,250	6,250	-	17,346
Total expenditures	<u>753,144</u>	<u>685,316</u>	<u>67,828</u>	<u>663,472</u>
Excess of revenues over (under) expenditures	(320,075)	(281,244)	38,831	(260,910)
Other financing sources (uses):				
Transfers in	318,627	292,915	(25,712)	272,388
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	-	-
Net other financing sources (uses)	<u>308,627</u>	<u>282,915</u>	<u>(25,712)</u>	<u>272,388</u>
Net change in fund balance	\$ <u>(11,448)</u>	1,671	<u>13,119</u>	<u>11,478</u>
Beginning fund balance		39,276		8,887
Cumulative effect of a change in accounting principle		-		<u>18,911</u>
Ending fund balance	\$	<u>40,947</u>		<u>39,276</u>

**CITY OF WASILLA, ALASKA**  
 Youth Court Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Intergovernmental	\$ 152,628	131,356	(21,272)	131,663
Charges	9,000	13,298	4,298	8,727
Investment income	150	490	340	25
Other	<u>30,735</u>	<u>27,703</u>	<u>(3,032)</u>	<u>18,897</u>
Total revenues	<u>192,513</u>	<u>172,847</u>	<u>(19,666)</u>	<u>159,312</u>
Expenditures:				
Salaries	99,982	78,442	21,540	95,443
Employee benefits	34,379	33,229	1,150	42,688
Property services	-	-	-	98
Other purchased services	15,217	14,426	791	10,077
Supplies	<u>19,653</u>	<u>14,915</u>	<u>4,738</u>	<u>5,006</u>
Total expenditures	<u>169,231</u>	<u>141,012</u>	<u>28,219</u>	<u>153,312</u>
Net change in fund balance	\$ <u>23,282</u>	31,835	<u>8,553</u>	6,000
Beginning fund balance		13,994		3,240
Cumulative effect of a change in accounting principle		<u>-</u>		<u>4,754</u>
Ending fund balance	\$ <u>45,829</u>			<u>13,994</u>



**CITY OF WASILLA, ALASKA**  
 Federal Asset Forfeiture Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	<u>2005</u>			<u>2004</u>
			Variance Positive (Negative)	
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Actual</u>
Revenues - investment income	\$ 100	-	(100)	-
Expenditures - supplies	<u>-</u>	<u>6</u>	<u>(6)</u>	<u>-</u>
Net change in fund balance	\$ <u>100</u>	(6)	<u>(106)</u>	-
Beginning fund balance		<u>6</u>		<u>6</u>
Ending fund balance		\$ <u>-</u>		<u>6</u>

**CITY OF WASILLA, ALASKA**  
 Capital Reserve Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues - investment income	\$ <u>804</u>	<u>3,568</u>	<u>2,764</u>	<u>224</u>
Other financing sources (uses):				
Transfers in	864,359	864,359	-	-
Transfers out	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>	<u>(150,000)</u>
Net other financing sources (uses)	<u>239,359</u>	<u>239,359</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance	\$ <u>240,163</u>	242,927	<u>2,764</u>	(149,776)
Beginning fund balance		<u>39,897</u>		<u>189,673</u>
Ending fund balance		\$ <u>282,824</u>		<u>39,897</u>

**CITY OF WASILLA, ALASKA**  
 Technology Replacement Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues - investment income	\$ 200	1,167	967	14
Expenditures - supplies	<u>25,600</u>	<u>25,568</u>	<u>32</u>	<u>23,723</u>
Excess of revenues over (under) expenditures	(25,400)	(24,401)	999	(23,709)
Other financing sources - transfers in	<u>94,000</u>	<u>94,000</u>	<u>-</u>	<u>45,500</u>
Net change in fund balance	\$ <u>68,600</u>	69,599	<u>999</u>	21,791
Beginning fund balance		<u>32,450</u>		<u>10,659</u>
Ending fund balance		\$ <u>102,049</u>		<u>32,450</u>

**CITY OF WASILLA, ALASKA**  
 State Asset Forfeiture Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		2004	
		Variance		
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	
		Positive (Negative)		
Revenues - intergovernmental	\$ -	4,865	4,865	-
Expenditures:				
Other purchased services	6,585	2,570	4,015	-
Supplies	4,865	4,865	-	-
Total expenditures	11,450	7,435	4,015	-
Net change in fund balance	\$ <u>(11,450)</u>	(2,570)	<u>8,880</u>	-
Beginning fund balance		<u>8,751</u>		<u>8,751</u>
Ending fund balance		\$ <u>6,181</u>		<u>8,751</u>

(this page left blank intentionally)

## DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation bond, and special assessment debt principal, interest and related costs for issuances that are not accounted for in the Enterprise Funds.

**CITY OF WASILLA, ALASKA**  
 Nonmajor Debt Service Funds  
 Combining Balance Sheet  
 June 30, 2005

	1986	1987	1988	Totals		
<u>Assets</u>	Southside Water District Bond	Sewer Improvement District Bond	Street Paving Assessment Bonds	Gas Assessments		
	1982 Original Water Bond	Overlook Sewer Improvement Bond	Guarantee Bond	Totals		
Cash and investments	\$ 144,898	200,287	189,736	37,838	47,036	655,028
Receivables - special assessments, net	<u>96,142</u>	<u>37,326</u>	<u>299,204</u>	-	-	<u>462,080</u>
Total assets	<u>\$ 241,040</u>	<u>237,613</u>	<u>488,940</u>	<u>37,838</u>	<u>47,036</u>	<u>1,117,108</u>
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Due to other funds	-	-	-	-	-	129
Deferred revenue	<u>96,142</u>	<u>37,326</u>	<u>299,204</u>	-	-	<u>462,080</u>
Total liabilities	<u>96,142</u>	<u>37,326</u>	<u>299,204</u>	-	-	<u>462,209</u>
 Fund balances:						
Reserved for debt service	-	99,575	189,736	-	-	289,311
Unreserved and undesignated (deficit)	<u>144,898</u>	<u>100,712</u>	-	<u>37,838</u>	<u>47,036</u>	<u>365,588</u>
Total fund balances	<u>144,898</u>	<u>200,287</u>	<u>189,736</u>	<u>37,838</u>	<u>47,036</u>	<u>654,899</u>
Total liabilities and fund balances	<u>\$ 241,040</u>	<u>237,613</u>	<u>488,940</u>	<u>37,838</u>	<u>47,036</u>	<u>1,117,108</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Debt Service Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances (Deficit)  
 Year Ended June 30, 2005

	1982	1986	1987	1988	Street Paving		1988	Street Paving	Totals
	Original Water Bond	Southside Water District Bond	Sewer Improvement District Bond	Street Paving Assessment Bonds	Gas Assessments	Overlook Sewer Improvement Bond	Bond Guarantee	General Obligation Bond	
Revenues:									
Special assessments	\$ 13,843	2,407	15,464	186,278	-	-	-	-	217,992
Investment income	2,645	82	3,320	5,130	672	608	1,222	1	13,680
Total revenues	<u>16,488</u>	<u>2,489</u>	<u>18,784</u>	<u>191,408</u>	<u>672</u>	<u>608</u>	<u>1,222</u>	<u>1</u>	<u>231,672</u>
Expenditures - debt service:									
Principal	-	3,954	3,775	284,828	-	-	-	215,000	507,557
Interest	-	3,228	6,718	32,171	-	-	-	221,348	263,465
Total expenditures	<u>-</u>	<u>7,182</u>	<u>10,493</u>	<u>316,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,348</u>	<u>771,022</u>
Excess of revenues over (under) expenditures	16,488	(4,693)	8,291	(125,591)	672	608	1,222	(436,347)	(539,350)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	436,347	436,347
Transfers out	(17,776)	-	-	-	-	-	-	-	(17,776)
Net other financing sources (uses)	<u>(17,776)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,347</u>	<u>418,571</u>
Net change in fund balances	(1,288)	(4,693)	8,291	(125,591)	672	608	1,222	-	(120,779)
Beginning fund balances	146,186	4,564	191,996	315,327	37,166	34,625	45,814	-	775,678
Ending fund balances (deficit)	<u>\$ 144,898</u>	<u>(129)</u>	<u>200,287</u>	<u>189,736</u>	<u>37,838</u>	<u>35,233</u>	<u>47,036</u>	<u>-</u>	<u>654,899</u>



**CITY OF WASILLA, ALASKA**  
 1982 Original Water Bond Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance	2004
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
			<u>(Negative)</u>	
Revenues:				
Special assessments	\$ 21,000	13,843	(7,157)	30,298
Investment income	<u>300</u>	<u>2,645</u>	<u>2,345</u>	<u>184</u>
Total revenues	21,300	16,488	(4,812)	30,482
Other uses - transfers out	<u>(17,776)</u>	<u>(17,776)</u>	<u>-</u>	<u>(17,776)</u>
Net change in fund balance	\$ <u>3,524</u>	(1,288)	<u>(4,812)</u>	12,706
Beginning fund balance		<u>146,186</u>		<u>133,480</u>
Ending fund balance		\$ <u>144,898</u>		<u>146,186</u>

**CITY OF WASILLA, ALASKA**  
 1986 Southside Water District Bond Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance (Deficit) - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance	2004
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
			<u>(Negative)</u>	
Revenues:				
Special assessments	\$ 15,000	2,407	(12,593)	17,411
Investment income	<u>350</u>	<u>82</u>	<u>(268)</u>	<u>93</u>
Total revenues	<u>15,350</u>	<u>2,489</u>	<u>(12,861)</u>	<u>17,504</u>
Expenditures - debt service:				
Principal	3,954	3,954	-	75,000
Interest	<u>7,609</u>	<u>3,228</u>	<u>4,381</u>	<u>7,822</u>
Total expenditures	<u>11,563</u>	<u>7,182</u>	<u>4,381</u>	<u>82,822</u>
Net change in fund balance	\$ <u>3,787</u>	(4,693)	<u>(8,480)</u>	(65,318)
Beginning fund balance		<u>4,564</u>		<u>69,882</u>
Ending fund balance (deficit)		\$ <u>(129)</u>		<u>4,564</u>

**CITY OF WASILLA, ALASKA**  
 1987 Sewer Improvement District Bond Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance	2004
	<u>Budget</u>	<u>Actual</u>	Positive (Negative)	<u>Actual</u>
Revenues:				
Special assessments	\$ 20,000	15,464	(4,536)	21,563
Investment income	<u>300</u>	<u>3,320</u>	<u>3,020</u>	<u>158</u>
Total revenues	<u>20,300</u>	<u>18,784</u>	<u>(1,516)</u>	<u>21,721</u>
Expenditures - debt service:				
Principal	3,775	3,775	-	3,775
Interest	<u>6,472</u>	<u>6,718</u>	<u>(246)</u>	<u>6,963</u>
Total expenditures	<u>10,247</u>	<u>10,493</u>	<u>(246)</u>	<u>10,738</u>
Net change in fund balance	\$ <u>10,053</u>	8,291	<u>(1,762)</u>	10,983
Beginning fund balance		<u>191,996</u>		<u>181,013</u>
Ending fund balance		\$ <u>200,287</u>		<u>191,996</u>

**CITY OF WASILLA, ALASKA**  
 Street Paving Assessment Bonds Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance Positive (Negative)	2004
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Special assessments	\$ 180,000	186,278	6,278	284,131
Investment income	<u>5,000</u>	<u>5,130</u>	<u>130</u>	<u>377</u>
Total revenues	<u>185,000</u>	<u>191,408</u>	<u>6,408</u>	<u>284,508</u>
Expenditures - debt service:				
Principal	280,515	284,828	(4,313)	301,875
Interest	<u>40,027</u>	<u>32,171</u>	<u>7,856</u>	<u>47,961</u>
Total expenditures	<u>320,542</u>	<u>316,999</u>	<u>3,543</u>	<u>349,836</u>
Net change in fund balance	\$ <u>(135,542)</u>	(125,591)	<u>9,951</u>	(65,328)
Beginning fund balance		<u>315,327</u>		<u>380,655</u>
Ending fund balance		\$ <u>189,736</u>		<u>315,327</u>

**CITY OF WASILLA, ALASKA**  
 Gas Assessments Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		Variance	2004
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Investment income	\$ -	672	672	42
Free main allowances	-	-	-	5,665
Total revenues	-	672	672	5,707
Expenditures - Gas LID refunds	-	-	-	13,167
Net change in fund balance	\$ -	672	672	(7,460)
Beginning fund balance		37,166		44,626
Ending fund balance		\$ 37,838		37,166

**CITY OF WASILLA, ALASKA**  
 1988 Overlook Sewer Improvement Bond Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues - investment income	\$ <u>100</u>	608	<u>508</u>	33
Beginning fund balance		<u>34,625</u>		<u>34,592</u>
Ending fund balance	\$ <u>35,233</u>			<u>34,625</u>

**CITY OF WASILLA, ALASKA**  
 Bond Guarantee Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005		2004	
	Budget	Actual	Actual	
		Variance Positive (Negative)		
Revenues - investment income	\$ <u>900</u>	1,222	<u>322</u>	-
Beginning fund balance		<u>45,814</u>		<u>45,814</u>
Ending fund balance	\$	<u>47,036</u>		<u>45,814</u>

**CITY OF WASILLA, ALASKA**  
 Street Paving General Obligation Bond Debt Service Fund  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues - investment income	\$ -	1	1	-
Expenditures - debt service:				
Principal	215,000	215,000	-	205,000
Interest	<u>221,347</u>	<u>221,348</u>	<u>(1)</u>	<u>233,026</u>
Total expenditures	<u>436,347</u>	<u>436,348</u>	<u>(1)</u>	<u>438,026</u>
Excess of revenues over (under) expenditures	(436,347)	(436,347)	-	(438,026)
Other financing sources - transfers in	<u>436,347</u>	<u>436,347</u>	<u>-</u>	<u>438,026</u>
Net change in fund balance	\$ <u>-</u>	-	<u>-</u>	-
Beginning fund balance		<u>-</u>		<u>-</u>
Ending fund balance	\$	<u>-</u>		<u>-</u>



## CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**CITY OF WASILLA, ALASKA**

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2005

<u>Assets</u>	<u>Vehicle Replacement</u>	<u>Right- of-Way Acquisition</u>	<u>Honor Garden</u>	<u>Regional Dispatch Center</u>	<u>Totals</u>
Cash and investments	\$ 388,596	39,004	17,732	-	445,332
Receivables - grants	<u>-</u>	<u>-</u>	<u>-</u>	106,938	<u>106,938</u>
 Total assets	 \$ <u>388,596</u>	 <u>39,004</u>	 <u>17,732</u>	 <u>106,938</u>	 <u>552,270</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	590	-	-	41,014	41,604
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	4,325	<u>4,325</u>
Total liabilities	<u>590</u>	<u>-</u>	<u>-</u>	<u>45,339</u>	<u>45,929</u>
 Fund balances:					
Reserved for encumbrances	-	-	-	61,599	61,599
Unreserved - designated for capital improvements	<u>388,006</u>	<u>39,004</u>	<u>17,732</u>	<u>-</u>	<u>444,742</u>
Total fund balances	<u>388,006</u>	<u>39,004</u>	<u>17,732</u>	<u>61,599</u>	<u>506,341</u>
 Total liabilities and fund balances	 \$ <u>388,596</u>	 <u>39,004</u>	 <u>17,732</u>	 <u>106,938</u>	 <u>552,270</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Capital Project Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Year Ended June 30, 2005

	<u>Vehicle</u>	<u>Right-</u>	<u>Honor</u>	<u>Regional</u>	<u>Totals</u>
	<u>Replacement</u>	<u>of-Way</u>	<u>Garden</u>	<u>Dispatch</u>	
		<u>Acquisition</u>		<u>Center</u>	
Revenues:					
Intergovernmental	\$ -	-	-	601,274	601,274
Investment income	6,054	673	305	-	7,032
Other	<u>32,266</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>32,341</u>
Total revenues	38,320	673	380	601,274	640,647
Expenditures - capital outlay	<u>79,599</u>	<u>-</u>	<u>-</u>	<u>690,142</u>	<u>769,741</u>
Excess of revenues over (under) expenditures	(41,279)	673	380	(88,868)	(129,094)
Other financing sources - transfers in	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>143,400</u>	<u>298,400</u>
Net change in fund balances	113,721	673	380	54,532	169,306
Beginning fund balances	<u>274,285</u>	<u>38,331</u>	<u>17,352</u>	<u>7,067</u>	<u>337,035</u>
Ending fund balances	\$ <u><u>388,006</u></u>	<u><u>39,004</u></u>	<u><u>17,732</u></u>	<u><u>61,599</u></u>	<u><u>506,341</u></u>

**CITY OF WASILLA, ALASKA**  
 Miscellaneous Projects  
 Capital Project Fund  
 Schedule of Expenditures by Project  
 Year Ended June 30, 2005

Expenditures:	
HVAC computer room	\$ 10,119
5 year fiscal plan	27,572
Record retention project	13,495
City website	18,353
Road upgrading	191,566
Storm water phase I	368,243
Storm water phase II	1,299,039
South Mack Garvey Road	994,572
Church Road traffic light	136,771
Gravel to asphalt	36,923
Public safety building	36,111
Building modification	22,616
MASCOT Building	46,492
Iditapark improvements	110,233
Other miscellaneous projects	<u>31,034</u>
 Total expenditures	 \$ <u>3,343,139</u>

## PERMANENT FUND

Cemetery – This fund is used to account for the lot sales at the cemetery.

**CITY OF WASILLA, ALASKA**  
 Cemetery Permanent Fund  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Revenues:		
Lot sales	\$ 18,800	16,800
Investment income	<u>2,725</u>	<u>171</u>
Total revenues	21,525	16,971
Other uses - transfers out	<u>(2,725)</u>	<u>(171)</u>
Net change in fund balance	18,800	16,800
Beginning fund balance	<u>145,705</u>	<u>128,905</u>
Ending fund balance	\$ <u>164,505</u>	<u>145,705</u>

(this page left blank intentionally)

## ENTERPRISE FUNDS

The Water Utility Fund is used to account for the provision of water services to the residents of the City. The Sewer Utility Fund is used to account for sewer services for local residents. The Municipal Airport Fund is used to account for the activities of the Wasilla Municipal Airport. The Multi-Use Sports Complex Fund accounts for the operations of the Multi-Use Sports Complex facilities. All activities necessary to provide such services are accounted for in these funds, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.



**CITY OF WASILLA, ALASKA**  
 Water Utility Enterprise Fund  
 Statement of Net Assets  
 June 30, 2005  
 (With Comparative Amounts for 2004)

<u>Assets</u>	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and investments	\$ 1,770,029	989,885
Receivables:		
Accounts	80,825	84,728
Allowance for doubtful accounts	(8,163)	(5,443)
Grants	265,600	676,566
Inventory	<u>52,164</u>	<u>43,453</u>
Total current assets	<u>2,160,455</u>	<u>1,789,189</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	10,944,990	10,505,743
Water tank and fence	6,565,877	6,496,230
Wells/well house	367,793	367,793
Equipment	168,738	162,848
Construction in progress	<u>1,743,278</u>	<u>500,644</u>
Total property, plant and equipment	19,939,846	18,182,428
Less accumulated depreciation	<u>(3,622,455)</u>	<u>(3,259,531)</u>
Net property, plant and equipment	<u>16,317,391</u>	<u>14,922,897</u>
Deferred charges, net of accumulated amortization	<u>13,025</u>	<u>13,407</u>
Total noncurrent assets	<u>16,330,416</u>	<u>14,936,304</u>
Total assets	<u>\$ 18,490,871</u>	<u>16,725,493</u>

**CITY OF WASILLA, ALASKA**  
 Water Utility Enterprise Fund  
 Statement of Net Assets, continued

<u>Liabilities and Net Assets</u>	<u>2005</u>	<u>2004</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 366,924	25,867
Revenue billed in advance	13,501	5,806
Accrued payroll and employee benefits	10,885	10,583
Accrued annual and sick leave	11,383	12,541
Customer deposits	25,789	32,799
Accrued interest	38,816	31,574
Current portion of ADEC loans	<u>213,455</u>	<u>213,455</u>
Total current liabilities	<u>680,753</u>	<u>332,625</u>
Long-term debt, net of current portion:		
ADEC loans	3,761,137	3,974,592
Net pension obligation	<u>13,844</u>	<u>-</u>
Total long-term debt, net of current portion	<u>3,774,981</u>	<u>3,974,592</u>
Total liabilities	<u>4,455,734</u>	<u>4,307,217</u>
Net assets:		
Invested in capital assets, net of related debt	12,342,799	10,734,850
Unrestricted	<u>1,692,338</u>	<u>1,683,426</u>
Total net assets	<u>14,035,137</u>	<u>12,418,276</u>
Total liabilities and net assets	<u>\$ 18,490,871</u>	<u>16,725,493</u>

**CITY OF WASILLA, ALASKA**  
 Water Utility Enterprise Fund  
 Statement of Revenues, Expenses  
 and Changes in Net Assets  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Sales and user charges	\$ 729,790	680,409
Water meters	13,883	-
Other	-	3,559
Total operating revenues	<u>743,673</u>	<u>683,968</u>
Operating expenses:		
Salaries	205,684	218,242
Employee benefits	95,524	60,977
Other purchased services	35,256	24,893
Professional and technical services	37,437	11,656
Supplies	126,926	80,008
Property services	54,268	41,744
Total operating expenses	<u>555,095</u>	<u>437,520</u>
Operating income before depreciation	188,578	246,448
Depreciation	<u>362,924</u>	<u>265,699</u>
Operating loss	<u>(174,346)</u>	<u>(19,251)</u>
Nonoperating revenues (expenses):		
Payments in lieu of assessments	45,536	47,833
Interest expense	(28,873)	(39,509)
Investment income	22,409	6,241
Net nonoperating revenues (expenses)	<u>39,072</u>	<u>14,565</u>
Loss before transfers and contributions	(135,274)	(4,686)
Transfers in	853,888	592,888
Transfers out	(1,500)	(11,000)
Capital contributions	<u>899,747</u>	<u>1,245,111</u>
Change in net assets	1,616,861	1,822,313
Beginning net assets	<u>12,418,276</u>	<u>10,595,963</u>
Ending net assets	\$ <u>14,035,137</u>	<u>12,418,276</u>

**CITY OF WASILLA, ALASKA**  
Water Utility Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2005  
(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 750,981	670,222
Payments to suppliers	78,841	(183,204)
Payments to employees	<u>(288,220)</u>	<u>(271,327)</u>
Net cash flows from operating activities	<u>541,602</u>	<u>215,691</u>
Cash flows from capital and related financing activities:		
Proceeds from long-term debt	-	3,325,239
Principal and interest paid on long-term debt	(235,086)	(3,081,308)
Receipt of payments in lieu of assessments	45,536	47,833
Acquisition and construction of capital assets	(1,757,418)	(3,865,939)
Capital contributions received	1,310,713	684,031
Transfers in	853,888	592,888
Transfers out	<u>(1,500)</u>	<u>(11,000)</u>
Net cash flows from capital and related financing activities	<u>216,133</u>	<u>(2,308,256)</u>
Cash flows from investing activities - investment income received	<u>22,409</u>	<u>6,241</u>
Net increase (decrease) in cash and investments	780,144	(2,086,324)
Beginning cash and investments	<u>989,885</u>	<u>3,076,209</u>
Ending cash and investments	\$ <u>1,770,029</u>	<u>989,885</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(174,346)	(19,251)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	363,306	266,080
Increase (decrease) in allowance for doubtful accounts	2,720	(1,062)
(Increase) decrease in assets:		
Accounts receivable	3,903	(28,365)
Inventory	(8,711)	(15,771)
Increase (decrease) in liabilities:		
Accounts payable	341,057	(9,132)
Revenue billed in advance	7,695	3,236
Accrued payroll and employee benefits	302	1,766
Accrued annual and sick leave	(1,158)	3,571
Net pension obligation	13,844	-
Customer deposits	<u>(7,010)</u>	<u>14,619</u>
Net cash flows from operating activities	\$ <u>541,602</u>	<u>215,691</u>

**CITY OF WASILLA, ALASKA**  
 Sewer Utility Enterprise Fund  
 Statement of Net Assets  
 June 30, 2005  
 (With Comparative Amounts for 2004)

<u>Assets</u>	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and investments	\$ 984,380	674,033
Receivables:		
Accounts	72,199	76,555
Allowance for doubtful accounts	(7,176)	(4,827)
Grants	84	154,166
Special assessments	10,413	8,500
Notes	2,577	4,800
Inventory	85,569	70,933
Total current assets	<u>1,148,046</u>	<u>984,160</u>
Noncurrent assets:		
Special assessments receivable	-	33,695
Notes receivable	<u>3,430</u>	<u>5,619</u>
Property, plant and equipment:		
Land	657,810	657,810
Treatment system	8,080,804	8,079,120
Collection/distribution system	8,948,948	8,533,543
Equipment	5,101,948	5,101,948
Construction in progress	<u>102,654</u>	<u>436,678</u>
Total property, plant and equipment	22,892,164	22,809,099
Less accumulated depreciation	<u>(7,578,665)</u>	<u>(7,193,783)</u>
Net property, plant and equipment	<u>15,313,499</u>	<u>15,615,316</u>
Total noncurrent assets	<u>15,316,929</u>	<u>15,654,630</u>
Total assets	\$ <u>16,464,975</u>	<u>16,638,790</u>

**CITY OF WASILLA, ALASKA**  
Sewer Utility Enterprise Fund  
Statement of Net Assets, continued

<u>Liabilities and Net Assets</u>	<u>2005</u>	<u>2004</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 4,350	3,275
Accrued payroll and employee benefits	9,416	10,195
Accrued annual and sick leave	23,650	21,071
Customer deposits	16,906	25,256
Accrued interest	4,992	4,954
Current portion:		
Special assessment bonds	8,471	8,471
ADEC loans	17,271	17,271
Total current liabilities	<u>85,056</u>	<u>90,493</u>
Long-term debt, net of current portion:		
Special assessment bonds	32,956	41,427
ADEC loans	295,824	313,095
Net pension obligation	15,342	-
Total long-term debt, net of current portion	<u>344,122</u>	<u>354,522</u>
Total liabilities	<u>429,178</u>	<u>445,015</u>
Net assets:		
Invested in capital asset, net of related debt	14,958,977	15,235,052
Unrestricted	<u>1,076,820</u>	<u>958,723</u>
Total net assets	<u>16,035,797</u>	<u>16,193,775</u>
Total liabilities and net assets	<u>\$ 16,464,975</u>	<u>16,638,790</u>

**CITY OF WASILLA, ALASKA**  
 Sewer Utility Enterprise Fund  
 Statement of Revenues, Expenses  
 and Changes in Net Assets  
 Year Ended June 30, 2005  
 (With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Sales and user charges	\$ 642,553	636,805
Other	-	1,415
Total operating revenues	<u>642,553</u>	<u>638,220</u>
Operating expenses:		
Salaries	223,427	234,761
Employee benefits	110,165	75,907
Other purchased services	38,728	31,376
Professional and technical services	22,127	6,525
Supplies	117,031	99,111
Property services	59,988	36,080
Total operating expenses	<u>571,466</u>	<u>483,760</u>
Operating income before depreciation	71,087	154,460
Depreciation	<u>384,882</u>	<u>390,551</u>
Operating loss	(313,795)	(236,091)
Nonoperating revenues (expenses):		
Payments in lieu of assessments	64,650	44,534
Interest expense	(10,673)	(12,460)
Investment income	15,286	866
Net nonoperating revenues (expenses)	<u>69,263</u>	<u>32,940</u>
Loss before transfers and contributions	(244,532)	(203,151)
Transfers in	80,000	30,000
Transfers out	(1,500)	(16,500)
Capital contributions	<u>8,054</u>	<u>349,191</u>
Change in net assets	(157,978)	159,540
Beginning net assets	<u>16,193,775</u>	<u>16,034,235</u>
Ending net assets	\$ <u>16,035,797</u>	<u>16,193,775</u>

## CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2005

(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 640,908	630,503
Payments to suppliers	(251,435)	(183,952)
Payments to employees	<u>(316,450)</u>	<u>(306,733)</u>
Net cash flows from operating activities	<u>73,023</u>	<u>139,818</u>
Cash flows from capital and related financing activities:		
Proceeds from long-term debt	-	11,682
Principal and interest paid on long-term debt	(36,377)	(42,399)
Special assessments received	31,782	13,834
Receipt of payments in lieu of assessments	64,650	44,534
Acquisition and construction of capital assets	(83,065)	(471,213)
Capital contributions received	162,136	196,174
Transfers in	80,000	30,000
Transfers out	<u>(1,500)</u>	<u>(16,500)</u>
Net cash flows from capital and related financing activities	<u>217,626</u>	<u>(233,888)</u>
Cash flows from investing activities:		
Investment income received	15,286	866
Principal payments received on notes receivable	<u>4,412</u>	<u>4,491</u>
Net cash flows from investing activities	<u>19,698</u>	<u>5,357</u>
Net increase (decrease) in cash and investments	310,347	(88,713)
Beginning cash and investments	<u>674,033</u>	<u>762,746</u>
Ending cash and investments	\$ <u>984,380</u>	<u>674,033</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(313,795)	(236,091)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	384,882	390,551
Increase in allowance for doubtful accounts	2,349	433
(Increase) decrease in assets:		
Accounts receivable	4,356	(8,690)
Inventory	(14,636)	(13,768)
Increase (decrease) in liabilities:		
Accounts payable	1,075	2,908
Accrued payroll and employee benefits	(779)	(1,052)
Accrued annual and sick leave	2,579	4,987
Net pension obligation	15,342	-
Customer deposits	<u>(8,350)</u>	<u>540</u>
Net cash flows from operating activities	\$ <u>73,023</u>	<u>139,818</u>



**CITY OF WASILLA, ALASKA**

## Municipal Airport Enterprise Fund

## Statement of Net Assets

June 30, 2005

(With Comparative Amounts for 2004)

<u>Assets</u>	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and investments	\$ 212,968	241,413
Receivables:		
Accounts	549	111
Grants	262,841	41,394
Total current assets	<u>476,358</u>	<u>282,918</u>
Noncurrent assets - property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	5,620,175	5,620,175
Buildings	21,744	-
Equipment	648,164	648,164
Construction work in process	2,338,122	103,550
Total property, plant and equipment	10,098,205	7,841,889
Less accumulated depreciation	<u>(3,352,289)</u>	<u>(3,014,617)</u>
Net property, plant and equipment	<u>6,745,916</u>	<u>4,827,272</u>
Total assets	\$ <u>7,222,274</u>	<u>5,110,190</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	164,315	-
Revenue billed in advance	3,700	6,152
Accrued payroll and employee benefits	1,375	1,318
Accrued annual and sick leave	1,665	1,406
Total current liabilities	171,055	8,876
Net pension obligation	<u>946</u>	<u>-</u>
Total liabilities	<u>172,001</u>	<u>8,876</u>
Net assets:		
Invested in capital assets, net of related debt	6,745,916	4,827,272
Unrestricted	304,357	274,042
Total net assets	<u>7,050,273</u>	<u>5,101,314</u>
Total liabilities and net assets	\$ <u>7,222,274</u>	<u>5,110,190</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended June 30, 2005  
(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Operating revenues - fees and rentals	\$ <u>56,047</u>	<u>44,180</u>
Operating expenses:		
Salaries	26,935	26,622
Employee benefits	8,162	5,870
Other purchased services	20,696	14,679
Professional and technical services	2,700	500
Supplies	13,702	10,545
Property services	<u>24,849</u>	<u>24,059</u>
Total operating expenses	<u>97,044</u>	<u>82,275</u>
Operating loss before depreciation	(40,997)	(38,095)
Depreciation	<u>337,683</u>	<u>322,665</u>
Operating loss	(378,680)	(360,760)
Nonoperating revenues:		
Sales tax revenue	255	-
Investment income	247	187
Special assessments	<u>-</u>	<u>33,034</u>
Total nonoperating revenues	<u>502</u>	<u>33,221</u>
Loss before transfers and contributions	(378,178)	(327,539)
Transfers in	149,114	136,590
Capital contributions	<u>2,178,023</u>	<u>132,547</u>
Change in net assets	1,948,959	(58,402)
Beginning net assets	<u>5,101,314</u>	<u>5,159,716</u>
Ending net assets	\$ <u>7,050,273</u>	<u>5,101,314</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2004  
(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 53,157	47,062
Payments to suppliers	102,368	(49,790)
Payments to employees	<u>(33,835)</u>	<u>(32,521)</u>
Net cash flows from operating activities	<u>121,690</u>	<u>(35,249)</u>
Cash flows from noncapital financing activities - transfers in	<u>43,809</u>	<u>54,590</u>
Cash flows from capital and related financing activities:		
Special assessments received	-	33,034
Acquisition and construction of capital assets	(2,256,327)	(137,968)
Capital contributions received	1,956,576	119,673
Sales tax revenue received	255	-
Transfers in	<u>105,305</u>	<u>82,000</u>
Net cash flows from capital and related financing activities	<u>(194,191)</u>	<u>96,739</u>
Cash flows from investing activities - investment income received	<u>247</u>	<u>187</u>
Net increase (decrease) in cash and investments	(28,445)	116,267
Beginning cash and investments	<u>241,413</u>	<u>125,146</u>
Ending cash and investments	\$ <u>212,968</u>	<u>241,413</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(378,680)	(360,760)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	337,683	322,665
(Increase) decrease in accounts receivable	(438)	4,001
Increase (decrease) in liabilities:		
Accounts payable	164,315	(7)
Revenue billed in advance	(2,452)	(1,119)
Accrued payroll and employee benefits	57	173
Accrued annual and sick leave	259	(202)
Net pension obligation	<u>946</u>	<u>-</u>
Net cash flows from operating activities	\$ <u>121,690</u>	<u>(35,249)</u>

**CITY OF WASILLA, ALASKA**  
Multi-Use Sports Complex Enterprise Fund  
Statement of Net Assets  
June 30, 2005  
(With Comparative Amounts for 2004)

<u>Assets</u>	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and investments	\$ 768,938	1,402,610
Receivables:		
Sales taxes	206,977	188,748
Accounts	419	-
Total current assets	<u>976,334</u>	<u>1,591,358</u>
Noncurrent assets:		
Restricted cash - bond redemption	<u>580,844</u>	<u>348,542</u>
Property, plant and equipment:		
Land	436,711	418,934
Buildings	15,071,384	14,620,654
Equipment	<u>247,091</u>	<u>177,762</u>
Total property, plant and equipment	15,755,186	15,217,350
Less accumulated depreciation	<u>(321,501)</u>	<u>-</u>
Net property, plant and equipment	<u>15,433,685</u>	<u>15,217,350</u>
Total noncurrent assets	<u>16,014,529</u>	<u>15,565,892</u>
Total assets	<u>\$ 16,990,863</u>	<u>17,157,250</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	48,195	180,620
Accrued payroll and employee benefits	12,745	14,872
Accrued annual and sick leave	15,299	2,507
Accrued interest	121,489	130,629
Deferred revenue	11,620	31,016
Current portion of general obligation bonds	<u>1,240,000</u>	<u>1,125,000</u>
Total current liabilities	<u>1,449,348</u>	<u>1,484,644</u>
Long-term debt, net of current portion:		
General obligation bonds	10,475,000	11,715,000
Unamortized bond premium	75,787	85,260
Net pension obligation	<u>13,562</u>	<u>-</u>
Total long-term debt, net of current portion	<u>10,564,349</u>	<u>11,800,260</u>
Total liabilities	<u>12,013,697</u>	<u>13,284,904</u>
Net assets:		
Invested in capital assets, net of related debt	3,786,239	2,972,588
Restricted for debt service	1,010,688	551,244
Unrestricted	<u>180,239</u>	<u>348,514</u>
Total net assets	<u>4,977,166</u>	<u>3,872,346</u>
Total liabilities and net assets	<u>\$ 16,990,863</u>	<u>17,157,250</u>

**CITY OF WASILLA, ALASKA**  
Multi-Use Sports Complex Enterprise Fund  
Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended June 30, 2005  
(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Operating revenues - fees and rentals	\$ <u>576,555</u>	<u>63,599</u>
Operating expenses:		
Salaries	307,018	103,381
Employee benefits	126,833	27,524
Other purchased services	70,368	33,484
Professional and technical services	40,189	2,361
Supplies	210,434	35,365
Property services	<u>34,452</u>	<u>7,560</u>
Total operating expenses	<u>789,294</u>	<u>209,675</u>
Operating loss before depreciation	(212,739)	(146,076)
Depreciation	<u>321,501</u>	<u>-</u>
Operating loss	(534,240)	(146,076)
Nonoperating revenues (expenses):		
Sales tax revenue	2,086,801	1,880,477
Interest expense	(502,353)	(172,349)
Investment income	27,508	3,479
Rate analysis grant	<u>27,104</u>	<u>2,896</u>
Net nonoperating revenues (expenses)	<u>1,639,060</u>	<u>1,714,503</u>
Income before transfers	1,104,820	1,568,427
Transfers in	<u>-</u>	<u>376,845</u>
Change in net assets	1,104,820	1,945,272
Beginning net assets	<u>3,872,346</u>	<u>1,927,074</u>
Ending net assets	\$ <u>4,977,166</u>	<u>3,872,346</u>

**CITY OF WASILLA, ALASKA**  
Multi-Use Sports Complex Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2005  
(With Comparative Amounts for 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 556,740	97,511
Other miscellaneous receipts	27,104	-
Payments to suppliers	(487,868)	(722,868)
Payments to employees	(409,624)	(113,526)
Net cash flows from operating activities	<u>(313,648)</u>	<u>(738,883)</u>
Cash flows from noncapital financing activities - transfers in	<u>-</u>	<u>215,650</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(1,645,966)	(1,209,474)
Acquisition and construction of capital assets	(537,836)	(12,205,713)
Capital grant transferred to other funds	-	(135,894)
Sales tax revenue received	2,068,572	1,863,853
Transfers in	-	161,195
Net cash flows from capital and related financing activities	<u>(115,230)</u>	<u>(11,526,033)</u>
Cash flows from investing activities - investment income received	<u>27,508</u>	<u>3,479</u>
Net decrease in cash and investments	(401,370)	(12,045,787)
Beginning cash and investments	<u>1,751,152</u>	<u>13,796,939</u>
Ending cash and investments	\$ <u>1,349,782</u>	<u>1,751,152</u>
Reconciliation of cash and investments to balance sheet:		
Cash and investments	768,938	1,402,610
Restricted cash and investments	580,844	348,542
	\$ <u>1,349,782</u>	<u>1,751,152</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(534,240)	(146,076)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	321,501	-
Other nonoperating revenues	27,104	2,896
(Increase) in assets - accounts receivable	(419)	-
Decrease in liabilities:		
Accounts payable	(132,425)	(644,098)
Accrued payroll and employee benefits	(2,127)	14,872
Accrued annual and sick leave	12,792	2,507
Net pension obligation	13,562	-
Deferred revenue	(19,396)	31,016
Net cash flows from operating activities	\$ <u>(313,648)</u>	<u>(738,883)</u>

**CITY OF WASILLA, ALASKA**  
Capital Assets  
Schedule of Governmental Capital Assets  
June 30, 2005

Capital assets:	
Land	\$ 4,533,005
Buildings	3,930,846
Office furniture and equipment	1,289,236
Vehicles and equipment	1,782,255
Infrastructure	21,725,537
Construction in progress	<u>784,236</u>
 Total capital assets	 \$ <u>34,045,115</u>

## CITY OF WASILLA, ALASKA

## Capital Assets

## Schedule of Governmental Capital Assets by Function and Activity

June 30, 2005

	<u>Land</u>	<u>Buildings</u>	<u>Office Furniture and Equipment</u>	<u>Vehicles and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
General government:							
Administration	\$ -	-	-	15,542	-	-	15,542
City Council	-	-	12,994	-	-	54,105	67,099
Finance	-	-	399,761	-	-	7,000	406,761
Nondepartmental	<u>1,004,448</u>	<u>1,278,329</u>	<u>10,573</u>	<u>-</u>	<u>-</u>	<u>9,123</u>	<u>2,302,473</u>
Total general government	<u>1,004,448</u>	<u>1,278,329</u>	<u>423,328</u>	<u>15,542</u>	<u>-</u>	<u>70,228</u>	<u>2,791,875</u>
Police	<u>600,000</u>	<u>831,106</u>	<u>687,768</u>	<u>981,847</u>	<u>-</u>	<u>666,871</u>	<u>3,767,592</u>
Public works:							
Public works	81,305	278,540	115,057	644,916	-	46,492	1,166,310
Planning	-	-	12,806	26,301	-	-	39,107
Streets	<u>1,958,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,725,537</u>	<u>645</u>	<u>23,684,716</u>
Total public works	<u>2,039,839</u>	<u>278,540</u>	<u>127,863</u>	<u>671,217</u>	<u>21,725,537</u>	<u>47,137</u>	<u>24,890,133</u>
Culture and recreation:							
Museum	90,650	109,293	5,193	-	-	-	205,136
Recreation services	783,068	575,592	-	113,649	-	-	1,472,309
Library	<u>15,000</u>	<u>857,986</u>	<u>45,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>918,070</u>
Total culture and recreation	<u>888,718</u>	<u>1,542,871</u>	<u>50,277</u>	<u>113,649</u>	<u>-</u>	<u>-</u>	<u>2,595,515</u>
Total capital assets allocated to functions	\$ <u>4,533,005</u>	<u>3,930,846</u>	<u>1,289,236</u>	<u>1,782,255</u>	<u>21,725,537</u>	<u>784,236</u>	<u>34,045,115</u>



## CITY OF WASILLA, ALASKA

### Capital Assets

#### Schedule of Changes in Governmental Capital Assets by Function and Activity Year Ended June 30, 2005

	Capital Assets July 1, <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	Capital Assets June 30, <u>2005</u>
General government:				
Administration	\$ 15,542	-	-	15,542
City Council	47,335	19,764	-	67,099
Finance	388,408	18,353	-	406,761
Nondepartmental	<u>2,285,741</u>	<u>41,658</u>	<u>24,926</u>	<u>2,302,473</u>
Total general government	<u>2,737,026</u>	<u>79,775</u>	<u>24,926</u>	<u>2,791,875</u>
Police	<u>2,918,723</u>	<u>848,869</u>	<u>-</u>	<u>3,767,592</u>
Public works:				
Public works	1,079,892	142,664	56,246	1,166,310
Planning	39,107	-	-	39,107
Streets	<u>20,656,957</u>	<u>6,267,902</u>	<u>3,240,143</u>	<u>23,684,716</u>
Total public works	<u>21,775,956</u>	<u>6,410,566</u>	<u>3,296,389</u>	<u>24,890,133</u>
Culture and recreation:				
Museum	193,829	11,307	-	205,136
Recreation services	1,335,959	242,357	106,007	1,472,309
Library	<u>918,070</u>	<u>-</u>	<u>-</u>	<u>918,070</u>
Total culture and recreation	<u>2,447,858</u>	<u>253,664</u>	<u>106,007</u>	<u>2,595,515</u>
Total capital assets	\$ <u>29,879,563</u>	<u>7,592,874</u>	<u>3,427,322</u>	<u>34,045,115</u>

**CITY OF WASILLA, ALASKA**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2005

Exhibit M-1

Name of Award	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	July 1, 2004 Receivable (Deferred)	Federal Share of Expenditures	Federal Receipts	June 30, 2005 Receivable (Deferred)
<b>DEPARTMENT OF TRANSPORTATION</b>							
Wasilla Airport Apron Phase 1A	AIP3-02-0417-0903	20.106	\$ 200,000	27,399	102,921	130,320	-
Wasilla Airport Apron Improvement Phase 1A	AIP3-02-0417-0903	20.106	1,952,448	-	1,952,448	1,812,159	140,289
Wasilla Airport Engineer Design Phase 1C	AIP3-02-0417-2005	20.106	250,000	-	66,101	-	66,101
Airport Security Improvements	3-02-0417-0802	20.106	264,264	9,594	-	9,594	-
Passed through the State of Alaska:							
Department of Natural Resources - DNR Winter Trail Grooming	10790209	20.219	10,500	555	-	555	-
Department of Public Safety: Motorcycle Officer Grant	040505 PT	20.600	45,554	24,514	15,218	39,732	-
Motorcycle Officer Grant	050507 PT	20.600	30,430	-	14,820	2,419	12,401
Department of Transportation and Public Facilities: 2004 Seatbelt Enforcement Blitz	040303 OP	20.600	4,850	2,681	-	2,681	-
Click It or Ticket Enforcement 2005	050303 OP	20.600	3,520	-	3,520	-	3,520
AK 2004 Holiday DUI Crackdown	AK 2004 Holiday DUI	20.600	5,000	-	147	147	-
Minor Consuming Diversion Panel	040212AL	20.600	8,628	1,612	2,356	3,968	-
Total Department of Transportation				<u>66,355</u>	<u>2,157,531</u>	<u>2,001,575</u>	<u>222,311</u>
<b>DENALI COMMISSION</b>							
Passed through the State of Alaska							
Department of Community and Economic Development - Rate Analysis & Marketing Study	840831	90.100	30,000	-	27,104	27,104	-
<b>DEPARTMENT OF EDUCATION</b>							
Passed through the State of Alaska							
Department of Education and Early Development - Governor's Drug and Violence Prevention	DA 05 057 01	84.186B	56,000	-	56,000	53,298	2,702
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
South Mack and Water Main Extension	XP-970480010	66.606	1,455,000	619,020	468,907	1,003,306	84,621
<b>DEPARTMENT OF JUSTICE</b>							
Bulletproof Vest Partnership	COW99-00BVP	16.607	8,606	734	790	1,524	-
Asset Seizure and Forfeiture Program	N/A	16.XXX	874	(6)	6	-	-
Technology Dispatch Phase 2	2003CKWX0101	16.710	745,125	301	223,341	144,960	78,682
COPS 2002 Technology Initiative	2002CKWX0008	16.710	1,000,000	256,793	377,933	606,469	28,257
COPS Universal Hiring Grant	2004UMWX0134	16.710	75,000	-	7,500	-	7,500
Passed through the State of Alaska:							
Department of Military and Veterans Affairs - State Homeland Security	SHSGP II 03-27	16.007	39,620	39,620	-	39,620	-
Department of Public Safety: Multi-Jurisdictional Task Force	02-023E	16.579	67,148	-	-	-	-
Multi-Jurisdictional Task Force	04-023E	16.579	66,934	-	60,688	46,634	14,054
Multi-Jurisdictional SAM Investigator	03-006	16.579	77,742	17,081	-	17,081	-
Byrne Drug Grant	03-023E	16.579	67,140	15,506	-	15,506	-
Stop Violence Against Women Formula	05-VAWA-01	16.588	75,703	-	73,077	57,682	15,395
Project Safe Neighborhoods	PSN 03-004	16.609	5,410	-	5,342	5,342	-
Public Safety Equipment Technology	2001CKWX0008	16.710	63,879	-	3,815	3,815	-
Total Department of Justice				<u>330,029</u>	<u>752,492</u>	<u>938,633</u>	<u>143,888</u>
<b>DEPARTMENT OF AGRICULTURE</b>							
Passed through the State of Alaska							
Department of Natural Resources: COW Urban Forest 04	COW Urban Forest 04	10.664	5,000	-	5,000	5,000	-
COW Urban Forest 05	COW FY05 Urban Forest	10.664	3,000	-	3,000	-	3,000
Total Department of Agriculture				<u>-</u>	<u>8,000</u>	<u>5,000</u>	<u>3,000</u>
<b>INSTITUTE OF MUSEUMS AND LIBRARIES</b>							
Conservation Assessment Program	IA-00-04-0014-04	45.304	7,890	(2,684)	2,684	-	-
Museum Assessment Program	IM-03-05-0152-05	45.302	3,820	-	2,650	3,820	(1,170)
Total Institute of Museums and Libraries				<u>(2,684)</u>	<u>5,334</u>	<u>3,820</u>	<u>(1,170)</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>							
Passed through the State of Alaska							
Department of Homeland Security - Communication Equipment Project #45158	COW MSB Homeland	97.004	139,440	-	138,308	138,308	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			\$	<u>1,012,720</u>	<u>3,613,676</u>	<u>4,171,044</u>	<u>455,352</u>

**CITY OF WASILLA, ALASKA**  
 Schedule of State Financial Assistance  
 Year Ended June 30, 2005

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>July 1, 2004 Receivable (Deferred)</u>	<u>State Share of Expenditures</u>	<u>State Receipts</u>	<u>June 30, 2005 Receivable (Deferred)</u>
<b>DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT</b>						
Improvements to Iditapark	04-RR-010	\$ 9,373	(1,874)	9,372	7,498	-
Iditapark Site Improvements	03-MG-063	61,677	9,500	5,081	14,581	-
Old Knik Landfill/Smith Ball Fields Ground Water	4/99-002	50,000	-	8,923	7,100	1,823
Public Facilities Improvements	02-MG-143	106,677	11,898	-	11,898	-
Ball Park Improvements	03-MG-064	45,000	-	549	-	549
Multi-Use Sports Complex Utilities	03-DC-089	705,000	158	3,985	4,143	-
Gravel to Asphalt Road Improvements	05-DC-102	50,000	-	36,923	36,923	-
* Storm Drain Improvements Phase 2	05-DC-103	150,000	-	114,515	114,515	-
Total Department of Community and Economic Development			19,682	179,348	196,658	2,372
<b>DEPARTMENT OF ENVIRONMENTAL CONSERVATION</b>						
* Storm Water Pumping and Treatment Facility	90510	1,975,357	395,906	810,706	707,670	498,942
Emergency Water Source/Wastewater Treatment	90509	300,000	30,000	-	15,000	15,000
Parks Hwy West Water Main Extension	90512	862,800	86,280	-	-	86,280
Water Main Improvement Program	90516	449,700	7,373	21,101	23,322	5,152
Septage Facility Emergency Generator	90517	34,736	-	84	-	84
* Water Main Improvement Program Phase 2 and 3	90518	945,100	87,901	413,724	427,079	74,546
Total Department of Environmental Conservation			607,461	1,245,615	1,173,071	680,005
<b>DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT</b>						
Exhibit Development Workshop	COW MUEXHIBIT 04	7,000	(5,817)	5,817	-	-
Public Library Assistance Grant FY2005	PLA-05-787-85	6,250	-	6,250	6,250	-
Total Department of Education and Early Development			(5,817)	12,067	6,250	-
<b>DEPARTMENT OF REVENUE</b>						
Liquor License 04 Revenue Share	N/A	15,800	10,900	-	10,900	-
Liquor License 05 Revenue Share	N/A	17,500	-	17,500	17,500	-
Electric & Telephone Co-op Tax FY04	N/A	219,512	219,512	-	219,512	-
* Electric & Telephone Co-op Tax FY05	N/A	225,103	-	225,103	-	225,103
Aviation Fuel Tax FY04	N/A	1,445	1,445	-	1,445	-
Aviation Fuel Tax FY05	N/A	1,413	-	1,413	-	1,413
Total Department of Revenue			231,857	244,016	249,357	226,516
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Marijuana Eradication 04	COW ERAD 04	1,876	255	615	870	-
Police Training and Thinking Driver Training	COW POLICE TRAIN	8,800	-	3,800	8,800	(5,000)
State Asset Forfeiture	N/A	4,865	-	4,865	4,865	-
Total Department of Public Safety			255	9,280	14,535	(5,000)
<b>DEPARTMENT OF HEALTH AND SOCIAL SERVICES</b>						
Youth Court and Community Panels	7	36,000	-	36,000	34,200	1,800
Juvenile Justice/Delinquency Prevention - YC	609-04-029	27,500	1,375	-	1,375	-
Total Department of Health and Social Services			1,375	36,000	35,575	1,800
<b>DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES</b>						
2004/2005 Impaired Driving/Alcohol	040203 AL	10,000	1,251	5,381	6,632	-
FY 03 AIP 3-02-0417-0903	N/A	6,667	(98)	3,431	-	3,333
* Church Road South Extension Traffic Signals	57043	225,000	79,650	136,771	131,738	84,683
* Church Road South Extension	56560	1,121,625	63,413	900,686	795,357	168,742
Airport Security Improvements	56471	8,809	4,407	-	4,407	-
* Wasilla Airport FY04 AIP 3-02-0417-2004	57588 AIP	51,380	-	51,380	-	51,380
Wasilla Airport FY05 AIP 3-02-0417-011-2005	58679	6,579	-	1,739	-	1,739
Total Department of Transportation and Public Facilities			148,623	1,099,388	938,134	309,877
TOTAL STATE FINANCIAL ASSISTANCE		\$	1,003,436	2,825,714	2,613,580	1,215,570

\* Major Programs

**CITY OF WASILLA, ALASKA**  
 General Governmental Expenditures by Function  
 Last Ten Fiscal Years

Fiscal Year	(1)	Police	Public Works	(2) (3)	Museum and Recreation Services	Debt Service	(4)	Total
	General Government			Library and Youth Court			Capital Outlay	
1996	\$ 1,286,594	\$ 1,090,305	\$ 587,309	\$ 520,367	\$ 442,987	\$390,385	\$ 2,309,488	\$6,627,435
1997	1,319,683	1,280,540	668,716	653,242	477,911	264,826	1,376,179	6,041,097
1998	1,283,709	1,289,878	731,585	674,234	486,756	333,429	1,805,596	6,605,187
1999	1,335,308	1,502,984	728,392	709,991	439,771	486,298	4,382,531	9,585,275
2000	1,425,757	1,632,413	754,122	669,743	480,528	642,999	4,840,525	10,446,087
2001	1,528,350	1,752,855	1,089,402	666,613	519,655	745,646	-	6,302,521
2002	1,583,586	1,950,183	1,093,759	725,698	458,926	939,157	-	6,751,309
2003	1,899,275	1,990,275	1,289,360	748,317	460,436	658,662	-	7,046,325
<hr/>								
	General Government	Public Safety	Public Works	Cultural and Recreation	Interest on Long-Term Debt			
2004	\$ 1,794,203	\$ 2,592,610	\$2,028,541	\$1,245,813	\$ 230,014	\$7,891,181		
2005	2,050,929	3,692,121	2,254,234	1,314,516	239,298	9,551,098		

(1) Includes Administration, City Council, General Administrative Services, Planning, Finance, Management Information Systems and Nondepartmental.

(2) Library is shown as a Special Revenue Fund as the expenditures are funded partly by the Matanuska-Susitna Borough.

(3) Youth Court established in FY96.

(4) Starting with Fiscal Year 2001, expenditures associated with Capital Outlays will not be included in total General Government Expenditures.

**CITY OF WASILLA, ALASKA**  
 General Governmental Revenues By Source (1) (3)  
 Last Ten Fiscal Years

Fiscal Year	(2) Taxes	State Shared Revenue	Other Governments	Penalties and Forfeitures	Investment Income	Fees, Permits and Other Revenues	Special Assessments	Other	Total
1995	\$ 4,252,607	\$ 955,571	\$ 282,216	\$ 53,297	\$ 107,130	\$ 44,251	\$ 303,141	\$ 388,141	\$ 6,386,354
1996	4,626,864	879,473	315,499	53,728	110,929	52,585	407,258	529,828	6,976,164
1997	4,960,321	1,140,947	345,711	58,641	392,417	51,005	407,887	211,959	7,568,888
1998	5,121,764	680,238	379,770	79,841	490,879	48,922	332,234	299,437	7,433,085
1999	5,372,395	671,215	1,646,918	76,805	653,695	33,168	349,228	258,115	9,061,539
2000	5,950,156	685,834	977,443	71,191	528,552	33,630	345,511	598,680	9,190,997
2001	6,405,685	394,769	597,992	84,621	355,627	31,305	275,491	161,648	8,307,138
2002	6,901,702	367,078	649,445	74,642	282,810	35,540	309,234	89,715	8,710,166
2003	7,409,202	445,275	563,832	52,811	241,185	38,996	318,159	230,337	9,299,797

---

	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Grants and Entitlements	Unrestricted Investment Earnings	Other	Total
2004	\$ 174,764	\$ 787,076	\$ 2,704,812	\$ 7,990,378	\$ 333,124	\$ 76,293	\$ 123,614	\$12,190,061
2005	2,201,367	364,245	2,835,696	8,627,021	226,516	176,928	121,429	14,553,202

- (1) Includes General, Special Revenue and Debt Service
- (2) A 2% sales tax on retail sales and services was approved by the voters in October 1992, becoming effective January 1, 1993.
- (3) Starting with Fiscal 2001, revenue associated with Capital outlays will not be included in General Governmental Revenues by Source.
- (4) In 2005, the City of Wasilla provided dispatch services for the State of Alaska. The revenue (\$911,995) for providing these services was included in the Charges for Services category.

**CITY OF WASILLA, ALASKA**  
 Assessed Valuation, Tax Levies and Collections  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Levy</u>	<u>Amount Collected</u>	<u>% of Levy</u>	<u>Amount of Levy Uncollected</u>	<u>Amount Of Levy Uncollected As A Percent of Total Taxes</u>
1996	\$ 468,773	447,548	95%	\$ 21,225	4.53%
1997	465,016	553,962	119%	(88,946)	(19.13%)
1998	449,064	455,322	101%	(6,258)	(1.39%)
1999	372,930	371,302	100%	1,628	0.44%
2000	365,253	363,867	100%	1,386	0.38%
2001	341,867	342,320	100%	(453)	(0.13%)
2002	324,235	321,112	99%	3,123	0.96%
2003	193,980	191,584	99%	2,396	1.24%
2004	207,000	235,620	113.83%	(28,620)	(13.83%)
2005	200,299	179,547	90%	20,752	10.36%

- (1) The Matanuska-Susitna Borough (MSB) does all of the assessment, collection and foreclosure regarding property taxes for the City of Wasilla. No breakdown is furnished for delinquent taxes. Taxes are periodically forwarded to the city.

**CITY OF WASILLA, ALASKA**  
 Tax Revenues By Source  
 Last Ten Fiscal Years

<u>Fiscal</u> <u>Year</u>	<u>Property</u> <u>Taxes</u>	<u>Sales</u> <u>Taxes</u>	<u>Total</u> <u>Taxes</u>
1996	\$ 447,548	\$ 4,179,316	\$ 4,626,864
1997	553,962	4,406,359	4,960,321
1998	465,494	4,656,270	5,121,764
1999	371,302	4,932,494	5,303,796
2000	363,867	5,509,279	5,873,146
2001	342,320	5,985,169	6,327,489
2002	321,112	6,497,069	6,818,181
2003	193,980	8,704,250	8,898,230
2004	235,621	9,459,297	9,694,918
2005	179,547	10,433,805	10,613,352

- (1) Property taxes were capped at 2 mils effective for FY 94.
- (2) During FY95 the City implemented GASB 22.
- (3) A dedicated .5% sales tax on retail sales and services was approved by the voters in October 2001, becoming effective July 1, 2002. The dedicated sales tax will be used to retire the Multi-use Sports complex general obligation bonds.

**CITY OF WASILLA, ALASKA**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property (1)</u>	<u>Total Assessed Value Net of Exemptions (1)</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio of Total Assessed to Total Estimated Actual Value</u>
1996	\$249,438,500	\$38,301,293	\$275,748,993	\$272,626,900	101.15%
1997	244,837,100	41,981,450	273,538,950	297,377,900	91.98%
1998	268,459,100	46,586,585	299,376,085	305,409,300	98.02%
1999	303,475,800	-	286,868,900	305,214,400	93.99%
2000	322,482,900	-	304,377,400	342,576,700	88.85%
2001	361,413,900	-	341,866,700	360,629,100	94.80%
2002	381,258,900	-	360,261,400	377,912,600	95.33%
2003	408,866,900	-	387,961,600	395,409,800	98.12%
2004	445,441,100	-	418,986,300	431,953,800	97.00%
2005	526,214,700	-	500,749,673	565,833,000	88.50%

(1) Effective with Fiscal Year 1999, Personal Property was exempted from property tax.



**CITY OF WASILLA, ALASKA**  
 Property Tax Rates - All Direct and Overlapping Governments  
 Last Ten Fiscal Years

Fiscal <u>Year</u>	MAT-SU <u>Borough</u>	Wasilla Fire <u>Service Area</u>	City of <u>Wasilla</u>	<u>Total</u>
1996	13.75	1.30	1.70	16.75
1997	12.25	1.30	2.00	15.55
1998	11.50	1.30	1.50	14.30
1999	11.73	1.00	1.30	14.03
2000	12.50	1.00	1.20	14.70
2001	11.94	1.00	1.00	13.94
2002	13.13	1.00	0.90	15.03
2003	11.70	1.00	0.50	13.20
2004	11.48	1.00	0.50	12.98
2005	11.80	1.50	0.40	13.70

Tax Rate - Mileage per \$1,000 of assessed value.

**CITY OF WASILLA, ALASKA**  
Principal Taxpayers  
June 30, 2005

<u>Tax Payer</u>	<u>Nature of Business</u>	<u>Assessed Value</u>	<u>Percentage of Total Valuation</u>
Fred Meyer Stores, Inc.	Retail Store	\$ 24,951,376	4.98%
Lowe's HIW, Inc.	Retail Store	20,797,014	4.15%
Wal Mart Stores, Inc.	Retail Store	17,857,466	3.57%
Cottonwood Creek Mall, LLC.	Property Development and Retail Malls	14,799,100	2.96%
Home Depot USA, Inc.	Retail Store	13,157,855	2.63%
Gary Lundgren	Real Estate Investor	11,788,000	2.35%
Mat-Su Valley Medical Center	Medical Facilities	11,381,100	2.27%
Wasilla, LLC.	Property Development and Retail Mall	10,783,200	2.15%
Newcomb Family Trust	Property Development	7,253,400	1.45%
Grandview Hotel	Hotel	<u>5,689,900</u>	1.14%
Total		<u>\$138,458,411</u>	27.65%

**CITY OF WASILLA, ALASKA**  
Special Assessment Collections  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1) Special Assessment Collections</u>
1996	\$ 407,258
1997	407,887
1998	332,234
1999	349,228
2000	345,511
2001	275,491
2002	309,234
2003	318,159
2004	353,403
2005	217,992

(1) Includes prepayment, foreclosure, current and delinquent payments.

**CITY OF WASILLA, ALASKA**  
Computation of Legal Debt Margin  
June 30, 2005

No debt limit is mandated by law.

**CITY OF WASILLA, ALASKA**  
 Ratio of Net General Bonded Debt To Assessed  
 Value and Net Bonded Debt Per Capita  
 Last Eight Fiscal Years (1)

<u>Fiscal Year</u>	<u>Population (2)</u>	<u>Assessed Value (3)</u>	<u>Bond Long-Term Debt</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Long-Term Debt</u>	<u>Net Bonded Long-Term Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1998	5134	\$ 299,376,085	\$ 5,500,000	\$ -	\$ 5,500,000	1.84%	\$ 1,071
1999	5213	286,868,900	5,500,000	-	5,500,000	1.92%	1,055
2000	5469	304,377,400	5,330,000	-	5,330,000	1.75%	975
2001	5568	341,866,700	5,155,000	-	5,155,000	1.51%	926
2002	5817	360,261,400	19,670,000	-	19,670,000	5.46%	3,381
2003	6343	387,961,600	18,635,000	236,235	18,398,765	4.80%	2,901
2004	6715	418,986,300	17,410,000	551,244	16,858,756	4.16%	2,511
2005	6950	526,214,700	16,070,000	1,010,688	15,059,312	3.05%	2,167

(1) The City of Wasilla issued its first general obligation debt in Fiscal Year 1998.

(2) Source of Data - State Of Alaska

(3) Source of Data - Matanuska-Susitna Borough Assessment Office.

**CITY OF WASILLA, ALASKA**  
 Ratio of Annual Debt Service Expenditures  
 For General Obligation Bonded Debt  
 To Total General Governmental Expenditures  
 Last Eight Fiscal Years (1)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (3)</u>	<u>Ratio of Debt Service To General Governmental Expenditures</u>
1998	\$ -	\$ -	\$ -	\$ 4,799,591	0.00%
1999	-	281,341	281,341	5,189,286	5.42%
2000	170,000	276,241	446,241	5,605,562	7.96%
2001	175,000	265,891	440,891	6,302,521	7.00%
2002	185,000	255,323	440,323	6,751,309	6.52%
2003	195,000	244,398	439,398	7,046,325	6.24%
2004	205,000	233,026	438,026	7,891,181	5.55%
2005	225,000	209,810	434,810	9,551,098	4.55%

(1) The City of Wasilla issued its first general obligation debt in Fiscal Year 1998.

(2) Excludes bond issuance and other costs.

(3) Includes General, Special Revenue and Debt Service Funds.

(4) Does not include principal and interest payments on Multi-use Sports Complex

General Obligation Bonds which are paid out of the Multi-use Sports Complex Enterprise Fund.

**CITY OF WASILLA, ALASKA**  
 Computation of Direct and Overlapping Bonded Debt  
 General Obligation Bonds  
 June 30, 2005

<u>Jurisdiction</u>	Net General Obligation Bonded Debt <u>Outstanding</u>	Percentage Applicable To <u>City of Wasilla</u>	Amount Applicable To <u>City of Wasilla</u>
Direct - City of Wasilla	\$ 17,410,000	100.00%	\$ 17,410,000
Overlapping - Matanuska-Susitna Borough	<u>157,065,000</u> (1)	11.64% (2)	<u>18,276,997</u>
Total	<u>\$ 174,475,000</u>		<u>\$ 35,686,997</u>

(1) Source: Matanuska-Susitna Borough Finance Department.

(2) Based upon the ratio of the City of Wasilla total assessed value to total assessed value of the Matanuska-Susitna Borough.

**CITY OF WASILLA, ALASKA**  
Demographic Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>
1996	4,635
1997	4,917
1998	5,134
1999	5,213
2000	5,469
2001	5,568
2002	5,817
2003	6,343
2004	6,715
2005	6,950

(1) The number is based on adjusting the 2000 census number by the average population trend growth rate.



**CITY OF WASILLA, ALASKA**  
Property Value, Construction and Bank Deposits (1)  
Last Ten Fiscal Years

<u>Fiscal</u> <u>Year</u>	<u>Property</u> <u>Value</u>	<u>Construction</u>	<u>Bank</u> <u>Deposits</u>
1996	\$ 275,748,993	(a)	(a)
1997	273,538,950	(a)	(a)
1998	299,376,085	(a)	(a)
1999	286,868,900	(a)	(a)
2000	304,377,400	(a)	(a)
2001	341,866,700	(a)	(a)
2002	360,261,400	(a)	(a)
2003	387,961,600	(a)	(a)
2004	418,986,300	(a)	(a)
2005	500,749,673	(a)	(a)

(1) Effective in Fiscal Year 1999, Personal Property was exempted from property tax.

(a) Not available

**CITY OF WASILLA, ALASKA**

Land Use Permits Issued

Last Ten Calendar Years

<u>Calendar Year</u>	<u>Number Issued</u>
1996	130
1997	159
1998	144
1999	100
2000	110
2001	109
2002	128
2003	155
2004	165
2005	159

- (1) The City Of Wasilla does not issue building permits
- (2) No value is assigned to the land use permits.
- (3) Source: Wasilla Planning Office

**CITY OF WASILLA, ALASKA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>General Fund</b>										
Reserved	\$ 229,268	\$ 224,354	\$ 190,823	\$ 162,943	\$ 255,479	\$ 225,465	\$ 190,173	\$ 227,553	\$ 183,998	\$ 164,753
Unreserved	<u>4,131,476</u>	<u>4,414,386</u>	<u>4,568,288</u>	<u>4,694,445</u>	<u>4,237,415</u>	<u>4,676,505</u>	<u>4,417,739</u>	<u>4,562,994</u>	<u>5,319,647</u>	<u>5,383,604</u>
<b>Total General Fund</b>	<b>\$ 4,360,744</b>	<b>\$ 4,638,740</b>	<b>\$ 4,759,111</b>	<b>\$ 4,857,388</b>	<b>\$ 4,492,894</b>	<b>\$ 4,901,970</b>	<b>\$ 4,607,912</b>	<b>\$ 4,790,547</b>	<b>\$ 5,503,645</b>	<b>\$ 5,548,357</b>
<b>All Other Governmental Funds</b>										
Reserved - other funds	661,991	542,108	744,021	2,731,815	880,567	1,332,408	1,133,777	591,798	1,016,659	659,965
Reserved - permanent fund	60,405	69,205	79,505	95,397	102,105	111,380	117,780	128,905	145,705	164,505
Unreserved, reported in:										
Special revenue funds	6,400	2,317	21,881	112,240	58,591	26,706	836,959	212,329	122,898	476,158
Debt service funds	(24,498)	176,779	237,958	297,601	332,828	367,578	232,475	332,400	357,001	365,588
Capital project funds	1,199,706	2,109,080	7,054,862	3,525,143	3,911,251	1,471,383	15,628,390	1,926,885	939,960	1,442,295
Fiduciary	8,980	12,247	16,728	20,071	-	-	-	-	-	-
<b>Total all Other Governmental Funds</b>	<b>\$ 1,912,984</b>	<b>\$ 2,911,736</b>	<b>\$ 8,154,955</b>	<b>\$ 6,782,267</b>	<b>\$ 5,285,342</b>	<b>\$ 3,309,455</b>	<b>\$ 17,949,381</b>	<b>\$ 3,192,317</b>	<b>\$ 2,582,223</b>	<b>\$ 3,108,511</b>

TABLE 17

CITY OF WASILLA, ALASKA  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Revenues:</b>										
Taxes										
Sales tax	\$ 4,179,316	\$ 4,406,359	\$ 4,656,270	\$ 4,932,494	\$ 5,509,279	\$ 5,985,169	\$ 6,497,070	\$ 7,135,583	\$ 7,659,612	\$ 8,346,749
Property and vehicle taxes	447,548	553,962	465,494	439,901	440,877	420,516	404,632	273,619	330,766	280,272
Intergovernmental	1,194,972	1,486,658	1,060,008	2,318,133	1,663,277	1,285,823	1,417,068	1,403,622	3,827,307	4,444,364
Investment earnings	110,929	83,424	490,879	653,695	528,552	522,855	349,055	258,862	76,294	176,928
Other revenues	998,152	992,126	712,870	717,316	1,049,012	760,067	563,718	673,972	593,593	1,474,404
Total revenues	\$ 6,930,917	\$ 7,522,529	\$ 7,385,521	\$ 9,061,539	\$ 9,190,997	\$ 8,974,430	\$ 9,231,543	\$ 9,745,658	\$ 12,487,572	\$ 14,722,717
<b>Expenditures:</b>										
General government	1,286,594	1,319,683	1,283,709	1,335,308	1,362,431	1,468,399	1,524,348	1,845,071	1,706,023	1,815,628
Public safety	1,090,305	1,280,540	1,289,878	1,502,984	1,632,413	1,752,855	1,950,183	1,990,275	2,212,835	3,286,366
Public works	587,309	668,716	731,585	728,392	754,122	1,089,402	1,093,759	1,289,360	1,328,883	1,611,765
Culture and recreation	442,987	477,911	486,756	439,771	480,528	519,655	438,926	460,436	497,858	581,136
Non-departmental					63,326	59,951	59,238	54,204	66,154	66,590
Allocation of admin services to other funds	(45,247)	(46,359)	(47,564)	-	-	-	-	-	-	-
Library	506,088	556,981	572,483	575,833	539,217	511,964	584,355	602,949	663,472	685,316
Youth court	14,279	96,261	101,751	120,700	130,526	154,649	141,343	145,368	153,312	141,012
Capital outlay	2,309,488	1,376,179	1,805,596	4,382,531	4,840,525	3,543,124	2,187,939	2,153,900	3,998,267	4,112,880
Debt service	390,385	264,826	333,429	486,298	642,999	745,646	939,157	658,662	881,422	771,022
Total expenditures	\$ 6,582,188	\$ 5,994,738	\$ 6,557,623	\$ 9,571,817	\$ 10,446,087	\$ 9,845,645	\$ 8,939,248	\$ 9,200,225	\$ 11,508,226	\$ 13,071,715
Excess of revenues over (under) expenditures	348,729	1,527,791	827,898	(510,278)	(1,255,090)	(871,215)	292,295	545,433	979,346	1,651,002
<b>Other financing sources (uses):</b>										
Bond proceeds	261,942	278,717	5,500,000	287,200	189,320	216,488	14,828,128	346,028	-	-
Transfers in	1,487,456	1,738,162	1,424,156	1,213,425	2,354,068	933,431	2,103,568	3,268,557	1,628,868	2,710,880
Transfers out	(1,556,963)	(2,279,989)	(1,483,012)	(1,311,267)	(2,506,686)	(1,084,495)	(2,184,523)	(3,339,061)	(2,737,691)	(3,790,882)
Cumulative effect of a change in accounting principle	-	-	-	-	-	-	-	-	232,481	-
Total other financing sources (uses)	192,435	(263,110)	5,441,144	189,358	36,702	65,424	14,747,173	275,524	(876,342)	(1,080,002)
Net change in fund balance	\$ 541,164	\$ 1,264,681	\$ 6,269,042	\$ (320,920)	\$ (1,218,388)	\$ (805,791)	\$ 15,039,468	\$ 820,957	\$ 103,004	\$ 571,000
Debt service as a percentage of noncapital expenditures	9.14%	5.73%	7.02%	9.37%	11.47%	11.83%	13.91%	9.35%	11.74%	8.61%
Total noncapital expenditures	\$ 4,272,700	\$ 4,618,559	\$ 4,752,027	\$ 5,189,286	\$ 5,605,562	\$ 6,302,521	\$ 6,751,309	\$ 7,046,325	\$ 7,509,959	\$ 8,958,835

**CITY OF WASILLA, ALASKA**  
 Full-Time Equivalent Employees by Fund  
 Last Nine Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
City Clerk	2.00	2.00	2.50	2.50	2.50	2.50	2.00	2.00
Mayor	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
General Admin Services	-	-	1.00	1.00	1.00	0.90	1.25	1.25
Finance/MIS	7.00	7.00	7.00	7.00	7.00	7.10	7.00	7.50
Economic Development	-	-	-	-	-	-	1.00	1.00
Planning	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Police	14.00	15.00	16.00	18.00	18.00	19.00	26.00	40.00
Youth Court	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Public Works	12.00	12.00	14.00	15.00	16.50	18.50	19.50	18.50
Museum	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Recreation Services	3.34	3.59	3.59	1.00	-	0.50	0.75	0.75
Recreation Facilities Maintenance					2.50	2.25	2.25	2.25
Sports Complex							10.65	10.65
Library	8.50	8.50	9.00	9.00	9.50	9.50	9.50	9.50
<b>Total</b>	<u>56.34</u>	<u>58.59</u>	<u>63.59</u>	<u>64.00</u>	<u>66.50</u>	<u>69.75</u>	<u>87.40</u>	<u>100.90</u>

# MIKUNDA, COTTRELL & Co.

*A Professional Corporation*

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3601 "C" Street, Suite 600 • Anchorage, Alaska 99503

(907) 278-8878, Fax (907) 278-5779

www.mcc-cpa.com

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wasilla, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated October 7, 2005. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Wasilla's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wasilla's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Honorable Mayor and City Council  
City of Wasilla, Alaska

This report is intended solely for the information and use of City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

October 7, 2005

# MIKUNDA, COTTRELL & Co.

*A Professional Corporation*

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3601 "C" Street, Suite 600 • Anchorage, Alaska 99503

(907) 278-8878, Fax (907) 278-5779

www.mcc-cpa.com

## Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Mayor and City Council  
City of Wasilla, Alaska

### Compliance

We have audited the compliance of City of Wasilla, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. City of Wasilla's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Wasilla's management. Our responsibility is to express an opinion on City of Wasilla's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Wasilla's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Wasilla's compliance with those requirements.

In our opinion, City of Wasilla complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.



Honorable Mayor and City Council  
City of Wasilla, Alaska

Internal Control Over Compliance

The management of City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Wasilla's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

October 7, 2005

**CITY OF WASILLA, ALASKA**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2005

<u>AUDIT COMPONENT</u>	<u>AUDIT RESULT</u>
<b>I. Summary of Auditor's Results:</b>	
Financial Statements:	
Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
- Material weaknesses identified?	___yes <u>x</u> no
- Reportable conditions identified that are not considered to be material weaknesses?	___yes <u>x</u> none reported
Noncompliance material to financial statements noted?	___ yes <u>x</u> no
Federal Awards:	
Internal control over major programs:	
- Material weaknesses identified?	___yes <u>x</u> no
- Reportable conditions identified that are not considered to be material weaknesses?	___yes <u>x</u> none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___yes <u>x</u> no
Major program:	
Agency	<u>CFDA Number</u>
Department of Justice	16.710
Environmental Protection Agency	66.606
	<u>Program</u>
	COPS Technology Dispatch
	South Mack Water/Sewer and Water Main Extension
Dollar threshold used to distinguish between Type A and B programs	\$300,000
Low-risk auditee	Yes
<b>II. Financial Statement Findings</b>	None noted
<b>III. Federal Awards Findings and Questioned Costs</b>	None noted

**CITY OF WASILLA, ALASKA**

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2005

There were no prior year audit findings.

**CITY OF WASILLA, ALASKA**

Corrective Action Plan

Year Ended June 30, 2005

There are no current year findings; therefore no corrective action plan is required.

# MIKUNDA, COTTRELL & Co.

*A Professional Corporation*

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3601 "C" Street, Suite 600 • Anchorage, Alaska 99503

(907) 278-8878, Fax (907) 278-5779

www.mcc-cpa.com

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wasilla, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated October 7, 2005. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Wasilla's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wasilla's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Honorable Mayor and City Council  
City of Wasilla, Alaska

This report is intended solely for the information and use of City of Wasilla's management, Honorable Mayor and City Council, and appropriate state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

October 7, 2005

# MIKUNDA, COTTRELL & Co.

*A Professional Corporation*

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3601 "C" Street, Suite 600 • Anchorage, Alaska 99503

(907) 278-8878, Fax (907) 278-5779

www.mcc-cpa.com

## Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and City Council  
City of Wasilla, Alaska

### Compliance

We have audited the compliance of City of Wasilla with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that are applicable to each of its major state programs for the year ended June 30, 2005. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with laws, regulations, contracts, and grants, general requirements, and specific requirements applicable to each of its major state programs is the responsibility of City of Wasilla's management. Our responsibility is to express an opinion on City of Wasilla's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of Wasilla's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Wasilla's compliance with those requirements.

In our opinion, City of Wasilla complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2005.

Honorable Mayor and City Council  
City of Wasilla, Alaska

Internal Control Over Compliance

The management of City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered City of Wasilla's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of City of Wasilla's management, Honorable Mayor and City Council, and appropriate state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

October 7, 2005