
CITY OF WASILLA
ALASKA

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2020



City of Wasilla, Alaska

Comprehensive Annual Financial Report Year Ended June 30, 2020

**Glenda Ledford
Mayor**

**Prepared by
Finance Department**

**Troy Tankersley
Finance Director**

City of Wasilla, Alaska

Contents

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		i-v
City Officials		vii
Organizational Chart		viii
Certificate of Achievement for Excellence in Financial Reporting		ix
 FINANCIAL SECTION		
Independent Auditor's Report		1-3
Management's Discussion and Analysis		6-16
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	18
Statement of Activities	A-2	19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	20
Reconciliation of Governmental Funds		
Balance Sheet to Statement of Net Position	B-2	21
Statement of Revenues, Expenditures and Changes in		
Fund Balances	B-3	22
Reconciliation of the Change in Fund Balances of		
Governmental Funds to Statement of Activities	B-4	23
Enterprise Funds:		
Statement of Net Position	C-1	24-25
Statement of Revenues, Expenses and Changes		
in Net Position	C-2	26
Statement of Cash Flows	C-3	27-28
Notes to Basic Financial Statements		29-62

City of Wasilla, Alaska

Contents

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Required Supplementary Information		
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	D-1	63
Public Employees' Retirement System - Pension Plan - Schedule of the City's Proportionate Share of the Net Pension Liability and Schedule of City Contributions	E-1	64
Public Employees' Retirement System - OPEB Plans - Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) and Schedule of City Contributions	E-2	65
Notes to Required Supplementary Information		66-68
Supplementary Information		
General Fund:		
Balance Sheet	F-1	70
Statement of Revenues, Expenditures and Changes in Fund Balance	F-2	71-72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	F-3	73-78
Nonmajor Governmental Funds:		
Combining Balance Sheet	G-1	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	G-2	80
Special Revenue Funds		
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	H-1	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	H-2	83
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Youth Court Special Revenue Fund	H-3	84
Federal Asset Forfeiture Special Revenue Fund	H-4	85
State Asset Forfeiture Special Revenue Fund	H-5	86

City of Wasilla, Alaska

Contents

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Supplementary Information, continued		
Capital Project Funds		
Nonmajor Capital Project Funds:		
Combining Balance Sheet	I-1	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	I-2	89
Miscellaneous Capital Projects Fund - Schedule of Expenditures by Project	I-3	90
Permanent Fund		
Cemetery Permanent Fund:		
Balance Sheet	J-1	92
Statement of Revenues, Expenditures and Changes in Fund Balance	J-2	93
Enterprise Funds		
Water Utility:		
Statement of Net Position	K-1	96-97
Statement of Revenues, Expenses and Changes in Net Position	K-2	98
Statement of Cash Flows	K-3	99
Sewer Utility:		
Statement of Net Position	K-4	100-101
Statement of Revenues, Expenses and Changes in Net Position	K-5	102
Statement of Cash Flows	K-6	103
Municipal Airport:		
Statement of Net Position	K-7	104
Statement of Revenues, Expenses and Changes in Net Position	K-8	105
Statement of Cash Flows	K-9	106
Curtis D. Menard Memorial Sports Center:		
Statement of Net Position	K-10	107
Statement of Revenues, Expenses and Changes in Net Position	K-11	108
Statement of Cash Flows	K-12	109

City of Wasilla, Alaska

Contents

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	112
Changes in Net Position	2	113-114
Fund Balances of Governmental Funds	3	115
Changes in Fund Balances of Governmental Funds	4	116
Governmental Activities Tax Revenues by Source	5	117
General Government Sales Tax Revenue by Category	6	118
Assessed Value and Estimated Actual Value of Taxable Property	7	119
Sales and Property Tax Rates - Direct and Overlapping Governments	8	120
Principal Property Taxpayers	9	121
Ratio of General Bonded Debt Outstanding	10	122
Ratios of Outstanding Debt by Type	11	123
Computation of Direct and Overlapping General Obligation Debt	12	124
Demographic and Economic Statistics	13	125
Full-Time Equivalent Employees by Function	14	126
Operating Indicators by Function	15	127
Capital Asset Statistics by Function	16	128



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 30th 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

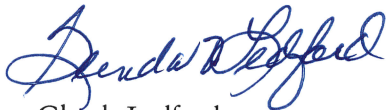
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasilla for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-fourth 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

This page intentionally left blank.

City of Wasilla, Alaska

City Officials Year Ended June 30, 2020

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

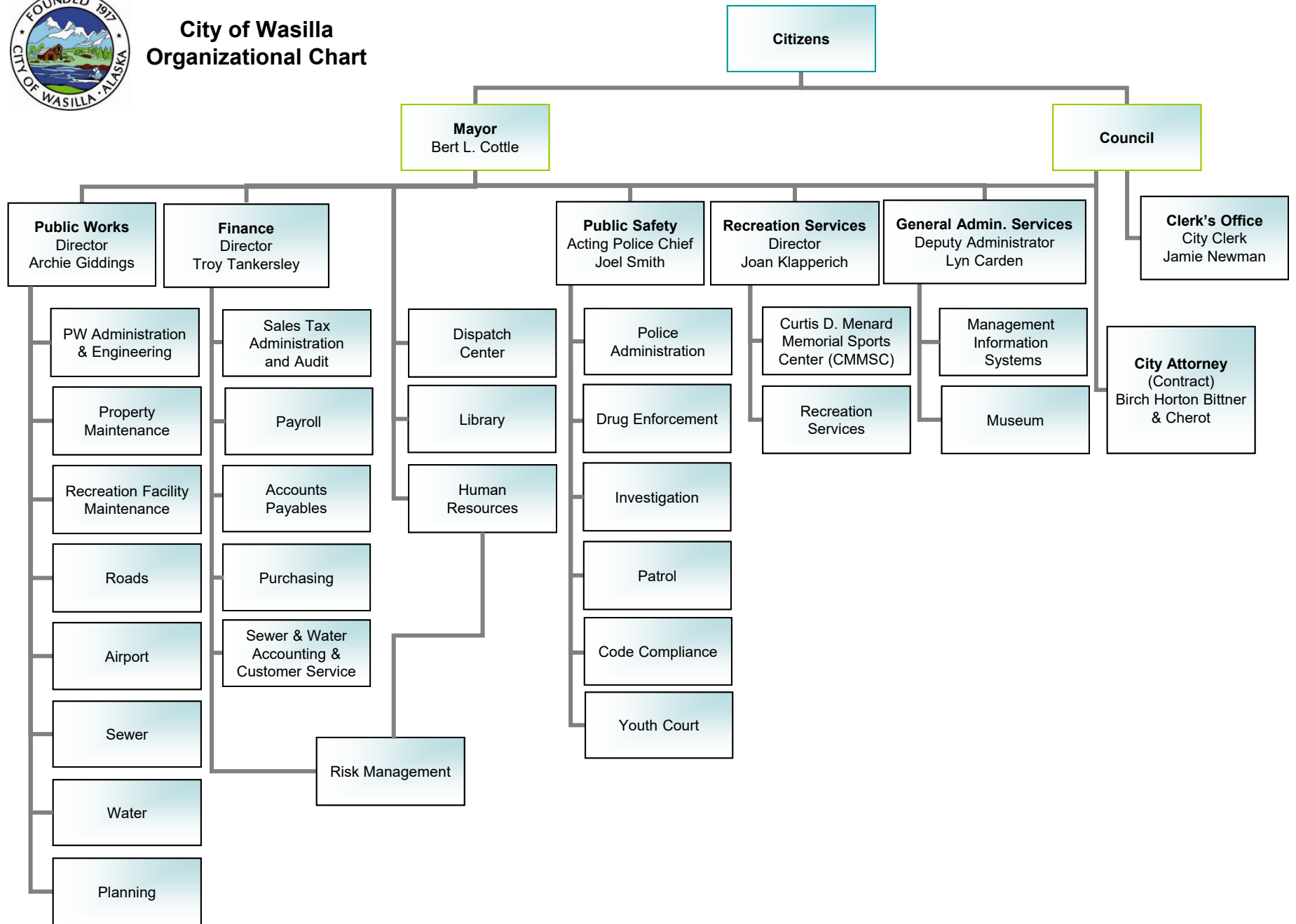
Charles Morris	Cameron Sharick
James Grogan	Michael Lucas

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

This page intentionally left blank.



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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wasilla, Alaska (the City), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wasilla, as of June 30, 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

This page intentionally left blank.

Management's Discussion and Analysis

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

- 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

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

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
June 30, 2020

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
Total assets	107,187,841	92,323,011	83,075,484	83,221,575	190,263,325	175,544,586
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
Total liabilities	20,002,997	16,465,015	3,667,305	4,574,190	23,670,302	21,039,205
Total deferred inflows of resources	1,141,320	1,185,500	175,395	182,763	1,316,715	1,368,263
Net position:						
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
Total Net Position	\$ 88,309,825	\$ 77,479,068	\$ 79,632,272	\$ 78,954,208	\$ 167,942,097	\$ 156,433,276

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

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

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

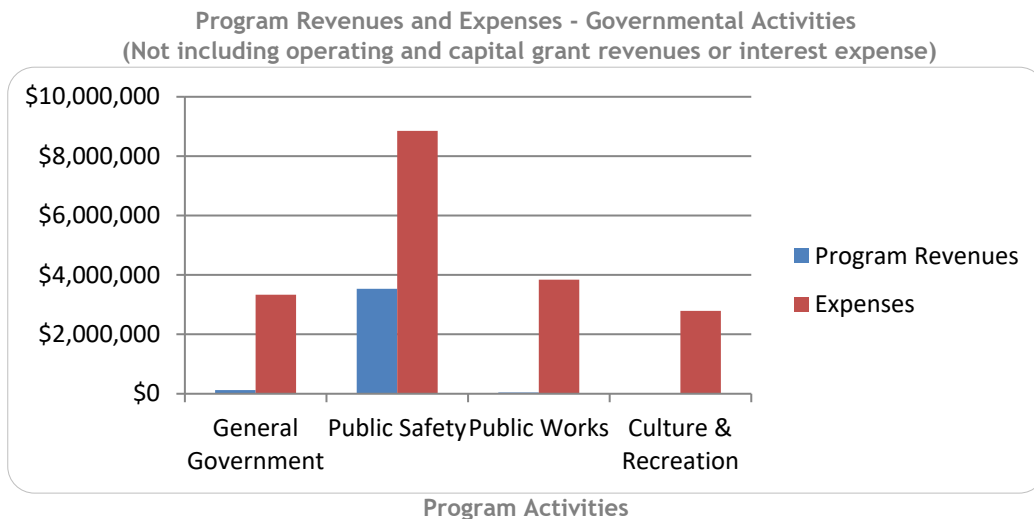
During fiscal year 2020, the City's net position increased by \$10,830,757 for governmental activities. Highlights of governmental activities net position changes include the additional 1% sales tax collected for the new police department and contributions from state grantor agencies, particularly for 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
Total revenues	\$ 30,446,430	\$ 27,842,546	\$ 6,482,117	\$ 10,276,091	\$ 36,928,547	\$ 38,118,637

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

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Expenses						
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
Total expenses	\$ 18,814,023	\$ 19,584,590	\$ 6,605,703	\$ 6,637,598	\$ 25,419,726	\$ 26,222,188
Increase (decrease) in net position before transfers						
	\$ 11,632,407	\$ 8,257,956	(123,586)	\$ 3,638,493	\$ 11,508,821	\$ 11,896,449
Transfers	(801,650)	(1,633,500)	801,650	1,633,500	-	-
Increase in net position	10,830,757	6,624,456	678,064	5,271,993	11,508,821	11,896,449
Net position- beginning	77,479,068	70,854,612	78,954,208	73,682,215	156,433,276	144,536,827
Net Position- Ending	\$ 88,309,825	\$ 77,479,068	\$ 79,632,272	\$ 78,954,208	\$ 167,942,097	\$ 156,433,276

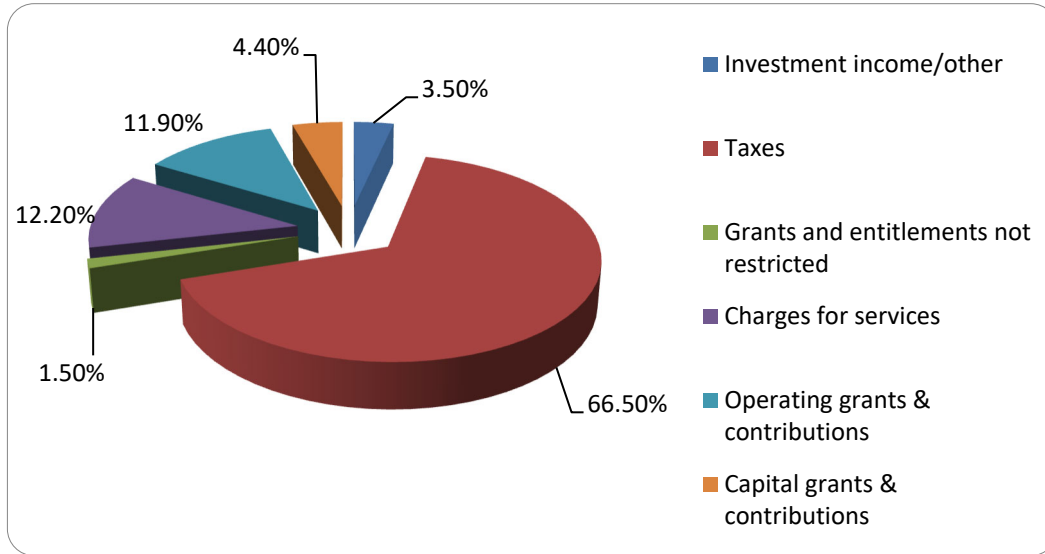
The following graph displays program revenues, not including operating and capital grants, and expenses dedicated to governmental activities. This shows the amount of revenues generated from these activities. Other revenues also support governmental activities but are general in nature and apply to all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



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

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.

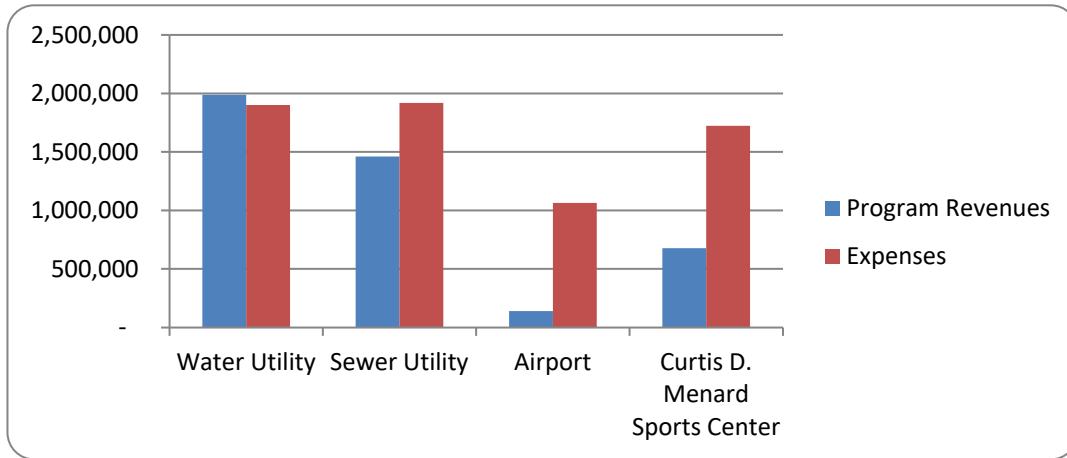
Business-type Activities

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.

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

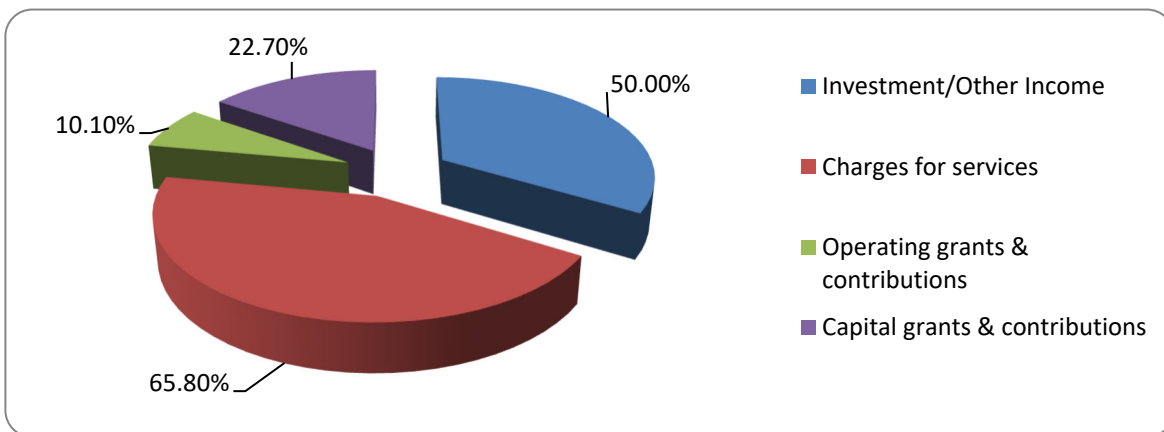
Program Revenues and Expenses - Business-Type Activities
 (Not including operating and capital grant revenue or interest expense)



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.

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

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).

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

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

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

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
Total Capital Assets	\$ 66,813,168	\$ 59,714,647	\$ 66,492,179	\$ 67,552,581	\$ 133,305,347	\$ 127,267,228

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

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

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

City of Wasilla, Alaska

Statement of Net Position

<i>June 30, 2020</i>	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
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
Total Assets	107,187,841	83,075,484	190,263,325
Deferred Outflows of Resources			
Related to pensions	1,312,463	244,080	1,556,543
Related to other postemployment benefits	953,838	155,408	1,109,246
Total Deferred Outflows of Resources	2,266,301	399,488	2,665,789
Total Assets and Deferred Outflows of Resources	\$ 109,454,142	\$ 83,474,972	\$ 192,929,114
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
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
Total Liabilities	20,002,997	3,667,305	23,670,302
Deferred Inflows of Resources			
Related to pensions	643,244	100,349	743,593
Related to other postemployment benefits	498,076	75,046	573,122
Total Deferred Inflows of Resources	1,141,320	175,395	1,316,715
Net Position			
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
Total Net Position	88,309,825	79,632,272	167,942,097
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 109,454,142	\$ 83,474,972	\$ 192,929,114

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	
Governmental Activities							
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)
Total Governmental Activities	18,814,023	3,717,157	3,624,452	1,329,989	(10,142,425)	-	(10,142,425)
Business-Type Activities							
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)
Total Business-Type Activities	6,605,703	4,264,747	712,292	1,470,565	-	(158,099)	(158,099)
Totals	\$25,419,726	\$ 7,981,904	\$ 4,336,744	\$ 2,800,554	(10,142,425)	(158,099)	(10,300,524)
General Revenues							
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	-
Total General Revenues and Transfers					20,973,182	836,163	21,809,345
Change in Net Position					10,830,757	678,064	11,508,821
Net Position, beginning					77,479,068	78,954,208	156,433,276
Net Position, ending					\$ 88,309,825	\$ 79,632,272	\$ 167,942,097

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		
Assets					
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
Total Assets	\$ 25,095,346	\$ 6,084,774	\$ 6,031,607	\$ 3,064,671	\$ 40,276,398
Liabilities and Fund Balances					
Liabilities					
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
Total Liabilities	850,416	6,084,774	575,228	11,736	7,522,154
Fund Balances					
Nonspendable:					
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
Committed:					
Capital improvements	12,710,762	-	-	-	12,710,762
Assigned:					
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
Total Fund Balances	24,244,930	-	5,456,379	3,052,935	32,754,244
Total Liabilities and Fund Balances	\$ 25,095,346	\$ 6,084,774	\$ 6,031,607	\$ 3,064,671	\$ 40,276,398

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

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)
Total Net Position of Governmental Activities		\$88,309,825

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2019</i>	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	CARES Act Special Revenue	Miscellaneous Capital Projects		
Revenues					
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
Total Revenues	23,815,868	2,111,162	4,194,517	193,317	30,314,864
Expenditures					
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
Total Expenditures	14,235,570	2,111,162	10,714,085	641,858	27,702,675
Excess of Revenues Over (Under) Expenditures	9,580,298	-	(6,519,568)	(448,541)	2,612,189
Other Financing Sources (Uses)					
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)
Net Other Financing Sources (Uses)	(3,270,228)	-	1,623,750	944,400	(702,078)
Net Change in Fund Balances	6,310,070	-	(4,895,818)	495,859	1,910,111
Fund Balances, beginning	17,934,860	-	10,352,197	2,557,076	30,844,133
Fund Balances, ending	\$ 24,244,930	\$ -	\$ 5,456,379	\$ 3,052,935	\$ 32,754,244

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
Change in Net Position of Governmental Activities		<u>\$ 10,830,757</u>

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
Assets and Deferred Outflows of Resources					
Current Assets					
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
Total Current Assets	8,259,131	5,365,609	780,057	2,154,811	16,559,608
Noncurrent Assets					
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
Total Noncurrent Assets	26,983,467	13,509,873	13,029,219	12,993,317	66,515,876
Total Assets	35,242,598	18,875,482	13,809,276	15,148,128	83,075,484
Deferred Outflows of Resources					
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
Total Deferred Outflows of Resources	113,671	143,405	10,800	131,612	399,488
Total Assets and Deferred Outflows of Resources	\$ 35,356,269	\$ 19,018,887	\$ 13,820,076	\$ 15,279,740	\$ 83,474,972

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
Liabilities, Deferred Inflows of Resources and Net Position					
Current Liabilities					
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
Total Current Liabilities	403,489	323,623	248,485	206,930	1,182,527
Noncurrent Liabilities					
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
Total Noncurrent Liabilities	1,036,540	766,246	51,761	630,231	2,484,778
Total Liabilities	1,440,029	1,089,869	300,246	837,161	3,667,305
Deferred Inflows of Resources					
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
Total Deferred Inflows of Resources	42,138	78,442	6,625	48,190	175,395
Net Position					
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
Total Net Position	33,874,102	17,850,576	13,513,205	14,394,389	79,632,272
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 35,356,269	\$19,018,887	\$13,820,076	\$ 15,279,740	\$83,474,972

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
Operating Revenues	\$ 1,988,914	\$ 1,460,337	\$ 139,039	\$ 676,457	\$ 4,264,747
Operating Expenses					
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
Total Operating Expenses	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)
Nonoperating Revenues (Expenses)					
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
Net Nonoperating Revenues (Expenses)	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
Net Position, beginning	33,687,312	17,651,832	12,795,908	14,819,156	78,954,208
Net Position, ending	\$ 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
Cash Flows from (for) Operating Activities					
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)
Net cash flows from (for) operating activities	917,177	(109,982)	(72,751)	(610,385)	124,059
Cash Flows from (for) Noncapital Financing Activities					
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)
Net cash flows from (for) noncapital financing activities	(19,250)	493,694	(1,146,578)	588,500	(83,634)
Cash Flows from (for) Capital and Related Financing Activities					
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
Net cash flows from (for) capital and related financing activities	(119,560)	(1,723)	1,460,923	-	1,339,640
Cash Flows from Investing Activities					
Investment income received	-	-	-	205	205
Net Increase (Decrease) in Cash and Investments	778,367	381,989	241,594	(21,680)	1,380,270
Cash and Investments, beginning	7,160,226	4,507,256	-	2,054,129	13,721,611
Cash and Investments, ending	\$ 7,938,593	\$ 4,889,245	\$ 241,594	\$ 2,032,449	\$ 15,101,881

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
Reconciliation of Operating Income (Loss) to Net					
Cash Flows from (for) Operating Activities					
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)
Net Cash Flows from (for) Operating Activities	\$ 917,177	\$ (109,982)	\$ (72,751)	\$ (610,385)	\$ 124,059
Noncash Capital and Related Financing Activities					
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

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

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

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

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

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:

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

City of Wasilla, Alaska

Notes to Basic Financial Statements

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

(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

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

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	-	-
Total Subject to Interest Rate Risk	\$ 42,024,536	\$ 24,925,638	\$ 13,693,220	\$ 3,405,678

(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

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:

<u>Investment</u>	<u>Standard and Poor's</u>	<u>Moody's Investor Service</u>
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

(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:

Cash and Investments	\$ 50,785,552
-----------------------------	----------------------

Deposits and investments are comprised of the following as of June 30, 2020:

Carrying value of bank deposits	\$ 8,757,846
Petty cash accounts	3,170
Investments	42,024,536
Total Cash and Investments	\$ 50,785,552

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:

Governmental Activities	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
Total capital assets not being depreciated	18,532,507	9,982,596	(12,802,799)	15,712,304
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
Total capital assets being depreciated	71,577,427	13,171,378	(393,581)	84,355,224
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
Total accumulated depreciation	30,395,287	3,197,222	(338,149)	33,254,360
Total capital assets being depreciated, net	41,182,140	9,974,156	(55,432)	51,100,864
Governmental Activities Capital Assets, net	\$ 59,714,647	\$ 19,956,752	\$ (12,858,231)	\$ 66,813,168

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
Total capital assets not being depreciated	8,246,856	1,825,727	(4,521,670)	5,550,913
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
Total capital assets being depreciated	105,657,977	4,495,464	(50,349)	110,103,092
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
Total accumulated depreciation	46,352,252	2,859,923*	(50,349)	49,161,826
Total capital assets being depreciated, net	59,305,725	1,635,541	-	60,941,266
Business-type Activities				
Capital Assets, net	\$ 67,552,581	\$ 3,461,268	\$ (4,521,670)	\$ 66,492,179

*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

Total Transfers to Other Funds \$ 3,417,500

City of Wasilla, Alaska

Notes to Basic Financial Statements

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 661,800</u>	<u>\$ 24,818</u>	<u>\$ 686,618</u>

The remainder of this page intentionally left blank

City of Wasilla, Alaska

Notes to Basic Financial Statements

(b) Changes in Long-term Liabilities

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

Governmental Activities	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
Total Governmental Activities	\$ 727,173	\$ 899,052	\$ (746,373)	\$ 879,852	\$ 879,852

Business-type Activities	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
Total Business-type Activities	\$ 977,730	\$ 133,544	\$ (268,003)	\$ 843,271	\$ 346,921

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

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/dr/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

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%
Total Contribution Rates	22.00%	28.62%	6.62%

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
Total Contributions	\$ 1,537,234	\$ 1,572,413

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
Total Net Pension Liability	\$ 18,342,932

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.

The remainder of this page intentionally left blank

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	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 1,556,543	\$ (743,593)

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		-
Total Amortization		\$ (153,345)

The remainder of this page intentionally left blank

City of Wasilla, Alaska

Notes to Basic Financial Statements

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:

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.

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/dr/pers>.

City of Wasilla, Alaska

Notes to Basic Financial Statements

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/drb/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%
Total Contribution Rates	7.86%	8.32%

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

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

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
Total City's Proportionate Share of Net OPEB Liabilities	\$ 459,214
State's proportionate share of the ARHCT NOL associated with the City	141,589
Total Net OPEB Liabilities	\$ 600,803

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	-
Total	\$ (2,683,476)	\$ (915,089)

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
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 956,386	\$ 131,881	\$ 20,979	\$ 1,109,246

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)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (514,278)	\$ (8,803)	\$ (50,041)	\$ (573,122)

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)
Total Amortization	\$ 56,129	\$ 46,566	\$ (50,041)	\$ 52,654

The remainder of this page intentionally left blank

City of Wasilla, Alaska

Notes to Basic Financial Statements

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:

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.

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

(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.

The remainder of this page intentionally left blank

City of Wasilla, Alaska

Notes to Basic Financial Statements

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:

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

(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

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

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

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		
Revenues				
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
Total Revenues	20,549,086	20,805,446	23,815,868	3,010,422
Expenditures				
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
Total Expenditures	17,904,793	18,095,269	14,235,570	3,859,699
Excess of Revenues Over Expenditures	2,644,293	2,710,177	9,580,298	6,870,121
Other Financing Sources (Uses)				
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)	-
Net Other Financing Sources (Uses)	(2,791,900)	(3,334,800)	(3,270,228)	64,572
Net Change in Fund Balance	\$ (147,607)	\$ (624,623)	6,310,070	\$ 6,934,693
Fund Balance, beginning			17,934,860	
Fund Balance, ending			\$ 24,244,930	

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

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

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

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

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
Assets		
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
Total receivables	2,903,634	1,858,010
Prepaid items	559,810	464,491
Due from other funds	-	1,395,228
Total Assets	\$ 25,095,346	\$ 18,907,634
Liabilities		
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
Total Liabilities	850,416	972,774
Fund Balance		
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
Total Fund Balance	24,244,930	17,934,860
Total Liabilities and Fund Balance	\$ 25,095,346	\$ 18,907,634

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

<i>Years Ended June 30,</i>	2020	2019
Revenues		
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
Total Revenues	23,815,868	20,396,582
Expenditures		
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
Total general government	3,246,098	3,126,684
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
Total public safety	6,431,661	7,948,498

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

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

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

<i>Years Ended June 30,</i>	2020		Variance	2019
	Budget	Actual		Actual
Revenues				
Taxes:				
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
Total taxes	15,166,620	17,251,876	2,085,256	14,349,101
Licenses and permits:				
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
Total licenses and permits	71,650	88,312	16,662	78,360
Fines and forfeitures	225,000	171,217	(53,783)	160,662
Intergovernmental:				
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
Total intergovernmental	1,431,879	1,788,537	356,658	1,576,357
Charges for services:				
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
Total charges for services	3,391,397	3,452,843	61,446	3,373,014
Investment income	425,000	967,478	542,478	808,294
Other:				
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
Total other	93,900	95,605	1,705	50,794
Total Revenues	20,805,446	23,815,868	3,010,422	20,396,582

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
Expenditures				
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
Total city clerk	477,795	450,022	27,773	424,006
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
Total city council	186,930	148,943	37,987	152,930
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
Total administration	289,066	275,205	13,861	262,209
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
Total general administration services	789,343	701,657	87,686	700,969
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
Total finance	1,313,151	1,298,398	14,753	1,258,924

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
Public safety, continued:				
Dispatch center:				
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
Total dispatch center	4,190,940	2,699,364	1,491,576	3,534,016
Code compliance:				
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
Total code compliance	207,229	144,715	62,514	181,193
Total public safety	9,612,612	6,431,661	3,180,951	7,948,498
Public works:				
Administration:				
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
Total administration	412,107	401,789	10,318	381,695
Road maintenance:				
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
Total road maintenance	1,234,293	1,192,367	41,926	1,218,426
Property maintenance:				
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
Total property maintenance	613,770	557,544	56,226	663,013
Total public works	2,260,170	2,151,700	108,470	2,263,134

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
Culture and recreation:				
Museum:				
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
Total museum	295,475	251,757	43,718	243,772
Parks maintenance:				
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	-
Total parks maintenance	734,876	629,428	105,448	645,567
Library:				
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
Total library	1,334,482	1,226,245	108,237	1,260,547
Recreation services:				
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
Total recreation services	108,842	91,120	17,722	100,917
Total culture and recreation	2,473,675	2,198,550	275,125	2,250,803

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
Debt service:				
Principal	\$ -	\$ -	\$ -	\$ 405,000
Interest	-	-	-	8,100
Total debt service	-	-	-	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
Total nondepartmental	234,000	207,561	26,439	253,745
Total Expenditures	18,095,269	14,235,570	3,859,699	16,255,964
Excess of Revenues Over Expenditures	2,710,177	9,580,298	6,870,121	4,140,618
Other Financing Sources (Uses)				
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)
Net Other Financing Sources (Uses)	(3,334,800)	(3,270,228)	64,572	(1,783,365)
Net Change in Fund Balance	<u>\$ (624,623)</u>	6,310,070	<u>\$ 6,934,693</u>	2,357,253
Fund Balance, beginning		<u>17,934,860</u>		<u>15,577,607</u>
Fund Balance, ending		<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
Assets				
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
Total Assets	\$ 66,304	\$ 2,665,356	\$ 333,011	\$ 3,064,671
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 212	\$ 320	\$ -	\$ 532
Accrued payroll and employee benefits	4,248	-	-	4,248
Unearned revenue	6,956	-	-	6,956
Total Liabilities	11,416	320	-	11,736
Fund Balances				
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
Total Fund Balances	54,888	2,665,036	333,011	3,052,935
Total Liabilities and Fund Balances	\$ 66,304	\$ 2,665,356	\$ 333,011	\$ 3,064,671

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
Revenues				
Fines and charges	\$ 1,840	\$ -	\$ -	\$ 1,840
Intergovernmental	77,259	111,180	-	188,439
Other	838	-	2,200	3,038
Total Revenues	79,937	111,180	2,200	193,317
Expenditures				
Public safety	107,883	-	-	107,883
Capital outlay	-	533,975	-	533,975
Total Expenditures	107,883	533,975	-	641,858
Excess (deficiency) of revenues over (under) expenditures	(27,946)	(422,795)	2,200	(448,541)
Other Financing Sources (Uses)				
Transfers in	25,000	919,500	-	944,500
Transfers out	-	-	(100)	(100)
Net Other Financing Sources (Uses)	25,000	919,500	(100)	944,400
Net change in fund balances	(2,946)	496,705	2,100	495,859
Fund Balances, beginning	57,834	2,168,331	330,911	2,557,076
Fund Balances, ending	\$ 54,888	\$ 2,665,036	\$ 333,011	\$ 3,052,935

Special Revenue Funds

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
Assets				
Cash and investments	\$ 59,804	\$ -	\$ -	\$ 59,804
Receivables - grants	3,945	-	-	3,945
Prepaid items	2,555	-	-	2,555
Total Assets	\$ 66,304	\$ -	\$ -	\$ 66,304
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 212	\$ -	\$ -	\$ 212
Accrued payroll and employee benefits	4,248	-	-	4,248
Unearned revenue	6,956	-	-	6,956
Total Liabilities	11,416	-	-	11,416
Fund Balances				
Nonspendable - prepaid items	2,555	-	-	2,555
Assigned - youth court	52,333	-	-	52,333
Total Fund Balances	54,888	-	-	54,888
Total Liabilities and Fund Balances	\$ 66,304	\$ -	\$ -	\$ 66,304

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
Revenues				
Fines and charges	\$ 1,840	\$ -	\$ -	\$ 1,840
Intergovernmental	57,196	1,502	18,561	77,259
Other	838	-	-	838
Total Revenues	59,874	1,502	18,561	79,937
Expenditures				
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
Total Expenditures	74,674	4,370	28,839	107,883
Deficiency of revenues over expenditures	(14,800)	(2,868)	(10,278)	(27,946)
Other Financing Sources - transfers in	25,000	-	-	25,000
Net Change in Fund Balances	10,200	(2,868)	(10,278)	(2,946)
Fund Balances, beginning	44,688	2,868	10,278	57,834
Fund Balances, ending	\$ 54,888	\$ -	\$ -	\$ 54,888

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
Revenues				
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
Total Revenues	90,338	59,874	(30,464)	65,956
Expenditures				
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
Total Expenditures	111,014	74,674	36,340	101,997
Excess (deficiency) of revenues over (under) expenditures	(20,676)	(14,800)	5,876	(36,041)
Other Financing Sources - transfers in	25,000	25,000	-	25,000
Net change in fund balance	<u>\$ 4,324</u>	10,200	<u>\$ 5,876</u>	(11,041)
Fund Balance, beginning		<u>44,688</u>		<u>55,729</u>
Fund Balance, ending		<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
Revenues - intergovernmental	\$ 1,501	\$ 1,502	\$ 1	\$ -
Expenditures - other purchased services	4,369	4,370	(1)	-
Net change in fund balance	<u>\$ (2,868)</u>	(2,868)	<u>\$ -</u>	-
Fund Balance, beginning		<u>2,868</u>		<u>2,868</u>
Fund Balance, ending		<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
Revenues - intergovernmental	\$ 18,560	\$ 18,561	\$ 1	\$ -
Expenditures - other purchased services	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

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
Assets					
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
Total Assets	\$ 1,162,459	\$ 623,620	\$ 171,223	\$ 708,054	\$ 2,665,356
Liabilities and Fund Balances					
Liabilities - accounts payable	\$ 320	\$ -	\$ -	\$ -	\$ 320
Fund Balances					
Restricted	695,200	-	-	-	695,200
Assigned	466,939	623,620	171,223	708,054	1,969,836
Total Fund Balances	1,162,139	623,620	171,223	708,054	2,665,036
Total Liabilities and Fund Balances	\$ 1,162,459	\$ 623,620	\$ 171,223	\$ 708,054	\$ 2,665,356

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

Year Ended June 30, 2020

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

Total Expenditures	\$ 10,714,085
---------------------------	----------------------

Permanent Fund

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
Assets		
Cash and investments	\$ 333,011	\$ 331,071
Liabilities and Fund Balance		
Liabilities - accounts payable	-	\$ 160
Fund Balance - nonspendable - Permanent Fund principal	333,011	330,911
Total Liabilities and Fund Balances	\$ 333,011	\$ 331,071

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

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

This page intentionally left blank.

Enterprise Funds

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
Assets and Deferred Outflows of Resources		
Current Assets		
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
Total Current Assets	8,259,131	7,499,312
Noncurrent Assets		
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
Total Noncurrent Assets	26,983,467	27,795,906
Total Assets	35,242,598	35,295,218
Deferred Outflows of Resources		
Related to pensions	69,556	92,694
Related to other postemployment benefits	44,115	47,384
Total Deferred Outflows of Resources	113,671	140,078
Total Assets and Deferred Outflows of Resources	\$ 35,356,269	\$ 35,435,296

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

<i>June 30,</i>	2020	2019
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
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
Total Current Liabilities	403,489	385,726
Noncurrent Liabilities		
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
Total Noncurrent Liabilities	1,036,540	1,317,961
Total Liabilities	1,440,029	1,703,687
Deferred Inflows of Resources		
Related to pensions	24,388	7,515
Related to other postemployment benefits	17,750	36,782
Total Deferred Inflows of Resources	42,138	44,297
Net Position		
Net investment in capital assets	26,309,556	26,960,968
Unrestricted	7,564,546	6,726,344
Total Net Position	33,874,102	33,687,312
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 35,356,269	\$ 35,435,296

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
Operating Revenues		
Sales and user charges	\$ 1,975,511	\$ 1,918,834
Water meters	13,403	10,940
Total Operating Revenues	1,988,914	1,929,774
Operating Expenses		
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
Total Operating Expenses	1,035,309	995,595
Operating income before depreciation	953,605	934,179
Depreciation	853,645	855,724
Operating income	99,960	78,455
Nonoperating Revenues (Expenses)		
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
Net Nonoperating Revenues (Expenses)	69,297	147,153
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
Net Position, beginning	33,687,312	32,328,251
Net Position, ending	\$ 33,874,102	\$ 33,687,312

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

<i>Years Ended June 30,</i>	2020	2019
Cash Flows from Operating Activities		
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)
Net cash flows from operating activities	917,177	1,081,769
Cash Flows for Noncapital Financing Activities - transfers out	(19,250)	(19,250)
Cash Flows for Capital and Related Financing Activities		
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
Net cash flows for capital and related financing activities	(119,560)	(53,750)
Net Increase in Cash and Investments	778,367	1,008,769
Cash and Investments, beginning	7,160,226	6,151,457
Cash and Investments, ending	\$ 7,938,593	\$ 7,160,226
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:		
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:		
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 benefits:		
	(19,032)	2,757
Net Cash Flows from Operating Activities	\$ 917,177	\$ 1,081,769
Noncash Capital and Related Financing Activities		
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
Assets and Deferred Outflows of Resources		
Current Assets		
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
Total Current Assets	5,365,609	4,919,098
Noncurrent Assets		
Net other postemployment benefits asset	5,661	-
Capital assets:		
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
Total capital assets	28,131,394	27,850,793
Less accumulated depreciation	(14,627,182)	(14,018,914)
Net capital assets	13,504,212	13,831,879
Total Noncurrent Assets	13,509,873	13,831,879
Total Assets	18,875,482	18,750,977
Deferred Outflows of Resources		
Related to pensions	88,036	115,306
Related to other postemployment benefits	55,369	59,222
Total Deferred Outflows of Resources	143,405	174,528
Total Assets and Deferred Outflows of Resources	\$ 19,018,887	\$ 18,925,505

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

<i>June 30,</i>	2020	2019
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
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
Total Current Liabilities	323,623	289,763
Noncurrent Liabilities		
Net pension liability	733,832	756,041
Net other postemployment benefits liability	32,414	146,882
Total Noncurrent Liabilities	766,246	902,923
Total Liabilities	1,089,869	1,192,686
Deferred Inflows of Resources		
Related to pensions	44,822	24,937
Related to other postemployment benefits	33,620	56,050
Total Deferred Inflows of Resources	78,442	80,987
Net Position		
Net investment in capital assets	13,344,484	13,831,879
Unrestricted	4,506,092	3,819,953
Total Net Position	17,850,576	17,651,832
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 19,018,887	\$ 18,925,505

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
Operating Revenues - sales and user charges	\$ 1,460,337	\$ 1,469,713
Operating Expenses		
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
Total Operating Expenses	1,397,235	1,512,983
Operating income (loss) before depreciation	63,102	(43,270)
Depreciation	520,857	517,142
Operating loss	(457,755)	(560,412)
Nonoperating Revenues (Expenses)		
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
Net Nonoperating Revenues (Expenses)	627,749	364,804
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
Net Position, beginning	17,651,832	16,363,022
Net Position, ending	\$ 17,850,576	\$ 17,651,832

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

<i>Years Ended June 30,</i>	2020	2019
Cash Flows from (for) Operating Activities		
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)
Net cash flows from (for) operating activities	(109,982)	47,271
Cash Flows from Noncapital Financing Activities		
Nonoperating grants received	509,944	441,939
Transfers out	(16,250)	(16,250)
Net cash flows from noncapital financing activities	493,694	425,689
Cash Flows from (for) Capital and Related Financing Activities		
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
Net cash flows from (for) capital and related financing activities	(1,723)	11,966
Net Increase in Cash and Investments	381,989	484,926
Cash and Investments, beginning	4,507,256	4,022,330
Cash and Investments, ending	\$ 4,889,245	\$ 4,507,256
Reconciliation of Operating Loss to Net Cash Flows from (for) Operating Activities		
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
Net Cash Flows from (for) Operating Activities	\$ (109,982)	\$ 47,271
Noncash Capital and Related Financing Activities		
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
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 241,594	\$ -
Receivables:		
Accounts	9,535	6,518
Grants	524,526	2,470,779
Prepaid expenses	4,402	2,040
Total Current Assets	780,057	2,479,337
Noncurrent Assets		
Net other postemployment benefits asset	751	-
Capital assets:		
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
Total capital assets	25,524,843	24,072,258
Less accumulated depreciation	(12,496,375)	(11,646,890)
Net capital assets	13,028,468	12,425,368
Total Noncurrent Assets	13,029,219	12,425,368
Total Assets	13,809,276	14,904,705
Deferred Outflows of Resources		
Related to pensions	3,010	6,625
Related to other postemployment benefits	7,790	8,301
Total Deferred Outflows of Resources	10,800	14,926
Total Assets and Deferred Outflows of Resources	\$ 13,820,076	\$ 14,919,631
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
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
Total Current Liabilities	248,485	2,046,878
Noncurrent Liabilities		
Net pension liability	49,008	51,953
Net other postemployment benefits liability	2,753	17,929
Total Noncurrent Liabilities	51,761	69,882
Total Liabilities	300,246	2,116,760
Deferred Inflows of Resources		
Related to pensions	3,275	639
Related to other postemployment benefits	3,350	6,324
Total Deferred Inflows of Resources	6,625	6,963
Net Position		
Net investment in capital assets	12,815,852	12,425,368
Unrestricted	697,353	370,540
Total Net Position	13,513,205	12,795,908
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 13,820,076	\$ 14,919,631

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
Operating Revenues - fees and rentals	\$ 139,039	\$ 131,022
Operating Expenses		
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
Total Operating Expenses	214,392	171,417
Operating loss before depreciation	(75,353)	(40,395)
Depreciation	849,485	792,623
Operating loss	(924,838)	(833,018)
Nonoperating Revenues		
State PERS relief	4,703	1,361
Plans and studies	-	2,345
Net Nonoperating Revenues	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
Net Position, beginning	12,795,908	10,025,041
Net Position, ending	\$ 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
Cash Flows for Operating Activities		
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)
Net cash flows for operating activities	(72,751)	(81,374)
Cash Flows from (for) Noncapital Financing Activities		
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)
Net cash flows from (for) noncapital financing activities	(1,146,578)	2,376,153
Cash Flows from (for) Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,874,112)	(3,101,194)
Capital contributions received	3,335,035	148,900
Net cash flows from (for) capital and related financing activities	1,460,923	(2,952,294)
Net Increase (Decrease) in Cash and Investments	241,594	(657,515)
Cash and Investments, beginning	-	657,515
Cash and Investments, ending	\$ 241,594	\$ -
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
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
Net Cash Flows for Operating Activities	\$ (72,751)	\$ (81,374)

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

<i>June 30,</i>	2020	2019
Assets and Deferred Outflows of Resources		
Current Assets		
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
Total Current Assets	2,154,811	2,158,787
Noncurrent Assets		
Net other postemployment benefits asset	5,174	-
Capital assets:		
Land	1,771,990	1,771,990
Buildings	17,271,917	17,271,917
Equipment	822,671	822,671
Total capital assets	19,866,578	19,866,578
Less accumulated depreciation	(6,878,435)	(6,359,462)
Net capital assets	12,988,143	13,507,116
Total Noncurrent Assets	12,993,317	13,507,116
Total Assets	15,148,128	15,665,903
Deferred Outflows of Resources		
Related to pensions	83,478	108,399
Related to other postemployment benefits	48,134	51,655
Total Deferred Outflows of Resources	131,612	160,054
Total Assets and Deferred Outflows of Resources	\$ 15,279,740	\$ 15,825,957
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
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
Total Current Liabilities	206,930	201,148
Noncurrent Liabilities		
Net pension liability	620,718	641,014
Net other postemployment benefits liability	9,513	114,123
Total Noncurrent Liabilities	630,231	755,137
Total Liabilities	837,161	956,285
Deferred Inflows of Resources		
Related to pensions	27,864	9,691
Related to other postemployment benefits	20,326	40,825
Total Deferred Inflows of Resources	48,190	50,516
Net Position		
Net investment in capital assets	12,988,143	13,507,116
Unrestricted	1,406,246	1,312,040
Total Net Position	14,394,389	14,819,156
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 15,279,740	\$ 15,825,957

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
Operating Revenues - fees and rentals	\$ 676,457	\$ 873,465
Operating Expenses		
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
Total Operating Expenses	1,204,201	1,250,806
Operating loss before depreciation	(527,744)	(377,341)
Depreciation	518,973	525,963
Operating loss	(1,046,717)	(903,304)
Nonoperating Revenues		
Investment income	205	3,875
Other income	536	1,000
State PERS relief	32,709	8,346
Total Nonoperating Revenues	33,450	13,221
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)
Net Position, beginning	14,819,156	14,965,901
Net Position, ending	\$ 14,394,389	\$ 14,819,156

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

<i>Years Ended June 30,</i>	2020	2019
Cash Flows for Operating Activities		
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)
Net cash flows for operating activities	(610,385)	(422,620)
Cash Flows from Noncapital Financing Activities		
Transfers in	600,000	700,000
Transfers out	(11,500)	(11,500)
Net cash flows from noncapital financing activities	588,500	688,500
Cash Flows for Capital and Related Financing Activities		
Acquisition and construction of capital assets	-	(426,485)
Capital contributions received	-	60,852
Net cash flows for capital and related financing activities	-	(365,633)
Cash Flows from Investing Activities - investment income received	205	3,875
Net Decrease in Cash and Investments	(21,680)	(95,878)
Cash and Investments, beginning	2,054,129	2,150,007
Cash and Investments, ending	\$ 2,032,449	\$ 2,054,129
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities:		
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
Net Cash Flows for Operating Activities	\$ (610,385)	\$ (422,620)

This page intentionally left blank.

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.

Table 1	Net position by component	112
Table 2	Changes in net position	113-114
Table 3	Fund balances of governmental funds	115
Table 4	Changes in fund balances of governmental funds	116
Table 5	Governmental activities tax revenues by source	117

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.

Table 6	General government sales tax revenue by category	118
Table 7	Assessed value and estimated actual value of taxable property	119
Table 8	Sales and property tax rates - direct and overlapping governments	120
Table 9	Principal property taxpayers	121

Debt Capacity

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

Table 10	Ratio of general bonded debt outstanding	122
Table 11	Ratio of outstanding debt by type	123
Table 12	Direct and overlapping general obligation debt	124

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.

Table 13	Demographic and economic statistics	125
----------	-------------------------------------	-----

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.

Table 14	Full-time equivalent employees by function	126
Table 15	Operating indicators by function	127
Table 16	Capital asset statistics by function	128

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
Governmental activities:										
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
Total governmental activities net position	37,867,444	39,765,904	40,627,909	49,567,026	57,567,958	66,508,167	69,526,513	70,854,612	77,479,068	88,309,825
Business-type activities:										
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
Total business-type activities net position	66,443,302	74,042,086	75,613,156	75,406,991	74,526,754	73,469,595	73,820,350	73,682,215	78,954,208	79,632,272
Total activities:										
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
Total Net Position	\$104,290,746	\$106,767,093	\$116,241,065	\$124,974,017	\$132,094,712	\$139,977,762	\$143,346,863	\$144,536,827	\$156,433,276	\$167,942,097

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
Expenses										
Governmental activities:										
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)	-
Total governmental activities expenses	15,061,004	15,799,753	16,553,587	16,977,566	16,588,302	19,118,171	19,303,675	18,422,557	19,584,590	18,814,023
Business-type activities:										
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
Total business-type activities expenses	5,140,111	6,021,183	5,571,660	5,734,923	6,067,203	6,739,409	6,091,336	6,259,920	6,637,598	6,605,703
Total expenses	20,201,115	21,820,936	22,125,247	22,712,489	22,655,505	25,857,580	25,395,011	24,682,477	26,222,188	25,419,726
Program Revenues										
Governmental activities:										
Fees, fines & charges for services:										
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
Total governmental activities program revenues	5,107,756	4,500,627	3,794,146	7,226,996	11,439,323	10,540,736	9,080,223	6,254,313	5,523,441	8,671,598
Business-type activities:										
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
Total business-type activities program revenues	5,294,442	6,014,100	6,369,507	6,524,146	5,645,150	5,036,954	5,335,765	5,365,528	10,108,266	6,447,604
Total primary government program revenues	10,402,198	10,514,727	10,163,653	13,751,142	17,084,473	15,577,690	14,415,988	11,619,841	15,631,707	15,119,202
Net (expenses)/revenue:										
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)
Total primary government net expenses	\$ (9,798,917)	\$ (11,306,209)	\$ (11,961,594)	\$ (8,961,347)	\$ (5,571,032)	\$ (10,279,890)	\$ (10,979,023)	\$ (13,062,636)	\$ (10,590,481)	\$ (10,300,524)

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
General Revenues and Other Changes in Net Position										
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)	(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)
Total governmental activities	12,079,257	13,197,586	13,645,148	18,689,687	19,929,542	17,517,644	13,241,798	15,815,513	20,685,605	20,973,182
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
Total business-type activities	1,033,647	584,970	773,223	(995,388)	743,066	645,296	1,106,326	1,120,798	1,801,325	836,163
Total primary government	13,112,904	13,782,556	14,418,371	17,694,299	20,672,608	18,162,940	14,348,124	16,936,311	22,486,930	21,809,345
Changes in Net Position										
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
Total Primary Government	\$ 3,313,987	\$ 2,476,347	\$ 2,456,777	\$ 8,732,952	\$ 11,711,261	\$ 7,883,050	\$ 3,369,101	\$ 3,873,675	\$ 11,896,449	\$ 11,508,821

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
General Fund:										
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
Total General Fund	8,687,154	10,409,542	11,948,562	12,942,018	15,111,561	17,545,923	16,578,246	15,577,607	17,934,860	24,244,930
All Other Governmental Funds:										
Nonspendable:										
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
Restricted for:										
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
Assigned to:										
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
Total all other governmental funds	\$ 2,549,006	\$ 1,944,997	\$ 2,117,116	\$ 5,302,187	\$ 10,592,854	\$ 6,871,028	\$ 5,956,443	\$ 9,056,963	\$ 12,909,273	\$ 8,509,314

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
Revenues										
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
Total Revenues	\$ 16,511,420	\$ 17,850,018	\$ 18,224,664	\$ 21,953,895	\$ 30,424,120	\$ 28,254,039	\$ 18,532,814	\$ 22,719,475	\$ 28,280,193	\$ 30,314,864
Expenditures										
Current:										
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
Debt service:										
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	-	-	-
Total Expenditures	14,100,153	16,243,520	15,785,605	16,991,303	22,340,199	29,022,206	19,463,209	19,573,334	21,450,976	27,702,675
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
Other Financing Sources (Uses)										
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)
Net other financing sources (uses)	(939,958)	(488,119)	(727,920)	(784,068)	(623,711)	(519,297)	(951,867)	(1,046,260)	(619,654)	(702,078)
Net change in fund balances	1,471,309	1,118,379	1,711,139	4,178,524	7,460,210	(1,287,464)	(1,882,262)	2,099,881	6,209,563	1,910,111
Debt service as a percentage of										
noncapital expenditures	2.57%	3.17%	2.94%	2.94%	2.43%	2.57%	2.79%	2.58%	2.36%	0.00%
Total non-capital expenditures	\$ 13,609,341	\$ 14,211,961	\$ 14,715,904	\$ 15,370,471	\$ 17,386,845	\$ 16,360,208	\$ 14,793,861	\$ 16,100,264	\$ 17,524,075	\$ 17,351,499

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%
Total		\$ 154,589,900		12.55%	\$ 147,162,800		13.00%

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

City of Wasilla, Alaska

Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	Governmental Activities			Business-Type Activities			Total General Obligation <u>Bonds</u>	Percentage of Personal Income (2)	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation <u>Bonds</u>	Retired <u>Principal</u>	<u>Total</u>	General Obligation <u>Bonds</u>	Retired <u>Principal</u>	<u>Total</u>				
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
Total Direct and Overlapping	\$ 255,315,000		\$ 30,050,576

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

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

City of Wasilla, Alaska

Demographic and Economic Statistics Last Ten Fiscal Years

City of Wasilla			Matanuska Susitna Borough				
Fiscal Year	Population	School Enrollment	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (Annual %)
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
--------	-----------------------------------	---	-----------------------------------	---------------------------------	---------------------	---	---------------------

(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
Total	117.00	115.50	115.50	114.50	113.50	116.50	126.50	129.25	131.25	134.75

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