

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**CITY OF WASILLA, ALASKA**

June 30, 2008

Dianne M. Keller  
Mayor

Prepared By  
Finance Department

Cheryl Deariso, CGFM  
Chief Financial Officer

Troy Tankersley  
Controller

# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

Year Ended June 30, 2008

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# CITY OF WASILLA

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

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November 3, 2008

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, 2008, is hereby submitted. 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, museum, and library and cultural services.

Generally accepted accounting principles require 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 less than that in Anchorage due to an abundance of less expensive land. Many residents in our workforce travel the daily commute to Anchorage but are still able to enjoy the quality of life 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.

## **Long-term Financial Planning**

The City of Wasilla has the highest quality credit ratings issued by Moody's and Standard & Poor's Rating Services. Recently receiving Aaa and AAA ratings for the 2006 Series General Obligation Refunding Bonds issued for street paving and improvements.

Useful indicators to citizens and investors of an entity's debt position are the general obligation debt to assessed valuation and the net bonded debt per capita. At the end of fiscal year 2008, the City of Wasilla's percentage of general obligation debt to assessed valuation is 1.33% and the bonded debt per capita is \$1,150. The previous year's percentage of general obligation debt to assessed valuation was 1.65% with the net bonded debt per capita being \$1,329.

## **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. 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 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 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.

## **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, 2007. 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.

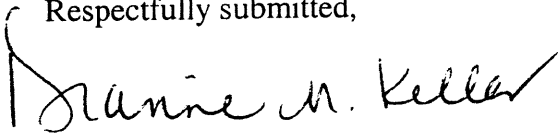
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## **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 Troy Tankersley, Controller, Sharon Sinko, Kelly Short, Deborah Davis, April Dwyer, Maureen Graham, Debra Alderman, 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.

Respectfully submitted,



Dianne M. Keller  
Mayor



Cheryl Deariso  
Chief Financial Officer

# CITY OF WASILLA, ALASKA

## City Officials

### City Council

Stephanie Massie  
Steven Menard  
Kristofer D. Larson (Deputy Mayor)

Douglas W. Holler  
Marty Metiva  
Dianne Woodruff

### Staff

Mayor  
Public Works Director  
Deputy Director of Public Works  
City Clerk  
Deputy City Clerk  
Chief Financial Officer  
Controller  
Culture & Recreation Manager  
Police Chief  
Deputy Administrator

Dianne M. Keller  
Archie Giddings  
William W. Harvey  
Kristie Smithers  
Jamie Newman  
Cheryl Deariso  
Troy Tankersley  
Bruce Urban  
Angella Long  
Marvin Yoder (Temporary)

### Planning Commission

Greg Koskela  
Dorothy (Peaches) Hamilton  
Sergiy V. Korelov

Robert Webb  
Stan Tucker (Chair)  
Alvah Clark Buswell III

### Parks And Recreation Commission

Brandon Wall  
Joan Matthews  
Sarah Sanderlin (Vice Chair)

Dave Tuttle (Chair)  
Mary Shampine

### Airport Commission

Sherman (Bill) W. Bear (Vice Chair)  
Littleton C. Billingsley, Jr.  
Gary McDaniel

Bryan Carricaburu  
Raymond J. Block (Chair)

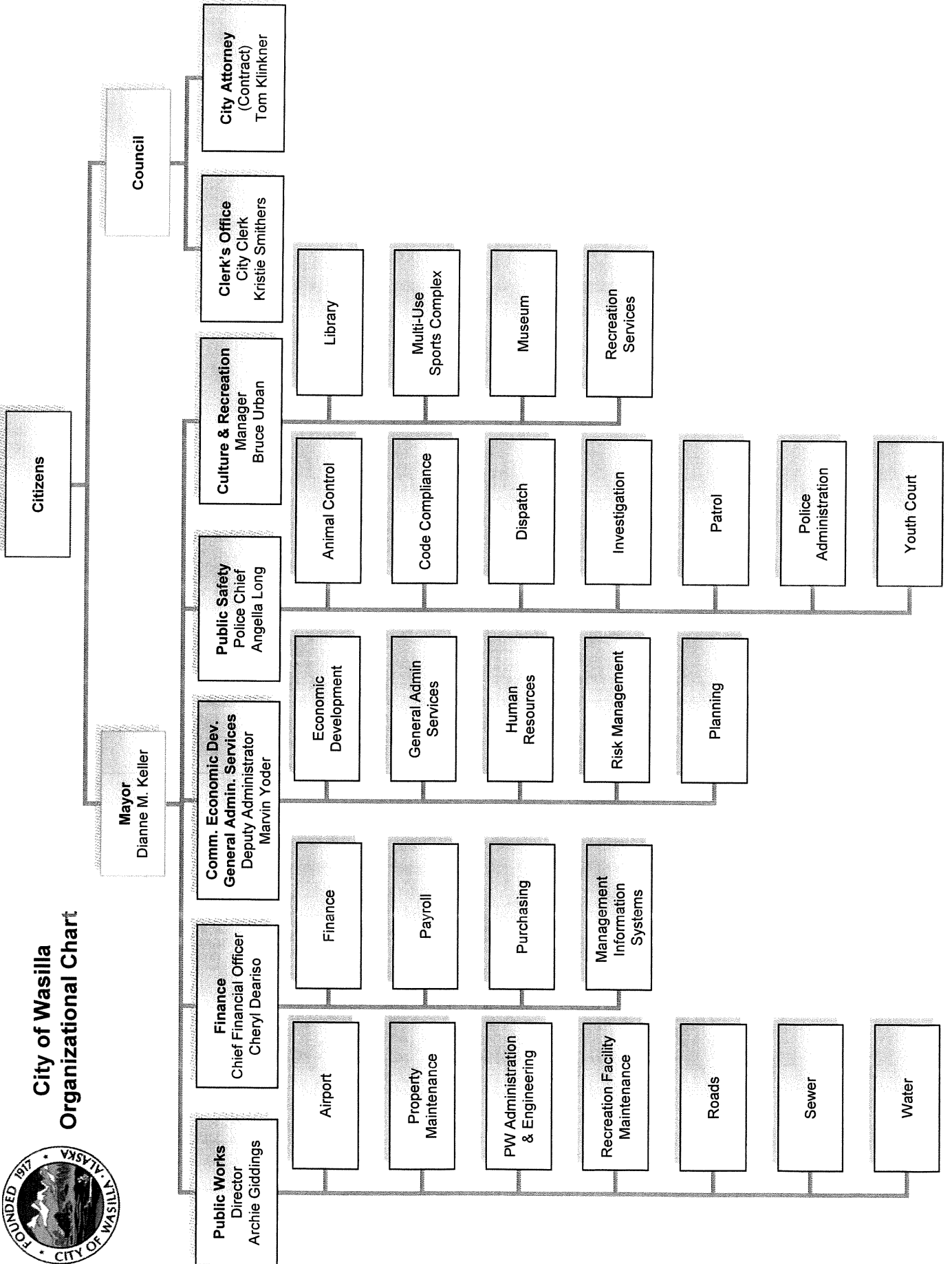
### Consultants

City Attorney  
Auditors  
Insurance Pool  
  
Insurance Broker

Thomas Klinkner  
Mikunda, Cottrell & Co.  
Alaska Public Entity Joint Insurance  
Association  
Brandon Allen, Marsh Inc.



# City of Wasilla Organizational Chart



# 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, 2007

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.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

## 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, 2008 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, 2008, 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 November 3, 2008 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, *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.*

Anchorage, Alaska  
November 3, 2008

# CITY OF WASILLA

## Management's Discussion and Analysis

June 30, 2008

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, 2008. 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 \$89,669,514 (total net assets). Of this amount, \$11,589,539 (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 \$9,277,313. Of this total, \$5,926,476 is unreserved and undesignated and available for spending at the government's discretion.
- The City's total outstanding debt decreased by \$1,990,170 to a year-end balance of \$16,000,960. 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 is 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).

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

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

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 non-major 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.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

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 30-50 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 44-48 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 63 and 64. Combining and individual fund statements and schedules can be found on pages 66 through 110.

### **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 \$89,669,514 at the close of the most recent fiscal year.

By far the largest portion of the City of Wasilla's net assets (83.8%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are 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

### Management's Discussion and Analysis, continued

#### City of Wasilla's Net Assets June 30, 2008

	Governmental Activities		Business-type Activities		Total Activities	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 10,395,455	10,221,357	7,002,459	6,212,628	17,397,914	16,433,985
Capital assets, net of depreciation	<u>28,927,008</u>	<u>28,379,470</u>	<u>61,372,025</u>	<u>60,027,180</u>	<u>90,299,033</u>	<u>88,406,650</u>
Total assets	<u>\$ 39,322,463</u>	<u>38,600,827</u>	<u>68,374,484</u>	<u>66,239,808</u>	<u>107,696,947</u>	<u>104,840,635</u>
Long-term liabilities outstanding	\$ 4,677,159	4,952,445	11,422,124	13,151,113	16,099,283	18,103,558
Other liabilities	<u>935,010</u>	<u>531,087</u>	<u>993,140</u>	<u>1,703,296</u>	<u>1,928,150</u>	<u>2,234,383</u>
Total liabilities	<u>\$ 5,612,169</u>	<u>5,483,532</u>	<u>12,415,264</u>	<u>14,854,409</u>	<u>18,027,433</u>	<u>20,337,941</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 25,066,933	24,224,874	50,098,545	47,010,053	75,165,478	71,234,927
Restricted for debt service	-	-	2,914,197	2,178,513	2,914,497	2,178,513
Unrestricted	<u>8,643,361</u>	<u>8,892,421</u>	<u>2,946,178</u>	<u>2,196,833</u>	<u>11,589,539</u>	<u>11,089,254</u>
Total net assets	<u>\$ 33,710,294</u>	<u>33,117,295</u>	<u>55,959,220</u>	<u>51,385,399</u>	<u>89,669,514</u>	<u>84,502,694</u>

An additional portion of the City of Wasilla's net assets (3.25%) represents sources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$11,589,539) 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 balances 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 \$5,166,820 during the current fiscal year. Over 77% of this increase represents capital grant and contributions for construction of capital projects. The remainder of the growth largely reflects the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

**Governmental Activities.** During fiscal year 2008, Wasilla's net assets increased by \$592,999 for governmental activities. Highlights of governmental activities net asset changes are as follows:

- Sales tax revenue increased by \$728,013 a 7.5% increase from FY 2007.
- Investment earnings increased by \$50,048.
- Grants not restricted to specific programs decreased by \$119,235 even though the "energy assistance" from the State of Alaska increased by \$76,550 to \$393,279 in FY 2008.

# CITY OF WASILLA

## Management's Discussion and Analysis, continued

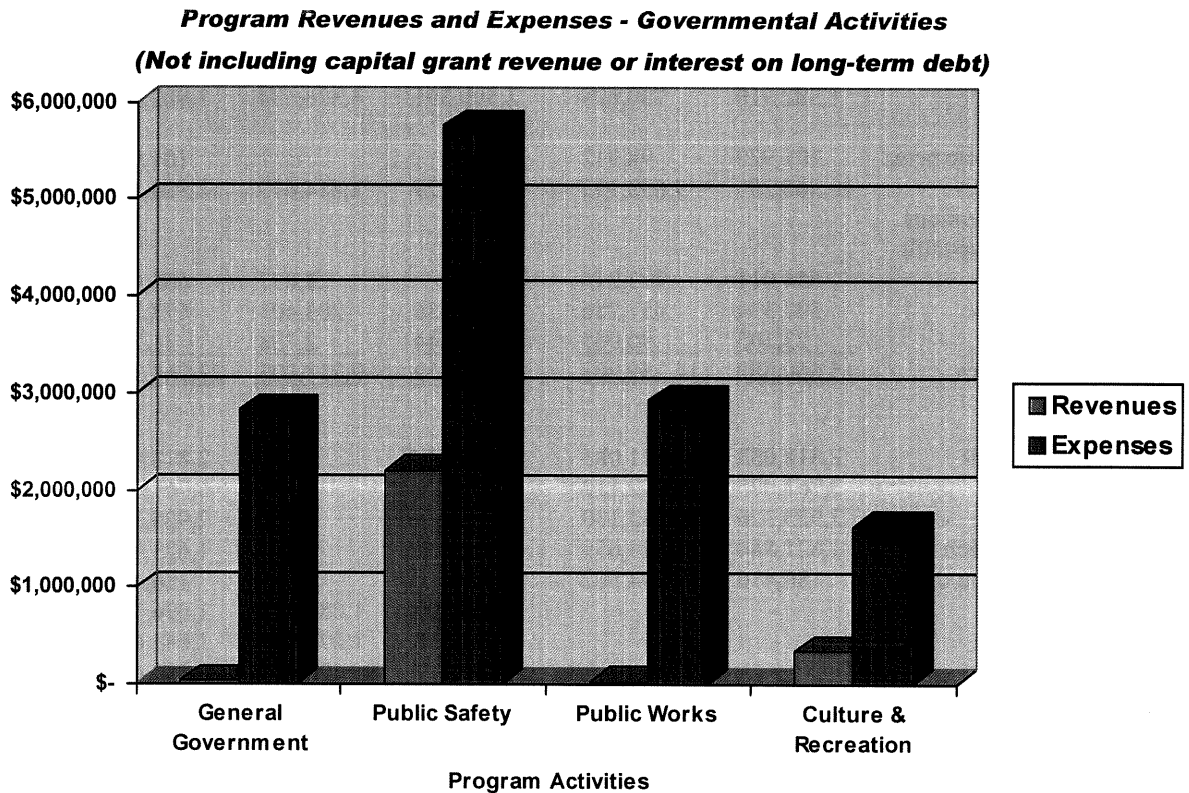
### City of Wasilla's Changes in Net Assets Year Ended June 30, 2008

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,091,822	2,010,707	2,231,639	2,239,380	4,323,461	3,843,656
Operating grants and contributions	513,374	340,915	-	-	513,374	747,346
Capital grants and contributions	1,382,910	730,639	2,599,391	4,828,574	3,982,301	5,559,213
General revenues:						
Property and vehicle taxes	101,920	98,912	-	-	101,920	98,912
Sales taxes	10,386,206	9,658,193	2,597,929	2,414,673	12,984,135	12,072,866
Grants and contributions not restricted to specific programs	654,011	773,246	-	28,037	654,011	801,283
Investment income	507,334	457,286	165,956	205,401	673,290	662,687
Other	23,105	90,005	8,644	2,738	31,749	92,743
Total revenues	<u>15,660,682</u>	<u>14,159,903</u>	<u>7,603,559</u>	<u>9,718,803</u>	<u>23,264,241</u>	<u>23,878,706</u>
<b>Expenses:</b>						
General government	2,818,033	2,631,085	-	-	2,818,033	2,631,085
Public safety	5,761,075	5,142,112	-	-	5,761,075	5,142,112
Public works	2,925,326	2,682,130	-	-	2,925,326	2,682,130
Culture and recreation	1,621,844	1,529,659	-	-	1,621,844	1,529,659
Interest on long-term debt	186,416	154,562	-	-	186,416	154,562
Water utility	-	-	1,096,799	1,087,748	1,096,799	1,087,748
Sewer utility	-	-	1,043,618	1,075,369	1,043,618	1,075,369
Municipal airport	-	-	481,477	490,437	481,477	490,437
Multi-use sports complex	-	-	2,162,833	1,659,328	2,162,833	1,659,328
Total expenses	<u>13,312,694</u>	<u>12,139,548</u>	<u>4,784,727</u>	<u>4,312,882</u>	<u>18,097,421</u>	<u>16,452,430</u>
Increase in net assets before transfers	2,347,988	2,020,355	2,818,832	5,405,921	5,166,820	7,426,276
Transfers	<u>(1,754,989)</u>	<u>(761,941)</u>	<u>1,754,989</u>	<u>761,941</u>	<u>-</u>	<u>-</u>
Increase in net assets	592,999	1,258,414	4,573,821	6,167,862	5,166,820	7,426,276
Net assets - beginning	<u>33,117,295</u>	<u>31,858,881</u>	<u>51,385,399</u>	<u>45,217,537</u>	<u>84,502,694</u>	<u>77,076,418</u>
Net assets - ending	<u>\$ 33,710,294</u>	<u>33,117,295</u>	<u>55,959,220</u>	<u>51,385,399</u>	<u>89,669,514</u>	<u>84,502,694</u>

# CITY OF WASILLA

## Management's Discussion and Analysis, continued

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.

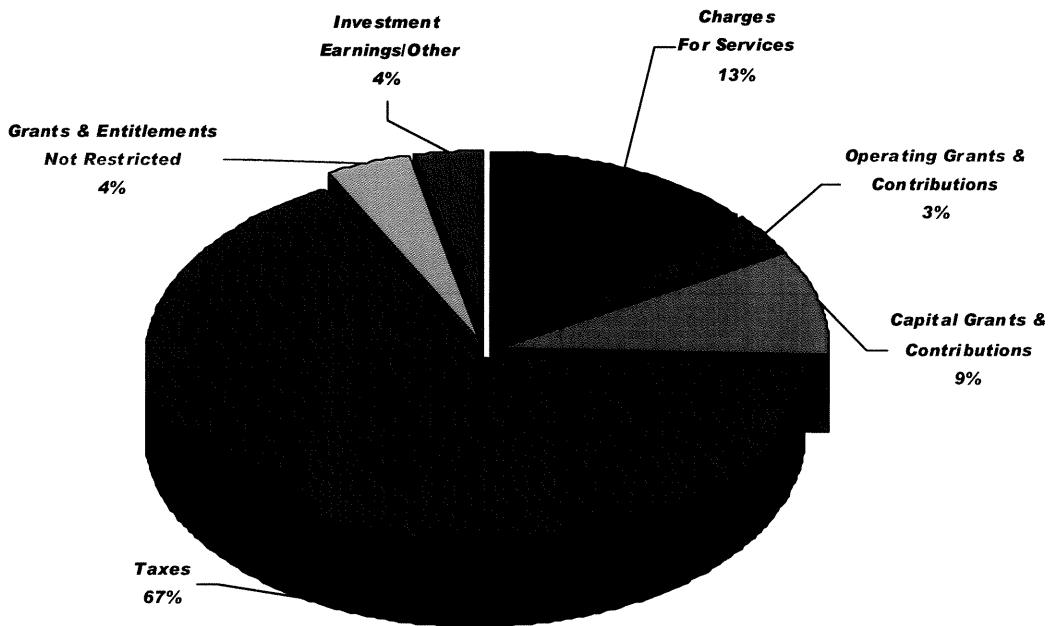


# CITY OF WASILLA

## Management's Discussion and Analysis, continued

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 Charges for Services, Capital/Operating Grants & Contributions, Nonrestricted Grants & Entitlements, and Investment Income/Other. Tax revenue for governmental activities increased from 2007 to 2008 by \$731,021. This increase in tax revenues is the result of the continued trend in growth of sales tax revenue. Sales tax revenue increased by over 7.5% from last fiscal year. This growth trend in sales tax is projected to continue in the near future. Most of our expenses have had normal increases. Several areas that have increased all governmental activities are general insurance, group health insurance and the City's pension contribution.

### **Revenues By Source - Governmental Activities**



**Business-type activities.** Business-type activities increased the City of Wasilla's net assets by \$4,573,821. The largest portion of this increase resulted from Capital Grants and Contributions at \$2,599,391. Sales tax dedicated for payment of the debt service on the multi-use sports complex net of interest paid on the debt in FY 2008 was the second largest contribution at \$2,230,984. The increases in net assets that resulted from Capital Grants and Sales Tax net of interest paid on debt were offset by losses in the Sewer, Water and Airport Utilities.

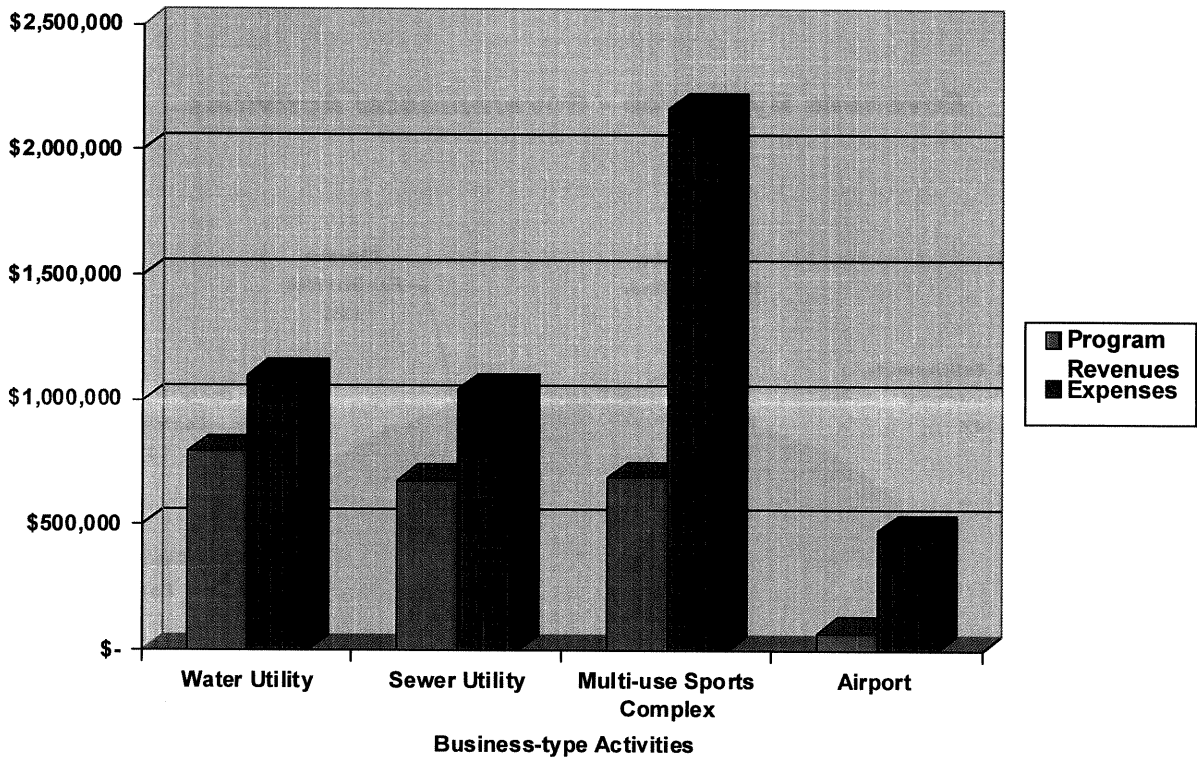


# CITY OF WASILLA

## Management's Discussion and Analysis, continued

The following graph illustrates expenses and program revenues for all business-type activities. Not included in the revenues are taxes, capital grants and contributions, investment earnings, transfers, and some other miscellaneous revenues. As reflected in the graph, all of the business-type activities had revenues that were below expenses. The main reason for the difference between revenues and expenses is due to depreciation expense in all of the activities.

***Program Revenues and Expenses - Business-type Activities  
(Not including capital grant revenue or interest on long-term debt)***

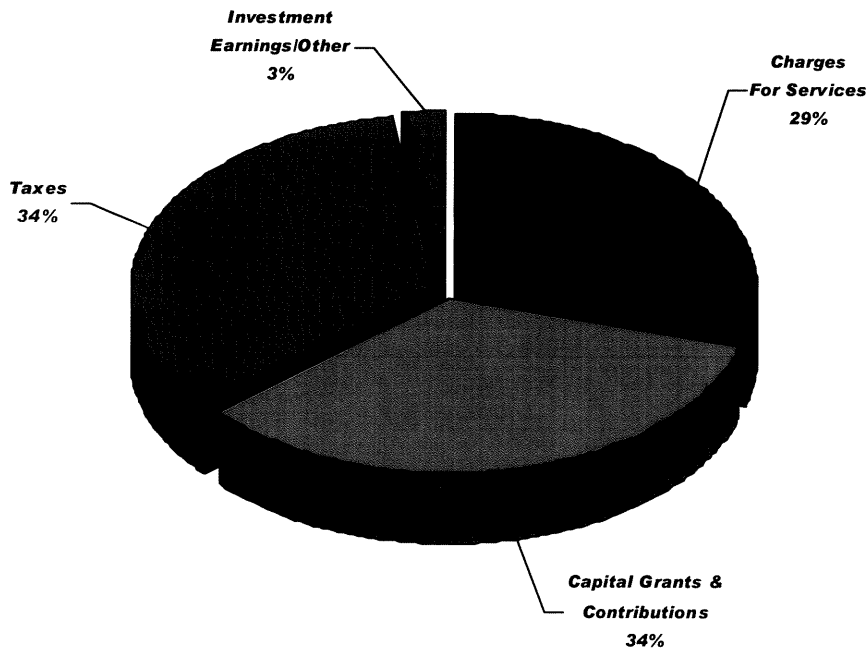


# CITY OF WASILLA

## Management's Discussion and Analysis, continued

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 and Investment Earnings and Other Revenue. Tax revenue for business-type activities increased from 2007 to 2008 by \$183,256. This increase in tax revenues is the result of the continued trend in growth of sales tax revenue. Sales tax revenue increased by over 7.5% from last fiscal year. This growth trend in sales tax is projected to continue in the near future. Capital Grants & Contributions decreased from 2007 to 2008 by \$2,229,183 mainly in areas of Water and Airport.

### **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.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

**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 \$9,277,313, a decrease of \$179,649 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 12% (\$1,135,671) of the total fund balance. The next component is designated fund balance. Our designated fund balance is 24% (\$2,215,166) 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 \$5,926,476 (64% of fund balance). 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 \$5,496,611 while total fund balance was \$6,007,156. 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 53% of total General Fund expenditures, while total fund balance represents 58% of that same amount.

The fund balance of the City of Wasilla's General Fund decreased by \$103,701 during the current fiscal year. The revised budget for fiscal year 2008 budgeted for a reduction in General Fund balance of \$1,318,128. Key factors in the fund balance not decreasing by the budgeted amount include:

- Actual Sales Tax collections were \$504,012 over projections based on the continued expansion in the local economy.
- All expenditure functions of the General Fund were under the revised budget by \$600,714.

The other major fund, the Miscellaneous Projects Capital Project Fund, has a total fund balance of \$1,077,987. This total amount is designated for future capital project construction expenditures and encumbrances. The fund balance in this fund has increased by \$9,410 over the prior year. The key factor in this increase 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 \$1,567,560. Unrestricted net assets will decline as the City starts to invest a portion of the unrestricted net assets for capital construction.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

The sewer utility's unrestricted net assets were \$1,212,455. Unrestricted net assets are projected to decline slightly in fiscal year 2009 as the City invests a portion for capital construction.

The Airport Fund's unrestricted net assets were \$272,280. Unrestricted net assets are projected to remain steady in fiscal year 2009. 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 a deficit of \$(106,117). Restricted net assets of \$2,914,497 are 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 \$1,222,663. The major components of the difference are as follows:

- An appropriation of \$90,042 to transfer funds to the Capital Projects Fund for the purchase of mobile data network.
- An appropriation of \$100,000 for the Police Station Air Conditioning Improvements.
- An appropriation of \$1,063,845 to the Multi-Use Sports Complex Operating Fund to cover land acquisition costs relating to the eminent domain case and operational increases due to higher than anticipated insurance and utility costs.
- Appropriations for the Airport of \$79,493 and \$8,125 to match grant funds for security improvements.

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

The overall budget variance between the final amended budget and actual results is \$1,214,427. The major components of the difference are as follows:

- A positive budget variance in tax revenue collected was due to actual sales and property tax collected being higher than projected by \$495,732.
- A positive variance in investment income of \$153,569 that was largely due to actual interest rates being higher than projected interest rates used in the budget due to market conditions.
- A positive variance of \$377,014 in the services and supply expenditure categories of all the departments. A large portion of that variance is attributed to the savings the City has seen from going from decentralized purchasing to centralized purchasing for supplies and services over \$5,000.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

#### 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, 2008 amounts to \$90,299,033 (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:

- Airport Apron Expansion
- Water Line Extensions and Improvements
- Mobile Data Network
- Garden Terrace Water Extension

#### City of Wasilla's Capital Assets (Net of Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Activities</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land and land improvements	\$ 4,647,598	4,647,598	12,600,307	8,370,387	17,247,905	13,017,985
Buildings	4,894,508	3,304,467	14,088,020	14,247,458	18,982,528	17,551,925
Improvements other than buildings	-	-	25,256,812	25,774,606	25,256,812	25,774,606
Infrastructure	14,674,169	15,453,970	-	-	14,674,169	15,453,970
Furniture and equipment	1,495,836	1,849,823	-	-	1,495,836	1,849,823
Vehicles and equipment	1,140,715	896,859	2,233,826	2,367,705	3,374,541	3,264,564
Construction in progress	<u>2,074,182</u>	<u>2,226,753</u>	<u>7,193,060</u>	<u>9,267,024</u>	<u>9,267,242</u>	<u>11,493,777</u>
Total capital assets	<u>\$ 28,927,008</u>	<u>28,379,470</u>	<u>61,372,025</u>	<u>60,027,180</u>	<u>90,299,033</u>	<u>88,406,650</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 \$16,000,960 including \$563,209 of compensated absences and \$387,570 of net pension/OPEB obligation. Of this amount, \$11,250,000 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 \$3,800,181 and compensated absences and net pension/OPEB obligations of \$950,779.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

#### City of Wasilla's Outstanding Debt General Obligation and Revenue Bonds and Loans

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Activities</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation	\$ 3,635,000	3,885,000	7,615,000	9,110,000	11,250,000	12,995,000
Other debt	802,135	757,217	148,644	133,986	950,779	891,203
Loans, long-term	<u>189,068</u>	<u>254,640</u>	<u>3,611,113</u>	<u>3,850,287</u>	<u>3,800,181</u>	<u>4,104,927</u>
Total long-term debt	<u>\$ 4,626,203</u>	<u>4,896,857</u>	<u>11,374,757</u>	<u>13,094,273</u>	<u>16,000,960</u>	<u>17,991,130</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 2009 the City considered a number of issues with citywide impact. Among them are the following:

- Sales taxes growth rate has been from 6% to 9% over the past 5 years. This trend is attributed to the development and expansion of the retail sector of the City's economy. The FY 2009 revenue budget is based on that trend continuing.
- User fees and charges in the business-type activities will increase by 8% due to the fact that the City has completed several large infrastructure projects that will increase the utility customer base.
- The City of Wasilla will continue to implement programs to keep local government small, efficient, and accountable to the citizens of Wasilla.
- The City of Wasilla will continue to aggressively invest in needed infrastructure and will transfer at least \$1,250,000 from the City's General Fund and Capital Reserve Fund 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 environmental and developmental 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 2009. As a result the fiscal year 2009 budget includes setting the City of Wasilla's property tax at an approved rate of 0.0 mills.

## **CITY OF WASILLA**

### **Management's Discussion and Analysis, continued**

#### **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: Chief Financial Officer, 290 E. Herning Ave, Wasilla, Alaska 99654.

## **BASIC FINANCIAL STATEMENTS**



## CITY OF WASILLA, ALASKA

## Statement of Net Assets

June 30, 2008

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 8,301,069	3,316,432	11,617,501
Receivables, net of allowance for uncollectible amounts:			
Accounts	42,987	158,809	201,796
Sales and property taxes	952,296	238,074	1,190,370
Crowley Petroleum	44,388	-	44,388
Grants	95,640	769,338	864,978
Shared revenues	253,832	-	253,832
Special assessments	168,183	5,083	173,266
Internal balances	70,767	(70,767)	-
Prepaid items	23,212	4,709	27,921
Inventories	-	183,393	183,393
Restricted cash and investments	405,835	2,385,506	2,791,341
Deferred charges, net of accumulated amortization	-	11,882	11,882
Unamortized bond issuance costs	37,246	-	37,246
Capital assets not being depreciated - land and construction in progress	6,721,780	11,242,030	17,963,810
Other capital assets, net of accumulated depreciation	<u>22,205,228</u>	<u>50,129,995</u>	<u>72,335,223</u>
<b>Total assets</b>	<b>\$ <u>39,322,463</u></b>	<b><u>68,374,484</u></b>	<b><u>107,696,947</u></b>
<u>Liabilities</u>			
Accounts payable	359,673	337,865	697,538
Accrued payroll and employee benefits	470,058	73,918	543,976
Customer deposits	-	59,351	59,351
Accrued interest	22,297	109,510	131,807
Unearned revenue	82,982	44,226	127,208
Legal settlement payable	-	368,270	368,270
Noncurrent liabilities:			
Due within one year:			
Accrued leave	480,868	82,341	563,209
ADEC loans	-	230,703	230,703
General obligation bonds	265,000	1,645,000	1,910,000
Special assessment bonds	52,216	8,471	60,687
Due in more than one year:			
ADEC loans	-	3,364,827	3,364,827
Special assessment bonds	136,852	7,112	143,964
General obligation bonds	3,370,000	5,970,000	9,340,000
Unamortized bond premium	144,463	47,367	191,830
Deferred loss on refunding	(93,507)	-	(93,507)
Net pension/OPEB obligation	<u>321,267</u>	<u>66,303</u>	<u>387,570</u>
<b>Total liabilities</b>	<b><u>5,612,169</u></b>	<b><u>12,415,264</u></b>	<b><u>18,027,433</u></b>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	25,066,933	50,098,545	75,165,478
Restricted for debt service	-	2,914,497	2,914,497
Unrestricted	<u>8,643,361</u>	<u>2,946,178</u>	<u>11,589,539</u>
<b>Total net assets</b>	<b><u>33,710,294</u></b>	<b><u>55,959,220</u></b>	<b><u>89,669,514</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>39,322,463</u></b>	<b><u>68,374,484</u></b>	<b><u>107,696,947</u></b>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
Statement of Activities  
Year Ended June 30, 2008

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
<b>Governmental:</b>							
General government	\$ 2,818,033	36,778	-	-	(2,781,255)	-	(2,781,255)
Public safety	5,761,075	1,697,437	505,924	1,273,015	(2,284,699)	-	(2,284,699)
Public works	2,925,326	19,145	-	87,306	(2,818,875)	-	(2,818,875)
Culture and recreation	1,621,844	338,462	7,450	22,589	(1,253,343)	-	(1,253,343)
Interest on long-term debt	186,416	-	-	-	(186,416)	-	(186,416)
Total governmental activities	<u>13,312,694</u>	<u>2,091,822</u>	<u>513,374</u>	<u>1,382,910</u>	<u>(9,324,588)</u>	<u>-</u>	<u>(9,324,588)</u>
<b>Business-type:</b>							
Water Utility	1,096,799	793,491	-	442,570	-	139,262	139,262
Sewer Utility	1,043,618	678,897	-	64,546	-	(300,175)	(300,175)
Municipal Airport	481,477	70,293	-	1,727,469	-	1,316,285	1,316,285
Multi-Use Sports Complex	2,162,833	688,958	-	364,806	-	(1,109,069)	(1,109,069)
Total business-type activities	<u>4,784,727</u>	<u>2,231,639</u>	<u>-</u>	<u>2,599,391</u>	<u>-</u>	<u>46,303</u>	<u>46,303</u>
Totals	\$ <u>18,097,421</u>	<u>4,323,461</u>	<u>513,374</u>	<u>3,982,301</u>	<u>(9,324,588)</u>	<u>46,303</u>	<u>(9,278,285)</u>
<b>General revenues:</b>							
Sales taxes					\$ 10,386,206	2,597,929	12,984,135
Property and vehicle taxes					101,920	-	101,920
Grants and entitlements not restricted to a specific purpose					654,011	-	654,011
Investment income					507,334	165,956	673,290
Other					23,105	8,644	31,749
Transfers					(1,754,989)	1,754,989	-
Total general revenues and transfers					<u>9,917,587</u>	<u>4,527,518</u>	<u>14,445,105</u>
Change in net assets					592,999	4,573,821	5,166,820
Net assets at beginning of year					<u>33,117,295</u>	<u>51,385,399</u>	<u>84,502,694</u>
Net assets at end of year					\$ <u>33,710,294</u>	<u>55,959,220</u>	<u>89,669,514</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Governmental Funds

## Balance Sheet

June 30, 2008

Assets	Major Funds			Total Governmental Funds
	General	Miscellaneous Projects Capital Project	Nonmajor Funds	
Cash and investments	\$ 4,866,434	1,021,672	2,412,963	8,301,069
Receivables, net of allowance for uncollectible accounts:				
Accounts	35,862	7,125	-	42,987
Sales taxes	952,296	-	-	952,296
Crowley Petroleum	44,388	-	-	44,388
Grants	14,772	64,624	16,244	95,640
Shared revenues	253,832	-	-	253,832
Special assessments	-	-	168,183	168,183
Prepaid items	23,212	-	-	23,212
Due from other funds	76,492	-	-	76,492
Restricted cash and investments	405,835	-	-	405,835
<b>Total assets</b>	<b>\$ 6,673,123</b>	<b>1,093,421</b>	<b>2,597,390</b>	<b>10,363,934</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	233,487	10,023	116,163	359,673
Accrued payroll and employee benefits	425,661	5,411	38,986	470,058
Due to other funds	-	-	5,725	5,725
Deferred revenue	6,819	-	244,346	251,165
<b>Total liabilities</b>	<b>665,967</b>	<b>15,434</b>	<b>405,220</b>	<b>1,086,621</b>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Encumbrances	37,110	-	99,936	137,046
Prepaid items	23,212	-	-	23,212
Long-term receivable	44,388	-	-	44,388
HRA plan	405,835	-	-	405,835
Debt service	-	-	323,689	323,689
Investments	-	-	201,501	201,501
<b>Unreserved:</b>				
<b>Designated:</b>				
Special revenue fund operations	-	-	391,417	391,417
Capital project fund capital improvements	-	1,077,987	745,762	1,823,749
<b>Undesignated:</b>				
General Fund	5,496,611	-	-	5,496,611
Debt service funds	-	-	429,865	429,865
<b>Total fund balances</b>	<b>6,007,156</b>	<b>1,077,987</b>	<b>2,192,170</b>	<b>9,277,313</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,673,123</b>	<b>1,093,421</b>	<b>2,597,390</b>	<b>10,363,934</b>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
 Reconciliation of Governmental Funds Balance Sheet  
 to Statement of Net Assets  
 June 30, 2008

Total fund balances for governmental funds \$ 9,277,313

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	\$	4,647,598	
Buildings		6,322,649	
Office furniture and equipment		2,865,147	
Vehicles and equipment		2,560,022	
Infrastructure		22,630,464	
Construction in progress		2,074,182	
Accumulated depreciation		<u>(12,173,054)</u>	
Total capital assets			28,927,008

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. 168,183

Governmental funds report the effect of bond issuance costs when debt  
 is first issued, whereas these amounts are deferred and amortized in  
 the Statement of Net Assets. 37,246

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		(3,635,000)	
Unamortized deferred loss on refunding of bonds		93,507	
Unamortized bond premium		(144,463)	
Special assessment bonds payable		(189,068)	
Accrued interest on bonds		(22,297)	
Accrued leave		(480,868)	
Net pension/OPEB obligation		<u>(321,267)</u>	
Total long term liabilities			<u>(4,699,456)</u>

Total net assets of governmental activities \$ 33,710,294

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, 2008

	Major Funds			Total Governmental Funds
	General	Projects Capital Project	Nonmajor Funds	
<b>Revenues:</b>				
Taxes	\$ 10,488,126	-	-	10,488,126
Licenses and permits	33,815	-	-	33,815
Fines, forfeitures and penalties	204,667	-	36,635	241,302
Intergovernmental	1,161,043	1,358,948	478,140	2,998,131
Special assessments	-	-	56,580	56,580
Charges for services	1,298,010	19,839	-	1,317,849
Investment income	407,964	18,116	81,254	507,334
Lot sales	-	-	11,000	11,000
Other	32,026	-	18,137	50,163
Total revenues	<u>13,625,651</u>	<u>1,396,903</u>	<u>681,746</u>	<u>15,704,300</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,515,417	-	132,944	2,648,361
Public safety	5,036,719	-	190,706	5,227,425
Public works	1,947,844	-	-	1,947,844
Culture and recreation	772,967	-	769,323	1,542,290
Nondepartmental	24,346	-	-	24,346
<b>Debt service:</b>				
Principal	-	-	315,573	315,573
Interest	-	-	187,876	187,876
Capital outlay	-	1,692,669	542,576	2,235,245
Total expenditures	<u>10,297,293</u>	<u>1,692,669</u>	<u>2,138,998</u>	<u>14,128,960</u>
Excess of revenues over (under) expenditures	3,328,358	(295,766)	(1,457,252)	1,575,340
<b>Other financing sources (uses):</b>				
Transfers in	3,000	305,176	1,446,070	1,754,246
Transfers out	(3,435,059)	-	(74,176)	(3,509,235)
Net other financing sources (uses)	<u>(3,432,059)</u>	<u>305,176</u>	<u>1,371,894</u>	<u>(1,754,989)</u>
Net change in fund balances	(103,701)	9,410	(85,358)	(179,649)
Beginning fund balances	<u>6,110,857</u>	<u>1,068,577</u>	<u>2,277,528</u>	<u>9,456,962</u>
Ending fund balances	\$ <u>6,007,156</u>	<u>1,077,987</u>	<u>2,192,170</u>	<u>9,277,313</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, 2008

Net change in fund balances - total governmental funds \$ (179,649)

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 (\$2,235,245) exceeded depreciation (\$1,560,974). 547,538

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. (43,618)

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes financial resources in the governmental funds. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This adjustment combines the net change in these balances:

General obligation bond principal payments	\$ 250,000	
Amortization of deferred loss on refunding	(8,501)	
Amortization of bond issue costs	(3,386)	
Amortization of bond premium	13,133	
Special assessment bond principal payments	<u>65,572</u>	
		316,818

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 increase in accrued interest payable. (3,172)

Accrued leave and net pension/OPEB 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. This is the amount of increase in accrued leave. (44,918)

Change in net assets of governmental activities \$ 592,999

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, 2008**

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 10,056,976	9,992,394	10,488,126	495,732
Licenses and permits	45,380	96,802	33,815	(62,987)
Fines, forfeitures and penalties	177,023	178,023	204,667	26,644
Intergovernmental	604,973	1,136,327	1,161,043	24,716
Charges for services	1,353,518	1,280,367	1,298,010	17,643
Investment income	254,395	254,395	407,964	153,569
Other	93,130	73,630	32,026	(41,604)
Total revenues	<u>12,585,395</u>	<u>13,011,938</u>	<u>13,625,651</u>	<u>613,713</u>
<b>Expenditures:</b>				
General government	2,503,105	2,611,246	2,515,417	95,829
Public safety	5,135,487	5,298,161	5,036,719	261,442
Public works	2,163,872	2,135,686	1,947,844	187,842
Culture and recreation	781,255	822,914	772,967	49,947
Nondepartmental	30,000	30,000	24,346	5,654
Total expenditures	<u>10,613,719</u>	<u>10,898,007</u>	<u>10,297,293</u>	<u>600,714</u>
Excess of revenues over expenditures	1,971,676	2,113,931	3,328,358	1,214,427
<b>Other financing sources (uses):</b>				
Transfers in	3,000	3,000	3,000	-
Transfers out	<u>(2,070,141)</u>	<u>(3,435,059)</u>	<u>(3,435,059)</u>	<u>-</u>
Net other financing sources (uses)	<u>(2,067,141)</u>	<u>(3,432,059)</u>	<u>(3,432,059)</u>	<u>-</u>
Net change in fund balance	\$ <u>(95,465)</u>	<u>(1,318,128)</u>	(103,701)	<u>1,214,427</u>
Beginning fund balance			<u>6,110,857</u>	
Ending fund balance			\$ <u>6,007,156</u>	

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

Enterprise Funds  
Statement of Net Assets  
June 30, 2008

Assets	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Multi-Use Sports Complex	
Current assets:					
Cash and investments	\$ 1,467,329	1,147,415	-	701,688	3,316,432
Receivables:					
Accounts	98,824	75,948	500	11,631	186,903
Allowance for doubtful accounts	(15,171)	(12,923)	-	-	(28,094)
Grants	137,848	2,716	366,685	262,089	769,338
Special assessments	-	5,083	-	-	5,083
Sales taxes	-	-	-	238,074	238,074
Prepaid expense	2,354	2,355	-	-	4,709
Inventories	88,830	94,563	-	-	183,393
Total current assets	<u>1,780,014</u>	<u>1,315,157</u>	<u>367,185</u>	<u>1,213,482</u>	<u>4,675,838</u>
Noncurrent assets:					
Restricted cash - bond redemption	-	-	-	2,385,506	2,385,506
Property, plant and equipment	23,914,064	23,155,402	15,460,181	17,753,530	80,283,177
Less accumulated depreciation	(4,730,728)	(8,689,822)	(4,142,745)	(1,347,857)	(18,911,152)
Net property, plant and equipment	<u>19,183,336</u>	<u>14,465,580</u>	<u>11,317,436</u>	<u>16,405,673</u>	<u>61,372,025</u>
Deferred charges, net of accumulated amortization	11,882	-	-	-	11,882
Total noncurrent assets	<u>19,195,218</u>	<u>14,465,580</u>	<u>11,317,436</u>	<u>18,791,179</u>	<u>63,769,413</u>
Total assets	\$ <u>20,975,232</u>	<u>15,780,737</u>	<u>11,684,621</u>	<u>20,004,661</u>	<u>68,445,251</u>
<u>Liabilities and Net Assets</u>					
Liabilities:					
Current liabilities:					
Accounts payable	50,361	14,817	13,797	258,890	337,865
Accrued payroll and employee benefits	24,347	23,051	1,375	25,145	73,918
Accrued annual and sick leave	17,904	34,154	1,929	28,354	82,341
Customer deposits	57,225	2,126	-	-	59,351
Accrued interest	24,118	2,500	-	82,892	109,510
Unearned revenue	31,086	-	6,140	7,000	44,226
Legal settlement payable	-	-	-	368,270	368,270
Current portion of bond and loans	213,455	25,719	-	1,645,000	1,884,174
Due to other funds	-	-	70,767	-	70,767
Total current liabilities	<u>418,496</u>	<u>102,367</u>	<u>94,008</u>	<u>2,415,551</u>	<u>3,030,422</u>
Long-term debt, net of current portion:					
General obligation bonds	-	-	-	5,970,000	5,970,000
Special assessment bonds	-	7,112	-	-	7,112
ADEC loans	3,120,771	244,056	-	-	3,364,827
Unamortized bond premium	-	-	-	47,367	47,367
Net pension/OPEB obligation	19,295	26,054	897	20,057	66,303
Total long-term debt, net of current portion	<u>3,140,066</u>	<u>277,222</u>	<u>897</u>	<u>6,037,424</u>	<u>9,455,609</u>
Total liabilities	<u>3,558,562</u>	<u>379,589</u>	<u>94,905</u>	<u>8,452,975</u>	<u>12,486,031</u>
Net assets:					
Invested in capital assets, net of related debt	15,849,110	14,188,693	11,317,436	8,743,306	50,098,545
Restricted for debt service	-	-	-	2,914,497	2,914,497
Unrestricted (deficit)	<u>1,567,560</u>	<u>1,212,455</u>	<u>272,280</u>	<u>(106,117)</u>	<u>2,946,178</u>
Total net assets	<u>17,416,670</u>	<u>15,401,148</u>	<u>11,589,716</u>	<u>11,551,686</u>	<u>55,959,220</u>
Total liabilities and net assets	\$ <u>20,975,232</u>	<u>15,780,737</u>	<u>11,684,621</u>	<u>20,004,661</u>	<u>68,445,251</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, 2008**

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Multi-Use Sports Complex	
Operating revenues - charges for services	\$ 793,491	678,897	70,293	688,958	2,231,639
Operating expenses:					
Salaries and benefits	398,902	423,019	24,287	501,254	1,347,462
Other operating expenses	277,125	253,943	111,791	488,571	1,131,430
Depreciation	351,790	361,555	337,249	342,968	1,393,562
Total operating expenses	<u>1,027,817</u>	<u>1,038,517</u>	<u>473,327</u>	<u>1,332,793</u>	<u>3,872,454</u>
Operating loss	(234,326)	(359,620)	(403,034)	(643,835)	(1,640,815)
Nonoperating revenues (expenses):					
Sales tax revenue	-	-	-	2,597,929	2,597,929
Payments in lieu of assessments	92,230	32,562	-	-	124,792
Interest expense	(68,982)	(5,101)	(8,150)	(366,945)	(449,178)
Investment income	40,020	37,003	-	88,933	165,956
Litigation expense	-	-	-	(428,406)	(428,406)
Other	463	460	7,721	(34,689)	(26,045)
Net nonoperating revenues (expenses)	<u>63,731</u>	<u>64,924</u>	<u>(429)</u>	<u>1,856,822</u>	<u>1,985,048</u>
Income (loss) before transfers and contributions	(170,595)	(294,696)	(403,463)	1,212,987	344,233
Transfers in	252,000	40,000	87,618	1,409,871	1,789,489
Transfers out	(11,500)	(16,500)	-	(6,500)	(34,500)
Capital contributions	<u>350,340</u>	<u>31,984</u>	<u>1,727,469</u>	<u>364,806</u>	<u>2,474,599</u>
Change in net assets	420,245	(239,212)	1,411,624	2,981,164	4,573,821
Beginning net assets	<u>16,996,425</u>	<u>15,640,360</u>	<u>10,178,092</u>	<u>8,570,522</u>	<u>51,385,399</u>
Ending net assets	\$ <u>17,416,670</u>	<u>15,401,148</u>	<u>11,589,716</u>	<u>11,551,686</u>	<u>55,959,220</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Enterprise Funds

## Statement of Cash Flows

Year Ended June 30, 2008

	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	\$ 854,968	682,583	67,989	678,129	2,283,669
Payments to suppliers	(380,831)	(255,098)	(341,558)	(348,878)	(1,326,365)
Payments to employees	(387,685)	(410,476)	(23,840)	(490,770)	(1,312,771)
Net cash flows from operating activities	<u>86,452</u>	<u>17,009</u>	<u>(297,409)</u>	<u>(161,519)</u>	<u>(355,467)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	79,493	1,409,871	1,489,364
Transfers out	(11,500)	(16,500)	-	(6,500)	(34,500)
Net cash flows from noncapital financing activities	<u>(11,500)</u>	<u>(16,500)</u>	<u>79,493</u>	<u>1,403,371</u>	<u>1,454,864</u>
Cash flows from capital and related financing activities:					
Principal and interest paid on long-term debt	(293,131)	(30,985)	-	(1,886,368)	(2,210,484)
Special assessments received	-	3,168	-	-	3,168
Payments in lieu of assessments received	92,230	32,562	-	-	124,792
Acquisition and construction of capital assets	(433,644)	(80,071)	(1,813,686)	(361,329)	(2,688,730)
Proceeds from sale of capital assets	-	-	6,945	-	6,945
Capital contributions received	756,864	13,410	1,774,117	93,032	2,637,423
Sales tax received	-	-	-	2,587,969	2,587,969
Transfers in	252,000	40,000	8,125	-	300,125
Increase in due to other funds	-	-	70,767	-	70,767
Interest paid on internal borrowing	-	-	(8,150)	-	(8,150)
Legal settlement paid	-	-	-	(1,027,028)	(1,027,028)
Net cash flows from capital and related financing activities	<u>374,319</u>	<u>(21,916)</u>	<u>38,118</u>	<u>(593,724)</u>	<u>(203,203)</u>
Cash flows from investing activities - investment income received	<u>40,020</u>	<u>37,003</u>	<u>-</u>	<u>88,933</u>	<u>165,956</u>
Net increase (decrease) in cash and investments	489,291	15,596	(179,798)	737,061	1,062,150
Beginning cash and investments	<u>978,038</u>	<u>1,131,819</u>	<u>179,798</u>	<u>2,350,133</u>	<u>4,639,788</u>
Ending cash and investments	\$ <u>1,467,329</u>	<u>1,147,415</u>	<u>-</u>	<u>3,087,194</u>	<u>5,701,938</u>
Reconciliation of cash and investments to balance sheet:					
Cash and investments:					
Current assets	\$ 1,467,329	1,147,415	-	701,688	3,316,432
Restricted assets	-	-	-	2,385,506	2,385,506
	\$ <u>1,467,329</u>	<u>1,147,415</u>	<u>-</u>	<u>3,087,194</u>	<u>5,701,938</u>
Noncash capital and related financing activities - Equipment received from general government	\$ <u>20,792</u>	<u>18,900</u>	<u>-</u>	<u>9,985</u>	<u>49,677</u>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
**Enterprise Funds**  
**Statement of Cash Flows, continued**

	Major Funds				Total Enterprise Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Municipal Airport</u>	<u>Multi-Use Sports Complex</u>	
Reconciliation of operating loss to net cash flows from operating activities:					
Operating loss	\$ (234,326)	(359,620)	(403,034)	(643,835)	(1,640,815)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:					
Depreciation and amortization	352,171	361,555	337,249	342,968	1,393,943
Other nonoperating revenues	463	460	776	683	2,382
Other nonoperating expenses	-	-	-	(463,778)	(463,778)
Decrease in allowance for doubtful accounts	(1,017)	(322)	-	-	(1,339)
(Increase) decrease in assets:					
Accounts receivable	35,618	3,872	(190)	(3,861)	35,439
Inventory	(34,988)	(3,526)	-	-	(38,514)
Prepaid expense	(89)	(98)	-	63	(124)
Increase (decrease) in liabilities:					
Accounts payable	(69,010)	2,469	(229,767)	235,138	(61,170)
Revenue billed in advance	18,480	-	(2,890)	-	15,590
Accrued payroll and employee benefits	7,455	5,998	371	6,209	20,033
Accrued annual and sick leave	3,762	6,545	76	4,275	14,658
Customer deposits	7,933	(324)	-	(5,000)	2,609
Unearned revenue	-	-	-	(2,651)	(2,651)
Legal settlement payable	-	-	-	368,270	368,270
Net cash flows from operating activities \$	<u>86,452</u>	<u>17,009</u>	<u>(297,409)</u>	<u>(161,519)</u>	<u>(355,467)</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, 2008

### (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 all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. 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 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.

#### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **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. The City did not have any advances to other funds at June 30, 2008.

#### **Accrued Leave**

All full-time employees are eligible for paid time off (PTO). Employees may accrue a maximum of 720 hour of PTO which may be cashed out upon termination at 100% of value. On July 31, 2003 the City converted from annual and sick leave to a PTO system. At the end of fiscal year 2008, 980 hours of sick leave remained on the books. Sick leave may be cashed out at 25% of the value upon termination. A liability for these amounts is reported 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.

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.

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.

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.

**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 2007 financial statements to make them comparable with the 2008 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.

#### (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."

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### Cash and Investments, continued

#### 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, 2008.

Bank deposits	\$ 231,388
Investments	<u>14,177,454</u>
	<u>\$ 14,408,842</u>
Cash and investments	\$ 11,617,501
Restricted cash and investments	<u>2,791,341</u>
	<u>\$ 14,408,842</u>

Cash and cash investments are restricted as follows:

General Fund – HRA plan	\$ 405,835
Multi-Use Sports Complex Enterprise Fund – Bond redemption	<u>2,385,506</u>
	<u>\$ 2,791,341</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.

#### *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.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### Cash and Investments, continued

- 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*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Investment maturities at June 30, 2008 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	\$ 525,331	-	525,331
U.S. government agencies	4,528,626	653,702	3,874,924
Corporate bonds	1,743,961	751,797	992,164
Repurchase agreement	<u>619,059</u>	<u>619,059</u>	<u>-</u>
Total subject to interest rate risk	<u>7,416,977</u>	<u>2,024,558</u>	<u>5,392,419</u>
Pooled investments	<u>6,760,477</u>		
 Total investments	 <u>\$ 14,177,454</u>		

#### *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Investments in the U.S. government agencies and corporate bonds are subject to credit risk. All of the investments in U.S. government agencies are rated AAA by Standard and Poor's. The corporate bonds were rated by Standard & Poor's as follows:

\$ 500,815	AAA
998,511	AA
<u>244,635</u>	A
<u>\$ 1,743,961</u>	

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, 2008 follows:

	Balance July 1, <u>2007</u>	Additions and <u>Reclassifications</u>	Deletions and <u>Reclassifications</u>	Balance June 30, <u>2008</u>
<b><u>Governmental Activities</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,647,598	-	-	4,647,598
Construction in progress	<u>2,226,753</u>	<u>1,871,457</u>	<u>2,024,028</u>	<u>2,074,182</u>
Total assets not being depreciated	<u>6,874,351</u>	<u>1,871,457</u>	<u>2,024,028</u>	<u>6,721,780</u>
<i>Capital assets being depreciated:</i>				
Buildings	4,567,057	1,755,592	-	6,322,649
Office furniture and equipment	2,872,520	5,488	12,861	2,865,147
Vehicles and equipment	2,320,562	583,027	343,567	2,560,022
Infrastructure	<u>22,630,464</u>	<u>-</u>	<u>-</u>	<u>22,630,464</u>
Total assets being depreciated	<u>32,390,603</u>	<u>2,344,107</u>	<u>356,428</u>	<u>34,378,282</u>
Less accumulated depreciation for:				
Buildings	1,276,710	151,431	-	1,428,141
Office furniture and equipment	1,008,577	373,595	12,861	1,369,311
Vehicles and equipment	1,423,703	256,147	260,543	1,419,307
Infrastructure	<u>7,176,494</u>	<u>779,801</u>	<u>-</u>	<u>7,956,295</u>
Total accumulated depreciation	<u>10,885,484</u>	<u>1,560,974</u>	<u>273,404</u>	<u>12,173,054</u>
Total capital assets being depreciated, net	<u>21,505,119</u>	<u>783,133</u>	<u>83,024</u>	<u>22,205,228</u>
Governmental activity capital assets, net	\$ <u>28,379,470</u>	<u>2,654,590</u>	<u>2,107,052</u>	<u>28,927,008</u>
<b><u>Business-type Activities</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,048,970	-	-	4,048,970
Construction in progress	<u>9,267,024</u>	<u>2,688,729</u>	<u>4,762,693</u>	<u>7,193,060</u>
Total assets not being depreciated	<u>13,315,994</u>	<u>2,688,729</u>	<u>4,762,693</u>	<u>11,242,030</u>
<i>Capital assets being depreciated:</i>				
Land improvements	7,888,717	4,504,703	13,789	12,379,631
Buildings	15,144,627	143,455	-	15,288,082
Treatment system	8,080,804	-	-	8,080,804
Collection/distribution system	20,151,002	114,534	-	20,265,536
Water tank and fence	6,565,877	-	-	6,565,877
Wells/well house	368,659	-	-	368,659
Vehicles and equipment	<u>6,250,380</u>	<u>49,679</u>	<u>207,501</u>	<u>6,092,558</u>
Total assets being depreciated	<u>64,450,066</u>	<u>4,812,371</u>	<u>221,290</u>	<u>69,041,147</u>
Less accumulated depreciation for:				
Land improvements	3,567,300	274,783	13,789	3,828,294
Buildings	897,169	302,893	-	1,200,062
Treatment system	2,163,203	157,282	-	2,320,485
Collection/distribution system	5,830,555	346,179	-	6,176,734
Water tank and fence	1,218,797	123,421	-	1,342,218
Wells/well house	179,181	5,446	-	184,627
Vehicles and equipment	<u>3,882,675</u>	<u>183,558</u>	<u>207,501</u>	<u>3,858,732</u>
Total accumulated depreciation	<u>17,738,880</u>	<u>1,393,562</u>	<u>221,290</u>	<u>18,911,152</u>
Total capital assets being depreciated, net	<u>46,711,186</u>	<u>3,418,809</u>	<u>-</u>	<u>50,129,995</u>
Business-type activity capital assets, net	\$ <u>60,027,180</u>	<u>6,107,538</u>	<u>4,762,693</u>	<u>61,372,025</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	\$ 133,301
Public safety	470,367
Public works	877,275
Culture and recreation	<u>80,031</u>
Total depreciation expense – governmental activities	<u>1,560,974</u>

**Business-type Activities**

Water utility	\$ 351,790
Sewer utility	361,555
Municipal airport	337,249
Multi-use sports complex	<u>342,968</u>
Total depreciation expense – business-type activities	<u>1,393,562</u>

Total depreciation expense	\$ <u>2,954,536</u>
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(4) **Interfund Receivables, Payables, and Transfers**

A schedule of interfund balances and transfers for the year ended June 30, 2008, follows:

***Due to/from other funds:***

Due to the General Fund From:

Nonmajor funds for short-term operating subsidy	\$ 5,725
Municipal Airport Enterprise Fund for short-term operating subsidy	<u>70,767</u>
Total due to other funds	\$ <u>76,492</u>

***Transfers:***

From General Fund to:

Miscellaneous Projects Capital Project Fund for capital expenditures	\$ 247,000
Nonmajor governmental funds for capital expenditures	550,500
Sewer Utility Enterprise Fund for capital expenditures	40,000
Water Utility Enterprise Fund for capital expenditures	252,000
Municipal Airport Enterprise Fund for capital expenditures	79,493
Municipal Airport Enterprise Fund for operating subsidy	8,125
Nonmajor governmental funds for operating subsidy	416,760
Multi-Use Sports Complex Enterprise Fund for operating subsidy	1,208,996
Multi-Use Sports Complex Enterprise Fund for capital expenditures	200,875
Nonmajor governmental funds for debt service	<u>431,310</u>

Total from General Fund	\$ <u>3,435,059</u>
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**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

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

From Sewer Utility Enterprise Fund to nonmajor governmental funds for capital expenditures	\$ 16,500
From Water Utility Enterprise Fund to nonmajor governmental funds for capital expenditures	11,500
From Multi-Use Sports Complex Enterprise Fund to nonmajor governmental funds for capital expenditures	6,500
From nonmajor governmental funds to:	
General Fund to transfer interest for operating subsidy	3,000
Miscellaneous Projects Capital Project Fund for capital expenditures	58,176
Nonmajor governmental funds for capital expenditures	<u>13,000</u>
Total transfers to other funds	<u>\$3,543,735</u>

(5) **Long-Term Debt**

Long-term debt consists of the following at June 30, 2008:

<b><u>Governmental Activities</u></b>	<b>Balance July 1, 2007</b>	<b>Additions</b>	<b>Retired</b>	<b>Balance June 30, 2008</b>	<b>Due Within One Year</b>
<b>Special Assessment Bonds:</b>					
\$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%	\$ 41,250	-	3,954	37,296	3,954
\$626,000 1987 Sewer Improvement District Bond, due in annual installments of \$3,900 to \$4,900 through August 17, 2027; plus interest at 6.5%	91,900	-	3,900	88,000	3,900
\$287,200 2001 Wood Crest/Patricia/Century Park Paving Improvement Districts Bond, due in final installment of \$9,760 on November 24, 2008; plus interest at 5.9%	25,880	-	16,120	9,760	9,760
\$189,320 2002 North Country Paving Improvement District Bond, due in final installment of \$6,996 on April 6, 2008; plus interest at 6.545%	6,996	-	6,996	-	-
\$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%	26,613	-	11,769	14,844	11,769

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Long-Term Debt, continued**

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>June 30, 2008</u>	Due Within <u>One Year</u>
<b><u>Governmental Activities, continued</u></b>					
Special Assessment Bonds, continued:					
\$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>62,001</u>	<u>-</u>	<u>22,833</u>	<u>39,168</u>	<u>22,833</u>
Total special assessment bonds	<u>254,640</u>	<u>-</u>	<u>65,572</u>	<u>189,068</u>	<u>52,216</u>
General Obligation Bonds:					
\$5,500,000 1998 refunding Street Paving/ Street Improvements General Obligation Bonds, due in final installment of \$260,000 on October 1, 2008; plus interest at 5.0%	505,000	-	245,000	260,000	260,000
\$3,380,000 2006 Street Paving/Street Improvements General Obligation Refunding Bonds, due in annual installments of \$5,000 to \$415,000 through December 1, 2018; plus variable interest from 4.0% to 5.5%	<u>3,380,000</u>	<u>-</u>	<u>5,000</u>	<u>3,375,000</u>	<u>5,000</u>
Total general obligation bonds	<u>3,885,000</u>	<u>-</u>	<u>250,000</u>	<u>3,635,000</u>	<u>265,000</u>
Accrued leave	435,950	520,711	475,793	480,868	480,868
Net pension/OPEB obligation	<u>321,267</u>	<u>1,016,108</u>	<u>1,016,108</u>	<u>321,267</u>	<u>-</u>
Total governmental activities	\$ <u>4,896,857</u>	<u>1,536,819</u>	<u>1,807,473</u>	4,626,203	<u>798,084</u>
Plus unamortized bond premium				144,463	
Less unamortized deferred loss				<u>(93,507)</u>	
				\$ <u>4,677,159</u>	

**Business-type Activities**

Special Assessment Bonds -

\$84,711 2001 Broadview Sewer Improvement District Bond, due in annual installments of \$8,471 through June 28, 2010; plus interest at 4.55%	\$ <u>24,054</u>	<u>-</u>	<u>8,471</u>	<u>15,583</u>	<u>8,471</u>
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General Obligation Bonds -

\$14,700,000 2002 Multi-Use Sports Complex General Obligation Bonds, due in annual installments of \$1,645,000 to \$2,180,000 through April 1, 2012; plus variable interest from 3.0% to 4.5%	<u>9,110,000</u>	<u>-</u>	<u>1,495,000</u>	<u>7,615,000</u>	<u>1,645,000</u>
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# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### Long - Term Debt, continued

<u>Business-type Activities, continued</u>	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2008</u>	<u>Due Within One Year</u>
<b>Loans Payable:</b>					
\$177,100 Water loan payable, due in annual installments of \$8,754 through August 3, 2018, plus interest at 1.5%	\$ 105,051	-	8,754	96,297	8,754
\$745,939 Water loan payable, due in annual installments of \$37,299 through November 15, 2022; plus interest at 1.5%	596,787	-	37,299	559,488	37,299
\$301,066 Sewer loan payable, due in annual installments of \$15,053 through November 15, 2022; plus interest at 1.5%	240,853	-	15,053	225,800	15,053
\$39,049 Water loan payable, due in annual installments of \$1,952 through September 30, 2023; plus interest at 1.5%	33,193	-	1,952	31,241	1,952
<b>Loans Payable, continued:</b>					
\$44,353 Sewer loan payable, due in annual installments of \$2,195 through September 30, 2023; plus interest at 1.5%	37,699	-	2,195	35,504	2,195
\$3,309,000 Water loan payable, due in annual installments of \$165,450 through March 4, 2024; plus interest at 1.5%	<u>2,812,650</u>	<u>-</u>	<u>165,450</u>	<u>2,647,200</u>	<u>165,450</u>
Total loans payable	<u>3,826,233</u>	<u>-</u>	<u>230,703</u>	<u>3,595,530</u>	<u>230,703</u>
Accrued leave	67,683	85,290	70,632	82,341	82,341
Net pension/OPEB obligation	<u>66,303</u>	<u>208,118</u>	<u>208,118</u>	<u>66,303</u>	<u>-</u>
Total business-type activities	<u>\$ 13,094,273</u>	<u>293,408</u>	<u>2,012,924</u>	11,374,757	<u>1,966,515</u>
Plus unamortized bond premium				<u>47,367</u>	
				<u>\$ 11,422,124</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

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>
2009	\$ 52,216	11,415	63,631	265,000	159,944	424,944
2010	27,265	8,527	35,792	275,000	147,844	422,844
2011	7,854	7,013	14,867	290,000	136,544	426,544
2012	10,354	6,517	16,871	295,000	124,844	419,844
2013	10,354	5,868	16,222	310,000	112,744	422,744
2014-2018	32,025	20,867	52,892	1,785,000	320,747	2,105,747
2019-2023	24,500	12,740	37,240	415,000	9,588	424,588
2024-2028	24,500	4,777	29,277	-	-	-
	<u>\$ 189,068</u>	<u>77,724</u>	<u>266,792</u>	<u>3,635,000</u>	<u>1,012,255</u>	<u>4,647,255</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>
2009	\$ 8,471	709	9,180	1,645,000	331,569	1,976,569
2010	7,112	324	7,436	1,805,000	261,656	2,066,656
2011	-	-	-	1,985,000	184,944	2,169,944
2012	-	-	-	2,180,000	98,100	2,278,100
	<u>\$ 15,583</u>	<u>1,033</u>	<u>16,616</u>	<u>7,615,000</u>	<u>876,269</u>	<u>8,491,269</u>

Year Ending June 30,	<u>Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 230,703	60,797	291,500
2010	230,703	56,857	287,560
2011	230,703	52,917	283,620
2012	230,703	48,976	279,679
2013	230,703	45,035	275,738
2014-2018	1,153,519	166,063	1,319,582
2019-2023	1,118,507	69,993	1,188,500
2024	169,989	2,562	172,551
	<u>\$ 3,595,530</u>	<u>503,200</u>	<u>4,098,730</u>

#### 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.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

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

##### **Special Assessment Bond Covenants, continued**

- 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.

##### **General Obligation Bonds**

In 2007, the City issued general obligation refunding bonds of \$3,380,000 to advance refund \$3,390,000 of 1998 general obligation bonds meeting the requirements of an in-substance debt defeasance. The balance of the defeased bonds at June 30, 2008 was \$3,390,000.

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

##### **Description of Plan**

The City participates in the 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, Alaska 99811-0203

##### **Funding Policy**

Employees are required to contribute 6.75% of their annual covered salary (1.86% for pension and 4.89% for healthcare). The funding policy provides for periodic employer contributions based on 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.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### Defined Benefit Pension Plan, continued

#### Funding Policy, continued

The City's contribution rates for 2008 are as follows:

	<u>Actuarial Rate</u>
Pension	5.92%
Postemployment healthcare	<u>15.60%</u>
Total contribution rate	<u>21.52%</u>

The employer contribution rate for the current year was actuarially calculated as a level percentage of payroll and was determined using the projected unit credit actuarial funding method. Unfunded accrued liabilities and future gains/losses are amortized over a fixed 25 year period as a level percentage of pay based on a 4.0% payroll growth assumption.

The current year required contribution was determined as part of the June 30, 2005 actuarial valuation. Effective with the June 30, 2006 valuation (which establishes the 2009 rates), the actuarial funding method has been changed to the Entry Age Actuarial Cost Method.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial values of assets.

Projected benefits for financial reporting purposes do not incorporate any potential effects of legal or contractual funding limitations.

The significant actuarial assumptions used in the most recent 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 and 4.0% thereafter (Police and Fire 6.0% for the first five years and 4.5% thereafter);

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Defined Benefit Pension Plan, continued**

**Funding Policy, continued**

3. Medical cost inflation of 9.5% for 2006, trending downward 0.5% per year to 5.0% in FY15 and remaining at 5.0% thereafter; and prescription cost inflation of 14% for 2006, trending downward 1.0% per year to 5.0% in FY15 and remaining at 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;
5. Mortality based on 1994 Group Annuity Mortality Basic Table, 1994 Base Year with 85% occupational for Peace Officer/Firefighter and 35% occupational for others;
6. Retirement rate based on 1997-1999 actual experience. Deferred vested members are assumed to retire at their earliest retirement date;
7. 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 are constrained to a range of 80% to 120% of market value of assets; and,
8. Valuation of Medical Benefit based on analysis of actual claims paid for July 2001 – June 2005, averaged and annualized and adjusted for other factors plus administrative costs.

**Annual Pension and Postemployment Healthcare Cost**

Effective July 1, 2007, the State of Alaska adopted contribution rates for each employer at an amount no less than 14.48% and no more than 22%. The actual rate for City of Wasilla is 22%. The Legislature then approved state funding (Senate Bill 53) in the form of an on-behalf payment for those amounts between the established employer rate and the actuarially determined rate. Due to the minor difference between the actuarially calculated rate, and the adjusted pay in rate, the City of Wasilla did not receive any SB 53 funding.

In addition, in fiscal year 2008, the State of Alaska passed legislation (SB 123) which requires that the employer contribution be calculated on all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

For the year ended June 30, 2008, the City’s annual pension and other post-employment benefit (OPEB) costs were as follows:

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
Annual required contribution	\$ 334,796	882,643	1,217,439
Interest on net pension obligation	8,793	23,182	31,975
Adjustment to annual required contribution	<u>(6,927)</u>	<u>(18,261)</u>	<u>(25,188)</u>
Annual pension cost	336,662	887,564	1,224,226
Contributions made	<u>336,662</u>	<u>887,564</u>	<u>1,224,226</u>
Increase in net pension/OPEB obligation	-	-	-
Net pension/OPEB obligation, beginning of year	<u>313,282</u>	<u>74,288</u>	<u>387,570</u>
Net pension/OPEB obligation, end of year	\$ <u>313,282</u>	<u>74,288</u>	<u>387,570</u>

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Defined Benefit Pension Plan, continued**

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	2006	\$ 557,113	\$ 441,810	79%	\$ 313,282
	2007	565,041	565,041	100%	313,282
	2008	336,662	336,662	100%	313,282
	<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	2006	\$ 369,566	\$ 295,278	80%	\$ 74,288
	2007	398,535	398,535	100%	74,288
	2008	887,564	887,564	100%	74,288

The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

	<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, 2004:							
Pension		\$ 5,366,000	\$ 7,352,000	\$ 1,986,000	73%	\$ 3,878,000	51%
Postemployment healthcare		3,784,000	5,184,000	1,400,000	73%	3,878,000	36%
June 30, 2005:							
Pension		5,192,316	7,623,486	2,431,170	68%	4,456,043	55%
Postemployment healthcare		5,181,522	7,607,638	2,426,116	68%	4,456,043	54%
June 30, 2006:							
Pension		8,111,545	9,485,875	1,374,330	86%	4,837,580	28%
Postemployment healthcare		3,471,931	8,727,244	5,255,313	40%	4,837,580	109%

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### **Defined Benefit Pension Plan, continued**

#### **PERS Conversion to Cost Sharing**

In April 2008 the Alaska Legislature passed Senate Bill 125 which converts the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits will no longer track individual employer assets and liabilities. Rather, all plan costs and past service liabilities will be shared among all participating employers. The cost-sharing plan will require a uniform employer contribution rate of 22% of active member wages, subject to a wage floor. In addition, the legislation provides for state contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions would be recognized by each employer as an on-behalf payment.

As a result of this change, the City will not be obligated to pay or to continue amortizing the currently recorded Net Pension/OPEB obligation. As such, these liabilities will be written off and the City will recognize an extraordinary gain on the legislation's effective date, July 1, 2008.

### (7) **Defined Contribution Pension Plan**

The State of Alaska Legislature approved Senate Bill 141 to create the Public Employees' Tier IV Defined Contribution Retirement Plan for employees hired after July 1, 2006 or for employees converting from Tier I, II or III defined benefit plans. The Plan is administered by the State of Alaska, Department of Administration Commissioner, and benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. Employees are required to contribute 8.0% of their annual covered salary and the City is required to make the following contributions:

Individual account	5.00 %
Health reimbursement arrangement (HRA)	3.00
Retiree medical plan	1.75
Occupational death and disability benefits	<u>.30</u>
	<u>10.05 %</u>

The City and employee contributions to the plan for the year ended June 30, 2008 were \$149,883 and \$54,207, respectively.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

(8) **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. In accordance with the 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.

(9) **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, 2008. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

(10) **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, 2008 was \$1,712,196.



## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Conduit Debt, continued**

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, 2008 was \$7,656,726.

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.

In 2007 the City filed an eminent domain action to acquire the site for the Multi-Use Sports Complex, and certain related property interests. In 2007, a legal settlement liability was recorded in the amount of \$1,027,028 representing \$836,378 in property value and \$366,000 in valuation fees and prejudgment interest. In 2008, the City paid out this liability and has recorded an additional \$423,345 of costs in settlement of the claim. The claimant has filed an appeal of the settlement, claiming that a later valuation date would increase the settlement amount (due to increasing property values in the Wasilla area). The City intends to vigorously defend against this claim.

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, 2008  
 (With Comparative Amounts for 2007)

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Cash and investments	\$ <u>4,866,434</u>	<u>5,031,149</u>
Receivables:		
Accounts	35,862	21,887
Sales taxes	952,296	912,455
Crowley Petroleum	44,388	46,475
Grants	14,772	64,926
Shared revenues	<u>253,832</u>	<u>18,414</u>
Total receivables	<u>1,301,150</u>	<u>1,064,157</u>
Prepaid items	23,212	18,582
Due from other funds	76,492	1,682
Restricted cash and investments	<u>405,835</u>	<u>390,377</u>
Total assets	\$ <u>6,673,123</u>	<u>6,505,947</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	233,487	81,638
Accrued payroll and employee benefits	425,661	310,607
Deferred revenue	<u>6,819</u>	<u>2,845</u>
Total liabilities	<u>665,967</u>	<u>395,090</u>
Fund balance:		
Reserved:		
Encumbrances	37,110	40,633
Insurance premium increases	-	54,334
Prepaid items	23,212	18,582
Long-term receivable	44,388	46,475
HRA plan	405,835	390,377
Unreserved and undesignated	<u>5,496,611</u>	<u>5,560,456</u>
Total fund balance	<u>6,007,156</u>	<u>6,110,857</u>
Total liabilities and fund balance	\$ <u>6,673,123</u>	<u>6,505,947</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

Year Ended June 30, 2008

(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Revenues:		
Taxes	\$ 10,488,126	9,757,105
Licenses and permits	33,815	29,670
Fines, forfeitures and penalties	204,667	141,346
Intergovernmental	1,161,043	1,114,161
Charges for services	1,298,010	1,281,647
Investment income	407,964	287,235
Other	32,026	40,237
Total revenues	<u>13,625,651</u>	<u>12,651,401</u>
Expenditures:		
General government:		
City clerk	313,727	313,950
City council	222,288	175,446
Administration	223,930	219,905
General administration services	397,660	375,573
Finance	714,883	631,239
Community and economic development	444,596	474,264
Management information systems	198,333	163,636
Total general government	<u>2,515,417</u>	<u>2,354,013</u>
Public safety:		
Police	532,031	453,979
Multitask drug enforcement	133,541	105,241
Child abuse investigation	117,650	84,001
General investigation	226,232	221,258
Police patrol	1,941,828	1,771,806
Patrol - motorcycle grant	-	20,549
COPS - universal hiring grant	85,175	95,073
COPS - school resource officer grant	97,954	91,364
Dispatch center	1,745,191	1,624,744
Animal control	60,000	60,000
Code compliance	97,117	92,916
Total public safety	<u>5,036,719</u>	<u>4,620,931</u>

**CITY OF WASILLA, ALASKA**  
General Fund

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

	<u>2008</u>	<u>2007</u>
Expenditures, continued:		
Public works:		
Administration	\$ 496,264	495,767
Road maintenance	894,958	858,358
Property maintenance	<u>556,622</u>	<u>517,826</u>
Total public works	<u>1,947,844</u>	<u>1,871,951</u>
Culture and recreation:		
Museum	157,316	159,175
Parks maintenance	482,252	459,511
Recreation services	<u>133,399</u>	<u>97,243</u>
Total culture and recreation	<u>772,967</u>	<u>715,929</u>
Nondepartmental	<u>24,346</u>	<u>30,528</u>
Total expenditures	<u>10,297,293</u>	<u>9,593,352</u>
Excess of revenues over expenditures	3,328,358	3,058,049
Other financing sources (uses):		
Transfers in	3,000	10,978
Transfers out	<u>(3,435,059)</u>	<u>(2,778,392)</u>
Net other financing sources (uses)	<u>(3,432,059)</u>	<u>(2,767,414)</u>
Net change in fund balance	(103,701)	290,635
Beginning fund balance	<u>6,110,857</u>	<u>5,820,222</u>
Ending fund balance	\$ <u><u>6,007,156</u></u>	<u><u>6,110,857</u></u>

## CITY OF WASILLA, ALASKA

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance -

## Budget and Actual

Year Ended June 30, 2008

(With Comparative Amounts for 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Taxes:				
Sales taxes, including penalty and interest	\$ 9,882,194	10,386,206	504,012	9,658,193
Property and vehicle taxes	110,200	101,920	(8,280)	98,912
Total taxes	<u>9,992,394</u>	<u>10,488,126</u>	<u>495,732</u>	<u>9,757,105</u>
Licenses and permits:				
City business licenses	74,231	23,700	(50,531)	17,250
Land use permits	16,000	8,350	(7,650)	10,850
Utility permits	2,627	-	(2,627)	-
Driveway permits	1,787	1,150	(637)	1,025
Animal licenses	1,580	315	(1,265)	245
Vendor permits	577	300	(277)	300
Total licenses and permits	<u>96,802</u>	<u>33,815</u>	<u>(62,987)</u>	<u>29,670</u>
Fines, forfeitures and penalties	<u>178,023</u>	<u>204,667</u>	<u>26,644</u>	<u>141,346</u>
Intergovernmental:				
Electric and telephone co-op tax	250,000	237,191	(12,809)	251,133
Public safety grants	471,989	433,292	(38,697)	272,722
Culture and recreation grants	1,000	980	(20)	2,000
Alcoholic beverage tax	21,500	22,700	1,200	20,700
Aviation fuel tax revenue sharing	1,188	841	(347)	1,069
Matanuska-Susitna Borough - School resource officer	73,921	72,632	(1,289)	66,193
Fisheries tax	-	128	128	103
Municipal energy assistance program	316,729	393,279	76,550	316,729
State PERS relief	-	-	-	183,512
Total intergovernmental	<u>1,136,327</u>	<u>1,161,043</u>	<u>24,716</u>	<u>1,114,161</u>
Charges for services	<u>1,280,367</u>	<u>1,298,010</u>	<u>17,643</u>	<u>1,281,647</u>
Investment income	<u>254,395</u>	<u>407,964</u>	<u>153,569</u>	<u>287,235</u>
Other:				
Administration fee revenue	500	388	(112)	549
Building rentals	1,630	1,211	(419)	1,200
Donations	1,500	7,450	5,950	-
Youth litter patrol	5,000	-	(5,000)	3,500
Sale of capital assets	40,000	17,408	(22,592)	18,597
Miscellaneous	25,000	5,569	(19,431)	16,391
Total other	<u>73,630</u>	<u>32,026</u>	<u>(41,604)</u>	<u>40,237</u>
Total revenues	<u>13,011,938</u>	<u>13,625,651</u>	<u>613,713</u>	<u>12,651,401</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
City clerk:				
Salaries	\$ 157,726	157,726	-	154,733
Employee benefits	67,888	67,066	822	60,342
Professional and technical services	56,748	40,726	16,022	55,990
Property services	3,495	3,495	-	4,137
Other purchased services	46,477	40,270	6,207	32,834
Supplies	6,100	4,444	1,656	5,914
Total city clerk	<u>338,434</u>	<u>313,727</u>	<u>24,707</u>	<u>313,950</u>
City council:				
Salaries	36,000	32,146	3,854	27,692
Employee benefits	10,828	7,601	3,227	9,412
Professional and technical services	147,609	141,399	6,210	118,706
Property services	6,400	2,635	3,765	1,385
Other purchased services	38,481	38,441	40	17,963
Supplies	600	66	534	288
Total city council	<u>239,918</u>	<u>222,288</u>	<u>17,630</u>	<u>175,446</u>
Administration:				
Salaries	131,289	131,289	-	124,714
Employee benefits	59,011	59,015	(4)	53,656
Professional and technical services	20,552	17,606	2,946	22,026
Property services	3,600	2,756	844	2,154
Other purchased services	17,200	8,819	8,381	13,960
Supplies	4,300	4,445	(145)	3,395
Total administration	<u>235,952</u>	<u>223,930</u>	<u>12,022</u>	<u>219,905</u>
General administration services:				
Salaries	110,510	110,509	1	94,011
Employee benefits	38,012	38,013	(1)	38,809
Professional and technical services	154,416	155,073	(657)	152,791
Property services	5,495	5,495	-	5,296
Other purchased services	72,199	72,199	-	66,870
Supplies	16,371	16,371	-	17,796
Total general administration services	<u>397,003</u>	<u>397,660</u>	<u>(657)</u>	<u>375,573</u>



## CITY OF WASILLA, ALASKA

## General Fund

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

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Finance:				
Salaries	\$ 445,492	445,492	-	376,532
Employee benefits	189,755	189,059	696	179,045
Professional and technical services	25,442	22,566	2,876	23,366
Property services	4,717	4,156	561	2,755
Other purchased services	58,345	42,027	16,318	37,599
Supplies	17,124	11,583	5,541	11,942
Total finance	<u>740,875</u>	<u>714,883</u>	<u>25,992</u>	<u>631,239</u>
Community and economic development:				
Salaries	265,256	265,255	1	241,146
Employee benefits	94,663	95,390	(727)	81,433
Professional and technical services	48,803	48,417	386	96,892
Property services	1,000	220	780	527
Other purchased services	32,565	31,514	1,051	47,636
Supplies	5,100	3,800	1,300	6,630
Total community and economic development	<u>447,387</u>	<u>444,596</u>	<u>2,791</u>	<u>474,264</u>
Management information systems:				
Salaries	31,193	15,550	15,643	28,393
Employee benefits	15,613	8,364	7,249	9,588
Professional and technical services	300	266	34	426
Property services	151,421	161,463	(10,042)	116,950
Other purchased services	700	651	49	4,894
Supplies	12,450	12,039	411	3,385
Total management information systems	<u>211,677</u>	<u>198,333</u>	<u>13,344</u>	<u>163,636</u>
Total general government	<u>2,611,246</u>	<u>2,515,417</u>	<u>95,829</u>	<u>2,354,013</u>
Public safety:				
Police:				
Salaries	256,006	256,006	-	231,533
Employee benefits	106,983	111,353	(4,370)	73,124
Professional and technical services	63,572	63,572	-	33,549
Property services	17,914	17,914	-	18,724
Other purchased services	72,732	75,843	(3,111)	83,872
Supplies	6,952	7,343	(391)	13,177
Total police	<u>524,159</u>	<u>532,031</u>	<u>(7,872)</u>	<u>453,979</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Multitask drug enforcement:				
Salaries	\$ 78,420	78,420	-	70,270
Employee benefits	37,468	37,068	400	31,958
Other purchased services	2,306	2,306	-	2,649
Supplies	15,747	15,747	-	364
Total multitask drug enforcement	<u>133,941</u>	<u>133,541</u>	<u>400</u>	<u>105,241</u>
Child abuse investigation:				
Salaries	77,012	77,013	(1)	53,481
Employee benefits	34,671	34,671	-	25,141
Property services	522	522	-	775
Other purchased services	2,602	2,602	-	3,200
Supplies	2,842	2,842	-	1,404
Total child abuse investigation	<u>117,649</u>	<u>117,650</u>	<u>(1)</u>	<u>84,001</u>
General investigation:				
Salaries	143,127	136,288	6,839	141,332
Employee benefits	84,524	70,259	14,265	64,050
Professional and technical services	2,625	187	2,438	1,016
Property services	1,250	848	402	775
Other purchased services	12,144	10,727	1,417	9,876
Supplies	9,859	7,923	1,936	4,209
Total general investigation	<u>253,529</u>	<u>226,232</u>	<u>27,297</u>	<u>221,258</u>
Police patrol:				
Salaries	1,096,111	1,096,499	(388)	1,066,617
Employee benefits	538,058	502,406	35,652	439,981
Professional and technical services	48,265	48,265	-	11,035
Property services	27,924	27,923	1	37,098
Other purchased services	109,202	109,202	-	76,427
Supplies	150,140	157,533	(7,393)	140,648
Total police patrol	<u>1,969,700</u>	<u>1,941,828</u>	<u>27,872</u>	<u>1,771,806</u>
Patrol - motorcycle grant:				
Salaries	-	-	-	12,798
Employee benefits	-	-	-	6,161
Other purchased services	-	-	-	500
Supplies	-	-	-	1,090
Total patrol - motorcycle grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,549</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
COPS - universal hiring grant:				
Salaries	\$ 59,326	55,799	3,527	65,430
Employee benefits	37,055	29,376	7,679	29,643
Total COPS - universal hiring grant	<u>96,381</u>	<u>85,175</u>	<u>11,206</u>	<u>95,073</u>
COPS - school resource officer grant:				
Salaries	63,294	63,294	-	58,732
Employee benefits	26,306	26,306	-	24,879
Property services	5,964	5,959	5	-
Other purchased services	4,337	2,395	1,942	5,288
Supplies	-	-	-	2,465
Total COPS - school resource officer grant	<u>99,901</u>	<u>97,954</u>	<u>1,947</u>	<u>91,364</u>
Dispatch center:				
Salaries	1,152,150	1,042,115	110,035	1,014,863
Employee benefits	538,161	518,379	19,782	439,437
Professional and technical services	36,990	16,383	20,607	83
Property services	99,983	90,942	9,041	100,748
Other purchased services	75,060	62,380	12,680	58,632
Supplies	17,270	14,992	2,278	10,981
Total dispatch center	<u>1,919,614</u>	<u>1,745,191</u>	<u>174,423</u>	<u>1,624,744</u>
Animal control - other purchased services	<u>60,000</u>	<u>60,000</u>	-	<u>60,000</u>
Code compliance:				
Salaries	78,823	61,873	16,950	63,514
Employee benefits	25,172	21,922	3,250	19,388
Professional and technical services	297	297	-	-
Property services	1,439	1,439	-	1,321
Other purchased services	5,281	3,673	1,608	3,371
Supplies	12,275	7,913	4,362	5,322
Total code compliance	<u>123,287</u>	<u>97,117</u>	<u>26,170</u>	<u>92,916</u>
Total public safety	<u>5,298,161</u>	<u>5,036,719</u>	<u>261,442</u>	<u>4,620,931</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public works:				
Administration:				
Salaries	\$ 277,043	270,234	6,809	269,215
Employee benefits	152,484	135,579	16,905	124,185
Professional and technical services	32,087	32,086	1	51,965
Property services	12,223	6,725	5,498	7,154
Other purchased services	41,539	41,010	529	30,390
Supplies	17,975	10,630	7,345	12,858
Total administration	<u>533,351</u>	<u>496,264</u>	<u>37,087</u>	<u>495,767</u>
Road maintenance:				
Salaries	246,074	228,540	17,534	219,603
Employee benefits	148,597	128,334	20,263	114,991
Property services	89,600	69,182	20,418	38,599
Other purchased services	267,159	250,526	16,633	230,985
Supplies	245,213	198,067	47,146	197,690
Capital expenditures	20,309	20,309	-	56,490
Total road maintenance	<u>1,016,952</u>	<u>894,958</u>	<u>121,994</u>	<u>858,358</u>
Property maintenance:				
Salaries	131,066	131,066	-	135,717
Employee benefits	67,279	68,537	(1,258)	50,612
Property services	206,184	172,491	33,693	135,598
Other purchased services	35,579	33,707	1,872	45,082
Supplies	145,275	150,821	(5,546)	150,817
Total property maintenance	<u>585,383</u>	<u>556,622</u>	<u>28,761</u>	<u>517,826</u>
Total public works	<u>2,135,686</u>	<u>1,947,844</u>	<u>187,842</u>	<u>1,871,951</u>
Culture and recreation:				
Museum:				
Salaries	70,559	62,419	8,140	67,577
Employee benefits	38,972	36,589	2,383	32,407
Professional and technical services	1,600	1,415	185	2,200
Property services	13,524	10,418	3,106	8,780
Other purchased services	26,982	24,771	2,211	23,335
Supplies	23,204	21,704	1,500	24,876
Total museum	<u>174,841</u>	<u>157,316</u>	<u>17,525</u>	<u>159,175</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Culture and recreation, continued:				
Parks maintenance:				
Salaries	\$ 255,908	255,907	1	245,815
Employee benefits	70,440	70,440	-	67,038
Property services	65,023	43,183	21,840	37,739
Other purchased services	26,185	21,559	4,626	21,889
Supplies	81,113	82,154	(1,041)	77,031
Capital expenditures	10,000	9,009	991	9,999
Total parks maintenance	<u>508,669</u>	<u>482,252</u>	<u>26,417</u>	<u>459,511</u>
Recreation services:				
Salaries	62,936	62,936	-	37,634
Employee benefits	31,802	31,803	(1)	13,503
Professional and technical services	10,944	8,829	2,115	15,050
Other purchased services	29,047	29,042	5	25,678
Supplies	4,675	789	3,886	5,378
Total recreation services	<u>139,404</u>	<u>133,399</u>	<u>6,005</u>	<u>97,243</u>
Total culture and recreation	<u>822,914</u>	<u>772,967</u>	<u>49,947</u>	<u>715,929</u>
Nondepartmental:				
Insurance deductible	14,164	8,511	5,653	7,848
Foreclosed tax payments	836	835	1	-
Other employee benefits	-	-	-	7,680
Other agreements	15,000	15,000	-	15,000
Total nondepartmental	<u>30,000</u>	<u>24,346</u>	<u>5,654</u>	<u>30,528</u>
Total expenditures	<u>10,898,007</u>	<u>10,297,293</u>	<u>600,714</u>	<u>9,593,352</u>
Excess of revenues over expenditures	2,113,931	3,328,358	1,214,427	3,058,049
Other financing sources (uses):				
Transfers in	3,000	3,000	-	10,978
Transfers out	(3,435,059)	(3,435,059)	-	(2,778,392)
Net other financing sources (uses)	<u>(3,432,059)</u>	<u>(3,432,059)</u>	<u>-</u>	<u>(2,767,414)</u>
Net change in fund balance	\$ <u>(1,318,128)</u>	<u>(103,701)</u>	<u>1,214,427</u>	290,635
Beginning fund balance		<u>6,110,857</u>		<u>5,820,222</u>
Ending fund balance	\$	<u>6,007,156</u>		<u>6,110,857</u>

**CITY OF WASILLA, ALASKA**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2008**

<u>Assets</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Cemetery Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Cash and investments	\$ 516,621	759,279	935,562	201,501	2,412,963
Receivables:					
Grants	16,244	-	-	-	16,244
Special assessments, net	<u>-</u>	<u>168,183</u>	<u>-</u>	<u>-</u>	<u>168,183</u>
 Total assets	 \$ <u>532,865</u>	 <u>927,462</u>	 <u>935,562</u>	 <u>201,501</u>	 <u>2,597,390</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	9,274	-	106,889	-	116,163
Accrued payroll and employee benefits	38,986	-	-	-	38,986
Due to other funds	-	5,725	-	-	5,725
Deferred revenue	<u>76,163</u>	<u>168,183</u>	<u>-</u>	<u>-</u>	<u>244,346</u>
Total liabilities	<u>124,423</u>	<u>173,908</u>	<u>106,889</u>	<u>-</u>	<u>405,220</u>
 Fund balances:					
Reserved:					
Encumbrances	17,025	-	82,911	-	99,936
Debt service	-	323,689	-	-	323,689
Investments	-	-	-	201,501	201,501
Unreserved:					
Designated:					
Operations	391,417	-	-	-	391,417
Capital improvements	-	-	745,762	-	745,762
Undesignated	<u>-</u>	<u>429,865</u>	<u>-</u>	<u>-</u>	<u>429,865</u>
Total fund balances	<u>408,442</u>	<u>753,554</u>	<u>828,673</u>	<u>201,501</u>	<u>2,192,170</u>
 Total liabilities and fund balances	 \$ <u>532,865</u>	 <u>927,462</u>	 <u>935,562</u>	 <u>201,501</u>	 <u>2,597,390</u>

**CITY OF WASILLA, ALASKA**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Year Ended June 30, 2008**

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Project <u>Funds</u>	Cemetery Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>					
Intergovernmental	\$ 478,140	-	-	-	478,140
Fines and charges	36,635	-	-	-	36,635
Special assessments	-	56,580	-	-	56,580
Investment income	18,782	24,094	31,982	6,396	81,254
Lot sales	-	-	-	11,000	11,000
Other	18,137	-	-	-	18,137
Total revenues	<u>551,694</u>	<u>80,674</u>	<u>31,982</u>	<u>17,396</u>	<u>681,746</u>
<b>Expenditures:</b>					
General government	132,944	-	-	-	132,944
Public safety	190,706	-	-	-	190,706
Culture and recreation	769,323	-	-	-	769,323
Debt service :					
Principal	-	315,573	-	-	315,573
Interest	-	187,876	-	-	187,876
Capital outlay	-	-	542,576	-	542,576
Total expenditures	<u>1,092,973</u>	<u>503,449</u>	<u>542,576</u>	<u>-</u>	<u>2,138,998</u>
Excess of revenues over (under) expenditures	(541,279)	(422,775)	(510,594)	17,396	(1,457,252)
<b>Other financing sources (uses):</b>					
Transfers in	532,260	431,310	482,500	-	1,446,070
Transfers out	(53,400)	(17,776)	-	(3,000)	(74,176)
Net other financing sources (uses)	<u>478,860</u>	<u>413,534</u>	<u>482,500</u>	<u>(3,000)</u>	<u>1,371,894</u>
Net change in fund balances	(62,419)	(9,241)	(28,094)	14,396	(85,358)
Beginning fund balances	<u>470,861</u>	<u>762,795</u>	<u>856,767</u>	<u>187,105</u>	<u>2,277,528</u>
Ending fund balances	\$ <u>408,442</u>	<u>753,554</u>	<u>828,673</u>	<u>201,501</u>	<u>2,192,170</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, 2008**

<u>Assets</u>	<u>Library</u>	<u>Youth Court</u>	<u>Federal Asset Forfeiture</u>	<u>Capital Reserve</u>	<u>Technology Replacement</u>	<u>State Asset Forfeiture</u>	<u>Totals</u>
Cash and investments	\$ 60,801	72,720	78,177	73,909	225,144	5,870	516,621
Receivables - grants	<u>-</u>	<u>16,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,244</u>
 Total assets	 \$ <u>60,801</u>	 <u>88,964</u>	 <u>78,177</u>	 <u>73,909</u>	 <u>225,144</u>	 <u>5,870</u>	 <u>532,865</u>
 <u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	6,594	5	-	-	2,675	-	9,274
Accrued payroll and employee benefits	30,896	8,090	-	-	-	-	38,986
Deferred revenue	<u>-</u>	<u>400</u>	<u>75,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,163</u>
Total liabilities	<u>37,490</u>	<u>8,495</u>	<u>75,763</u>	<u>-</u>	<u>2,675</u>	<u>-</u>	<u>124,423</u>
 Fund balances:							
Reserved for encumbrances	-	-	-	-	17,025	-	17,025
Unreserved - designated for operations	<u>23,311</u>	<u>80,469</u>	<u>2,414</u>	<u>73,909</u>	<u>205,444</u>	<u>5,870</u>	<u>391,417</u>
Total fund balances	<u>23,311</u>	<u>80,469</u>	<u>2,414</u>	<u>73,909</u>	<u>222,469</u>	<u>5,870</u>	<u>408,442</u>
 Total liabilities and fund balances	 \$ <u>60,801</u>	 <u>88,964</u>	 <u>78,177</u>	 <u>73,909</u>	 <u>225,144</u>	 <u>5,870</u>	 <u>532,865</u>

**CITY OF WASILLA, ALASKA**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Year Ended June 30, 2008**

	<u>Library</u>	<u>Youth Court</u>	<u>Federal Asset Forfeiture</u>	<u>Capital Reserve</u>	<u>Technology Replacement</u>	<u>State Asset Forfeiture</u>	<u>Totals</u>
<b>Revenues:</b>							
Intergovernmental	\$ 297,174	129,923	51,043	-	-	-	478,140
Fines and charges	25,225	11,410	-	-	-	-	36,635
Investment income	3,232	2,105	2,383	2,390	8,672	-	18,782
Other	<u>6,181</u>	<u>11,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,137</u>
Total revenues	<u>331,812</u>	<u>155,394</u>	<u>53,426</u>	<u>2,390</u>	<u>8,672</u>	<u>-</u>	<u>551,694</u>
<b>Expenditures:</b>							
Salaries	405,855	97,297	-	-	-	-	503,152
Employee benefits	168,614	23,751	-	-	-	-	192,365
Professional and technical service	27,713	-	-	-	-	-	27,713
Property services	16,793	540	-	-	-	-	17,333
Other purchased services	41,440	9,125	-	-	-	-	50,565
Supplies	102,558	4,220	51,043	-	37,182	4,730	199,733
Capital expenditures	<u>6,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,762</u>	<u>-</u>	<u>102,112</u>
Total expenditures	<u>769,323</u>	<u>134,933</u>	<u>51,043</u>	<u>-</u>	<u>132,944</u>	<u>4,730</u>	<u>1,092,973</u>
Excess of revenues over (under) expenditures	(437,511)	20,461	2,383	2,390	(124,272)	(4,730)	(541,279)
<b>Other financing sources (uses):</b>							
Transfers in	416,760	-	-	-	115,500	-	532,260
Transfers out	<u>(13,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,400)</u>	<u>-</u>	<u>(53,400)</u>
Net other financing sources (uses)	<u>403,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,100</u>	<u>-</u>	<u>478,860</u>
Net change in fund balances	(33,751)	20,461	2,383	2,390	(49,172)	(4,730)	(62,419)
Beginning fund balances	<u>57,062</u>	<u>60,008</u>	<u>31</u>	<u>71,519</u>	<u>271,641</u>	<u>10,600</u>	<u>470,861</u>
Ending fund balances	\$ <u>23,311</u>	<u>80,469</u>	<u>2,414</u>	<u>73,909</u>	<u>222,469</u>	<u>5,870</u>	<u>408,442</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, 2008

(With Comparative Amounts for 2007)

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental	\$ 295,654	297,174	1,520	380,601
Charges	2,300	2,934	634	2,896
Library fines	18,900	22,291	3,391	21,532
Investment income	1,500	3,232	1,732	177
Other	5,000	6,181	1,181	1,402
Total revenues	<u>323,354</u>	<u>331,812</u>	<u>8,458</u>	<u>406,608</u>
<b>Expenditures:</b>				
Salaries	406,804	405,855	949	390,680
Employee benefits	177,526	168,614	8,912	148,926
Professional and technical services	32,650	27,713	4,937	23,863
Property services	20,645	16,793	3,852	19,283
Other purchased services	46,355	41,440	4,915	39,978
Supplies	116,004	102,558	13,446	91,952
Capital expenditures	6,350	6,350	-	6,253
Total expenditures	<u>806,334</u>	<u>769,323</u>	<u>37,011</u>	<u>720,935</u>
Excess of revenues over (under) expenditures	(482,980)	(437,511)	45,469	(314,327)
<b>Other financing sources (uses):</b>				
Transfers in	488,760	416,760	(72,000)	343,141
Transfers out	<u>(13,000)</u>	<u>(13,000)</u>	-	<u>(13,000)</u>
Net other financing sources (uses)	<u>475,760</u>	<u>403,760</u>	<u>(72,000)</u>	<u>330,141</u>
Net change in fund balance	\$ <u>(7,220)</u>	(33,751)	<u>(26,531)</u>	<u>15,814</u>
Beginning fund balance		<u>57,062</u>		<u>41,248</u>
Ending fund balance	\$	<u>23,311</u>		<u>57,062</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, 2008  
 (With Comparative Amounts for 2007)

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental	\$ 116,830	129,923	13,093	114,342
Charges	11,100	11,410	310	10,981
Investment income	750	2,105	1,355	3,630
Other	<u>18,000</u>	<u>11,956</u>	<u>(6,044)</u>	<u>9,334</u>
Total revenues	<u>146,680</u>	<u>155,394</u>	<u>8,714</u>	<u>138,287</u>
Expenditures:				
Salaries	108,723	97,297	11,426	88,500
Employee benefits	24,541	23,751	790	42,656
Property services	540	540	-	-
Other purchased services	11,621	9,125	2,496	14,336
Supplies	<u>8,000</u>	<u>4,220</u>	<u>3,780</u>	<u>5,157</u>
Total expenditures	<u>153,425</u>	<u>134,933</u>	<u>18,492</u>	<u>150,649</u>
Net change in fund balance	\$ <u>(6,745)</u>	20,461	<u>27,206</u>	(12,362)
Beginning fund balance		<u>60,008</u>		<u>72,370</u>
Ending fund balance		\$ <u>80,469</u>		<u>60,008</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, 2008  
 (With Comparative Amounts for 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Intergovernmental	\$ 51,043	51,043	-	-
Investment income	100	2,383	2,283	13
Total revenues	51,143	53,426	2,283	13
Expenditures - supplies	51,043	51,043	-	1,438
Net change in fund balance	\$ 100	2,383	2,283	(1,425)
Beginning fund balance		31		1,456
Ending fund balance		\$ 2,414		31

**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, 2008  
 (With Comparative Amounts for 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues - investment income	\$ <u>1,200</u>	<u>2,390</u>	<u>1,190</u>	<u>14,536</u>
Other financing sources (uses):				
Transfers in	-	-	-	39,451
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(260,549)</u>
Net change in fund balance	\$ <u>1,200</u>	2,390	<u>1,190</u>	(246,013)
Beginning fund balance		<u>71,519</u>		<u>317,532</u>
Ending fund balance		\$ <u>73,909</u>		<u>71,519</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, 2008**  
**(With Comparative Amounts for 2007)**

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues - investment income	\$ <u>3,500</u>	<u>8,672</u>	<u>5,172</u>	<u>14,965</u>
Expenditures:				
Supplies	67,769	37,182	30,587	35,367
Capital expenditures	<u>134,038</u>	<u>95,762</u>	<u>38,276</u>	<u>-</u>
Total expenditures	<u>201,807</u>	<u>132,944</u>	<u>68,863</u>	<u>35,367</u>
Excess of revenues over (under) expenditures	(198,307)	(124,272)	74,035	(20,402)
Other financing sources (uses):				
Transfers in	115,500	115,500	-	115,000
Transfers out	<u>(40,400)</u>	<u>(40,400)</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>75,100</u>	<u>75,100</u>	<u>-</u>	<u>115,500</u>
Net change in fund balance	\$ <u>(123,207)</u>	(49,172)	<u>74,035</u>	95,098
Beginning fund balance		<u>271,641</u>		<u>176,543</u>
Ending fund balance		\$ <u>222,469</u>		<u>271,641</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, 2008  
 (With Comparative Amounts for 2007)

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues - intergovernmental	\$ -	-	-	11,707
Expenditures - supplies	<u>4,730</u>	<u>4,730</u>	<u>-</u>	<u>6,254</u>
Net change in fund balance	\$ <u>(4,730)</u>	(4,730)	<u>-</u>	5,453
Beginning fund balance		<u>10,600</u>		<u>5,147</u>
Ending fund balance		\$ <u>5,870</u>		<u>10,600</u>



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## 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, 2008

<u>Assets</u>	1982	1986	1987	Street Paving Assessment Bonds	1983	Street Paving General Obligation Bond	Totals
	<u>Bond</u>	Southside Water District <u>Bond</u>	Sewer Improvement District <u>Bond</u>	Street Paving Assessment <u>Bonds</u>	Overlook Sewer Improvement <u>Bond</u>	Bond Guarantee	
Cash and investments	\$ 162,190	-	222,173	235,689	40,227	45,915	759,279
Receivables - special assessments, net	56,885	21,328	19,215	70,755	-	-	168,183
Total assets	\$ 219,075	21,328	241,388	306,444	40,227	45,915	927,462

Liabilities and Fund Balances (Deficit)

Liabilities:							
Due to other funds	-	5,725	-	-	-	-	5,725
Deferred revenue	56,885	21,328	19,215	70,755	-	-	168,183
Total liabilities	56,885	27,053	19,215	70,755	-	-	173,908
Fund balances (deficit):							
Reserved for debt service	-	-	88,000	235,689	-	-	323,689
Unreserved and undesignated (deficit)	162,190	(5,725)	134,173	-	40,227	45,915	429,865
Total fund balances (deficit)	162,190	(5,725)	222,173	235,689	40,227	45,915	753,554
Total liabilities and fund balances	\$ 219,075	21,328	241,388	306,444	40,227	45,915	927,462



**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, 2008  
 (With Comparative Amounts for 2007)

	2008		Variance Positive (Negative)	2007
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Special assessments	\$ 8,500	5,803	(2,697)	23,898
Investment income	<u>2,400</u>	<u>5,515</u>	<u>3,115</u>	<u>9,834</u>
Total revenues	10,900	11,318	418	33,732
Other financing uses - transfers out	<u>(17,776)</u>	<u>(17,776)</u>	<u>-</u>	<u>(17,776)</u>
Net change in fund balance	\$ <u>(6,876)</u>	(6,458)	<u>418</u>	15,956
Beginning fund balance		<u>168,648</u>		<u>152,692</u>
Ending fund balance	\$	<u>162,190</u>		<u>168,648</u>

**CITY OF WASILLA, ALASKA**  
 1986 Southside Water District Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Deficit -  
 Budget and Actual  
 Year Ended June 30, 2008  
 (With Comparative Amounts for 2007)

	2008			2007
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues:				
Special assessments	\$ 4,000	2,485	(1,515)	6,952
Investment income (loss)	<u>100</u>	<u>(43)</u>	<u>(143)</u>	<u>82</u>
Total revenues	<u>4,100</u>	<u>2,442</u>	<u>(1,658)</u>	<u>7,034</u>
Expenditures - debt service:				
Principal	3,954	3,954	-	4,202
Interest	<u>2,501</u>	<u>2,531</u>	<u>(30)</u>	<u>2,525</u>
Total expenditures	<u>6,455</u>	<u>6,485</u>	<u>(30)</u>	<u>6,727</u>
Net change in fund balance	\$ <u>(2,355)</u>	(4,043)	<u>(1,688)</u>	307
Beginning deficit		<u>(1,682)</u>		<u>(1,989)</u>
Ending deficit		\$ <u>(5,725)</u>		<u>(1,682)</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, 2008**  
**(With Comparative Amounts for 2007)**

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Special assessments	\$ 10,000	3,754	(6,246)	14,566
Investment income	<u>200</u>	<u>7,163</u>	<u>6,963</u>	<u>12,187</u>
Total revenues	<u>10,200</u>	<u>10,917</u>	<u>717</u>	<u>26,753</u>
Expenditures - debt service:				
Principal	3,900	3,900	-	3,900
Interest	<u>5,974</u>	<u>5,974</u>	<u>-</u>	<u>6,227</u>
Total expenditures	<u>9,874</u>	<u>9,874</u>	<u>-</u>	<u>10,127</u>
Net change in fund balance	\$ <u>326</u>	1,043	<u>717</u>	16,626
Beginning fund balance		<u>221,130</u>		<u>204,504</u>
Ending fund balance		\$ <u>222,173</u>		<u>221,130</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, 2008  
 (With Comparative Amounts for 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ 60,000	44,538	(15,462)	68,982
Investment income	<u>5,500</u>	<u>8,216</u>	<u>2,716</u>	<u>16,126</u>
Total revenues	<u>65,500</u>	<u>52,754</u>	<u>(12,746)</u>	<u>85,108</u>
Expenditures - debt service:				
Principal	60,746	57,719	3,027	86,094
Interest	<u>6,603</u>	<u>6,602</u>	<u>1</u>	<u>11,339</u>
Total expenditures	<u>67,349</u>	<u>64,321</u>	<u>3,028</u>	<u>97,433</u>
Net change in fund balance	\$ <u>(1,849)</u>	(11,567)	<u>(9,718)</u>	(12,325)
Beginning fund balance		<u>247,256</u>		<u>259,581</u>
Ending fund balance		\$ <u>235,689</u>		<u>247,256</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, 2008  
 (With Comparative Amounts for 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues - investment income	\$ -	-	-	1,641
Other financing uses - transfers out	-	-	-	(39,451)
Net change in fund balance	\$ -	-	-	(37,810)
Beginning fund balance		1,641		39,451
Ending fund balance		\$ 1,641		1,641

**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, 2008  
 (With Comparative Amounts for 2007)

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues - investment income	\$ -	1,301	<u>1,301</u>	2,192
Beginning fund balance		<u>38,926</u>		<u>36,734</u>
Ending fund balance		\$ <u>40,227</u>		<u>38,926</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, 2008  
 (With Comparative Amounts for 2007)

	2008			2007
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues - investment income	\$ <u>800</u>	1,942	<u>1,142</u>	2,364
Beginning fund balance		<u>49,502</u>		<u>47,138</u>
Ending fund balance	\$ <u>51,444</u>			<u>49,502</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, 2008  
 (With Comparative Amounts for 2007)

	2008			2007
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues	\$ -	-	-	-
Expenditures - debt service:				
Principal	250,000	250,000	-	235,000
Interest	181,310	172,769	8,541	166,392
Other debt service costs - bond issuance	-	-	-	40,632
Total expenditures	<u>431,310</u>	<u>422,769</u>	<u>8,541</u>	<u>442,024</u>
Excess of revenues over (under) expenditures	(431,310)	(422,769)	8,541	(442,024)
Other financing sources (uses):				
Transfers in	431,310	431,310	-	433,810
Proceeds from bond issuance:				
Par value	-	-	-	3,380,000
Bond premium	-	-	-	157,596
Payment to refunding escrow agent	-	-	-	(3,492,008)
Net other financing sources (uses)	<u>431,310</u>	<u>431,310</u>	<u>-</u>	<u>479,398</u>
Net change in fund balance	\$ -	8,541	<u>8,541</u>	37,374
Beginning fund balance		<u>37,374</u>		-
Ending fund balance	\$	<u><u>45,915</u></u>		<u><u>37,374</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, 2008**

<u>Assets</u>	<u>Vehicle Replacement</u>	<u>Right- of-Way Acquisition</u>	<u>Regional Dispatch Center</u>	<u>Road</u>	<u>Totals</u>
Cash and investments	\$ <u>473,409</u>	<u>91,108</u>	<u>5,785</u>	<u>365,260</u>	<u>935,562</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities - accounts payable	<u>-</u>	<u>9,200</u>	<u>-</u>	<u>97,689</u>	<u>106,889</u>
Fund balances:					
Reserved for encumbrances	-	13,600	-	69,311	82,911
Unreserved - designated for capital improvements	<u>473,409</u>	<u>68,308</u>	<u>5,785</u>	<u>198,260</u>	<u>745,762</u>
Total fund balances	<u>473,409</u>	<u>81,908</u>	<u>5,785</u>	<u>267,571</u>	<u>828,673</u>
Total liabilities and fund balances	\$ <u>473,409</u>	<u>91,108</u>	<u>5,785</u>	<u>365,260</u>	<u>935,562</u>

**CITY OF WASILLA, ALASKA**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Year Ended June 30, 2008**

	<u>Vehicle Replacement</u>	<u>Right- of-Way Acquisition</u>	<u>Regional Dispatch Center</u>	<u>Road</u>	<u>Totals</u>
Revenues - investment income	\$ 17,011	2,676	187	12,108	31,982
Expenditures - capital outlay	<u>253,919</u>	<u>14,665</u>	<u>-</u>	<u>273,992</u>	<u>542,576</u>
Excess of revenues over (under) expenditures	(236,908)	(11,989)	187	(261,884)	(510,594)
Other financing sources - transfers in	<u>210,500</u>	<u>20,000</u>	<u>-</u>	<u>252,000</u>	<u>482,500</u>
Net change in fund balances	(26,408)	8,011	187	(9,884)	(28,094)
Beginning fund balances	<u>499,817</u>	<u>73,897</u>	<u>5,598</u>	<u>277,455</u>	<u>856,767</u>
Ending fund balances	<u>\$ 473,409</u>	<u>81,908</u>	<u>5,785</u>	<u>267,571</u>	<u>828,673</u>

**CITY OF WASILLA, ALASKA**  
Miscellaneous Projects Capital Project Fund  
Schedule of Expenditures by Project  
Year Ended June 30, 2008

Expenditures:	
Record retention project	\$ 25,259
City website	2,999
Homeland terror prevention tower	7,199
Mobile data network	954,763
Dispatch workstations	5,488
Police building air conditioning	73,107
Police station storage	13,773
Police Squad Room	20,314
COPS tower extension	45,196
ALMR COPS technology	273,056
Land acquisition	6,818
New maintenance shop	3,200
Bus facility	95,314
City hall parking	16,839
Library	17,535
Area master plan and study	51,658
Ballpark improvements	14,291
Bumpus recreation	4,003
Iditapark projects	39,635
Wasilla Lake park	701
Parks master plan	15,287
Smith ballfield	6,209
Other projects	25
	<u>\$ 1,692,669</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, 2008

(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Revenues:		
Lot sales	\$ 11,000	11,400
Investment income	<u>6,396</u>	<u>10,978</u>
Total revenues	17,396	22,378
Other financing uses - transfers out	<u>(3,000)</u>	<u>(10,978)</u>
Net change in fund balance	14,396	11,400
Beginning fund balance	<u>187,105</u>	<u>175,705</u>
Ending fund balance	\$ <u>201,501</u>	<u>187,105</u>

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## 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, 2008**  
(With Comparative Amounts for 2007)

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and investments	\$ 1,467,329	978,038
Receivables:		
Accounts	98,824	134,442
Allowance for doubtful accounts	(15,171)	(16,188)
Grants	137,848	565,164
Inventory	88,830	53,842
Prepaid expense	2,354	2,265
Total current assets	<u>1,780,014</u>	<u>1,717,563</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	11,260,211	11,161,618
Water tank and fence	6,565,877	6,565,877
Wells/well house	368,659	368,659
Equipment	247,511	226,719
Construction in progress	5,322,636	4,987,586
Total property, plant and equipment	23,914,064	23,459,629
Less accumulated depreciation	<u>(4,730,728)</u>	<u>(4,378,939)</u>
Net property, plant and equipment	<u>19,183,336</u>	<u>19,080,690</u>
Deferred charges, net of accumulated amortization	<u>11,882</u>	<u>12,263</u>
Total noncurrent assets	<u>19,195,218</u>	<u>19,092,953</u>
Total assets	<u>\$ 20,975,232</u>	<u>20,810,516</u>

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

<u>Liabilities and Net Assets</u>	<u>2008</u>	<u>2007</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	\$ 50,361	119,371
Accrued payroll and employee benefits	24,347	16,892
Accrued annual and sick leave	17,904	14,142
Customer deposits	57,225	49,292
Accrued interest	24,118	34,812
Revenue billed in advance	31,086	12,606
Current portion of ADEC loans	<u>213,455</u>	<u>213,455</u>
Total current liabilities	<u>418,496</u>	<u>460,570</u>
Long-term debt, net of current portion:		
ADEC loans	3,120,771	3,334,226
Net pension/OPEB obligation	<u>19,295</u>	<u>19,295</u>
Total long-term debt, net of current portion	<u>3,140,066</u>	<u>3,353,521</u>
Total liabilities	<u>3,558,562</u>	<u>3,814,091</u>
Net assets:		
Invested in capital assets, net of related debt	15,849,110	15,533,009
Unrestricted	<u>1,567,560</u>	<u>1,463,416</u>
Total net assets	<u>17,416,670</u>	<u>16,996,425</u>
Total liabilities and net assets	<u>\$ 20,975,232</u>	<u>20,810,516</u>

**CITY OF WASILLA, ALASKA**  
**Water Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2008**  
**(With Comparative Amounts for 2007)**

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Sales and user charges	\$ 777,626	749,780
Water meters	15,865	19,596
Total operating revenues	<u>793,491</u>	<u>769,376</u>
Operating expenses:		
Salaries	260,658	241,354
Employee benefits	138,244	114,344
Professional and technical services	33,824	51,259
Property services	56,616	35,027
Other purchased services	52,679	38,502
Supplies	134,006	132,062
Total operating expenses	<u>676,027</u>	<u>612,548</u>
Operating income before depreciation	117,464	156,828
Depreciation	<u>351,790</u>	<u>383,307</u>
Operating loss	<u>(234,326)</u>	<u>(226,479)</u>
Nonoperating revenues (expenses):		
Payments in lieu of assessments	92,230	61,642
Interest expense	(68,982)	(91,893)
Investment income	40,020	53,707
Sale of capital assets	322	-
Other revenue	141	-
State PERS relief	-	8,467
Net nonoperating revenues (expenses)	<u>63,731</u>	<u>31,923</u>
Loss before transfers and contributions	(170,595)	(194,556)
Transfers in	252,000	233,000
Transfers out	(11,500)	(11,500)
Capital contributions	<u>350,340</u>	<u>1,705,041</u>
Change in net assets	420,245	1,731,985
Beginning net assets	<u>16,996,425</u>	<u>15,264,440</u>
Ending net assets	\$ <u>17,416,670</u>	<u>16,996,425</u>

**CITY OF WASILLA, ALASKA**  
Water Utility Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2008  
(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 854,968	769,238
Payments to suppliers	(380,831)	(176,316)
Payments to employees	<u>(387,685)</u>	<u>(343,446)</u>
Net cash flows from operating activities	<u>86,452</u>	<u>249,476</u>
Cash flows from noncapital and related financing - transfers out	<u>(11,500)</u>	<u>(11,500)</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(293,131)	(307,485)
Payments in lieu of assessments received	92,230	61,642
Acquisition and construction of capital assets	(433,644)	(1,919,250)
Capital contributions received	756,864	1,405,131
Transfers in	<u>252,000</u>	<u>233,000</u>
Net cash flows from capital and related financing activities	<u>374,319</u>	<u>(526,962)</u>
Cash flows from investing activities -		
investment income received	<u>40,020</u>	<u>53,707</u>
Net increase (decrease) in cash and investments	489,291	(235,279)
Beginning cash and investments	<u>978,038</u>	<u>1,213,317</u>
Ending cash and investments	\$ <u>1,467,329</u>	<u>978,038</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(234,326)	(226,479)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation and amortization	352,171	383,688
Noncash expense - PERS relief	-	8,467
Other nonoperating revenues	463	-
Increase (decrease) in allowance for doubtful accounts	(1,017)	4,764
(Increase) decrease in assets:		
Accounts receivable	35,618	(23,017)
Inventory	(34,988)	(4,462)
Prepaid expense	(89)	(515)
Increase (decrease) in liabilities:		
Accounts payable	(69,010)	85,511
Revenue billed in advance	18,480	384
Accrued payroll and employee benefits	7,455	2,028
Accrued annual and sick leave	3,762	1,757
Customer deposits	<u>7,933</u>	<u>17,350</u>
Net cash flows from operating activities	\$ <u>86,452</u>	<u>249,476</u>
Noncash capital and related financing activities -		
Equipment received from general government	\$ <u>20,792</u>	<u>-</u>



**CITY OF WASILLA, ALASKA**  
**Sewer Utility Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2008**  
(With Comparative Amounts for 2007)

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and investments	\$ 1,147,415	1,131,819
Receivables:		
Accounts	75,948	79,820
Allowance for doubtful accounts	(12,923)	(13,245)
Grants	2,716	3,042
Special assessments	5,083	8,251
Prepaid expense	2,355	2,257
Inventory	<u>94,563</u>	<u>91,037</u>
Total current assets	<u>1,315,157</u>	<u>1,302,981</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	657,810	657,810
Building	143,456	-
Treatment system	8,080,804	8,080,804
Collection/distribution system	9,005,325	8,989,384
Equipment	5,136,683	5,117,783
Construction in progress	<u>131,324</u>	<u>210,650</u>
Total property, plant and equipment	23,155,402	23,056,431
Less accumulated depreciation	<u>(8,689,822)</u>	<u>(8,328,267)</u>
Net property, plant and equipment	<u>14,465,580</u>	<u>14,728,164</u>
Total assets	<u>\$ 15,780,737</u>	<u>16,031,145</u>

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

<u>Liabilities and Net Assets</u>	<u>2008</u>	<u>2007</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 14,817	12,348
Accrued payroll and employee benefits	23,051	17,053
Accrued annual and sick leave	34,154	27,609
Customer deposits	2,126	2,450
Accrued interest	2,500	2,665
Current portion:		
Special assessment bonds	8,471	8,471
ADEC loans	17,248	17,247
Total current liabilities	<u>102,367</u>	<u>87,843</u>
Long-term debt, net of current portion:		
Special assessment bonds	7,112	15,583
ADEC loans	244,056	261,305
Net pension/OPEB obligation	26,054	26,054
Total long-term debt, net of current portion	<u>277,222</u>	<u>302,942</u>
Total liabilities	<u>379,589</u>	<u>390,785</u>
Net assets:		
Invested in capital assets, net of related debt	14,188,693	14,425,558
Unrestricted	<u>1,212,455</u>	<u>1,214,802</u>
Total net assets	<u>15,401,148</u>	<u>15,640,360</u>
Total liabilities and net assets	<u>\$ 15,780,737</u>	<u>16,031,145</u>

**CITY OF WASILLA, ALASKA**  
**Sewer Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2008**  
**(With Comparative Amounts for 2007)**

	<u>2008</u>	<u>2007</u>
Operating revenues - sales and user charges	\$ <u>678,897</u>	<u>673,985</u>
Operating expenses:		
Salaries	279,053	270,373
Employee benefits	143,966	124,020
Professional and technical services	7,199	33,652
Property services	31,121	31,731
Other purchased services	33,960	37,492
Supplies	<u>181,663</u>	<u>198,271</u>
Total operating expenses	<u>676,962</u>	<u>695,539</u>
Operating income (loss) before depreciation	1,935	(21,554)
Depreciation	<u>361,555</u>	<u>373,685</u>
Operating loss	(359,620)	(395,239)
Nonoperating revenues (expenses):		
Payments in lieu of assessments	32,562	54,186
Interest expense	(5,101)	(6,145)
Investment income	37,003	63,338
Other revenue	460	2,738
State PERS relief	<u>-</u>	<u>11,010</u>
Net nonoperating revenues (expenses)	<u>64,924</u>	<u>125,127</u>
Loss before transfers and contributions	(294,696)	(270,112)
Transfers in	40,000	53,000
Transfers out	(16,500)	(16,500)
Capital contributions	<u>31,984</u>	<u>14,080</u>
Change in net assets	(239,212)	(219,532)
Beginning net assets	<u>15,640,360</u>	<u>15,859,892</u>
Ending net assets	\$ <u>15,401,148</u>	<u>15,640,360</u>

CITY OF WASILLA, ALASKA  
Sewer Utility Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2008  
(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 682,583	671,176
Payments to suppliers	(255,098)	(302,563)
Payments to employees	(410,476)	(387,608)
Net cash flows from operating activities	<u>17,009</u>	<u>(18,995)</u>
Cash flows from noncapital and related financing - transfers out	<u>(16,500)</u>	<u>(16,500)</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(30,985)	(32,058)
Special assessments received	3,168	1,048
Payments in lieu of assessments received	32,562	54,186
Acquisition and construction of capital assets	(80,071)	(35,608)
Capital contributions received	13,410	11,038
Transfers in	40,000	53,000
Net cash flows from capital and related financing activities	<u>(21,916)</u>	<u>51,606</u>
Cash flows from investing activities:		
Investment income received	37,003	63,338
Principal payments received on notes receivable	-	3,711
Net cash flows from investing activities	<u>37,003</u>	<u>67,049</u>
Net increase in cash and investments	15,596	83,160
Beginning cash and investments	<u>1,131,819</u>	<u>1,048,659</u>
Ending cash and investments	\$ <u>1,147,415</u>	<u>1,131,819</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(359,620)	(395,239)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation	361,555	373,685
Noncash expense - PERS relief	-	11,010
Other nonoperating revenues	460	2,738
Increase (decrease) in allowance for doubtful accounts	(322)	3,898
(Increase) decrease in assets:		
Accounts receivable	3,872	(496)
Inventory	(3,526)	(6,045)
Prepaid expense	(98)	(507)
Increase (decrease) in liabilities:		
Accounts payable	2,469	5,135
Accrued payroll and employee benefits	5,998	(1,852)
Accrued annual and sick leave	6,545	(2,373)
Customer deposits	(324)	(8,949)
Net cash flows from operating activities	\$ <u>17,009</u>	<u>(18,995)</u>
Noncash capital and related financing activities -		
Equipment received from general government	\$ <u>18,900</u>	<u>-</u>

**CITY OF WASILLA, ALASKA**  
**Municipal Airport Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2008**  
(With Comparative Amounts for 2007)

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and investments	\$ -	179,798
Receivables:		
Accounts	500	310
Grants	366,685	413,333
Total current assets	<u>367,185</u>	<u>593,441</u>
Noncurrent assets - property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	12,379,631	7,888,717
Buildings	21,744	21,744
Equipment	440,664	648,164
Construction in progress	1,148,142	3,839,159
Total property, plant and equipment	15,460,181	13,867,784
Less accumulated depreciation	<u>(4,142,745)</u>	<u>(4,026,785)</u>
Net property, plant and equipment	<u>11,317,436</u>	<u>9,840,999</u>
Total assets	\$ <u>11,684,621</u>	<u>10,434,440</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	13,797	243,564
Accrued payroll and employee benefits	1,375	1,004
Accrued annual and sick leave	1,929	1,853
Revenue billed in advance	6,140	9,030
Due to other funds	70,767	-
Total current liabilities	94,008	255,451
Net pension/OPEB obligation	897	897
Total liabilities	<u>94,905</u>	<u>256,348</u>
Net assets:		
Invested in capital assets	11,317,436	9,840,999
Unrestricted	272,280	337,093
Total net assets	<u>11,589,716</u>	<u>10,178,092</u>
Total liabilities and net assets	\$ <u>11,684,621</u>	<u>10,434,440</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2008  
(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Operating revenues - fees and rentals	\$ <u>70,293</u>	<u>67,902</u>
Operating expenses:		
Salaries	15,926	17,592
Employee benefits	8,361	8,474
Professional and technical services	1,527	2,750
Property services	43,615	35,508
Other purchased services	34,905	29,188
Supplies	<u>31,744</u>	<u>27,454</u>
Total operating expenses	<u>136,078</u>	<u>120,966</u>
Operating loss before depreciation	(65,785)	(53,064)
Depreciation	<u>337,249</u>	<u>337,248</u>
Operating loss	(403,034)	(390,312)
Nonoperating revenues (expenses):		
Investment expense	(8,150)	(32,223)
Sale of capital assets	6,945	-
Sales tax revenue	718	-
Other income	58	-
State PERS relief	<u>-</u>	<u>553</u>
Net nonoperating revenues (expenses)	<u>(429)</u>	<u>(31,670)</u>
Loss before transfers and contributions	(403,463)	(421,982)
Transfers in	87,618	196,853
Capital contributions	<u>1,727,469</u>	<u>2,763,995</u>
Change in net assets	1,411,624	2,538,866
Beginning net assets	<u>10,178,092</u>	<u>7,639,226</u>
Ending net assets	\$ <u>11,589,716</u>	<u>10,178,092</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2008  
(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 67,989	72,853
Payments to suppliers	(341,558)	(43,772)
Payments to employees	(23,840)	(26,028)
Net cash flows from operating activities	<u>(297,409)</u>	<u>3,053</u>
Cash flows from noncapital financing activities - transfers in	<u>79,493</u>	<u>76,384</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,813,686)	(2,840,052)
Proceeds from sale of capital assets	6,945	-
Capital contributions received	1,774,117	3,293,256
Transfers in	8,125	120,469
Increase (decrease) in due to other funds	70,767	(441,089)
Interest paid on internal borrowing	(8,150)	(32,223)
Net cash flows from capital and related financing activities	<u>38,118</u>	<u>100,361</u>
Net increase (decrease) in cash and investments	(179,798)	179,798
Beginning cash and investments	<u>179,798</u>	<u>-</u>
Ending cash and investments	\$ <u>-</u>	<u>179,798</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(403,034)	(390,312)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation	337,249	337,248
Other nonoperating revenues	776	-
Noncash expense - PERS relief	-	553
(Increase) decrease in accounts receivable	(190)	446
Increase (decrease) in liabilities:		
Accounts payable	(229,767)	51,128
Revenue billed in advance	(2,890)	4,505
Accrued payroll and employee benefits	371	(634)
Accrued annual and sick leave	76	119
Net cash flows from operating activities	\$ <u>(297,409)</u>	<u>3,053</u>

**CITY OF WASILLA, ALASKA**  
Multi-Use Sports Complex Enterprise Fund  
Statement of Net Assets  
June 30, 2008  
(With Comparative Amounts for 2007)

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and investments	\$ 701,688	666,227
Receivables:		
Sales taxes	238,074	228,114
Accounts	11,631	7,770
Grants	262,089	300
Prepaid expense	-	63
Total current assets	<u>1,213,482</u>	<u>902,474</u>
Noncurrent assets:		
Restricted cash - bond redemption	<u>2,385,506</u>	<u>1,683,906</u>
Property, plant and equipment:		
Land	1,771,990	1,771,990
Buildings	15,122,882	15,122,883
Equipment	267,700	257,714
Construction in progress	590,958	229,629
Total property, plant and equipment	<u>17,753,530</u>	<u>17,382,216</u>
Less accumulated depreciation	<u>(1,347,857)</u>	<u>(1,004,889)</u>
Net property, plant and equipment	<u>16,405,673</u>	<u>16,377,327</u>
Total noncurrent assets	<u>18,791,179</u>	<u>18,061,233</u>
Total assets	<u>\$ 20,004,661</u>	<u>18,963,707</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	258,890	23,752
Accrued payroll and employee benefits	25,145	18,936
Accrued annual and sick leave	28,354	24,079
Customer deposits	-	5,000
Accrued interest	82,892	97,842
Unearned revenue	7,000	9,651
Legal settlement payable	368,270	1,027,028
Current portion of general obligation bonds	<u>1,645,000</u>	<u>1,495,000</u>
Total current liabilities	<u>2,415,551</u>	<u>2,701,288</u>
Long-term debt, net of current portion:		
General obligation bonds	5,970,000	7,615,000
Unamortized bond premium	47,367	56,840
Net pension/OPEB obligation	20,057	20,057
Total long-term debt, net of current portion	<u>6,037,424</u>	<u>7,691,897</u>
Total liabilities	<u>8,452,975</u>	<u>10,393,185</u>
Net assets:		
Invested in capital assets, net of related debt	8,743,306	7,210,487
Restricted for debt service	2,914,497	2,178,513
Unrestricted (deficit)	<u>(106,117)</u>	<u>(818,478)</u>
Total net assets	<u>11,551,686</u>	<u>8,570,522</u>
Total liabilities and net assets	<u>\$ 20,004,661</u>	<u>18,963,707</u>



**CITY OF WASILLA, ALASKA**  
**Multi-Use Sports Complex Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2008**  
**(With Comparative Amounts for 2007)**

	<u>2008</u>	<u>2007</u>
Operating revenues - fees and rentals	\$ <u>688,958</u>	<u>728,117</u>
Operating expenses:		
Salaries	356,605	338,870
Employee benefits	144,649	124,646
Professional and technical services	27,573	2,595
Property services	68,100	46,084
Other purchased services	77,884	74,696
Supplies	<u>315,014</u>	<u>309,183</u>
Total operating expenses	<u>989,825</u>	<u>896,074</u>
Operating loss before depreciation	(300,867)	(167,957)
Depreciation	<u>342,968</u>	<u>342,968</u>
Operating loss	(643,835)	(510,925)
Nonoperating revenues (expenses):		
Sales tax revenue	2,597,929	2,414,673
Interest expense	(366,945)	(420,286)
Investment income	88,933	88,356
Sale of capital assets	433	-
Other revenue	250	-
Litigation expense	(428,406)	-
Sports complex master plan	(35,372)	-
State PERS relief	-	8,007
Net nonoperating revenues (expenses)	<u>1,856,822</u>	<u>2,090,750</u>
Income before transfers and contributions	1,212,987	1,579,825
Transfers in	1,409,871	313,588
Transfers out	(6,500)	(6,500)
Capital contributions	<u>364,806</u>	<u>229,630</u>
Change in net assets	2,981,164	2,116,543
Beginning net assets	<u>8,570,522</u>	<u>6,453,979</u>
Ending net assets	\$ <u>11,551,686</u>	<u>8,570,522</u>

**CITY OF WASILLA, ALASKA**  
**Multi-Use Sports Complex Enterprise Fund**  
**Statement of Cash Flows**  
**Year Ended June 30, 2008**  
(With Comparative Amounts for 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 678,129	724,411
Payments to suppliers	(348,878)	(416,500)
Payments to employees	(490,770)	(451,550)
Net cash flows from operating activities	<u>(161,519)</u>	<u>(143,639)</u>
Cash flows from noncapital financing activities:		
Transfers in	1,409,871	313,588
Transfers out	(6,500)	(6,500)
Net cash flows from noncapital financing activities	<u>1,403,371</u>	<u>307,088</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(1,886,368)	(1,807,557)
Acquisition and construction of capital assets	(361,329)	(493,843)
Capital contributions received	93,032	229,330
Sales tax revenue received	2,587,969	2,409,769
Legal settlement paid (capitalized)	(1,027,028)	-
Net cash flows from capital and related financing activities	<u>(593,724)</u>	<u>337,699</u>
Cash flows from investing activities -		
investment income received	<u>88,933</u>	<u>88,356</u>
Net increase in cash and investments	737,061	589,504
Beginning cash and investments	<u>2,350,133</u>	<u>1,760,629</u>
Ending cash and investments	\$ <u>3,087,194</u>	<u>2,350,133</u>
Reconciliation of cash and investments to balance sheet:		
Cash and investments	701,688	666,227
Restricted cash and investments	<u>2,385,506</u>	<u>1,683,906</u>
	\$ <u>3,087,194</u>	<u>2,350,133</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(643,835)	(510,925)
Adjustments to reconcile operating loss to net cash flows		
provided (used) by operating activities:		
Depreciation	342,968	342,968
Noncash expense - PERS relief	-	8,007
Other nonoperating revenues	683	-
Other nonoperating expenses	(463,778)	-
(Increase) decrease in assets:		
Accounts receivable	(3,861)	(7,770)
Prepaid expense	63	(63)
Increase (decrease) in liabilities:		
Accounts payable	235,138	16,121
Accrued payroll and employee benefits	6,209	1,688
Accrued annual and sick leave	4,275	2,271
Customer deposits	(5,000)	5,000
Unearned revenue	(2,651)	(936)
Legal settlement payable (not capitalized)	368,270	-
Net cash flows from operating activities	\$ <u>(161,519)</u>	<u>(143,639)</u>
Noncash capital and related financing activities:		
Increase in land and legal settlement payable	\$ -	<u>1,027,028</u>
Equipment received from general government	\$ 9,985	-

**CITY OF WASILLA, ALASKA**  
Capital Assets  
Schedule of Governmental Capital Assets  
June 30, 2008

## Capital assets:

Land	\$ 4,647,598
Buildings	6,322,649
Office furniture and equipment	2,865,147
Vehicles and equipment	2,560,022
Infrastructure	22,630,464
Construction in progress	<u>2,074,182</u>
 Total capital assets	 \$ <u>41,100,062</u>

## CITY OF WASILLA, ALASKA

## Capital Assets

## Schedule of Governmental Capital Assets by Function and Activity

June 30, 2008

	<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	\$ -	-	-	45,493	-	-	45,493
City Council	-	-	136,118	-	-	-	136,118
Finance	-	-	475,799	18,708	-	-	494,507
Nondepartmental	<u>1,119,041</u>	<u>1,361,501</u>	<u>9,229</u>	<u>-</u>	<u>-</u>	<u>9,123</u>	<u>2,498,894</u>
Total general government	<u>1,119,041</u>	<u>1,361,501</u>	<u>621,146</u>	<u>64,201</u>	<u>-</u>	<u>9,123</u>	<u>3,175,012</u>
Public safety	<u>600,000</u>	<u>1,251,936</u>	<u>2,181,013</u>	<u>1,465,340</u>	<u>-</u>	<u>1,259,699</u>	<u>6,757,988</u>
Public works:							
Public works	81,305	1,979,590	6,945	317,714	-	181,439	2,566,993
Streets	<u>1,958,534</u>	<u>-</u>	<u>-</u>	<u>533,943</u>	<u>22,630,464</u>	<u>343,274</u>	<u>25,466,215</u>
Total public works	<u>2,039,839</u>	<u>1,979,590</u>	<u>6,945</u>	<u>851,657</u>	<u>22,630,464</u>	<u>524,713</u>	<u>28,033,208</u>
Culture and recreation:							
Museum	90,650	120,232	19,539	-	-	-	230,421
Recreation services	783,068	751,404	-	178,824	-	202,647	1,915,943
Library	<u>15,000</u>	<u>857,986</u>	<u>36,504</u>	<u>-</u>	<u>-</u>	<u>78,000</u>	<u>987,490</u>
Total culture and recreation	<u>888,718</u>	<u>1,729,622</u>	<u>56,043</u>	<u>178,824</u>	<u>-</u>	<u>280,647</u>	<u>3,133,854</u>
Total capital assets allocated to functions	\$ <u>4,647,598</u>	<u>6,322,649</u>	<u>2,865,147</u>	<u>2,560,022</u>	<u>22,630,464</u>	<u>2,074,182</u>	<u>41,100,062</u>

## CITY OF WASILLA, ALASKA

## Capital Assets

Schedule of Changes in Governmental Capital Assets by Function and Activity  
Year Ended June 30, 2008

	Capital Assets July 1, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Capital Assets June 30, <u>2008</u>
General government:				
Administration	\$ 58,354	-	12,861	45,493
City Council	136,118	-	-	136,118
Finance	475,799	18,708	-	494,507
Nondepartmental	<u>2,498,894</u>	<u>-</u>	<u>-</u>	<u>2,498,894</u>
Total general government	<u>3,169,165</u>	<u>18,708</u>	<u>12,861</u>	<u>3,175,012</u>
Public safety	<u>5,352,855</u>	<u>1,873,969</u>	<u>468,836</u>	<u>6,757,988</u>
Public works:				
Public works	2,350,247	1,957,487	1,740,741	2,566,993
Streets	<u>25,333,251</u>	<u>273,992</u>	<u>141,028</u>	<u>25,466,215</u>
Total public works	<u>27,683,498</u>	<u>2,231,479</u>	<u>1,881,769</u>	<u>28,033,208</u>
Culture and recreation:				
Museum	230,421	-	-	230,421
Recreation services	1,859,060	73,873	16,990	1,915,943
Library	<u>969,955</u>	<u>17,535</u>	<u>-</u>	<u>987,490</u>
Total culture and recreation	<u>3,059,436</u>	<u>91,408</u>	<u>16,990</u>	<u>3,133,854</u>
Total capital assets	\$ <u>39,264,954</u>	<u>4,215,564</u>	<u>2,380,456</u>	<u>41,100,062</u>

**CITY OF WASILLA, ALASKA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

Name of Award	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	July 1, 2007 Receivable (Deferred)	Federal Share of Expenditures	Federal Receipts	June 30, 2008 Receivable (Deferred)
<b>DEPARTMENT OF TRANSPORTATION</b>							
Wasilla Airport Apron Improvement Phase 1A	AIP3-02-0417-2004	20.106	\$ 1,996,880	66,101	-	66,101	-
Wasilla Airport Engineer Design Phase 1C	AIP3-02-0417-2005	20.106	250,000	37,050	8,545	45,595	-
Construct Apron Improvements Phase 1C	3-02-0417-012-2006	20.106	3,672,748	83,175	815,775	596,378	302,572
Construct Taxiway B	3-02-0417-013-2007	20.106	1,052,877	192,048	853,330	1,033,852	11,526
Snow Removal Equipment Building	AIP 3-02-0417-014-2008	20.106	1,409,818	-	615	-	615
Wasilla Bus Facility	AK-03-0057-00	20.500	1,394,018	35,585	74,343	109,928	-
Passed through the State of Alaska Department of Transportation and Public Facilities:							
Wasilla Police Traffic Grant	57870	20.600	19,072	763	-	763	-
ASTEP Impaired Overtime Enforcement	154AL 07 14 01	20.607	32,650	7,534	4,414	11,948	-
ASTEP Seatbelt Overtime Enforcement	406 K4 07-10-02	20.602	18,900	4,699	3,133	7,832	-
ASTEP Seatbelt Overtime Enforcement	402OP 08-04-03	20.602	19,800	-	17,042	14,610	2,432
ASTEP DUI Enforcement	154AL 08-00-01	20.607	29,150	-	20,136	18,941	1,195
Lifesavers Conference	402OP 08-04-04	20.600	1,450	-	1,450	-	1,450
Law Enforcement Liaison	410K8 08-01-01	20.601	13,358	-	5,727	4,131	1,596
Total Department of Transportation				<u>426,955</u>	<u>1,804,510</u>	<u>1,910,079</u>	<u>321,386</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
South Mack and Water Main Extension	XP-97048001-0	66.606	1,455,000	-	-	-	-
Garden Terrace Water Main Extension	XP-96002201-0	66.202	892,000	156,808	118,512	203,706	71,614
Total Environmental Protection Agency				<u>156,808</u>	<u>118,512</u>	<u>203,706</u>	<u>71,614</u>
<b>DEPARTMENT OF JUSTICE</b>							
COPS Universal Hiring Grant	2004UMWX0134	16.710	75,000	5,000	17,500	22,500	-
COPS Law Enforcement Technology	2006CKWX0220	16.710	148,084	13,037	45,196	38,233	20,000
Public Safety Mobile Data Network	2005CKWX0057	16.710	986,643	5,040	954,763	959,803	-
Edward Byrne Memorial	2007-DJ-BX-0734	16.738	32,178	-	29,906	22,364	7,542
Passed through the State of Alaska:							
Department of Health and Social Services:							
Youth Court and Community Panels	609-07-086	16.541	26,521	2,366	-	2,366	-
Youth Court and Community Panels	609-08-086	16.541	19,729	-	19,729	13,797	5,932
Department of Public Safety -							
Asset Forfeiture	05-16835	16.000	126,806	-	51,043	126,806	(75,763)
Passed through the Matanuska-Susitna Borough -							
2005 COPS ALMR Project	2005CKWX0056	16.710	279,737	-	273,056	263,615	9,441
Total Department of Justice				<u>25,443</u>	<u>1,391,193</u>	<u>1,449,484</u>	<u>(32,848)</u>
<b>DEPARTMENT OF AGRICULTURE</b>							
Passed through the State of Alaska							
Department of Natural Resources:							
FY07 Arbor Day	FY07 Arbor Day	10.664	2,000	2,000	-	2,000	-
FY08 Arbor Day	FY08 Arbor Day	10.664	1,000	-	980	-	980
Total Department of Agriculture				<u>2,000</u>	<u>980</u>	<u>2,000</u>	<u>980</u>
<b>INSTITUTE OF MUSEUMS AND LIBRARIES</b>							
Museum Assessment Program	IM-03-05-0152-05	45.302	3,820	(1,170)	1,170	-	-
Passed through the State of Alaska							
Department of Education and Early Development:							
Continuing Education Grant	ILC-08-787-146g	45.310	1,500	-	1,500	1,500	-
Continuing Education Grant	CED-08-787-164	45.310	969	-	969	969	-
Total Institute of Museums and Libraries				<u>(1,170)</u>	<u>3,639</u>	<u>2,469</u>	<u>-</u>
<b>DEPARTMENT OF EDUCATION</b>							
Passed through the State of Alaska							
Department of Education and Early Development:							
Governor's Drug & Violence Prevention	DA 08.057.01	84.186B	51,000	-	50,878	48,134	2,744
Governor's Drug & Violence Prevention	DA 07.057.01	84.186B	40,000	10,000	-	10,000	-
Total Department of Education				<u>10,000</u>	<u>50,878</u>	<u>58,134</u>	<u>2,744</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$</b>	<u>620,036</u>	<u>3,369,712</u>	<u>3,625,872</u>	<u>363,876</u>

**CITY OF WASILLA, ALASKA**  
**Schedule of State Financial Assistance**  
**Year Ended June 30, 2008**

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>July 1, 2007 Receivable (Deferred)</u>	<u>State Share of Expenditures</u>	<u>State Receipts</u>	<u>June 30, 2008 Receivable (Deferred)</u>
<b>DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT</b>						
* Municipal Energy Assistance Program	N/A	\$ 393,279	-	393,279	393,279	-
Community Projects & Improvements	05-MG-046	6,096	2,037	1,585	3,622	-
Community Projects & Improvements	03-MG-064	45,000	-	10,004	-	10,004
Design of an Extension of East Susitna Avenue	06-DC-351	125,000	769	-	769	-
Mission Hills Water Line Extension	06-DC-350	500,000	21,523	36,311	39,006	18,828
Pal-Was Water Improvements Phase 3 and Bumpus Well No. 2	07-DC-276	500,000	119,987	15,981	135,968	-
* Sports Complex Emergency Generators and Kitchen	06-DC-174	600,000	-	167,710	50,951	116,759
* Sports Complex Kitchen	08-DC-390	630,000	-	114,858	-	114,858
Sports Complex Portable Floor	07-DC-279	75,000	300	-	300	-
Sports Complex Parking Lot Paving	07-DC-278	250,000	(201)	41,780	41,579	-
Sports Complex Emergency Generators and Kitchen	08-RR-030	260,000	-	30,472	-	30,472
Sexual Abuse Task Force Investigator	07-DC-277	75,000	20,051	-	20,051	-
* Child Abuse Investigator	08-DC-388	75,000	-	75,000	75,000	-
Drug Enforcement Position	07-DC-274	70,000	17,500	-	17,500	-
* Drug Enforcement Position	08-DC-389	75,000	-	75,000	75,000	-
Total Department of Commerce, Community and Economic Development			181,966	961,980	853,025	290,921
<b>DEPARTMENT OF ENVIRONMENTAL CONSERVATION</b>						
Storm Water Pumping and Treatment Facility	90510	1,975,357	197,535	-	197,535	-
Water Main Improvement Program	90516	449,700	44,970	-	44,970	-
Sewer Treatment Plant Expansion Engineering	90520	27,164	3,042	13,084	13,410	2,716
Water Main Improvement Program Phase 2 and 3	90518	945,100	94,509	1	94,510	-
* Garden Terrace Water Main Extension Phase 2	90519	2,361,000	127,368	137,444	236,506	28,306
Total Department of Environmental Conservation			467,424	150,529	586,931	31,022
<b>DEPARTMENT OF REVENUE</b>						
* Electric & Telephone Co-op Tax	N/A	237,191	-	237,191	-	237,191
Revenue Sharing FY07 Aviation Fuel	N/A	1,069	1,069	-	1,069	-
Revenue Sharing FY08 Aviation Fuel	N/A	841	-	841	-	841
Revenue Share Liquor License FY08	N/A	22,700	-	22,700	6,900	15,800
Revenue Share Liquor License FY07	N/A	20,700	17,000	-	17,000	-
Shared Fisheries	N/A	128	-	128	128	-
Total Department of Revenue			18,069	260,860	25,097	253,832
<b>DEPARTMENT OF HEALTH AND SOCIAL SERVICES</b>						
Youth Court and Community Panels FY08	609-08-086	25,271	-	25,271	17,703	7,568
Youth Court and Community Panels FY07	609-07-086	25,271	2,064	-	2,064	-
Total Department of Health and Social Services			2,064	25,271	19,767	7,568
<b>DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES</b>						
2008 Police Work Plan - Construction Zone Enforcement	N/A	50,000	-	17,742	8,319	9,423
2007 Police Work Plan - Construction Zone Enforcement	N/A	50,000	-	25,964	25,964	-
Church Road South Extension	56560	1,121,625	709	-	-	709
Wasilla Airport FY04 AIP 3-02-0417-2004	57588 AIP	52,549	27,622	-	27,622	-
Wasilla Airport FY05 AIP 3-02-0417-011-2005	58679	6,579	7,339	225	-	7,564
Construction Apron Phase 2	59866	103,884	(4,570)	21,468	-	16,898
Construct Taxiway B	50949	27,707	-	27,510	-	27,510
Total Department of Transportation and Public Facilities			31,100	92,909	61,905	62,104
<b>DEPARTMENT OF MILITARY AND VETERAN AFFAIRS</b>						
SECC After-Hours Answering Point	GF2007001	25,000	6,250	-	6,250	-
SECC After-Hours Answering Point	GF2008001	25,000	-	25,000	18,750	6,250
Total Department of Military and Veteran Affairs			6,250	25,000	25,000	6,250
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Asset foreclosure	N/A	11,707	(5,453)	4,730	-	(723)
<b>DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT</b>						
Public Library Assistance Grant	PLA-07-787-85	6,350	-	6,350	6,350	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		\$	701,420	1,527,629	1,578,075	650,974

\* Major Programs

# CITY OF WASILLA, ALASKA

## Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2008

### Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of City of Wasilla and are presented on the modified accrual basis of accounting. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.



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**STATISTICAL SECTION**

## CITY OF WASILLA

This part of the City of Wasilla's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Context

Page

### Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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### Revenue Capacity

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### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**CITY OF WASILLA**  
**Net Assets by Component**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 17,095,906	20,799,331	23,130,317	24,224,874	25,066,933
Unrestricted	<u>8,363,327</u>	<u>8,582,004</u>	<u>8,728,564</u>	<u>8,892,421</u>	<u>8,643,361</u>
<b>Total governmental activities net assets</b>	<b>\$ <u>25,459,233</u></b>	<b><u>29,381,335</u></b>	<b><u>31,858,881</u></b>	<b><u>33,117,295</u></b>	<b><u>33,710,294</u></b>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 33,769,762	37,833,931	40,517,807	47,010,053	50,098,545
Restricted	551,244	1,010,688	1,549,126	2,178,513	2,914,497
Unrestricted	<u>3,264,705</u>	<u>3,253,754</u>	<u>3,150,604</u>	<u>2,196,833</u>	<u>2,946,178</u>
<b>Total business-type activities net assets</b>	<b>\$ <u>37,585,711</u></b>	<b><u>42,098,373</u></b>	<b><u>45,217,537</u></b>	<b><u>51,385,399</u></b>	<b><u>55,959,220</u></b>
<b>Total activities:</b>					
Invested in capital assets, net of related debt	\$ 50,865,668	58,633,262	63,648,124	71,234,927	75,165,478
Restricted	551,244	1,010,688	1,549,126	2,178,513	2,914,497
Unrestricted	<u>11,628,032</u>	<u>11,835,758</u>	<u>11,879,168</u>	<u>11,089,254</u>	<u>11,589,539</u>
<b>Total net assets</b>	<b>\$ <u>63,044,944</u></b>	<b><u>71,479,708</u></b>	<b><u>77,076,418</u></b>	<b><u>84,502,694</u></b>	<b><u>89,669,514</u></b>

**CITY OF WASILLA**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,794,203	2,050,929	2,053,904	2,631,085	2,818,033
Public safety	2,592,610	3,692,121	4,483,195	5,142,112	5,761,075
Public works	2,028,541	2,254,234	2,746,502	2,682,130	2,925,326
Cultural and recreation	1,245,813	1,314,516	1,387,867	1,529,659	1,621,844
Interest on long-term debt	230,014	239,298	232,958	154,562	186,416
Total governmental activities expenses	<u>7,891,181</u>	<u>9,551,098</u>	<u>10,904,426</u>	<u>12,139,548</u>	<u>13,312,694</u>
Business-type activities:					
Water Utility	746,930	946,892	948,453	1,087,748	1,096,799
Sewer Utility	890,619	967,021	986,383	1,075,369	1,043,618
Municipal Airport	404,940	434,727	456,878	490,437	481,477
Multi-Use Sports Complex	382,024	1,613,148	1,613,022	1,659,328	2,162,833
Total business-type activities expenses	<u>2,424,513</u>	<u>3,961,788</u>	<u>4,004,736</u>	<u>4,312,882</u>	<u>4,784,727</u>
Total expenses	<u>\$ 10,315,694</u>	<u>13,512,886</u>	<u>14,909,162</u>	<u>16,452,430</u>	<u>18,097,421</u>
<b>Program Revenues</b>					
Governmental activities:					
Fees, fines & charges for services:					
General government	\$ 46,632	84,850	52,967	34,274	36,778
Public safety	66,492	1,165,503	1,394,672	1,557,226	1,697,437
Public works	35,400	554,450	100	-	19,145
Cultural and recreation	26,240	396,564	416,794	12,776	338,462
Operating grants and contributions	787,076	364,245	293,038	747,346	513,374
Capital grants and contributions	2,704,812	2,835,696	2,053,199	730,639	1,382,910
Total governmental activities program revenues	<u>3,666,652</u>	<u>5,401,308</u>	<u>4,210,770</u>	<u>3,082,261</u>	<u>3,988,106</u>
Business-type activities:					
Water Utility	688,170	743,673	764,216	769,376	793,491
Sewer Utility	642,068	642,553	656,759	673,985	678,897
Municipal Airport	44,180	56,047	66,225	67,902	70,293
Multi-Use Sports Complex	63,599	576,555	642,091	728,117	688,958
Capital grants and contributions	1,726,849	3,196,010	1,906,555	4,828,574	2,599,391
Total business-type activities program revenues	<u>3,164,866</u>	<u>5,214,838</u>	<u>4,035,846</u>	<u>7,067,954</u>	<u>4,831,030</u>
Total primary government program revenues	<u>\$ 6,831,518</u>	<u>10,616,146</u>	<u>8,246,616</u>	<u>10,150,215</u>	<u>8,819,136</u>
Net (expenses)/revenue:					
Governmental activities	\$ (746,930)	(946,892)	(6,693,656)	(9,057,287)	(9,324,588)
Business-type activities	-	-	31,110	2,755,072	46,303
Total primary government net expenses	<u>\$ (746,930)</u>	<u>(946,892)</u>	<u>(6,662,546)</u>	<u>(6,302,215)</u>	<u>(9,278,285)</u>

**CITY OF WASILLA**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**  
 continued

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Sales taxes	\$ 7,659,612	8,346,749	8,976,284	9,658,193	10,386,206
Property taxes	235,621	179,547	194,627	2,722	300
Vehicle taxes	95,145	100,725	91,630	96,190	101,620
Grants and entitlements not restricted to a specific purpose	333,124	226,516	376,984	773,246	654,011
Investment earnings	76,293	176,928	181,753	457,286	507,334
Other	123,614	121,429	25,213	90,005	23,105
Transfers	<u>(1,108,823)</u>	<u>(1,080,002)</u>	<u>(675,289)</u>	<u>(761,941)</u>	<u>(1,754,989)</u>
Total governmental activities	<u>7,414,586</u>	<u>8,071,892</u>	<u>9,171,202</u>	<u>10,315,701</u>	<u>9,917,587</u>
Business-type activities:					
Taxes	1,880,477	2,087,056	2,244,071	2,414,673	2,597,929
Payments in lieu of assessments	92,367	-	-	-	-
Grants and entitlements not restricted to a specific purpose	-	-	25,628	28,037	-
Investment earnings	10,773	65,450	143,066	205,401	165,956
Other	35,930	27,104	-	2,738	8,644
Transfers	<u>1,108,823</u>	<u>1,080,002</u>	<u>675,289</u>	<u>761,941</u>	<u>1,754,989</u>
Total business-type activities	<u>3,128,370</u>	<u>3,259,612</u>	<u>3,088,054</u>	<u>3,412,790</u>	<u>4,527,518</u>
Total primary government	10,542,956	11,331,504	12,259,256	13,728,491	14,445,105
<b>Changes in Net Assets</b>					
Governmental activities	3,190,057	8,071,892	2,477,546	1,258,414	592,999
Business-type activities	<u>3,868,723</u>	<u>3,259,612</u>	<u>3,119,164</u>	<u>6,167,862</u>	<u>4,573,821</u>
Total primary government	<u>\$ 7,058,780</u>	<u>11,331,504</u>	<u>5,596,710</u>	<u>7,426,276</u>	<u>5,166,820</u>

**CITY OF WASILLA**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund:</b>										
Reserved	\$ 162,943	255,479	225,465	190,173	227,553	183,998	164,753	618,526	550,401	510,545
Unreserved	4,694,445	4,237,415	4,676,505	4,417,739	4,562,994	5,319,647	5,383,604	5,201,696	5,560,456	5,496,611
<b>Total General Fund</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>5,820,222</b>	<b>6,110,857</b>	<b>6,007,156</b>
<b>All Other Governmental Funds:</b>										
Reserved - other funds	\$ 2,731,815	880,567	1,332,408	1,133,777	591,798	1,016,659	659,965	746,580	788,915	423,625
Reserved - permanent funds	95,397	102,105	111,380	117,780	128,905	145,705	164,505	175,705	187,105	201,501
Unreserved, reported in:										
Special revenue funds	112,240	58,591	26,706	836,959	212,329	122,898	476,158	613,996	463,568	391,417
Debt service funds	297,601	332,828	367,578	232,475	332,400	357,001	365,588	382,730	423,639	429,865
Capital projects funds	3,525,143	3,911,251	1,471,383	15,628,390	1,926,885	939,960	1,442,295	1,436,989	1,482,878	1,823,749
Fiduciary	20,071	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</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>	<b>3,356,000</b>	<b>3,346,105</b>	<b>3,270,157</b>

**CITY OF WASILLA**  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Sales taxes	\$ 4,932,494	5,509,279	5,985,169	6,497,070	7,135,583	7,659,612	8,346,749	8,976,284	9,658,193	10,386,206
Property and vehicle taxes	439,901	440,877	420,516	404,632	273,619	330,766	280,272	286,257	98,912	101,920
Intergovernmental	2,318,133	1,663,277	1,285,823	1,417,068	1,403,622	3,827,307	4,444,364	3,016,976	2,320,519	2,998,131
Investment earnings	653,695	528,552	522,855	349,055	258,862	76,294	176,928	181,753	457,286	507,334
Other revenues	717,316	1,049,012	760,067	563,718	673,972	593,593	1,474,404	1,751,403	1,719,860	1,710,709
<b>Total revenues</b>	<b>\$ 9,061,539</b>	<b>9,190,997</b>	<b>8,974,430</b>	<b>9,231,543</b>	<b>9,745,658</b>	<b>12,487,572</b>	<b>14,722,717</b>	<b>14,212,673</b>	<b>14,254,770</b>	<b>15,704,300</b>
<b>Expenditures:</b>										
General government	\$ 1,335,308	1,362,431	1,468,399	1,524,348	1,845,071	1,706,023	1,815,628	1,880,357	2,395,634	2,648,361
Public safety	1,502,984	1,632,413	1,752,855	1,950,183	1,990,275	2,212,835	3,286,366	3,950,162	4,622,369	5,092,492
Public works	728,392	754,122	1,089,402	1,093,759	1,289,360	1,328,883	1,611,765	1,905,214	1,871,951	1,947,844
Culture and recreation	439,771	480,528	519,655	458,926	460,436	497,858	581,136	620,317	715,929	772,967
Non-departmental	-	63,326	59,951	59,238	54,204	66,154	66,590	32,987	30,528	24,346
Library	575,833	539,217	511,964	584,355	602,949	663,472	685,316	699,278	720,935	769,323
Youth court	120,700	130,526	154,649	141,343	145,368	153,312	141,012	134,999	150,649	134,933
Capital outlay	4,382,531	4,840,525	3,543,124	2,187,939	2,153,900	3,998,267	4,112,880	3,232,681	2,193,371	2,235,245
Debt service:										
Principal	99,690	294,683	342,142	458,791	358,892	585,650	507,557	326,264	329,196	315,573
Interest	338,935	348,316	338,736	327,577	299,770	295,772	263,465	235,771	186,483	187,876
Other debt service costs	47,673	-	64,768	152,789	-	-	-	-	40,632	-
<b>Total expenditures</b>	<b>\$ 9,571,817</b>	<b>10,446,087</b>	<b>9,845,645</b>	<b>8,939,248</b>	<b>9,200,225</b>	<b>11,508,226</b>	<b>13,071,715</b>	<b>13,018,030</b>	<b>13,257,677</b>	<b>14,128,960</b>
Excess of revenues over (under) expenditures	\$ (510,278)	(1,255,090)	(871,215)	292,295	545,433	979,346	1,651,002	1,194,643	997,093	1,575,340
<b>Other financing sources (uses)</b>										
Bond proceeds	287,200	189,320	216,488	14,828,128	346,028	-	-	-	45,588	-
Transfers in	1,213,425	2,354,068	933,431	2,103,568	3,268,557	1,628,868	2,710,880	2,940,076	2,430,840	1,754,246
Transfers out	(1,311,267)	(2,506,686)	(1,084,495)	(2,184,523)	(3,339,061)	(2,737,691)	(3,790,882)	(3,615,365)	(3,192,781)	(3,509,235)
Cumulative effect of a change in accounting principle	-	-	-	-	-	232,481	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 189,358</b>	<b>36,702</b>	<b>65,424</b>	<b>14,747,173</b>	<b>275,524</b>	<b>(876,342)</b>	<b>(1,080,002)</b>	<b>(675,289)</b>	<b>(716,353)</b>	<b>(1,754,989)</b>
<b>Net change in fund balances</b>	<b>\$ (320,920)</b>	<b>(1,218,388)</b>	<b>(805,791)</b>	<b>15,039,468</b>	<b>820,957</b>	<b>103,004</b>	<b>571,000</b>	<b>519,354</b>	<b>280,740</b>	<b>(179,649)</b>
Debt service as a percentage of noncapital expenditures	9.37%	11.47%	11.83%	13.91%	9.35%	11.74%	8.61%	5.74%	5.03%	4.23%
Total non-capital expenditures	\$ 5,189,286	5,605,562	6,302,521	6,751,309	7,046,325	7,509,959	8,958,835	9,785,349	11,064,306	11,893,715



**CITY OF WASILLA**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Fiscal Year Ended <u>June 30</u>		<u>Total Taxes</u>		<u>Property Taxes</u>		<u>Sales Taxes</u>		<u>Vehicle Taxes</u>
1999	\$	5,303,796	\$	371,302	\$	4,932,494	\$	-
2000		5,950,156		363,867		5,509,279		77,010
2001		6,405,684		342,320		5,985,169		78,195
2002		6,901,701		321,112		6,497,069		83,520
2003		7,411,598		193,980		7,135,583		82,035
2004		7,990,378		235,621		7,659,612		95,145
2005		8,627,021		179,547		8,346,749		100,725
2006		9,262,541		194,627		8,976,284		91,630
2007		9,757,105		2,722		9,658,193		96,190
2008		10,488,126		300		10,386,206		101,620

- (1) 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.
- (2) Property taxes were reduced to 0% effective FY07.

**CITY OF WASILLA**  
 General Government Sales Tax Revenue By Category  
 June 30, 2008

<u>Category</u>	<u>Total Sales Tax Revenue</u>	<u>Percentage of Total</u>
Retail & Food Stores	\$ 5,437,179	52.35%
Building Materials & Home Furnishings	1,189,221	11.45%
Service Stations (inc. oil & lube centers)	936,836	9.02%
Eating & Drinking Establishments	741,575	7.14%
Utilities	594,091	5.72%
Auto Dealers & Auto Supply Stores	194,222	1.87%
Other Outlets	<u>1,293,082</u>	<u>12.45%</u>
	\$ <u><u>10,386,206</u></u>	<u><u>100.00%</u></u>

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

Fiscal Year Ended June 30	Real	Total Assessed Value Net of Exemptions	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
1999	\$ 303,475,800	\$ 286,868,900	14.030	\$ 305,214,400	93.99%
2000	322,482,900	304,377,400	14.700	342,576,700	88.85%
2001	361,413,900	341,866,700	13.940	360,629,100	94.80%
2002	381,258,900	360,261,400	15.033	377,912,600	95.33%
2003	408,866,900	387,961,600	13.202	395,409,800	98.12%
2004	445,441,100	418,986,300	12.983	431,953,800	97.00%
2005	530,369,900	500,749,673	13.700	565,833,000	88.50%
2006	681,562,200	649,749,673	12.680	843,508,500	77.03%
2007	818,127,000	788,757,000	11.064	879,854,800	89.65%
2008	883,096,000	845,977,500	11.104	922,533,500	91.70%

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

**CITY OF WASILLA**  
 Property Tax Rates  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Mat-Su Borough</u>	<u>Wasilla Fire Service Area</u>	<u>City of Wasilla</u>	<u>Total</u>
1999	11.730	1.000	1.300	14.030
2000	12.500	1.000	1.200	14.700
2001	11.940	1.000	1.000	13.940
2002	13.133	1.000	0.900	15.033
2003	11.702	1.000	0.500	13.202
2004	11.483	1.000	0.500	12.983
2005	11.800	1.500	0.400	13.700
2006	10.880	1.500	0.300	12.680
2007	9.644	1.420	0.000	11.064
2008	9.644	1.460	0.000	11.104

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

**CITY OF WASILLA**  
**Principal Property Taxpayers**  
**June 30, 2008**

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessment Value</u>
Wal-Mart Stores Inc.	Retail Store	\$ 21,124,400
Fred Meyer Stores	Retail Store	17,972,700
Lowe's HIW Inc.	Retail Store	16,476,400
Gary Lundgren	Real Estate Investor	14,027,700
DBC LLC	Property Development and Retail Mall	13,590,800
Wasilla LLC	Property Development and Retail Mall	12,897,700
Mat-Su Valley Medical Center	Medical Facilities	12,095,400
Global Finance & Investment Co.	Real Estate Investor	10,185,000
Home Depot USA	Retail Store	9,690,400
Newcomb Family Trust	Property Development	<u>8,541,100</u>
Total		\$ <u>136,601,600</u>

**CITY OF WASILLA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended <u>June 30</u>	<u>City Levy</u>	<u>Amount Collected</u>	<u>Percentage of Levy</u>	<u>Amount of Levy Uncollected</u>	Amount of Levy Uncollected as Percentage of Total <u>Taxes</u>
1999	\$ 372,930	\$ 371,302	99.56%	\$ 1,628	0.44%
2000	365,253	363,867	99.62%	1,386	0.38%
2001	341,867	342,320	100.13%	(453)	-0.13%
2002	324,235	321,112	99.04%	3,123	0.96%
2003	193,980	191,584	98.76%	2,396	1.24%
2004	207,000	235,620	113.83%	(28,620)	-13.83%
2005	200,299	179,547	89.64%	20,752	10.36%
2006	194,924	194,625	99.85%	299	0.15%
2007	-	-	0.00%	-	0.00%
2008	-	-	0.00%	-	0.00%

**CITY OF WASILLA**  
 Ratio of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total General Obligation Bonds	Percentage of Personal Income (2)	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Principal	Total	General Obligation Bonds	Principal	Total				
1999	\$ 5,500,000	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	5,500,000	0.44%	1.92%	\$ 1,043
2000	5,500,000	170,000	5,330,000	-	-	-	5,330,000	0.45%	1.75%	975
2001	5,330,000	175,000	5,155,000	-	-	-	5,155,000	0.50%	1.51%	869
2002	5,155,000	185,000	4,970,000	-	-	-	4,970,000	0.58%	1.38%	788
2003	4,970,000	195,000	4,775,000	14,700,000	840,000	13,860,000	18,635,000	0.16%	4.80%	2,671
2004	4,775,000	205,000	4,570,000	13,860,000	1,020,000	12,840,000	17,410,000	0.17%	4.16%	2,283
2005	4,570,000	215,000	4,355,000	12,840,000	1,125,000	11,715,000	16,070,000	0.18%	3.21%	1,925
2006	4,355,000	225,000	4,130,000	11,715,000	1,240,000	10,475,000	14,605,000	0.22%	2.25%	1,600
2007	4,130,000	245,000	3,885,000	10,475,000	1,365,000	9,110,000	12,995,000	0.25%	1.65%	1,329
2008	3,885,000	250,000	3,635,000	9,110,000	1,495,000	7,615,000	11,250,000	0.29%	1.33%	1,150

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

(2) Population and personal income data can be found in Schedule 13.

(3) Property value data can be found in Schedule 7.

**CITY OF WASILLA**  
 Computation of Direct and Overlapping General Obligation Debt  
 June 30, 2008

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>City of Wasilla's Share of Debt</u>
City of Wasilla	\$ 11,250,000	100.00%	\$ 11,250,000
Matanuska Susitna Borough	<u>170,955,000</u>	11.91%	<u>20,360,741</u>
Total Direct and Overlapping	\$ <u>182,205,000</u>		\$ <u>31,610,741</u>

Note: There is no debt limit mandated by law.



**CITY OF WASILLA**  
 Demographics and Economic Statistics  
 Last Ten Fiscal Years

City of Wasilla			Matanuska Susitna Borough				
Fiscal Year	Population	School Enrollment	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (Annual %)
1999	5,271	4,922	55,694	\$24,053	NA	12,699	8.3
2000	5,469	4,888	59,322	\$24,227	34.1	12,513	7.2
2001	5,935	5,178	61,974	\$25,924	34.2	12,745	6.9
2002	6,311	5,831	64,550	\$28,826	34.3	13,064	8.0
2003	6,977	6,063	67,527	\$29,288	34.3	13,588	8.9
2004	7,626	6,284	71,231	\$28,885	34.5	14,303	8.3
2005	8,349	6,435	75,026	\$29,566	34.6	14,662	7.1
2006	9,127	6,774	79,538	\$31,733	35.0	15,949	6.9
2007	9,780	6,778	82,669	\$32,732	35.0	16,115	7.1
2008	9,780	6,900	82,669	\$32,732	35.0	16,285	7.9
Source	US Census	Mat-Su School Dist	US Census	Bureau of Economic Analysis	State of Alaska	Mat-Su School Dist	State of Alaska

**CITY OF WASILLA**  
Principal Employers in the City of Wasilla

<b>Employer</b>	<b>2008</b>	
	<b>Employees</b>	<b>Rank</b>
Wal-Mart Associates, Inc.	443	1
Fred Meyer Stores, Inc.	391	2
Safeway, Inc.	279	3
Spenard Builders Supply, Inc.	193	4
Lowe's HIW, Inc.	144	5
Wasilla, City of	139	6
McDonald's Restaurants of Alaska	130	7
The Home Depot	124	8
Nye Frontier Ford, Inc.	118	9
Job Ready, Inc.	104	10

Source: Alaska Department of Labor

Note: According to the Alaska Department of Labor, with the adoption of Senate Bill 120 by the Legislature of Alaska on May 30, 2008, they are no longer able to provide employment information (including the number of employees employed by a specific employer). Therefore, we are only able to provide the top ten employer information with their associated rankings for 2008. Total City employment numbers were not available and thus a percentage of total city employment is not available.

**CITY OF WASILLA**  
**Full-Time Equivalent Employees By Function**  
**Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City Clerk	2.00	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00
Mayor	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
General Admin Services	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance/MIS	7.00	7.00	7.00	7.00	7.00	7.00	7.75	7.75	8.00	9.00
Community & Econ Development	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Police	15.00	16.00	18.00	20.00	20.00	26.00	40.00	47.00	50.00	50.00
Youth Court	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50	1.50
Public Works	12.00	14.00	15.00	15.75	16.29	19.00	18.00	21.00	23.00	22.00
Museum	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Recreation Facilities Maintenance	3.34	3.59	3.59	3.09	3.55	2.55	2.55	2.55	2.55	2.55
Sports Complex/Recreation Services	-	-	-	-	-	10.90	10.90	11.89	12.35	8.66
Library	8.50	9.00	9.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50
<b>Total</b>	<b>58.34</b>	<b>62.59</b>	<b>66.59</b>	<b>68.34</b>	<b>69.34</b>	<b>86.45</b>	<b>100.20</b>	<b>111.69</b>	<b>117.40</b>	<b>113.71</b>

(1) Full-Time Equivalents represent number of full-time equivalent positions authorized.

**CITY OF WASILLA**  
Operating Indicators by Function  
Last Ten Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Public Safety</b>										
Police Services:										
Police requests for service	\$ 7,831	8,057	8,429	8,378	8,102	6,759	6,651	6,730	11,175	16,537
Criminal arrests	732	668	766	811	740	672	608	729	605	838
Animal Control:										
Total calls	-	-	-	-	-	271	329	347	254	1,749 (a)
Animals handled	-	-	-	-	-	171	187	70	145	288
<b>Water and Wastewater</b>										
Water production average gallons per day average July readings										
Spruce Ave. Only	480,000	512,000	473,000	472,000	519,000	549,000	641,000	566,000	653,000	839,985
Wastewater treatment avg. gallons per day average July readings	208,000	308,000	169,000	254,000	371,000	306,000	300,000	338,000	337,900	319,138

\* Public Safety reported on Calendar Year.

Water and Wastewater reported on Fiscal Year.

(a) Beginning in 2007, Animal Control changed how calls are being counted and are now including "all" calls in "Total Calls". Prior to 2007, only calls that required action were counted.

**CITY OF WASILLA**  
**Capital Asset Statistics By Function**  
**Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Miles of streets	62.06	62.35	62.35	62.47	62.47	63.26	63.26	63.26	63.62	63.62
Miles of water lines	10.36	10.89	11.97	13.01	14.44	17.40	18.53	20.44	42.04	55.40
Miles of sewer lines	20.68	20.68	20.68	21.20	21.81	22.76	22.97	23.02	23.02	25.84
Police protection -										
Number of stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation:										
Number of facilities:										
Parks	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Ball fields	-	-	-	-	-	5.00	5.00	5.00	5.00	5.00
Recreation center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fitness trails	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-purpose facility	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00

**SINGLE AUDIT SECTION**

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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated November 3, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wasilla's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Honorable Mayor and City Council  
City of Wasilla, Alaska

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

#### 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*.

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

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 3, 2008



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, 2008. 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 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 federal programs for the year ended June 30, 2008.

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 federal programs. In planning and performing our audit, we considered City of Wasilla's internal control over compliance with the 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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Wasilla's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

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

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 3, 2008

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, 2008. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with laws, regulations, contracts, and grants 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, 2008.

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 the 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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by an entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses as defined above.

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

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 3, 2008

**CITY OF WASILLA, ALASKA**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

**AUDIT COMPONENT**

**AUDIT RESULT**

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported
- Noncompliance material to financial statements noted  yes  no

**Federal Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  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  no

Identification of major programs:

<u>Agency</u>	<u>CFDA Number</u>	<u>Program</u>
Department of Justice	16.710	Public Safety Partnership & Community Policing Grants

Dollar threshold used to distinguish between Type A and B programs

\$300,000

Low-risk auditee

Yes



**CITY OF WASILLA, ALASKA**

**Summary Schedule of Prior Audit Findings**

**Year Ended June 30, 2008**

**Federal**

There were no prior year audit findings.

**State of Alaska**

There were no prior year audit findings.

**CITY OF WASILLA, ALASKA**

Corrective Action Plan

Year Ended June 30, 2008

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