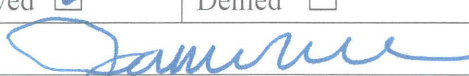



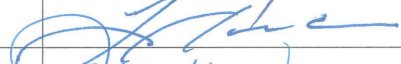

Date of Action:	12/9/19	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>	
By:		

**CITY COUNCIL ACTION MEMORANDUM**

**AM No. 19-55: Acceptance of the City of Wasilla’s Fiscal Year 2019 Comprehensive Annual Financial Report For Public Record.**

Originator: Troy Tankersley, Finance Director  
 Date: 11/26/2019

Agenda of: 12/9/2019

Route to:	Department Head	Signature	Date
X	Finance Director		11-26-19
X	Deputy Administrator		11/27/19
X	City Clerk		11/27/19

Reviewed by Bert L. Cottle:  11/27/2019

**Fiscal Impact:**  yes or  no      **Funds Available:**  yes or  no

**Account name/number/amount:**

- Attachments:**
- 1) Audit Wrap-Up, Year Ended June 30, 2019
  - 2) Fiscal Year 2019 Comprehensive Annual Financial Report
  - 3) Fiscal Year 2019 Federal and State of Alaska Single Audit Reports and Supplementary Information

**Summary Statement:** Pursuant to WMC 5.04.060, a certified public accounting firm, licensed to perform financial audits in the State of Alaska, shall examine the City’s financial records and its financial statements. The accountant shall present the results of this examination to the Council and the Council shall then if in agreement, accept the City’s financial statements for public record.

BDO USA, LLP, has examined the City’s Fiscal Year 2019 (FY2019) Financial Records and its Financial Statements. The Clerk will distribute the results of this examination and the Accountant’s opinion on the Financial Statements (Comprehensive Annual Financial Report) to the Council Members.

Mr. Sam Thompson, CPA (Audit Director) will present the results of the examination at the December 9, 2019, Wasilla City Council Meeting. If the Council is in agreement with the results of the examination, the City Council shall accept the City’s Financial Statements for public record per City of Wasilla Municipal Code 5.04.060.

**Staff Recommendation:** Accept the City of Wasilla’s Fiscal Year 2019 Comprehensive Annual Financial Report and Federal and State of Alaska Single Audit Reports and Supplementary Information for Public Record.

City of Wasilla, Alaska

# AUDIT WRAP UP

June 30, 2019



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (City Council) and, if appropriate, management of the City and is not intended and should not be used by anyone other than these specified parties.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and for members part of the international BDO network of independent member firms.

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3601 C Street, Suite 600  
Anchorage, AK 99503

December 2, 2019

Honorable Mayor and Members of the City Council  
City of Wasilla, Alaska

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On July 29, 2019, we presented an overview of our plan for the audit of the financial statements of City of Wasilla, Alaska (the City) as of and for the year ended June 30, 2019, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the City's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the City and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*BDO USA, LLP*

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# Discussion Outline

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## Status of Our Audit

We have completed our audit of the financial statements, federal awards, and state awards, as of and for the year ended June 30, 2019. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements whether due to error or fraud.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We have issued an unmodified opinion on the financial statements and released our report on December 2, 2019.
- ▶ We have issued an unmodified opinion on compliance requirements that could have a direct and material effect on each major federal and state program).
- ▶ Our responsibility for other information in documents containing the City's audited financial statements (e.g. management's discussion and analysis, budgetary comparisons, schedules of pension and OPEB amounts) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the City and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of City personnel throughout the course of our work.

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# Results of Our Audit

## ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the City's accounting practices, policies, and estimates:

The City's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 10 to the City's financial statements.
- ▶ There were no other changes in significant accounting policies and practices during 2019.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The City's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

### Significant accounting estimates include:

Allowance for Uncollectible Accounts

Net Pension/OPEB Liabilities

Land Held for Resale

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2019.

## CORRECTED AND UNCORRECTED MISSTATEMENTS

The schedule of corrected misstatements is included with the audit representation letter. There were two corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we discussed with management. All were to assist with the calculation and recording of pension and OPEB liabilities in accordance with GASB 68 and 75. One additional entry, which was provided by management and not on the schedule of corrected misstatements, was to record an impairment of the land held for sale to actual realizable proceeds.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.

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# Results of Our Audit

## QUALITY OF THE CITY'S FINANCIAL REPORTING

A discussion will be held regarding the quality of the City's financial reporting, which included the following:

- ▶ Qualitative aspects of significant accounting policies and practices
- ▶ Our conclusions regarding significant accounting estimates
- ▶ Significant unusual transactions
- ▶ Financial statement presentation
- ▶ New accounting pronouncements
- ▶ Alternative accounting treatments

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# Internal Control Over Financial Reporting

We are required to communicate, in writing and in a timely manner, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the City's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control 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 and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.



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## Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the City.

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about significant accounting or auditing matters between management and other accountants where we have identified a concern regarding such matters.
Our evaluation of the City's relationships and transactions with related parties and their impact on the financial statements	We have evaluated the City's process to identify, authorize and approve, account for, and disclose its relationships and transactions with related parties and noted no significant issues.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Representations requested from management	Please refer to the management representation letter.

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## Independence Communication

Our engagement letter to you dated July 29, 2019 describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.

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# GASB Standards Effective in 2020

## **GASB STATEMENT NO. 84, FIDUCIARY ACTIVITIES**

- ▶ Establishes criteria for reporting fiduciary activities that focuses on whether the government controls the assets and the fiduciary relationship with the beneficiaries.
- ▶ The statement describes four fiduciary funds:
  1. Pension and OPEB funds
  2. Investment trust funds
  3. Private-purpose trust funds
  4. Custodial funds
- ▶ Custodial funds replace agency funds for activities that are not held in trust.
- ▶ For activities for which a trust agreement exists, an investment trust fund or private purpose trust fund will be used.
- ▶ Pension funds not held in trust would be classified as custodial funds.
- ▶ GASB issued Implementation Guide No. 2019-2 to clarify, explain and elaborate on the requirements of the pronouncement.

## **GASB STATEMENT 90, MAJORITY EQUITY INTERESTS - AN AMENDMENT OF GASB STATEMENTS NO. 14 AND 61**

- ▶ Will report majority equity interest as an investment if it meets the definition.
- ▶ Measured using the equity method, unless held by a special-purpose government engaged only in fiduciary activities, fiduciary fund or endowment/permanent fund. These funds would utilize fair value.
- ▶ For all other majority equity interests, report as component unit and fund that holds the equity interest reports an asset using the equity method.
- ▶ Acquisition of a component unit in which government holds 100% interest would be measured using acquisition value.

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# GASB Standards Effective in 2021

## **GASB STATEMENT NO. 87, LEASES**

- ▶ This standard will require recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ Eliminates the distinction between operating and capital leases - all leases will be recorded on the statement of net position/balance sheet.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction.
- ▶ Excludes leases that transfer ownership under a bargain purchase option or service concession arrangements that are covered by GASB Statement No. 60.
- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset. Short-term leases are excluded.
- ▶ Lessors would recognize lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

## **GASB STATEMENT 89, ACCOUNTING FOR COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD**

- ▶ In financial statements using the economic resources measurement focus, interest incurred during construction should be recognized as an expense of the period.
- ▶ In financial statements using the current financial resources measurement focus, interest incurred during construction should be recognized as an expenditure.
- ▶ Interest cost should not be capitalized.
- ▶ Interest does not meet the definition of an asset or a deferred outflow.



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# GASB Standards Effective in 2022

## GASB STATEMENT NO. 91, *CONDUIT DEBT OBLIGATIONS*

- ▶ This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures.
- ▶ This statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

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# Attachment

- ▶ Representation Letter



# CITY OF WASILLA

## Finance Department

290 East Herning Avenue

Wasilla, Alaska 99654-7091

Phone (907) 373-9080 Fax (907) 373-9085

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December 2, 2019

BDO USA, LLP  
3601 C Street, Suite 600  
Anchorage, Alaska 99503

Ladies and gentlemen:

We are providing this letter in connection with your audit of the financial statements of City of Wasilla, Alaska (the City), which comprise the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2019, and the respective changes in financial position then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, as entered on the first page, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 29, 2019, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all properly classified funds and other financial information of the primary government and all component units required to be included in the financial reporting entity by accounting principles generally accepted in the United States of America. All funds required to be presented as major funds are identified and presented as such.

- (4) We have made available to you:
  - (a) All financial records, and related data, federal awards, and state awards (including amendments, if any, and any other correspondence with federal or state agencies or pass-through entities relevant to federal and state programs and related activities), as agreed upon in the terms of the aforementioned audit engagement letter.
  - (b) All additional information that you have requested from us for the purpose of the audit.
  - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - (d) Minutes of the meetings of the City Council that were held from July 1, 2018 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or schedule of expenditures of federal awards (SEFA) or schedule of state financial assistance (SSFA). All financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit (as listed in the attached "schedule of corrected misstatements") have been corrected. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.
- (7) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud or noncompliance. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or noncompliance. We have no knowledge of any:
  - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
  - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
  - (c) Allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or others.
  - (d) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.



- (8) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- (9) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
  - (c) Guarantees, whether written or oral, under which the City is contingently liable.
  - (d) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with accounting principles generally accepted in the United States of America. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances.
  - (e) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America, including:
    - Pending or anticipated tax refunds, other potential or pending claims, lawsuits by or against any branch of government or others;
    - Written or oral guarantees, endorsements, or unused letters of credit;
    - Unusual guarantees; or
    - Labor claims or negotiations.
- Accounting principles generally accepted in the United States of America require loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the statement of financial position date and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.
- (f) Commitments, such as:
    - Major capital asset purchase agreements;

- More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
  - Deferred compensation, bonuses, pensions plans, or severance pay; or
  - Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
- (g) Joint ventures or other participations, the detailed transactions of which are not carried on our books.
- (10) There are no:
- (a) Violations or possible violations of budget ordinances, laws or regulations and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects could be material to the financial statements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
  - (c) Restrictions of net position that were not properly authorized and approved, or reclassifications of net position that have not been properly reflected in the financial statements.
- (11) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (12) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (13) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- (14) We have complied with all aspects of contractual agreements, including debt covenants that would have a material effect on the financial statements in the event of noncompliance.
- (15) No discussions have taken place with your firm's personnel regarding employment with the City.
- (16) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws,

regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.

- (17) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (18) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (19) In regards to the assistance that was provided in preparing the financial statements and related footnote disclosures for the year ended June 30, 2019 we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (20) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation of the supplementary information.
- (21) Required supplementary information is measured and presented in accordance with prescribed guidelines.
- (22) We believe that the actuarial assumptions and methods used to measure pension and other postemployment liabilities and costs for financial accounting and disclosure purposes are appropriate in the circumstances.
- (23) We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
- (24) We agree with the findings of specialists in evaluating the net pension and net other postemployment benefits liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- (25) With respect to federal and state award programs:
  - (a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Alaska Audit Guide and Compliance

Supplement for State Single Audits (State of Alaska Single Audit Guide), including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA) and schedule of state financial assistance (SSFA).

- (b) We have, in accordance with the Uniform Guidance and State of Alaska Single Audit Guide, identified and disclosed to you in the schedule of expenditures of federal awards (SEFA) and schedule of state financial assistance (SSFA), expenditures made during the audit period for all government programs and related activities provided by federal agencies in the form of federal and state awards, grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- (c) We acknowledge our responsibility for the preparation of the SEFA and SSFA and related notes in accordance with the requirements of the Uniform Guidance and State of Alaska Single Audit Guide, and we believe the SEFA and SSFA, including its form and content, is fairly presented in accordance with the Uniform Guidance and State of Alaska Single Audit Guide. The methods of measurement or presentation of the SEFA and SSFA have not changed from those used in the prior period.
- (d) We have notified you of federal awards and funding increments that were received for awards received before December 26, 2014, and differentiated those awards from awards received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- (e) We will include the auditor's report on the SEFA and SSFA in any document that contains the SEFA and SSFA and that indicates you have reported on such information.
- (f) If the SEFA and SSFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date we issue the SEFA and SSFA and the auditor's report thereon.
- (g) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions considered to have a direct and material effect on each federal and state program.
- (h) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date of the auditor's report as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and material weaknesses in internal control over compliance as reported in the schedule of findings and questioned costs.



- (i) We have made available to you all federal and state award contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal and state program and related activities that have taken place with federal and state agencies or pass-through entities.
- (j) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (k) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, relating to federal or state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal and state awards, including the results of other audits or program reviews, or confirmed that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards or state awards. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- (l) We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (m) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance or and State of Alaska Single Audit Guide.
- (n) We have disclosed to you our interpretations of compliance requirements that are subject to varying interpretations, if any.
- (o) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- (p) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- (q) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards and schedule of state financial assistance.
- (r) The copies of federal and state program financial reports provided to you are true copies of the reports submitted or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

- (s) We have charged costs to federal and state awards in accordance with applicable cost principles.
  - (t) We are responsible for, and have accurately completed, the appropriate sections of the Data Collection Form as required by the Uniform Guidance. The final version of the applicable audit reporting package, which includes your signed auditor's reports, that we will submit to the Federal Audit Clearinghouse (FAC) will be identical to the final version of such documents that you provided to us.
  - (u) We have identified and disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, internal or external monitoring, and other studies directly related to the audit objectives of the compliance audit, including findings received and corrective actions taken from the end of the audit period covered by the compliance audit report to the date of the auditor's report.
  - (v) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by the Uniform Guidance and State of Alaska Single Audit Guide, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
  - (w) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- (26) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
  - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
  - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
  - We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
  - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable

efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Troy Tankersley", written over a horizontal line.

Troy Tankersley, Finance Director

*[Handwritten signature]*  
12-2-2019

City of Wasilla, Alaska  
Schedule of Corrected Misstatements  
For The Year Ended June 30, 2019

	<u>Debit</u>	<u>Credit</u>
1 Deferred inflows of resources		65,878.00
Deferred outflows of resources	830,428.00	
Net OPEB liability		810,144.00
OPEB expense	45,594.00	
To record current year adjustments related to GASB 75		
<hr/>		
2 Deferred inflows of resources	812,071.00	
Deferred outflows of resources	654,345.00	
Net pension liability		1,344,433.00
On-behalf revenue	330,329.00	
Pension expense		452,312.00
To record current year adjustments related to GASB 68		
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**CITY OF WASILLA**  
ALASKA

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*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended*

*June 30, 2019*





## City of Wasilla, Alaska

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### Comprehensive Annual Financial Report Year Ended June 30, 2019

Bert Cottle  
Mayor

Prepared by  
Finance Department

Troy Tankersley  
Finance Director

# City of Wasilla, Alaska

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# City of Wasilla, Alaska

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# City of Wasilla, Alaska

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**CITY OF WASILLA**  
290 East Herning Avenue  
Wasilla, Alaska 99654-7091  
Phone (907) 373-9080 Fax (907) 373-9085

December 2, 2019

To the Members of the City Council and Citizens of the City of Wasilla:

State of Alaska statutes and local charter provisions require that all general purpose local governments publish a complete set of audited financial statements. This report is published to fulfill those requirements for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BDO USA LLP, a firm of licensed certified public accountants, has issued an unmodified (clean) opinion on the City of Wasilla's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City of Wasilla was part of a broader, State and federally mandated "Single Audit" designed to meet the special needs of State and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of State and federal awards. These reports are available in the City of Wasilla's separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

***Profile of the Government***

The City of Wasilla (the City) is located in the south central part of the state and is approximately 42 miles north of Anchorage. Two beautiful lakes canvas the city limits – Wasilla Lake and Lake Lucile. The lakes were once connected by water flow until construction of the Alaska Railroad line and road development effectively separated the watersheds. The City is a First Class city incorporated in 1974 under Title 29 of the Alaska State Statutes and City code establishes a June 30 fiscal year end. The City currently occupies a land area of approximately 13.60 square miles within the Matanuska Susitna Borough. It serves the City resident population of an estimated 8,801. It also serves as a central commercial district to the Matanuska Susitna Borough residents of an estimated 105,743. The City is empowered to levy a property tax on both real and personal property located within its boundaries, however at this time the City levies no said tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate. The last annexation occurred in FY2014 which extended the City's western boundary; encompassing largely undeveloped, commercial-zoned property along the Parks Highway and a portion of Jacobson Lake. Currently there are no annexation projects under review.

The City of Wasilla is operated under a strong mayoral system with six city council members. The mayor and council members are all elected at-large. The mayor is elected to serve a three year term and is responsible for appointing department directors and managing the day to day governmental activities. The council members are elected to serve three-year, staggered terms, and are responsible for approving ordinances, municipal contracts, budgets, and certain appointments.

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, library, and cultural services. Funding for the City's operations is primarily supported by a 2% sales tax, charges for services, grants, state revenue sharing and other sources. Note that the sales tax rate for FY2019 was 3% with 1% dedicated to a capital project discussed in the Long-Term Financial Planning and Major Initiatives section below.

The annual budget serves as the foundation for the City of Wasilla's financial planning and control. The council is required to hold public hearings on the proposed budget and a final budget must be approved by council on or before June 30<sup>th</sup> of each year. The budget is prepared by fund, function (e.g. public safety) and department (e.g. patrol). All transfers between funds, departments, and functions require council approval. The Mayor may transfer up to \$10,000 per fiscal year between departments and functions without council approval.

### ***Local Economy***

The City of Wasilla is located in what continues to be one of the fastest growing regions of Alaska and serves as the retail center for the Matanuska Susitna Borough. The City remains primarily a bedroom community of Anchorage due to a lack of large-scale, primary industry. The City offers an attractive lifestyle and a competitive housing market due to lower land values. Additionally, significant improvements to the Glenn Highway make daily commuting to Anchorage faster and safer. An estimated 34% of its residents in the workforce commute to Anchorage and another 8% commute to the North Slope.

The service-oriented economy of the City continues to remain stable. Since 2010, sales tax revenues have changed year over year at variable rates between -1.0% and 4.5%. With sales tax as the City's primary source of revenues, the development of businesses outside the City, internet sales, and the state-wide economy are concerns. The current local unemployment rate decreased from 8.0% to 7.4% while the national average decreased from 3.7% to 3.5%. While oil prices have been on a slow rise since 2016, the State of Alaska's budget deficit continues to impact the local economy. The FY2019 state legislative session provided no significant grant awards; a consistent trend since FY2016.

In FY2019, a private retail development, designed to house national chain stores, began its construction. Projects of this nature will enable the City to maintain its foothold as the leading service and trade center of the Matanuska-Susitna Valley. In addition to the service industries, petroleum exploration and extraction continue to fuel our economy both directly and indirectly. South of the City, projects benefitting our economy include continued development of and new lessees for the Port MacKenzie which is America's northernmost deep draft dock; allowing heavy industrial and bulk materials to move through Alaska and beyond. The MacKenzie Rail Extension began construction in 2012 and includes construction of 32 miles of new rail line to Port MacKenzie. Already funded \$184M by the Alaska Legislature, the project is under construction in segments and needs \$125M to complete. The longest industrial rail loop in the state will provide for efficient movement of materials between ship, rail, truck, and barge. Just north of the City at Hatcher's Pass, 7.5 km of designed trails and a 4,000 square-foot Chalet/Adventure Center has created a regional venue for Nordic skiing and tourism. The addition of ski-lift is expected in FY2020. Additionally, the Matanuska Susitna Borough continues to fund unprecedented levels of road construction which supports the local economy and land development in the future.

### *Long-Term Financial Planning and Major Initiatives*

The City of Wasilla's strategic development is guided by several tools. City council and management establish goals and objectives for the upcoming five years. These initiatives may include both capital projects and quality of life issues; and are revisited on an annual basis.

The City's Comprehensive Plan (the Plan) which was revised and adopted in FY2012 also provides a flexible, forward-thinking road map to address important community elements. The Plan focuses on matters of transportation, land use, development of its downtown, use of community assets and economic vitality. It also provides alignment and consistency with other adopted plans of the City; such as, the 'Downtown Area Plan' which was adopted by Wasilla City Council and Matanuska Susitna Borough Assembly in FY2014 and focuses specifically on the development and re-development of the historical downtown district. Enhancement of the aesthetics, economic and functional values of the City were further promoted by creating a downtown overlay district setting specific design guidelines and other conditions.

Major initiatives impacting the community include revision of its Main Street to form a one-way couplet. This project targets traffic flow but plays an almost equally critical role in defining the community's downtown by re-shaping the core area, providing sidewalks, on-street parking, beautification, lighting, and streetscape design opportunities. While the State of Alaska, Department of Transportation (DOT) is responsible for administration and funding of this project, the City plays a governing role and received \$5M in State funding to accelerate the project – through right-of-way purchase, design work, etc. The City's grant funds have been largely expended of which \$695,200 relates to excess 'land held for resale'. Proceeds from its sale will go back into the project. The DOT's design work continues and is estimated to be 70% complete at year end. Approximately \$5.7M in federal and state match funding has been secured with an estimated \$32M expected in FY2021. The project entails a two-year construction period with commencement expected in FY2021. The timing of this project may be impacted by the redesign of Knik-Goose Bay Road (KGB) project. KGB is a major arterial road feeding into downtown Wasilla. Due to the impact on traffic, it is not anticipated that these projects would be run concurrently.

The City opened a new library in the fall of 2016 and the building it vacated is being used to expand the Dorothy G. Page Museum. Approximately \$500,000 has been budgeted over a three-year period for renovation and the building is expected to open in the spring of 2020. Adjacent to the museum property, the City demolished an old fire station this year on which a landscaped parking lot will be constructed. The parking lot will be completed in FY2020. The parking lot and museum are in downtown proper, so these projects align with the City's redevelopment initiatives.

For the past two decades, administration, City Council and residents have strongly supported a "forward-funded" approach to discretionary capital projects. In October 2017, the Wasilla residents approved a ballot initiative to increase the City sales tax by one percent (1%) beginning January 1, 2018 with the increase being dedicated to funding construction of a new public safety building and related equipment. The 1% increase is for a period of two years or until \$12M is collected, whichever is earlier. The sales tax will then decrease one-half percent (.5%) to two and one-half percent (2.5%). The one-half percent (.5%) will be available for operations or other projects as approved through the regular budgeting process. At year end, approximately \$10.2M had been collected since inception. The sales tax rate will decrease to 2.5% effective December 1, 2019. Construction is well underway with completion expected in the summer of FY2020. Restricted funds at year end were \$6,984,603.



In FY2019, the city purchased a 70-acre parcel of land adjacent to the Wasilla Airport for \$906,000. The acquisition aligned with the Wasilla Airport Master Plan. Additionally, the City received grant funds of \$3,735,100 from the Federal Aviation Administration for development of an additional apron (Apron E). At fiscal year-end, significant construction had been completed. The project is expected to be complete in FY2020, adding an additional 27 airplane tie-downs along with space to construct more lease lots as city funds become available.

In the past decade, the City has committed time and resources to increase the quality of Lake Lucile, one of its two most prominent bodies of water within City limits. In FY2013, the City completed the replacement of a wooden dam structure at the western outlet of Lake Lucile. Replacement ensured that the waterline would not drop to its pre-'60s level posing much concern for the property owners who had built docks and waterfront landscaping based on the modern shoreline. The City purchased and operates an aquatic weed harvester throughout the summer season to manage the presence of invasive weeds. Additionally, a water quality study is planned for FY2020 which further demonstrates the City's commitment to sustaining the property values of this core neighborhood and recreational area.

With the cost of healthcare in Alaska, a focus on health insurance remains a priority. In FY2012, the City established a partially self-insured program that provided aggregate and individual stop loss coverage. Effective July 1, 2016 the City returned to a fully insured model. The three labor unions present at the City in FY2016 each maintained and operated separate health benefit plans. The City established agreements for each union to provide health insurance for their respective members at an agreed upon rate. In FY2019, the Local Teamsters 959 union covering the City's emergency responder employees was disbanded and a new bargaining agreement was executed with the Wasilla Police Department Employees Association (WPDEA). WPDEA members and non-represented employees are offered coverage through one of the union's plan. Health insurance expense remained flat year over year. In FY2019 and FY2018 health insurance costs were \$2,222,227 and \$2,251,380 respectively.

### ***Relevant Financial Policies***

The City of Wasilla has a comprehensive set of financial policies of which two are particularly relevant during the current year.

One, it is the policy of the City to maintain the fund balances and net position of the various City operating funds at levels sufficient to maintain the City's creditworthiness, and to provide financial resources for unforeseeable emergencies. As such, the general fund and the enterprise funds' unrestricted net position (as defined by the policy) must not fall below the prescribed minimum or exceed the prescribed maximum. At the end of FY2019, the unrestricted net position of the general fund exceeded the calculated maximum by approximately \$7,911,995. This amount was committed through legislation for capital projects and referenced as "capital improvements" in the governmental fund balance sheet as per policy.

The City provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The system consists of three defined benefit (DB) Tiers, and one defined contribution (DC) Tier. This City has no obligations in connection with employee benefits offered through these plans beyond its annual required payments to the plans. The City pays its annual required contribution rates timely. The annual contribution rates have been capped at 22% of covered payroll for both DB and DC plans based on legislative action committing the State of Alaska to cover costs exceeding 22%. The legislature's cap on local government contribution rates brings stability to Wasilla's retirement rates although it is important to note that a future State legislature can eliminate this cap on contributions. This has been a point of discussion in the most recent legislative sessions due to the fiscal uncertainty with the State budget. The transition from a single-agent, multiple-employer plan, to a cost-sharing plan as of July 1, 2008, provided a single rate for all participating PERS employers, eliminating the previous methodology of assessing each employer its own rate. The City now shares in the pooled liability of the PERS plan.



Governmental Accounting Standards Board (GASB) Statement No. 68 required the City to recognize its proportionate share of the cost sharing plan's net pension liability. The City's total portion of the liability at June 30, 2018 was \$12,235,598. The net liability at June 30, 2019 is \$13,580,031, an increase of \$1,344,433. This does not change the actual contributions by the employers, as those are based on Alaska Statutes. For additional detail, reference footnote 8 in the basic financial statements.

In the current year, GASB Statement No. 75 required the City to recognize its proportionate share of the cost sharing plan's net liability for other postemployment benefits (OPEB). The net other postemployment benefits liability at June 30, 2018 was \$1,967,539. The net other postemployment benefit liability at June 30, 2019 was \$2,777,683, an increase of \$810,144. For additional detail, reference footnote 8 in the basic financial statements.

#### *Awards and Acknowledgements*

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, 2018. This was the twenty-third consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The government also received the GFOA's Distinguished Budget Presentation Award for its biennial budget document for the period beginning July 1, 2018. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance department and Administration. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wasilla's finances.

Respectfully submitted,



Bert Cottle  
Mayor



Troy Tankersley  
Finance Director

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# City of Wasilla, Alaska

## City Officials Year Ended June 30, 2019

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### ELECTED OFFICIALS

Mayor	Bert L. Cottle
City Council - Seat A	Mike Dryden
City Council - Seat B	Tim Burney
City Council - Seat C	Stu Graham
City Council - Seat D	Glenda Ledford
City Council - Seat E	Gretchen O'Barr
City Council - Seat F	James E. Harvey

### APPOINTED OFFICIALS

#### Staff

Public Works Director	Archie Giddings
City Clerk	Jamie Newman
Finance Director	Troy Tankersley
Recreation Services Director	Joan Klapperich
Police Chief	Gene Belden (Temporary)
Deputy Administrator	Lyn Carden

#### Planning Commission

Eric Bushnell	Simon Brown
Darrell Breese	Nikki Velock
Jessica Dean (Chair)	

#### Parks and Recreation Commission

Mary Shampine	Amanda Joan Matthews
Dave Tuttle (Chair)	Mary Kay Robinson
Andrew Tyler Chambers	

#### Airport Commission

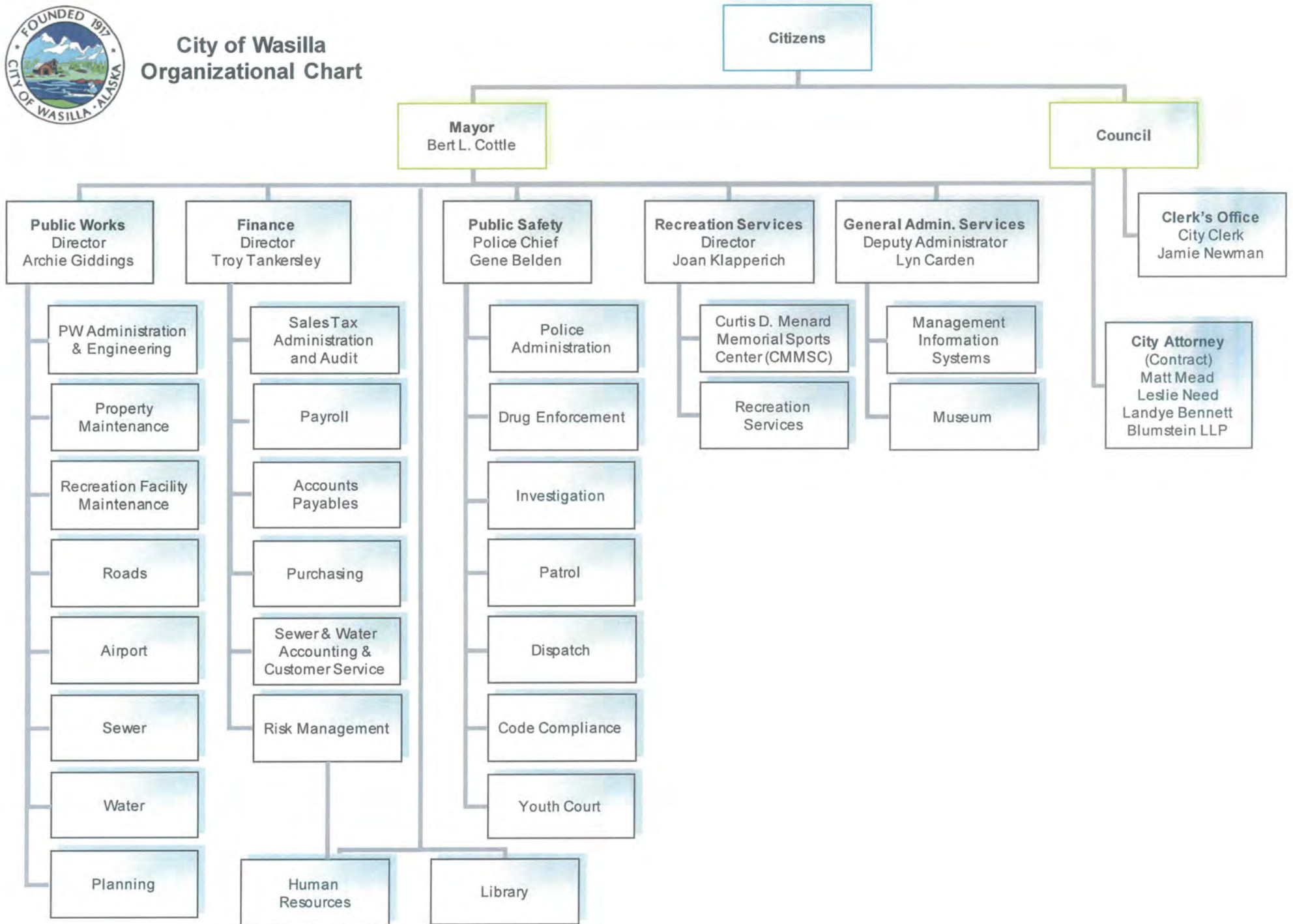
Noel Lowe	Cameron Sharick
Charles Morris	Michael Lucas (Co-Chair)
Adam Paulick (Chair)	

### CONSULTANTS

City Attorney	Landye Bennett Blumstein, LLP
Auditors	BDO USA, LLP
Insurance Pool	Alaska Public Entity Joint Insurance Association
Insurance Broker	Michael Combs, Combs Insurance Agency, Inc.



# City of Wasilla Organizational Chart







Government Finance Officers Association

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, 2018**

*Christopher P. Morill*

Executive Director/CEO

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Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

3601 C Street, Suite 600  
Anchorage, AK 99503

## Independent Auditor's Report

Honorable Mayor and  
Members of the City Council  
City of Wasilla, Alaska

### Report on the Financial Statements

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 City of Wasilla, Alaska (the City), as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wasilla, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 16, the budgetary comparison information on page 61, and other required supplementary information on pages 62 through 65, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Wasilla as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated November 9, 2018 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019 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 and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wasilla's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wasilla's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
December 2, 2019



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## Management's Discussion and Analysis

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**City of Wasilla, Alaska**  
**Management's Discussion and Analysis**  
**June 30, 2019**

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As management of the City of Wasilla, (the City) we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v.

**Financial Highlights**

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- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most current fiscal year by \$156,433,276 (total net position). Of this amount, \$21,969,438 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$11,896,449. The governmental activities net position increased \$6,624,456 (9.3%) and the business-type activities net position increased \$5,271,993 (7.1%).
- As of the close of business of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,844,133, an increase of \$6,209,563 in comparison with the prior year. Approximately 26.3% of this amount (\$8,122,474) is unassigned and available for spending at the government's discretion.
- The City's total outstanding debt decreased by \$579,194 to a year-end balance of \$827,250. The decrease is attributed to meeting required debt payments and financing capital projects through either grant funding or fund balance. The City's long-term debt information can be found on pages 43-45 of the notes to the basic financial statements.

**Overview of the Financial Statements**

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This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support 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's finances in a manner like a private sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water, sewer, airport, and operation of the Curtis D. Menard Memorial Sports Center (sports center).

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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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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 maintains ten 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 eight governmental funds are combined and shown as nonmajor governmental funds on the governmental funds balance sheet and governmental statement of revenues, expenditures, and changes in fund balances. Individual fund information for the seven 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 adopts annual appropriated budgets for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

**Proprietary Funds.** The City 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, airport, and sports center 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 center, and airport, all of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 24-28 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 29-59 of this report.

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**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparison schedule for the General Fund and progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 61-66 of this report.

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$156,433,276 at the close of the most recent fiscal year.

**City of Wasilla's Net Position**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 32,608,364	\$ 27,658,672	\$ 15,668,994	\$ 14,253,213	\$ 48,277,358	\$ 41,911,885
Capital assets, net of depreciation	59,714,647	59,754,363	67,552,581	63,415,097	127,267,228	123,169,460
<b>Total assets</b>	<b>92,323,011</b>	<b>87,413,035</b>	<b>83,221,575</b>	<b>77,668,310</b>	<b>175,544,586</b>	<b>165,081,345</b>
Total deferred outflows of resources	2,806,572	1,533,046	489,586	229,976	3,296,158	1,454,524
Noncurrent liabilities	14,700,784	13,240,434	3,361,833	3,202,347	18,062,617	16,442,781
Other liabilities	1,764,231	1,492,406	1,212,357	494,875	2,976,588	1,987,281
<b>Total liabilities</b>	<b>16,465,015</b>	<b>14,732,840</b>	<b>4,574,190</b>	<b>3,697,222</b>	<b>21,039,205</b>	<b>18,430,062</b>
Total deferred inflows of resources	1,185,500	1,825,583	182,763	288,873	1,368,263	2,114,456
<b>Net position:</b>						
Net investment in capital assets	59,714,647	59,340,731	66,725,331	62,422,397	126,439,978	121,763,128
Restricted for permanent fund principal	330,911	321,160	-	-	330,911	321,160
Restricted for federal and state drug enforcement	13,146	13,146	-	-	13,146	13,146
Restricted for new police station construction	6,984,603	3,232,572	-	-	6,984,603	3,232,572
Restricted for Main Street couplet construction	695,200	860,200	-	-	695,200	860,200
Unrestricted	9,740,561	7,086,803	12,228,877	11,259,818	21,969,438	18,346,621
<b>Total Net Position</b>	<b>\$ 77,479,068</b>	<b>\$ 70,854,612</b>	<b>\$ 78,954,208</b>	<b>\$ 73,682,215</b>	<b>\$ 156,433,276</b>	<b>\$ 144,536,827</b>

The largest portion of the City's net position (81%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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



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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 liquidated to satisfy these liabilities.

An additional portion of the City's net position, approximately 5.1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$21,969,438 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

During the current fiscal year, the government's net position increased by \$11,896,449 compared to \$3,873,675 in the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities**

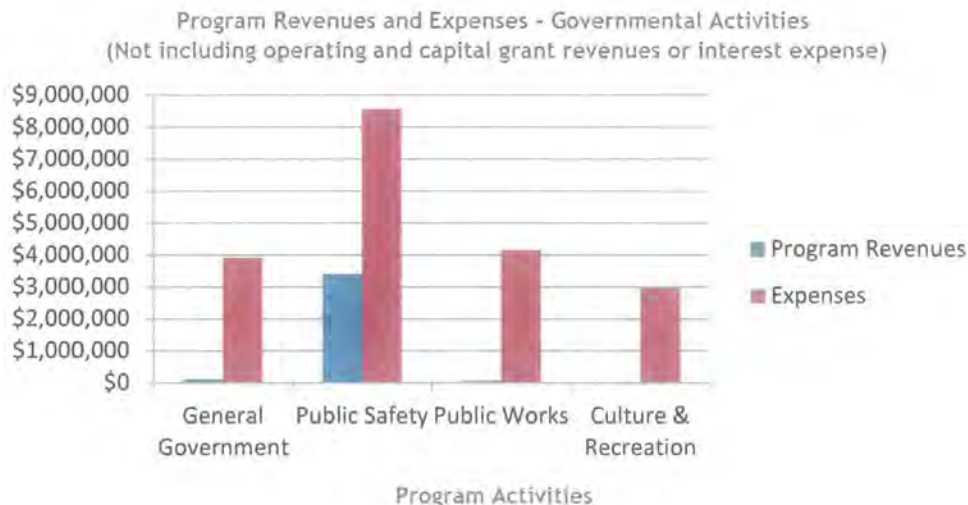
During fiscal year 2019, the City's net position increased by \$6,624,456 for governmental activities. Highlights of governmental activities net position changes include the additional 1% sales tax collected for the new police department and contributions from state grantor agencies, particularly for the sewer outfall project.

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Fees, fines, and charges for services	\$ 3,632,751	\$ 3,382,538	\$ 4,403,974	\$ 4,263,150	\$ 8,036,725	\$ 7,645,688
Operating grants and contributions	859,201	1,023,779	376,404	483,842	1,235,605	1,507,621
Capital grants and contributions	1,031,489	1,847,996	5,327,888	618,536	6,359,377	2,466,532
General revenues:						
Sales taxes	21,046,076	16,724,587	-	-	21,046,076	16,724,587
Vehicle taxes	287,628	60,920	-	-	287,628	60,920
Grants and entitlements not restricted to a specific purpose	489,881	540,979	-	-	489,881	540,979
Investment income	829,737	271,966	3,875	5,918	833,612	277,884
Loss on land held for resale	(165,000)	(862,536)	-	-	(165,000)	(862,536)
Loss on sale of capital assets	(220,011)	-	-	-	(220,011)	-
Other	50,794	147,091	163,950	47,386	214,744	194,477
<b>Total revenues</b>	<b>\$ 27,842,546</b>	<b>\$ 23,137,320</b>	<b>\$ 10,276,091</b>	<b>\$ 5,418,832</b>	<b>\$ 38,118,637</b>	<b>\$ 28,556,152</b>

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	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
<b>Expenses</b>						
General government	\$ 3,907,795	\$ 3,501,793	\$ -	\$ -	\$ 3,907,795	\$ 3,501,793
Public safety	8,565,952	8,293,624	-	-	8,565,952	8,293,624
Public works	4,150,204	3,752,738	-	-	4,150,204	3,752,738
Culture and recreation	2,962,633	2,863,653	-	-	2,962,633	2,863,653
Interest on long-term debt	(1,994)	10,749	-	-	(1,994)	10,749
Water utility	-	-	1,866,664	1,644,995	1,866,664	1,644,995
Sewer utility	-	-	2,030,125	2,003,549	2,030,125	2,003,549
Municipal airport	-	-	964,040	946,906	964,040	946,906
Curtis D. Menard Memorial Sports Center	-	-	1,776,769	1,664,470	1,776,769	1,664,470
<b>Total expenses</b>	<b>\$ 19,584,590</b>	<b>\$ 18,422,557</b>	<b>\$ 6,637,598</b>	<b>\$ 6,259,920</b>	<b>\$ 26,222,188</b>	<b>\$ 24,682,477</b>
<b>Increase (decrease) in net position before transfers</b>						
	\$ 8,257,956	\$ 4,714,763	\$ 3,638,493	\$ (841,088)	\$ 11,896,449	\$ 3,876,675
<b>Transfers</b>	<b>(1,633,500)</b>	<b>(1,067,494)</b>	<b>1,633,500</b>	<b>1,067,494</b>	<b>-</b>	<b>-</b>
<b>Increase in net position</b>	<b>6,624,456</b>	<b>3,647,269</b>	<b>5,271,993</b>	<b>226,406</b>	<b>11,896,449</b>	<b>3,873,675</b>
<b>Net position- beginning</b>	<b>70,854,612</b>	<b>67,207,343</b>	<b>73,682,215</b>	<b>73,455,809</b>	<b>144,536,827</b>	<b>140,663,152</b>
<b>Net Position- Ending</b>	<b>\$ 77,479,068</b>	<b>\$ 70,854,612</b>	<b>\$ 78,954,208</b>	<b>\$ 73,682,215</b>	<b>\$ 156,433,276</b>	<b>\$ 144,536,827</b>

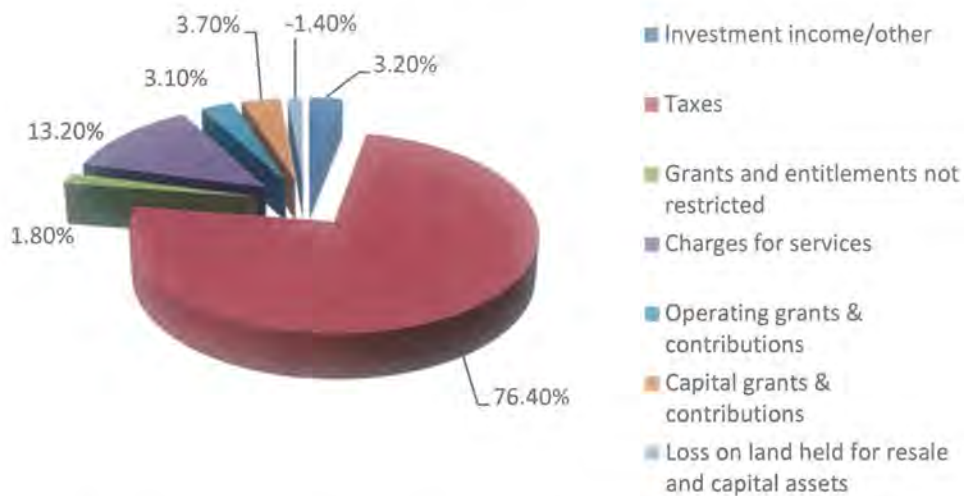
The following graph displays program revenues, not including operating and capital grants, and expenses dedicated to governmental activities. This shows the amount of revenues generated from these activities. Other revenues also support governmental activities but are general in nature and apply to all categories. These include sales taxes, grants and entitlements not restricted for a specific purpose, investment income, and other general revenues.



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The following graph shows the percentages of all revenue sources for governmental activities. Taxes are the largest revenue source for the City, followed in order by charges for services, investment income and other, and operating grants and contributions. Tax revenue for governmental activities increased from FY2018 to FY2019 by \$4,321,489 or 25.8%. The increase is due to the 1% dedicated sales tax for construction of a new police station which commenced January 1, 2018.

Revenues by Source - Governmental Activities



Overall expenses for governmental activities increased \$1,162,033 from the prior year which is attributed to dispatch staffing costs to fulfill its contract to the Matanuska Susitna Borough for EMS services and depreciation on equipment/software necessary to expand the broadband network.

***Business-type Activities***

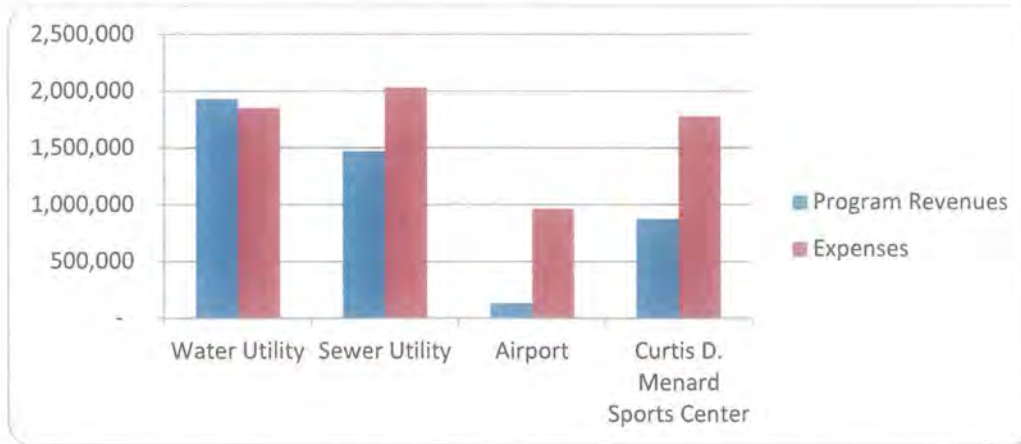
Business-type activities increased the City's net position by \$5,271,993. The increase in the water fund, sewer fund and airport funds were \$1,359,061, \$1,288,810, and \$2,770,867 respectively. The increases were significantly derived from capital contributions either as donated assets from developers, grant-funded construction, or transfers in from the General Fund. These increases were offset by a decrease in net position at the Curtis D. Menard Sports Complex of \$146,745. The decrease in net position for the sports complex fund is due to depreciation and insufficient user fees and charges to cover operating costs.

The following graph illustrates program revenues and expenses for all business-type activities. Not included in the revenues are taxes, capital grants and contributions, investment earnings, transfers, and other miscellaneous revenues. As reflected in the graph, the water fund is the only business-type activities that reported program revenues exceeded expenses.



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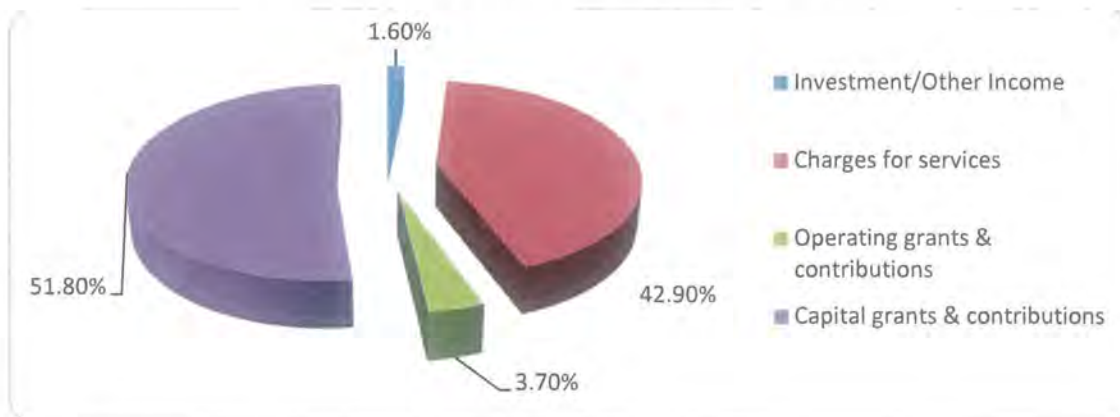
Program Revenues and Expenses - Business-Type Activities  
 (Not including operating and capital grant revenue or interest expense)



The water and sewer fund continue to provide reasonable program revenue to absorb all or a significant portion of the funds' expenditures, including depreciation. This is attributed to the annual, five-year rate increase initiated in 2010. The airport fund continues to fall short due to the depreciation expense on infrastructure obtained through capital grants. The shortfall in revenue to expense for the Curtis D. Menard Memorial Sports Center includes depreciation, high minimum operating costs, and low user fees.

The following graph depicts the percentages of all revenue sources for business-type activities. Capital grants and contributions are the largest revenue source for the City, followed in order by charges for services, operating grants and contributions, and other revenue and investment income.

Revenues by Source - Business-type Activities



***Financial Analysis of the Governmental Funds***

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

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**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's financing requirements. Particularly, unassigned 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 June 30, 2019, the City's governmental funds reported combined ending fund balances of \$30,844,133, an increase of \$6,209,563 in comparison with the prior year. The City's total fund balance is made up of the following components:

The first component is nonspendable, which indicates it is not in spendable form, or is legally or contractually required to remain intact. The nonspendable portion is 2.7% (\$837,031) of the total fund balance. The restricted classification includes amounts for which constraints have been placed by external parties (creditors, grantors, etc.) or enabling legislation. Restricted fund balance is 24.9% (\$7,692,949) of total fund balance. The committed classification can only be used for specific purposes by formal action of the City Council. The committed portion is 25.7% (\$7,911,995) of the total fund balance. The next component is assigned fund balance that includes amounts that are intended to be used for a specific purpose and have been expressly assigned by the person with designated authority. The assigned portion is 20.4% (\$6,279,684) of the total fund balance. Unassigned fund balance is the residual fund balance available for use for any purpose. The unassigned fund balance portion is 26.3% (\$8,122,474) of the total fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,122,474 while total fund balance was \$17,934,860. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the year. Unassigned fund balance represents 49.9% of total General Fund expenditures, while total fund balance represents 110.3% of that same amount.

Fund balance of the City's General Fund increased by \$2,357,253 during the current year and in the prior year decreased \$1,000,639. The increase is due to higher sales tax collections and investment income, increased proceeds from the sale of assets by \$992,612 resulting from the Meta Rose Square, and decreased transfers out of \$1,131,467 over the prior year.

The Miscellaneous Capital Projects Fund has a total fund balance of \$6,588,500. This total amount is designated for future capital project construction expenditures. Fund balance increased by \$3,763,697 due to the one percent (1%) dedicated sales tax to fund construction of a new police station which became effective January 1, 2018. Capital outlay increased by \$1,609,482 over the prior year as construction of the new police station began this year.

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

Unrestricted net position of the water utility fund is \$6,726,344. The increase in overall net position of \$1,359,061 is from contributed capital from developers (water main line extensions).

Unrestricted net position of the sewer utility fund is \$3,819,953. The increase in overall net position of \$1,288,810 is from contributed capital from developers (sewer main line extensions).

Unrestricted net position of the airport is \$370,540. The increase in overall net position of \$2,770,867 is due to transfers in from the General Fund and contributions from the Federal Aviation Administration for construction of a new apron (Apron E).



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Unrestricted net position of the Curtis D. Menard Memorial Sports Center's is \$1,312,040. The decrease in overall net position of \$146,745 is due to general operating losses and a reduced transfer in from the General Fund by \$50,000. The sports center continues to generate operating losses before depreciation and operations are largely supported by routine transfers from the General Fund. The City will continue to offset operating losses with transfers from the General Fund to support development of the sports center, the service it provides to the community, and the ancillary economic opportunities it brings to the community.

***General Fund Budgetary Highlights***

***Original budget compared to final budget.*** During the year the only significant amendment to original budget included an increased transfer of \$906,000 from the General Fund to the airport fund to purchase a 70-acre parcel of land.

***Final budget compared to actual results.*** The actual to final budgeted change in net position was a favorable increase of \$4,145,438. A favorable difference in budgeted revenues to actual revenues of \$1,725,476 was attributed to increased sales tax from additional commercial expansion in the community and better than anticipated investment earnings. A favorable difference in budgeted expenditures to actual expenditures of \$1,441,116 resulted largely from lower public safety personnel costs created by unfilled officer and dispatch positions due to retirements and normal attrition. Additionally, these positions require a long recruitment process leaving positions unfilled for periods longer than normal as compared to other positions at the City. In addition, proceeds from the sale of assets exceeded its budget by \$978,846. The City had been marketing the Meta Rose Square, a retail commercial building, and in FY2019 its sale was completed.

***Capital Asset and Debt Administration***

***Capital Assets.*** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$127,267,228 (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:

- Initial construction of the new police building
- Purchase of 70-acre parcel of land adjacent the airport
- New storage building at the Curtis D. Menard Sports Complex
- Sewer treatment plant's wetland outfall project
- E911 hardware
- Police vehicles and roads equipment
- Donated water and sewer mainline extensions from developers

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

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Land	\$ 14,498,260	\$ 14,456,200	\$ 5,335,294	\$ 4,429,707	\$ 19,833,554	\$ 18,885,907
Buildings	18,724,803	20,356,263	12,504,089	12,626,841	31,228,892	32,983,104
Land improvements	-	-	6,102,896	6,520,055	6,102,896	6,520,055
Infrastructure	18,939,758	19,833,150	38,745,665	37,406,193	57,685,423	57,239,343
Furniture and equipment	1,509,924	1,323,801	-	-	1,509,924	1,323,801
Vehicles and equipment	2,007,655	2,290,354	1,953,075	2,165,332	3,960,730	4,455,686
Construction in progress	4,034,247	1,494,595	2,911,562	266,969	6,945,809	1,761,564
<b>Total Capital Assets</b>	<b>\$ 59,714,647</b>	<b>\$ 59,754,363</b>	<b>\$ 67,552,581</b>	<b>\$ 63,415,097</b>	<b>\$ 127,267,228</b>	<b>\$ 123,169,460</b>

Additional information on the City's capital assets can be found in note 4 on pages 40-42 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total long-term debt outstanding of \$827,250. The entire balance of the City's debt includes one loan issued through a federally sponsored loan program administered by the Alaska Department of Environmental Conservation in the amount of \$827,500.

**City of Wasilla's**  
**General Obligation Bonds, Loans and Other Long-term Debt**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
General obligation	\$ -	\$ 413,744	\$ -	\$ -	\$ -	\$ 413,744
Long-term loans	-	-	827,250	992,700	827,250	992,700
<b>Total Long-term Debt</b>	<b>\$ -</b>	<b>\$ 413,744</b>	<b>\$ 827,250</b>	<b>\$ 992,700</b>	<b>\$ 827,250</b>	<b>\$ 1,406,444</b>

The City's total debt decreased by \$579,194 or 41.2%, during the current fiscal year. The decrease is attributed to the City meeting its required debt payments and not issuing new debt.

State statutes do not impose debt limits on the City; however, its Municipal Code 5.02.040 requires that annual general obligation debt service not exceed twenty percent (20%) of annual general fund revenue. Additional information on the City's long-term debt can be found on pages 43-45 of this report.

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

In setting the budget for fiscal year 2020, the City considered a few issues with citywide impact. Among them are the following:

- The Matanuska Susitna Borough's population will continue to grow due to the quality of life offered and the amount of affordable land available for development.
- No annexations are planned.

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- The City of Wasilla will continue to serve as a primary retail trade center for residents of the Matanuska Susitna Borough. To ensure we retain this position, the City will continue to promote healthy economic development through use of strategic plans, comprehensive plans, zoning districts and roadway plans.
- Sales tax revenues to the general fund are projected to increase 11.67% or \$1,566,040 over the FY2019 budgeted amount. This increase is attributed to a sales tax initiative approved by the voters to construct a new police department building. The legislation included a 1% sales tax increase effective January 1, 2018 dedicated to fund its construction. The dedicated tax remains in effect for two years or until collections reach \$12M, whichever comes first. At that point, the sales tax will be reduced by .5% to a total of 2.5%. The remaining incremental .5% shall be available for operational expenditures. The .5% is the significant driver for projected sales tax revenue increase in FY2020.
- The property tax mil levy is expected to remain at zero.
- User fees and charges for business-type activities are expected to remain relatively flat with a minimal 2.22% increase due to additional airport tie down spaces from construction of an additional apron (Apron E) at the airport.
- Intergovernmental revenue consists of grants from local, state and federal agencies. The State of Alaska continues to lack a fiscal plan to address its budget shortfalls derived from low oil prices. Grant awards from the State of Alaska declined significantly in FY2017 and no new grant awards are projected in FY2020.
- Significant capital projects include completion of the new police department with appropriated funds of \$6M. Budgeted transfers to capital project funds from the General Fund in FY2020 are \$2,884,000 for various projects (new museum renovation, water well purchase, equipment, etc.).
- Personnel costs make up approximately 74% of the city's annual operational costs (excludes transfers, debt service and net capital projects). Personnel assumptions provide for an increase of \$796,864 or 5.22% over FY2019 amended budget. Increases relate to inflation and regular advancement on the pay scales.
- Health insurance premiums are projected to increase 8% or \$235,179. The 8% is based upon a plan agreement that includes an 8% maximum increase to premiums year over year. Actual premiums were not known at the time of budgeting.
- Employer contributions to the Public Employees Retirement System (PERS) is projected to remain at 22% despite legislative discussions to increase that percentage.
- For over a decade, the city has taken a forward-funded approach to discretionary capital projects. No additional debt is anticipated in FY2020.

***Requests for Information***

This financial report is designed to provide a general overview of the City'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: Finance Director, 290 E. Herning Ave. Wasilla, Alaska 99654.

## Basic Financial Statements

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**City of Wasilla, Alaska**  
**Statement of Net Position**

<i>June 30, 2019</i>	Governmental Activities	Business-type Activities	Total
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and investments	\$ 27,208,634	\$ 13,721,611	\$ 40,930,245
Land held for resale	695,200	-	695,200
Receivables, net of allowance for uncollectible amounts:			
Accounts	248,753	411,677	660,430
Taxes	1,993,963	-	1,993,963
Grants	298,304	2,660,951	2,959,255
Shared revenues	262,162	-	262,162
Assessments	-	99,730	99,730
Internal balances	1,395,228	(1,395,228)	-
Prepaid items	506,120	49,443	555,563
Inventories	-	120,810	120,810
Capital assets not being depreciated	18,532,507	8,246,856	26,779,363
Other capital assets, net of accumulated depreciation	41,182,140	59,305,725	100,487,865
<b>Total Assets</b>	<b>92,323,011</b>	<b>83,221,575</b>	<b>175,544,586</b>
<b>Deferred Outflows of Resources</b>			
Related to pensions	1,785,845	323,024	2,108,869
Related to other postemployment benefits	1,020,727	166,562	1,187,289
<b>Total Deferred Outflows of Resources</b>	<b>2,806,572</b>	<b>489,586</b>	<b>3,296,158</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 95,129,583</b>	<b>\$ 83,711,161</b>	<b>\$ 178,840,744</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Liabilities</b>			
Accounts payable	\$ 746,475	\$ 223,573	\$ 970,048
Accounts payable - capital	-	634,143	634,143
Accrued payroll and employee benefits	650,403	98,948	749,351
Customer deposits	16,801	55,046	71,847
Unearned revenue	350,552	196,635	547,187
Accrued interest	-	4,012	4,012
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	165,450	165,450
Compensated absences	727,173	150,480	877,653
Due in more than one year:			
Notes payable	-	661,800	661,800
Net pension liability	11,578,392	2,001,639	13,580,031
Net other postemployment benefits liability	2,395,219	382,464	2,777,683
<b>Total Liabilities</b>	<b>16,465,015</b>	<b>4,574,190</b>	<b>21,039,205</b>
<b>Deferred Inflows of Resources</b>			
Related to pensions	298,050	42,782	340,832
Related to other postemployment benefits	887,450	139,981	1,027,431
<b>Total Deferred Inflows of Resources</b>	<b>1,185,500</b>	<b>182,763</b>	<b>1,368,263</b>
<b>Net Position</b>			
Net investment in capital assets	59,714,647	66,725,331	126,439,978
Restricted:			
Permanent Fund - Cemetery - nonexpendable	330,911	-	330,911
Federal and state drug enforcement	13,146	-	13,146
Main Street couplet	695,200	-	695,200
New police station construction	6,984,603	-	6,984,603
Unrestricted	9,740,561	12,228,877	21,969,438
<b>Total Net Position</b>	<b>77,479,068</b>	<b>78,954,208</b>	<b>156,433,276</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 95,129,583</b>	<b>\$ 83,711,161</b>	<b>\$ 178,840,744</b>

*See accompanying notes to basic financial statements.*



**City of Wasilla, Alaska**  
**Statement of Activities**

Year Ended June 30, 2019	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>							
General government	\$ 3,907,795	\$ 126,828	\$ 32,350	\$ -	\$ (3,748,617)	\$ -	\$ (3,748,617)
Public safety	8,565,952	3,408,470	783,002	210,940	(4,163,540)	-	(4,163,540)
Public works	4,150,204	62,924	17,418	435,120	(3,634,742)	-	(3,634,742)
Culture and recreation	2,962,633	34,529	26,431	385,429	(2,516,244)	-	(2,516,244)
Interest on long-term debt	(1,994)	-	-	-	1,994	-	1,994
<b>Total Governmental Activities</b>	<b>19,584,590</b>	<b>3,632,751</b>	<b>859,201</b>	<b>1,031,489</b>	<b>(14,061,149)</b>	<b>-</b>	<b>(14,061,149)</b>
<b>Business-Type Activities</b>							
Water utility	1,866,664	1,929,774	7,712	1,152,703	-	1,223,525	1,223,525
Sewer utility	2,030,125	1,469,713	358,985	1,500,668	-	1,299,241	1,299,241
Municipal airport	964,040	131,022	1,361	2,619,679	-	1,788,022	1,788,022
Sports center	1,776,769	873,465	8,346	54,838	-	(840,120)	(840,120)
<b>Total Business-Type Activities</b>	<b>6,637,598</b>	<b>4,403,974</b>	<b>376,404</b>	<b>5,327,888</b>	<b>-</b>	<b>3,470,668</b>	<b>3,470,668</b>
<b>Totals</b>	<b>\$ 26,222,188</b>	<b>\$ 8,036,725</b>	<b>\$ 1,235,605</b>	<b>\$ 6,359,377</b>	<b>(14,061,149)</b>	<b>3,470,668</b>	<b>(10,590,481)</b>
<b>General Revenues</b>							
Sales taxes					21,046,076	-	21,046,076
Vehicle taxes					287,628	-	287,628
Grants and entitlements not restricted to a specific purpose					489,881	-	489,881
Investment income					829,737	3,875	833,612
Loss on land held for resale					(165,000)	-	(165,000)
Loss on sale of capital assets					(220,011)	-	(220,011)
Other					50,794	163,950	214,744
<b>Transfers</b>					<b>(1,633,500)</b>	<b>1,633,500</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>20,685,605</b>	<b>1,801,325</b>	<b>22,486,930</b>
<b>Change in Net Position</b>					<b>6,624,456</b>	<b>5,271,993</b>	<b>11,896,449</b>
<b>Net Position, beginning</b>					<b>70,854,612</b>	<b>73,682,215</b>	<b>144,536,827</b>
<b>Net Position, ending</b>					<b>\$ 77,479,068</b>	<b>\$ 78,954,208</b>	<b>\$ 156,433,276</b>

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Governmental Funds**  
**Balance Sheet**

June 30, 2019	Major Funds			Total Governmental Funds
	General	Miscellaneous Capital Projects	Nonmajor Funds	
<b>Assets</b>				
Cash and investments	\$ 15,189,905	\$ 10,210,049	\$ 1,808,680	\$ 27,208,634
Land held for resale	-	-	695,200	695,200
Receivables, net of allowance for uncollectibles:				
Accounts	248,753	-	-	248,753
Taxes	1,330,274	663,689	-	1,993,963
Grants	16,821	97,088	184,395	298,304
Shared revenues	262,162	-	-	262,162
Prepaid items	464,491	40,345	1,284	506,120
Due from other funds	1,395,228	-	-	1,395,228
<b>Total Assets</b>	<b>\$ 18,907,634</b>	<b>\$ 11,011,171</b>	<b>\$ 2,689,559</b>	<b>\$ 32,608,364</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 271,693	\$ 366,747	\$ 108,035	\$ 746,475
Accrued payroll and employee benefits	646,097	-	4,306	650,403
Customer deposits	16,801	-	-	16,801
Unearned revenue	38,183	292,227	20,142	350,552
<b>Total Liabilities</b>	<b>972,774</b>	<b>658,974</b>	<b>132,483</b>	<b>1,764,231</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	464,491	40,345	1,284	506,120
Permanent fund - cemetery	-	-	330,911	330,911
Restricted:				
Main Street couplet	-	-	695,200	695,200
Federal and state drug enforcement	-	-	13,146	13,146
New police station construction	-	6,984,603	-	6,984,603
Committed:				
Capital improvements	7,911,995	-	-	7,911,995
Assigned:				
Land bank	612,000	-	-	612,000
Capital improvements	-	3,327,249	-	3,327,249
Compensated absences	727,173	-	-	727,173
Youth court	-	-	43,404	43,404
Road projects	-	-	105,264	105,264
Vehicle replacement	-	-	600,598	600,598
Right-of-way acquisition	-	-	147,455	147,455
Technology replacement	-	-	619,814	619,814
Sexual Assault Response Team (SART)	50,000	-	-	50,000
WPD K9 Unit	19,068	-	-	19,068
Other purposes	27,659	-	-	27,659
Unassigned	8,122,474	-	-	8,122,474
<b>Total Fund Balances</b>	<b>17,934,860</b>	<b>10,352,197</b>	<b>2,557,076</b>	<b>30,844,133</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,907,634</b>	<b>\$ 11,011,171</b>	<b>\$ 2,689,559</b>	<b>\$ 32,608,364</b>

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Position**  
**June 30, 2019**

Total fund balances for governmental funds		\$ 30,844,133
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (shown here, net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		59,714,647
Deferred outflows of resources for governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred outflows of resources related to pensions	\$ 1,785,845	
Deferred outflows of resources related to other postemployment benefits	<u>1,020,727</u>	
Total deferred outflows of resources		2,806,572
Long-term liabilities, including bonds payable, net pension liability, and compensated absences are not due and payable in the current period and therefore, are not reported in the funds:		
Net pension liability	(11,578,392)	
Net other postemployment benefits liability	(2,395,219)	
Compensated absences	<u>(727,173)</u>	
Total long-term liabilities		(14,700,784)
Deferred inflows of resources for governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred inflows of resources related to pensions	(298,050)	
Deferred inflows of resources related to other postemployment benefits	<u>(887,450)</u>	
Total deferred inflows of resources		(1,185,500)
<b>Total Net Position of Governmental Activities</b>		<b><u>\$ 77,479,068</u></b>

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**

<i>Year Ended June 30, 2019</i>	Major Funds			Total Governmental Funds
	General	Miscellaneous Capital Projects	Nonmajor Funds	
<b>Revenues</b>				
Taxes	\$ 14,349,101	\$ 6,984,603	\$ -	\$ 21,333,704
Licenses and permits	78,360	-	-	78,360
Fines and forfeitures	160,662	-	2,080	162,742
Intergovernmental	1,576,357	393,904	252,406	2,222,667
Charges for services	3,373,014	-	-	3,373,014
Loss on land held for resale	-	-	(165,000)	(165,000)
Investment income	808,294	21,443	-	829,737
Other	50,794	375,540	18,635	444,969
<b>Total Revenues</b>	<b>20,396,582</b>	<b>7,775,490</b>	<b>108,121</b>	<b>28,280,193</b>
<b>Expenditures</b>				
Current:				
General government	3,126,684	-	-	3,126,684
Public safety	7,948,498	-	101,997	8,050,495
Public works	2,263,134	-	-	2,263,134
Culture and recreation	2,250,803	-	300	2,251,103
Nondepartmental	253,745	-	-	253,745
Debt service:				
Principal	405,000	-	-	405,000
Interest	8,100	-	-	8,100
Capital outlay	-	4,556,793	535,922	5,092,715
<b>Total Expenditures</b>	<b>16,255,964</b>	<b>4,556,793</b>	<b>638,219</b>	<b>21,450,976</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,140,618</b>	<b>3,218,697</b>	<b>(530,098)</b>	<b>6,829,217</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	1,013,846	-	-	1,013,846
Transfers in	789	545,000	619,500	1,165,289
Transfers out	(2,798,000)	-	(789)	(2,798,789)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,783,365)</b>	<b>545,000</b>	<b>618,711</b>	<b>(619,654)</b>
<b>Net Change in Fund Balances</b>	<b>2,357,253</b>	<b>3,763,697</b>	<b>88,613</b>	<b>6,209,563</b>
<b>Fund Balances, beginning</b>	<b>15,577,607</b>	<b>6,588,500</b>	<b>2,468,463</b>	<b>24,634,570</b>
<b>Fund Balances, ending</b>	<b>\$ 17,934,860</b>	<b>\$ 10,352,197</b>	<b>\$ 2,557,076</b>	<b>\$ 30,844,133</b>

*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, 2019**

Net change in fund balances - total governmental funds \$ 6,209,563

The change in net position 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 and reported as depreciation expense:

Capital outlays	\$ 3,861,181	
Depreciation expense	(2,732,760)	
Donated assets	65,720	1,194,141

Governmental funds only report the revenues for sale of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale. This is the net effect of transactions involving capital assets:

Cost of assets sold	(1,737,609)	
Accumulated depreciation of assets sold	503,752	(1,233,857)

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

1,350

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Principal repayment	405,000	
Net change in premium and deferred charge on refunding	8,632	413,632

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in compensated absences	(25,899)	
Decrease in net pension liability and related deferred outflows and inflows of resources	104,635	
Increase in net other postemployment benefits liability and related deferred outflows and inflows of resources	(39,109)	39,627

**Change in Net Position of Governmental Activities**

**\$ 6,624,456**

*See accompanying notes to basic financial statements.*



## City of Wasilla, Alaska

Enterprise Funds  
Statement of Net Position

June 30, 2019	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
<b>Assets and Deferred Outflows of Resources</b>					
<b>Current Assets</b>					
Cash and investments	\$ 7,160,226	\$ 4,507,256	\$ -	\$ 2,054,129	\$ 13,721,611
Receivables:					
Accounts	229,318	150,089	6,518	109,362	495,287
Allowance for doubtful accounts	(41,434)	(26,025)	-	(16,151)	(83,610)
Special assessments	3,138	12,454	-	-	15,592
Payment in lieu of assessments	84,138	-	-	-	84,138
Grants	6,371	183,801	2,470,779	-	2,660,951
Prepaid expenses	13,291	14,977	2,040	11,447	41,755
Inventory	44,264	76,546	-	-	120,810
<b>Total Current Assets</b>	<b>7,499,312</b>	<b>4,919,098</b>	<b>2,479,337</b>	<b>2,158,787</b>	<b>17,056,534</b>
<b>Noncurrent Assets</b>					
Prepaid expenses	7,688	-	-	-	7,688
Capital assets, net	27,788,218	13,831,879	12,425,368	13,507,116	67,552,581
<b>Total Noncurrent Assets</b>	<b>27,795,906</b>	<b>13,831,879</b>	<b>12,425,368</b>	<b>13,507,116</b>	<b>67,560,269</b>
<b>Total Assets</b>	<b>35,295,218</b>	<b>18,750,977</b>	<b>14,904,705</b>	<b>15,665,903</b>	<b>84,616,803</b>
<b>Deferred Outflows of Resources</b>					
Related to pensions	92,694	115,306	6,625	108,399	323,024
Related to other postemployment benefits	47,384	59,222	8,301	51,655	166,562
<b>Total Deferred Outflows of Resources</b>	<b>140,078</b>	<b>174,528</b>	<b>14,926</b>	<b>160,054</b>	<b>489,586</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 35,435,296</b>	<b>\$ 18,925,505</b>	<b>\$ 14,919,631</b>	<b>\$ 15,825,957</b>	<b>\$ 85,106,389</b>

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Enterprise Funds**  
**Statement of Net Position, continued**

<i>June 30, 2019</i>	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 21,210	\$ 174,291	\$ 4,217	\$ 23,855	\$ 223,573
Accounts payable - capital	-	-	634,143	-	634,143
Accrued payroll and employee benefits	25,231	36,246	2,325	35,146	98,948
Compensated absences	41,520	62,556	5,083	41,321	150,480
Customer deposits	31,196	16,670	-	7,180	55,046
Accrued interest	4,012	-	-	-	4,012
Unearned revenue	97,107	-	5,882	93,646	196,635
Due to other funds	-	-	1,395,228	-	1,395,228
Current portion of notes payable	165,450	-	-	-	165,450
<b>Total Current Liabilities</b>	<b>385,726</b>	<b>289,763</b>	<b>2,046,878</b>	<b>201,148</b>	<b>2,923,515</b>
<b>Noncurrent Liabilities</b>					
Notes payable, net of current portion	661,800	-	-	-	661,800
Net pension liability	552,631	756,041	51,953	641,014	2,001,639
Net other postemployment benefits liability	103,530	146,882	17,929	114,123	382,464
<b>Total Noncurrent Liabilities</b>	<b>1,317,961</b>	<b>902,923</b>	<b>69,882</b>	<b>755,137</b>	<b>3,045,903</b>
<b>Total Liabilities</b>	<b>1,703,687</b>	<b>1,192,686</b>	<b>2,116,760</b>	<b>956,285</b>	<b>5,969,418</b>
<b>Deferred Inflows of Resources</b>					
Related to pensions	7,515	24,937	639	9,691	42,782
Related to other postemployment benefits	36,782	56,050	6,324	40,825	139,981
<b>Total Deferred Inflows of Resources</b>	<b>44,297</b>	<b>80,987</b>	<b>6,963</b>	<b>50,516</b>	<b>182,763</b>
<b>Net Position</b>					
Net investment in capital assets	26,960,968	13,831,879	12,425,368	13,507,116	66,725,331
Unrestricted	6,726,344	3,819,953	370,540	1,312,040	12,228,877
<b>Total Net Position</b>	<b>33,687,312</b>	<b>17,651,832</b>	<b>12,795,908</b>	<b>14,819,156</b>	<b>78,954,208</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 35,435,296</b>	<b>\$18,925,505</b>	<b>\$14,919,631</b>	<b>\$ 15,825,957</b>	<b>\$85,106,389</b>

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Enterprise Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

<i>Year Ended June 30, 2019</i>	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
<b>Operating Revenues</b>	\$ 1,929,774	\$ 1,469,713	\$ 131,022	\$ 873,465	\$ 4,403,974
<b>Operating Expenses</b>					
Salaries and employee benefits	515,648	716,986	48,701	689,181	1,970,516
Other operating expenses	479,947	795,997	122,716	561,625	1,960,285
Depreciation	855,724	517,142	792,623	525,963	2,691,452
<b>Total Operating Expenses</b>	1,851,319	2,030,125	964,040	1,776,769	6,622,253
Operating income (loss)	78,455	(560,412)	(833,018)	(903,304)	(2,218,279)
<b>Nonoperating Revenues (Expenses)</b>					
Payments in lieu of assessments	46,550	2,860	-	-	49,410
Interest expense	(14,088)	-	-	-	(14,088)
Loss on disposal of capital assets	(1,257)	-	-	-	(1,257)
Investment income	-	-	-	3,875	3,875
Debt service assessments	407	2,164	-	-	2,571
Nonoperating grants	-	350,201	-	-	350,201
Plans and studies	-	-	2,345	-	2,345
State PERS relief	7,712	8,784	1,361	8,346	26,203
Other income	107,829	795	-	1,000	109,624
<b>Net Nonoperating Revenues (Expenses)</b>	147,153	364,804	3,706	13,221	528,884
Income (loss) before contributions and transfers	225,608	(195,608)	(829,312)	(890,083)	(1,689,395)
Capital contributions	1,152,703	1,500,668	2,619,679	54,838	5,327,888
Transfers in	-	-	981,000	700,000	1,681,000
Transfers out	(19,250)	(16,250)	(500)	(11,500)	(47,500)
Change in net position	1,359,061	1,288,810	2,770,867	(146,745)	5,271,993
<b>Net Position, beginning</b>	32,328,251	16,363,022	10,025,041	14,965,901	73,682,215
<b>Net Position, ending</b>	\$ 33,687,312	\$ 17,651,832	\$ 12,795,908	\$ 14,819,156	\$ 78,954,208

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Enterprise Funds**  
**Statement of Cash Flows**

<i>Year Ended June 30, 2019</i>	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
<b>Cash Flows from (for) Operating Activities</b>					
Receipts from customers and users	\$ 2,048,677	\$ 1,474,755	\$ 131,548	\$ 803,789	\$ 4,458,769
Payments to suppliers	(464,919)	(718,359)	(165,698)	(558,626)	(1,907,602)
Payments to employees	(501,989)	(709,125)	(47,224)	(667,783)	(1,926,121)
<b>Net cash flows from (for) operating activities</b>	<b>1,081,769</b>	<b>47,271</b>	<b>(81,374)</b>	<b>(422,620)</b>	<b>625,046</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>					
Nonoperating grants received	-	441,939	425	-	442,364
Increase in due to other funds	-	-	1,395,228	-	1,395,228
Transfers in	-	-	981,000	700,000	1,681,000
Transfers out	(19,250)	(16,250)	(500)	(11,500)	(47,500)
<b>Net cash flows from (for) noncapital financing activities</b>	<b>(19,250)</b>	<b>425,689</b>	<b>2,376,153</b>	<b>688,500</b>	<b>3,471,092</b>
<b>Cash Flows from (for) Capital and Related Financing Activities</b>					
Principal paid on notes payable	(165,450)	-	-	-	(165,450)
Interest paid on notes payable	(14,890)	-	-	-	(14,890)
Special assessments received	3,972	9,106	-	-	13,078
Payments in lieu of assessments received	46,781	2,860	-	-	49,641
Acquisition and construction of capital assets	(49,957)	(826,041)	(3,101,194)	(426,485)	(4,403,677)
Capital contributions received	125,794	826,041	148,900	60,852	1,161,587
<b>Net cash flows from (for) capital and related financing activities</b>	<b>(53,750)</b>	<b>11,966</b>	<b>(2,952,294)</b>	<b>(365,633)</b>	<b>(3,359,711)</b>
<b>Cash Flows from Investing Activities</b>					
Investment income received	-	-	-	3,875	3,875
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>1,008,769</b>	<b>484,926</b>	<b>(657,515)</b>	<b>(95,878)</b>	<b>740,302</b>
<b>Cash and Investments, beginning</b>	<b>6,151,457</b>	<b>4,022,330</b>	<b>657,515</b>	<b>2,150,007</b>	<b>12,981,309</b>
<b>Cash and Investments, ending</b>	<b>\$ 7,160,226</b>	<b>\$ 4,507,256</b>	<b>\$ -</b>	<b>\$ 2,054,129</b>	<b>\$ 13,721,611</b>

*See accompanying notes to basic financial statements.*

**City of Wasilla, Alaska**  
**Enterprise Funds**  
**Statement of Cash Flows, continued**

Year Ended June 30, 2019	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
<b>Reconciliation of Operating Income (Loss) to Net</b>					
<b>Cash Flows from (for) Operating Activities</b>					
Operating income (loss)	\$ 78,455	\$ (560,412)	\$ (833,018)	\$ (903,304)	\$ (2,218,279)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:					
Depreciation	855,724	517,142	792,623	525,963	2,691,452
State of Alaska on-behalf payments - PERS relief	7,712	8,784	1,361	8,346	26,203
Nonoperating revenues	107,829	795	2,345	1,000	111,969
Changes in operating assets and liabilities that provided (used) cash:					
Accounts receivable and related allowance	(5,896)	2,577	805	(68,235)	(70,749)
Inventory	4,435	(12,489)	-	-	(8,054)
Prepaid expenses	1,693	(807)	(117)	(97)	672
Deferred outflows of resources related to pensions	(27,386)	(31,191)	(4,835)	(29,636)	(93,048)
Deferred outflows of resources related to other postemployment benefits	(34,756)	(39,585)	(6,135)	(37,611)	(118,087)
Accounts payable	8,900	90,934	(42,865)	3,096	60,065
Accrued payroll and employee benefits	3,421	2,692	(11)	4,399	10,501
Compensated absences	5,724	27	691	12,112	18,554
Customer deposits	16,196	1,670	-	1,330	19,196
Unearned revenue	774	-	(2,624)	(3,771)	(5,621)
Net pension liability	56,268	64,086	9,933	60,891	191,178
Net other postemployment benefits liability	33,907	38,618	5,986	36,693	115,204
Deferred inflows of resources related to pensions	(33,988)	(38,710)	(6,000)	(36,780)	(115,478)
Deferred inflows of resources related to other postemployment benefits	2,757	3,140	487	2,984	9,368
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 1,081,769</b>	<b>\$ 47,271</b>	<b>\$ (81,374)</b>	<b>\$ (422,620)</b>	<b>\$ 625,046</b>
<b>Noncash Capital and Related Financing Activities</b>					
Water extensions and other assets contributed by developers	\$ 1,117,747	\$ -	\$ -	\$ -	\$ 1,117,747
Sewer extensions and other assets contributed by developers	\$ -	\$ 674,626	\$ -	\$ -	\$ 674,626

*See accompanying notes to basic financial statements.*



**City of Wasilla, Alaska**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**1. Summary of Significant Accounting Policies**

**(a) General**

The accompanying financial statements include all activities of the City of Wasilla (the City), 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.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies are described below.

**(b) Reporting Entity**

The reporting entity consists of the City of Wasilla. There are no component units.

**(c) Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. 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.

The City reports the following 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 Capital Projects Fund accounts for various capital project activities of the City.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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The City reports the following 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 Curtis D. Menard Memorial Sports Center Enterprise Fund is used to account for the operations of the recreational sports complex facility.

### ***(d) Measurement Focus and Basis of Accounting***

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.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

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 the liability is incurred, as under accrual accounting. However, principal and interest on general long-term liabilities, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, charges for services, 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 received by the government.

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.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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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.

#### *(e) 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, with the exception of the Cemetery Permanent Fund, for which no budget is prepared. 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.

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, GAAP do not require the adoption of budgets for Enterprise Funds, and budgetary comparisons are not included for these funds since the measurement focus is on determination of net income and financial position.

#### *(f) Assets and Liabilities*

##### **Deposits and Investments**

The City 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," if negative.

The cash transactions of the City's funds are handled primarily in a single central treasury account. Realized investment earnings, when applicable, are allocated among the funds based on their respective equity in the central treasury.

For purposes of the statement of cash flows, the proprietary 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.

Investments are reported at fair value, except for money market funds, which are reported at amortized cost. Fair value is determined based on quoted market prices.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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The City is authorized to invest in, and with maturities up to, the following:

- U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value and are insured or guaranteed by the United States or agencies or instrumentalities of the United States - 5 years. Securities in these asset classes with maturities longer than five years would be permitted if they have coupon rates that adjust periodically.
- Repurchase agreements that are documented by a written agreement, and are fully collateralized by delivery of government-related obligations, to an independent third-party custodian, which meet a margin requirement of one hundred two percent (102%) of the principal and unpaid accrued interest - 2 years.
- Certificates of deposit and other deposits at banks and savings and loan associations collateralized between 100% and 107%, depending on collateralized type - 3 years.
- Uncollateralized deposits at banks and savings and loan associations, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation - 3 years.
- Bonds and notes which are issued by any state or political subdivision thereof, and which are rated A or higher by a nationally recognized statistical rating organization - 5 years.
- Prime commercial paper graded A1 or higher by Moody's Investor's Service, Inc., and A1 or higher by Standard and Poor's Corporation, or equivalent by a nationally recognized statistical rating organization - 270 days.
- Prime bankers' acceptances offered by the fifty (50) largest banks - 180 days.
- U.S. dollar denominated corporate obligations issued by corporations organized and operated within the United States - 5 years.

Corporate obligations shall be rated as follows:

- A. 1 year or less-A rated by two major nationally recognized statistical rating agencies;
  - B. 1-2 years-AA rated by at least one major nationally recognized statistical rating agency;
  - C. 2-4 years-AA rated by two major nationally recognized statistical rating agencies; and
  - D. 4-5 years-AAA rated by two major nationally recognized statistical rating agencies.
- Money market mutual funds that adhere to SEC rule 2a-7.
  - The Alaska Municipal League Investment Pool (AMLIP), Inc., made in accordance with the terms of that pool's "Common Investment Agreement."
  - Special assessments of the City authorized by Chapter 5.20. Total principal investment is not to exceed two hundred fifty thousand dollars (\$250,000) at the end of any fiscal year. The rate the City shall receive when investing in special assessments is the prime rate plus two percent on the date the ordinance confirming the assessment roll is enacted by the council.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." All amounts due to/from other funds are short term in nature.

Trade receivables for the Water, Sewer and Curtis D. Menard Memorial Sports Center Funds are shown along with an allowance for doubtful accounts. Trade accounts receivables in excess of 90 days outstanding are determined to be uncollectible and are included in the allowance for doubtful accounts.

### Inventories and Prepaid Items

Inventories in the enterprise funds consist of supplies and materials. All inventories are valued using the average cost method.

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. The prepaid assets do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as nonspendable in the governmental fund financial statements. Prepaid items and expenses are based on the consumption method.

### Capital Assets

Capital assets, which includes, property, plant, equipment, system infrastructure (e.g., roads, streets, lighting, etc.), and sewer and water infrastructure (e.g., treatment centers, pipes, tanks, etc.) 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. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the 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. No interest was capitalized in 2019.

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:

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Buildings and improvements	15-50 years
System infrastructure	20-50 years
Sewer and water infrastructure and equipment	50-60 years
Machinery and equipment	5-10 years

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## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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#### **Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **Unearned Grant Revenue**

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

#### **Bond Premiums, Discounts, and Issuance Costs**

In the government-wide and 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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

#### ***(g) Pensions and Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***(h) Deferred Outflows of Resources and Deferred Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Generally, the City reports deferred charges on bond refunding and certain pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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In addition to the liabilities, the financial statements may also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until later. The City reports certain pension and OPEB related items as deferred inflows of resources. These items are amortized as a reduction of expense over varying periods of time based on their nature.

#### *(i) Equity*

##### **Fund Balance Components**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

##### ***Nonspendable***

Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This would include inventory, prepaid items, corpus of endowments, and long-term loans and notes receivable.

##### ***Restricted***

Reflects the same definition as restricted net position: constraints placed on the use of amounts are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds and debt service funds.

##### ***Committed***

Includes amounts that are committed for specific purposes by approval of the City Council through ordinances. Amounts classified as committed are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the Council rescinds or changes the limitation by approval through ordinance.

Included in committed are amounts in excess of stabilization of funds that are formally set aside by City ordinance for use in capital projects. The amounts in excess of stabilization of funds amount is determined based on the amount in the General Fund balance in excess of the maximum unassigned fund balance for the succeeding fiscal year, as defined.

##### ***Assigned***

Amounts that are intended by the City to be used for specific purposes, but are neither restricted nor limited, are reported as assigned fund balance. The finance director is given authority by Municipal Code to make the determination of assigned fund balances, including removal and modification of assigned amounts. This would include any activity reported in a fund other than the General Fund that is not otherwise restricted more narrowly by the above definitions.

**City of Wasilla, Alaska**  
**Notes to Basic Financial Statements**

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***Unassigned***

Includes any remaining amounts after applying the above definitions. Only the General Fund has unassigned fund balance.

***Spending Policy***

The City's spending policy is to spend restricted fund balance first, followed by committed, assigned, and unassigned fund balance.

***(j) Net Position***

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

**Net Investment in Capital Assets**

This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted**

This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

**Unrestricted**

This consists of net position that does not meet the definition of restricted or net investment in capital assets.

***(k) Revenues, Expenditures, and Expenses***

**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. The property tax for the fiscal years ended June 30, 2019 and 2018, held a zero mill rate.

**Grants and Other Intergovernmental Revenues**

Grants and other intergovernmental revenues are recognized as revenue as soon as all eligibility requirements have been met.

**City of Wasilla, Alaska**  
**Notes to Basic Financial Statements**

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**2. Deposits and Investments**

**(a) Investments**

As of June 30, 2019, the City had the following investments:

Investment Type	Fair value	Investment Maturities		
		Less than 1 year	1-5 Years	More than 5 years
Money market funds	\$ 100,106	\$ 100,106	\$ -	-
Certificates of deposit	751,197	751,197	-	-
U.S. treasuries	9,937,145	-	9,937,145	-
U.S. government agencies	6,925,555	751	1,859,177	5,065,627
Corporate bonds	3,497,872	3,497,872	-	-
AMLIP pooled investments	6,685,637	6,685,637	-	-
<b>Total Subject to Interest Rate Risk</b>	<b>\$ 27,897,512</b>	<b>\$ 11,035,563</b>	<b>\$ 11,796,322</b>	<b>\$ 5,065,627</b>

**(b) Fair Value Measurement**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

U.S. treasury securities of \$9,937,145 are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales (Level 2 inputs)

U.S. government agency securities of \$6,925,555 are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales (Level 2 inputs)

Corporate bonds of \$3,497,872 are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales (Level 2 inputs)

The City has investments in money market funds and certificates of deposits totaling \$851,303 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2019. The City's investment in AMLIP of \$6,685,637 is measured at net asset value, as of June 30, 2019. Management believes these values approximate fair value.

**(c) 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 duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal policy relating to interest rate risk.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### **(d) Credit Risk**

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. Alaska State law does not have specific investment limitations. The City's policy does limit investments to specified ratings based on instrument type as defined in note 1(f).

At June 30, 2019, the City's corporate bond investments were rated as follows:

Investment	Standard and Poor's	Moody's Investor Service
Corporate bonds	AA- to A-	Aa3 to A1

The AMLIP is an external investment pool, which is rated AAAm 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 Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2019, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

### **(e) Concentration of Credit Risk**

The City places no limit on the amount it may invest in any one issuer. The City has no investments from any one issuer that represents 5% or more of total investments other than U.S. government securities.

### **(f) Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk is to collateralize its primary demand deposit account for 102% of the uninsured balance. As of June 30, 2019, the City's had no bank deposits that were not insured or collateralized.

### **(g) Custodial Credit Risk - Investments**

For an investment, this is a risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no debt securities exposed to custodial credit risk at June 30, 2019 because the investments were held by a custodian in the name of the City.



# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### *(h) Reconciliation to the Statement of Net Position*

Deposits and investments are reported as follows on the statement of net position, as of June 30, 2019:

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Cash and Investments	\$ 40,930,245
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Deposits and investments are comprised of the following as of June 30, 2019:

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Carrying value of bank deposits	\$ 13,029,563
Petty cash accounts	3,170
Investments	27,897,512
<b>Total Cash and Investments</b>	<b>\$ 40,930,245</b>

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### **3. Land Held for Resale**

In 2016, the City acquired a large parcel of land for a capital project of which approximately 7 acres was deemed excess and planned to be resold to the private sector. Proceeds from the sale shall be used toward the project. The land was recorded as an asset held for resale. In 2019, the City had the land value reassessed which resulted in a write down to a book value of \$695,200, which approximates net realizable value.

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## City of Wasilla, Alaska

### Notes to Basic Financial Statements

#### 4. Capital Assets

Capital asset activity for the year ended June 30, 2019 is as follows:

Governmental Activities	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 14,456,200	\$ 42,060	\$ -	\$ 14,498,260
Construction in progress	1,494,595	3,793,951	(1,254,299)	4,034,247
<b>Total capital assets not being depreciated</b>	<b>15,950,795</b>	<b>3,836,011</b>	<b>(1,254,299)</b>	<b>18,532,507</b>
Capital assets being depreciated:				
Buildings	24,378,938	96,972	(1,560,235)	22,915,675
Office furniture and equipment	3,391,669	606,270	-	3,997,939
Vehicles and equipment	6,581,455	248,992	(177,374)	6,653,073
Infrastructure	37,617,785	392,955	-	38,010,740
<b>Total capital assets being depreciated</b>	<b>71,969,847</b>	<b>1,345,189</b>	<b>(1,737,609)</b>	<b>71,577,427</b>
Less accumulated depreciation for:				
Buildings	4,022,675	498,355	(330,158)	4,190,872
Office furniture and equipment	2,067,868	420,147	-	2,488,015
Vehicles and equipment	4,291,101	527,911	(173,594)	4,645,418
Infrastructure	17,784,635	1,286,347	-	19,070,982
<b>Total accumulated depreciation</b>	<b>28,166,279</b>	<b>2,732,760</b>	<b>(503,752)</b>	<b>30,395,287</b>
<b>Total capital assets being depreciated, net</b>	<b>43,803,568</b>	<b>(1,387,571)</b>	<b>(1,233,857)</b>	<b>41,182,140</b>
<b>Governmental Activity Capital Assets, net</b>	<b>\$ 59,754,363</b>	<b>\$ 2,448,440</b>	<b>\$ (2,488,156)</b>	<b>\$ 59,714,647</b>

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 4,429,707	\$ 905,587	\$ -	\$ 5,335,294
Construction in progress	266,969	5,037,821	(2,393,228)	2,911,562
<b>Total capital assets not being depreciated</b>	<b>4,696,676</b>	<b>5,943,408</b>	<b>(2,393,228)</b>	<b>8,246,856</b>
Capital assets being depreciated:				
Land improvements	16,217,168	159,400	-	16,376,568
Buildings	18,060,782	362,177	-	18,422,959
Treatment system	8,111,871	825,793	-	8,937,664
Collection/distribution	43,814,822	1,757,919	-	45,572,741
Water tank and fence	6,847,577	-	-	6,847,577
Wells/well house	1,325,146	-	-	1,325,146
Vehicles and equipment	8,044,356	174,724	(43,758)	8,175,322
<b>Total capital assets being depreciated</b>	<b>102,421,722</b>	<b>3,280,013</b>	<b>(43,758)</b>	<b>105,657,977</b>
Less accumulated depreciation for:				
Land improvements	9,697,113	576,559	-	10,273,672
Buildings	5,433,941	484,929	-	5,918,870
Treatment system	3,938,814	179,168	-	4,117,982
Collection/distribution	15,746,725	902,333	-	16,649,058
Water tank and fence	2,697,129	137,298	-	2,834,427
Wells/well house	310,555	25,441	-	335,996
Vehicles and equipment	5,879,024	385,724	(42,501)	6,222,247
<b>Total accumulated depreciation</b>	<b>43,703,301</b>	<b>2,691,452</b>	<b>(42,501)</b>	<b>46,352,252</b>
<b>Total capital assets being depreciated, net</b>	<b>58,718,421</b>	<b>588,561</b>	<b>(1,257)</b>	<b>59,305,725</b>
<b>Business-type Activities Capital Assets, net</b>	<b>\$ 63,415,097</b>	<b>\$ 6,531,969</b>	<b>\$ (2,394,485)</b>	<b>\$ 67,552,581</b>

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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Depreciation expense was charged to the functions as follows for the year ended June 30, 2019:

#### Governmental Activities

General government	\$ 117,623
Public safety	508,533
Public works	1,575,579
Culture and recreation	531,025

Total Depreciation Expense - Governmental Activities \$ 2,732,760

#### Business-type Activities

Water utility	\$ 855,724
Sewer utility	517,142
Municipal airport	792,623
Curtis D. Menard Memorial Sports Center	525,963

Total Depreciation Expense - Business-type Activities \$ 2,691,452

### 5. Interfund Receivables, Payables, and Transfers

A schedule of interfund balance and transfers for the year ended June 30, 2019, follows:

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#### Due From Other Funds

Due to the General Fund for short-term operating advances from the Municipal Airport Enterprise Fund	\$ 1,395,228
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## City of Wasilla, Alaska

### Notes to Basic Financial Statements

#### Transfers

From the General Fund to:	
Curtis D. Menard Memorial Sports Center Enterprise Fund to subsidize operations	\$ 700,000
Miscellaneous Capital Projects Fund for purchases of equipment, land and property improvements	545,000
Nonmajor governmental funds for road projects, vehicle and technology replacement	572,000
Municipal Airport Enterprise Fund to acquire a 70-acre parcel of land	981,000
From nonmajor governmental funds to The General Fund for operations	789
From the Water Utility Enterprise Fund to nonmajor governmental funds for vehicle and technology replacement	19,250
From the Sewer Utility Enterprise Fund to nonmajor governmental funds for vehicle and technology replacement	16,250
From the Municipal Airport Enterprise Fund to nonmajor governmental funds for technology replacement	500
From the Curtis D. Menard Memorial Sports Center Enterprise Fund to nonmajor governmental funds for technology replacement	11,500
<b>Total Transfers to Other Funds</b>	<b>\$ 2,846,289</b>

#### 6. Long-term Liabilities

##### (a) General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. In 2019, the City paid the final installment due on 2016 Series Three refunding bonds. As of June 30, 2019, the City has no general obligation bonds outstanding.

##### (b) ADEC Loans

The City participates in the Alaska Drinking Water Fund, a federally sponsored loan program administered by the Alaska Department of Environmental Conservation (ADEC). The City borrowed under this program for various water projects, as follows:

	Loan Principal
\$3,309,000 Water loan payable, due in annual installments of \$165,450 through March 4, 2024, plus interest at 1.5%	\$ 827,250



## City of Wasilla, Alaska

### Notes to Basic Financial Statements

Annual debt service requirements to maturity for the ADEC loan is as follows:

<i>Year Ending June 30,</i>	Principal	Interest	Total
2020	\$ 165,450	\$ 12,409	\$ 177,859
2021	165,450	9,926	175,376
2022	165,450	7,445	172,895
2023	165,450	4,964	170,414
2024	165,450	2,482	167,932
	<b>\$ 827,250</b>	<b>\$ 37,226</b>	<b>\$ 864,476</b>

**(c) Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2019 was as follows:

<b>Governmental Activities</b>	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
General obligation bonds	\$ 405,000	\$ -	\$ (405,000)	\$ -	\$ -
Issuance premiums	8,744	-	(8,744)	-	-
<b>Total bonds payable</b>	<b>413,744</b>	<b>-</b>	<b>(413,744)</b>	<b>-</b>	<b>-</b>
Compensated absences	701,274	833,082	(807,183)	727,173	727,173
<b>Total Governmental Activities</b>	<b>\$ 1,115,018</b>	<b>\$ 833,082</b>	<b>\$ (1,220,927)</b>	<b>\$ 727,173</b>	<b>\$ 727,173</b>

<b>Business-type Activities</b>	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
ADEC loans	\$ 992,700	\$ -	\$ (165,450)	\$ 827,250	\$ 165,450
Compensated absences	131,926	138,535	(119,981)	150,480	150,480
<b>Total Business-type Activities</b>	<b>\$ 1,124,626</b>	<b>\$ 138,535</b>	<b>\$ (285,431)</b>	<b>\$ 977,730</b>	<b>\$ 315,930</b>

For governmental activities, compensated absences are generally liquidated by the General Fund.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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#### *(d) Conduit Revenue Bonds*

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, 2019 was \$1,539,546.

On October 27, 2014, 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 \$9,500,000. The outstanding balance at June 30, 2019 was \$8,092,639.

On February 13, 2017, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Southcentral Foundation to finance a facility. The bonds were issued in the amount not to exceed \$55,000,000. The outstanding balance at June 30, 2019 was \$36,918,026.

## **7. Retirement Plans**

### *(a) Defined Benefit (DB) Pension Plan*

#### *General Information About the Plan*

The City participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. 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. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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#### *Historical Context and Special Funding Situation*

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The City recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

#### *Employee Contribution Rates*

Regular employees are required to contribute 6.75% of their annual covered salary. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

#### *Employer and Other Contribution Rates*

There are several contribution rates associated with the pension contributions and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

*Employer Effective Rate:* This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employee payroll are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

*ARM Board Adopted Rate:* This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

*On-behalf Contribution Rate:* This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

*GASB Rate:* This is the rate used to determine the long-term pension liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For 2019, the rate uses an 8% pension discount rate.

The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2019 were determined in the June 30, 2016 actuarial valuations. The City's contribution rates for the 2019 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	16.17%	23.21%	5.58%
Postemployment healthcare (ARHCT)	5.83%	4.37%	0.00%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>27.58%</b>	<b>5.58%</b>

In 2019, the City was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2017 to June 30, 2018	City Fiscal Year July 1, 2018 to June 30, 2019
Employer contributions (including DBUL)	\$ 1,051,897	\$ 1,022,635
Nonemployer contributions (on-behalf)	267,728	514,599
<b>Total Contributions</b>	<b>\$ 1,319,625</b>	<b>\$ 1,537,234</b>

In addition, employee contributions to the Plan totaled \$226,755 during the City's fiscal year.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.***

At June 30, 2019, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City were as follows:

	2019
City proportionate share of NPL	\$ 13,580,031
State's proportionate share of NPL associated with the City	3,935,557
<b>Total Net Pension Liability</b>	<b>\$ 17,515,588</b>

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2018 measurement date, the City's proportion was 0.27329 percent, which was an increase of 0.036604 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$2,107,559 and on-behalf revenue of \$184,270 for support provided by the State. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (340,832)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	299,921	-
Changes in proportion and differences between City contributions and proportionate share of contributions	786,313	-
City contributions subsequent to the measurement date	1,022,635	-
<b>Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 2,108,869</b>	<b>\$ (340,832)</b>

The \$1,022,635 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



## City of Wasilla, Alaska

### Notes to Basic Financial Statements

*Year Ending June 30,*

2020	\$ 826,939
2021	163,995
2022	(232,383)
2023	(13,149)
2024	-
Thereafter	-
<hr/>	
<b>Total Amortization</b>	<b>\$ 745,402</b>

#### *Actuarial Assumptions*

The total pension liability for the measurement period ended June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2018:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	For peace officer/firefighter, increases range from 9.66% to 4.92% based on service. For all others, increases range from 8.55% to 4.34% based on age and service.
Allocation methodology	Amounts for FY 2018 were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the fiscal years 2019 to 2039 to the Plan. The liability is expected to go to zero at 2039.
Investment return / Discount rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others. Post-termination - 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB.

The actuarial assumptions used in the June 30, 2017 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation report are the same as those used in the June 30, 2016 actuarial valuation.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

#### *Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	24%	8.90%
Global ex-U.S. equity	22%	7.85%
Fixed income	10%	1.25%
Opportunistic	10%	4.76%
Real assets	17%	6.20%
Absolute return	7%	4.76%
Private equity	9%	12.08%
Cash equivalents	1%	0.66%

#### *Discount Rate*

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	0.27329%	\$ 17,983,388	\$ 13,580,031	\$ 9,855,324

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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#### *(b) Defined Contribution (DC) Pension Plan*

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. 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, a 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. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the City contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

#### *Benefit Terms*

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2019 to cover a portion of the City's employer match contributions. For the year ended June 30, 2019, forfeitures reduced pension expense by \$118,982.

#### *Employee Contribution Rate*

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

#### *Employer Contribution Rate*

For the year ended June 30, 2019, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2019 were \$269,875 and \$431,799, respectively. The City contribution amount was recognized as pension expense/expenditures.

#### *(c) Defined Benefit OPEB Plans*

As part of its participation in PERS, the City participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is a self-insured and self-funded and provides major medical coverage to retirees of the DB Plan. The ARHCT plan was closed to all new entrants effective July 1, 2006. Benefits vary by Tier level. The RMP is self-insured and provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

#### *Contribution Rates*

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2019 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	5.83%	5.83%
Retiree Medical Plan	0.94%	0.94%
Occupational Death and Disability Benefits	0.26%	0.76%
<b>Total Contribution Rates</b>	<b>7.03%</b>	<b>7.53%</b>

In 2019, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2017 to June 30, 2018	City Fiscal Year July 1, 2018 to June 30, 2019
Employer contributions - ARHCT	\$ 299,834	\$ 369,635
Employer contributions - RMP	47,095	50,736
Employer contributions - ODD	9,932	19,310
Nonemployer contributions (on-behalf)- ARHCT	-	-
<b>Total Contributions</b>	<b>\$ 356,861</b>	<b>\$ 439,681</b>

#### *OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans*

At June 30, 2019, the City reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

	2019
City's proportionate share of NOL - ARHCT	\$ 2,804,738
City's proportionate share of NOL - RMP	51,408
City's proportionate share of NOL (Asset) - ODD	(78,463)
<b>Total City's Proportionate Share of NOL (Asset)</b>	<b>2,777,683</b>
State's proportionate share of the ARHCT NOL associated with the City	813,279
<b>Total Net OPEB Liabilities</b>	<b>\$ 3,590,962</b>

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

The total OPEB liabilities for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 to calculate the net OPEB liabilities as of that date. The City's proportion of the net OPEB liabilities were based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2017 Measurement Date Employer Proportion	June 30, 2018 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.23680%	0.27329%	0.03649%
RMP	0.36639%	0.40399%	0.03760%
ODD	0.36639%	0.40399%	0.03760%

As a result of its requirement to contribute to the plans, the City recognized OPEB expense of \$1,053,506 and on-behalf revenue of \$106,767 for support provided by the State associated with the ARHCT plan.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (324,581)
Changes in assumptions	449,323	-
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(604,606)
Changes in proportion and differences between City contributions and proportionate share of contributions	298,285	(98,244)
City contributions subsequent to the measurement date	439,681	-
<b>Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ 1,187,289</b>	<b>\$ (1,027,431)</b>

The \$439,681 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



## City of Wasilla, Alaska

### Notes to Basic Financial Statements

*Year Ending June 30,*

2020	\$ (30,141)
2021	(38,807)
2022	(197,336)
2023	(13,140)
2024	(135)
Thereafter	(264)

**Total Amortization** \$ (279,823)

**Actuarial Assumptions**

The total OPEB liability for each plan the measurement period ended June 30, 2018 was determined by actuarial valuations as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2018:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 9.66% to 4.92% for Peace Officer/ Firefighter. Graded by service from 8.55% to 4.34% for all others
Allocation methodology	Amounts for 2018 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment return / Discount rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% Prescription drug: 9.0% grading down to 4.0% RDS/EGWP: 6.5% grading down to 4.0%
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for all others. Post-termination - 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 10% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation are the same as those used in the June 30, 2016 valuation with the following exceptions:

1. The medical trend rate assumption was updated to reflect anticipated increases in costs based on recent survey data.
2. An obligation for the Cadillac Tax was added to the June 30, 2017 valuation because it was no longer deemed immaterial due to the updated trend rates and the change to use chained Consumer Price Index (which was part of the Tax Cut and Jobs Act passed in December 2017) to project the tax thresholds in future years.

### *Long-Term Expected Rate of Return*

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return for each major asset class included in the plans' targeted asset allocation as of June 30, 2018 are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	24%	8.90%
Global ex-U.S. equity	22%	7.85%
Fixed income	10%	1.25%
Opportunistic	10%	4.76%
Real assets	17%	6.20%
Absolute return	7%	4.76%
Private equity	9%	12.08%
Cash equivalents	1%	0.66%

### *Discount Rate*

The discount rate used to measure the total OPEB liability for each plan was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

#### *Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate*

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the respective plan's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.27329%	\$ 5,678,189	\$ 2,804,738	\$ 396,199
RMP	0.40399%	\$ 153,517	\$ 51,408	\$ (28,235)
ODD	0.40399%	\$ (73,680)	\$ (78,463)	\$ (82,398)

#### *Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates*

The following presents the City's proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rates, as well as what the City's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.27329%	\$ 54,445	\$ 2,804,738	\$ 6,117,734
RMP	0.40399%	\$ (43,708)	\$ 51,408	\$ 178,701
ODD	0.40399%	\$ n/a	\$ n/a	\$ n/a

#### *OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

#### *(d) Defined Contribution OPEB Plans*

PERS defined contribution members also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expenses to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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#### *Contribution Rate*

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2018, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,103 per year for each full-time employee, and \$1.35 per hour for part-time employees. Employees do not contribute to the DC OPEB plans.

#### *Annual Postemployment Healthcare Cost*

In 2019, the City contributed \$167,952 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

#### *(e) 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. The City believes that the Plan does not meet the reporting criteria for inclusion as a fiduciary fund.

### **8. Risk Management**

The City faces various 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. APEI'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, 2019. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### 9. Commitments and Contingencies

#### (a) Commitments

Encumbrances outstanding at year-end, including purchase orders, contracts and other commitments for the expenditure of moneys, are reported as assigned fund balances in the governmental funds. Outstanding encumbrances at June 30, 2019 were as follows:

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Governmental funds:	
General Fund	\$ 27,659
Miscellaneous Capital Projects Fund	4,006,661
Nonmajor funds	90,310
<hr/>	
<b>Total Governmental Funds</b>	<b>\$ 4,124,630</b>
Proprietary funds:	
Water utility	\$ 12,786
Sewer utility	688,923
Municipal airport	1,094,748
<hr/>	
<b>Total Proprietary Funds</b>	<b>\$ 1,796,457</b>

#### (b) Litigation

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.

#### (c) Grants

The City receives numerous grants, which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, would not be material.

#### (d) Arbitration

No grievances were filed against the City during the fiscal year ended June 30, 2019.



## City of Wasilla, Alaska

### Notes to Basic Financial Statements

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#### 10. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined.

*GASB 84 - Fiduciary Activities* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses criteria for identifying and reporting fiduciary activities.

*GASB 87 - Leases* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

*GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

*GASB 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

*GASB 91 - Conduit Debt Obligations* - Effective for year-end June 30, 2022, with earlier application encouraged - This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

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## City of Wasilla, Alaska

## General Fund

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

Year Ended June 30, 2019	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,485,210	\$ 13,485,210	\$ 14,349,101	\$ 863,891
Licenses and permits	56,650	56,650	78,360	21,710
Fines and forfeitures	225,000	225,000	160,662	(64,338)
Intergovernmental	1,064,398	1,268,749	1,576,357	307,608
Charges for services	3,348,297	3,348,297	3,373,014	24,717
Investment income	200,000	200,000	808,294	608,294
Other	86,000	87,200	50,794	(36,406)
<b>Total Revenues</b>	<b>18,465,555</b>	<b>18,671,106</b>	<b>20,396,582</b>	<b>1,725,476</b>
<b>Expenditures</b>				
Current:				
General government	3,388,108	3,388,783	3,126,684	262,099
Public safety	8,591,320	8,782,887	7,948,498	834,389
Public works	2,316,252	2,389,893	2,263,134	126,759
Culture and recreation	2,413,389	2,438,889	2,250,803	188,086
Nondepartmental	239,000	283,128	253,745	29,383
Debt service:				
Principal	405,000	405,000	405,000	-
Interest	8,500	8,500	8,100	400
<b>Total Expenditures</b>	<b>17,361,569</b>	<b>17,697,080</b>	<b>16,255,964</b>	<b>1,441,116</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,103,986</b>	<b>974,026</b>	<b>4,140,618</b>	<b>3,166,592</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	35,000	35,000	1,013,846	978,846
Transfers in	789	789	789	-
Transfers out	(1,834,500)	(2,798,000)	(2,798,000)	-
<b>Net Other Financing Sources (Uses)</b>	<b>(1,798,711)</b>	<b>(2,762,211)</b>	<b>(1,783,365)</b>	<b>978,846</b>
<b>Net Change in Fund Balance</b>	<b>\$ (694,725)</b>	<b>\$ (1,788,185)</b>	<b>2,357,253</b>	<b>\$ 4,145,438</b>
Fund Balance, beginning			<u>15,577,607</u>	
Fund Balance, ending			<u>\$ 17,934,860</u>	

See accompanying notes to Required Supplementary Information.

**City of Wasilla, Alaska**  
**Public Employees' Retirement System - Pension Plan**

**Schedule of the City's Proportionate Share of the Net Pension Liability**

<i>Years Ended June 30,</i>	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.27329%	0.23669%	0.27588%	0.23878%	0.16341%
City's Proportionate Share of the Net Pension Liability	\$ 13,580,031	\$ 12,235,598	\$ 15,420,525	\$ 11,580,779	\$ 7,621,647
State of Alaska Proportionate Share of the Net Pension Liability	3,935,557	4,558,116	1,941,651	3,103,029	6,726,524
Total Net Pension Liability	\$ 17,515,588	\$ 16,793,714	\$ 17,362,176	\$ 14,683,808	\$ 14,348,171
City's Covered Payroll	8,133,661	7,597,594	7,169,357	6,958,225	6,711,285
City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	166.96%	161.05%	215.09%	166.43%	113.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.19%	63.37%	59.55%	63.96%	63.37%

**Schedule of City Contributions**

<i>Years Ended June 30,</i>	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,022,635	\$ 1,051,897	\$ 878,392	\$ 732,714	\$ 696,515
Contributions Relative to the Contractually Required Contribution	1,022,635	1,051,897	878,392	732,714	696,515
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	8,641,719	8,133,661	7,597,594	7,169,357	6,958,225
Contributions as a Percentage of Covered Payroll	11.834%	12.933%	11.561%	10.220%	10.010%

*See accompanying notes to Required Supplementary Information.*

**City of Wasilla, Alaska**  
**Public Employees' Retirement System - OPEB Plans**  
**Schedule of the City's Proportionate Share of the Net OPEB Liability**

<i>Years Ended June 30,</i>	ARHCT		RMP		ODD	
	2019	2018	2019	2018	2019	2018
City's Proportion of the Net OPEB Liability	0.27329%	0.23680%	0.40399%	0.36639%	0.40399%	0.36639%
City's Proportionate Share of the Net OPEB Liability	\$ 2,804,738	\$ 2,000,418	\$ 51,408	\$ 19,107	\$ (78,463)	\$ (51,986)
State of Alaska Proportionate Share of the Net OPEB Liability	813,279	745,528	-	-	-	-
Total Net OPEB Liability	\$ 3,618,017	\$ 2,745,946	\$ 51,408	\$ 19,107	\$ (78,463)	\$ (51,986)
City's Covered Payroll	8,133,661	7,597,594	8,133,661	7,597,594	8,133,661	7,597,594
City's Proportionate Share of the Net OPEB Liability as a Percentage of Payroll	34.48%	26.33%	0.63%	0.25%	-0.96%	-0.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	88.12%	89.68%	88.71%	93.98%	270.62%	212.97%

**Schedule of City Contributions**

<i>Years Ended June 30,</i>	ARHCT		RMP		ODD	
	2019	2018	2019	2018	2019	2018
Contractually Required Contributions	\$ 369,635	\$ 299,834	\$ 50,736	\$ 47,095	\$ 19,310	\$ 9,932
Contributions Relative to the Contractually Required Contribution	369,635	299,834	50,736	47,095	19,310	9,932
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	8,641,719	8,133,661	8,641,719	8,133,661	8,641,719	8,133,661
Contributions as a Percentage of Covered Payroll	4.277%	3.686%	0.587%	0.579%	0.223%	0.122%

*See accompanying notes to Required Supplementary Information.*



## City of Wasilla, Alaska

### Notes to Required Supplementary Information June 30, 2019

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

The City follows these procedures in establishing the budgetary data reflected in the fund financial statements:

- The financial director must submit to the City Council by May 30 a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the City Council to obtain citizen comments.
- By June 30, the budget is legally enacted through passage of an ordinance by City Council action.
- Amendments to the budget can occur anytime during the fiscal year through action by the City Council or administration. Generally, the following actions are required at the level of the particular change:
  - ✓ All new appropriations are authorized by an appropriating ordinance that amends the annual budget.
  - ✓ A resolution of the City Council is required to move (appropriate) amounts between funds, departments, and projects within the same funds.
  - ✓ The administration is authorized to transfer funds within a department without Council action.
  - ✓ The Mayor is authorized to make a transfer between departments or funds up to the amount of \$10,000 within one fiscal year.
- Expenditures may not legally exceed appropriations at the following levels: Capital Projects Funds - project level, all other funds - activity level.
- All funds, except the Cemetery Permanent Fund, are budgeted on an annual basis encompassing a fiscal year. The Capital Projects Funds have project-length budgets, which generally is greater than one year.
- Appropriations lapse at year end to the extent that they have not been expended for all funds, except Capital Projects Funds, which lapse at the lesser of project completion or years.
- Budgets adopted by the City Council are in accordance with accounting principles generally accepted in the United States of America.
- The City publishes a separate 2019 budget document. That document may be obtained from the City of Wasilla, Director of Finance, 290 E. Herning Avenue, Wasilla, Alaska 99654.

## City of Wasilla, Alaska

### Notes to Required Supplementary Information, continued

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#### 2. Public Employees' Retirement System Pension Plan

##### *Schedule of the City's Proportionate Share of the Net Pension Liability*

This table is presented based on the Plan measurement date. For June 30, 2019, the Plan measurement date is June 30, 2018.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the City will present only those years for which information is available.

##### *Schedule of City Contributions*

This table is based on the City's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the City will present only those years for which information is available.

#### 3. Public Employees' Retirement System OPEB Plans

##### *Schedule of the City's Proportionate Share of the Net OPEB Liability*

This table is presented based on the Plan measurement date. For June 30, 2019, the Plan measurement date is June 30, 2018.

*Changes in Assumptions:* The medical trend rate assumption used for the ARHCT plan was updated to reflect anticipated increases in costs based on recent survey data. An obligation for the Cadillac Tax was added to the June 30, 2017 valuation because it was no longer deemed immaterial due to the updated trend rates and the change to use chained Consumer Price Index (which was part of the Tax Cut and Jobs Act passed in December 2017) to project the tax thresholds in future years.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the City will present only those years for which information is available.

##### *Schedule of City Contributions*

This table is based on the City's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the City will present only those years for which information is available.

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## General Fund

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The General Fund accounts for all transactions not recorded in other funds and receives financial support from such sources as 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, museum, library, parks, and other recreational services.

## City of Wasilla, Alaska

General Fund  
Balance Sheet

<i>June 30,</i>	2019	2018
<b>Assets</b>		
Cash and investments	\$ 15,189,905	\$ 14,573,307
Receivables:		
Accounts	248,753	60,167
Taxes	1,330,274	1,285,031
Grants	16,821	15,151
Shared revenues	262,162	352,450
Total receivables	1,858,010	1,712,799
Prepaid items	464,491	227,785
Due from other funds	1,395,228	-
<b>Total Assets</b>	<b>\$ 18,907,634</b>	<b>\$ 16,513,891</b>
<b>Liabilities</b>		
Accounts payable	\$ 271,693	\$ 205,010
Accrued payroll and employee benefits	646,097	642,191
Customer deposits	16,801	16,001
Unearned revenue	38,183	73,082
<b>Total Liabilities</b>	<b>972,774</b>	<b>936,284</b>
<b>Fund Balance</b>		
Nonspendable - prepaid items	464,491	227,785
Committed - capital improvements	7,911,995	6,010,411
Assigned:		
Land bank	612,000	462,000
Compensated absences	727,173	701,274
Sexual Assault Response Team (SART)	50,000	52,000
WPD K9 Unit	19,068	27,153
Other purposes	27,659	16,700
Unassigned	8,122,474	8,080,284
<b>Total Fund Balance</b>	<b>17,934,860</b>	<b>15,577,607</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 18,907,634</b>	<b>\$ 16,513,891</b>

**City of Wasilla, Alaska**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance**

<i>Years Ended June 30,</i>	2019	2018
<b>Revenues</b>		
Taxes	\$ 14,349,101	\$ 13,552,935
Licenses and permits	78,360	49,580
Fines and forfeitures	160,662	190,013
Intergovernmental	1,576,357	1,383,331
Charges for services	3,373,014	3,106,906
Investment income	808,294	271,213
Other	50,794	125,857
<b>Total Revenues</b>	<b>20,396,582</b>	<b>18,679,835</b>
<b>Expenditures</b>		
General government:		
City clerk	424,006	403,996
City council	152,930	155,928
Administration	262,209	279,012
General administration services	700,969	712,314
Finance	1,258,924	1,218,723
Management information systems	327,646	292,862
<b>Total general government</b>	<b>3,126,684</b>	<b>3,062,835</b>
Public safety:		
Police	638,000	623,888
General investigation	563,220	503,204
Police patrol	2,902,169	2,872,900
COPS - school resource officer grant	129,900	109,734
Dispatch center	3,534,016	3,265,270
Code compliance	181,193	174,503
<b>Total public safety</b>	<b>7,948,498</b>	<b>7,549,499</b>



**City of Wasilla, Alaska**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance, continued**

<i>Years Ended June 30,</i>	2019	2018
<b>Expenditures, continued:</b>		
Public works:		
Administration	\$ 381,695	\$ 443,909
Road maintenance	1,218,426	1,225,605
Property maintenance	663,013	657,988
<b>Total public works</b>	<b>2,263,134</b>	<b>2,327,502</b>
Culture and recreation:		
Museum	243,772	226,158
Parks maintenance	645,567	715,089
Library	1,260,547	1,213,870
Recreation services	100,917	89,703
<b>Total culture and recreation</b>	<b>2,250,803</b>	<b>2,244,820</b>
Debt service:		
Principal	405,000	395,000
Interest	8,100	20,150
<b>Total debt service</b>	<b>413,100</b>	<b>415,150</b>
Nondepartmental	253,745	172,435
<b>Total Expenditures</b>	<b>16,255,964</b>	<b>15,772,241</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,140,618</b>	<b>2,907,594</b>
<b>Other Financing Sources (Uses)</b>		
Proceeds from sale of assets	1,013,846	21,234
Transfers in	789	-
Transfers out	(2,798,000)	(3,929,467)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,783,365)</b>	<b>(3,908,233)</b>
<b>Net Change in Fund Balance</b>	<b>2,357,253</b>	<b>(1,000,639)</b>
<b>Fund Balance, beginning</b>	<b>15,577,607</b>	<b>16,578,246</b>
<b>Fund Balance, ending</b>	<b>\$ 17,934,860</b>	<b>\$ 15,577,607</b>

**City of Wasilla, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
<b>Taxes:</b>				
Sales taxes, including penalty and interest	\$ 13,424,560	\$ 14,061,473	\$ 636,913	\$ 13,492,015
Property and vehicle taxes	60,650	287,628	226,978	60,920
<b>Total taxes</b>	<b>13,485,210</b>	<b>14,349,101</b>	<b>863,891</b>	<b>13,552,935</b>
<b>Licenses and permits:</b>				
City business licenses	40,000	62,140	22,140	31,095
Land use permits	12,000	11,500	(500)	12,950
Other licenses and permits	4,650	4,720	70	5,535
<b>Total licenses and permits</b>	<b>56,650</b>	<b>78,360</b>	<b>21,710</b>	<b>49,580</b>
<b>Fines and forfeitures</b>	<b>225,000</b>	<b>160,662</b>	<b>(64,338)</b>	<b>190,013</b>
<b>Intergovernmental:</b>				
Electric and telephone co-op tax	225,000	215,338	(9,662)	219,465
Public safety grants	277,288	321,632	44,344	297,234
Library grants	7,900	8,073	173	8,396
Alcoholic beverage tax	30,000	28,400	(1,600)	29,150
Aviation fuel tax revenue sharing	1,500	1,972	472	1,723
Matanuska-Susitna Borough - Planning block grant	225,000	225,000	-	225,000
Matanuska-Susitna Borough - School resource officer	242,890	92,118	(150,772)	80,247
Fisheries tax	-	99	99	67
Community assistance	244,171	244,171	-	290,641
State PERS relief	-	438,042	438,042	228,989
Transportation grants	15,000	1,512	(13,488)	2,419
<b>Total intergovernmental</b>	<b>1,268,749</b>	<b>1,576,357</b>	<b>307,608</b>	<b>1,383,331</b>
<b>Charges for services:</b>				
Police dispatch services	3,071,547	3,261,622	190,075	2,853,474
Building rentals	226,600	51,424	(175,176)	212,221
Other charges for services	50,150	59,968	9,818	41,211
<b>Total charges for services</b>	<b>3,348,297</b>	<b>3,373,014</b>	<b>24,717</b>	<b>3,106,906</b>
<b>Investment income</b>	<b>200,000</b>	<b>808,294</b>	<b>608,294</b>	<b>271,213</b>
<b>Other:</b>				
Administration fee revenue	100	68	(32)	28
Donations	4,700	8,880	4,180	69,451
Miscellaneous	82,400	41,846	(40,554)	56,378
<b>Total other</b>	<b>87,200</b>	<b>50,794</b>	<b>(36,406)</b>	<b>125,857</b>
<b>Total Revenues</b>	<b>18,671,106</b>	<b>20,396,582</b>	<b>1,725,476</b>	<b>18,679,835</b>

**City of Wasilla, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance	Actual
<b>Expenditures</b>				
General government:				
City clerk:				
Salaries	\$ 228,968	\$ 228,966	\$ 2	\$ 219,538
Employee benefits	133,077	145,510	(12,433)	131,107
Professional and technical services	33,059	5,402	27,657	10,533
Property services	11,150	9,763	1,387	11,542
Other purchased services	34,544	30,622	3,922	25,902
Supplies	8,480	3,743	4,737	5,374
<b>Total city clerk</b>	<b>449,278</b>	<b>424,006</b>	<b>25,272</b>	<b>403,996</b>
City council:				
Salaries	32,082	29,375	2,707	24,525
Employee benefits	4,086	3,816	270	3,034
Professional and technical services	106,100	82,239	23,861	87,648
Property services	2,900	2,207	693	3,631
Other purchased services	34,407	33,525	882	32,126
Supplies	3,960	1,768	2,192	4,964
<b>Total city council</b>	<b>183,535</b>	<b>152,930</b>	<b>30,605</b>	<b>155,928</b>
Administration:				
Salaries	177,063	170,470	6,593	183,983
Employee benefits	66,802	55,134	11,668	57,983
Professional and technical services	17,723	13,051	4,672	13,367
Property services	1,840	1,785	55	1,600
Other purchased services	21,353	18,281	3,072	16,026
Supplies	4,500	3,488	1,012	6,053
<b>Total administration</b>	<b>289,281</b>	<b>262,209</b>	<b>27,072</b>	<b>279,012</b>
General administration services:				
Salaries	417,969	396,651	21,318	395,670
Employee benefits	219,200	205,614	13,586	222,703
Professional and technical services	46,640	24,694	21,946	28,505
Property services	21,125	19,482	1,643	9,508
Other purchased services	68,732	46,931	21,801	45,235
Supplies	12,600	7,597	5,003	10,693
<b>Total general administration services</b>	<b>786,266</b>	<b>700,969</b>	<b>85,297</b>	<b>712,314</b>
Finance:				
Salaries	723,098	703,981	19,117	691,052
Employee benefits	408,564	448,294	(39,730)	417,037
Professional and technical services	57,000	43,417	13,583	46,825
Property services	19,207	13,771	5,436	14,022
Other purchased services	44,063	32,924	11,139	35,071
Supplies	19,400	16,537	2,863	14,716
<b>Total finance</b>	<b>1,271,332</b>	<b>1,258,924</b>	<b>12,408</b>	<b>1,218,723</b>

**City of Wasilla, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance	Actual
General government, continued:				
Management information systems:				
Salaries	\$ 117,454	\$ 111,389	\$ 6,065	\$ 107,939
Employee benefits	73,610	77,742	(4,132)	69,181
Professional and technical services	38,250	100	38,150	-
Property services	134,367	96,308	38,059	72,730
Other purchased services	41,710	41,618	92	39,805
Supplies	3,700	489	3,211	3,207
Total management information systems	409,091	327,646	81,445	292,862
Total general government	3,388,783	3,126,684	262,099	3,062,835
Public safety:				
Police:				
Salaries	268,968	251,146	17,822	249,166
Employee benefits	123,308	118,065	5,243	110,969
Professional and technical services	101,920	100,908	1,012	99,961
Property services	50,705	47,484	3,221	43,788
Other purchased services	48,159	41,153	7,006	43,286
Supplies	94,850	79,244	15,606	76,718
Total police	687,910	638,000	49,910	623,888
Investigation and drug enforcement:				
Salaries	405,741	332,349	73,392	308,367
Employee benefits	214,911	193,576	21,335	166,049
Professional and technical services	15,000	7,995	7,005	6,322
Property services	1,370	822	548	1,314
Other purchased services	23,503	23,282	221	13,989
Supplies	8,151	5,196	2,955	7,163
Total investigation and drug enforcement	668,676	563,220	105,456	503,204
Police patrol:				
Salaries	1,743,789	1,641,083	102,706	1,613,522
Employee benefits	1,001,211	989,584	11,627	937,238
Professional and technical services	10,645	10,645	-	8,746
Property services	41,650	33,272	8,378	38,102
Other purchased services	146,034	114,176	31,858	118,278
Supplies	182,931	105,325	77,606	127,342
Capital purchases	27,152	8,084	19,068	29,672
Total police patrol	3,153,412	2,902,169	251,243	2,872,900
School resource officer grant:				
Salaries	149,128	80,795	68,333	66,073
Employee benefits	91,432	41,601	49,831	35,245
Professional and technical services	1,221	216	1,005	688
Other purchased services	35,128	5,439	29,689	5,919
Supplies	8,950	1,849	7,101	1,809
Total school resource officer grant	285,859	129,900	155,959	109,734

**City of Wasilla, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance	Actual
Public safety, continued:				
Dispatch center:				
Salaries	\$ 2,062,363	\$ 1,947,903	\$ 114,460	\$ 1,809,583
Employee benefits	1,274,740	1,226,984	47,756	1,155,372
Professional and technical services	11,202	11,201	1	4,667
Property services	226,522	190,850	35,672	158,554
Other purchased services	181,584	144,433	37,151	122,435
Supplies	23,600	12,645	10,955	14,659
<b>Total dispatch center</b>	<b>3,780,011</b>	<b>3,534,016</b>	<b>245,995</b>	<b>3,265,270</b>
Code compliance:				
Salaries	117,473	98,288	19,185	94,838
Employee benefits	52,254	55,122	(2,868)	51,002
Property services	750	70	680	204
Other purchased services	29,847	24,249	5,598	24,962
Supplies	6,695	3,464	3,231	3,497
<b>Total code compliance</b>	<b>207,019</b>	<b>181,193</b>	<b>25,826</b>	<b>174,503</b>
<b>Total public safety</b>	<b>8,782,887</b>	<b>7,948,498</b>	<b>834,389</b>	<b>7,549,499</b>
Public works:				
Administration:				
Salaries	230,568	222,123	8,445	276,052
Employee benefits	133,365	141,163	(7,798)	143,407
Professional and technical services	3,705	1,188	2,517	4,519
Property services	8,100	5,599	2,501	5,685
Other purchased services	12,176	9,118	3,058	9,658
Supplies	3,315	2,504	811	4,588
<b>Total administration</b>	<b>391,229</b>	<b>381,695</b>	<b>9,534</b>	<b>443,909</b>
Road maintenance:				
Salaries	357,999	345,625	12,374	372,753
Employee benefits	211,643	226,163	(14,520)	217,144
Property services	303,855	282,744	21,111	302,313
Other purchased services	45,678	43,811	1,867	24,079
Supplies	317,908	303,102	14,806	299,766
Capital purchases	16,981	16,981	-	9,550
<b>Total road maintenance</b>	<b>1,254,064</b>	<b>1,218,426</b>	<b>35,638</b>	<b>1,225,605</b>
Property maintenance:				
Salaries	207,871	188,193	19,678	187,985
Employee benefits	123,872	118,474	5,398	121,095
Professional and technical services	52,433	52,433	-	864
Property services	178,090	153,504	24,586	155,320
Other purchased services	39,801	33,318	6,483	35,735
Supplies	124,031	101,807	22,224	135,333
Other expenditures	18,502	15,284	3,218	21,656
<b>Total property maintenance</b>	<b>744,600</b>	<b>663,013</b>	<b>81,587</b>	<b>657,988</b>
<b>Total public works</b>	<b>2,389,893</b>	<b>2,263,134</b>	<b>126,759</b>	<b>2,327,502</b>

**City of Wasilla, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance	Actual
<b>Culture and recreation:</b>				
Museum:				
Salaries	\$ 108,704	\$ 102,748	\$ 5,956	\$ 95,939
Employee benefits	47,239	49,566	(2,327)	46,623
Professional and technical services	500	200	300	152
Property services	30,343	21,303	9,040	17,508
Other purchased services	48,750	40,406	8,344	36,829
Supplies	39,939	29,549	10,390	29,107
<b>Total museum</b>	<b>275,475</b>	<b>243,772</b>	<b>31,703</b>	<b>226,158</b>
Parks maintenance:				
Salaries	385,904	297,457	88,447	351,827
Employee benefits	162,397	149,769	12,628	159,662
Professional and technical services	1,280	1,280	-	450
Property services	71,358	68,785	2,573	54,502
Other purchased services	18,058	16,869	1,189	14,139
Supplies	113,315	111,407	1,908	123,587
Capital purchases	5,000	-	5,000	10,922
<b>Total parks maintenance</b>	<b>757,312</b>	<b>645,567</b>	<b>111,745</b>	<b>715,089</b>
Library:				
Salaries	577,733	559,866	17,867	557,502
Employee benefits	330,319	363,540	(33,221)	315,295
Professional and technical services	21,650	17,915	3,735	22,722
Property services	96,806	82,858	13,948	77,350
Other purchased services	51,941	48,113	3,828	47,004
Supplies	217,838	188,255	29,583	193,997
<b>Total library</b>	<b>1,296,287</b>	<b>1,260,547</b>	<b>35,740</b>	<b>1,213,870</b>
Recreation services:				
Salaries	38,932	35,016	3,916	34,964
Employee benefits	15,228	13,380	1,848	12,058
Other purchased services	53,655	51,004	2,651	40,882
Supplies	2,000	1,517	483	1,799
<b>Total recreation services</b>	<b>109,815</b>	<b>100,917</b>	<b>8,898</b>	<b>89,703</b>
<b>Total culture and recreation</b>	<b>2,438,889</b>	<b>2,250,803</b>	<b>188,086</b>	<b>2,244,820</b>



**City of Wasilla, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual, continued**

<i>Years Ended June 30,</i>	2019			2018
	Budget	Actual	Variance	Actual
Debt service:				
Principal	\$ 405,000	\$ 405,000	\$ -	\$ 395,000
Interest	8,500	8,100	400	20,150
<b>Total debt service</b>	<b>413,500</b>	<b>413,100</b>	<b>400</b>	<b>415,150</b>
Nondepartmental:				
Insurance deductible	20,000	-	20,000	-
Property tax payments	7,500	699	6,801	699
Settlements	25,000	22,418	2,582	19,364
Other agreements	230,628	230,628	-	152,372
<b>Total nondepartmental</b>	<b>283,128</b>	<b>253,745</b>	<b>29,383</b>	<b>172,435</b>
<b>Total Expenditures</b>	<b>17,697,080</b>	<b>16,255,964</b>	<b>1,441,116</b>	<b>15,772,241</b>
<b>Excess of Revenues Over Expenditures</b>	<b>974,026</b>	<b>4,140,618</b>	<b>3,166,592</b>	<b>2,907,594</b>
Other Financing Sources (Uses)				
Proceeds from sale of assets	35,000	1,013,846	978,846	21,234
Transfers in	789	789	-	-
Transfers out	(2,798,000)	(2,798,000)	-	(3,929,467)
<b>Net Other Financing Sources (Uses)</b>	<b>(2,762,211)</b>	<b>(1,783,365)</b>	<b>978,846</b>	<b>(3,908,233)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,788,185)</b>	<b>2,357,253</b>	<b>\$ 4,145,438</b>	<b>(1,000,639)</b>
Fund Balance, beginning		15,577,607		16,578,246
Fund Balance, ending		<u>\$ 17,934,860</u>		<u>\$ 15,577,607</u>

**City of Wasilla, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**

<i>June 30, 2019</i>	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 79,319	\$ 1,398,290	\$ 331,071	\$ 1,808,680
Land held for resale	-	695,200	-	695,200
Receivables - grants	2,635	181,760	-	184,395
Prepaid items	1,284	-	-	1,284
<b>Total Assets</b>	<b>\$ 83,238</b>	<b>\$ 2,275,250</b>	<b>\$ 331,071</b>	<b>\$ 2,689,559</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 956	\$ 106,919	\$ 160	\$ 108,035
Accrued payroll and employee benefits	4,306	-	-	4,306
Unearned revenue	20,142	-	-	20,142
<b>Total Liabilities</b>	<b>25,404</b>	<b>106,919</b>	<b>160</b>	<b>132,483</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	1,284	-	-	1,284
Permanent Fund principal	-	-	330,911	330,911
Restricted -				
Federal and State drug enforcement	13,146	-	-	13,146
Main Street couplet	-	695,200	-	695,200
Assigned:				
Youth court	43,404	-	-	43,404
Road projects	-	105,264	-	105,264
Vehicle replacement	-	600,598	-	600,598
Right-of-way acquisition	-	147,455	-	147,455
Technology replacement	-	619,814	-	619,814
<b>Total Fund Balances</b>	<b>57,834</b>	<b>2,168,331</b>	<b>330,911</b>	<b>2,557,076</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 83,238</b>	<b>\$ 2,275,250</b>	<b>\$ 331,071</b>	<b>\$ 2,689,559</b>

**City of Wasilla, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

<i>Year Ended June 30, 2019</i>	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Fines and charges	\$ 2,080	\$ -	\$ -	\$ 2,080
Intergovernmental	56,081	196,325	-	252,406
Loss on land held for resale	-	(165,000)	-	(165,000)
Other	7,795	-	10,840	18,635
<b>Total Revenues</b>	<b>65,956</b>	<b>31,325</b>	<b>10,840</b>	<b>108,121</b>
<b>Expenditures</b>				
Public safety	101,997	-	-	101,997
Culture and recreation	-	-	300	300
Capital outlay	-	535,922	-	535,922
<b>Total Expenditures</b>	<b>101,997</b>	<b>535,922</b>	<b>300</b>	<b>638,219</b>
Excess of revenues over (under) expenditures	(36,041)	(504,597)	10,540	(530,098)
<b>Other Financing Sources (Uses)</b>				
Transfers in	25,000	594,500	-	619,500
Transfers out	-	-	(789)	(789)
<b>Net Other Financing Sources (Uses)</b>	<b>25,000</b>	<b>594,500</b>	<b>(789)</b>	<b>618,711</b>
Net change in fund balances	(11,041)	89,903	9,751	88,613
<b>Fund Balances, beginning</b>	<b>68,875</b>	<b>2,078,428</b>	<b>321,160</b>	<b>2,468,463</b>
<b>Fund Balances, ending</b>	<b>\$ 57,834</b>	<b>\$ 2,168,331</b>	<b>\$ 330,911</b>	<b>\$ 2,557,076</b>

## Special Revenue Funds

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Youth Court Fund - This fund is used to account for a diversion program focused on first-time juvenile offenders who have committed misdemeanors. The program is called Mat-Su Youth Court and serves the community at large.

Federal Asset Forfeiture Fund - This fund accounts for assets which have been seized by federal law enforcement and distributed to local agencies under the Department of Justice's equitable sharing program. Assets received are recorded into this fund and used for public safety purposes in accordance with the program guidelines.

State Asset Forfeiture Fund - This fund accounts for assets which have been seized by State and local law enforcement agencies. Assets received are recorded into this fund and used for public safety purposes in accordance with the program guidelines.

**City of Wasilla, Alaska**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**

<i>June 30, 2019</i>	Youth Court	Federal Asset Forfeiture	State Asset Forfeiture	Totals
<b>Assets</b>				
Cash and investments	\$ 46,112	\$ 4,369	\$ 28,838	\$ 79,319
Receivables - grants	2,635	-	-	2,635
Prepaid items	1,284	-	-	1,284
<b>Total Assets</b>	<b>\$ 50,031</b>	<b>\$ 4,369</b>	<b>\$ 28,838</b>	<b>\$ 83,238</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 956	\$ -	\$ -	\$ 956
Accrued payroll and employee benefits	4,306	-	-	4,306
Unearned revenue	81	1,501	18,560	20,142
<b>Total Liabilities</b>	<b>5,343</b>	<b>1,501</b>	<b>18,560</b>	<b>25,404</b>
<b>Fund Balances</b>				
Nonspendable - prepaid items	1,284	-	-	1,284
Restricted - federal and state drug enforcement	-	2,868	10,278	13,146
Assigned - youth court	43,404	-	-	43,404
<b>Total Fund Balances</b>	<b>44,688</b>	<b>2,868</b>	<b>10,278</b>	<b>57,834</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 50,031</b>	<b>\$ 4,369</b>	<b>\$ 28,838</b>	<b>\$ 83,238</b>

**City of Wasilla, Alaska**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**

<i>Year Ended June 30, 2019</i>	Youth Court	Federal Asset Forfeiture	State Asset Forfeiture	Totals
<b>Revenues</b>				
Fines and charges	\$ 2,080	\$ -	\$ -	\$ 2,080
Intergovernmental	56,081	-	-	56,081
Other	7,795	-	-	7,795
<b>Total Revenues</b>	<b>65,956</b>	<b>-</b>	<b>-</b>	<b>65,956</b>
<b>Expenditures</b>				
Salaries	59,427	-	-	59,427
Employee benefits	35,710	-	-	35,710
Professional and technical services	525	-	-	525
Other purchased services	4,867	-	-	4,867
Supplies	1,468	-	-	1,468
<b>Total Expenditures</b>	<b>101,997</b>	<b>-</b>	<b>-</b>	<b>101,997</b>
Excess of revenues over (under) expenditures	(36,041)	-	-	(36,041)
<b>Other Financing Sources - transfers in</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>Net Change in Fund Balances</b>	<b>(11,041)</b>	<b>-</b>	<b>-</b>	<b>(11,041)</b>
<b>Fund Balances, beginning</b>	<b>55,729</b>	<b>2,868</b>	<b>10,278</b>	<b>68,875</b>
<b>Fund Balances, ending</b>	<b>\$ 44,688</b>	<b>\$ 2,868</b>	<b>\$ 10,278</b>	<b>\$ 57,834</b>



**City of Wasilla, Alaska**  
**Youth Court Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019			2018
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Fines and charges	\$ 3,500	\$ 2,080	\$ (1,420)	\$ 2,055
Intergovernmental	52,700	56,081	3,381	63,731
Other	6,249	7,795	1,546	11,184
<b>Total Revenues</b>	<b>62,449</b>	<b>65,956</b>	<b>3,507</b>	<b>76,970</b>
<b>Expenditures</b>				
Salaries	66,859	59,427	7,432	56,515
Employee benefits	35,945	35,710	235	37,282
Professional and technical services	525	525	-	404
Other purchased services	4,957	4,867	90	7,099
Supplies	1,468	1,468	-	1,578
<b>Total Expenditures</b>	<b>109,754</b>	<b>101,997</b>	<b>7,757</b>	<b>102,878</b>
Excess (deficiency) of revenues over (under) expenditures	(47,305)	(36,041)	11,264	(25,908)
<b>Other Financing Sources - transfers in</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>
Net change in fund balance	<u>\$ (22,305)</u>	(11,041)	<u>\$ 11,264</u>	(908)
Fund Balance, beginning		<u>55,729</u>		<u>56,637</u>
Fund Balance, ending		<u>\$ 44,688</u>		<u>\$ 55,729</u>

**City of Wasilla, Alaska**  
**Federal Asset Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019			2018
	Budget	Actual	Variance	Actual
Revenues - intergovernmental	\$ -	\$ -	\$ -	\$ 26,698
Expenditures - other purchased services	-	-	-	26,698
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, beginning		<u>2,868</u>		<u>2,868</u>
Fund Balance, ending		<u>\$ 2,868</u>		<u>\$ 2,868</u>

**City of Wasilla, Alaska**  
**State Asset Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

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<i>Years Ended June 30,</i>	2019			2018
	Budget	Actual	Variance	Actual
<b>Revenues - intergovernmental</b>	\$ -	\$ -	\$ -	\$ 9,717
<b>Expenditures - other purchased services</b>	-	-	-	9,717
<b>Net change in fund balance</b>	<u>\$ -</u>	-	<u>\$ -</u>	-
<b>Fund Balance, beginning</b>		<u>10,278</u>		<u>10,278</u>
<b>Fund Balance, ending</b>		<u>\$ 10,278</u>		<u>\$ 10,278</u>

## Capital Project Funds

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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**

<i>June 30, 2019</i>	Road Projects	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
<b>Assets</b>					
Cash and investments	\$ 30,423	\$ 600,598	\$ 147,455	\$ 619,814	\$ 1,398,290
Land held for resale	695,200	-	-	-	695,200
Grants receivable	181,760	-	-	-	181,760
<b>Total Assets</b>	<b>\$ 907,383</b>	<b>\$ 600,598</b>	<b>\$ 147,455</b>	<b>\$ 619,814</b>	<b>\$ 2,275,250</b>
<b>Liabilities and Fund Balances</b>					
Liabilities - accounts payable	\$ 106,919	\$ -	\$ -	\$ -	\$ 106,919
<b>Fund Balances</b>					
Restricted	695,200	-	-	-	695,200
Assigned	105,264	600,598	147,455	619,814	1,473,131
<b>Total Fund Balances</b>	<b>800,464</b>	<b>600,598</b>	<b>147,455</b>	<b>619,814</b>	<b>2,168,331</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 907,383</b>	<b>\$ 600,598</b>	<b>\$ 147,455</b>	<b>\$ 619,814</b>	<b>\$ 2,275,250</b>

City of Wasilla, Alaska  
 Nonmajor Capital Project Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances

<i>Year Ended June 30, 2019</i>	Road Projects	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
<b>Revenues</b>					
Intergovernmental	\$ 196,325	\$ -	\$ -	\$ -	\$ 196,325
Loss on land held for resale	(165,000)	-	-	-	(165,000)
<b>Total Revenues</b>	<b>31,325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,325</b>
<b>Expenditures - capital outlay</b>	<b>278,128</b>	<b>215,853</b>	<b>2,750</b>	<b>39,191</b>	<b>535,922</b>
Excess of revenues (under) expenditures	(246,803)	(215,853)	(2,750)	(39,191)	(504,597)
<b>Other Financing Sources - transfers in</b>	<b>100,000</b>	<b>306,000</b>	<b>25,000</b>	<b>163,500</b>	<b>594,500</b>
Net change in fund balances	(146,803)	90,147	22,250	124,309	89,903
<b>Fund Balances, beginning</b>	<b>947,267</b>	<b>510,451</b>	<b>125,205</b>	<b>495,505</b>	<b>2,078,428</b>
<b>Fund Balances, ending</b>	<b>\$ 800,464</b>	<b>\$ 600,598</b>	<b>\$ 147,455</b>	<b>\$ 619,814</b>	<b>\$ 2,168,331</b>



**City of Wasilla, Alaska**  
**Miscellaneous Capital Projects Fund**  
**Schedule of Expenditures by Project**

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*Year Ended June 30, 2019*

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<b>Expenditures</b>	
New public safety building	\$ 3,029,851
E911 upgrades and software subscription	402,388
Veterans Wall of Honor	375,541
Museum expansion and relocation	180,143
Roberts Avenue extension	133,014
Removal of old fire station	90,419
Park improvements	65,630
Iditapark security cameras	60,720
AS400 server and IT equipment	53,719
Road maintenance building	50,469
Road equipment	43,426
Park equipment	28,914
Library improvements	24,850
Other	17,709
<b>Total Expenditures</b>	<b>\$ 4,556,793</b>

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## Permanent Fund

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

**City of Wasilla, Alaska**  
**Cemetery Permanent Fund**  
**Balance Sheet**

<i>June 30,</i>	2019	2018
<b>Assets</b>		
Cash and investments	\$ 331,071	\$ 321,160
<b>Liabilities and Fund Balance</b>		
Liabilities - accounts payable	\$ 160	\$ -
Fund Balance - nonspendable - Permanent Fund principal	330,911	321,160
<b>Total Liabilities and Fund Balances</b>	<b>\$ 331,071</b>	<b>\$ 321,160</b>

**City of Wasilla, Alaska**  
**Cemetery Permanent Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

<i>Years Ended June 30,</i>	2019	2018
Revenues - lot sales	\$ 10,840	\$ 22,800
Expenditures - supplies	300	-
Excess of revenues over expenditures	10,540	22,800
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	85
Transfers out	(789)	-
<b>Net Other Financing Sources (Uses)</b>	<b>(789)</b>	<b>85</b>
Net change in fund balance	9,751	22,885
Fund Balance, beginning	321,160	298,275
Fund Balance, ending	\$ 330,911	\$ 321,160

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## Enterprise Funds

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Water Utility Fund - This fund is used to account for the provision of water services to the residents of the City.

Sewer Utility Fund - This fund is used to account for sewer services for local residents.

Municipal Airport Fund - This fund is used to account for the operations of the Wasilla Municipal Airport.

Curtis D. Menard Memorial Sports Center - This fund accounts for the operations of the recreational sports complex facility.

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 Position**

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 7,160,226	\$ 6,151,457
Receivables:		
Accounts	229,318	218,842
Allowance for doubtful accounts	(41,434)	(36,854)
Special assessments	3,138	6,703
Payment in lieu of assessments	84,138	84,369
Grants	6,371	97,209
Prepaid expenses	13,291	14,602
Inventory	44,264	48,699
<b>Total Current Assets</b>	<b>7,499,312</b>	<b>6,585,027</b>
<b>Noncurrent Assets</b>		
Prepaid expenses	7,688	8,070
Capital assets:		
Land	178,740	178,740
Collection/distribution system	33,310,828	32,224,960
Water tank and fence	6,847,577	6,847,577
Wells/well house	1,360,101	1,325,146
Equipment	417,953	377,352
Total capital assets	42,115,199	40,953,775
Less accumulated depreciation	(14,326,981)	(13,476,280)
Net capital assets	27,788,218	27,477,495
<b>Total Noncurrent Assets</b>	<b>27,795,906</b>	<b>27,485,565</b>
<b>Total Assets</b>	<b>35,295,218</b>	<b>34,070,592</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	92,694	65,308
Related to other postemployment benefits	47,384	12,628
<b>Total Deferred Outflows of Resources</b>	<b>140,078</b>	<b>77,936</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 35,435,296</b>	<b>\$ 34,148,528</b>

**City of Wasilla, Alaska**  
**Water Utility Enterprise Fund**  
**Statement of Net Position, continued**

<i>June 30,</i>	2019	2018
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 21,210	\$ 12,310
Accrued payroll and employee benefits	25,231	21,810
Compensated absences	41,520	35,796
Customer deposits	31,196	15,000
Accrued interest	4,012	4,814
Unearned revenue	97,107	96,333
Current portion of notes payable	165,450	165,450
<b>Total Current Liabilities</b>	<b>385,726</b>	<b>351,513</b>
<b>Noncurrent Liabilities</b>		
Notes payable, net of current portion	661,800	827,250
Net pension liability	552,631	496,363
Net other postemployment benefits liability	103,530	69,623
<b>Total Noncurrent Liabilities</b>	<b>1,317,961</b>	<b>1,393,236</b>
<b>Total Liabilities</b>	<b>1,703,687</b>	<b>1,744,749</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	7,515	41,503
Related to other postemployment benefits	36,782	34,025
<b>Total Deferred Inflows of Resources</b>	<b>44,297</b>	<b>75,528</b>
<b>Net Position</b>		
Net investment in capital assets	26,960,968	26,484,795
Unrestricted	6,726,344	5,843,456
<b>Total Net Position</b>	<b>33,687,312</b>	<b>32,328,251</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 35,435,296</b>	<b>\$ 34,148,528</b>

**City of Wasilla, Alaska**  
**Water Utility Enterprise Fund**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues</b>		
Sales and user charges	\$ 1,918,834	\$ 1,875,586
Water meters	10,940	12,493
<b>Total Operating Revenues</b>	<b>1,929,774</b>	<b>1,888,079</b>
<b>Operating Expenses</b>		
Salaries	328,615	295,336
Employee benefits	187,033	171,948
Professional and technical services	41,699	30,089
Repair and maintenance	92,774	57,273
Other purchased services	166,820	64,502
Supplies	178,654	182,282
<b>Total Operating Expenses</b>	<b>995,595</b>	<b>801,430</b>
Operating income before depreciation	934,179	1,086,649
<b>Depreciation</b>	<b>855,724</b>	<b>826,995</b>
Operating income	78,455	259,654
<b>Nonoperating Revenues (Expenses)</b>		
Payments in lieu of assessments	46,550	37,293
Interest expense	(14,088)	(16,570)
Loss on disposal of capital assets	(1,257)	-
Other income	107,829	-
Debt service assessments	407	905
State PERS relief	7,712	12,792
<b>Net Nonoperating Revenues (Expenses)</b>	<b>147,153</b>	<b>34,420</b>
Income before transfers and contributions	225,608	294,074
Transfers out	(19,250)	(14,250)
Capital contributions	1,152,703	502,320
Change in net position	1,359,061	782,144
<b>Net Position, beginning</b>	<b>32,328,251</b>	<b>31,546,107</b>
<b>Net Position, ending</b>	<b>\$ 33,687,312</b>	<b>\$ 32,328,251</b>

**City of Wasilla, Alaska**  
**Water Utility Enterprise Fund**  
**Statement of Cash Flows**

Years Ended June 30,	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 2,048,677	\$ 1,878,742
Payments to suppliers for goods and services	(464,919)	(363,520)
Payments to employees for services	(501,989)	(468,955)
<b>Net cash flows from operating activities</b>	<b>1,081,769</b>	<b>1,046,267</b>
<b>Cash Flows for Noncapital Financing Activities - transfers out</b>	<b>(19,250)</b>	<b>(14,250)</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Principal paid on notes payable	(165,450)	(165,450)
Interest paid on notes payable	(14,890)	(17,372)
Special assessments received	3,972	5,595
Payments in lieu of assessments received	46,781	37,523
Acquisition and construction of capital assets	(49,957)	(563,848)
Capital contributions received	125,794	497,054
<b>Net cash flows for capital and related financing activities</b>	<b>(53,750)</b>	<b>(206,498)</b>
<b>Net Increase in Cash and Investments</b>	<b>1,008,769</b>	<b>825,519</b>
<b>Cash and Investments, beginning</b>	<b>6,151,457</b>	<b>5,325,938</b>
<b>Cash and Investments, ending</b>	<b>\$ 7,160,226</b>	<b>\$ 6,151,457</b>
<b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities</b>		
Operating income	\$ 78,455	\$ 259,654
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	855,724	826,995
State of Alaska on-behalf payments - PERS relief	7,712	12,792
Nonoperating revenues	107,829	-
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	(5,896)	(6,031)
Inventory	4,435	(2,989)
Prepaid expenses	1,693	5,195
Deferred outflows of resources related to pensions	(27,386)	67,634
Deferred outflows of resources related to other postemployment benefits	(34,756)	3,915
Accounts payable	8,900	(31,580)
Accrued payroll and employee benefits	3,421	(2,445)
Compensated absences	5,724	2,279
Customer deposits	16,196	(2,128)
Unearned revenue	774	(1,178)
Net pension liability	56,268	(112,700)
Net postemployment benefits liability	33,907	(41,885)
Deferred inflows of resources related to pensions	(33,988)	34,714
Deferred inflows of resources related to other postemployment benefits	2,757	34,025
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 1,081,769</b>	<b>\$ 1,046,267</b>
<b>Noncash Capital and Related Financing Activities</b>		
Water extensions and other assets contributed by developers	\$ 1,117,747	\$ -

**City of Wasilla, Alaska**  
**Sewer Utility Enterprise Fund**  
**Statement of Net Position**

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 4,507,256	\$ 4,022,330
Receivables:		
Accounts	150,089	150,839
Allowance for doubtful accounts	(26,025)	(24,198)
Special assessments	12,454	19,396
Grants	183,801	275,538
Prepaid expenses	14,977	14,170
Inventory	76,546	64,057
<b>Total Current Assets</b>	<b>4,919,098</b>	<b>4,522,132</b>
<b>Noncurrent Assets - capital assets</b>		
Land	1,008,977	1,008,977
Building	301,760	301,760
Treatment system	8,937,664	8,111,871
Collection/distribution system	12,211,212	11,574,116
Equipment	5,390,931	5,380,897
Construction in progress	249	-
Total capital assets	27,850,793	26,377,621
Less accumulated depreciation	(14,018,914)	(13,529,267)
<b>Total Noncurrent Assets</b>	<b>13,831,879</b>	<b>12,848,354</b>
<b>Total Assets</b>	<b>18,750,977</b>	<b>17,370,486</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	115,306	84,115
Related to other postemployment benefits	59,222	19,637
<b>Total Deferred Outflows of Resources</b>	<b>174,528</b>	<b>103,752</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 18,925,505</b>	<b>\$ 17,474,238</b>

City of Wasilla, Alaska  
Sewer Utility Enterprise Fund  
Statement of Net Position, continued

June 30,	2019	2018
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 174,291	\$ 83,357
Accrued payroll and employee benefits	36,246	33,554
Compensated absences	62,556	62,529
Customer deposits	16,670	15,000
<b>Total Current Liabilities</b>	<b>289,763</b>	<b>194,440</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	756,041	691,955
Net other postemployment benefits liability	146,882	108,264
<b>Total Noncurrent Liabilities</b>	<b>902,923</b>	<b>800,219</b>
<b>Total Liabilities</b>	<b>1,192,686</b>	<b>994,659</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	24,937	63,647
Related to other postemployment benefits	56,050	52,910
<b>Total Deferred Inflows of Resources</b>	<b>80,987</b>	<b>116,557</b>
<b>Net Position</b>		
Net investment in capital assets	13,831,879	12,848,354
Unrestricted	3,819,953	3,514,668
<b>Total Net Position</b>	<b>17,651,832</b>	<b>16,363,022</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 18,925,505</b>	<b>\$ 17,474,238</b>



**City of Wasilla, Alaska**  
**Sewer Utility Enterprise Fund**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues - sales and user charges</b>	<b>\$ 1,469,713</b>	<b>\$ 1,501,942</b>
<b>Operating Expenses</b>		
Salaries	449,833	456,255
Employee benefits	267,153	264,572
Professional and technical services	12,027	9,347
Repair and maintenance	515,961	499,509
Other purchased services	49,013	46,043
Supplies	218,996	228,088
<b>Total Operating Expenses</b>	<b>1,512,983</b>	<b>1,503,814</b>
Operating loss before depreciation	(43,270)	(1,872)
Depreciation	517,142	499,735
Operating loss	(560,412)	(501,607)
<b>Nonoperating Revenues (Expenses)</b>		
Payments in lieu of assessments	2,860	1,836
Other income	795	-
Nonoperating grants	350,201	434,738
Debt service assessments	2,164	1,172
State PERS relief	8,784	19,891
<b>Net Nonoperating Revenues (Expenses)</b>	<b>364,804</b>	<b>457,637</b>
Loss before transfers and contributions	(195,608)	(43,970)
Transfers out	(16,250)	(16,250)
Capital contributions	1,500,668	26,884
Change in net position	1,288,810	(33,336)
<b>Net Position, beginning</b>	<b>16,363,022</b>	<b>16,396,358</b>
<b>Net Position, ending</b>	<b>\$ 17,651,832</b>	<b>\$ 16,363,022</b>

**City of Wasilla, Alaska**  
**Sewer Utility Enterprise Fund**  
**Statement of Cash Flows**

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 1,474,755	\$ 1,491,643
Payments to suppliers for goods and services	(718,359)	(736,205)
Payments to employees for services	(709,125)	(746,681)
<b>Net cash flows from operating activities</b>	<b>47,271</b>	<b>8,757</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Nonoperating grants received	441,939	256,206
Transfers out	(16,250)	(16,250)
<b>Net cash flows from noncapital financing activities</b>	<b>425,689</b>	<b>239,956</b>
<b>Cash Flows from (for) Capital and Related Financing Activities</b>		
Special assessments received	9,106	6,461
Payments in lieu of assessments received	2,860	1,836
Acquisition and construction of capital assets	(826,041)	(105,114)
Capital contributions received	826,041	26,884
<b>Net cash flows from (for) capital and related financing activities</b>	<b>11,966</b>	<b>(69,933)</b>
<b>Net Increase in Cash and Investments</b>	<b>484,926</b>	<b>178,780</b>
<b>Cash and Investments, beginning</b>	<b>4,022,330</b>	<b>3,843,550</b>
<b>Cash and Investments, ending</b>	<b>\$ 4,507,256</b>	<b>\$ 4,022,330</b>
<b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b>		
Operating loss	\$ (560,412)	\$ (501,607)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	517,142	499,735
State of Alaska on-behalf payments - PERS relief	8,784	19,891
Nonoperating revenues	795	-
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	2,577	(6,945)
Inventory	(12,489)	(35,492)
Prepaid expenses	(807)	9,861
Deferred outflows of resources related to pensions	(31,191)	105,172
Deferred outflows of resources related to other postemployment benefits	(39,585)	6,088
Accounts payable	90,934	72,413
Accrued payroll and employee benefits	2,692	(2,772)
Accrued annual and sick leave	27	(20,741)
Customer deposits	1,670	(3,354)
Net pension liability	64,086	(175,251)
Net other postemployment benefits liability	38,618	(65,132)
Deferred inflows of resources related to pensions	(38,710)	53,981
Deferred inflows of resources related to other postemployment benefits	3,140	52,910
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 47,271</b>	<b>\$ 8,757</b>
<b>Noncash Capital and Related Financing Activities</b>		
Sewer extensions and other assets contributed by developers	\$ 674,626	\$ -

**City of Wasilla, Alaska**  
**Municipal Airport Enterprise Fund**  
**Statement of Net Position**

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and Investments	\$ -	\$ 657,515
Receivables:		
Accounts	6,518	7,323
Grants	2,470,779	425
Prepaid expenses	2,040	1,923
<b>Total Current Assets</b>	<b>2,479,337</b>	<b>667,186</b>
<b>Noncurrent Assets - capital assets</b>		
Land	2,375,587	1,470,000
Land improvements	16,232,566	16,217,167
Buildings	993,282	993,282
Equipment	1,559,510	1,478,665
Construction in progress	2,911,313	177,807
<b>Total capital assets</b>	<b>24,072,258</b>	<b>20,336,921</b>
Less accumulated depreciation	(11,646,890)	(10,854,267)
<b>Total Noncurrent Assets</b>	<b>12,425,368</b>	<b>9,482,654</b>
<b>Total Assets</b>	<b>14,904,705</b>	<b>10,149,840</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	6,625	1,790
Related to other postemployment benefits	8,301	2,166
<b>Total Deferred Outflows of Resources</b>	<b>14,926</b>	<b>3,956</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 14,919,631</b>	<b>\$ 10,153,796</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,217	\$ 47,082
Accounts payable - capital	634,143	-
Accrued payroll and employee benefits	2,325	2,336
Compensated absences	5,083	4,392
Unearned revenue	5,882	8,506
Due to other funds	1,395,228	-
<b>Total Current Liabilities</b>	<b>2,046,878</b>	<b>62,316</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	51,953	42,020
Net other postemployment benefits liability	17,929	11,943
<b>Total Noncurrent Liabilities</b>	<b>69,882</b>	<b>53,963</b>
<b>Total Liabilities</b>	<b>2,116,760</b>	<b>116,279</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	639	6,639
Related to other postemployment benefits	6,324	5,837
<b>Total Deferred Inflows of Resources</b>	<b>6,963</b>	<b>12,476</b>
<b>Net Position</b>		
Net investment in capital assets	12,425,368	9,482,654
Unrestricted	370,540	542,387
<b>Total Net Position</b>	<b>12,795,908</b>	<b>10,025,041</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 14,919,631</b>	<b>\$ 10,153,796</b>

**City of Wasilla, Alaska**  
**Municipal Airport Enterprise Fund**  
**Statement of Revenues, Expenses and Changes**  
**in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues - fees and rentals</b>	\$ 131,022	\$ 121,189
<b>Operating Expenses</b>		
Salaries	30,818	30,919
Employee benefits	17,883	16,255
Professional and technical services	322	216
Repair and maintenance	37,644	37,600
Other purchased services	29,587	28,785
Supplies	55,163	57,580
<b>Total Operating Expenses</b>	171,417	171,355
Operating loss before depreciation	(40,395)	(50,166)
Depreciation	792,623	783,466
Operating loss	(833,018)	(833,632)
<b>Nonoperating Revenues (Expenses)</b>		
State PERS relief	1,361	2,194
Plans and studies	2,345	7,915
<b>Net Nonoperating Revenues (Expenses)</b>	3,706	10,109
Loss before transfers and contributions	(829,312)	(823,523)
Transfers in	981,000	359,994
Transfers out	(500)	(500)
Capital contributions	2,619,679	-
Change in net position	2,770,867	(464,029)
<b>Net Position, beginning</b>	10,025,041	10,489,070
<b>Net Position, ending</b>	\$ 12,795,908	\$ 10,025,041

**City of Wasilla, Alaska**  
**Municipal Airport Enterprise Fund**  
**Statement of Cash Flows**

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows for Operating Activities</b>		
Receipts from customers and users	\$ 131,548	\$ 117,543
Payments to suppliers for goods and services	(165,698)	(81,431)
Payments to employees for services	(47,224)	(52,168)
<b>Net cash flows for operating activities</b>	<b>(81,374)</b>	<b>(16,056)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Nonoperating grants received	425	28,079
Increase in due to other funds	1,395,228	-
Transfers in	981,000	359,994
Transfers out	(500)	(500)
<b>Net cash flows from noncapital financing activities</b>	<b>2,376,153</b>	<b>387,573</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(3,101,194)	(213,493)
Capital contributions received	148,900	-
<b>Net cash flows for capital and related financing activities</b>	<b>(2,952,294)</b>	<b>(213,493)</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>(657,515)</b>	<b>158,024</b>
<b>Cash and Investments, beginning</b>	<b>657,515</b>	<b>499,491</b>
<b>Cash and Investments, ending</b>	<b>\$ -</b>	<b>\$ 657,515</b>
<b>Reconciliation of Operating Loss to Net Cash Flows for Operating Activities</b>		
Operating loss	\$ (833,018)	\$ (833,632)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	792,623	783,466
State of Alaska on-behalf payments - PERS relief	1,361	2,194
Nonoperating revenues (expenses)	2,345	7,915
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	805	(5,350)
Accounts payable	(42,865)	42,354
Prepaid expenses	(117)	396
Deferred outflows of resources related to pensions	(4,835)	11,602
Deferred outflows of resources related to other postemployment benefits	(6,135)	671
Accrued payroll and employee benefits	(11)	103
Compensated absences	691	(4,838)
Unearned revenue	(2,624)	(6,211)
Net pension liability	9,933	(19,333)
Net other postemployment benefits liability	5,986	(7,185)
Deferred inflows of resources related to pensions	(6,000)	5,955
Deferred inflows of resources related to other postemployment benefits	487	5,837
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (81,374)</b>	<b>\$ (16,056)</b>

**City of Wasilla, Alaska**  
**Curtis D. Menard Memorial Sports Center Enterprise Fund**  
**Statement of Net Position**

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 2,054,129	\$ 2,150,007
Receivables:		
Accounts	109,362	44,113
Grants	-	6,014
Allowance for doubtful accounts	(16,151)	(19,137)
Prepaid expenses	11,447	11,350
<b>Total Current Assets</b>	<b>2,158,787</b>	<b>2,192,347</b>
<b>Noncurrent Assets - capital assets</b>		
Land	1,771,990	1,771,990
Construction in progress	-	89,162
Buildings	17,271,917	16,765,740
Equipment	822,671	823,186
Total capital assets	19,866,578	19,450,078
Less accumulated depreciation	(6,359,462)	(5,843,484)
<b>Total Noncurrent Assets</b>	<b>13,507,116</b>	<b>13,606,594</b>
<b>Total Assets</b>	<b>15,665,903</b>	<b>15,798,941</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	108,399	78,763
Related to other postemployment benefits	51,655	14,044
<b>Total Deferred Outflows of Resources</b>	<b>160,054</b>	<b>92,807</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 15,825,957</b>	<b>\$ 15,891,748</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 23,855	\$ 20,759
Accrued payroll and employee benefits	35,146	30,747
Compensated absences	41,321	29,209
Customer deposits	7,180	5,850
Unearned revenue	93,646	97,417
<b>Total Current Liabilities</b>	<b>201,148</b>	<b>183,982</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	641,014	580,123
Net other postemployment benefits liability	114,123	77,430
<b>Total Noncurrent Liabilities</b>	<b>755,137</b>	<b>657,553</b>
<b>Total Liabilities</b>	<b>956,285</b>	<b>841,535</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	9,691	46,471
Related to other postemployment benefits	40,825	37,841
<b>Total Deferred Inflows of Resources</b>	<b>50,516</b>	<b>84,312</b>
<b>Net Position</b>		
Net investment in capital assets	13,507,116	13,606,594
Unrestricted	1,312,040	1,359,307
<b>Total Net Position</b>	<b>14,819,156</b>	<b>14,965,901</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 15,825,957</b>	<b>\$ 15,891,748</b>



**City of Wasilla, Alaska**  
**Curtis D. Menard Memorial Sports Center Enterprise Fund**  
**Statement of Revenues, Expenses and Changes**  
**in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues - fees and rentals</b>	\$ 873,465	\$ 751,940
<b>Operating Expenses</b>		
Salaries	444,065	419,332
Employee benefits	245,116	242,115
Professional and technical services	2,304	3,312
Repair and maintenance	147,133	90,939
Other purchased services	79,625	76,193
Supplies	332,563	323,199
<b>Total Operating Expenses</b>	1,250,806	1,155,090
Operating loss before depreciation	(377,341)	(403,150)
<b>Depreciation</b>	525,963	509,380
Operating loss	(903,304)	(912,530)
<b>Nonoperating Revenues</b>		
Investment income	3,875	5,918
Other income	1,000	6,180
State PERS relief	8,346	14,227
<b>Total Nonoperating Revenues</b>	13,221	26,325
Loss before contributions and transfers	(890,083)	(886,205)
Transfers in	700,000	750,000
Transfers out	(11,500)	(11,500)
Capital contributions	54,838	89,332
Change in net position	(146,745)	(58,373)
<b>Net Position, beginning</b>	14,965,901	15,024,274
<b>Net Position, ending</b>	\$ 14,819,156	\$ 14,965,901

**City of Wasilla, Alaska**  
**Curtis D. Menard Memorial Sports Center Enterprise Fund**  
**Statement of Cash Flows**

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows for Operating Activities</b>		
Receipts from customers and users	\$ 803,789	\$ 715,566
Payments to suppliers for goods and services	(558,626)	(480,754)
Payments to employees for services	(667,783)	(660,453)
<b>Net cash flows for operating activities</b>	<b>(422,620)</b>	<b>(425,641)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers in	700,000	750,000
Transfers out	(11,500)	(11,500)
<b>Net cash flows from noncapital financing activities</b>	<b>688,500</b>	<b>738,500</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(426,485)	(193,637)
Capital contributions received	60,852	83,318
<b>Net cash flows for capital and related financing activities</b>	<b>(365,633)</b>	<b>(110,319)</b>
<b>Cash Flows from Investing Activities - investment income received</b>	<b>3,875</b>	<b>5,918</b>
<b>Net Increase in Cash and Investments</b>	<b>(95,878)</b>	<b>208,458</b>
<b>Cash and Investments, beginning</b>	<b>2,150,007</b>	<b>1,941,549</b>
<b>Cash and Investments, ending</b>	<b>\$ 2,054,129</b>	<b>\$ 2,150,007</b>
<b>Reconciliation of Operating Loss to Net Cash Flows for Operating Activities</b>		
Operating loss	\$ (903,304)	\$ (912,530)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	525,963	509,380
State of Alaska on-behalf payments - PERS relief	8,346	14,227
Nonoperating revenues	1,000	6,180
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowances	(68,235)	(10,241)
Prepaid expenses	(97)	8,606
Deferred outflows of resources related to pensions	(29,636)	75,220
Deferred outflows of resources related to other postemployment benefits	(37,611)	4,354
Accounts payable	3,096	4,283
Accrued payroll and employee benefits	4,399	961
Compensated absences	12,112	1,706
Customer deposits	1,330	(4,050)
Unearned revenue	(3,771)	(28,263)
Net pension liability	60,891	(125,340)
Net other postemployment benefits liability	36,693	(46,582)
Deferred inflows of resources related to pensions	(36,780)	38,607
Deferred inflows of resources related to other postemployment benefits	2,984	37,841
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (422,620)</b>	<b>\$ (425,641)</b>

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## City of Wasilla, Alaska

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

These schedules contain information to help the reader assess the City's most significant local revenue source, sales tax as well as other information relating to property tax.

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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

This schedule offers demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. Information pertaining to principal employers is considered proprietary information and is no longer available. Therefore, this schedule will no longer be presented.

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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, Alaska

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 26,352,274	\$ 27,061,059	\$ 27,866,382	\$ 27,146,916	\$ 31,959,213	\$ 39,126,772	\$ 50,741,890	\$ 58,174,797	\$ 59,340,731	\$ 59,714,647
Restricted	210,573	222,722	248,818	266,891	3,256,647	7,720,055	5,055,457	2,034,157	4,427,078	8,023,860
Unrestricted	9,178,588	10,583,663	11,650,704	13,214,102	14,351,166	10,721,131	10,710,820	9,317,559	7,086,803	9,740,561
Total governmental activities net position	35,741,435	37,867,444	39,765,904	40,627,909	49,567,026	57,567,958	66,508,167	69,526,513	70,854,612	77,479,068
Business-type activities:										
Net investment in capital assets	59,488,483	61,667,398	68,715,514	69,269,258	67,433,798	66,616,428	64,763,372	63,800,432	62,422,397	66,725,331
Restricted	2,071,844	-	-	-	-	-	-	-	-	-
Unrestricted	3,674,997	4,775,904	5,326,572	6,343,898	7,973,193	7,910,326	8,706,223	10,019,918	11,259,818	12,228,877
Total business-type activities net position	65,235,324	66,443,302	74,042,086	75,613,156	75,406,991	74,526,754	73,469,595	73,820,350	73,682,215	78,954,208
Total activities:										
Net investment in capital assets	85,840,757	88,728,457	89,540,999	96,416,174	99,393,011	105,743,200	115,505,262	121,975,229	121,763,128	126,439,978
Restricted	2,071,844	222,722	248,818	266,891	3,256,647	7,720,055	5,055,457	2,034,157	4,427,078	8,023,860
Unrestricted	12,853,585	15,339,567	16,977,276	19,558,000	22,324,359	18,631,457	19,417,043	19,337,477	18,346,621	21,969,438
Total Net Position	\$ 100,766,186	\$ 104,290,746	\$ 106,767,093	\$ 116,241,065	\$ 124,974,017	\$ 132,094,712	\$ 139,977,762	\$ 143,346,863	\$ 144,536,827	\$ 156,433,276

## City of Wasilla, Alaska

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,949,299	\$ 2,678,667	\$ 2,994,569	\$ 3,215,470	\$ 3,340,921	\$ 3,038,869	\$ 3,466,671	\$ 3,689,430	\$ 3,501,793	\$ 3,907,795
Public safety	6,469,113	6,585,810	6,920,691	7,108,991	7,075,807	7,418,375	7,621,942	8,368,172	8,293,624	8,565,952
Public works	3,473,727	3,949,216	3,852,249	4,029,730	4,431,710	4,033,097	5,681,096	4,330,629	3,752,738	4,150,204
Cultural and recreation	1,908,613	1,734,297	1,907,136	2,086,325	2,043,477	2,021,445	2,288,903	2,903,528	2,863,653	2,962,633
Interest on long-term debt	169,873	113,014	125,108	113,071	85,651	76,516	59,559	11,916	10,749	(1,994)
<b>Total governmental activities expenses</b>	<b>14,970,625</b>	<b>15,061,004</b>	<b>15,799,753</b>	<b>16,553,587</b>	<b>16,977,566</b>	<b>16,588,302</b>	<b>19,118,171</b>	<b>19,303,675</b>	<b>18,422,557</b>	<b>19,584,590</b>
Business-type activities:										
Water Utility	1,354,805	1,347,403	1,364,302	1,522,151	1,601,031	1,628,907	2,024,454	1,731,372	1,644,995	1,866,664
Sewer Utility	1,248,782	1,254,787	1,424,799	1,490,873	1,557,178	1,635,212	1,902,514	1,670,499	2,003,549	2,030,125
Municipal Airport	1,081,269	1,046,550	1,647,280	833,245	859,904	1,103,297	976,676	988,841	946,906	964,040
Curtis D. Menard Memorial Sports Center	1,622,562	1,491,371	1,584,802	1,725,391	1,716,810	1,699,787	1,835,765	1,700,624	1,664,470	1,776,769
<b>Total business-type activities expenses</b>	<b>5,307,418</b>	<b>5,140,111</b>	<b>6,021,183</b>	<b>5,571,660</b>	<b>5,734,923</b>	<b>6,067,203</b>	<b>6,739,409</b>	<b>6,091,336</b>	<b>6,259,920</b>	<b>6,637,598</b>
<b>Total expenses</b>	<b>20,278,043</b>	<b>20,201,115</b>	<b>21,820,936</b>	<b>22,125,247</b>	<b>22,712,489</b>	<b>22,655,505</b>	<b>25,857,580</b>	<b>25,395,011</b>	<b>24,682,477</b>	<b>26,222,188</b>
<b>Program Revenues</b>										
Governmental activities:										
Fees, fines & charges for services:										
General government	38,397	33,588	32,842	31,055	39,781	65,334	74,509	77,403	77,841	126,828
Public safety	1,564,989	1,544,398	1,722,970	1,710,651	1,779,073	1,883,808	1,916,013	2,178,985	3,033,037	3,408,470
Public works	141,022	191,833	210,329	221,723	148,579	190,078	187,385	209,440	225,171	62,924
Cultural and recreation	76,145	54,340	63,691	64,789	87,724	30,255	25,022	34,445	46,489	34,529
Operating grants and contributions	901,746	633,479	691,402	731,335	594,799	1,295,063	1,166,891	664,240	1,023,779	859,201
Capital grants and contributions	1,724,791	2,650,118	1,779,393	1,034,593	4,577,040	7,974,785	7,170,916	5,915,710	1,847,996	1,031,489
<b>Total governmental activities program revenues</b>	<b>4,447,090</b>	<b>5,107,756</b>	<b>4,500,627</b>	<b>3,794,146</b>	<b>7,226,996</b>	<b>11,439,323</b>	<b>10,540,736</b>	<b>9,080,223</b>	<b>6,254,313</b>	<b>5,523,441</b>
Business-type activities:										
Water Utility	1,148,297	1,312,070	1,476,682	1,537,994	1,805,376	1,839,517	1,964,369	1,906,725	1,888,079	1,929,774
Sewer Utility	1,024,400	1,159,179	1,235,814	1,308,737	1,447,990	1,511,553	1,549,405	1,535,775	1,501,942	1,469,713
Municipal Airport	67,221	64,082	65,849	69,522	72,121	85,669	86,581	111,764	121,189	131,022
Curtis D. Menard Memorial Sports Center	735,723	544,627	585,634	651,344	732,704	728,688	695,112	712,947	751,940	873,465
Operating grants and contributions	216,869	320,593	395,857	160,748	181,441	91,294	506,656	111,881	483,842	376,404
Capital grants and contributions	1,231,514	1,893,891	2,254,264	2,641,162	2,284,514	1,388,429	234,831	956,673	618,536	5,327,888
<b>Total business-type activities program revenues</b>	<b>4,424,024</b>	<b>5,294,442</b>	<b>6,014,100</b>	<b>6,369,507</b>	<b>6,524,146</b>	<b>5,645,150</b>	<b>5,036,954</b>	<b>5,335,765</b>	<b>5,365,528</b>	<b>10,108,266</b>
<b>Total primary government program revenues</b>	<b>8,871,114</b>	<b>10,402,198</b>	<b>10,514,727</b>	<b>10,163,653</b>	<b>13,751,142</b>	<b>17,084,473</b>	<b>15,577,690</b>	<b>14,415,988</b>	<b>11,619,841</b>	<b>15,631,707</b>
Net (expenses)/revenue:										
Governmental activities	(10,523,535)	(9,953,248)	(11,299,126)	(12,759,441)	(9,750,570)	(5,148,979)	(8,577,435)	(10,223,452)	(12,168,244)	(14,061,149)
Business-type activities	(883,394)	154,331	(7,083)	797,847	789,223	(422,053)	(1,702,455)	(755,571)	(894,392)	3,470,668
<b>Total primary government net expenses</b>	<b>\$ (11,406,929)</b>	<b>\$ (9,798,917)</b>	<b>\$ (11,306,209)</b>	<b>\$ (11,961,594)</b>	<b>\$ (8,961,347)</b>	<b>\$ (5,571,032)</b>	<b>\$ (10,279,890)</b>	<b>\$ (10,979,023)</b>	<b>\$ (13,062,636)</b>	<b>\$ (10,590,481)</b>



## City of Wasilla, Alaska

Changes in Net Position, continued  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Sales taxes	\$ 11,185,917	\$ 11,681,721	\$ 11,911,716	\$ 12,346,152	\$ 15,481,431	\$ 19,579,568	\$ 16,975,061	\$ 13,319,335	\$ 16,724,587	\$ 21,046,073
Property taxes	92	-	2	-	-	-	-	-	-	-
Vehicle taxes	107,640	108,670	117,460	120,969	57,441	58,550	57,920	59,270	60,920	287,628
Grants and entitlements not restricted to a specific purpose	1,220,956	1,158,757	1,564,089	1,798,256	1,745,300	744,130	720,520	567,868	540,979	489,881
Investment earnings	235,941	121,725	67,015	85,725	83,197	103,799	169,528	119,083	271,966	829,737
Loss on land held for resale	-	-	-	-	-	-	-	-	(862,536)	(165,000)
Loss on sale of capital assets	-	-	-	-	-	-	-	-	-	(220,011)
Other	57,143	31,540	81,304	35,261	92,719	105,843	123,683	219,742	147,091	50,794
Transfers	(912,825)	(1,023,156)	(544,000)	(741,215)	1,229,599	(662,348)	(529,068)	(1,043,500)	(1,067,494)	(1,633,500)
Special item - write off NPO/OPEB	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>11,894,864</b>	<b>12,079,257</b>	<b>13,197,586</b>	<b>13,645,148</b>	<b>18,689,687</b>	<b>19,929,542</b>	<b>17,517,644</b>	<b>13,241,798</b>	<b>15,815,513</b>	<b>20,685,605</b>
<b>Business-type activities:</b>										
Taxes	2,813,929	-	-	-	-	-	-	-	-	-
Investment earnings	5,881	2,836	4,574	6,542	3,479	3,453	1,166	7,702	5,918	3,875
Other	-	7,655	36,396	25,466	230,732	77,265	115,062	55,124	47,386	163,950
Transfers	912,825	1,023,156	544,000	741,215	(1,229,599)	662,348	529,068	1,043,500	1,067,494	1,633,500
<b>Total business-type activities</b>	<b>3,732,635</b>	<b>1,033,647</b>	<b>584,970</b>	<b>773,223</b>	<b>(995,388)</b>	<b>743,066</b>	<b>645,296</b>	<b>1,106,326</b>	<b>1,120,798</b>	<b>1,801,325</b>
<b>Total primary government</b>	<b>15,627,499</b>	<b>13,112,904</b>	<b>13,782,556</b>	<b>14,418,371</b>	<b>17,694,299</b>	<b>20,672,608</b>	<b>18,162,940</b>	<b>14,348,124</b>	<b>16,936,311</b>	<b>22,486,930</b>
<b>Changes in Net Position</b>										
Governmental activities	1,371,329	2,126,009	1,898,460	885,707	8,939,117	10,178,972	8,940,209	3,018,346	3,647,269	6,624,456
Business-type activities	2,849,241	1,187,978	577,887	1,571,070	(206,165)	1,532,289	(1,057,159)	350,755	226,406	5,271,993
<b>Total Primary Government</b>	<b>\$ 4,220,570</b>	<b>\$ 3,313,987</b>	<b>\$ 2,476,347</b>	<b>\$ 2,456,777</b>	<b>\$ 8,732,952</b>	<b>\$ 11,711,261</b>	<b>\$ 7,883,050</b>	<b>\$ 3,369,101</b>	<b>\$ 3,873,675</b>	<b>\$ 11,896,449</b>

### City of Wasilla, Alaska

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund:</b>										
Nonspendable	\$ 74,596	\$ 78,953	\$ 118,443	\$ 96,268	\$ 88,911	\$ 54,514	\$ 285,279	\$ 366,795	\$ 227,785	\$ 464,491
Committed	-	1,001,579	2,502,183	3,636,891	4,041,840	5,075,895	7,907,835	6,220,757	6,010,411	7,911,995
Assigned	129,694	312,990	639,840	675,829	747,179	1,614,659	1,275,939	1,160,942	1,259,127	1,435,900
Unassigned	6,273,841	7,293,632	7,149,076	7,539,574	8,064,088	8,366,493	8,076,870	8,829,752	8,080,284	8,122,474
<b>Total General Fund</b>	<b>6,478,131</b>	<b>8,687,154</b>	<b>10,409,542</b>	<b>11,948,562</b>	<b>12,942,018</b>	<b>15,111,561</b>	<b>17,545,923</b>	<b>16,578,246</b>	<b>15,577,607</b>	<b>17,934,860</b>
<b>All Other Governmental Funds:</b>										
<b>Nonspendable:</b>										
Permanent fund	210,573	222,722	235,672	253,745	285,734	289,215	290,615	298,275	321,160	330,911
Special revenue funds	-	-	14	14	13	13	-	-	860,200	-
Capital projects funds	-	-	12,845	5,819	-	-	-	-	123,816	40,345
Prepaid items	-	-	-	-	-	-	7,017	4,804	1,201	1,284
<b>Restricted for:</b>										
Debt service funds	227,968	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	13,146	13,146	13,146	13,146	13,146	13,146	13,146	13,146
New library construction	-	-	-	-	2,957,767	7,417,694	3,028,960	-	-	-
New police station construction	-	-	-	-	-	-	-	-	3,232,572	6,984,603
Capital projects funds	-	-	-	-	-	-	1,722,736	1,722,736	3,232,112	695,200
<b>Assigned to:</b>										
Special revenue funds	302,982	48,078	43,025	93,560	60,572	65,551	57,903	51,833	54,528	43,404
Debt service funds	354,460	-	-	-	-	-	-	-	-	-
Capital projects funds	2,190,737	2,278,206	1,640,295	1,750,832	1,984,955	2,807,235	1,750,651	3,865,649	1,218,228	4,800,380
<b>Total all other governmental funds</b>	<b>\$ 3,286,720</b>	<b>\$ 2,549,006</b>	<b>\$ 1,944,997</b>	<b>\$ 2,117,116</b>	<b>\$ 5,302,187</b>	<b>\$ 10,592,854</b>	<b>\$ 6,871,028</b>	<b>\$ 5,956,443</b>	<b>\$ 9,056,963</b>	<b>\$ 12,909,273</b>

## City of Wasilla, Alaska

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Sales taxes	\$ 11,185,917	\$ 11,681,721	\$ 11,911,716	\$ 12,346,152	\$ 15,481,431	\$ 19,579,568	\$ 16,975,061	\$ 13,319,335	\$ 16,724,587	\$ 21,046,076
Property and vehicle taxes	107,732	108,670	117,462	120,969	57,441	58,550	57,920	59,270	60,920	287,628
Intergovernmental	3,876,409	2,702,239	3,664,535	3,556,911	4,184,465	8,406,454	8,231,625	1,899,617	3,012,014	2,222,667
Investment earnings	235,941	121,725	67,015	85,725	83,197	103,799	169,528	119,083	271,996	829,737
Loss on land held for resale	-	-	-	-	-	-	-	-	(862,536)	(165,000)
Other revenues	1,870,786	1,897,065	2,089,290	2,114,907	2,147,361	2,275,749	2,819,905	3,135,509	3,512,494	4,059,085
<b>Total Revenues</b>	<b>\$ 17,276,785</b>	<b>\$ 16,511,420</b>	<b>\$ 17,850,018</b>	<b>\$ 18,224,664</b>	<b>\$ 21,953,895</b>	<b>\$ 30,424,120</b>	<b>\$ 28,254,039</b>	<b>\$ 18,532,814</b>	<b>\$ 22,719,475</b>	<b>\$ 28,280,193</b>
<b>Expenditures</b>										
Current:										
General government	\$ 2,672,437	\$ 2,554,172	\$ 2,790,919	\$ 2,815,187	\$ 2,913,068	\$ 3,148,955	\$ 2,921,203	\$ 2,839,646	\$ 3,062,835	\$ 3,126,684
Public safety	5,619,041	5,772,067	6,161,011	6,292,968	6,303,802	7,531,076	6,230,856	6,522,876	7,688,792	8,050,495
Public works	2,163,887	2,064,098	2,171,962	2,208,004	2,241,846	2,418,483	2,090,240	2,212,748	2,327,502	2,263,134
Culture and recreation	1,681,948	1,670,474	1,834,867	1,917,983	1,929,493	2,186,076	1,913,045	2,049,395	2,244,820	2,251,103
Non-departmental	102,000	54,486	64,567	139,725	205,565	97,983	53,171	55,701	172,435	253,745
Youth court	146,501	148,540	161,932	173,429	190,111	217,417	171,912	191,280	-	-
Capital outlay	4,087,063	1,349,794	2,608,221	1,805,060	2,789,674	6,317,946	15,220,960	5,165,907	3,661,800	5,092,715
Debt service:										
Principal	400,080	349,659	325,197	320,505	320,000	340,000	355,000	390,000	395,000	405,000
Interest	158,780	136,863	124,844	112,744	97,744	82,263	65,819	23,323	20,150	8,100
Other debt service costs	-	-	-	-	-	-	-	12,333	-	-
<b>Total Expenditures</b>	<b>17,031,737</b>	<b>14,100,153</b>	<b>16,243,520</b>	<b>15,785,605</b>	<b>16,991,303</b>	<b>22,340,199</b>	<b>29,022,206</b>	<b>19,463,209</b>	<b>19,573,334</b>	<b>21,450,976</b>
Excess of revenues over (under) expenditures	245,048	2,411,267	1,606,498	2,439,059	4,962,592	8,083,921	(768,167)	(930,395)	3,146,141	6,829,217
<b>Other Financing Sources (Uses)</b>										
Refunding bonds issued	-	-	-	-	-	-	-	815,000	-	-
Premium on refunding	-	-	-	-	-	-	-	26,231	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(828,898)	-	-
Proceeds from sale of assets	8,035	4,279	55,881	13,295	56,495	38,637	9,771	79,300	21,234	1,013,846
Transfers in	5,275,203	728,932	655,084	947,273	1,146,054	859,968	959,643	3,169,645	3,111,973	1,165,289
Transfers out	(6,188,028)	(1,673,169)	(1,199,084)	(1,688,488)	(1,986,617)	(1,522,316)	(1,488,711)	(4,213,145)	(4,179,467)	(2,798,789)
Proceeds from capital lease	88,512	-	-	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>(816,278)</b>	<b>(939,958)</b>	<b>(488,119)</b>	<b>(727,920)</b>	<b>(784,068)</b>	<b>(623,711)</b>	<b>(519,297)</b>	<b>(951,867)</b>	<b>(1,046,260)</b>	<b>(619,654)</b>
<b>Net change in fund balances</b>	<b>(571,230)</b>	<b>1,471,309</b>	<b>1,118,379</b>	<b>1,711,139</b>	<b>4,178,524</b>	<b>7,460,210</b>	<b>(1,287,464)</b>	<b>(1,882,262)</b>	<b>2,099,881</b>	<b>6,209,563</b>
Debt service as a percentage of noncapital expenditures	4.09%	2.57%	3.17%	2.94%	2.94%	2.43%	2.57%	2.79%	2.58%	2.36%
<b>Total non-capital expenditures</b>	<b>\$ 13,652,773</b>	<b>\$ 13,609,341</b>	<b>\$ 14,211,961</b>	<b>\$ 14,715,904</b>	<b>\$ 15,370,471</b>	<b>\$ 17,386,845</b>	<b>\$ 16,360,208</b>	<b>\$ 14,793,861</b>	<b>\$ 16,100,264</b>	<b>\$ 17,524,075</b>

## City of Wasilla, Alaska

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

Fiscal Year Ended June 30	Total Taxes	Property Taxes	Sales Taxes	Vehicle Taxes
2010	\$ 11,293,649	\$ 92	\$ 11,185,917	\$ 107,640
2011	11,790,391	-	11,681,721	108,670
2012	12,029,178	2	11,911,716	117,460
2013	12,467,121	-	12,346,152	120,969
2014	15,538,872	-	15,481,431	57,441
2015	19,638,118	-	19,579,568	58,550
2016	17,032,981	-	16,975,061	57,920
2017	13,378,605	-	13,319,335	59,270
2018	16,785,507	-	16,724,587	60,920
2019	21,333,704	-	21,046,076	287,628

Source: City of Wasilla Finance Department

- (1) In October 2017, voters approved a ballot initiative to increase sales tax 1.0% effective January 1, 2018. The 1.0% increase was dedicated to fund construction of a new police station. The rate shall remain at 3% for a period of two years or until twelve million is collected, whichever is earlier. At that time, the rate shall decrease to 2.5% thereafter.
- (2) Property taxes were reduced to 0.00 Mills July 1, 2006 and have remained at this rate.

## City of Wasilla, Alaska

### General Government Sales Tax Revenue By Category June 30, 2019

Category	2019		2010	
	Total Sales Tax Revenue	Percentage of Total	Total Sales Tax Revenue	Percentage of Total
Trade Retail & Wholesale	\$ 15,260,509	72.51%	\$ 8,431,112	75.37%
Entertainment, Recreation & Food Service	2,975,915	14.14%	1,161,644	10.38%
Utilities & Information	993,375	4.72%	673,297	6.02%
Real Estate, Rental, Leasing & Transportation	338,842	1.61%	154,574	1.38%
Manufacturing (primarily construction related)	193,624	0.92%	70,033	0.63%
All Other Services	1,283,811	6.10%	695,257	6.22%
	<u>\$ 21,046,076</u>	<u>100.00%</u>	<u>\$ 11,185,917</u>	<u>100.00%</u>

Source: City of Wasilla Finance Department

(1) Wasilla Municipal Code restricts the publication of sales tax collection information identifiable to a particular seller. Sales tax revenue by category is presented in lieu of disclosing principal sales tax revenue payers.

## City of Wasilla, Alaska

### 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
2010	\$ 1,158,678,913	\$ 929,324,347	11.700	\$ 951,043,600	97.72%
2011	1,153,237,856	926,268,943	11.790	956,288,200	96.86%
2012	1,195,173,600	966,009,946	11.970	1,002,502,500	96.36%
2013	1,208,834,305	941,218,804	11.661	1,100,867,900	85.50%
2014	1,239,337,767	961,267,991	11.842	1,011,551,400	95.03%
2015	1,315,952,264	1,014,495,688	11.652	1,048,765,200	96.73%
2016	1,383,706,145	1,037,570,889	11.974	1,042,965,600	99.48%
2017	1,382,275,564	1,040,857,140	12.134	1,105,396,100	94.16%
2018	1,425,430,134	1,067,253,677	12.290	1,150,313,049	92.78%
2019	1,480,845,389	1,099,451,239	12.482	1,184,377,925	92.83%

Source: Matanuska-Susitna Borough and State of Alaska, Assessors Office.

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

## City of Wasilla, Alaska

Sales and Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Sales Tax		Property Tax		
	City of Wasilla	Mat-Su Borough	Wasilla Fire Service Area	City of Wasilla	Total
2010	2.00	9.980	1.72	0.00	11.700
2011	2.00	9.960	1.83	0.00	11.790
2012	2.00	10.050	1.92	0.00	11.970
2013	2.00	9.691	1.97	0.00	11.661
2014	3.00	9.852	1.99	0.00	11.842
2015	3.00	9.662	1.99	0.00	11.652
2016	2.00	9.984	1.99	0.00	11.974
2017	2.00	9.984	2.15	0.00	12.134
2018	3.00	10.140	2.15	0.00	12.290
2019	3.00	10.332	2.15	0.00	12.482

Source: Matanuska-Susitna Borough and City of Wasilla Finance Department

- (1) Sales tax rate may be increased to three percent (3%) by City Council through ordinances as established by voter approval at the time of the City's incorporation. Increases in excess of three percent (3%) would require approval by referendum in accordance with Alaska State Statute Title 29.
- (2) Property tax millage rate is \$1,000 per assessed value. Millage rate for the City of Wasilla is approved by City Council through ordinance.



## City of Wasilla, Alaska

Principal Property Taxpayers  
June 30, 2019

Taxpayer	Nature of Business	2019			2010		
		Taxable assessed Value (1)	Rank	Percentage of total taxable assessed value	Taxable assessed Value (1)	Rank	Percentage of total taxable assessed value
Fred Meyer Stores	Retail Store	\$ 19,200,800	1	1.75%	\$ 19,451,800	2	2.09%
Wal-Mart Stores Inc.	Retail Store	18,826,100	2	1.71%	20,723,900	1	2.23%
DBC LLC	Property Development and Retail Mall	18,273,900	3	1.66%	17,744,600	3	1.91%
Schweiger John Loving TR	Entertainment	17,542,700	4	1.60%			
BDC Wasilla LP	Real Estate Rental and Leasing	14,301,700	5	1.30%			
Gary Lundgren	Individual	12,536,300	6	1.14%			0.00%
Wasilla LLC	Property Development and Retail Mall	12,346,000	7	1.12%	6,343,400	9	0.68%
Primrose Senior Holdings	Housing Facility	11,813,300	8		10,939,600	5	
Global Finance & Investment Co.	Real Estate Rental and Leasing	11,210,600	9	1.02%			0.00%
Lowe's HIW Inc.	Retail Store	10,697,200	10	0.97%	12,174,800	4	1.31%
Mat-Su Valley Medical Center	Medical Facilities				10,454,900	6	1.13%
Home Depot USA, Inc.	Retail Store				9,470,700	7	1.02%
Newcomb Family Trust	Property Development				8,385,300	8	0.90%
Corporate Way Properties	Property Development and Retail Mall				6,142,700	10	0.66%
Total		\$ 146,748,600		12.27%	\$ 121,831,700		11.93%

Source: Matanuska-Susitna Borough, property tax assessment roll.

## City of Wasilla, Alaska

Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended <u>June 30</u>	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	Retired Principal	Total	General Obligation Bonds	Retired Principal	Total				
2010	\$ 3,416,324	\$ 279,633	\$ 3,136,691	\$ 3,821,578	\$ 1,820,789	\$ 2,000,789	\$ 5,137,480	1.80%	0.55%	716
2011	3,136,691	294,633	2,842,058	2,000,789	2,000,789	-	2,842,058	0.85%	0.29%	363
2012	2,842,058	299,633	2,542,425	-	-	-	2,542,425	0.72%	0.27%	315
2013	2,542,425	263,627	2,278,798	-	-	-	2,278,798	0.01%	0.24%	278
2014	2,278,798	333,133	1,945,665	-	-	-	1,945,665	0.51%	0.19%	233
2015	1,945,665	353,133	1,592,532	-	-	-	1,592,532	0.41%	0.15%	192
2016	1,592,532	368,133	1,224,399	-	-	-	1,224,399	0.32%	0.12%	145
2017	1,224,399	406,912	817,487	-	-	-	817,487	0.21%	0.08%	94
2018	817,487	403,744	413,743	-	-	-	413,743	0.10%	0.04%	48
2019	413,743	413,743	-	-	-	-	-	0.00%	0.00%	-

(1) Population and personal income data can be found in Table 13.

(2) Property value data can be found in Table 7.

## City of Wasilla, Alaska

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Capital Lease	General Obligation Bonds	Special Assessment Bonds	Loans Payable				
2010	\$3,136,691	\$ 29,387	\$ 70,898	\$ 2,000,789	\$ -	\$3,218,743	\$ 8,456,508	2.96%	0.91%	1,178
2011	2,842,058	-	40,701	-	-	-	2,882,759	0.86%	0.31%	368
2012	2,542,425	-	10,504	-	-	-	2,552,929	0.72%	0.26%	317
2013	2,278,798	-	-	-	-	-	2,278,798	0.64%	0.24%	278
2014	1,945,665	-	-	-	-	-	1,945,665	0.51%	0.20%	233
2015	1,592,532	-	-	-	-	1,925,189	3,517,721	0.91%	0.35%	425
2016	1,224,399	-	-	-	-	1,584,656	2,809,055	0.74%	0.27%	332
2017	817,487	-	-	-	-	1,158,150	1,975,637	0.51%	0.19%	227
2018	413,743	-	-	-	-	992,700	1,406,443	0.36%	0.13%	160
2019	-	-	-	-	-	827,250	827,250	0.00%	0.08%	94

- (1) Details regarding the City of Wasilla's outstanding debt can be found in the notes to the financial statements.  
(2) Population and personal income data can be found in Schedule 13.  
(3) Property value data can be found in Table 7.

## City of Wasilla, Alaska

Computation of Direct and Overlapping General Obligation Debt  
June 30, 2019

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	City of Wasilla's Share of Debt
City of Wasilla	\$ -	100.00%	\$ -
Matanuska Susitna Borough	269,440,000	11.75%	31,659,200
<b>Total Direct and Overlapping</b>	<b>\$ 269,440,000</b>		<b>\$ 31,659,200</b>

Source: Matanuska-Susitna Borough and City of Wasilla Finance Department

(1) There is no debt limit mandated by law. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Matanuska-Susitna Borough's taxable assessed value that is within the City of Wasilla's boundaries and dividing it by the Matanuska-Susitna Borough's total taxable assessed value.

## City of Wasilla, Alaska

Demographic 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 %)
2010	7,176	3,932	85,319	\$ 40,037	34.7	16,653	8.6
2011	7,831	3,905	88,995	42,691	34.7	17,079	9.0
2012	8,064	4,068	91,697	43,662	34.7	17,338	8.9
2013	8,207	4,126	93,801	43,498	35.0	17,247	7.2
2014	8,365	4,158	96,074	45,452	35.0	17,843	7.4
2015	8,275	4,143	98,063	46,785	35.0	18,037	8.3
2016	8,468	3,829	100,178	44,454	35.0	18,745	8.3
2017	8,704	3,866	102,598	44,803	35.0	18,721	8.6
2018	8,797	3,975	104,166	44,803	35.0	19,369	8.0
2019	8,801	3,805	105,743	44,803	35.0	19,101	7.0

Source	(2) State of Alaska and US Census	State of Alaska Dept of Education & Early Development	(2) State of Alaska and US Census	(1) Bureau of Economic Analysis	(1) State of Alaska	State of Alaska Dept of Education & Early Development	(1) State of Alaska
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(1) If information is not available from source or alternate source, the most recent year's data is used as an estimate. Previous years' numbers are revised as information becomes available.

(2) Population is first sourced from the U.S. Census when current data is available. The alternate source for population data includes estimates from the Alaska Division of Regional Affairs for those years between censuses.

## City of Wasilla, Alaska

### Full-Time Equivalent Employees By Function Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Clerk	2.00	2.00	2.00	3.00	3.00	2.00	3.00	3.00	3.00	3.00
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
General Admin Services	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance/MIS	11.00	11.00	11.00	10.00	10.00	10.00	11.00	13.00	14.00	14.00
Police	50.00	48.00	48.00	49.00	49.00	49.00	50.00	60.00	62.00	64.00
Youth Court	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.75	0.75
Public Works	23.00	23.00	23.00	23.00	23.00	23.00	23.00	21.00	21.00	21.00
Museum	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Recreation Facilities										
Maintenance	2.55	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sports Center/Recreation										
Services	10.66	9.50	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Library	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	10.00	10.00
<b>Total</b>	<b>119.71</b>	<b>117.00</b>	<b>115.50</b>	<b>115.50</b>	<b>114.50</b>	<b>113.50</b>	<b>116.50</b>	<b>126.50</b>	<b>129.25</b>	<b>131.25</b>

Source: City of Wasilla Finance Department

(1) This schedule reflects the number of full-time equivalent positions that are authorized, not necessarily funded or filled.

## City of Wasilla, Alaska

### Operating Indicators by Function Last Ten Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Public Safety:										
Police Services:										
Police requests for service	16,658	19,800	20,526	20,856	24,374	26,758	26,026	27,451	26,823	26,963
Criminal arrests	712	847	883	1,006	1,315	1,484	1,448	1,292	1,252	1,401
Water and Wastewater:										
Water production average gallons per day average July readings	813,377	724,687	615,959	779,454	909,806	758,613	705,253	696,907	823,830	1,194,825
Wastewater treatment avg. gallons per day average July readings	361,648	381,229	327,194	324,100	445,483	375,767	345,733	331,767	343,073	369,295

Source: Various City of Wasilla Departments

(1) Public safety is reported on a calendar year as the data is available in that format. Water and wastewater are reported on a fiscal year.



## City of Wasilla, Alaska

### Capital Asset Statistics By Function Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Miles of streets	66.37	69.82	70.24	70.24	71.28	73.29	73.65	75.36	76.49	76.62
Miles of water lines	41.50	41.67	42.35	43.64	44.93	46.50	46.82	47.49	47.49	48.95
Miles of sewer lines	26.36	26.53	26.57	26.78	26.89	26.89	26.89	26.89	26.89	27.53
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	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	7.00
Ball fields	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fitness trails	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Soccer fields	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Campground	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Multi-purpose facility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Various City of Wasilla Departments

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**CITY OF WASILLA**  
ALASKA

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*Federal and State of Alaska Single Audit Reports*

*and*

*Supplementary Information*

*Fiscal Year Ended June 30, 2019*



## **City of Wasilla, Alaska**

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Federal and State Single Audit Reports  
Year Ended June 30, 2019

# City of Wasilla, Alaska

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3601 C Street, Suite 600  
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## 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, in accordance with the 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, the 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 (City of Wasilla) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of Wasilla's basic financial statements, and have issued our report thereon dated December 2, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wasilla's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wasilla's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wasilla's financial statements are free from 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska  
December 2, 2019





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## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Honorable Mayor and City Council  
City of Wasilla, Alaska

### **Report on Compliance for Each Major Federal Program**

We have audited City of Wasilla's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Wasilla's major federal programs for the year ended June 30, 2019. 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.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Wasilla's major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of City of Wasilla's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, City of Wasilla complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

#### **Report on Internal Control Over Compliance**

Management of City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Wasilla's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2019, and the related notes to the financial statements, which collectively comprise City of Wasilla's basic financial statements. We issued our report thereon dated December 2, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BDO USA, LLP*

Anchorage, Alaska  
December 2, 2019

**City of Wasilla Alaska**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2019**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>Department of Transportation</b>				
Airport Improvement Program	20.106		\$ -	\$ 2,619,679
Passed through State of Alaska Department of Transportation and Public Facilities:				
Highway Planning and Construction Cluster	20.205	HFHWY00087	-	173,075
Highway Safety Cluster - National Priority Safety Programs	20.616	405d M5HVE18-01-00(A)-13	-	1,512
<b>Total Department of Transportation</b>			-	<u>2,794,266</u>
<b>National Endowment for the Humanities</b>				
Passed through State of Alaska Department of Education and and Early Development:				
Grants to States - Public Library Assistance	45.310	PLA-19-787-01	-	7,000
Grants to States - Continuing Education	45.310	CED-19-787-01	-	1,073
<b>Total National Endowment for the Humanities</b>			-	<u>8,073</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ -</u>	<u>\$ 2,802,339</u>

*See accompanying notes to the Schedule of Expenditures of Federal Awards.*

## City of Wasilla, Alaska

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2019

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#### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Wasilla, Alaska (the City) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

#### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### 3. Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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## **Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

Honorable Mayor and City Council  
City of Wasilla, Alaska

### **Report on Compliance for Each Major State Program**

We have audited the City of Wasilla, Alaska's (City of Wasilla) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City of Wasilla's major state programs for the year ended June 30, 2019. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Wasilla's major state programs based on our audit of the types of compliance requirements referred to above. 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 the 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 on compliance for each major state program. However, our audit does not provide a legal determination of City of Wasilla's compliance.

#### ***Opinion on Each Major State Program***

In our opinion, the City of Wasilla complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

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## Report on Internal Control over Compliance

Management of the City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Wasilla's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with *the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the City of Wasilla's basic financial statements. We issued our report thereon dated December 2, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BDO USA, LLP*

Anchorage, Alaska  
December 2, 2019



**City of Wasilla, Alaska**  
**Schedule of State Financial Assistance**  
**Year Ended June 30, 2019**

State Grant Title	Grant Number	Total Grant Award	State Share of Expenditures
<b>Department of Revenue</b>			
State Liquor License	FY19	\$ 28,400	\$ 28,400
Fisheries Tax	FY19	99	99
Aviation Fuel Tax	FY19	1,972	1,972
* Electric & Telephone Coop Tax	FY19	215,338	215,338
<b>Total Department of Revenue</b>			<u>245,809</u>
<b>Department of Military and Veteran's Affairs</b>			
SEOC Afterhours Answering Point	GF2019001	50,163	50,163
<b>Department of Health and Social Services</b>			
Youth Courts/Community Panels	609-239-19009	52,700	52,700
<b>Department of Commerce, Community, and Economic Development</b>			
* Community Assistance Program	FY19	244,171	244,171
Water Wells and Pumphouse	15-RR-015	898,680	34,955
Cottonwood Creek Park Trailhead	13-DC-066	75,000	9,890
* Sewage Treatment Plant Improvements	14-DC-144	3,000,000	1,176,243
* Extension of South Mack Drive	14-RR-017	2,394,135	190,061
Upgrades to Dispatch System	15-RR-014	883,370	100,328
<b>Total Department of Commerce, Community, and Economic Development</b>			<u>1,755,648</u>
<b>Department of Transportation and Public Facilities</b>			
Fairview Loop Road Realignment	54800	456,000	6,264
<b>Department of Administration</b>			
* PERS On-behalf	FY19	514,599	514,599
<b>Total State Financial Assistance</b>			<u>\$ 2,625,183</u>
* Major program			

*See accompanying notes to the Schedule of State Financial Assistance.*

# City of Wasilla, Alaska

## Notes to the Schedule of State Financial Assistance Year Ended June 30, 2019

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### 1. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") include the state grant activity of the City of Wasilla, Alaska under programs of the state government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City of Wasilla, Alaska, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Wasilla, Alaska.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

### 3. PERS On-behalf

The City has recorded \$514,599 in PERS On-behalf payments in the Schedule of State Financial Assistance. This represents the PERS relief payments appropriated and transferred into the plan during FY2019.

In the governmental fund financial statements, on-behalf revenue and expenditures have been recognized commensurate with the proportional share of on-behalf payments in the year appropriated and transferred to the plan. However, in the full accrual financial statements, GASB 68 provisions prescribe that on-behalf pension contributions in a special funding situation may only be recognized during the measurement period in which the plan recognizes the contributions, effectively creating a one-year timing difference between the cash contribution and revenue and expense/expenditures recognition by the City.

As a result of these perspective and timing differences, amounts reported on the financial statements do not agree to the amount reported on the Schedule of State Financial Assistance. In FY2019, the City reported \$180,889 in PERS on-behalf revenue and expenses in the Statement of Activities.

**City of Wasilla, Alaska**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019**

<b>Section I - Summary of Auditor's Results</b>
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**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
20.106	Airport Improvement Program	Department of Transportation

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

**State Financial Assistance**

Internal control over major state programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)

Type of auditor's report issued on compliance for major state programs: Unmodified

Dollar threshold used to distinguish a state major program \$ 150,000

## City of Wasilla, Alaska

### Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2019

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#### Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

#### Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

#### Section IV - State Financial Assistance Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.