

Action:  Approved |  Denied |  Other  
 Date Action Taken: February 8, 2021  
 Verified By: [Signature]  
 Clerk's Note: Burney absent

**City of Wasilla  
 Action Memorandum No. 21-08**

Acceptance of the City of Wasilla's Fiscal Year 2020 Comprehensive Annual Financial Report For Public Record.

Originator: Troy Tankersley, Finance Director  
 Date: 1/27/2021

Agenda of: 2/8/2021

Route to:	Department Head	Signature	Date
X	Finance Director		1-27-21
X	Deputy Administrator		1/27/21
X	City Clerk		1/27/2021
X	Mayor		1/27/2021

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

Account name/number/amount: N/a

- Attachments:**
- 1) Audit Wrap-Up, Year Ended June 30, 2020 (20 Pages)
  - 2) Fiscal Year 2020 Comprehensive Annual Financial Report (144 pages)
  - 3) Fiscal Year 2020 Federal and State of Alaska Single Audit (17 pages) 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 2020 (FY2020) 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 February 8, 2020, Wasilla City Council Meeting. If the Council agrees 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 2020 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, 2020



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.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.





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3601 C Street, Suite 600  
Anchorage, AK 99503

February 8, 2021

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 August 13, 2020, 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, 2020, 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, 2020. 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 January 27, 2021.
- ▶ 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 13 to the City's financial statements.
- ▶ There were no other changes in significant accounting policies and practices during 2020.

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 2020.

## CORRECTED AND UNCORRECTED MISSTATEMENTS

The schedule of corrected misstatements is included with the audit representation letter. There was one corrected misstatement, other than those that were clearly trivial, related to accounts and/or disclosures that we discussed with management. The correction was to adjust opening balances in the Road Capital Project Fund to agree prior year ending balances per the audited FY 19 financial statements.

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.



## 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. Given the COVID-19 public health emergency, a significant portion of the audit was performed remotely this year. No issues were encountered nor was any modification to our original audit plan considered necessary.
Representations requested from management	Please refer to the management representation letter.

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# Independence Communication

Our engagement letter to you dated June 30, 2020 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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# 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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January 27, 2021

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, 2020, 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, and cash flows 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 on June 30, 2020, 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 and federal and state awards (including amendments, if any, and any other correspondence with federal, 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, 2019 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, schedule of expenditures of federal awards (SEFA) or schedule of state financial assistance (SSFA). The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are included in the attached "schedule of corrected misstatements," which we have initialed and dated, 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 all 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. The methods, significant assumptions, and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, and disclosure that is in accordance with accounting principles generally accepted in the United States of America.
  - (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) Side agreements or other arrangements (either written or oral) that have not been disclosed to you.
- (d) 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. We have also complied with the SEC disclosure rules for reporting annual financial information and material events to repositories in accordance with SEC Rule N.240, 15c2-12.

- (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 preparation of the financial statements and related footnote disclosures for the year ended June 30, 2020, as well as the assistance provided in preparation and submission of the required Form SF-SAC Data Collection Form, 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 (Alaska 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 Alaska Audit Guide, identified and disclosed to you in the SEFA and SSFA expenditures made during the audit period for all government programs and related activities provided by federal and state 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, SSFA and related notes in accordance with the requirements of the Uniform Guidance and Alaska Audit Guide, and we believe the SEFA and SSFA, including its form and content, is fairly presented in accordance with the Uniform Guidance and Alaska 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 are 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 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 and state 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 including when applicable, those set forth in the OMB Compliance Supplement and Alaska Audit Guide, 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. We also know of no instances of noncompliance with the direct and material compliance requirements of federal and 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 and Alaska 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 and state 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 SEFA and SSFA.

- (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 ensured the reporting package does not contain protected personally identifiable information.
- (26) There have been no known or suspected breaches of sensitive information (e.g., personnel files) caused by cyber-attack or other means, or other cybersecurity incidents, where the breach or other incident could have a material effect on the financial statements.
- (27) 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.
- (28) To the extent our normal procedures and controls related to our financial close or other reporting processes at any of our locations were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (29) Other than as disclosed in note 11 to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in those financial statements.
- (30) Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.
- (31) Other than as disclosed in note 12 to the financial statements, no other impacts from enactment of the CARES Act are necessary to be reflected in those financial statements.
- (32) Disclosures included in the financial statements regarding the relevant significant financial reporting impacts from enactment of the CARES Act accurately reflect management's full consideration of such impacts.

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,

  
\_\_\_\_\_  
Troy Tankersley, Finance Director

CITY OF WASILLA  
Schedule of Corrected Misstatements  
For the Year Ended June 30, 2020

Number	Name	Account No	Debit	Credit
AJE 1	Land held for resale	160-0000-141.20-00		165,000
	Net position	160-0000-253.20-00	165,000	

To adjust opening balances in the Road Capital Project Fund to agree to prior year ending balances per audited FY 19 financial statements.

*[Signature]*  
1-27-2021

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**CITY OF WASILLA**  
ALASKA

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*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended*

*June 30, 2020*



# **City of Wasilla, Alaska**

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## **Comprehensive Annual Financial Report Year Ended June 30, 2020**

**Glenda Ledford  
Mayor**

**Prepared by  
Finance Department**

**Troy Tankersley  
Finance Director**

# 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

January 27, 2021

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, 2020.

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, 2020. 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 8,736. It also serves as a central commercial district to the Matanuska Susitna Borough residents of an estimated 106,438. 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 2.5% sales tax, charges for services, grants, state revenue sharing and other sources. Note that the sales tax rate for FY2020 was 3%, through November 2019, with 1% dedicated to a capital project discussed in the Long-Term Financial Planning and Major Initiatives section below. Effective December 2019, the sales tax rate was reduced to 2.5%.

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%. In 2020, sales tax in the general fund (i.e., excluding the portion dedicated to the new police station) increased approximately 21% over the prior year. The increase is attributed to a .5% increase to the sales tax rate, tax on internet sales, and increased local sales due to reduced travel and hunker-down mandates stemming from the COVID-19 pandemic. With sales tax as the City's primary source of revenues, the development of businesses outside the City, and the general state-wide dependency on oil production are always a concern. The current local unemployment rate increased from 7.4% to 13.1% while the national average increased from 3.7% to 7.8%; seemingly both increases relating directly to the COVID-19 pandemic. Apart from an \$18.6M CARES Act grant passed through the State of Alaska, the State has not offered any significant grant awards; a consistent trend since FY2016.

In FY2019, a private retail development began construction with businesses beginning to occupy space in 2020. 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 production 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 Hatchers 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. A downhill ski lift was opened in November 2020. 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 90% complete with slivers of right-of-way already purchased. Total project cost is estimated at \$32M with construction expected to begin in FY2023. 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 constructed concurrently.

The City has invested approximately \$500,000 over a three-year period to renovate and expand the Wasilla Museum. The building was expected to open in the spring of 2020 but has not been open due to the COVID-19 pandemic. In the prior year, the City demolished an old fire station and constructed a parking lot after year end, with landscaping yet to be completed. 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 was for a period of two years or until \$12M was collected, whichever was earlier. The sales tax will then decrease one-half percent (.5%) to two and one-half percent (2.5%). Effective December 1, 2019, the funding goal had been reached. The new police building was completed and placed into service in June 2020.

In FY2019, the city purchased a 70-acre parcel of land adjacent to the Wasilla Airport which 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) which was completed in FY2020. The project added 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 also operates an aquatic harvester to manage the presence of invasive weeds. In FY2020 a water quality study was completed. Land was acquired to build a retention pond to control stormwater runoff. This 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 July 2016, the City returned to a fully insured model. Currently, the City's non-represented employees, members of Wasilla Police Department Employees Association, and members of Local 302 bargaining unit are covered under Local 302 Healthcare Trust for an agreed upon rate with the City. Health insurance expense decreased ~5% year over year due to vacant positions. In FY2020 and FY2019 health insurance costs were \$2.1M and \$2.2M, 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 FY2020, the unrestricted net position of the general fund exceeded the calculated maximum by approximately \$12,710,762. 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 on June 30, 2019 was \$13,580,031. The net liability on June 30, 2020 is \$13,130,205, a decrease of \$449,826. 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.

GASB Statement No. 75 requires 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 on June 30, 2019 was \$2,777,683. The net other postemployment benefit liability on June 30, 2020 was \$459,214, a decrease of \$2,318,469. For additional detail, reference footnote 7 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, 2019. This was the twenty-fourth 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, 2020. 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,



Glenda Ledford  
Mayor



Troy Tankersley  
Finance Director



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# City of Wasilla, Alaska

## City Officials Year Ended June 30, 2020

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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	Nikki Velock
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	Joel Smith (Acting)
Deputy Administrator	Lyn Carden

#### Planning Commission

Eric Bushnell (Chair)	Simon Brown
Darrell Breese	Alina Rubeo
Micah Weinstein	

#### Parks and Recreation Commission

Mary Shampine	Amanda Joan Matthews
Dave Tuttle (Chair)	Mary Kay Robinson
Kristin Shea	

#### Airport Commission

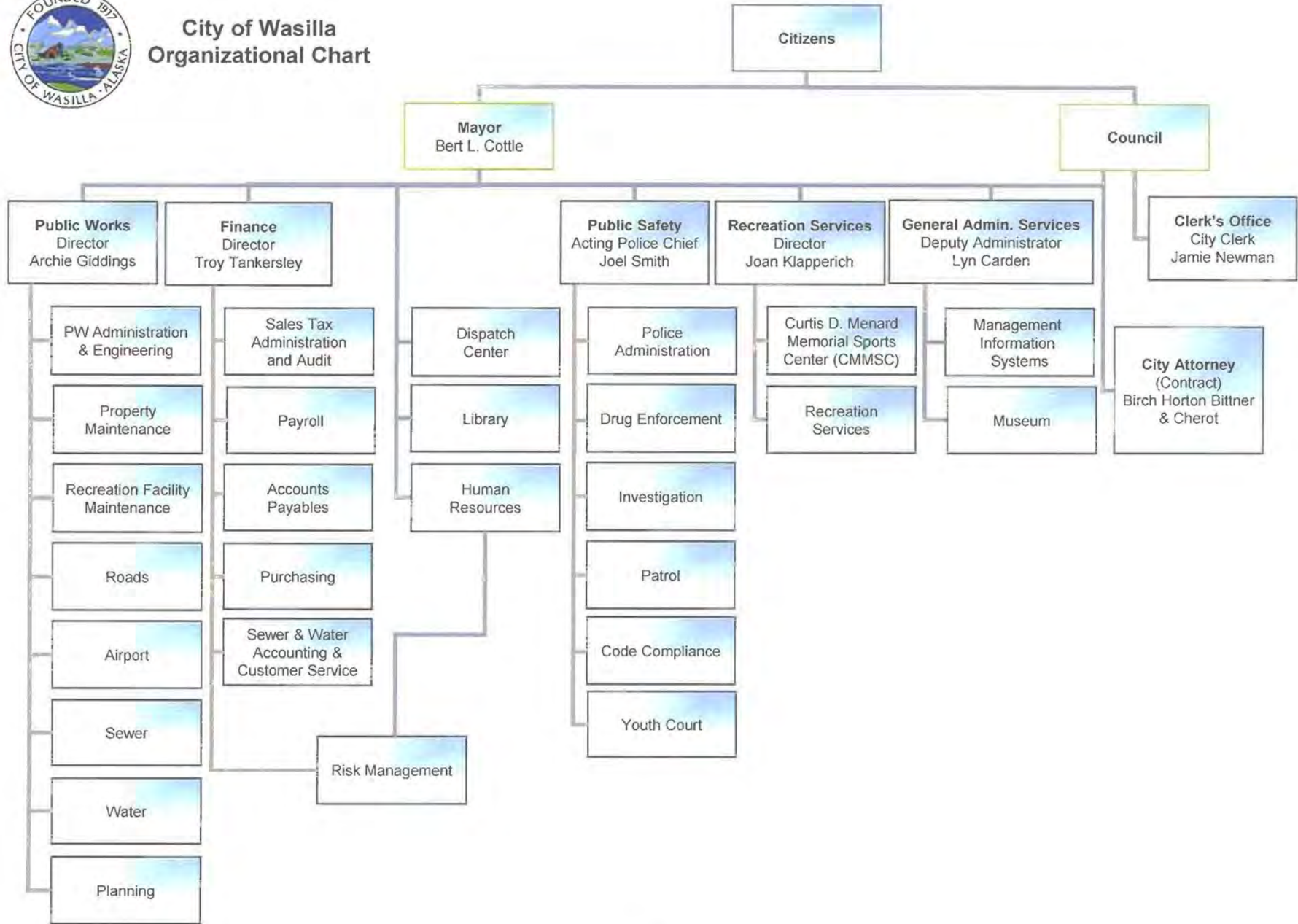
Charles Morris	Cameron Sharick
James Grogan	Michael Lucas

### CONSULTANTS

City Attorney	Birch Horton Bittner & Cherot
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, 2019

*Christopher P. Morill*

Executive Director/CEO

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## ***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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, the budgetary comparison information on page 63, and schedules of the City's proportionate share of the net pension and OPEB liability or asset and City contributions on pages 64 through 68, 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, 2020 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, 2020 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, 2019 (not presented herein), and have issued our report thereon dated December 2, 2019 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, 2019 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, 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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, 2019.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021 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  
January 27, 2021



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

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# City of Wasilla, Alaska

## Management's Discussion and Analysis

### June 30, 2020

---

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 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 \$167,942,097 (total net position). Of this amount, \$34,642,683 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$11,508,821. The governmental activities net position increased \$10,830,757 (14%) and the business-type activities net position increased \$678,064 (1%).
- As of the close of business of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,754,244, an increase of \$1,910,111 in comparison with the prior year. Approximately 28.5% of this amount \$9,345,113 is unassigned and available for spending at the government's discretion.
- The City's total outstanding debt decreased by \$165,450 to a year-end balance of \$661,800. 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 43-44 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).

**City of Wasilla, Alaska**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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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 11 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, CARES Act Special Revenue 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 eight 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, except for the CARES Act Special Revenue Fund. 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 29-62 of this report.

**City of Wasilla, Alaska**  
**Management's Discussion and Analysis**  
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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 63-68 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 \$167,942,097 at the close of the most recent fiscal year.

**City of Wasilla's Net Position**

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 40,374,673	\$ 32,608,364	\$ 16,583,305	\$ 15,668,994	\$ 56,957,978	\$ 48,277,358
Capital assets, net of depreciation	66,813,168	59,714,647	66,492,179	67,552,581	133,305,347	127,267,228
<b>Total assets</b>	<b>107,187,841</b>	<b>92,323,011</b>	<b>83,075,484</b>	<b>83,221,575</b>	<b>190,263,325</b>	<b>175,544,586</b>
Total deferred outflows of resources	2,266,301	2,806,572	399,488	489,586	2,665,789	3,296,158
Noncurrent liabilities	11,600,991	14,700,784	2,484,778	3,361,833	14,085,769	18,062,617
Other liabilities	8,402,006	1,764,231	1,182,527	1,212,357	9,584,533	2,976,588
<b>Total liabilities</b>	<b>20,002,997</b>	<b>16,465,015</b>	<b>3,667,305</b>	<b>4,574,190</b>	<b>23,670,302</b>	<b>21,039,205</b>
Total deferred inflows of resources	1,141,320	1,185,500	175,395	182,763	1,316,715	1,368,263
<b>Net position:</b>						
Net investment in capital assets	66,813,168	59,714,647	65,458,035	66,725,331	132,271,203	126,439,978
Restricted for permanent fund principal	333,011	330,911	-	-	333,011	330,911
Restricted for federal and state drug enforcement	-	13,146	-	-	-	13,146
Restricted for new police station construction	-	6,984,603	-	-	-	6,984,603
Restricted for Main Street couplet construction	695,200	695,200	-	-	695,200	695,200
Unrestricted	20,468,446	9,740,561	14,174,237	12,228,877	34,642,683	21,969,438
<b>Total Net Position</b>	<b>\$ 88,309,825</b>	<b>\$ 77,479,068</b>	<b>\$ 79,632,272</b>	<b>\$ 78,954,208</b>	<b>\$ 167,942,097</b>	<b>\$ 156,433,276</b>

The largest portion of the City's net position (79%) 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' net position, approximately 0.61%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$34,642,683 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 \$11,508,821 compared to \$11,896,449 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**

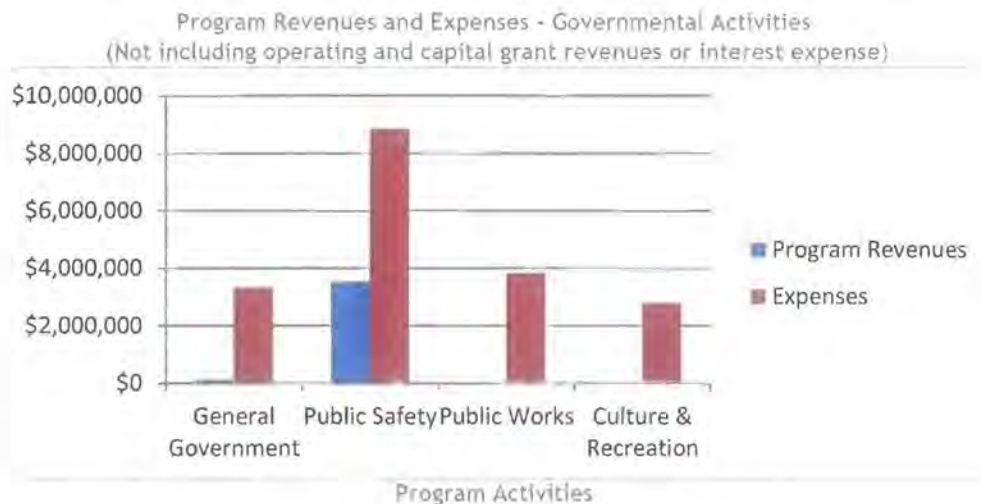
During fiscal year 2020, the City's net position increased by \$10,830,757 for governmental activities. Highlights of governmental activities net position changes include the additional 1% sales tax collected for the new police department and contributions from state grantor agencies, particularly for the for the sewer outfall project.

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Fees, fines, and charges for services	\$ 3,717,157	\$ 3,632,751	\$ 4,264,747	\$ 4,403,974	\$ 7,981,904	\$ 8,036,725
Operating grants and contributions	3,624,452	859,201	712,292	376,404	4,336,744	1,235,605
Capital grants and contributions	1,329,989	1,031,489	1,470,565	5,327,888	2,800,554	6,359,377
General revenues:						
Sales taxes	20,079,919	21,046,076	-	-	20,079,919	21,046,076
Vehicle taxes	176,020	287,628	-	-	176,020	287,628
Grants and entitlements not restricted to a specific purpose	439,931	489,881	-	-	439,931	489,881
Investment income	983,264	829,737	205	3,875	983,469	833,612
Loss on land held for resale	-	(165,000)	-	-	-	(165,000)
Loss on sale of capital assets	-	(220,011)	-	-	-	(220,011)
Other	95,698	50,794	34,308	163,950	130,006	214,744
<b>Total revenues</b>	<b>\$ 30,446,430</b>	<b>\$ 27,842,546</b>	<b>\$ 6,482,117</b>	<b>\$ 10,276,091</b>	<b>\$ 36,928,547</b>	<b>\$ 38,118,637</b>

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	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
<b>Expenses</b>						
General government	\$ 3,334,705	\$ 3,907,795	\$ -	\$ -	\$ 3,334,705	\$ 3,907,795
Public safety	8,849,497	8,565,952	-	-	8,849,497	8,565,952
Public works	3,840,190	4,150,204	-	-	3,840,190	4,150,204
Culture and recreation	2,789,631	2,962,633	-	-	2,789,631	2,962,633
Interest on long-term debt	-	(1,994)	-	-	-	(1,994)
Water utility	-	-	1,900,560	1,866,664	1,900,560	1,866,664
Sewer utility	-	-	1,918,092	2,030,125	1,918,092	2,030,125
Municipal airport	-	-	1,063,877	964,040	1,063,877	964,040
Curtis D. Menard Memorial Sports Center	-	-	1,723,174	1,776,769	1,723,174	1,776,769
<b>Total expenses</b>	<b>\$ 18,814,023</b>	<b>\$ 19,584,590</b>	<b>\$ 6,605,703</b>	<b>\$ 6,637,598</b>	<b>\$ 25,419,726</b>	<b>\$ 26,222,188</b>
<b>Increase (decrease) in net position before transfers</b>						
	\$ 11,632,407	\$ 8,257,956	(123,586)	\$ 3,638,493	\$ 11,508,821	\$ 11,896,449
<b>Transfers</b>	<b>(801,650)</b>	<b>(1,633,500)</b>	<b>801,650</b>	<b>1,633,500</b>	<b>-</b>	<b>-</b>
<b>Increase in net position</b>	<b>10,830,757</b>	<b>6,624,456</b>	<b>678,064</b>	<b>5,271,993</b>	<b>11,508,821</b>	<b>11,896,449</b>
<b>Net position- beginning</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>
<b>Net Position- Ending</b>	<b>\$ 88,309,825</b>	<b>\$ 77,479,068</b>	<b>\$ 79,632,272</b>	<b>\$ 78,954,208</b>	<b>\$ 167,942,097</b>	<b>\$ 156,433,276</b>

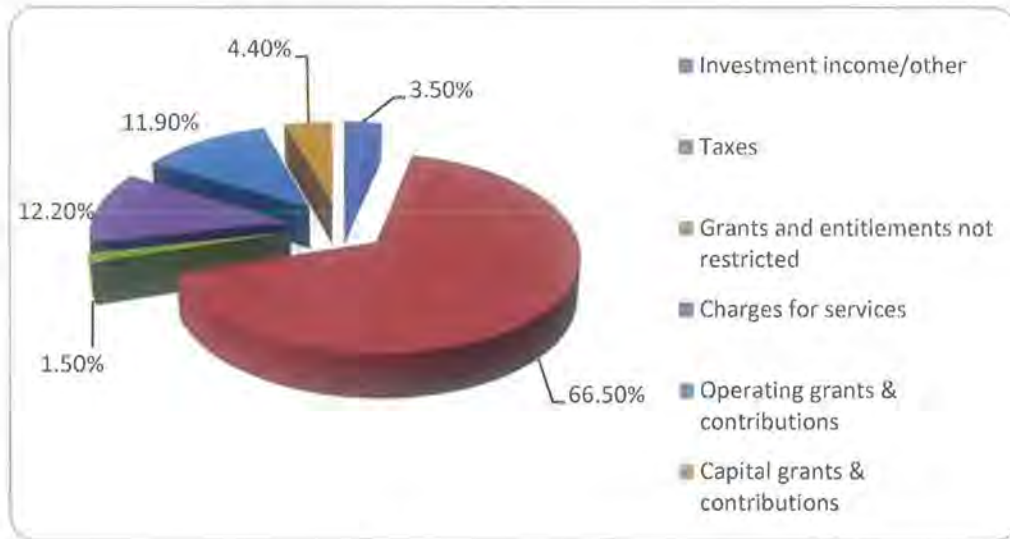
The following graph displays program revenues, not including operating and capital grants, and expenses dedicated to governmental activities. This shows the amount of revenues generated from these activities. Other revenues also support governmental activities but are general in nature and apply to all 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 decreased from FY2019 to FY2020 by \$966,157 or 5%. The decrease is due to the 1% dedicated sales tax for construction of a new police station expiring effective December 1, 2019 and was replaced with a 0.5% sales tax levy effective for the remainder of the fiscal year.

Revenues by Source - Governmental Activities



Overall expenses for governmental activities decreased \$770,567 from the prior year which is attributed to a decrease in expenses related to the City's participation in 3 OPEB plans.

***Business-type Activities***

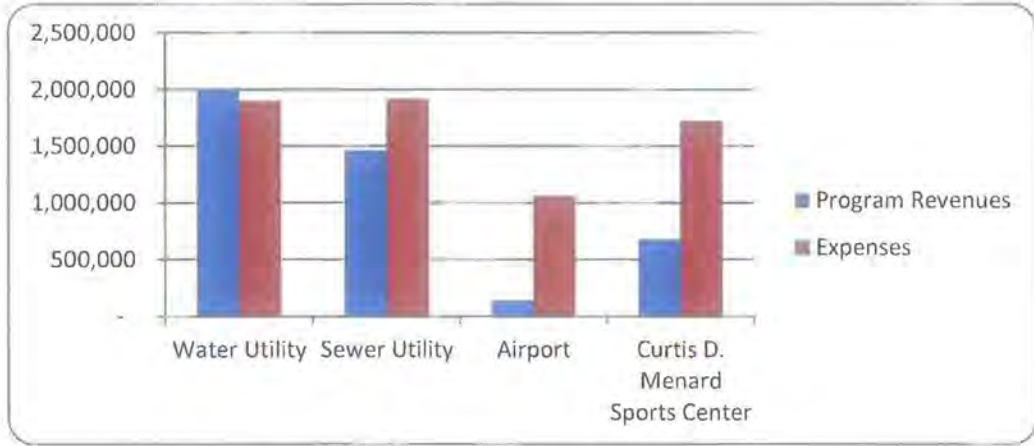
Business-type activities increased the City's net position by \$678,064. The increase in the water fund, sewer fund and airport funds were \$186,790, \$198,744, and \$717,297 respectively. The increases were significantly derived from capital contributions either as donated assets from developers, grant-funded 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 \$424,767. 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 Utility Fund is the only business-type activities that reported program revenues exceeded expenses.



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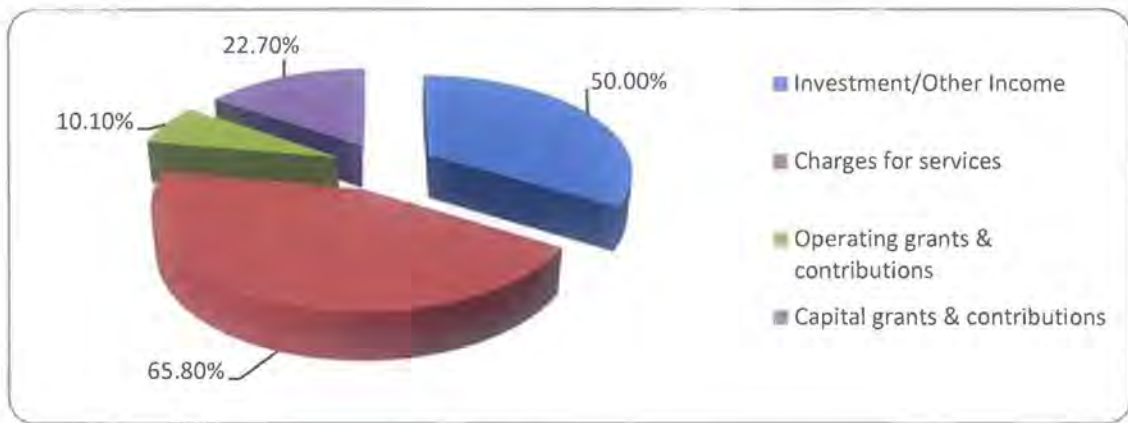
Program Revenues and Expenses - Business-Type Activities  
 (Not including operating and capital grant revenue or interest expense)



The Water Utility Fund continues 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 Sewer Utility Fund and Municipal Airport Fund continue 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 Fund 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, 2020, the City's governmental funds reported combined ending fund balances of \$32,754,244, an increase of \$1,910,111 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 2.8% \$918,404 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 2.1% \$695,200 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 38.8% \$12,710,762 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 27.7% \$9,084,765 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 28.6% \$9,345,113 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 \$9,345,113 while total fund balance was \$24,244,930. 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 65.7% of total General Fund expenditures, while total fund balance represents 170.3% of that same amount.

Fund balance of the City's General Fund increased by \$6,310,070 during the current year and in the prior year increased \$2,357,253. The increase is due to higher sales tax collections, intergovernmental grant revenue and investment income, as well as a reduction in debt service expenditures and personnel costs.

The CARES Act Special Revenue Fund, a new fund in FY 2020, had no ending fund balance for the year, as revenues equaled expenditures.

The Miscellaneous Capital Projects Fund has a total fund balance of \$5,456,379. The nonspendable portion of \$23,028 relates to prepaid items. The remaining \$5,433,351 is assigned for future capital project construction expenditures. Fund balance decreased by \$4,895,818 due to the one percent (1%) dedicated sales tax to fund construction of a new police station ending effective December 1, 2019. Capital outlay increased by \$6,271,706 over the prior year due to construction of the new police station and E911 system upgrades and software.

**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 \$7,564,546. The increase in overall net position of \$186,790 is from operating revenues exceeding operating increases as well as contributed capital from developers (water main line extensions).

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Unrestricted net position of the sewer utility fund is \$4,506,092. The increase in overall net position of \$198,744 is from nonoperating grants received and contributed capital from developers (sewer main line extensions).

Unrestricted net position of the airport is \$697,353. The increase in overall net position of \$717,297 is due to transfers in from the general fund and contributions from the Federal Aviation Administration for construction of a new apron (Apron E) and improvements to an access gate.

Unrestricted net position of the Curtis D. Menard Memorial Sports Center's is \$1,406,246. The decrease in overall net position of \$424,767 is due to general operating losses and a reduced transfer in from the General Fund by \$100,000. 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 \$542,900 from the General Fund to the CIP fund to purchase land adjacent City Hall and on Lake Lucile, City match for a grant, road sweeper, and park equipment.

***Final budget compared to actual results.*** The actual to final budgeted change in fund balance was a favorable increase of \$6,934,693. A favorable difference in budgeted revenues to actual revenues of \$3,010,422 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 \$3,859,699 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 \$64,572.

***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, 2020 amounts to \$133,305,347 (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:

- Completion of a new police building
- E911 hardware
- Construction of airport Apron E
- Police vehicles and road equipment

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

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,645,260	\$ 14,498,260	\$ 5,290,341	\$ 5,335,294	\$ 19,935,601	\$ 19,833,554
Buildings	28,937,668	18,724,803	12,027,055	12,504,089	40,964,723	31,228,892
Land improvements	-	-	9,432,008	6,102,896	9,432,008	6,102,896
Infrastructure	17,982,164	18,939,758	37,796,766	38,745,665	55,778,930	57,685,423
Furniture and equipment	1,558,945	1,509,924	-	-	1,558,945	1,509,924
Vehicles and equipment	2,622,087	2,007,655	1,685,437	1,953,075	4,307,524	3,960,730
Construction in progress	1,067,044	4,034,247	260,572	2,911,562	1,327,616	6,945,809
<b>Total Capital Assets</b>	<b>\$ 66,813,168</b>	<b>\$ 59,714,647</b>	<b>\$ 66,492,179</b>	<b>\$ 67,552,581</b>	<b>\$ 133,305,347</b>	<b>\$ 127,267,228</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 \$661,800. The entire balance consists of one loan issued through a federally sponsored loan program administered by the Alaska Department of Environmental Conservation. The loan is considered a direct borrowing and is accounted for in the water utility fund.

The City's total debt decreased by \$165,450 or 20%, 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 43-44 of this report.

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

In setting the budget for fiscal year 2021, 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.
- 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 19.32% or \$2,792,160 over the FY 2020 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% dedicated sales tax increase, from 2% to 3%, beginning January 2018. The project was reached its funding requirements in November 2020. At that point, the sales tax was

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reduced by .5% to a total of 2.5%, making the incremental .5% available for operational expenditures. FY2021 will include a full year at the 2.5%.

Additionally, in FY2020, the City became a member of the Alaska Remote Sellers Sales Tax Commission (ARSSTC) which was created following the U.S. Supreme Court ruling in South Dakota v. Wayfair. The ruling and the formation of ARSSTC allows the City to mandate that businesses without a physical presence be required to collect and remit sales tax on transactions in the City, such as internet sales.

- The property tax mil levy is expected to remain at zero.
- User fees and charges for business-type activities are expected to increase 4.24% due to additional airport tie down spaces from construction of an additional apron (Apron E) at the airport and an increase in utility accounts due to regular development.
- 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 FY 2021.
- Significant capital projects include a garage addition to the new public safety building of \$1M. Budgeted transfers to capital project funds from the General Fund in FY2021 are \$3,370,000 for various projects (train station improvements, vehicles, equipment, road paving, etc.).
- Personnel costs make up approximately 75% of the city's annual operational costs (excludes transfers, debt service and net capital projects). Personnel assumptions provide for an increase of \$1,103,000 or 8.0% over FY2020 amended budget. Increases relate to CPI, regular advancement on the pay scales, and wage increases to Unions WPDEA and 302 in their renewed agreements. Health insurance premiums are projected to increase 9.8% or \$252,000 over FY 2020's amended budget.
- 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 FY 2021.
- The City received a federal CARES Act grant of \$18.6M through the State of Alaska. On June 30, 2020 approximately \$2.1M had been expended. With the grant deadline extended to December 31, 2021, it is anticipated that funds will be expended in FY2021 on public safety payroll reimbursement, grants to businesses, and rent and utility relief to individuals. These funds were not included in the FY2021 budget.

***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, 2020</i>	Governmental Activities	Business-type Activities	Total
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and investments	\$ 35,683,671	\$ 15,101,881	\$ 50,785,552
Land held for resale	695,200	-	695,200
Receivables, net of allowance for uncollectible amounts:			
Accounts	540,648	398,079	938,727
Taxes	1,913,363	-	1,913,363
Grants	421,878	807,422	1,229,300
Shared revenues	436,245	-	436,245
Assessments	-	93,809	93,809
Prepaid items	585,393	84,351	669,744
Inventories	-	81,373	81,373
Net other postemployment benefits asset	98,275	16,390	114,665
Capital assets not being depreciated	15,712,304	5,550,913	21,263,217
Other capital assets, net of accumulated depreciation	51,100,864	60,941,266	112,042,130
<b>Total Assets</b>	<b>107,187,841</b>	<b>83,075,484</b>	<b>190,263,325</b>
<b>Deferred Outflows of Resources</b>			
Related to pensions	1,312,463	244,080	1,556,543
Related to other postemployment benefits	953,838	155,408	1,109,246
<b>Total Deferred Outflows of Resources</b>	<b>2,266,301</b>	<b>399,488</b>	<b>2,665,789</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 109,454,142</b>	<b>\$ 83,474,972</b>	<b>\$ 192,929,114</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Liabilities</b>			
Accounts payable	\$ 282,947	\$ 113,760	\$ 396,707
Accounts payable - capital	-	372,344	372,344
Accrued payroll and employee benefits	655,842	107,847	763,689
Customer deposits	2,000	29,736	31,736
Unearned revenue	6,581,365	208,710	6,790,075
Accrued interest	-	3,209	3,209
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	165,450	165,450
Compensated absences	879,852	181,471	1,061,323
Due in more than one year:			
Notes payable	-	496,350	496,350
Net pension liability	11,192,860	1,937,345	13,130,205
Net other postemployment benefits liability	408,131	51,083	459,214
<b>Total Liabilities</b>	<b>20,002,997</b>	<b>3,667,305</b>	<b>23,670,302</b>
<b>Deferred Inflows of Resources</b>			
Related to pensions	643,244	100,349	743,593
Related to other postemployment benefits	498,076	75,046	573,122
<b>Total Deferred Inflows of Resources</b>	<b>1,141,320</b>	<b>175,395</b>	<b>1,316,715</b>
<b>Net Position</b>			
Net investment in capital assets	66,813,168	65,458,035	132,271,203
Restricted:			
Permanent Fund - Cemetery - nonexpendable	333,011	-	333,011
Main Street couplet	695,200	-	695,200
Unrestricted	20,468,446	14,174,237	34,642,683
<b>Total Net Position</b>	<b>88,309,825</b>	<b>79,632,272</b>	<b>167,942,097</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 109,454,142</b>	<b>\$ 83,474,972</b>	<b>\$ 192,929,114</b>

*See accompanying notes to basic financial statements.*

## City of Wasilla, Alaska

### Statement of Activities

Year Ended June 30, 2020	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Govern- mental Activities	Business- type Activities	
<b>Governmental Activities</b>							
General government	\$ 3,334,705	\$ 124,439	\$ 122,526	\$ -	\$ (3,087,740)	\$ -	\$ (3,087,740)
Public safety	8,849,497	3,532,827	3,353,667	999,383	(963,620)	-	(963,620)
Public works	3,840,190	41,375	73,047	155,321	(3,570,447)	-	(3,570,447)
Culture and recreation	2,789,631	18,516	75,212	175,285	(2,520,618)	-	(2,520,618)
<b>Total Governmental Activities</b>	<b>18,814,023</b>	<b>3,717,157</b>	<b>3,624,452</b>	<b>1,329,989</b>	<b>(10,142,425)</b>	<b>-</b>	<b>(10,142,425)</b>
<b>Business-Type Activities</b>							
Water utility	1,900,560	1,988,914	30,251	36,783	-	155,388	155,388
Sewer utility	1,918,092	1,460,337	644,629	45,000	-	231,874	231,874
Municipal airport	1,063,877	139,039	4,703	1,388,782	-	468,647	468,647
Sports center	1,723,174	676,457	32,709	-	-	(1,014,008)	(1,014,008)
<b>Total Business-Type Activities</b>	<b>6,605,703</b>	<b>4,264,747</b>	<b>712,292</b>	<b>1,470,565</b>	<b>-</b>	<b>(158,099)</b>	<b>(158,099)</b>
<b>Totals</b>	<b>\$25,419,726</b>	<b>\$ 7,981,904</b>	<b>\$ 4,336,744</b>	<b>\$ 2,800,554</b>	<b>(10,142,425)</b>	<b>(158,099)</b>	<b>(10,300,524)</b>
<b>General Revenues</b>							
Sales taxes					20,079,919	-	20,079,919
Vehicle taxes					176,020	-	176,020
Grants and entitlements not restricted to a specific purpose					439,931	-	439,931
Investment income					983,264	205	983,469
Other					95,698	34,308	130,006
Transfers					(801,650)	801,650	-
<b>Total General Revenues and Transfers</b>					<b>20,973,182</b>	<b>836,163</b>	<b>21,809,345</b>
<b>Change in Net Position</b>					<b>10,830,757</b>	<b>678,064</b>	<b>11,508,821</b>
<b>Net Position, beginning</b>					<b>77,479,068</b>	<b>78,954,208</b>	<b>156,433,276</b>
<b>Net Position, ending</b>					<b>\$ 88,309,825</b>	<b>\$ 79,632,272</b>	<b>\$ 167,942,097</b>

See accompanying notes to basic financial statements.



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

<i>June 30, 2020</i>	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	CARES Act Special Revenue	Miscellaneous Capital Projects		
<b>Assets</b>					
Cash and investments	\$ 21,631,902	\$ 6,084,774	\$ 5,604,344	\$ 2,362,651	\$ 35,683,671
Land held for resale	-	-	-	695,200	695,200
Receivables, net of allowance for uncollectibles:					
Accounts	540,648	-	-	-	540,648
Taxes	1,913,363	-	-	-	1,913,363
Grants	13,378	-	404,235	4,265	421,878
Shared revenues	436,245	-	-	-	436,245
Prepaid items	559,810	-	23,028	2,555	585,393
<b>Total Assets</b>	<b>\$ 25,095,346</b>	<b>\$ 6,084,774</b>	<b>\$ 6,031,607</b>	<b>\$ 3,064,671</b>	<b>\$ 40,276,398</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 172,672	\$ -	\$ 109,743	\$ 532	\$ 282,947
Accrued payroll and employee benefits	651,594	-	-	4,248	655,842
Customer deposits	2,000	-	-	-	2,000
Unearned revenue	24,150	6,084,774	465,485	6,956	6,581,365
<b>Total Liabilities</b>	<b>850,416</b>	<b>6,084,774</b>	<b>575,228</b>	<b>11,736</b>	<b>7,522,154</b>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	559,810	-	23,028	2,555	585,393
Permanent fund - cemetery	-	-	-	333,011	333,011
Restricted - Main Street couplet	-	-	-	695,200	695,200
<b>Committed:</b>					
Capital improvements	12,710,762	-	-	-	12,710,762
<b>Assigned:</b>					
Land bank	714,000	-	-	-	714,000
Capital improvements	-	-	5,433,351	-	5,433,351
Compensated absences	879,852	-	-	-	879,852
Youth court	-	-	-	52,333	52,333
Road projects	-	-	-	466,939	466,939
Vehicle replacement	-	-	-	623,620	623,620
Right-of-way acquisition	-	-	-	171,223	171,223
Technology replacement	-	-	-	708,054	708,054
WPD K9 Unit	9,020	-	-	-	9,020
Wings Over Wasilla	11,793	-	-	-	11,793
Other purposes	14,580	-	-	-	14,580
Unassigned	9,345,113	-	-	-	9,345,113
<b>Total Fund Balances</b>	<b>24,244,930</b>	<b>-</b>	<b>5,456,379</b>	<b>3,052,935</b>	<b>32,754,244</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 25,095,346</b>	<b>\$ 6,084,774</b>	<b>\$ 6,031,607</b>	<b>\$ 3,064,671</b>	<b>\$ 40,276,398</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, 2020**

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Total fund balances for governmental funds		\$32,754,244
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.		66,813,168
The PERS ODD other postemployment benefits plan has been funded in excess of the required contributions. These assets are not a financial resource and therefore are not reported in the funds.		98,275
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	\$ 1,312,463	
Deferred outflows of resources related to other postemployment benefits	953,838	
Total deferred outflows of resources	2,266,301	2,266,301
Noncurrent liabilities, including the net pension liability, net other postemployment benefits liability and compensated absences are not due and payable in the current period and therefore, are not reported in the funds:		
Net pension liability	(11,192,860)	
Net other postemployment benefits liability	(408,131)	
Compensated absences	(879,852)	
Total noncurrent liabilities	(12,480,843)	(12,480,843)
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	(643,244)	
Deferred inflows of resources related to other postemployment benefits	(498,076)	
Total deferred inflows of resources	(1,141,320)	(1,141,320)
<b>Total Net Position of Governmental Activities</b>		<b>\$88,309,825</b>

*See accompanying notes to basic financial statements.*

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

Year Ended June 30, 2019	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	CARES Act Special Revenue	Miscellaneous Capital Projects		
<b>Revenues</b>					
Taxes	\$ 17,251,876	\$ -	\$ 3,004,063	\$ -	\$ 20,255,939
Licenses and permits	88,312	-	-	-	88,312
Fines and forfeitures	171,217	-	-	1,840	173,057
Intergovernmental	1,788,537	2,111,162	1,029,383	188,439	5,117,521
Charges for services	3,452,843	-	-	-	3,452,843
Investment income	967,478	-	15,786	-	983,264
Other	95,605	-	145,285	3,038	243,928
<b>Total Revenues</b>	<b>23,815,868</b>	<b>2,111,162</b>	<b>4,194,517</b>	<b>193,317</b>	<b>30,314,864</b>
<b>Expenditures</b>					
Current:					
General government	3,246,098	-	-	-	3,246,098
Public safety	6,431,661	2,111,162	-	107,883	8,650,706
Public works	2,151,700	-	-	-	2,151,700
Culture and recreation	2,198,550	-	-	-	2,198,550
Nondepartmental	207,561	-	-	-	207,561
Capital outlay	-	-	10,714,085	533,975	11,248,060
<b>Total Expenditures</b>	<b>14,235,570</b>	<b>2,111,162</b>	<b>10,714,085</b>	<b>641,858</b>	<b>27,702,675</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>9,580,298</b>	<b>-</b>	<b>(6,519,568)</b>	<b>(448,541)</b>	<b>2,612,189</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	99,572	-	-	-	99,572
Transfers in	100	-	1,623,750	944,500	2,568,350
Transfers out	(3,369,900)	-	-	(100)	(3,370,000)
<b>Net Other Financing Sources (Uses)</b>	<b>(3,270,228)</b>	<b>-</b>	<b>1,623,750</b>	<b>944,400</b>	<b>(702,078)</b>
<b>Net Change in Fund Balances</b>	<b>6,310,070</b>	<b>-</b>	<b>(4,895,818)</b>	<b>495,859</b>	<b>1,910,111</b>
<b>Fund Balances, beginning</b>	<b>17,934,860</b>	<b>-</b>	<b>10,352,197</b>	<b>2,557,076</b>	<b>30,844,133</b>
<b>Fund Balances, ending</b>	<b>\$ 24,244,930</b>	<b>\$ -</b>	<b>\$ 5,456,379</b>	<b>\$ 3,052,935</b>	<b>\$ 32,754,244</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, 2020**

Net change in fund balances - total governmental funds		\$ 1,910,111
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	\$ 10,351,174	
Depreciation expense	<u>(3,197,222)</u>	7,153,952
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	(393,579)	
Accumulated depreciation of assets sold	<u>338,148</u>	(55,431)
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	(152,679)	
Increase in net pension liability and related deferred outflows of resources and deferred inflows of resources	(433,044)	
Decrease in net other postemployment benefits liability and asset and deferred outflows of resources and deferred inflows of resources	<u>2,407,848</u>	1,822,125
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 10,830,757</u></b>

*See accompanying notes to basic financial statements.*

## City of Wasilla, Alaska

Enterprise Funds  
Statement of Net Position

<i>June 30, 2020</i>	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	\$ 7,938,593	\$ 4,889,245	\$ 241,594	\$ 2,032,449	\$ 15,101,881
Receivables:					
Accounts	215,933	138,864	9,535	118,154	482,486
Allowance for doubtful accounts	(42,006)	(24,455)	-	(17,946)	(84,407)
Special assessments	1,707	8,195	-	-	9,902
Payment in lieu of assessments	83,907	-	-	-	83,907
Grants	-	282,896	524,526	-	807,422
Prepaid expenses	26,160	24,328	4,402	22,154	77,044
Inventory	34,837	46,536	-	-	81,373
<b>Total Current Assets</b>	<b>8,259,131</b>	<b>5,365,609</b>	<b>780,057</b>	<b>2,154,811</b>	<b>16,559,608</b>
<b>Noncurrent Assets</b>					
Prepaid expenses	7,307	-	-	-	7,307
Net other postemployment benefits asset	4,804	5,661	751	5,174	16,390
Capital assets, net	26,971,356	13,504,212	13,028,468	12,988,143	66,492,179
<b>Total Noncurrent Assets</b>	<b>26,983,467</b>	<b>13,509,873</b>	<b>13,029,219</b>	<b>12,993,317</b>	<b>66,515,876</b>
<b>Total Assets</b>	<b>35,242,598</b>	<b>18,875,482</b>	<b>13,809,276</b>	<b>15,148,128</b>	<b>83,075,484</b>
<b>Deferred Outflows of Resources</b>					
Related to pensions	69,556	88,036	3,010	83,478	244,080
Related to other postemployment benefits	44,115	55,369	7,790	48,134	155,408
<b>Total Deferred Outflows of Resources</b>	<b>113,671</b>	<b>143,405</b>	<b>10,800</b>	<b>131,612</b>	<b>399,488</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 35,356,269</b>	<b>\$ 19,018,887</b>	<b>\$ 13,820,076</b>	<b>\$ 15,279,740</b>	<b>\$ 83,474,972</b>

See accompanying notes to basic financial statements.

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

<i>June 30, 2020</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	\$ 31,734	\$ 52,796	\$ 14,637	\$ 14,593	\$ 113,760
Accounts payable - capital	-	159,728	212,616	-	372,344
Accrued payroll and employee benefits	32,636	34,889	5,240	35,082	107,847
Compensated absences	42,403	76,210	6,351	56,507	181,471
Customer deposits	23,336	-	-	6,400	29,736
Accrued interest	3,209	-	-	-	3,209
Unearned revenue	104,721	-	9,641	94,348	208,710
Current portion of notes payable	165,450	-	-	-	165,450
<b>Total Current Liabilities</b>	<b>403,489</b>	<b>323,623</b>	<b>248,485</b>	<b>206,930</b>	<b>1,182,527</b>
<b>Noncurrent Liabilities</b>					
Notes payable, net of current portion	496,350	-	-	-	496,350
Net pension liability	533,787	733,832	49,008	620,718	1,937,345
Net other postemployment benefits liability	6,403	32,414	2,753	9,513	51,083
<b>Total Noncurrent Liabilities</b>	<b>1,036,540</b>	<b>766,246</b>	<b>51,761</b>	<b>630,231</b>	<b>2,484,778</b>
<b>Total Liabilities</b>	<b>1,440,029</b>	<b>1,089,869</b>	<b>300,246</b>	<b>837,161</b>	<b>3,667,305</b>
<b>Deferred Inflows of Resources</b>					
Related to pensions	24,388	44,822	3,275	27,864	100,349
Related to other postemployment benefits	17,750	33,620	3,350	20,326	75,046
<b>Total Deferred Inflows of Resources</b>	<b>42,138</b>	<b>78,442</b>	<b>6,625</b>	<b>48,190</b>	<b>175,395</b>
<b>Net Position</b>					
Net investment in capital assets	26,309,556	13,344,484	12,815,852	12,988,143	65,458,035
Unrestricted	7,564,546	4,506,092	697,353	1,406,246	14,174,237
<b>Total Net Position</b>	<b>33,874,102</b>	<b>17,850,576</b>	<b>13,513,205</b>	<b>14,394,389</b>	<b>79,632,272</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 35,356,269</b>	<b>\$ 19,018,887</b>	<b>\$ 13,820,076</b>	<b>\$ 15,279,740</b>	<b>\$ 83,474,972</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, 2020</i>	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
<b>Operating Revenues</b>	\$ 1,988,914	\$ 1,460,337	\$ 139,039	\$ 676,457	\$ 4,264,747
<b>Operating Expenses</b>					
Salaries and employee benefits	555,736	581,865	80,605	635,905	1,854,111
Other operating expenses	479,573	815,370	133,787	568,296	1,997,026
Depreciation	853,645	520,857	849,485	518,973	2,742,960
<b>Total Operating Expenses</b>	1,888,954	1,918,092	1,063,877	1,723,174	6,594,097
Operating income (loss)	99,960	(457,755)	(924,838)	(1,046,717)	(2,329,350)
<b>Nonoperating Revenues (Expenses)</b>					
Payments in lieu of assessments	50,018	1,260	-	-	51,278
Interest expense	(11,606)	-	-	-	(11,606)
Loss on disposal of capital assets	-	(19,953)	-	-	(19,953)
Investment income	-	-	-	205	205
Debt service assessments	248	1,173	-	-	1,421
Nonoperating grants	-	609,039	-	-	609,039
State PERS relief	30,251	35,590	4,703	32,709	103,253
Other income	386	640	-	536	1,562
<b>Net Nonoperating Revenues (Expenses)</b>	69,297	627,749	4,703	33,450	735,199
Income (loss) before contributions and transfers	169,257	169,994	(920,135)	(1,013,267)	(1,594,151)
Capital contributions	36,783	45,000	1,388,782	-	1,470,565
Transfers in	-	-	249,150	600,000	849,150
Transfers out	(19,250)	(16,250)	(500)	(11,500)	(47,500)
Change in net position	186,790	198,744	717,297	(424,767)	678,064
<b>Net Position, beginning</b>	33,687,312	17,651,832	12,795,908	14,819,156	78,954,208
<b>Net Position, ending</b>	\$ 33,874,102	\$ 17,850,576	\$ 13,513,205	\$ 14,394,389	\$ 79,632,272

*See accompanying notes to basic financial statements.*

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

<i>Year Ended June 30, 2020</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	\$ 2,003,011	\$ 1,453,962	\$ 139,781	\$ 669,918	\$ 4,266,672
Payments to suppliers	(472,110)	(916,206)	(125,729)	(588,265)	(2,102,310)
Payments to employees	(613,724)	(647,738)	(86,803)	(692,038)	(2,040,303)
<b>Net cash flows from (for) operating activities</b>	<b>917,177</b>	<b>(109,982)</b>	<b>(72,751)</b>	<b>(610,385)</b>	<b>124,059</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>					
Nonoperating grants received	-	509,944	-	-	509,944
Increase in due to other funds	-	-	(1,395,228)	-	(1,395,228)
Transfers in	-	-	249,150	600,000	849,150
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>493,694</b>	<b>(1,146,578)</b>	<b>588,500</b>	<b>(83,634)</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	(12,409)	-	-	-	(12,409)
Special assessments received	1,679	5,432	-	-	7,111
Payments in lieu of assessments received	50,249	1,260	-	-	51,509
Acquisition and construction of capital assets	-	(8,415)	(1,874,112)	-	(1,882,527)
Capital contributions received	6,371	-	3,335,035	-	3,341,406
<b>Net cash flows from (for) capital and related financing activities</b>	<b>(119,560)</b>	<b>(1,723)</b>	<b>1,460,923</b>	<b>-</b>	<b>1,339,640</b>
<b>Cash Flows from Investing Activities</b>					
Investment income received	-	-	-	205	205
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>778,367</b>	<b>381,989</b>	<b>241,594</b>	<b>(21,680)</b>	<b>1,380,270</b>
<b>Cash and Investments, beginning</b>	<b>7,160,226</b>	<b>4,507,256</b>	<b>-</b>	<b>2,054,129</b>	<b>13,721,611</b>
<b>Cash and Investments, ending</b>	<b>\$ 7,938,593</b>	<b>\$ 4,889,245</b>	<b>\$ 241,594</b>	<b>\$ 2,032,449</b>	<b>\$ 15,101,881</b>

*See accompanying notes to basic financial statements.*



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

<i>Year Ended June 30, 2020</i>	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)	\$ 99,960	\$ (457,755)	\$ (924,838)	\$ (1,046,717)	\$ (2,329,350)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:					
Depreciation	853,645	520,857	849,485	518,973	2,742,960
State of Alaska on-behalf payments - PERS relief	30,251	35,590	4,703	32,709	103,253
Nonoperating revenues	386	640	-	536	1,562
Changes in operating assets and liabilities that provided (used) cash:					
Accounts receivable and related allowance	13,957	9,655	(3,017)	(6,997)	13,598
Inventory	9,427	30,010	-	-	39,437
Prepaid expenses	(12,488)	(9,351)	(2,362)	(10,707)	(34,908)
Net other postemployment benefits asset	(4,804)	(5,661)	(751)	(5,174)	(16,390)
Deferred outflows of resources related to pensions	23,138	27,270	3,615	24,921	78,944
Deferred outflows of resources related to other postemployment benefits	3,269	3,853	511	3,521	11,154
Accounts payable	10,524	(121,495)	10,420	(9,262)	(109,813)
Accrued payroll and employee benefits	7,405	(1,357)	2,915	(64)	8,899
Compensated absences	883	13,654	1,268	15,186	30,991
Customer deposits	(7,860)	(16,670)	-	(780)	(25,310)
Unearned revenue	7,614	-	3,759	702	12,075
Net pension liability	(18,844)	(22,209)	(2,945)	(20,296)	(64,294)
Net other postemployment benefits liability	(97,127)	(114,468)	(15,176)	(104,610)	(331,381)
Deferred inflows of resources related to pensions	16,873	19,885	2,636	18,173	57,567
Deferred inflows of resources related to other postemployment benefits	(19,032)	(22,430)	(2,974)	(20,499)	(64,935)
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 917,177</b>	<b>\$ (109,982)</b>	<b>\$ (72,751)</b>	<b>\$ (610,385)</b>	<b>\$ 124,059</b>
<b>Noncash Capital and Related Financing Activities</b>					
Water extensions and other assets contributed by developers	\$ 36,783	\$ -	\$ -	\$ -	\$ 36,783
Sewer extensions and other assets contributed by developers	\$ -	\$ 45,000	\$ -	\$ -	\$ 45,000
Capital assets purchased on account	\$ -	\$ 159,728	\$ -	\$ -	\$ 159,728

*See accompanying notes to basic financial statements.*

# City of Wasilla, Alaska

## Notes to Basic Financial Statements June 30, 2020

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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 CARES Act Special Revenue Fund accounts for the City's activities in response to the COVID-19 public health emergency.
- 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 2020.

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.

### Long-Term Debt

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.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported 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.

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.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### *(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, 2020 and 2019, 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, 2020, 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	\$ 3,453,547	\$ 3,453,547	\$ -	\$ -
Certificates of deposit	2,707,294	2,707,294	-	-
U.S. treasuries	13,324,584	-	13,324,584	-
U.S. government agencies	2,417,334	-	-	2,417,334
Municipal bonds	538,704	-	314,532	224,172
Corporate bonds	1,679,458	1,679,458	-	-
Mortgage/asset backed securities	972,327	154,051	54,104	764,172
AMLIP pooled investments	16,931,288	16,931,288	-	-
<b>Total Subject to Interest Rate Risk</b>	<b>\$ 42,024,536</b>	<b>\$ 24,925,638</b>	<b>\$ 13,693,220</b>	<b>\$ 3,405,678</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, 2020:

U.S. treasury securities of \$13,324,584 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 \$2,417,334 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).

Municipal bonds of \$538,704 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 \$1,679,458 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).

Mortgage/asset backed securities of \$972,327 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).

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

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The City has investments in money market funds and certificates of deposits totaling \$6,160,841 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2020. The City's investment in AMLIP of \$16,931,288 is measured at net asset value, as of June 30, 2020. 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.

**(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, 2020, the City's investments exposed to credit risk were rated as follows:

Investment	Standard and Poor's	Moody's Investor Service
U.S. government agencies	AA+	Aaa
Municipal bonds	AA- to AAA	AA2 to Aa1
Corporate bonds	A- to A+	Aa3 to A1
Mortgage/Asset-backed securities	Not rated	Not rated

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, 2020, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares. The City had no unfunded commitments to the Pool. The City can redeem its investment in AMLIP on a daily basis with no prior notification.

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

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**(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. treasuries.

**(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, 2020, 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, 2020 because the investments were held by a custodian in the name of the City.

**(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, 2020:

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Cash and Investments	\$ 50,785,552
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Deposits and investments are comprised of the following as of June 30, 2020:

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Carrying value of bank deposits	\$ 8,757,846
Petty cash accounts	3,170
Investments	42,024,536
<b>Total Cash and Investments</b>	<b>\$ 50,785,552</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. The land has a book value of \$695,200, which approximates net realizable value.

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

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2020 is as follows:

<b>Governmental Activities</b>	Balance July 1, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 14,498,260	\$ 147,000	\$ -	\$ 14,645,260
Construction in progress	4,034,247	9,835,596	(12,802,799)	1,067,044
<b>Total capital assets not being depreciated</b>	<b>18,532,507</b>	<b>9,982,596</b>	<b>(12,802,799)</b>	<b>15,712,304</b>
Capital assets being depreciated:				
Buildings	22,915,675	10,929,817	-	33,845,492
Office furniture and equipment	3,997,939	514,272	(83,738)	4,428,473
Vehicles and equipment	6,653,073	1,396,528	(309,843)	7,739,758
Infrastructure	38,010,740	330,761	-	38,341,501
<b>Total capital assets being depreciated</b>	<b>71,577,427</b>	<b>13,171,378</b>	<b>(393,581)</b>	<b>84,355,224</b>
Less accumulated depreciation for:				
Buildings	4,190,872	716,952	-	4,907,824
Office furniture and equipment	2,488,015	465,251	(83,738)	2,869,528
Vehicles and equipment	4,645,418	726,664	(254,411)	5,117,671
Infrastructure	19,070,982	1,288,355	-	20,359,337
<b>Total accumulated depreciation</b>	<b>30,395,287</b>	<b>3,197,222</b>	<b>(338,149)</b>	<b>33,254,360</b>
<b>Total capital assets being depreciated, net</b>	<b>41,182,140</b>	<b>9,974,156</b>	<b>(55,432)</b>	<b>51,100,864</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 59,714,647</b>	<b>\$ 19,956,752</b>	<b>\$ (12,858,231)</b>	<b>\$ 66,813,168</b>

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 5,335,294	\$ 90,000	\$ (134,953)	\$ 5,290,341
Construction in progress	2,911,562	1,735,727	(4,386,717)	260,572
<b>Total capital assets not being depreciated</b>	<b>8,246,856</b>	<b>1,825,727</b>	<b>(4,521,670)</b>	<b>5,550,913</b>
Capital assets being depreciated:				
Land improvements	16,376,568	4,080,297	-	20,456,865
Buildings	18,422,959	-	-	18,422,959
Treatment system	8,937,664	182,090	-	9,119,754
Collection/distribution	45,572,741	-	-	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	8,175,322	233,077	(50,349)	8,358,050
<b>Total capital assets being depreciated</b>	<b>105,657,977</b>	<b>4,495,464</b>	<b>(50,349)</b>	<b>110,103,092</b>
Less accumulated depreciation for:				
Land improvements	10,273,672	751,185	-	11,024,857
Buildings	5,918,870	477,034	-	6,395,904
Treatment system	4,117,982	182,885	-	4,300,867
Collection/distribution	16,649,058	785,365	-	17,434,423
Water tank and fence	2,834,427	137,298	-	2,971,725
Wells/well house	335,996	25,441	-	361,437
Vehicles and equipment	6,222,247	500,715	(50,349)	6,672,613
<b>Total accumulated depreciation</b>	<b>46,352,252</b>	<b>2,859,923*</b>	<b>(50,349)</b>	<b>49,161,826</b>
<b>Total capital assets being depreciated, net</b>	<b>59,305,725</b>	<b>1,635,541</b>	<b>-</b>	<b>60,941,266</b>
<b>Business-type Activities</b>				
<b>Capital Assets, net</b>	<b>\$ 67,552,581</b>	<b>\$ 3,461,268</b>	<b>\$ (4,521,670)</b>	<b>\$ 66,492,179</b>

\*the increase to total accumulated depreciation exceeds current year depreciation expense due to \$116,963 of accumulated depreciation associated with capital assets transferred between governmental and business-type activities for the year ended June 30, 2020.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

Depreciation expense was charged to the functions as follows for the year ended June 30, 2020:

### Governmental Activities

General government	\$	94,469
Public safety		945,077
Public works		1,626,319
Culture and recreation		531,357

**Total Depreciation Expense - Governmental Activities** **\$ 3,197,222**

### Business-type Activities

Water utility	\$	853,645
Sewer utility		520,857
Municipal airport		849,485
Curtis D. Menard Memorial Sports Center		518,973

**Total Depreciation Expense - Business-type Activities** **\$ 2,742,960**

## 5. Interfund Transfers

A schedule of interfund transfers for the year ended June 30, 2020, follows:

### Transfers

From the General Fund to:	
Curtis D. Menard Memorial Sports Center Enterprise Fund to subsidize operations	\$ 600,000
Miscellaneous Capital Projects Fund for museum expansion, park improvements, roads equipment, roof replacement, and train depot improvements	1,623,750
Nonmajor governmental funds for road paving, Roberts Street expansion, remove power lines on Main Street, vehicle and technology replacement	897,000
Municipal Airport Enterprise Fund for land improvements	249,150
From nonmajor governmental funds to the General Fund for operations	100
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>\$ 3,417,500</b>

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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In addition to the transfers noted on the previous page, the City transferred vehicles with a historical cost of \$116,963 from governmental activities into the Sewer Utility Fund. As the vehicles were fully depreciated, there was no net effect on net position.

### 6. Long-term Liabilities

#### (a) Direct Borrowing - 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%	\$ 661,800

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

<i>Year Ending June 30,</i>	Principal	Interest	Total
2021	\$ 165,450	\$ 9,927	\$ 175,377
2022	165,450	7,445	172,895
2023	165,450	4,964	170,414
2024	165,450	2,482	167,932
	\$ 661,800	\$ 24,818	\$ 686,618

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

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

Long-term liability activity for the year ended June 30, 2020 was as follows:

<b>Governmental Activities</b>	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 727,173	\$ 899,052	\$ (746,373)	\$ 879,852	\$ 879,852
<b>Total Governmental Activities</b>	<b>\$ 727,173</b>	<b>\$ 899,052</b>	<b>\$ (746,373)</b>	<b>\$ 879,852</b>	<b>\$ 879,852</b>

<b>Business-type Activities</b>	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Direct borrowing - ADEC loans	\$ 827,250	\$ -	\$ (165,450)	\$ 661,800	\$ 165,450
Compensated absences	150,480	133,544	(102,553)	181,471	181,471
<b>Total Business-type Activities</b>	<b>\$ 977,730</b>	<b>\$ 133,544</b>	<b>\$ (268,003)</b>	<b>\$ 843,271</b>	<b>\$ 346,921</b>

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

***(c) 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, 2020 was \$787,466.

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, 2020 was \$4,690,634.

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, 2020 was \$51,560,538.

On April 27, 2020, 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, 2020 was \$37,817,648.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### 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.

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

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.

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

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple employer plan to a DB 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 (ARM 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.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### *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 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 DC plan. Contributions derived from the DC employee payroll is 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.

*State 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 funds 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.

Contribution rates for the year ended June 30, 2020 were determined in the June 30, 2017 actuarial valuations. The City's contribution rates for the 2020 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare (ARHCT)	6.28%	4.89%	0.00%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>28.62%</b>	<b>6.62%</b>

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

In 2020, the City was credited with the following contributions to the pension plan.

	Measurement Period	City Fiscal Year
	July 1, 2018	July 1, 2019
	to	to
	June 30, 2019	June 30, 2020
Employer contributions (including DBUL)	\$ 1,022,635	\$ 966,295
Nonemployer contributions (on-behalf)	514,599	606,118
<b>Total Contributions</b>	<b>\$ 1,537,234</b>	<b>\$ 1,572,413</b>

In addition, employee contributions to the Plan totaled \$204,874 during the City's fiscal year.

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

At June 30, 2020, 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:

City proportionate share of NPL	\$ 13,130,205
State's proportionate share of NPL associated with the City	5,212,727
<b>Total Net Pension Liability</b>	<b>\$ 18,342,932</b>

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net pension liability as of that date. The City's proportion of the net pension liability is based on the ratio of the present value of projected future contributions for each employer to the present value of project future contributions to the Plan for the fiscal years 2020 to 2039. At the June 30, 2019 measurement date, the City's proportion was 0.23985 percent, which was a decrease of 0.033440 from its proportion measured as of June 30, 2018.

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## City of Wasilla, Alaska

### Notes to Basic Financial Statements

For the year ended June 30, 2020, the City recognized pension expense of \$3,145,972 and on-behalf revenue of \$708,122 for support provided by the State. At June 30, 2020, 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	\$ -	\$ (194,378)
Changes in assumptions	401,989	-
Net difference between projected and actual earnings on pension plan investments	188,259	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(549,215)
City contributions subsequent to the measurement date	966,295	-
<b>Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 1,556,543</b>	<b>\$ (743,593)</b>

The \$966,295 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

*Year Ending June 30,*

2021		\$ (132,719)
2022		(138,995)
2023		53,414
2024		64,955
2025		-
Thereafter		-
<b>Total Amortization</b>		<b>\$ (153,345)</b>

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# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

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Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of pay, closed
Inflation	2.50%
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Pre-termination mortality rates were based on 100% of the RP-2014 table with MP-2017 generational improvement. Post-termination mortality rates were based on 91% of male and 96% of female rates of the RP-2014 table with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.

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The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

### *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, excluding the inflation component of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	24%	8.16%
Global equity (non-U.S.)	22%	7.51%
Intermediate treasuries	10%	1.58%
Opportunistic	10%	3.96%
Real assets	17%	4.76%
Absolute return	7%	4.76%
Private equity	9%	11.39%
Cash equivalents	1%	0.83%

### *Discount Rate*

The discount rate used to measure the total pension liability was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which 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 7.38%, 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 (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net pension liability	0.23985%	\$ 17,329,567	\$ 13,130,205	\$ 9,613,377

### *Pension Plan Fiduciary Net Position*

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

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

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB 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 participation accounts. Each participation account is self-directed with respect to investment options. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/drb/pers>.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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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.

### ***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, 2020, 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, 2020 were \$289,819 and \$463,709, 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, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members 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). Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. 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>.

### ***Employer Contribution Rate***

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



## City of Wasilla, Alaska

### Notes to Basic Financial Statements

Employer contribution rates for the year ended June 30, 2020 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	6.28%	6.28%
Retiree Medical Plan	1.32%	1.32%
Occupational Death and Disability Benefits	0.26%	0.72%
<b>Total Contribution Rates</b>	<b>7.86%</b>	<b>8.32%</b>

In 2020, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2018 to June 30, 2019	City Fiscal Year July 1, 2019 to June 30, 2020
Employer contributions - ARHCT	\$ 369,635	\$ 385,979
Employer contributions - RMP	50,736	76,512
Employer contributions - ODD	19,310	20,979
<b>Total Contributions</b>	<b>\$ 439,681</b>	<b>\$ 483,470</b>

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

At June 30, 2020, 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:

City's proportionate share of NOL - ARHCT	\$ 355,782
City's proportionate share of NOL - RMP	103,432
<b>Total City's Proportionate Share of Net OPEB Liabilities</b>	<b>\$ 459,214</b>
State's proportionate share of the ARHCT NOL associated with the City	141,589
<b>Total Net OPEB Liabilities</b>	<b>\$ 600,803</b>

At June 30, 2020, the City reported an asset for its proportionate share of the net OPEB asset (NOA) associated with the City's participation in the ODD Plan. The amount recognized by the City for its proportionate share was \$114,665.

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

The total OPEB liabilities (asset) for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net OPEB liabilities (asset) as of that date. The City's proportion of the net OPEB liabilities (asset) is based on the ratio of the present value of projected future contributions for each employer to the present value of project future contributions to the Plans for the fiscal years 2020 to 2039.

	June 30, 2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.27329%	0.23978%	(0.03351)%
RMP	0.40399%	0.43234%	0.02835 %
ODD	0.40399%	0.47294%	0.06895 %

For the year ended June 30, 2020, the City recognized OPEB expense of \$(2,683,476). Of this amount, \$(915,089) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB expense	On-behalf revenue
ARHCT	\$ (2,859,152)	\$ (915,089)
RMP	149,728	-
ODD	25,948	-
<b>Total</b>	<b>\$ (2,683,476)</b>	<b>\$ (915,089)</b>

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Changes in assumptions	\$ 472,116	\$ 50,064	\$ -	\$ 522,180
Changes in proportion and differences between City contributions and proportionate share of contributions	98,291	5,305	-	103,596
City contributions subsequent to the measurement date	385,979	76,512	20,979	483,470
<b>Total Deferred Outflows of Resources Related to OPEB Plans</b>	<b>\$ 956,386</b>	<b>\$ 131,881</b>	<b>\$ 20,979</b>	<b>\$ 1,109,246</b>

## City of Wasilla, Alaska

### Notes to Basic Financial Statements

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (239,078)	\$ (7,662)	\$ (35,750)	\$ (282,490)
Changes in assumptions	-	-	(2,193)	(2,193)
Difference between projected and actual investment earnings	(155,793)	(1,141)	(758)	(157,692)
Changes in proportion and differences between City contributions and proportionate share of contributions	(119,407)	-	(11,340)	(130,747)
<b>Total Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ (514,278)</b>	<b>\$ (8,803)</b>	<b>\$ (50,041)</b>	<b>\$ (573,122)</b>

Amounts reported as deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2021	\$ 90,827	\$ 5,040	\$ (7,654)	\$ 88,213
2022	(121,096)	5,040	(7,654)	(123,710)
2023	37,482	7,780	(6,606)	38,656
2024	48,916	7,731	(6,584)	50,063
2025	-	6,683	(6,935)	(252)
Thereafter	-	14,292	(14,608)	(316)
<b>Total Amortization</b>	<b>\$ 56,129</b>	<b>\$ 46,566</b>	<b>\$ (50,041)</b>	<b>\$ 52,654</b>

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# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### *Actuarial Assumptions*

The total OPEB liability for each plan for the measurement period ended June 30, 2019 was determined by actuarial valuations as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2019:

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Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of payroll, closed
Inflation	2.50%
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/ Firefighter. Graded by service from 6.75% to 2.75% for all others
Investment return of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 8.5% grading down to 4.5% EGWP: 8.5% grading down to 4.5%
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Post-termination mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table project with MP-2017 generational improvement. The rates for pre- termination mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.
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.

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The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

In addition to the changes in assumptions resulting from the experience study, the following assumption changes have been made since the prior valuation:

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated
3. Per capita claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

### **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, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	24%	8.16%
Global equity (non-U.S.)	22%	7.51%
Intermediate treasuries	10%	1.58%
Opportunistic	10%	3.96%
Real assets	17%	4.76%
Absolute return	7%	4.76%
Private equity	9%	11.39%
Cash equivalents	1%	0.83%

### **Discount Rate**

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2019 was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

### **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 7.38%, 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 a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.23978%	\$ 2,861,816	\$ 355,782	\$ (1,705,706)
RMP	0.43234%	\$ 259,787	\$ 103,432	\$ (14,280)
ODD	0.47294%	\$ (108,766)	\$ (114,665)	\$ (119,431)

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

### *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 liability (asset) calculated using the healthcare cost trend rates as summarized in the 2019 actuarial valuation reports 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	0.23978%	\$ 1,946,812	\$ 355,782	\$ 3,165,813
RMP	0.43234%	\$ (31,811)	\$ 103,432	\$ 288,567
ODD	0.47294%	\$ n/a	\$ n/a	\$ n/a

### *OPEB Plan Fiduciary Net Position*

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

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

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan is established under AS 39.30.300. The HRA Plan allows for medical care expense 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.

### *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, 2019, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,121 per year for each full-time employee, and \$1.36 per hour for part-time employees.

### *Annual Postemployment Healthcare Cost*

In fiscal year 2020, the City contributed \$180,430 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### *(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, 2020. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

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# 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, 2020 were as follows:

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Governmental funds:	
General Fund	\$ 14,580
Miscellaneous Capital Projects Fund	1,408,726
Nonmajor funds	260,188
<b>Total Governmental Funds</b>	<b>\$ 1,683,494</b>
Proprietary funds:	
Water utility	\$ 68,457
Sewer utility	216,408
Municipal airport	134,634
<b>Total Proprietary Funds</b>	<b>\$ 419,499</b>

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#### (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, 2020.



# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### 10. Related Parties

In the normal course of business, the City may contract for goods or services from vendors whose shareholders, officers, or employees may also be associated with the City as an official, council member, or employee. Such payments during 2020 in aggregate were \$571,440.

### 11. COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the coronavirus as a pandemic, based on the rapid increase in exposure globally.

The City’s operations are heavily dependent upon the ability to collect sales taxes and charges for services. Additionally, the City also receives significant grant funding from the federal government and State of Alaska. The coronavirus pandemic has adversely impacted economic and financial market conditions, both globally and locally. It is possible that the coronavirus pandemic will adversely impact the City’s tax revenue base, demand for services, access to federal and state grant funding, as well as depress the value of the City’s investments in marketable securities. It is also possible that the City will incur additional, previously unbudgeted expenditures as a result of the pandemic. Furthermore, it is possible that the coronavirus pandemic may adversely impact the City’s operations by limiting or restricting the City’s ability to deploy its workforce effectively.

Management has and is continuing to evaluate the impact of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the City’s financial condition, results from operations and liquidity cannot be fully determined at this time.

### 12. CARES Act

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. The City received \$8,195,936 in payments from the Coronavirus Relief Fund (CRF), passed through the State of Alaska, for the year ended June 30, 2020. The City applied \$2,111,162 in CRF funding toward eligible expenditures in fiscal year 2020. Subsequent to year end, the City received an additional \$5,247,481 through the CRF, and incurred eligible expenditures of \$6,579,766. The City continues to examine the impact that the CARES Act may have. Currently, the City is unable to determine the full impact that the CARES Act will have on the City’s financial condition, results of operations, or liquidity.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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### 13. New Accounting Pronouncements

The Governmental Accounting Standards Board has issued 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. The statements are as follows:

*GASB Statement No. 84 - Fiduciary Activities* - Effective for year-end June 30, 2020. This Statement addresses criteria for identifying and reporting fiduciary activities.

*GASB Statement No. 87 - Leases* - Effective for year-end June 30, 2021, 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 Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end June 30, 2021. 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 Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* - Effective for year-end June 30, 2020. 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 Statement No. 91 - Conduit Debt Obligations* - Effective for year-end June 30, 2022. 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.

*GASB Statement No. 92 - Omnibus 2020* - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2021. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

# City of Wasilla, Alaska

## Notes to Basic Financial Statements

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*GASB Statement No. 93 - Replacement of Interbank Offered Rates* - The provisions of this Statement, except for paragraph 11b, are required to be implemented for year-end June 30, 2022. The requirements in paragraph 11b are required to be implemented for year-end June 30, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

*GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months. Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

*GASB Statement No. 96 - Subscription-Based Information Technology Arrangements* - Effective for year-end June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

*GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* - Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

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

<i>Year Ended June 30, 2020</i>	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 15,051,250	\$ 15,166,620	\$ 17,251,876	\$ 2,085,256
Licenses and permits	71,650	71,650	88,312	16,662
Fines and forfeitures	225,000	225,000	171,217	(53,783)
Intergovernmental	1,300,389	1,431,879	1,788,537	356,658
Charges for services	3,475,797	3,391,397	3,452,843	61,446
Investment income	425,000	425,000	967,478	542,478
Other	-	93,900	95,605	1,705
<b>Total Revenues</b>	<b>20,549,086</b>	<b>20,805,446</b>	<b>23,815,868</b>	<b>3,010,422</b>
<b>Expenditures</b>				
Current:				
General government	3,491,418	3,514,812	3,246,098	268,714
Public safety	9,459,094	9,612,612	6,431,661	3,180,951
Public works	2,256,879	2,260,170	2,151,700	108,470
Culture and recreation	2,463,402	2,473,675	2,198,550	275,125
Nondepartmental	234,000	234,000	207,561	26,439
<b>Total Expenditures</b>	<b>17,904,793</b>	<b>18,095,269</b>	<b>14,235,570</b>	<b>3,859,699</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,644,293</b>	<b>2,710,177</b>	<b>9,580,298</b>	<b>6,870,121</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	35,000	35,000	99,572	64,572
Transfers in	100	100	100	-
Transfers out	(2,827,000)	(3,369,900)	(3,369,900)	-
<b>Net Other Financing Sources (Uses)</b>	<b>(2,791,900)</b>	<b>(3,334,800)</b>	<b>(3,270,228)</b>	<b>64,572</b>
<b>Net Change in Fund Balance</b>	<b>\$ (147,607)</b>	<b>\$ (624,623)</b>	<b>6,310,070</b>	<b>\$ 6,934,693</b>
<b>Fund Balance, beginning</b>			<b>17,934,860</b>	
<b>Fund Balance, ending</b>			<b>\$ 24,244,930</b>	

*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>	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.23985%	0.27329%	0.23669%	0.27588%	0.23878%	0.16341%
City's Proportionate Share of the Net Pension Liability	\$ 13,130,205	\$ 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	5,212,727	3,935,557	4,558,116	1,941,651	3,103,029	6,726,524
Total Net Pension Liability	\$ 18,342,932	\$ 17,515,588	\$ 16,793,714	\$ 17,362,176	\$ 14,683,808	\$ 14,348,171
City's Covered Payroll	8,641,719	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	151.94%	166.96%	161.05%	215.09%	166.43%	113.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.42%	65.19%	63.37%	59.55%	63.96%	63.37%

**Schedule of City Contributions**

<i>Years Ended June 30,</i>	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 966,295	\$ 1,022,635	\$ 1,051,897	\$ 878,392	\$ 732,714	\$ 696,515
Contributions Relative to the Contractually Required Contribution	966,295	1,022,635	1,051,897	878,392	732,714	696,515
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	9,031,438	8,641,719	8,133,661	7,597,594	7,169,357	6,958,225
Contributions as a Percentage of Covered Payroll	10.699%	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 (Asset)**

Years Ended June 30,	ARHCT			RMP			ODD		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
City's Proportion of the Net OPEB Liability (Asset)	0.23978%	0.27329%	0.23680%	0.43234%	0.40399%	0.36639%	0.47294%	0.40399%	0.36639%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 355,782	\$ 2,804,738	\$ 2,000,418	\$ 103,432	\$ 51,408	\$ 19,107	\$ (114,665)	\$ (78,463)	\$ (51,986)
State of Alaska Proportionate Share of the Net OPEB Liability	141,589	813,279	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ 497,371	\$ 3,618,017	\$ 2,000,418	\$ 103,432	\$ 51,408	\$ 19,107	\$ (114,665)	\$ (78,463)	\$ (51,986)
City's Covered Payroll	3,244,233	8,133,661	3,335,527	5,397,486	8,133,661	4,262,067	5,397,486	8,133,661	4,262,067
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	10.97%	34.48%	59.97%	1.92%	0.63%	0.45%	-2.12%	-0.96%	-1.22%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	98.13%	88.12%	89.68%	83.17%	88.71%	93.98%	297.43%	270.62%	212.97%

**Schedule of City Contributions**

Years Ended June 30,	ARHCT			RMP			ODD		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Contractually Required Contributions	\$ 385,979	\$ 369,635	\$ 299,834	\$ 76,512	\$ 50,736	\$ 47,095	\$ 20,979	\$ 19,310	\$ 9,932
Contributions Relative to the Contractually Required Contribution	385,979	369,635	299,834	76,512	50,736	47,095	20,979	19,310	9,932
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	3,038,402	3,244,233	3,570,873	5,993,036	5,397,486	4,562,788	5,993,036	5,397,486	4,562,788
Contributions as a Percentage of Covered Payroll	12.703%	11.394%	8.397%	1.277%	0.940%	1.032%	0.350%	0.358%	0.218%

*See accompanying notes to Required Supplementary Information.*

# City of Wasilla, Alaska

## Notes to Required Supplementary Information

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### 1. Budgetary Comparison Schedules

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 2020 budget document. That document may be obtained from the City of Wasilla, Director of Finance, 290 E. Herning Avenue, Wasilla, Alaska 99654.

The CARES Act Special Revenue Fund does not have a legally adopted budget; therefore, no budgetary comparison schedule has been presented for this fund.

# 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, 2020, the Plan measurement date is June 30, 2019.

#### *Changes in Assumptions:*

In 2020, the discount rate was lowered from 8% to 7.38%.

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

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 Asset and Liability*

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

#### *Changes in Assumptions:*

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated.
3. Per capita claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.
5. The discount rate was lowered from 8% to 7.38%.



## City of Wasilla, Alaska

### Notes to Required Supplementary Information, continued

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The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

#### *Changes in Methods:*

As part of the experience study, the actuarial cost method for the retiree healthcare plan was changed from the Entry Age Level Dollar method to the Entry Age Level Percent of Pay method.

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 ten years of information is available, the City will present only those years for which information is available.

## **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>	2020	2019
<b>Assets</b>		
Cash and investments	\$ 21,631,902	\$ 15,189,905
Receivables:		
Accounts	540,648	248,753
Taxes	1,913,363	1,330,274
Grants	13,378	16,821
Shared revenues	436,245	262,162
<b>Total receivables</b>	<b>2,903,634</b>	<b>1,858,010</b>
Prepaid items	559,810	464,491
Due from other funds	-	1,395,228
<b>Total Assets</b>	<b>\$ 25,095,346</b>	<b>\$ 18,907,634</b>
<b>Liabilities</b>		
Accounts payable	\$ 172,672	\$ 271,693
Accrued payroll and employee benefits	651,594	646,097
Customer deposits	2,000	16,801
Unearned revenue	24,150	38,183
<b>Total Liabilities</b>	<b>850,416</b>	<b>972,774</b>
<b>Fund Balance</b>		
Nonspendable - prepaid items	559,810	464,491
Committed - capital improvements	12,710,762	7,911,995
Assigned:		
Land bank	714,000	612,000
Compensated absences	879,852	727,173
Sexual Assault Response Team (SART)	-	50,000
WPD K9 Unit	9,020	19,068
Wings Over Wasilla	11,793	-
Other purposes	14,580	27,659
Unassigned	9,345,113	8,122,474
<b>Total Fund Balance</b>	<b>24,244,930</b>	<b>17,934,860</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 25,095,346</b>	<b>\$ 18,907,634</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Revenues</b>		
Taxes	\$ 17,251,876	\$ 14,349,101
Licenses and permits	88,312	78,360
Fines and forfeitures	171,217	160,662
Intergovernmental	1,788,537	1,576,357
Charges for services	3,452,843	3,373,014
Investment income	967,478	808,294
Other	95,605	50,794
<b>Total Revenues</b>	<b>23,815,868</b>	<b>20,396,582</b>
<b>Expenditures</b>		
General government:		
City clerk	450,022	424,006
City council	148,943	152,930
Administration	275,205	262,209
General administration services	701,657	700,969
Finance	1,298,398	1,258,924
Management information systems	371,873	327,646
<b>Total general government</b>	<b>3,246,098</b>	<b>3,126,684</b>
Public safety:		
Police	505,940	638,000
General investigation	290,288	563,220
Police patrol	2,560,137	2,902,169
COPS - school resource officer grant	231,217	129,900
Dispatch center	2,699,364	3,534,016
Code compliance	144,715	181,193
<b>Total public safety</b>	<b>6,431,661</b>	<b>7,948,498</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Expenditures, continued:</b>		
Public works:		
Administration	\$ 401,789	\$ 381,695
Road maintenance	1,192,367	1,218,426
Property maintenance	557,544	663,013
<b>Total public works</b>	<b>2,151,700</b>	<b>2,263,134</b>
Culture and recreation:		
Museum	251,757	243,772
Parks maintenance	629,428	645,567
Library	1,226,245	1,260,547
Recreation services	91,120	100,917
<b>Total culture and recreation</b>	<b>2,198,550</b>	<b>2,250,803</b>
Debt service:		
Principal	-	405,000
Interest	-	8,100
<b>Total debt service</b>	<b>-</b>	<b>413,100</b>
Nondepartmental	207,561	253,745
<b>Total Expenditures</b>	<b>14,235,570</b>	<b>16,255,964</b>
<b>Excess of Revenues Over Expenditures</b>	<b>9,580,298</b>	<b>4,140,618</b>
<b>Other Financing Sources (Uses)</b>		
Proceeds from sale of assets	99,572	1,013,846
Transfers in	100	789
Transfers out	(3,369,900)	(2,798,000)
<b>Net Other Financing Sources (Uses)</b>	<b>(3,270,228)</b>	<b>(1,783,365)</b>
<b>Net Change in Fund Balance</b>	<b>6,310,070</b>	<b>2,357,253</b>
<b>Fund Balance, beginning</b>	<b>17,934,860</b>	<b>15,577,607</b>
<b>Fund Balance, ending</b>	<b>\$ 24,244,930</b>	<b>\$ 17,934,860</b>

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
<b>Taxes:</b>				
Sales taxes, including penalty and interest	\$ 14,990,600	\$ 17,075,856	\$ 2,085,256	\$ 14,061,473
Property and vehicle taxes	176,020	176,020	-	287,628
<b>Total taxes</b>	<b>15,166,620</b>	<b>17,251,876</b>	<b>2,085,256</b>	<b>14,349,101</b>
<b>Licenses and permits:</b>				
City business licenses	55,000	61,650	6,650	62,140
Land use permits	12,000	23,107	11,107	11,500
Other licenses and permits	4,650	3,555	(1,095)	4,720
<b>Total licenses and permits</b>	<b>71,650</b>	<b>88,312</b>	<b>16,662</b>	<b>78,360</b>
<b>Fines and forfeitures</b>	<b>225,000</b>	<b>171,217</b>	<b>(53,783)</b>	<b>160,662</b>
<b>Intergovernmental:</b>				
Electric and telephone co-op tax	211,389	211,389	-	215,338
Public safety grants	394,088	408,595	14,507	321,632
Library grants	8,250	8,250	-	8,073
Alcoholic beverage tax	27,260	27,350	90	28,400
Aviation fuel tax revenue sharing	1,500	1,558	58	1,972
Matanuska-Susitna Borough - Planning block grant	225,000	225,000	-	225,000
Matanuska-Susitna Borough - School resource officer	349,758	174,846	(174,912)	92,118
Fisheries tax	-	229	229	99
Community assistance	199,634	199,634	-	244,171
State PERS relief	-	531,686	531,686	438,042
Transportation grants	15,000	-	(15,000)	1,512
<b>Total intergovernmental</b>	<b>1,431,879</b>	<b>1,788,537</b>	<b>356,658</b>	<b>1,576,357</b>
<b>Charges for services:</b>				
Police dispatch services	3,318,447	3,375,341	56,894	3,261,622
Building rentals	20,100	18,268	(1,832)	51,424
Other charges for services	52,850	59,234	6,384	59,968
<b>Total charges for services</b>	<b>3,391,397</b>	<b>3,452,843</b>	<b>61,446</b>	<b>3,373,014</b>
<b>Investment income</b>	<b>425,000</b>	<b>967,478</b>	<b>542,478</b>	<b>808,294</b>
<b>Other:</b>				
Administration fee revenue	100	32	(68)	68
Donations	11,400	16,920	5,520	8,880
Miscellaneous	82,400	78,653	(3,747)	41,846
<b>Total other</b>	<b>93,900</b>	<b>95,605</b>	<b>1,705</b>	<b>50,794</b>
<b>Total Revenues</b>	<b>20,805,446</b>	<b>23,815,868</b>	<b>3,010,422</b>	<b>20,396,582</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>	2020			2019
	Budget	Actual	Variance	Actual
<b>Expenditures</b>				
General government:				
City clerk:				
Salaries	\$ 243,594	\$ 241,368	\$ 2,226	\$ 228,966
Employee benefits	132,488	141,048	(8,560)	145,510
Professional and technical services	32,780	11,329	21,451	5,402
Property services	12,871	11,769	1,102	9,763
Other purchased services	46,965	36,752	10,213	30,622
Supplies	9,097	7,756	1,341	3,743
<b>Total city clerk</b>	<b>477,795</b>	<b>450,022</b>	<b>27,773</b>	<b>424,006</b>
City council:				
Salaries	32,400	29,250	3,150	29,375
Employee benefits	3,710	2,749	961	3,816
Professional and technical services	109,138	87,198	21,940	82,239
Property services	2,900	1,975	925	2,207
Other purchased services	34,822	26,814	8,008	33,525
Supplies	3,960	957	3,003	1,768
<b>Total city council</b>	<b>186,930</b>	<b>148,943</b>	<b>37,987</b>	<b>152,930</b>
Administration:				
Salaries	181,705	175,229	6,476	170,470
Employee benefits	58,922	61,045	(2,123)	55,134
Professional and technical services	23,985	18,069	5,916	13,051
Property services	1,865	1,479	386	1,785
Other purchased services	18,616	15,963	2,653	18,281
Supplies	3,973	3,420	553	3,488
<b>Total administration</b>	<b>289,066</b>	<b>275,205</b>	<b>13,861</b>	<b>262,209</b>
General administration services:				
Salaries	407,173	377,664	29,509	396,651
Employee benefits	222,240	226,510	(4,270)	205,614
Professional and technical services	45,646	23,594	22,052	24,694
Property services	21,492	20,282	1,210	19,482
Other purchased services	79,651	43,134	36,517	46,931
Supplies	13,141	10,473	2,668	7,597
<b>Total general administration services</b>	<b>789,343</b>	<b>701,657</b>	<b>87,686</b>	<b>700,969</b>
Finance:				
Salaries	756,890	726,179	30,711	703,981
Employee benefits	424,949	444,615	(19,666)	448,294
Professional and technical services	57,373	57,244	129	43,417
Property services	17,090	15,992	1,098	13,771
Other purchased services	50,224	48,168	2,056	32,924
Supplies	6,625	6,200	425	16,537
<b>Total finance</b>	<b>1,313,151</b>	<b>1,298,398</b>	<b>14,753</b>	<b>1,258,924</b>

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
General government, continued:				
Management information systems:				
Salaries	\$ 120,573	\$ 119,068	\$ 1,505	\$ 111,389
Employee benefits	77,674	79,007	(1,333)	77,742
Professional and technical services	38,250	-	38,250	100
Property services	172,590	129,397	43,193	96,308
Other purchased services	45,740	42,278	3,462	41,618
Supplies	3,700	2,123	1,577	489
Total management information systems	458,527	371,873	86,654	327,646
Total general government	3,514,812	3,246,098	268,714	3,126,684
Public safety:				
Police:				
Salaries	256,435	138,055	118,380	251,146
Employee benefits	116,469	78,500	37,969	118,065
Professional and technical services	92,675	90,487	2,188	100,908
Property services	53,205	58,684	(5,479)	47,484
Other purchased services	49,797	48,245	1,552	41,153
Supplies	97,565	91,969	5,596	79,244
Total police	666,146	505,940	160,206	638,000
Investigation and drug enforcement:				
Salaries	425,413	152,931	272,482	332,349
Employee benefits	219,788	108,241	111,547	193,576
Professional and technical services	15,000	6,872	8,128	7,995
Property services	3,889	3,247	642	822
Other purchased services	23,234	16,046	7,188	23,282
Supplies	8,485	2,951	5,534	5,196
Total investigation and drug enforcement	695,809	290,288	405,521	563,220
Police patrol:				
Salaries	1,957,861	1,344,298	613,563	1,641,083
Employee benefits	1,048,430	859,604	188,826	989,584
Professional and technical services	10,000	10,341	(341)	10,645
Property services	74,705	74,500	205	33,272
Other purchased services	134,428	132,747	1,681	114,176
Supplies	179,558	128,599	50,959	105,325
Capital purchases	19,068	10,048	9,020	8,084
Total police patrol	3,424,050	2,560,137	863,913	2,902,169
School resource officer grant:				
Salaries	230,345	139,440	90,905	80,795
Employee benefits	144,149	68,628	75,521	41,601
Professional and technical services	6,221	4,598	1,623	216
Other purchased services	35,712	10,681	25,031	5,439
Supplies	12,011	7,870	4,141	1,849
Total school resource officer grant	428,438	231,217	197,221	129,900



**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>	2020			2019
	Budget	Actual	Variance	Actual
<b>Public safety, continued:</b>				
<b>Dispatch center:</b>				
Salaries	\$ 2,309,003	\$ 1,329,525	\$ 979,478	\$ 1,947,903
Employee benefits	1,301,406	913,058	388,348	1,226,984
Professional and technical services	17,700	28,180	(10,480)	11,201
Property services	326,858	268,295	58,563	190,850
Other purchased services	211,572	140,114	71,458	144,433
Supplies	24,401	20,192	4,209	12,645
<b>Total dispatch center</b>	<b>4,190,940</b>	<b>2,699,364</b>	<b>1,491,576</b>	<b>3,534,016</b>
<b>Code compliance:</b>				
Salaries	118,950	74,349	44,601	98,288
Employee benefits	51,627	40,152	11,475	55,122
Property services	750	734	16	70
Other purchased services	31,182	26,351	4,831	24,249
Supplies	4,720	3,129	1,591	3,464
<b>Total code compliance</b>	<b>207,229</b>	<b>144,715</b>	<b>62,514</b>	<b>181,193</b>
<b>Total public safety</b>	<b>9,612,612</b>	<b>6,431,661</b>	<b>3,180,951</b>	<b>7,948,498</b>
<b>Public works:</b>				
<b>Administration:</b>				
Salaries	237,039	235,702	1,337	222,123
Employee benefits	140,299	139,418	881	141,163
Professional and technical services	3,920	456	3,464	1,188
Property services	8,055	6,307	1,748	5,599
Other purchased services	13,529	11,700	1,829	9,118
Supplies	9,265	8,206	1,059	2,504
<b>Total administration</b>	<b>412,107</b>	<b>401,789</b>	<b>10,318</b>	<b>381,695</b>
<b>Road maintenance:</b>				
Salaries	343,918	332,183	11,735	345,625
Employee benefits	192,479	205,942	(13,463)	226,163
Property services	315,663	304,032	11,631	282,744
Other purchased services	41,853	38,837	3,016	43,811
Supplies	335,380	306,373	29,007	303,102
Capital purchases	5,000	5,000	-	16,981
<b>Total road maintenance</b>	<b>1,234,293</b>	<b>1,192,367</b>	<b>41,926</b>	<b>1,218,426</b>
<b>Property maintenance:</b>				
Salaries	218,805	197,981	20,824	188,193
Employee benefits	124,518	122,410	2,108	118,474
Professional and technical services	-	-	-	52,433
Property services	112,535	99,983	12,552	153,504
Other purchased services	41,292	37,417	3,875	33,318
Supplies	116,620	99,753	16,867	101,807
Other expenditures	-	-	-	15,284
<b>Total property maintenance</b>	<b>613,770</b>	<b>557,544</b>	<b>56,226</b>	<b>663,013</b>
<b>Total public works</b>	<b>2,260,170</b>	<b>2,151,700</b>	<b>108,470</b>	<b>2,263,134</b>

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
<b>Culture and recreation:</b>				
<b>Museum:</b>				
Salaries	\$ 114,941	\$ 100,986	\$ 13,955	\$ 102,748
Employee benefits	49,780	51,123	(1,343)	49,566
Professional and technical services	500	-	500	200
Property services	36,235	18,368	17,867	21,303
Other purchased services	48,069	42,077	5,992	40,406
Supplies	45,950	39,203	6,747	29,549
<b>Total museum</b>	<b>295,475</b>	<b>251,757</b>	<b>43,718</b>	<b>243,772</b>
<b>Parks maintenance:</b>				
Salaries	369,122	285,146	83,976	297,457
Employee benefits	150,791	147,808	2,983	149,769
Professional and technical services	1,260	780	480	1,280
Property services	71,848	68,711	3,137	68,785
Other purchased services	23,335	18,699	4,636	16,869
Supplies	113,520	104,572	8,948	111,407
Capital purchases	5,000	3,712	1,288	-
<b>Total parks maintenance</b>	<b>734,876</b>	<b>629,428</b>	<b>105,448</b>	<b>645,567</b>
<b>Library:</b>				
Salaries	584,230	548,876	35,354	559,866
Employee benefits	355,821	350,488	5,333	363,540
Professional and technical services	24,950	18,439	6,511	17,915
Property services	100,727	88,415	12,312	82,858
Other purchased services	55,915	53,718	2,197	48,113
Supplies	212,839	166,309	46,530	188,255
<b>Total library</b>	<b>1,334,482</b>	<b>1,226,245</b>	<b>108,237</b>	<b>1,260,547</b>
<b>Recreation services:</b>				
Salaries	37,256	35,952	1,304	35,016
Employee benefits	16,396	13,586	2,810	13,380
Other purchased services	52,690	40,209	12,481	51,004
Supplies	2,500	1,373	1,127	1,517
<b>Total recreation services</b>	<b>108,842</b>	<b>91,120</b>	<b>17,722</b>	<b>100,917</b>
<b>Total culture and recreation</b>	<b>2,473,675</b>	<b>2,198,550</b>	<b>275,125</b>	<b>2,250,803</b>

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Debt service:				
Principal	\$ -	\$ -	\$ -	\$ 405,000
Interest	-	-	-	8,100
<b>Total debt service</b>	-	-	-	413,100
Nondepartmental:				
Insurance deductible	20,000	-	20,000	-
Property tax payments	7,500	740	6,760	699
Settlements	25,000	25,321	(321)	22,418
Other agreements	181,500	181,500	-	230,628
<b>Total nondepartmental</b>	234,000	207,561	26,439	253,745
<b>Total Expenditures</b>	18,095,269	14,235,570	3,859,699	16,255,964
<b>Excess of Revenues Over Expenditures</b>	2,710,177	9,580,298	6,870,121	4,140,618
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	35,000	99,572	64,572	1,013,846
Transfers in	100	100	-	789
Transfers out	(3,369,900)	(3,369,900)	-	(2,798,000)
<b>Net Other Financing Sources (Uses)</b>	(3,334,800)	(3,270,228)	64,572	(1,783,365)
<b>Net Change in Fund Balance</b>	<u>\$ (624,623)</u>	6,310,070	<u>\$ 6,934,693</u>	2,357,253
<b>Fund Balance, beginning</b>		<u>17,934,860</u>		<u>15,577,607</u>
<b>Fund Balance, ending</b>		<u>\$ 24,244,930</u>		<u>\$ 17,934,860</u>

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

<i>June 30, 2020</i>	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 59,804	\$ 1,969,836	\$ 333,011	\$ 2,362,651
Land held for resale	-	695,200	-	695,200
Receivables - grants	3,945	320	-	4,265
Prepaid items	2,555	-	-	2,555
<b>Total Assets</b>	<b>\$ 66,304</b>	<b>\$ 2,665,356</b>	<b>\$ 333,011</b>	<b>\$ 3,064,671</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 212	\$ 320	\$ -	\$ 532
Accrued payroll and employee benefits	4,248	-	-	4,248
Unearned revenue	6,956	-	-	6,956
<b>Total Liabilities</b>	<b>11,416</b>	<b>320</b>	<b>-</b>	<b>11,736</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	2,555	-	-	2,555
Permanent Fund principal	-	-	333,011	333,011
Restricted -				
Main Street couplet	-	695,200	-	695,200
Assigned:				
Youth court	52,333	-	-	52,333
Road projects	-	466,939	-	466,939
Vehicle replacement	-	623,620	-	623,620
Right-of-way acquisition	-	171,223	-	171,223
Technology replacement	-	708,054	-	708,054
<b>Total Fund Balances</b>	<b>54,888</b>	<b>2,665,036</b>	<b>333,011</b>	<b>3,052,935</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 66,304</b>	<b>\$ 2,665,356</b>	<b>\$ 333,011</b>	<b>\$ 3,064,671</b>

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

<i>Year Ended June 30, 2020</i>	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Fines and charges	\$ 1,840	\$ -	\$ -	\$ 1,840
Intergovernmental	77,259	111,180	-	188,439
Other	838	-	2,200	3,038
<b>Total Revenues</b>	<b>79,937</b>	<b>111,180</b>	<b>2,200</b>	<b>193,317</b>
<b>Expenditures</b>				
Public safety	107,883	-	-	107,883
Capital outlay	-	533,975	-	533,975
<b>Total Expenditures</b>	<b>107,883</b>	<b>533,975</b>	<b>-</b>	<b>641,858</b>
Excess (deficiency) of revenues over (under) expenditures	(27,946)	(422,795)	2,200	(448,541)
<b>Other Financing Sources (Uses)</b>				
Transfers in	25,000	919,500	-	944,500
Transfers out	-	-	(100)	(100)
<b>Net Other Financing Sources (Uses)</b>	<b>25,000</b>	<b>919,500</b>	<b>(100)</b>	<b>944,400</b>
Net change in fund balances	(2,946)	496,705	2,100	495,859
<b>Fund Balances, beginning</b>	<b>57,834</b>	<b>2,168,331</b>	<b>330,911</b>	<b>2,557,076</b>
<b>Fund Balances, ending</b>	<b>\$ 54,888</b>	<b>\$ 2,665,036</b>	<b>\$ 333,011</b>	<b>\$ 3,052,935</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	\$ 59,804	\$ -	\$ -	\$ 59,804
Receivables - grants	3,945	-	-	3,945
Prepaid items	2,555	-	-	2,555
<b>Total Assets</b>	<b>\$ 66,304</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,304</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 212	\$ -	\$ -	\$ 212
Accrued payroll and employee benefits	4,248	-	-	4,248
Unearned revenue	6,956	-	-	6,956
<b>Total Liabilities</b>	<b>11,416</b>	<b>-</b>	<b>-</b>	<b>11,416</b>
<b>Fund Balances</b>				
Nonspendable - prepaid items	2,555	-	-	2,555
Assigned - youth court	52,333	-	-	52,333
<b>Total Fund Balances</b>	<b>54,888</b>	<b>-</b>	<b>-</b>	<b>54,888</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 66,304</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,304</b>

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

<i>Year Ended June 30, 2020</i>	Youth Court	Federal Asset Forfeiture	State Asset Forfeiture	Totals
<b>Revenues</b>				
Fines and charges	\$ 1,840	\$ -	\$ -	\$ 1,840
Intergovernmental	57,196	1,502	18,561	77,259
Other	838	-	-	838
<b>Total Revenues</b>	<b>59,874</b>	<b>1,502</b>	<b>18,561</b>	<b>79,937</b>
<b>Expenditures</b>				
Salaries	40,375	-	-	40,375
Employee benefits	29,397	-	-	29,397
Professional and technical services	223	-	-	223
Other purchased services	2,153	4,370	28,839	35,362
Supplies	2,526	-	-	2,526
<b>Total Expenditures</b>	<b>74,674</b>	<b>4,370</b>	<b>28,839</b>	<b>107,883</b>
Deficiency of revenues over expenditures	(14,800)	(2,868)	(10,278)	(27,946)
<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>10,200</b>	<b>(2,868)</b>	<b>(10,278)</b>	<b>(2,946)</b>
<b>Fund Balances, beginning</b>	<b>44,688</b>	<b>2,868</b>	<b>10,278</b>	<b>57,834</b>
<b>Fund Balances, ending</b>	<b>\$ 54,888</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,888</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>	2020			2019
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Fines and charges	\$ 3,500	\$ 1,840	\$ (1,660)	\$ 2,080
Intergovernmental	79,338	57,196	(22,142)	56,081
Other	7,500	838	(6,662)	7,795
<b>Total Revenues</b>	<b>90,338</b>	<b>59,874</b>	<b>(30,464)</b>	<b>65,956</b>
<b>Expenditures</b>				
Salaries	59,383	40,375	19,008	59,427
Employee benefits	34,821	29,397	5,424	35,710
Professional and technical services	223	223	-	525
Other purchased services	14,153	2,153	12,000	4,867
Supplies	2,434	2,526	(92)	1,468
<b>Total Expenditures</b>	<b>111,014</b>	<b>74,674</b>	<b>36,340</b>	<b>101,997</b>
Excess (deficiency) of revenues over (under) expenditures	(20,676)	(14,800)	5,876	(36,041)
<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>\$ 4,324</u>	10,200	<u>\$ 5,876</u>	(11,041)
<b>Fund Balance, beginning</b>		<u>44,688</u>		<u>55,729</u>
<b>Fund Balance, ending</b>		<u>\$ 54,888</u>		<u>\$ 44,688</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>	2020			2019
	Budget	Actual	Variance	Actual
<b>Revenues - intergovernmental</b>	\$ 1,501	\$ 1,502	\$ 1	\$ -
<b>Expenditures - other purchased services</b>	4,369	4,370	(1)	-
<b>Net change in fund balance</b>	<u>\$ (2,868)</u>	(2,868)	<u>\$ -</u>	-
<b>Fund Balance, beginning</b>		<u>2,868</u>		<u>2,868</u>
<b>Fund Balance, ending</b>		<u>\$ -</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**

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
<b>Revenues - intergovernmental</b>	\$ 18,560	\$ 18,561	\$ 1	\$ -
<b>Expenditures - other purchased services</b>	28,837	28,839	(2)	-
Net change in fund balance	<u>\$ (10,277)</u>	(10,278)	<u>\$ (1)</u>	-
Fund Balance, beginning		<u>10,278</u>		<u>10,278</u>
Fund Balance, ending		<u>\$ -</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, 2020</i>	Road Projects	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
<b>Assets</b>					
Cash and investments	\$ 466,939	\$ 623,620	\$ 171,223	\$ 708,054	\$ 1,969,836
Land held for resale	695,200	-	-	-	695,200
Grants receivable	320	-	-	-	320
<b>Total Assets</b>	<b>\$ 1,162,459</b>	<b>\$ 623,620</b>	<b>\$ 171,223</b>	<b>\$ 708,054</b>	<b>\$ 2,665,356</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities - accounts payable</b>	<b>\$ 320</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 320</b>
<b>Fund Balances</b>					
Restricted	695,200	-	-	-	695,200
Assigned	466,939	623,620	171,223	708,054	1,969,836
<b>Total Fund Balances</b>	<b>1,162,139</b>	<b>623,620</b>	<b>171,223</b>	<b>708,054</b>	<b>2,665,036</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,162,459</b>	<b>\$ 623,620</b>	<b>\$ 171,223</b>	<b>\$ 708,054</b>	<b>\$ 2,665,356</b>

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

<i>Year Ended June 30, 2020</i>	Road Projects	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
Revenues - intergovernmental	\$ 111,180	\$ -	\$ -	\$ -	\$ 111,180
Expenditures - capital outlay	174,505	282,978	1,232	75,260	533,975
Deficiency of revenues over expenditures	(63,325)	(282,978)	(1,232)	(75,260)	(422,795)
Other Financing Sources - transfers in	425,000	306,000	25,000	163,500	919,500
Net change in fund balances	361,675	23,022	23,768	88,240	496,705
Fund Balances, beginning	800,464	600,598	147,455	619,814	2,168,331
Fund Balances, ending	\$ 1,162,139	\$ 623,620	\$ 171,223	\$ 708,054	\$ 2,665,036

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

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*Year Ended June 30, 2020*

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**Expenditures**

New Public Safety Building	\$ 8,413,006
E911 Upgrades & Software Subscription	1,091,646
Roads equipment & improvements	292,074
Park improvements	149,849
Land acquisition adjacent City Hall	147,306
Veterans Wall of Honor	145,285
Museum expansion and relocation	103,808
City Hall roof replacement & modifications	101,700
Train station improvements	73,062
Lake Lucile water quality plan	50,000
Library parking lot	45,541
Removal of old fire station	30,000
Townsite restoration	27,330
IT equipment replacement	24,722
Parks equipment	7,587
Other	11,169

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<b>Total Expenditures</b>	<b>\$ 10,714,085</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>	2020	2019
<b>Assets</b>		
Cash and investments	\$ 333,011	\$ 331,071
<b>Liabilities and Fund Balance</b>		
Liabilities - accounts payable	-	\$ 160
Fund Balance - nonspendable - Permanent Fund principal	333,011	330,911
<b>Total Liabilities and Fund Balances</b>	<b>\$ 333,011</b>	<b>\$ 331,071</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Revenues - lot sales</b>	\$ 2,200	\$ 10,840
<b>Expenditures - supplies</b>	-	300
Excess of revenues over expenditures	2,200	10,540
<b>Other Financing Uses - transfers out</b>	(100)	(789)
Net change in fund balance	2,100	9,751
<b>Fund Balance, beginning</b>	330,911	321,160
<b>Fund Balance, ending</b>	\$ 333,011	\$ 330,911

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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>	2020	2019
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 7,938,593	\$ 7,160,226
Receivables:		
Accounts	215,933	229,318
Allowance for doubtful accounts	(42,006)	(41,434)
Special assessments	1,707	3,138
Payment in lieu of assessments	83,907	84,138
Grants	-	6,371
Prepaid expenses	26,160	13,291
Inventory	34,837	44,264
<b>Total Current Assets</b>	<b>8,259,131</b>	<b>7,499,312</b>
<b>Noncurrent Assets</b>		
Prepaid expenses	7,307	7,688
Net other postemployment benefits asset	4,804	-
Capital assets:		
Land	178,740	178,740
Collection/distribution system	33,310,828	33,310,828
Water tank and fence	6,847,577	6,847,577
Wells/well house	1,360,101	1,360,101
Equipment	433,944	417,953
Total capital assets	42,131,190	42,115,199
Less accumulated depreciation	(15,159,834)	(14,326,981)
Net capital assets	26,971,356	27,788,218
<b>Total Noncurrent Assets</b>	<b>26,983,467</b>	<b>27,795,906</b>
<b>Total Assets</b>	<b>35,242,598</b>	<b>35,295,218</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	69,556	92,694
Related to other postemployment benefits	44,115	47,384
<b>Total Deferred Outflows of Resources</b>	<b>113,671</b>	<b>140,078</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 35,356,269</b>	<b>\$ 35,435,296</b>

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

<i>June 30,</i>	2020	2019
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 31,734	\$ 21,210
Accrued payroll and employee benefits	32,636	25,231
Compensated absences	42,403	41,520
Customer deposits	23,336	31,196
Accrued interest	3,209	4,012
Unearned revenue	104,721	97,107
Current portion of notes payable	165,450	165,450
<b>Total Current Liabilities</b>	<b>403,489</b>	<b>385,726</b>
<b>Noncurrent Liabilities</b>		
Notes payable, net of current portion	496,350	661,800
Net pension liability	533,787	552,631
Net other postemployment benefits liability	6,403	103,530
<b>Total Noncurrent Liabilities</b>	<b>1,036,540</b>	<b>1,317,961</b>
<b>Total Liabilities</b>	<b>1,440,029</b>	<b>1,703,687</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	24,388	7,515
Related to other postemployment benefits	17,750	36,782
<b>Total Deferred Inflows of Resources</b>	<b>42,138</b>	<b>44,297</b>
<b>Net Position</b>		
Net investment in capital assets	26,309,556	26,960,968
Unrestricted	7,564,546	6,726,344
<b>Total Net Position</b>	<b>33,874,102</b>	<b>33,687,312</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 35,356,269</b>	<b>\$ 35,435,296</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Operating Revenues</b>		
Sales and user charges	\$ 1,975,511	\$ 1,918,834
Water meters	13,403	10,940
<b>Total Operating Revenues</b>	<b>1,988,914</b>	<b>1,929,774</b>
<b>Operating Expenses</b>		
Salaries	398,906	328,615
Employee benefits	156,830	187,033
Professional and technical services	48,823	41,699
Repair and maintenance	99,034	92,774
Other purchased services	135,832	166,820
Supplies	195,884	178,654
<b>Total Operating Expenses</b>	<b>1,035,309</b>	<b>995,595</b>
Operating income before depreciation	953,605	934,179
<b>Depreciation</b>	<b>853,645</b>	<b>855,724</b>
Operating income	99,960	78,455
<b>Nonoperating Revenues (Expenses)</b>		
Payments in lieu of assessments	50,018	46,550
Interest expense	(11,606)	(14,088)
Loss on disposal of capital assets	-	(1,257)
Other income	386	107,829
Debt service assessments	248	407
State PERS relief	30,251	7,712
<b>Net Nonoperating Revenues (Expenses)</b>	<b>69,297</b>	<b>147,153</b>
Income before transfers and contributions	169,257	225,608
Transfers out	(19,250)	(19,250)
Capital contributions	36,783	1,152,703
Change in net position	186,790	1,359,061
<b>Net Position, beginning</b>	<b>33,687,312</b>	<b>32,328,251</b>
<b>Net Position, ending</b>	<b>\$ 33,874,102</b>	<b>\$ 33,687,312</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 2,003,011	\$ 2,048,677
Payments to suppliers for goods and services	(472,110)	(464,919)
Payments to employees for services	(613,724)	(501,989)
<b>Net cash flows from operating activities</b>	<b>917,177</b>	<b>1,081,769</b>
<b>Cash Flows for Noncapital Financing Activities - transfers out</b>	<b>(19,250)</b>	<b>(19,250)</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	(12,409)	(14,890)
Special assessments received	1,679	3,972
Payments in lieu of assessments received	50,249	46,781
Acquisition and construction of capital assets	-	(49,957)
Capital contributions received	6,371	125,794
<b>Net cash flows for capital and related financing activities</b>	<b>(119,560)</b>	<b>(53,750)</b>
<b>Net Increase in Cash and Investments</b>	<b>778,367</b>	<b>1,008,769</b>
<b>Cash and Investments, beginning</b>	<b>7,160,226</b>	<b>6,151,457</b>
<b>Cash and Investments, ending</b>	<b>\$ 7,938,593</b>	<b>\$ 7,160,226</b>
<b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities:</b>		
Operating income	\$ 99,960	\$ 78,455
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	853,645	855,724
State of Alaska on-behalf payments - PERS relief	30,251	7,712
Nonoperating revenues	386	107,829
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	13,957	(5,896)
Inventory	9,427	4,435
Prepaid expenses	(12,488)	1,693
Net postemployment benefits asset	(4,804)	-
Deferred outflows of resources related to pensions	23,138	(27,386)
Deferred outflows of resources related to other postemployment benefits:	3,269	(34,756)
Accounts payable	10,524	8,900
Accrued payroll and employee benefits	7,405	3,421
Compensated absences	883	5,724
Customer deposits	(7,860)	16,196
Unearned revenue	7,614	774
Net pension liability	(18,844)	56,268
Net postemployment benefits liability	(97,127)	33,907
Deferred inflows of resources related to pensions	16,873	(33,988)
Deferred inflows of resources related to other postemployment benefit:	(19,032)	2,757
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 917,177</b>	<b>\$ 1,081,769</b>
<b>Noncash Capital and Related Financing Activities</b>		
Water extensions and other assets contributed by developers	\$ 36,783	\$ 1,117,747



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

<i>June 30,</i>	2020	2019
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 4,889,245	\$ 4,507,256
Receivables:		
Accounts	138,864	150,089
Allowance for doubtful accounts	(24,455)	(26,025)
Special assessments	8,195	12,454
Grants	282,896	183,801
Prepaid expenses	24,328	14,977
Inventory	46,536	76,546
<b>Total Current Assets</b>	<b>5,365,609</b>	<b>4,919,098</b>
<b>Noncurrent Assets</b>		
Net other postemployment benefits asset	5,661	-
<b>Capital assets:</b>		
Land	964,024	1,008,977
Building	301,760	301,760
Treatment system	9,119,757	8,937,664
Collection/distribution system	12,211,212	12,211,212
Equipment	5,534,641	5,390,931
Construction in progress	-	249
<b>Total capital assets</b>	<b>28,131,394</b>	<b>27,850,793</b>
Less accumulated depreciation	(14,627,182)	(14,018,914)
<b>Net capital assets</b>	<b>13,504,212</b>	<b>13,831,879</b>
<b>Total Noncurrent Assets</b>	<b>13,509,873</b>	<b>13,831,879</b>
<b>Total Assets</b>	<b>18,875,482</b>	<b>18,750,977</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	88,036	115,306
Related to other postemployment benefits	55,369	59,222
<b>Total Deferred Outflows of Resources</b>	<b>143,405</b>	<b>174,528</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 19,018,887</b>	<b>\$ 18,925,505</b>

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

<i>June 30,</i>	2020	2019
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 52,796	\$ 174,291
Accounts payable - capital	159,728	-
Accrued payroll and employee benefits	34,889	36,246
Compensated absences	76,210	62,556
Customer deposits	-	16,670
<b>Total Current Liabilities</b>	<b>323,623</b>	<b>289,763</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	733,832	756,041
Net other postemployment benefits liability	32,414	146,882
<b>Total Noncurrent Liabilities</b>	<b>766,246</b>	<b>902,923</b>
<b>Total Liabilities</b>	<b>1,089,869</b>	<b>1,192,686</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	44,822	24,937
Related to other postemployment benefits	33,620	56,050
<b>Total Deferred Inflows of Resources</b>	<b>78,442</b>	<b>80,987</b>
<b>Net Position</b>		
Net investment in capital assets	13,344,484	13,831,879
Unrestricted	4,506,092	3,819,953
<b>Total Net Position</b>	<b>17,850,576</b>	<b>17,651,832</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 19,018,887</b>	<b>\$ 18,925,505</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Operating Revenues - sales and user charges</b>	\$ 1,460,337	\$ 1,469,713
<b>Operating Expenses</b>		
Salaries	425,753	449,833
Employee benefits	156,112	267,153
Professional and technical services	9,936	12,027
Repair and maintenance	527,681	515,961
Other purchased services	64,728	49,013
Supplies	213,025	218,996
<b>Total Operating Expenses</b>	<b>1,397,235</b>	<b>1,512,983</b>
Operating income (loss) before depreciation	63,102	(43,270)
Depreciation	520,857	517,142
Operating loss	(457,755)	(560,412)
<b>Nonoperating Revenues (Expenses)</b>		
Payments in lieu of assessments	1,260	2,860
Other income	640	795
Loss on disposal of capital assets	(19,953)	-
Nonoperating grants	609,039	350,201
Debt service assessments	1,173	2,164
State PERS relief	35,590	8,784
<b>Net Nonoperating Revenues (Expenses)</b>	<b>627,749</b>	<b>364,804</b>
Income (loss) before transfers and contributions	169,994	(195,608)
Transfers out	(16,250)	(16,250)
Capital contributions	45,000	1,500,668
Change in net position	198,744	1,288,810
<b>Net Position, beginning</b>	<b>17,651,832</b>	<b>16,363,022</b>
<b>Net Position, ending</b>	<b>\$ 17,850,576</b>	<b>\$ 17,651,832</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Cash Flows from (for) Operating Activities</b>		
Receipts from customers and users	\$ 1,453,962	\$ 1,474,755
Payments to suppliers for goods and services	(916,206)	(718,359)
Payments to employees for services	(647,738)	(709,125)
<b>Net cash flows from (for) operating activities</b>	<b>(109,982)</b>	<b>47,271</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Nonoperating grants received	509,944	441,939
Transfers out	(16,250)	(16,250)
<b>Net cash flows from noncapital financing activities</b>	<b>493,694</b>	<b>425,689</b>
<b>Cash Flows from (for) Capital and Related Financing Activities</b>		
Special assessments received	5,432	9,106
Payments in lieu of assessments received	1,260	2,860
Acquisition and construction of capital assets	(8,415)	(826,041)
Capital contributions received	-	826,041
<b>Net cash flows from (for) capital and related financing activities</b>	<b>(1,723)</b>	<b>11,966</b>
<b>Net Increase in Cash and Investments</b>	<b>381,989</b>	<b>484,926</b>
<b>Cash and Investments, beginning</b>	<b>4,507,256</b>	<b>4,022,330</b>
<b>Cash and Investments, ending</b>	<b>\$ 4,889,245</b>	<b>\$ 4,507,256</b>
<b>Reconciliation of Operating Loss to Net Cash Flows from (for) Operating Activities</b>		
Operating loss	\$ (457,755)	\$ (560,412)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Depreciation	520,857	517,142
State of Alaska on-behalf payments - PERS relief	35,590	8,784
Nonoperating revenues	640	795
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	9,655	2,577
Inventory	30,010	(12,489)
Prepaid expenses	(9,351)	(807)
Net other postemployment benefits asset	(5,661)	-
Deferred outflows of resources related to pensions	27,270	(31,191)
Deferred outflows of resources related to other postemployment benefits	3,853	(39,585)
Accounts payable	(121,495)	90,934
Accrued payroll and employee benefits	(1,357)	2,692
Accrued annual and sick leave	13,654	27
Customer deposits	(16,670)	1,670
Net pension liability	(22,209)	64,086
Net other postemployment benefits liability	(114,468)	38,618
Deferred inflows of resources related to pensions	19,885	(38,710)
Deferred inflows of resources related to other postemployment benefits	(22,430)	3,140
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ (109,982)</b>	<b>\$ 47,271</b>
<b>Noncash Capital and Related Financing Activities</b>		
Sewer extensions and other assets contributed by developers	\$ 45,000	\$ 674,626
Capital assets purchased on account	\$ 159,728	\$ -

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

June 30,	2020	2019
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 241,594	\$ -
Receivables:		
Accounts	9,535	6,518
Grants	524,526	2,470,779
Prepaid expenses	4,402	2,040
<b>Total Current Assets</b>	<b>780,057</b>	<b>2,479,337</b>
<b>Noncurrent Assets</b>		
Net other postemployment benefits asset	751	-
<b>Capital assets:</b>		
Land	2,375,587	2,375,587
Land improvements	20,312,864	16,232,566
Buildings	993,282	993,282
Equipment	1,582,538	1,559,510
Construction in progress	260,572	2,911,313
<b>Total capital assets</b>	<b>25,524,843</b>	<b>24,072,258</b>
Less accumulated depreciation	(12,496,375)	(11,646,890)
<b>Net capital assets</b>	<b>13,028,468</b>	<b>12,425,368</b>
<b>Total Noncurrent Assets</b>	<b>13,029,219</b>	<b>12,425,368</b>
<b>Total Assets</b>	<b>13,809,276</b>	<b>14,904,705</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	3,010	6,625
Related to other postemployment benefits	7,790	8,301
<b>Total Deferred Outflows of Resources</b>	<b>10,800</b>	<b>14,926</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 13,820,076</b>	<b>\$ 14,919,631</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 14,637	\$ 4,217
Accounts payable - capital	212,616	634,143
Accrued payroll and employee benefits	5,240	2,325
Compensated absences	6,351	5,083
Unearned revenue	9,641	5,882
Due to other funds	-	1,395,228
<b>Total Current Liabilities</b>	<b>248,485</b>	<b>2,046,878</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	49,008	51,953
Net other postemployment benefits liability	2,753	17,929
<b>Total Noncurrent Liabilities</b>	<b>51,761</b>	<b>69,882</b>
<b>Total Liabilities</b>	<b>300,246</b>	<b>2,116,760</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	3,275	639
Related to other postemployment benefits	3,350	6,324
<b>Total Deferred Inflows of Resources</b>	<b>6,625</b>	<b>6,963</b>
<b>Net Position</b>		
Net investment in capital assets	12,815,852	12,425,368
Unrestricted	697,353	370,540
<b>Total Net Position</b>	<b>13,513,205</b>	<b>12,795,908</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 13,820,076</b>	<b>\$ 14,919,631</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Operating Revenues - fees and rentals</b>	\$ 139,039	\$ 131,022
<b>Operating Expenses</b>		
Salaries	57,818	30,818
Employee benefits	22,787	17,883
Professional and technical services	381	322
Repair and maintenance	51,349	37,644
Other purchased services	30,438	29,587
Supplies	51,619	55,163
<b>Total Operating Expenses</b>	214,392	171,417
Operating loss before depreciation	(75,353)	(40,395)
<b>Depreciation</b>	849,485	792,623
Operating loss	(924,838)	(833,018)
<b>Nonoperating Revenues</b>		
State PERS relief	4,703	1,361
Plans and studies	-	2,345
<b>Net Nonoperating Revenues</b>	4,703	3,706
Loss before transfers and contributions	(920,135)	(829,312)
Transfers in	249,150	981,000
Transfers out	(500)	(500)
Capital contributions	1,388,782	2,619,679
Change in net position	717,297	2,770,867
<b>Net Position, beginning</b>	12,795,908	10,025,041
<b>Net Position, ending</b>	\$ 13,513,205	\$ 12,795,908

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

<i>Years Ended June 30,</i>	2020	2019
<b>Cash Flows for Operating Activities</b>		
Receipts from customers and users	\$ 139,781	\$ 131,548
Payments to suppliers for goods and services	(125,729)	(165,698)
Payments to employees for services	(86,803)	(47,224)
<b>Net cash flows for operating activities</b>	<b>(72,751)</b>	<b>(81,374)</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>		
Nonoperating grants received	-	425
Increase (decrease) in due to other funds	(1,395,228)	1,395,228
Transfers in	249,150	981,000
Transfers out	(500)	(500)
<b>Net cash flows from (for) noncapital financing activities</b>	<b>(1,146,578)</b>	<b>2,376,153</b>
<b>Cash Flows from (for) Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(1,874,112)	(3,101,194)
Capital contributions received	3,335,035	148,900
<b>Net cash flows from (for) capital and related financing activities</b>	<b>1,460,923</b>	<b>(2,952,294)</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>241,594</b>	<b>(657,515)</b>
<b>Cash and Investments, beginning</b>	<b>-</b>	<b>657,515</b>
<b>Cash and Investments, ending</b>	<b>\$ 241,594</b>	<b>\$ -</b>
<b>Reconciliation of Operating Loss to Net Cash Flows for Operating Activities</b>		
Operating loss	\$ (924,838)	\$ (833,018)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	849,485	792,623
State of Alaska on-behalf payments - PERS relief	4,703	1,361
Nonoperating revenues	-	2,345
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(3,017)	805
Accounts payable	10,420	(42,865)
Prepaid expenses	(2,362)	(117)
Net other postemployment benefits asset	(751)	-
Deferred outflows of resources related to pensions	3,615	(4,835)
Deferred outflows of resources related to other postemployment benefits	511	(6,135)
Accrued payroll and employee benefits	2,915	(11)
Compensated absences	1,268	691
Unearned revenue	3,759	(2,624)
Net pension liability	(2,945)	9,933
Net other postemployment benefits liability	(15,176)	5,986
Deferred inflows of resources related to pensions	2,636	(6,000)
Deferred inflows of resources related to other postemployment benefits	(2,974)	487
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (72,751)</b>	<b>\$ (81,374)</b>

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

<i>June 30,</i>	2020	2019
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 2,032,449	\$ 2,054,129
Receivables:		
Accounts	118,154	109,362
Allowance for doubtful accounts	(17,946)	(16,151)
Prepaid expenses	22,154	11,447
<b>Total Current Assets</b>	<b>2,154,811</b>	<b>2,158,787</b>
<b>Noncurrent Assets</b>		
Net other postemployment benefits asset	5,174	-
<b>Capital assets:</b>		
Land	1,771,990	1,771,990
Buildings	17,271,917	17,271,917
Equipment	822,671	822,671
<b>Total capital assets</b>	<b>19,866,578</b>	<b>19,866,578</b>
Less accumulated depreciation	(6,878,435)	(6,359,462)
<b>Net capital assets</b>	<b>12,988,143</b>	<b>13,507,116</b>
<b>Total Noncurrent Assets</b>	<b>12,993,317</b>	<b>13,507,116</b>
<b>Total Assets</b>	<b>15,148,128</b>	<b>15,665,903</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	83,478	108,399
Related to other postemployment benefits	48,134	51,655
<b>Total Deferred Outflows of Resources</b>	<b>131,612</b>	<b>160,054</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 15,279,740</b>	<b>\$ 15,825,957</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 14,593	\$ 23,855
Accrued payroll and employee benefits	35,082	35,146
Compensated absences	56,507	41,321
Customer deposits	6,400	7,180
Unearned revenue	94,348	93,646
<b>Total Current Liabilities</b>	<b>206,930</b>	<b>201,148</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	620,718	641,014
Net other postemployment benefits liability	9,513	114,123
<b>Total Noncurrent Liabilities</b>	<b>630,231</b>	<b>755,137</b>
<b>Total Liabilities</b>	<b>837,161</b>	<b>956,285</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	27,864	9,691
Related to other postemployment benefits	20,326	40,825
<b>Total Deferred Inflows of Resources</b>	<b>48,190</b>	<b>50,516</b>
<b>Net Position</b>		
Net investment in capital assets	12,988,143	13,507,116
Unrestricted	1,406,246	1,312,040
<b>Total Net Position</b>	<b>14,394,389</b>	<b>14,819,156</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 15,279,740</b>	<b>\$ 15,825,957</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>	2020	2019
<b>Operating Revenues - fees and rentals</b>	\$ 676,457	\$ 873,465
<b>Operating Expenses</b>		
Salaries	455,611	444,065
Employee benefits	180,294	245,116
Professional and technical services	2,516	2,304
Repair and maintenance	148,505	147,133
Other purchased services	92,431	79,625
Supplies	324,844	332,563
<b>Total Operating Expenses</b>	<b>1,204,201</b>	<b>1,250,806</b>
Operating loss before depreciation	(527,744)	(377,341)
<b>Depreciation</b>	<b>518,973</b>	<b>525,963</b>
Operating loss	(1,046,717)	(903,304)
<b>Nonoperating Revenues</b>		
Investment income	205	3,875
Other income	536	1,000
State PERS relief	32,709	8,346
<b>Total Nonoperating Revenues</b>	<b>33,450</b>	<b>13,221</b>
Loss before contributions and transfers	(1,013,267)	(890,083)
Transfers in	600,000	700,000
Transfers out	(11,500)	(11,500)
Capital contributions	-	54,838
Change in net position	(424,767)	(146,745)
<b>Net Position, beginning</b>	<b>14,819,156</b>	<b>14,965,901</b>
<b>Net Position, ending</b>	<b>\$ 14,394,389</b>	<b>\$ 14,819,156</b>

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

<i>Years Ended June 30,</i>	2020	2019
<b>Cash Flows for Operating Activities</b>		
Receipts from customers and users	\$ 669,918	\$ 803,789
Payments to suppliers for goods and services	(588,265)	(558,626)
Payments to employees for services	(692,038)	(667,783)
<b>Net cash flows for operating activities</b>	<b>(610,385)</b>	<b>(422,620)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers in	600,000	700,000
Transfers out	(11,500)	(11,500)
<b>Net cash flows from noncapital financing activities</b>	<b>588,500</b>	<b>688,500</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	-	(426,485)
Capital contributions received	-	60,852
<b>Net cash flows for capital and related financing activities</b>	<b>-</b>	<b>(365,633)</b>
<b>Cash Flows from Investing Activities - investment income received</b>	<b>205</b>	<b>3,875</b>
<b>Net Decrease in Cash and Investments</b>	<b>(21,680)</b>	<b>(95,878)</b>
<b>Cash and Investments, beginning</b>	<b>2,054,129</b>	<b>2,150,007</b>
<b>Cash and Investments, ending</b>	<b>\$ 2,032,449</b>	<b>\$ 2,054,129</b>
<b>Reconciliation of Operating Loss to Net Cash Flows for Operating Activities:</b>		
Operating loss	\$ (1,046,717)	\$ (903,304)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	518,973	525,963
State of Alaska on-behalf payments - PERS relief	32,709	8,346
Nonoperating revenues	536	1,000
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowances	(6,997)	(68,235)
Prepaid expenses	(10,707)	(97)
Net other postemployment benefits asset	(5,174)	-
Deferred outflows of resources related to pensions	24,921	(29,636)
Deferred outflows of resources related to other postemployment benefits	3,521	(37,611)
Accounts payable	(9,262)	3,096
Accrued payroll and employee benefits	(64)	4,399
Compensated absences	15,186	12,112
Customer deposits	(780)	1,330
Unearned revenue	702	(3,771)
Net pension liability	(20,296)	60,891
Net other postemployment benefits liability	(104,610)	36,693
Deferred inflows of resources related to pensions	18,173	(36,780)
Deferred inflows of resources related to other postemployment benefit:	(20,499)	2,984
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (610,385)</b>	<b>\$ (422,620)</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

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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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 66,813,168
Restricted	222,722	248,818	266,891	3,256,647	7,720,055	5,055,457	2,034,157	4,427,078	8,023,860	1,028,211
Unrestricted	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	20,468,446
<b>Total governmental activities net position</b>	<b>37,867,444</b>	<b>39,765,904</b>	<b>40,627,909</b>	<b>49,567,026</b>	<b>57,567,958</b>	<b>66,508,167</b>	<b>69,526,513</b>	<b>70,854,612</b>	<b>77,479,068</b>	<b>88,309,825</b>
<b>Business-type activities:</b>										
Net investment in capital assets	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	65,458,035
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	14,174,237
<b>Total business-type activities net position</b>	<b>66,443,302</b>	<b>74,042,086</b>	<b>75,613,156</b>	<b>75,406,991</b>	<b>74,526,754</b>	<b>73,469,595</b>	<b>73,820,350</b>	<b>73,682,215</b>	<b>78,954,208</b>	<b>79,632,272</b>
<b>Total activities:</b>										
Net Investment in capital assets	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	132,271,203
Restricted	222,722	248,818	266,891	3,256,647	7,720,055	5,055,457	2,034,157	4,427,078	8,023,860	1,028,211
Unrestricted	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	34,642,683
<b>Total Net Position</b>	<b>\$104,290,746</b>	<b>\$106,767,093</b>	<b>\$116,241,065</b>	<b>\$124,974,017</b>	<b>\$132,094,712</b>	<b>\$139,977,762</b>	<b>\$143,346,863</b>	<b>\$ 144,536,827</b>	<b>\$156,433,276</b>	<b>\$167,942,097</b>

## City of Wasilla, Alaska

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 3,334,705
Public safety	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	8,849,497
Public works	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	3,840,190
Cultural and recreation	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	2,789,631
Interest on long-term debt	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>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>	<b>18,814,023</b>
<b>Business-type activities:</b>										
Water Utility	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	1,900,560
Sewer Utility	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	1,918,092
Municipal Airport	1,046,550	1,647,280	833,245	859,904	1,103,297	976,676	988,841	946,906	964,040	1,063,877
Curtis D. Menard Memorial Sports Center	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	1,723,174
<b>Total business-type activities expenses</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>6,605,703</b>
<b>Total expenses</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>25,419,726</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Fees, fines &amp; charges for services:</b>										
General government	33,588	32,842	31,055	39,781	65,334	74,509	77,403	77,841	126,828	124,439
Public safety	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	3,532,827
Public works	191,833	210,329	221,723	148,579	190,078	187,385	209,440	225,171	62,924	41,375
Cultural and recreation	54,340	63,691	64,789	87,724	30,255	25,022	34,445	46,489	34,529	18,516
Operating grants and contributions	633,479	691,402	731,335	594,799	1,295,063	1,166,891	664,240	1,023,779	859,201	3,624,452
Capital grants and contributions	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	1,329,989
<b>Total governmental activities program revenues</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>	<b>8,671,598</b>
<b>Business-type activities:</b>										
Water Utility	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	1,988,914
Sewer Utility	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	1,460,337
Municipal Airport	64,082	65,849	69,522	72,121	85,669	86,581	111,764	121,189	131,022	139,039
Curtis D. Menard Memorial Sports Center	544,627	585,634	651,344	732,704	728,688	695,112	712,947	751,940	873,465	676,457
Operating grants and contributions	320,593	395,857	160,748	181,441	91,294	506,656	111,881	483,842	376,404	712,292
Capital grants and contributions	1,893,891	2,254,264	2,641,162	2,284,514	1,388,429	234,831	956,673	618,536	5,327,888	1,470,565
<b>Total business-type activities program revenues</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>6,447,604</b>
<b>Total primary government program revenues</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>	<b>15,119,202</b>
<b>Net (expenses)/revenue:</b>										
Governmental activities	(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)	(10,142,425)
Business-type activities	154,331	(7,083)	797,847	789,223	(422,053)	(1,702,455)	(755,571)	(894,392)	3,470,668	(158,099)
<b>Total primary government net expenses</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>	<b>\$ (10,300,524)</b>

## City of Wasilla, Alaska

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Sales taxes	\$ 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	\$ 20,079,919
Property taxes	-	2	-	-	-	-	-	-	-	-
Vehicle taxes	108,670	117,460	120,969	57,441	58,550	57,920	59,270	60,920	287,628	176,020
Grants and entitlements not restricted to a specific purpose	1,158,757	1,564,089	1,798,256	1,745,300	744,130	720,520	567,868	540,979	489,881	439,931
Investment earnings	121,725	67,015	85,725	83,197	103,799	169,528	119,083	271,966	829,737	983,264
Loss on land held for resale	-	-	-	-	-	-	-	(862,536)	(165,000)	-
Loss on sale of capital assets	-	-	-	-	-	-	-	-	(220,011)	-
Other	31,540	81,304	35,261	92,719	105,843	123,683	219,742	147,091	50,794	95,698
Transfers	(1,023,156)	(544,000)	(741,215)	1,229,599	(662,348)	(529,068)	(1,043,500)	(1,067,494)	(1,633,500)	(801,650)
<b>Total governmental activities</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>20,973,182</b>
Business-type activities:										
Investment earnings	2,836	4,574	6,542	3,479	3,453	1,166	7,702	5,918	3,875	205
Other	7,655	36,396	25,466	230,732	77,265	115,062	55,124	47,386	163,950	34,308
Transfers	1,023,156	544,000	741,215	(1,229,599)	662,348	529,068	1,043,500	1,067,494	1,633,500	801,650
<b>Total business-type activities</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>836,163</b>
<b>Total primary government</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>21,809,345</b>
<b>Changes in Net Position</b>										
Governmental activities	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	10,830,757
Business-type activities	1,187,978	577,887	1,571,070	(206,165)	1,532,289	(1,057,159)	350,755	226,406	5,271,993	678,064
<b>Total Primary Government</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>	<b>\$ 11,508,821</b>

## City of Wasilla, Alaska

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Nonspendable	\$ 78,953	\$ 118,443	\$ 96,268	\$ 88,911	\$ 54,514	\$ 285,279	\$ 366,795	\$ 227,785	\$ 464,491	\$ 559,810
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	12,710,762
Assigned	312,990	639,840	675,829	747,179	1,614,659	1,275,939	1,160,942	1,259,127	1,435,900	1,629,245
Unassigned	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	9,345,113
<b>Total General Fund</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>24,244,930</b>
<b>All Other Governmental Funds:</b>										
<b>Nonspendable:</b>										
Permanent fund	222,722	235,672	253,745	285,734	289,215	290,615	298,275	321,160	330,911	333,011
Special revenue funds	-	14	14	13	13	-	-	860,200	-	-
Capital projects funds	-	12,845	5,819	-	-	-	-	123,816	40,345	23,028
Prepaid items	-	-	-	-	-	7,017	4,804	1,201	1,284	2,555
<b>Restricted for:</b>										
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	695,200
<b>Assigned to:</b>										
Special revenue funds	48,078	43,025	93,560	60,572	65,551	57,903	51,833	54,528	43,404	52,333
Capital projects funds	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	7,403,187
<b>Total all other governmental funds</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>	<b>\$ 8,509,314</b>



**City of Wasilla, Alaska**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Sales taxes	\$ 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	\$ 20,079,919
Property and vehicle taxes	108,670	117,462	120,969	57,441	58,550	57,920	59,270	60,920	287,628	176,020
Intergovernmental	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	5,117,521
Investment earnings	121,725	67,015	85,725	83,197	103,799	169,528	119,083	271,996	829,737	983,264
Loss on land held for resale	-	-	-	-	-	-	-	(862,536)	(165,000)	-
Other revenues	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	3,958,140
<b>Total Revenues</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>\$ 30,314,864</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	\$ 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	\$ 3,246,098
Public safety	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	8,650,706
Public works	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	2,151,700
Culture and recreation	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	2,198,550
Non-departmental	54,486	64,567	139,725	205,565	97,983	53,171	55,701	172,435	253,745	207,561
Youth court	148,540	161,932	173,429	190,111	217,417	171,912	191,280	-	-	-
Capital outlay	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	11,248,060
<b>Debt service:</b>										
Principal	349,659	325,197	320,505	320,000	340,000	355,000	390,000	395,000	405,000	-
Interest	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>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>	<b>27,702,675</b>
Excess of revenues over (under) expenditures	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	2,612,189
<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	4,279	55,881	13,295	56,495	38,637	9,771	79,300	21,234	1,013,846	99,572
Transfers in	728,932	655,084	947,273	1,146,054	859,968	959,643	3,169,645	3,111,973	1,165,289	2,568,350
Transfers out	(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)	(3,370,000)
<b>Net other financing sources (uses)</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>(702,078)</b>
<b>Net change in fund balances</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>	<b>1,910,111</b>
<b>Debt service as a percentage of noncapital expenditures</b>										
	2.57%	3.17%	2.94%	2.94%	2.43%	2.57%	2.79%	2.58%	2.36%	0.00%
<b>Total non-capital expenditures</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>	<b>\$ 17,351,499</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
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
2020	20,255,939	-	20,079,919	176,020

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 remained in effect until December 2019. At that time, the rate decreased 2.5%, and remains as such.

(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, 2020

Category	2020		2011	
	Total Sales Tax Revenue	Percentage of Total	Total Sales Tax Revenue	Percentage of Total
Trade Retail & Wholesale	\$ 14,867,172	74.04%	\$ 8,781,107	75.17%
Entertainment, Recreation & Food Service	2,837,293	14.13%	1,262,920	10.81%
Utilities & Information	763,037	3.80%	679,722	5.82%
Real Estate, Rental, Leasing & Transportation	317,263	1.58%	169,393	1.45%
Manufacturing (primarily construction related)	212,847	1.06%	88,687	0.76%
All Other Services	1,082,307	5.39%	699,892	5.99%
	<u>\$ 20,079,919</u>	<u>100.00%</u>	<u>\$ 11,681,721</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
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%
2020	1,539,394,714	1,131,459,107	12.536	1,210,816,913	93.45%

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
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
2020	2.50	10.386	2.15	0.00	12.536

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, 2020

Taxpayer	Nature of Business	2020			2011		
		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	\$ 19,453,900	1	1.72%	\$ 19,102,200	3	2.18%
Wal-Mart Stores Inc.	Retail Store	18,679,300	2	1.65%	20,127,200	1	2.30%
Schweiger John Loving TR	Entertainment	17,742,000	3	1.57%			0.00%
DBC LLC	Property Development and Retail Mall	17,438,300	4	1.54%	19,895,800	2	
Sun Mountain Dev Group LLC	Property Development and Retail Mall	16,645,700	5	1.47%			
Primrose Senior Holdings	Housing Facility	14,454,800	6	1.28%	10,870,000	10	1.24%
BDC Wasilla LP	Real Estate Rental and Leasing	14,352,000	7	1.27%	13,201,200	6	1.51%
Gary Lundgren	Individual	12,536,300	8		13,479,300	5	
Wasilla LLC	Property Development and Retail Mall	12,151,800	9	1.07%	12,578,400	7	1.44%
Global Finance & Investment Co.	Real Estate Rental and Leasing	11,135,800	10	0.98%	11,080,000	9	1.27%
Lowe's HIW Inc.	Retail Store				15,507,500	4	1.77%
Mat-Su Valley Medical Center	Medical Facilities				11,321,200	8	1.29%
<b>Total</b>		<b>\$ 154,589,900</b>		<b>12.55%</b>	<b>\$ 147,162,800</b>		<b>13.00%</b>

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 June 30,	Governmental Activities			Business-Type Activities			Total General Obligation Bonds	Percentage of Personal Income (2)	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Retired Principal	Total	General Obligation Bonds	Retired Principal	Total				
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%	-
2020	-	-	-	-	-	-	-	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				
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	0.75%	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	0.34%	0.13%	160
2019	-	-	-	-	-	827,250	827,250	0.20%	0.08%	94
2020	-	-	-	-	-	661,800	661,800	0.15%	0.06%	76

(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, 2020

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	City of Wasilla's Share of Debt
City of Wasilla	\$ -	0.00%	\$ -
Matanuska Susitna Borough	255,315,000	11.77%	30,050,576
<b>Total Direct and Overlapping</b>	<b>\$ 255,315,000</b>		<b>\$ 30,050,576</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

Fiscal Year	City of Wasilla		Matanuska Susitna Borough				
	Population	School Enrollment	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (Annual %)
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	47,026	35.0	19,369	8.0
2019	8,801	3,805	105,743	48,943	35.0	19,101	7.4
2020	8,736	3,959	106,438	48,943	35.0	19,114	13.1

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.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Clerk	2.00	2.00	3.00	3.00	2.00	3.00	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	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance/MIS	11.00	11.00	10.00	10.00	10.00	11.00	13.00	14.00	14.00	14.00
Police	48.00	48.00	49.00	49.00	49.00	50.00	60.00	62.00	64.00	66.00
Youth Court	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.75	0.75	0.75
Public Works	23.00	23.00	23.00	23.00	23.00	23.00	21.00	21.00	21.00	22.00
Museum	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Recreation Facilities										
Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sports Center/Recreation										
Services	9.50	8.00	7.00	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	10.00	10.00	10.50
<b>Total</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>	<b>134.75</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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public Safety:										
Police Services:										
Police requests for service	19,800	20,526	20,856	24,374	26,758	26,026	27,451	26,823	26,963	26,753
Criminal arrests	847	883	1,006	1,315	1,484	1,448	1,292	1,252	1,401	1,703
Water and Wastewater:										
Water production average gallons per day average										
July readings	724,687	615,959	779,454	909,806	758,613	705,253	696,907	823,830	1,194,825	1,020,846
Wastewater treatment avg. gallons per day average										
July readings	381,229	327,194	324,100	445,483	375,767	345,733	331,767	343,073	369,295	342,560

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Miles of streets	69.82	70.24	70.24	71.28	73.29	73.65	75.36	76.49	76.62	76.62
Miles of water lines	41.67	42.35	43.64	44.93	46.50	46.82	47.49	47.49	48.95	48.95
Miles of sewer lines	26.53	26.57	26.78	26.89	26.89	26.89	26.89	26.89	27.53	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	2.00
Recreation: Number of facilities:										
Parks	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	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	4.00	4.00
Soccer fields	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	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

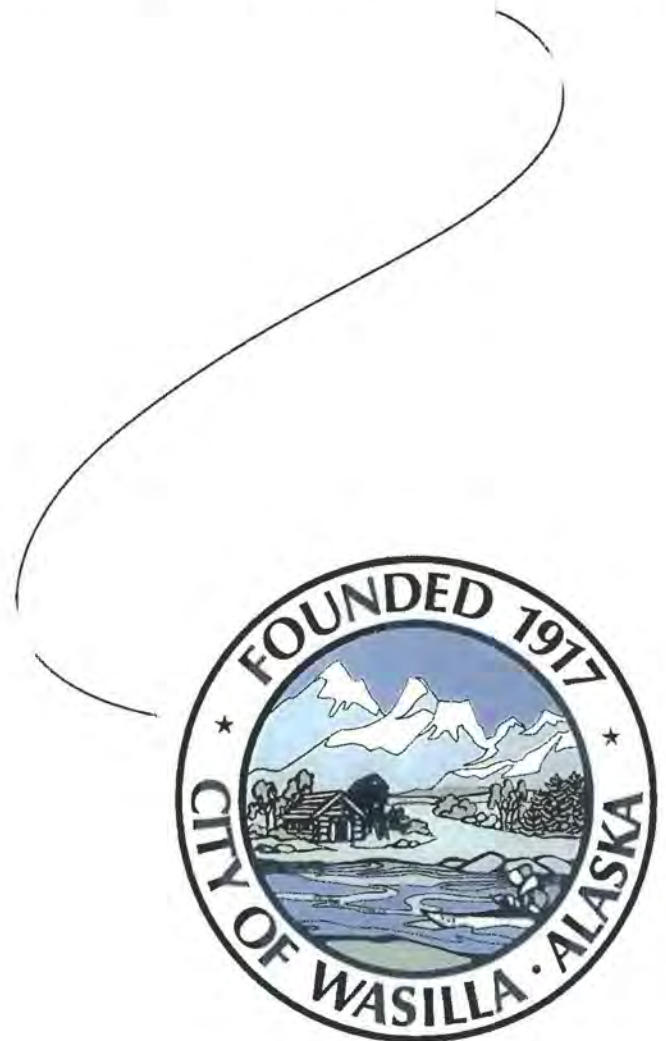
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*Federal and State of Alaska Single Audit Reports*

*and*

*Supplementary Information*

*Fiscal Year Ended June 30, 2020*



## **City of Wasilla, Alaska**

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Federal and State Single Audit Reports  
Year Ended June 30, 2020

# 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, 2020, 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 January 27, 2021.

### 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) as a basis for designing 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 financial statements. 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  
January 27, 2021



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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, 2020. 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, 2020.

#### **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, 2020, and the related notes to the financial statements, which collectively comprise City of Wasilla's basic financial statements. We issued our report thereon dated January 27, 2021, 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  
January 27, 2021

## City of Wasilla Alaska

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

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 Justice</b>				
Equitable Sharing Program	16.922		\$ -	\$ 1,502
<b>Department of Transportation</b>				
Airport Improvement Program	20.106		-	1,388,781
Passed through State of Alaska Department of Transportation and Public Facilities:				
Highway Planning and Construction Cluster	20.205	HFHWY00087	-	856,958
<b>Total Department of Transportation</b>			-	2,245,739
<b>Department of the Treasury</b>				
Passed through State of Alaska Department of Commerce, Community, and Economic Development				
COVID-19 Coronavirus Relief Fund	21.019	20-CRF-222	-	2,111,162
<b>National Endowment for the Humanities</b>				
Passed through State of Alaska Department of Education and Early Development:				
Grants to States - Public Library Assistance	45.310	PLA-20-787-01	-	7,000
Grants to States - Continuing Education	45.310	CED20-038P	-	1,250
<b>Total National Endowment for the Humanities</b>			-	8,250
<b>Environmental Protection Agency</b>				
Passed through State of Alaska Department of Environmental Conservation				
Performance Partnership Grants	66.605	ACWA-19-07	-	30,000
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 4,396,653

*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, 2020

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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, 2020. 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 elected not 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, 2020. 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 state statutes, regulations, and the terms and conditions of its state awards 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, 2020.



## 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, 2020 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 January 27, 2021, 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  
January 27, 2021

**City of Wasilla, Alaska**  
**Schedule of State Financial Assistance**  
**Year Ended June 30, 2020**

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
<b>Department of Revenue</b>				
State Liquor License	FY20	\$ 27,350	\$ -	\$ 27,350
Fisheries Tax	FY20	229	-	229
Aviation Fuel Tax	FY20	1,558	-	1,558
* Electric & Telephone Coop Tax	FY20	211,389	-	211,389
<b>Total Department of Revenue</b>		<u>240,526</u>	-	<u>240,526</u>
<b>Department of Military and Veteran's Affairs</b>				
SEOC Afterhours Answering Point	GF2020001	50,163	-	50,163
<b>Department of Health and Social Services</b>				
Youth Courts/Community Panels	609-239-20009	54,338	-	54,338
<b>Department of Commerce, Community, and Economic Development</b>				
* Community Assistance Program	FY20	199,634	-	199,634
* Sewage Treatment Plant Improvements	14-DC-144	3,000,000	-	609,039
* Extension of South Mack Drive	14-RR-017	2,394,135	-	111,180
<b>Total Department of Commerce, Community, and Economic Development</b>		<u>5,593,769</u>	-	<u>919,853</u>
<b>Department of Public Safety</b>				
State Asset Forfeitures	None	18,561	-	18,561
<b>Department of Administration</b>				
* PERS On-behalf	FY20	623,217	-	623,217
<b>Total State Financial Assistance</b>		<u>\$ 6,580,574</u>	\$ -	<u>\$ 1,906,658</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, 2020

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### 1. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") include the state award activity of the City of Wasilla, Alaska under programs of the State of Alaska for the year ended June 30, 2020. 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 \$623,217 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 FY2020.

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 FY2020, the City reported \$632,796 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, 2020**

**Section I - Summary of Auditor's Results**

**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?    yes    X no

Significant deficiency(ies) identified?    yes    X (none reported)

Noncompliance material to financial statements noted?    yes    X no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?    yes    X no

Significant deficiency(ies) identified?    yes    X (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    X no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
20.205	Highway Planning and Construction Cluster	Department of Transportation
21.019	Coronavirus Relief Fund	Department of the Treasury

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

Auditee qualified as low-risk auditee?    X yes    no

**State Financial Assistance**

Internal control over major state programs:

Material weakness(es) identified?    yes    X no

Significant deficiency(ies) identified?    yes    X (none reported)

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

Dollar threshold used to distinguish a state major program \$ 75,000

## City of Wasilla, Alaska

### Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2020

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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.