

Action: Approved | Denied | Other
 Date Action Taken: December 13, 2021
 Verified By: [Signature]
 Clerk's Note: N/A

**City of Wasilla
 Action Memorandum No. 21-49**

Acceptance of the City of Wasilla's Fiscal Year 2021 Annual Comprehensive Financial Report For Public Record.

Originator: Troy Tankersley, Finance Director
 Date: 12/1/2021

Agenda of: 12/13/2021

Route to:	Department Head	Signature	Date
X	Finance Director	[Signature]	12-1-21
X	Deputy Administrator	[Signature]	12-1-21
X	City Clerk	[Signature]	12-1-21
X	Mayor	[Signature]	12-1-21

Fiscal Impact: yes or no

Funds Available: yes or no

Account name/number/amount: N/a

- Attachments:**
- 1) Audit Wrap-Up, Year Ended June 30, 2021 (25 pages)
 - 2) Fiscal Year 2021 Annual Comprehensive Financial Report (146 pages)
 - 3) Fiscal Year 2021 Federal and State of Alaska Single Audit Reports and Supplementary Information (12 pages)

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

BDO USA, LLP, has examined the City's Fiscal Year 2021 (FY2021) Financial Records and its Financial Statements. The Clerk will distribute the results of this examination and the Accountant's opinion on the Financial Statements (Annual Comprehensive Financial Report) to the Council Members.

Ms. Joy Merriner, CPA (Assurance Office Managing Partner) will present the results of the examination at the December, 2021, Wasilla City Council Meeting. If the Council agrees with the results of the examination, the City Council shall accept the City's Financial Statements for public record per City of Wasilla Municipal Code 5.04.060.

Staff Recommendation: Accept the City of Wasilla's Fiscal Year 2021 Comprehensive Annual Financial Report and Federal and State of Alaska Single Audit Reports and Supplementary Information for Public Record.

Report to City Council

CITY OF WASILLA

Audit Wrap Up:
Year Ended June 30, 2021

BDO[®]

Contents

QUICK ACCESS TO THE FULL REPORT

<u>INTRODUCTION</u>	3
<u>EXECUTIVE SUMMARY</u>	4
<u>INTERNAL CONTROL OVER FINANCIAL REPORTING</u>	9
<u>ADDITIONAL REQUIRED COMMUNICATIONS</u>	11

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



Welcome



November 24, 2021

Honorable Mayor and Members of the City Council

City of Wasilla, Alaska

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On July,1 2021 we presented an overview of our plan for the audit of the financial statements including the schedule of expenditures of federal awards of City of Wasilla, Alaska (the City) as of and for the year ended June 30, 2021, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

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

We are pleased to be of service to the City and look forward to meeting with you on December 13, 2021, to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

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



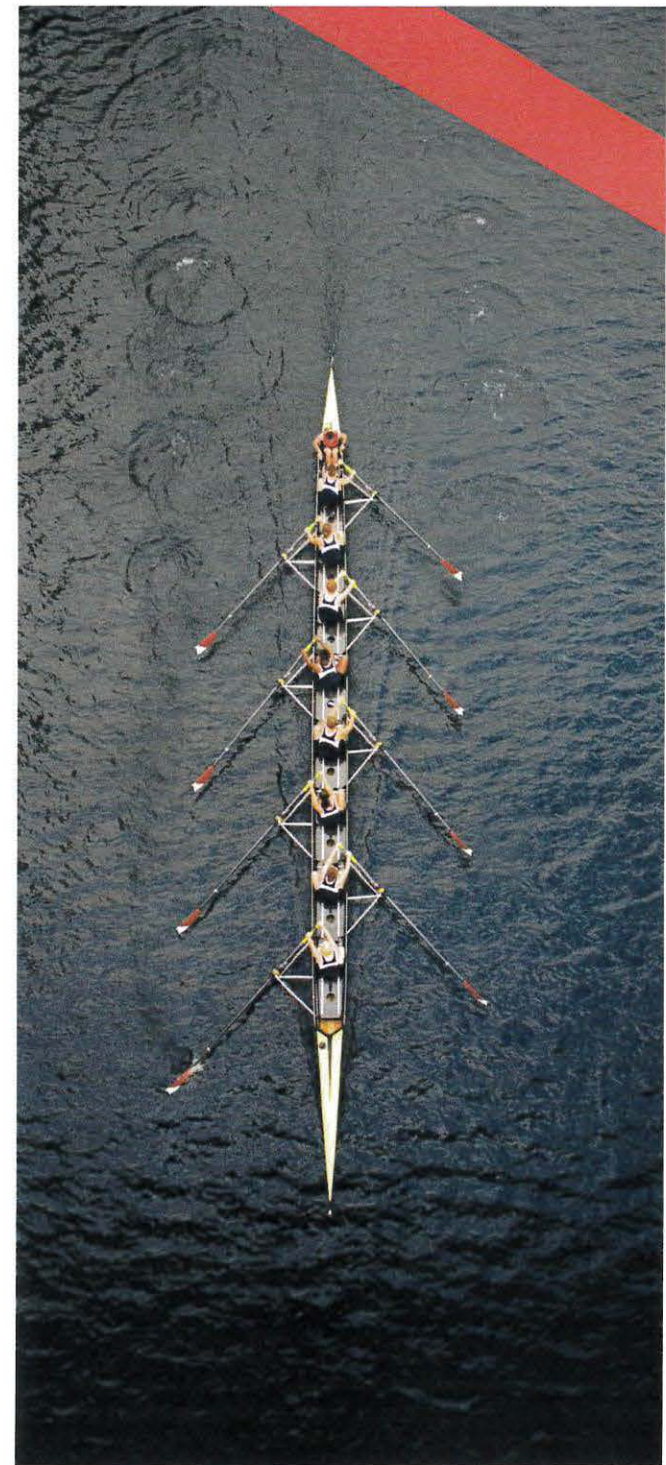


Executive Summary

Status of Our Audit

We have substantially completed our audit of the financial statements and federal awards as of and for the year ended June 30, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We have issued an unmodified opinion on the financial statements and released our report on November 24, 2021.
- ▶ We have issued our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- ▶ We have issued an unmodified opinion on the City's Single Audit Report, including the Schedule of Expenditures of Federal Awards (SEFA), and released our report dated November 24, 2021.
- ▶ In planning and performing our audit of the SEFA, we considered the City's internal control over compliance with requirements that could have a direct and material effect on its major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAS, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance
- ▶ Our responsibility for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the City and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of City personnel throughout the course of our work.



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, AND ESTIMATES

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

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

- ▶ A summary of recently issued accounting pronouncements is included in Note 13 to the City's financial statements.
- ▶ There were no changes in significant accounting policies and practices during 2021.

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

Other Accounting Estimates

Allowance for Uncollectible Accounts - Several of the City's accounts receivable are from granting agencies; these are considered by management to be 100% collectible. Customer accounts receivables, including amounts due related to taxes, assessments, interest income, and various user charges are reviewed by management periodically to determine a reasonable amount of allowance, based on known factors, past history, and age of the outstanding amount.

Net Pension/ OPEB Liabilities - The net pension/ OPEB liabilities and related deferred inflow and outflows of resources are estimated based on actuarial and other actual contribution data provided by the City by the PERS Plan Administrator.

Land Held for Resale - The city acquired a large parcel of land for capital projects of which approximately 7 acres was deemed excess and planned to be resold to the private sector. The land is recorded as an asset booked based on the net realizable value.

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2021.

Results of the Audit

QUALITY OF THE CITY'S FINANCIAL REPORTING

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

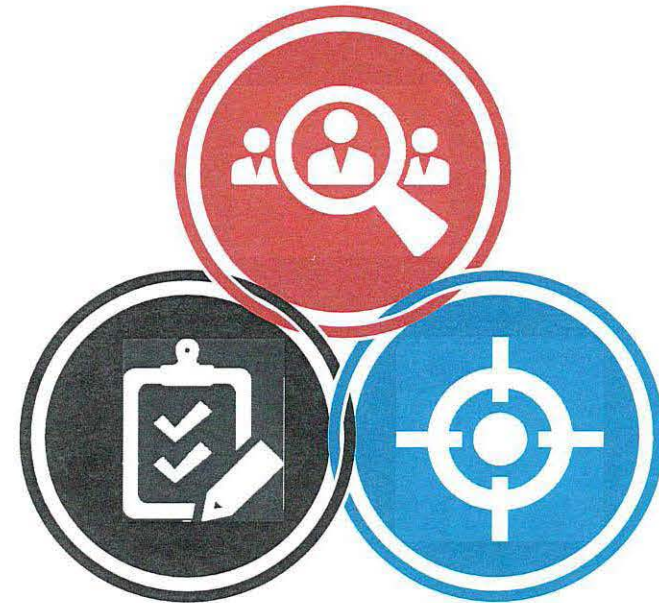


Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

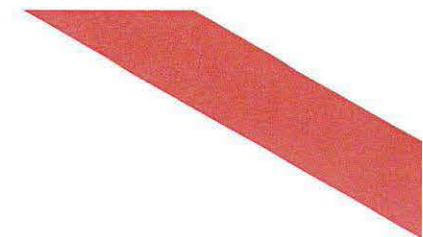
There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.





Internal Control Over Financial Reporting

Internal Control Over Financial Reporting



In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

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

Category	Definition
Control Deficiency	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City ’s financial statements will not be prevented, or detected and corrected on a timely basis.

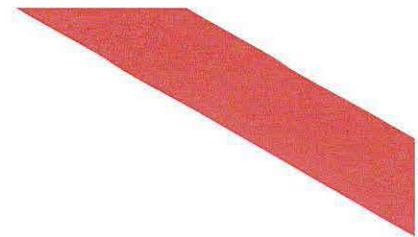
In conjunction with our audit of the financial statements, we noted no material weaknesses or significant deficiencies.





Additional Required Communications

Other Required Communications



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

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Significant findings and issues arising during the audit in connection with the City's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.



Other Required Communications

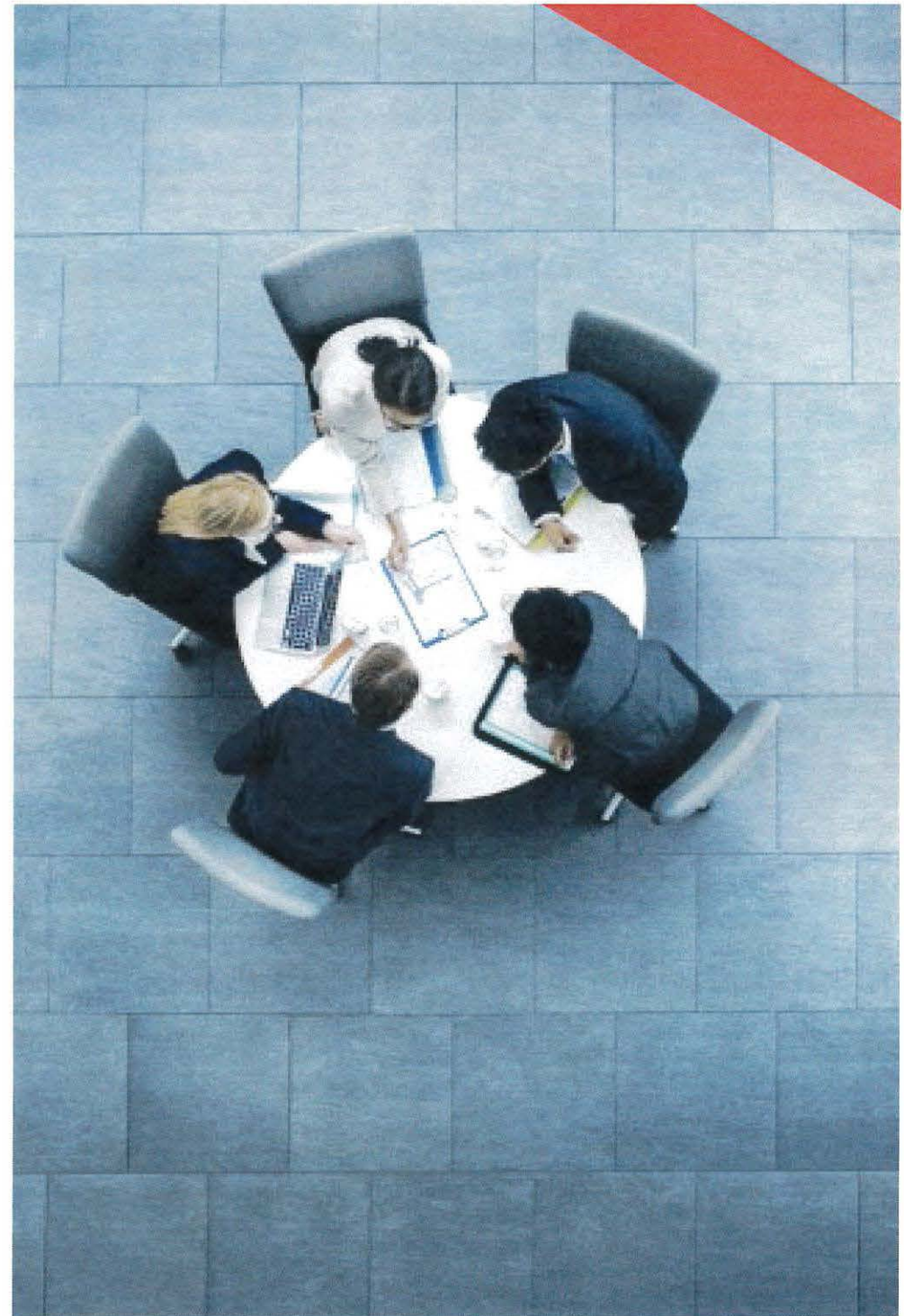
Following is a summary of other required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Point
Other matters significant to the oversight of the City's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the City's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.



Independence

Our engagement letter to you dated July 1, 2021, describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* with regards to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.



Attachment

Please refer to the Representation Letter attached for further information.





CITY OF WASILLA

Finance Department

290 East Herning Avenue

Wasilla, Alaska 99654-7091

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

November 24, 2021

BDO USA, LLP

3601 C Street, Suite 600

Anchorage, Alaska 99503

Ladies and gentlemen:

We are providing this letter in connection with your audit(s) of the financial statements of the City of Wasilla which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows for the Period then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

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

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

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 1, 2021, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all properly classified funds and other financial information of the primary government and all component units required to be included in the financial reporting entity by accounting principles generally accepted in the United

States of America. All funds required to be presented as major funds are identified and presented as such.

- (4) We have made available to you:
- (a) All financial records, and related data and federal awards (including amendments, if any, and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities), including the names of all related parties and all relationships and transactions with related parties, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) All additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) Minutes of the meetings of City Assembly that were held from July 1, 2020 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or schedule of expenditures of federal awards (SEFA).
- (7) The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are included in the attached schedule of uncorrected misstatements, which we have initialed and dated, have not been corrected. In our opinion, the effects of not correcting such identified financial statement misstatements are, both individually and in the aggregate, immaterial to the financial statements of the Government taken as a whole.
- (8) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud or noncompliance. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or noncompliance. We have no knowledge of any:
- (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.

- (c) Allegations of fraud or suspected fraud affecting the Government received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or others.
 - (d) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- (9) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
-
- (10) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of all related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (c) Guarantees, whether written or oral, under which the Government is contingently liable.
 - (d) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with accounting principles generally accepted in the United States of America. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances. The methods, significant assumptions, and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, and disclosure that is in accordance with accounting principles generally accepted in the United States of America.
 - (e) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America, including:
 - Pending or anticipated tax refunds, other potential or pending claims, lawsuits by or against any branch of government or others;
 - Written or oral guarantees, endorsements, or unused letters of credit;
 - Unusual guarantees; or

- Labor claims or negotiations.

Accounting principles generally accepted in the United States of America require loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the statement of financial position date and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.

(f) Commitments, such as:

- Major capital asset purchase agreements;
- More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
- Deferred compensation, bonuses, pensions plans, or severance pay; or
- Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;

(g) Joint ventures or other participations, the detailed transactions of which are not carried on our books.

(11) There are no:

- (a) Violations or possible violations of budget ordinances, laws or regulations and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects could be material to the financial statements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- (c) Side agreements or other arrangements (either written or oral) that have not been disclosed to you.
- (d) Restrictions of net position that were not properly authorized and approved, or reclassifications of net position that have not been properly reflected in the financial statements.

(12) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.

- (13) The Government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (14) We have appropriately disclosed the Government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- (15) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance. We have also complied with the SEC disclosure rules for reporting annual financial information and material events to repositories in accordance with SEC Rule N.240, 15c2-12.

- (16) No discussions have taken place with your firm's personnel regarding employment with the Government.
- (17) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (18) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (19) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (20) In regards to the assistance that was provided in preparation of the financial statements and related footnote disclosures for the year ended June 30, 2021, as well as the assistance provided in preparation and submission of the required Form SF-SAC Data Collection Form, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (21) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation of the supplementary information.
- (22) Required supplementary information is measured and presented in accordance with prescribed guidelines.

- (23) We believe that the actuarial assumptions and methods used to measure pension and other postemployment liabilities and costs for financial accounting and disclosure purposes are appropriate in the circumstances.
- (24) We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
- (25) We agree with the findings of specialists in evaluating the net pension and net other postemployment benefits liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
-
- (26) With respect to federal award programs:
- (a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA).
 - (b) We have, in accordance with the Uniform Guidance, identified and disclosed to you in the schedule of expenditures of federal awards (SEFA), expenditures made during the audit period for all government programs and related activities provided by federal agencies in the form of federal awards, grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - (c) We acknowledge our responsibility for the preparation of the SEFA and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period.
 - (d) We have notified you of federal awards and funding increments that were received for awards received before December 26, 2014, and differentiated those awards from awards received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
 - (e) We will include the auditor's report on the SEFA in any document that contains the SEFA and that indicates you have reported on such information.
 - (f) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - (g) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of federal statutes, regulations, and the terms

and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions considered to have a direct and material effect on each federal program.

- (h) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date of the auditor's report as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and material weaknesses in internal control over compliance as reported in the schedule of findings and questioned costs.
- (i) We have made available to you all federal award contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program and related activities that have taken place with federal agencies or pass-through entities.
- (j) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- (k) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal awards, including the results of other audits or program reviews. or confirmed that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- (l) We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (m) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance [and OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, if applicable*].
- (n) We have disclosed to you our interpretations of compliance requirements that are subject to varying interpretations, if any.
- (o) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

- (p) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- (q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- (r) The copies of federal program financial reports provided to you are true copies of the reports submitted or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
-
- (s) We have charged costs to federal awards in accordance with applicable cost principles.
- (t) We are responsible for, and have accurately completed, the appropriate sections of the Data Collection Form as required by the Uniform Guidance. The final version of the applicable audit reporting package, which includes your signed auditor's reports, that we will submit to the Federal Audit Clearinghouse (FAC) will be identical to the final version of such documents that you provided to us.
- (u) We have identified and disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, internal or external monitoring, and other studies directly related to the audit objectives of the compliance audit, including findings received and corrective actions taken from the end of the audit period covered by the compliance audit report to the date of the auditor's report.
- (v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- (27) There have been no known or suspected breaches of sensitive information (e.g., personnel files) caused by cyber-attack or other means, or other cybersecurity incidents, where the breach or other incident could have a material effect on the financial statements.
- (28) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
 - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other

supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.

- We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
 - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.
-
- (29) To the extent our normal procedures and controls related to our financial close or other reporting processes at any of our locations were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (30) Other than as disclosed in note 11 to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in those financial statements.
- (31) Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.
- (32) Other than as disclosed in note 12 to the financial statements, no other impacts from enactment of the CARES Act are necessary to be reflected in those financial statements.
- (33) Disclosures included in the financial statements regarding the relevant significant financial reporting impacts from enactment of the CARES Act accurately reflect management's full consideration of such impacts.

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

Very truly yours,



Troy Tankersley, Finance Director

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, and advisory services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 65 offices and over 740 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 90,000 people working out of nearly 1,650 offices across 165 countries.

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

www.bdo.com

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2021 BDO USA, LLP. All rights reserved. www.bdo.com



CITY OF WASILLA
ALASKA

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2021



City of Wasilla, Alaska

Annual Comprehensive Financial Report Year Ended June 30, 2021

**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-vi
City Officials		vii
Organizational Chart		viii
Certificate of Achievement for Excellence in Financial Reporting		ix
FINANCIAL SECTION		
Independent Auditor's Report		1-4
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		29-61

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
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Youth Court Special Revenue Fund	H-2	83
Federal Asset Forfeiture Special Revenue Fund	H-3	84
State Asset Forfeiture Special Revenue Fund	H-4	85

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	104-105
Statement of Revenues, Expenses and Changes in Net Position	K-8	106
Statement of Cash Flows	K-9	107
Curtis D. Menard Memorial Sports Center:		
Statement of Net Position	K-10	108-109
Statement of Revenues, Expenses and Changes in Net Position	K-11	110
Statement of Cash Flows	K-12	111

City of Wasilla, Alaska

Contents

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	114
Changes in Net Position	2	115-116
Fund Balances of Governmental Funds	3	117
Changes in Fund Balances of Governmental Funds	4	118
Governmental Activities Tax Revenues by Source	5	119
General Government Sales Tax Revenue by Category	6	120
Assessed Value and Estimated Actual Value of Taxable Property	7	121
Sales and Property Tax Rates - Direct and Overlapping Governments	8	122
Principal Property Taxpayers	9	123
Ratio of General Bonded Debt Outstanding	10	124
Ratios of Outstanding Debt by Type	11	125
Computation of Direct and Overlapping General Obligation Debt	12	126
Demographic and Economic Statistics	13	127
Full-Time Equivalent Employees by Function	14	128
Operating Indicators by Function	15	129
Capital Asset Statistics by Function	16	130



CITY OF WASILLA

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

November 23, 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, 2021.

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, 2021. 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, federally mandated "Single Audit" designed to meet the special needs of 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 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 8,963. It also serves as a central commercial district to the Matanuska Susitna Borough residents of an estimated 107,305. 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.

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. From FY2010 through FY2019, sales tax revenues changed year over year at variable rates between -1.0% and 4.5%. In FY2020 and FY2021, sales tax in the general fund (i.e., excluding any portions dedicated to the new police station) increased approximately 20-21% over the prior years. The increase is attributed to a .5% increase to the sales tax rate, commercial expansion, tax on internet sales, and increased local sales with COVID-19 creating travel restrictions. 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 remain a concern. The current local unemployment rate decreased from 13.1% to 7.2% and the national average decreased from 7.8% to 4.8%; signaling an economic reopening. Separate from the COVID relief funding passed through the State of Alaska, the State has not offered any significant grant awards since FY2016

and the City has budgeted minimal revenue sharing funds in FY2022, due to the State's uncertain financial position.

In FY2019, a private retail development began construction of the Shoppes at Sun Mountain. The space continues to attract new and expanding businesses, some national chains. 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 Hatcher's Pass, 7.5 km of designed trails and a 4,000 square-foot Chalet/Adventure Center has created a regional venue for Nordic skiing and tourism. 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 95% complete by 2023 with construction expected to begin 2024. Total project cost is estimated at \$32M with construction expected to begin in FY2023. The timing of this project has been 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, the KGB project will need to be completed first before construction begins on the Main Street Couplet.

The City has invested approximately \$500,000 over a three-year period to renovate and expand the Wasilla Museum which reopened in the current year. In the prior year, the City demolished an old fire station and constructed a parking lot which was completed with landscaping and lighting in the current year. 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 would then decrease one-half percent (.5%) to two and one-half percent (2.5%). Effective December 1, 2019, the funding goal had been reached. Construction of the new police building was completed in the prior year. In FY2021, the maintenance garage was added to the new station.

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. All tie-down and available lease lots from this project are occupied.

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 increased ~9.5% year over year due to vacant positions. In FY2021 and FY2020 health insurance costs were \$2.3M and \$2.1M, 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 FY2021, the unrestricted net position of the general fund exceeded the calculated maximum by approximately \$24.4M. 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, 2021, and 2020 was \$15,774,228 and \$13,130,205, respectively or an increase of \$2,644,023. 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, 2021, and 2020 was \$30,424 and \$459,214, respectively or a decrease of \$428,790. 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, 2020. This was the twenty-fifth consecutive year that the government has received this prestigious award. 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

City of Wasilla, Alaska

City Officials Year Ended June 30, 2021

ELECTED OFFICIALS

Mayor	Glenda D. Ledford
City Council - Seat A	Jordan Rausa
City Council - Seat B	Tim Burney
City Council - Seat C	Timothy V. Johnson
City Council - Seat D	Simon Brown II
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
Deputy Administrator	Crystal Nygard

Planning Commission

Eric Bushnell (Chair)	Vacant
David Seals	Alina Rubeo
Melvin Sage-EL	

Parks and Recreation Commission

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

Airport Commission

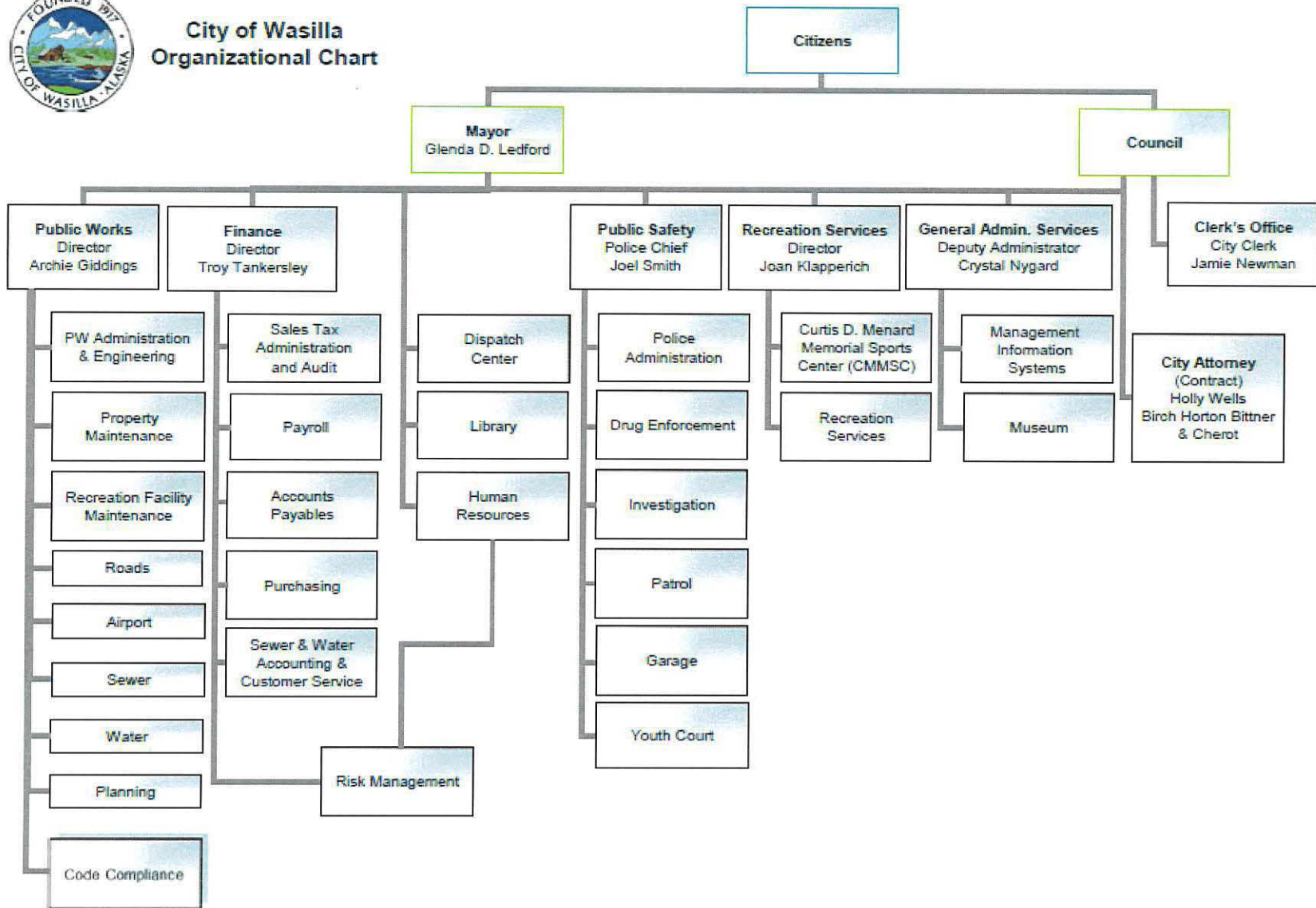
Jeffrey Schultz	Cameron Sharick
Charles Morris	Michael Lucas
James Grogan	

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wasilla, Alaska (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules of City's proportionate share of the net pension and net OPEB liability or asset and the City's contributions on pages 6 through 16 and 63 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Supplementary Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates 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 accompanying 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 for the year ended June 30, 2021.

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 the City as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated January 27, 2021, 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, 2020 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 related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information was subjected to the audit procedures applied in the audit of the 2020 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, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of the City'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'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's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 24, 2021

Management's Discussion and Analysis

City of Wasilla, Alaska

Management's Discussion and Analysis

June 30, 2021

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, 2021. 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-vi.

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 \$177,524,266 (total net position). Of this amount, \$45,689,889 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$9,582,169. The governmental activities net position increased \$10,886,955 (12.3%) and the business-type activities net position decreased \$1,304,786 (1.6%).
- As of the close of business of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,755,391, an increase of \$11,001,147 in comparison with the prior year. Approximately 22.5% of this amount, \$9,857,018 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 \$496,350. 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, 2021

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 29-61 of this report.

City of Wasilla, Alaska
Management's Discussion and Analysis
June 30, 2021

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 \$177,524,266 at the close of the most recent fiscal year.

City of Wasilla's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 51,984,236	\$ 40,374,673	\$ 17,267,650	\$ 16,583,305	\$ 69,251,886	\$ 56,957,978
Capital assets, net of depreciation	67,011,488	66,813,168	64,323,384	66,492,179	131,334,872	133,305,347
Total assets	118,995,724	107,187,841	81,591,034	83,075,484	200,586,758	190,263,325
Total deferred outflows of resources	2,655,384	2,266,301	455,391	399,488	3,110,775	2,665,789
Noncurrent liabilities	13,503,697	11,600,991	2,300,955	2,484,778	15,804,652	14,085,769
Other liabilities	8,015,357	8,402,006	1,270,820	1,182,527	9,286,177	9,584,533
Total liabilities	21,519,054	20,002,997	3,571,775	3,667,305	25,090,829	23,670,302
Total deferred inflows of resources	935,274	1,141,320	147,164	175,395	1,082,438	1,316,715
Net position:						
Net investment in capital assets	67,011,488	66,813,168	63,792,511	65,458,035	130,803,999	132,271,203
Restricted for permanent fund principal	335,178	333,011	-	-	335,178	333,011
Restricted for Main Street couplet construction	695,200	695,200	-	-	695,200	695,200
Unrestricted	31,154,914	20,468,446	14,534,975	14,174,237	45,689,889	34,642,683
Total Net Position	\$ 99,196,780	\$ 88,309,825	\$ 78,327,486	\$ 79,632,272	\$ 177,524,266	\$ 167,942,097

City of Wasilla, Alaska
Management's Discussion and Analysis
June 30, 2021

The largest portion of the City's net position (73.7%) 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 citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to satisfy these liabilities.

An additional portion of the City's net position, approximately 0.58%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$45,689,889 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 \$9,582,169 compared to \$11,508,821 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

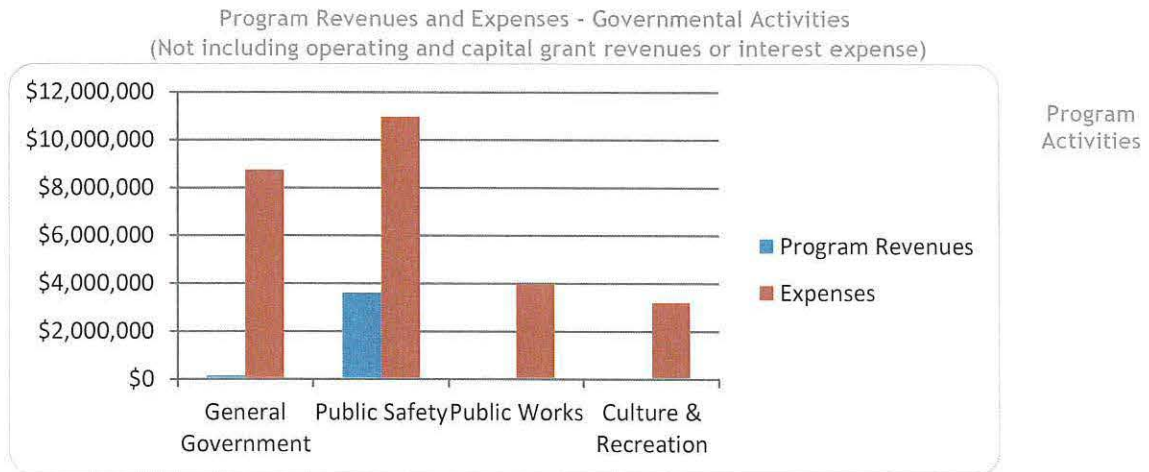
During fiscal year 2021, the City's net position increased by \$10,886,955 for governmental activities. Highlights of governmental activities net position changes include the reimbursement of public safety costs under a federal grant provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) along with the incremental .5% sales tax rate that was retained in December 2019 after funding goals were reached for construction of the new police department.

	Governmental Activities		Business-type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Fees, fines, and charges for services	\$ 3,819,084	\$ 3,717,157	\$ 4,307,203	\$ 4,264,747	\$ 8,126,287	\$ 7,981,904
Operating grants and contributions	12,510,999	3,624,452	357,599	712,292	12,868,598	4,336,744
Capital grants and contributions	847,870	1,329,989	171,534	1,470,565	1,019,404	2,800,554
General revenues:						
Sales taxes	20,834,132	20,079,919	-	-	20,834,132	20,079,919
Vehicle taxes	178,030	176,020	-	-	178,030	176,020
Grants and entitlements not restricted to a specific purpose	293,207	439,931	-	-	293,207	439,931
Investment income	93,114	983,264	3	205	93,117	983,469
Other	68,994	95,698	77,493	34,308	146,487	130,006
Total revenues	\$ 38,645,430	\$ 30,446,430	\$ 4,913,832	\$ 6,482,117	\$ 43,559,262	\$ 36,928,547

City of Wasilla, Alaska
Management's Discussion and Analysis
June 30, 2021

	Governmental Activities		Business-type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Expenses						
General government	\$ 8,749,832	\$ 3,334,705	\$ -	\$ -	\$ 8,749,832	\$ 3,334,705
Public safety	10,975,731	8,849,497	-	-	10,975,731	8,849,497
Public works	4,010,392	3,840,190	-	-	4,010,392	3,840,190
Culture and recreation	3,198,720	2,789,631	-	-	3,198,720	2,789,631
Water utility	-	-	2,110,834	1,900,560	2,110,834	1,900,560
Sewer utility	-	-	1,926,320	1,918,092	1,926,320	1,918,092
Municipal airport	-	-	1,130,185	1,063,877	1,130,185	1,063,877
Curtis D. Menard Memorial Sports Center	-	-	1,875,079	1,723,174	1,875,079	1,723,174
Total expenses	\$ 26,934,675	\$ 18,814,023	\$ 7,042,418	\$ 6,605,703	\$ 33,977,093	\$ 25,419,726
Increase (decrease) in net position before transfers						
	\$ 11,710,755	\$ 11,632,407	\$ (2,128,586)	\$ (123,586)	\$ 9,582,169	\$ 11,508,821
Transfers	(823,800)	(801,650)	823,800	801,650	-	-
Increase in net position	10,886,955	10,830,757	(1,304,786)	678,064	9,582,169	11,508,821
Net position - beginning	88,309,825	77,479,068	79,632,272	78,954,208	167,942,097	156,433,276
Net Position - Ending	\$ 99,196,780	\$ 88,309,825	\$ 78,327,486	\$ 79,632,272	\$177,524,266	\$167,942,097

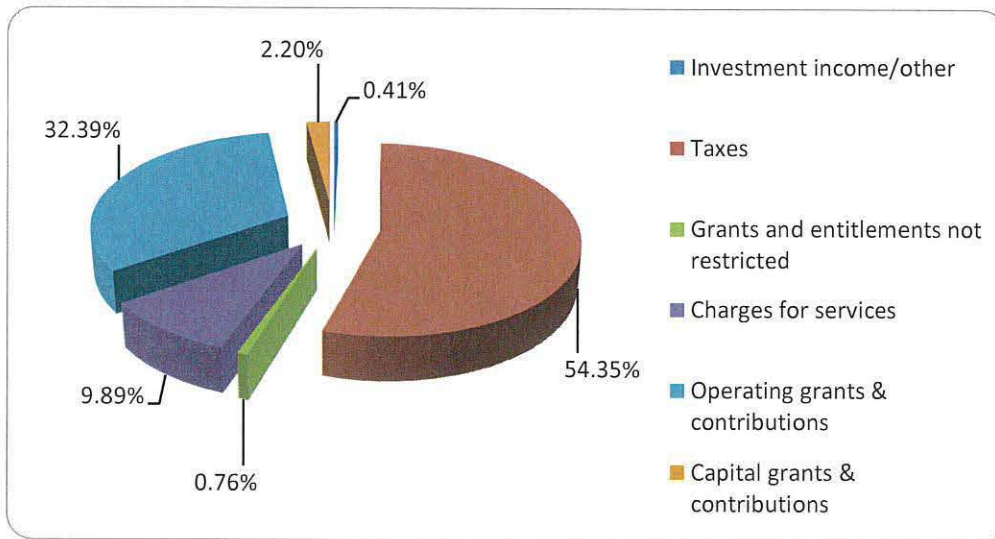
The following graph displays program revenues, not including operating and capital grants, and expenses dedicated to governmental activities. This shows the amount of revenues generated from these activities. Other revenues also support governmental activities but are general in nature and apply to all 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, 2021

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 operating grants and contributions, charges for services, capital grants, grants and entitlements not restricted, and investment income and other. Tax revenue for governmental activities increased from FY 2020 to FY 2021 by \$756,223 or 3.6%. The increase is partially due to the incremental .5% sales tax rate that was retained in December 2019 after funding goals were reached for construction of the new police department.

Revenues by Source - Governmental Activities



Overall expenses for governmental activities increased \$8,120,652 from the prior year which is attributed to expenditures under the CARES Act grant.

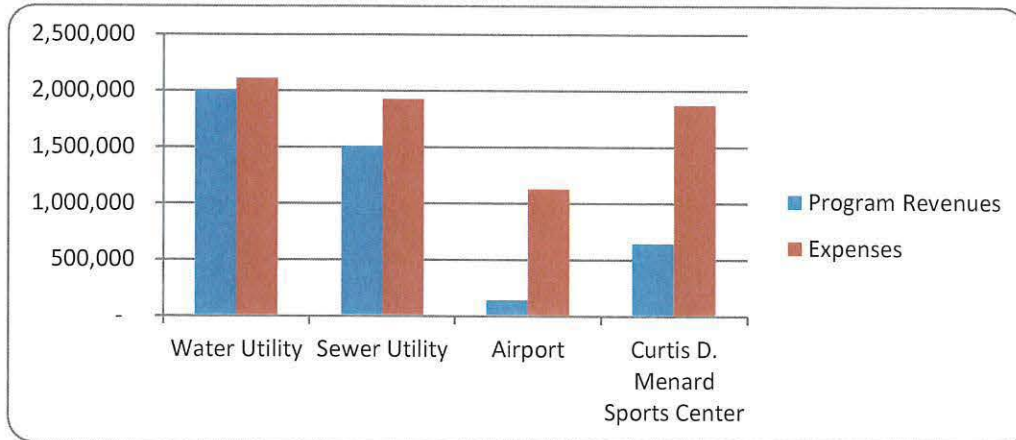
Business-type Activities

Business-type activities decreased the City's net position decrease by \$1,304,786. The decrease in the water fund, sewer fund, airport fund, and sports center funds were \$69,595, \$81,508, and \$451,612, and \$702,071 respectively. The decreases were derived from significant depreciation expense as these funds are capital-intensive. Also contributing to the losses were increases in pension expense and the absence of donated assets from developers or grant-funded construction. The transfers to the Curtis D. Menard Sports Complex were \$100,000 less than in prior year.

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, 2021

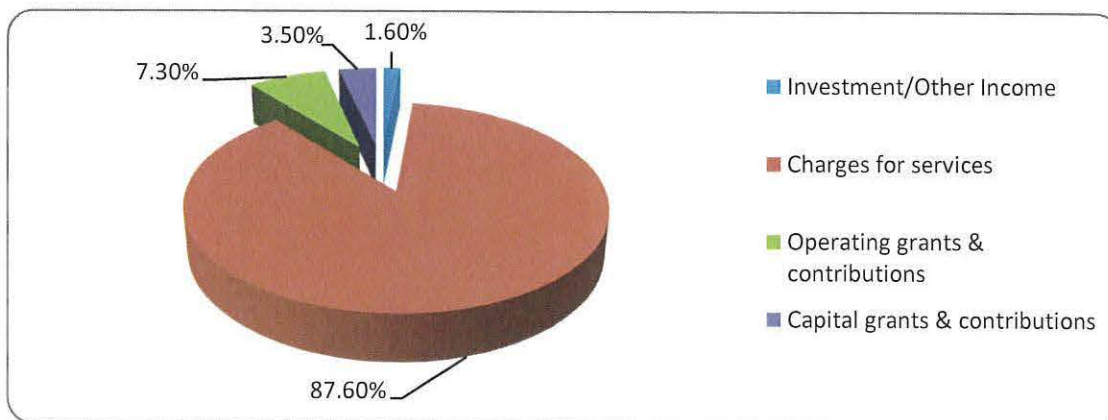
Program Revenues and Expenses - Business-Type Activities
(Not including operating and capital grant revenue or interest expense)



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 rate increases from 2010-2015. The Sewer Utility Fund and Municipal Airport Fund continue to fall short due to the depreciation expense on infrastructure obtained through capital grants and low user fees. 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, 2021

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, 2021, the City's governmental funds reported combined ending fund balances of \$43,755,391, an increase of \$11,001,147 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 1.6% \$735,585 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 1.5% \$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 55.8% \$24,419,709 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 18.6% \$8,047,879 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 22.5% \$9,857,018 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 \$9,857,018 while total fund balance was \$36,368,784. 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 88.3% of total General Fund expenditures, while total fund balance represents 325.6% of that same amount.

Fund balance of the City's General Fund increased by \$12,123,854 during the current year and in the prior year increased \$6,310,070. The increase is due to higher sales tax collections and a reduction in personnel costs as public safety personnel costs were charged to the CARES Act grant.

The CARES Act Special Revenue Fund was created in FY 2020 to record activity relating to the federal CARES Act grant. It had no ending fund balance in the current or prior year as revenues equaled eligible expenditures.

The Miscellaneous Capital Projects Fund has a total fund balance of \$3,519,925. The nonspendable portion of \$2,435 relates to prepaid items. The remaining \$3,517,490 is assigned for future capital project construction expenditures. Fund balance decreased by \$1,936,454 due to the one percent (1.0%) dedicated sales tax to fund construction of a new police station ended effective December 1, 2019. Capital outlay decreased by \$6,631,146 from the prior year due to construction of the new police station largely being completed in the prior year.

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

Unrestricted net position of the water utility fund is \$7,962,463. The decrease in overall net position of \$69,595 is from user fees unable to support general operations which includes a significant amount of depreciation.

City of Wasilla, Alaska
Management's Discussion and Analysis
June 30, 2021

Unrestricted net position of the sewer utility fund is \$4,689,307. The decrease in overall net position of \$81,508 is due to operating revenues unable to support general operations which includes significant amounts of depreciation.

Unrestricted net position of the airport is \$660,058. The decrease in overall net position of \$451,612 is due to low user fees and significant depreciation which was offset by transfers in and contributions from the Federal Aviation Administration for construction of a new access gate.

Unrestricted net position of the Curtis D. Menard Memorial Sports Center's is \$1,223,147. The decrease in overall net position of \$702,071 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 \$72,000 from the General Fund to the CIP fund to purchase professional services relating to City Hall remodel.

Final budget compared to actual results. The actual to final budgeted change in fund balance was a favorable increase of \$12,123,854. A favorable difference in budgeted revenues to actual revenues of \$3,289,199 was attributed to increased sales tax from additional commercial expansion in the community along with additional local spending due to travel restrictions relating to COVID-19 continued through much of the fiscal year. A favorable difference in budgeted expenditures to actual expenditures of \$8,947,654 resulted largely as public safety personnel costs were allocated to the CARES Act Fund for reimbursement under this grant.

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, 2021 amounts to \$131,334,872 (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 police station and garage
- E911 hardware
- Relocation of historic train station
- Road and parks equipment
- Land acquisition for drainage
- Spruce Avenue wellhouse upgrade

City of Wasilla, Alaska
Management's Discussion and Analysis
June 30, 2021

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

	Governmental Activities		Business-type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,815,668	\$ 14,645,260	\$ 5,290,341	\$ 5,290,341	\$ 20,106,009	\$ 19,935,601
Buildings	31,255,503	28,937,668	11,688,758	12,027,055	42,944,261	40,964,723
Land improvements	-	-	8,986,800	9,432,008	8,986,800	9,432,008
Infrastructure	16,711,765	17,982,164	36,593,778	37,796,766	53,305,543	55,778,930
Furniture and equipment	1,696,885	1,558,945	-	-	1,696,885	1,558,945
Vehicles and equipment	2,336,683	2,622,087	1,508,503	1,685,437	3,845,186	4,307,524
Construction in progress	194,984	1,067,044	255,204	260,572	450,188	1,327,616
Total Capital Assets	\$ 67,011,488	\$ 66,813,168	\$ 64,323,384	\$ 66,492,179	\$ 131,334,872	\$ 133,305,347

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 \$496,350. 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 25.0%, 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 2022, the City considered a few issues with city-wide 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 2.49% or \$447,194 over the FY 2021 budgeted amount. The anticipated increase is based on historical sales tax revenue trends.

Additionally, in FY 2020, 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.

City of Wasilla, Alaska
Management's Discussion and Analysis
June 30, 2021

- The property tax mil levy is expected to remain at zero.
- User fees and charges for business-type activities are expected to decrease slightly (.03%) due to uncertainty related to the COVID-19 pandemic; particularly its impact on revenue at the sports center which provides a venue for large sporting and commercial events. Additionally, it may impact residential development that would otherwise increase the water and sewer user base.
- 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 FY 2017 and no new grant awards are projected in FY 2022.
- 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 FY 2021 are \$3,370,000 for various projects (train station improvements, vehicles, equipment, road paving, etc.).
- Personnel costs make up approximately 71% of the city's annual operational costs (excludes transfers, debt service and net capital projects). Personnel assumptions provide for an increase of \$374,761 or 2.71% over FY 2021 amended budget. Increases relate to CPI, regular advancement on the pay scales, and the increase of 2.5 FTE positions. Health insurance premiums are projected to increase 3.94% or \$111,020 over FY 2021 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 2022.
- The City received a federal CARES Act grant of \$18.6M through the State of Alaska. On June 31, 2021 approximately \$13M had been expended. The grant expires December 31, 2021, it is anticipated that funds will be expended in FY 2022 largely on public safety payroll reimbursement and mitigation of COVID-19 spread. These funds were not included in the FY 2022 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, 2021</i>	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 47,068,692	\$ 16,117,049	\$ 63,185,741
Land held for resale	695,200	-	695,200
Receivables, net of allowance for uncollectible amounts:			
Accounts	68,342	371,153	439,495
Taxes	2,001,107	-	2,001,107
Grants	306,764	371,331	678,095
Shared revenues	285,464	-	285,464
Assessments	-	89,285	89,285
Prepaid items	400,407	56,700	457,107
Inventories	-	79,879	79,879
Net other postemployment benefits asset	1,158,260	182,253	1,340,513
Capital assets not being depreciated	15,010,652	5,545,545	20,556,197
Other capital assets, net of accumulated depreciation	52,000,836	58,777,839	110,778,675
Total Assets	118,995,724	81,591,034	200,586,758
Deferred Outflows of Resources			
Related to pensions	1,858,362	329,978	2,188,340
Related to other postemployment benefits	797,022	125,413	922,435
Total Deferred Outflows of Resources	2,655,384	455,391	3,110,775
Total Assets and Deferred Outflows of Resources	\$ 121,651,108	\$ 82,046,425	\$ 203,697,533
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	\$ 406,253	\$ 206,062	\$ 612,315
Accounts payable - capital	-	34,523	34,523
Accrued payroll and employee benefits	558,686	79,439	638,125
Customer deposits	2,000	96,640	98,640
Unearned revenue	6,103,646	153,314	6,256,960
Accrued interest	-	2,407	2,407
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	165,450	165,450
Compensated absences	944,772	202,085	1,146,857
Due in more than one year:			
Notes payable	-	330,900	330,900
Net pension liability	13,477,409	2,296,819	15,774,228
Net other postemployment benefits liability	26,288	4,136	30,424
Total Liabilities	21,519,054	3,571,775	25,090,829
Deferred Inflows of Resources			
Related to other postemployment benefits	935,274	147,164	1,082,438
Net Position			
Net investment in capital assets	67,011,488	63,792,511	130,803,999
Restricted:			
Permanent Fund - Cemetery - nonexpendable	335,178	-	335,178
Main Street couplet	695,200	-	695,200
Unrestricted	31,154,914	14,534,975	45,689,889
Total Net Position	99,196,780	78,327,486	177,524,266
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 121,651,108	\$ 82,046,425	\$ 203,697,533

See accompanying notes to basic financial statements.

City of Wasilla, Alaska
Statement of Activities

Year Ended June 30, 2021	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	
Governmental Activities							
General government	\$ 8,749,832	\$ 133,993	\$ 4,759,872	\$ -	\$ (3,855,967)	\$ -	\$ (3,855,967)
Public safety	10,975,731	3,606,886	7,593,721	315,705	540,581	-	540,581
Public works	4,010,392	65,559	71,169	409,495	(3,464,169)	-	(3,464,169)
Culture and recreation	3,198,720	12,646	86,237	122,670	(2,977,167)	-	(2,977,167)
Total Governmental Activities	26,934,675	3,819,084	12,510,999	847,870	(9,756,722)	-	(9,756,722)
Business-Type Activities							
Water utility	2,110,834	2,010,411	32,510	-	-	(67,913)	(67,913)
Sewer utility	1,926,320	1,509,562	282,724	41,631	-	(92,403)	(92,403)
Municipal airport	1,130,185	141,549	5,641	129,903	-	(853,092)	(853,092)
Sports center	1,875,079	645,681	36,724	-	-	(1,192,674)	(1,192,674)
Total Business-Type Activities	7,042,418	4,307,203	357,599	171,534	-	(2,206,082)	(2,206,082)
Totals	\$33,977,093	\$8,126,287	\$12,868,598	\$1,019,404	(9,756,722)	(2,206,082)	(11,962,804)
General Revenues							
Sales taxes					20,834,132	-	20,834,132
Vehicle taxes					178,030	-	178,030
Grants and entitlements not restricted to a specific purpose					293,207	-	293,207
Investment income					93,114	3	93,117
Other					68,994	77,493	146,487
Transfers					(823,800)	823,800	-
Total General Revenues and Transfers					20,643,677	901,296	21,544,973
Change in Net Position					10,886,955	(1,304,786)	9,582,169
Net Position, beginning					88,309,825	79,632,272	167,942,097
Net Position, ending					\$99,196,780	\$78,327,486	\$177,524,266

See accompanying notes to basic financial statements.

City of Wasilla, Alaska
Governmental Funds
Balance Sheet

<i>June 30, 2021</i>	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	CARES Act Special Revenue	Miscellaneous Capital Projects		
Assets					
Cash and investments	\$ 34,474,307	\$ 5,635,020	\$ 3,895,144	\$3,064,221	\$ 47,068,692
Land held for resale	-	-	-	695,200	695,200
Receivables, net of allowance for uncollectibles:					
Accounts	68,342	-	-	-	68,342
Taxes	2,001,107	-	-	-	2,001,107
Grants	23,900	-	166,640	116,224	306,764
Shared revenues	285,464	-	-	-	285,464
Prepaid items	396,656	-	2,435	1,316	400,407
Total Assets	\$ 37,249,776	\$ 5,635,020	\$ 4,064,219	\$3,876,961	\$ 50,825,976
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 287,480	\$ -	\$ 118,028	\$ 745	\$ 406,253
Accrued payroll and employee benefits	555,210	-	22	3,454	558,686
Customer deposits	2,000	-	-	-	2,000
Unearned revenue	36,302	5,635,020	426,244	6,080	6,103,646
Total Liabilities	880,992	5,635,020	544,294	10,279	7,070,585
Fund Balances					
Nonspendable:					
Prepaid items	396,656	-	2,435	1,316	400,407
Permanent fund - cemetery	-	-	-	335,178	335,178
Restricted - Main Street couplet	-	-	-	695,200	695,200
Committed -					
Capital improvements	24,419,709	-	-	-	24,419,709
Assigned:					
Land bank	691,500	-	-	-	691,500
Capital improvements	-	-	3,517,490	-	3,517,490
Compensated absences	944,771	-	-	-	944,771
Youth court	-	-	-	57,317	57,317
Road projects	-	-	-	742,683	742,683
Vehicle replacement	-	-	-	1,113,616	1,113,616
Right-of-way acquisition	-	-	-	138,654	138,654
Technology replacement	-	-	-	782,718	782,718
Wings Over Wasilla	25,864	-	-	-	25,864
Other purposes	33,266	-	-	-	33,266
Unassigned	9,857,018	-	-	-	9,857,018
Total Fund Balances	36,368,784	-	3,519,925	3,866,682	43,755,391
Total Liabilities and Fund Balances	\$ 37,249,776	\$ 5,635,020	\$ 4,064,219	\$3,876,961	\$ 50,825,976

See accompanying notes to basic financial statements.

City of Wasilla, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2021

Total fund balances for governmental funds		\$43,755,391
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.		67,011,488
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.		1,158,260
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	\$ 1,858,362	
Deferred outflows of resources related to other postemployment benefits	<u>797,022</u>	
Total deferred outflows of resources		2,655,384
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	(13,477,409)	
Net other postemployment benefits liability	(26,288)	
Compensated absences	<u>(944,772)</u>	
Total noncurrent liabilities		(14,448,469)
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 other postemployment benefits	<u>(935,274)</u>	
Total deferred inflows of resources		<u>(935,274)</u>
Total Net Position of Governmental Activities		<u>\$99,196,780</u>

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2021	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	CARES Act Special Revenue	Miscellaneous Capital Projects		
Revenues					
Taxes	\$ 21,012,162	\$ -	\$ -	\$ -	\$ 21,012,162
Licenses and permits	76,453	-	-	-	76,453
Fines and forfeitures	167,850	-	-	-	167,850
Intergovernmental	1,773,309	10,945,577	611,611	170,009	13,500,506
Charges for services	3,569,691	-	-	390	3,570,081
Investment income	91,610	-	1,504	-	93,114
Other	73,252	-	122,670	4,700	200,622
Total Revenues	26,764,327	10,945,577	735,785	175,099	38,620,788
Expenditures					
Current:					
General government	3,514,822	4,616,148	-	-	8,130,970
Public safety	2,981,016	6,329,429	-	80,565	9,391,010
Public works	2,187,668	-	-	-	2,187,668
Culture and recreation	2,330,455	-	-	-	2,330,455
Nondepartmental	148,945	-	-	-	148,945
Capital outlay	-	-	4,082,939	523,854	4,606,793
Total Expenditures	11,162,906	10,945,577	4,082,939	604,419	26,795,841
Excess (Deficiency) of Revenues Over Expenditures					
	15,601,421	-	(3,347,154)	(429,320)	11,824,947
Other Financing Sources (Uses)					
Transfers in	33	-	1,410,700	1,243,100	2,653,833
Transfers out	(3,477,600)	-	-	(33)	(3,477,633)
Net Other Financing Sources (Uses)	(3,477,567)	-	1,410,700	1,243,067	(823,800)
Net Change in Fund Balances	12,123,854	-	(1,936,454)	813,747	11,001,147
Fund Balances, beginning	24,244,930	-	5,456,379	3,052,935	32,754,244
Fund Balances, ending	\$ 36,368,784	\$ -	\$ 3,519,925	\$3,866,682	\$ 43,755,391

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, 2021

Net change in fund balances - total governmental funds		\$11,001,147
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives and reported as depreciation expense:		
Capital outlays	\$3,600,214	
Depreciation expense	<u>(3,397,636)</u>	202,578
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	(46,072)	
Accumulated depreciation of assets sold	<u>41,814</u>	(4,258)
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	(64,920)	
Increase in net pension liability and related deferred outflows of resources and deferred inflows of resources	(1,095,406)	
Decrease in net other postemployment benefits liability and asset and deferred outflows of resources and deferred inflows of resources	<u>847,814</u>	<u>(312,512)</u>
Change in Net Position of Governmental Activities		<u>\$10,886,955</u>

See accompanying notes to basic financial statements.

City of Wasilla, Alaska
Enterprise Funds
Statement of Net Position

<i>June 30, 2021</i>	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and investments	\$ 8,423,972	\$ 5,344,784	\$ 442,297	\$ 1,905,996	\$ 16,117,049
Receivables:					
Accounts	256,763	166,720	10,605	42,972	477,060
Allowance for doubtful accounts	(47,860)	(28,405)	(2,047)	(27,595)	(105,907)
Special assessments	36	5,342	-	-	5,378
Payment in lieu of assessments	83,907	-	-	-	83,907
Grants	-	78,592	292,739	-	371,331
Prepaid expenses	17,592	16,549	3,106	12,527	49,774
Inventory	30,987	48,892	-	-	79,879
Total Current Assets	8,765,397	5,632,474	746,700	1,933,900	17,078,471
Noncurrent Assets					
Prepaid expenses	6,926	-	-	-	6,926
Net other postemployment benefits asset	51,650	63,295	8,962	58,346	182,253
Capital assets, net	26,372,917	13,079,761	12,401,535	12,469,171	64,323,384
Total Noncurrent Assets	26,431,493	13,143,056	12,410,497	12,527,517	64,512,563
Total Assets	35,196,890	18,775,530	13,157,197	14,461,417	81,591,034
Deferred Outflows of Resources					
Related to pensions	93,899	117,868	7,234	110,977	329,978
Related to other postemployment benefits	35,542	43,555	6,167	40,149	125,413
Total Deferred Outflows of Resources	129,441	161,423	13,401	151,126	455,391
Total Assets and Deferred Outflows of Resources	\$ 35,326,331	\$ 18,936,953	\$ 13,170,598	\$ 14,612,543	\$ 82,046,425

See accompanying notes to basic financial statements.

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

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
<i>June 30, 2021</i>					
Liabilities, Deferred Inflows of Resources and Net Position					
Current Liabilities					
Accounts payable	\$ 79,547	\$ 79,665	\$ 13,183	\$ 33,667	\$ 206,062
Accounts payable - capital	34,523	-	-	-	34,523
Accrued payroll and employee benefits	24,396	31,053	4,296	19,694	79,439
Compensated absences	48,219	92,932	8,211	52,723	202,085
Customer deposits	40,626	53,014	-	3,000	96,640
Accrued interest	2,407	-	-	-	2,407
Unearned revenue	117,217	-	9,190	26,907	153,314
Current portion of notes payable	165,450	-	-	-	165,450
Total Current Liabilities	512,385	256,664	34,880	135,991	939,920
Noncurrent Liabilities					
Notes payable, net of current portion	330,900	-	-	-	330,900
Net pension liability	635,661	858,675	66,685	735,798	2,296,819
Net other postemployment benefits liability	1,172	1,437	203	1,324	4,136
Total Noncurrent Liabilities	967,733	860,112	66,888	737,122	2,631,855
Total Liabilities	1,480,118	1,116,776	101,768	873,113	3,571,775
Deferred Inflows of Resources					
Related to pensions	-	-	-	-	-
Related to other postemployment benefits	41,706	51,109	7,237	47,112	147,164
Total Deferred Inflows of Resources	41,706	51,109	7,237	47,112	147,164
Net Position					
Net investment in capital assets	25,842,044	13,079,761	12,401,535	12,469,171	63,792,511
Unrestricted	7,962,463	4,689,307	660,058	1,223,147	14,534,975
Total Net Position	33,804,507	17,769,068	13,061,593	13,692,318	78,327,486
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 35,326,331	\$ 18,936,953	\$ 13,170,598	\$ 14,612,543	\$ 82,046,425

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, 2021</i>	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Operating Revenues	\$ 2,010,411	\$ 1,509,562	\$ 141,549	\$ 645,681	\$ 4,307,203
Operating Expenses					
Salaries and employee benefits	657,171	759,950	114,526	786,353	2,318,000
Other operating expenses	590,895	638,286	171,747	569,754	1,970,682
Depreciation	853,643	528,084	843,912	518,972	2,744,611
Total Operating Expenses	2,101,709	1,926,320	1,130,185	1,875,079	7,033,293
Operating loss	(91,298)	(416,758)	(988,636)	(1,229,398)	(2,726,090)
Nonoperating Revenues (Expenses)					
Payments in lieu of assessments	32,647	42,112	-	-	74,759
Interest expense	(9,125)	-	-	-	(9,125)
Investment income	-	-	-	3	3
Debt service assessments	71	883	-	-	954
Nonoperating grants	-	242,884	-	-	242,884
State PERS relief	32,510	39,840	5,641	36,724	114,715
Other income	-	-	1,780	-	1,780
Net Nonoperating Revenues (Expenses)	56,103	325,719	7,421	36,727	425,970
Loss before contributions and transfers	(35,195)	(91,039)	(981,215)	(1,192,671)	(2,300,120)
Capital contributions	-	41,631	129,903	-	171,534
Transfers in	-	-	400,000	500,000	900,000
Transfers out	(34,400)	(32,100)	(300)	(9,400)	(76,200)
Change in net position	(69,595)	(81,508)	(451,612)	(702,071)	(1,304,786)
Net Position, beginning	33,874,102	17,850,576	13,513,205	14,394,389	79,632,272
Net Position, ending	\$33,804,507	\$17,769,068	\$13,061,593	\$ 13,692,318	\$ 78,327,486

See accompanying notes to basic financial statements.

City of Wasilla, Alaska
Enterprise Funds
Statement of Cash Flows

<i>Year Ended June 30, 2021</i>	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Cash Flows from (for) Operating Activities					
Receipts from customers and users	\$2,005,221	\$1,538,670	\$ 143,855	\$ 659,671	\$ 4,347,417
Payments to suppliers	(530,283)	(605,994)	(171,905)	(541,053)	(1,849,235)
Payments to employees	(593,490)	(716,343)	(103,042)	(735,674)	(2,148,549)
Net cash flows from (for) operating activities	881,448	216,333	(131,092)	(617,056)	349,633
Cash Flows for Noncapital Financing Activities					
Nonoperating grants received	-	447,188	-	-	447,188
Transfers in	-	-	-	500,000	500,000
Transfers out	(34,400)	(32,100)	(300)	(9,400)	(76,200)
Net cash flows from (for) noncapital financing activities	(34,400)	415,088	(300)	490,600	870,988
Cash Flows from (for) Capital and Related Financing Activities					
Principal paid on notes payable	(165,450)	-	-	-	(165,450)
Interest paid on notes payable	(9,927)	-	-	-	(9,927)
Special assessments received	1,742	3,736	-	-	5,478
Payments in lieu of assessments received	32,647	42,112	-	-	74,759
Acquisition and construction of capital assets	(220,681)	(221,730)	(429,595)	-	(872,006)
Transfers in	-	-	400,000	-	400,000
Capital contributions received	-	-	361,690	-	361,690
Net cash flows for capital and related financing activities	(361,669)	(175,882)	332,095	-	(205,456)
Cash Flows from Investing Activities					
Investment income received	-	-	-	3	3
Net Increase (Decrease) in Cash and Investments	485,379	455,539	200,703	(126,453)	1,015,168
Cash and Investments, beginning	7,938,593	4,889,245	241,594	2,032,449	15,101,881
Cash and Investments, ending	\$8,423,972	\$5,344,784	\$ 442,297	\$1,905,996	\$16,117,049

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2021</i>	Major Funds				Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport			
Reconciliation of Operating Loss to Net						
Cash Flows from (for) Operating Activities						
Operating loss	\$ (91,298)	\$ (416,758)	\$ (988,636)	\$ (1,229,398)		\$ (2,726,090)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:						
Depreciation	853,643	528,084	843,912	518,972		2,744,611
State of Alaska on-behalf payments - PERS relief	32,510	39,840	5,641	36,724		114,715
Nonoperating revenues	-	-	1,780	-		1,780
Changes in operating assets and liabilities that provided (used) cash:						
Accounts receivable and related allowance	(34,976)	(23,906)	977	84,831		26,926
Inventory	3,850	(2,356)	-	-		1,494
Prepaid expenses	8,949	7,779	1,296	9,627		27,651
Net other postemployment benefits asset	(46,846)	(57,634)	(8,211)	(53,172)		(165,863)
Deferred outflows of resources related to pensions	(24,343)	(29,832)	(4,224)	(27,499)		(85,898)
Deferred outflows of resources related to other postemployment benefits	8,573	11,814	1,623	7,985		29,995
Accounts payable	47,813	26,869	(1,454)	19,074		92,302
Accrued payroll and employee benefits	(8,240)	(3,836)	(944)	(15,388)		(28,408)
Compensated absences	5,816	16,722	1,860	(3,784)		20,614
Customer deposits	17,290	53,014	-	(3,400)		66,904
Unearned revenue	12,496	-	(451)	(67,441)		(55,396)
Net pension liability	101,874	124,843	17,677	115,080		359,474
Net other postemployment benefits liability	(5,231)	(30,977)	(2,550)	(8,189)		(46,947)
Deferred inflows of resources related to pensions	(24,388)	(44,822)	(3,275)	(27,864)		(100,349)
Deferred inflows of resources related to other postemployment benefits	23,956	17,489	3,887	26,786		72,118
Net Cash Flows from (for) Operating Activities	\$ 881,448	\$ 216,333	\$ (131,092)	\$ (617,056)		\$ 349,633
Noncash Capital and Related Financing Activities						
Sewer extensions and other assets contributed by developers	\$ -	\$ 41,631	\$ -	\$ -		\$ 41,631
Capital assets purchased on account	\$ 34,523	\$ -	\$ -	\$ -		\$ 34,523

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Notes to Basic Financial Statements June 30, 2021

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. The CARES Act Special Revenue Fund does not have a legally adopted budget.

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.

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 2021.

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. Most funds, except the capital project funds, will be utilized to liquidate the pension and OPEB liabilities. The most significant, due to the fact that it has the largest payroll, is the General Fund.

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

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

City of Wasilla, Alaska

Notes to Basic Financial Statements

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

(i) Fund Balance

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, 2021 and 2020, 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, 2021, 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	\$ 642,399	\$ 642,399	\$ -	\$ -
Certificates of deposit	4,481,302	2,733,826	1,747,476	-
U.S. treasuries	17,500,744	149,895	17,350,849	-
U.S. government agencies	6,219,103	1,749,735	797,008	3,672,360
Municipal bonds	626,485	100,801	525,684	-
Corporate bonds	1,998,225	1,998,225	-	-
Mortgage/asset backed securities	823,697	-	127,280	696,417
AMLIP pooled investments	23,425,027	23,425,027	-	-
Total Subject to Interest Rate Risk	\$ 55,716,982	\$ 30,799,908	\$ 20,548,297	\$ 4,368,777

(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, 2021:

U.S. treasury securities of \$17,500,744, U.S. government agency securities of \$6,219,103, municipal bonds of \$626,485, corporate bonds of \$1,998,225 and mortgage/asset backed securities of \$823,697 are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales (Level 2 inputs).

The City has investments in money market funds and certificates of deposits totaling \$5,123,701 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2021. The City's investment in AMLIP of \$23,425,027 is measured at net asset value, as of June 30, 2021. Management believes these values approximate fair value.

(c) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal policy relating to interest rate risk.

City of Wasilla, Alaska

Notes to Basic Financial Statements

(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, 2021, the City's investments exposed to credit risk were rated as follows:

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

The AMLIP is an external investment pool, which is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2021, 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.

(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, 2021, the City had no bank deposits that were not insured or collateralized.

City of Wasilla, Alaska

Notes to Basic Financial Statements

(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, 2021 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, 2021:

Cash and Investments	\$ 63,185,741
-----------------------------	----------------------

Deposits and investments are comprised of the following as of June 30, 2021:

Carrying value of bank deposits	\$ 7,465,589
Petty cash accounts	3,170
Investments	55,716,982
Total Cash and Investments	\$ 63,185,741

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.

The remainder of this page intentionally left blank.

City of Wasilla, Alaska

Notes to Basic Financial Statements

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 is as follows:

Governmental Activities	Balance July 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 14,645,260	\$ 170,408	\$ -	\$ 14,815,668
Construction in progress	1,067,044	3,429,806	(4,301,866)	194,984
Total capital assets not being depreciated	15,712,304	3,600,214	(4,301,866)	15,010,652
Capital assets being depreciated:				
Buildings	33,845,492	3,128,801	-	36,974,293
Office furniture and equipment	4,428,473	697,195	(46,072)	5,079,596
Vehicles and equipment	7,739,758	475,870	-	8,215,628
Infrastructure	38,341,501	-	-	38,341,501
Total capital assets being depreciated	84,355,224	4,301,866	(46,072)	88,611,018
Less accumulated depreciation for:				
Buildings	4,907,824	810,966	-	5,718,790
Office furniture and equipment	2,869,528	554,997	(41,814)	3,382,711
Vehicles and equipment	5,117,671	761,274	-	5,878,945
Infrastructure	20,359,337	1,270,399	-	21,629,736
Total accumulated depreciation	33,254,360	3,397,636	(41,814)	36,610,182
Total capital assets being depreciated, net	51,100,864	904,230	(4,258)	52,000,836
Governmental Activities Capital Assets, net	\$ 66,813,168	\$ 4,504,444	\$ (4,306,124)	\$ 67,011,488

City of Wasilla, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 5,290,341	\$ -	\$ -	\$ 5,290,341
Construction in progress	260,572	534,185	(539,553)	255,204
Total capital assets not being depreciated	5,550,913	534,185	(539,553)	5,545,545
Capital assets being depreciated:				
Land improvements	20,456,865	296,385	-	20,753,250
Buildings	18,422,959	144,000	-	18,566,959
Treatment system	9,119,754	62,005	-	9,181,759
Collection/distribution	45,572,741	-	(50,701)	45,522,040
Water tank and fence	6,847,577	-	-	6,847,577
Wells/well house	1,325,146	34,955	-	1,360,101
Vehicles and equipment	8,358,050	94,540	-	8,452,590
Total capital assets being depreciated	110,103,092	631,885	(50,701)	110,684,276
Less accumulated depreciation for:				
Land improvements	11,024,857	741,593	-	1,1766,450
Buildings	6,395,904	482,297	-	6,878,201
Treatment system	4,300,867	230,811	-	4,531,678
Collection/distribution	17,434,423	855,697	-	18,290,120
Water tank and fence	2,971,725	137,298	-	3,109,023
Wells/well house	361,437	25,441	-	386,878
Vehicles and equipment	6,672,613	271,474	-	6,944,087
Total accumulated depreciation	49,161,826	2,744,611	-	51,906,437
Total capital assets being depreciated, net	60,941,266	(2,112,726)	(50,701)	58,777,839
Business-type Activities				
Capital Assets, net	\$ 66,492,179	\$ (1,578,541)	\$ (590,254)	\$ 64,323,384

City of Wasilla, Alaska

Notes to Basic Financial Statements

Depreciation expense was charged to the functions as follows for the year ended June 30, 2021:

Governmental Activities

General government	\$ 87,117
Public safety	1,057,991
Public works	1,646,903
Culture and recreation	605,625
<hr/>	
Total Depreciation Expense - Governmental Activities	\$ 3,397,636

Business-type Activities

Water utility	\$ 853,643
Sewer utility	528,084
Municipal airport	843,912
Curtis D. Menard Memorial Sports Center	518,972
<hr/>	
Total Depreciation Expense - Business-type Activities	\$ 2,744,611

5. Interfund Transfers

A schedule of interfund transfers for the year ended June 30, 2021, follows:

Transfers

From the General Fund to:	
Curtis D. Menard Memorial Sports Center Enterprise Fund to subsidize operations	\$ 500,000
Miscellaneous Capital Projects Fund for museum expansion, park improvements, roads equipment, roof replacement, and train depot improvements	1,410,700
Nonmajor governmental funds for road paving, Roberts Street expansion, remove power lines on Main Street, vehicle and technology replacement	1,166,900
Municipal Airport Enterprise Fund for land improvements	400,000
From nonmajor governmental funds to the General Fund for operations	33
From the Water Utility Enterprise Fund to nonmajor governmental funds for vehicle and technology replacement	34,400
From the Sewer Utility Enterprise Fund to nonmajor governmental funds for vehicle and technology replacement	32,100
From the Municipal Airport Enterprise Fund to nonmajor governmental funds for technology replacement	300
From the Curtis D. Menard Memorial Sports Center Enterprise Fund to nonmajor governmental funds for technology replacement	9,400
<hr/>	
Total Transfers to Other Funds	\$ 3,553,833

City of Wasilla, Alaska

Notes to Basic Financial Statements

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%	\$ 496,350

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 165,450	\$ 7,445	\$ 172,895
2023	165,450	4,964	170,414
2024	165,450	2,482	167,932
	\$ 496,350	\$ 14,891	\$ 511,241

(b) Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

Governmental Activities	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 879,852	\$ 1,016,245	\$ (951,325)	\$ 944,772	\$ 944,772
Total Governmental Activities	\$ 879,852	\$ 1,016,245	\$ (951,325)	\$ 944,772	\$ 944,772

Business-type Activities	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Direct borrowing - ADEC loans	\$ 661,800	\$ -	\$ (165,450)	\$ 496,350	\$ 165,450
Compensated absences	181,471	144,000	(123,386)	202,085	202,085
Total Business-type Activities	\$ 843,271	\$ 144,000	\$ (288,836)	\$ 698,435	\$ 367,535

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

City of Wasilla, Alaska

Notes to Basic Financial Statements

(c) Conduit Revenue Bonds

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, 2021 was \$4,260,719.

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, 2021 was \$48,334,612.

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, 2021 was \$35,625,517.

7. Retirement Plans

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 an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

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

(a) Defined Benefit (DB) Pension Plan

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

City of Wasilla, Alaska

Notes to Basic Financial Statements

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.

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

There are several contribution rates associated with the pension contributions and 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.

City of Wasilla, Alaska

Notes to Basic Financial Statements

Contribution rates for the year ended June 30, 2021 were determined in the June 30, 2019 actuarial valuations. The City's contribution rates for the 2021 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	14.57%	26.58%	8.85%
Postemployment healthcare (ARHCT)	7.43%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

In 2021, the City was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2019 to June 30, 2020	City Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions (including DBUL)	\$ 966,295	\$ 1,201,900
Nonemployer contributions (on-behalf)	606,118	810,307
Total Contributions	\$ 1,572,413	\$ 2,012,207

In addition, employee contributions to the Plan totaled \$196,695 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, 2021, 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	\$ 15,774,228
State's proportionate share of NPL associated with the City	6,529,099
Total Net Pension Liability	\$ 22,303,327

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2020 measurement date, the City's proportion was 0.26731 percent, which was an increase of 0.02746 from its proportion measured as of June 30, 2019.

City of Wasilla, Alaska

Notes to Basic Financial Statements

For the year ended June 30, 2021, the City recognized pension expense of \$4,516,231 and on-behalf revenue of \$843,754 for support provided by the State. At June 30, 2021, 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	\$ 50,040	\$ -
Net difference between projected and actual earnings on pension plan investments	642,013	-
Changes in proportion and differences between City contributions and proportionate share of contributions	294,387	-
City contributions subsequent to the measurement date	1,201,900	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 2,188,340	\$ -

The \$1,201,900 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	\$ 355,774
2022	225,777
2023	238,639
2024	166,250
Total Amortization	\$ 986,440

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, 2019, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
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.
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation. The liability is expected to go to zero at 2039.
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-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected 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, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

City of Wasilla, Alaska

Notes to Basic Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.36%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. 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	0.26731%	\$ 20,509,830	\$ 15,774,228	\$ 11,802,377

Pension Plan Fiduciary Net Position

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

City of Wasilla, Alaska

Notes to Basic Financial Statements

(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 accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the annual comprehensive financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2021 to cover a portion of the City's employer match contributions. For the year ended June 30, 2021, forfeitures reduced pension expense by zero.

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, 2021, 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, 2021 were \$324,251 and \$518,793, 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).

City of Wasilla, Alaska

Notes to Basic Financial Statements

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 provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. 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 annual comprehensive financial report for PERS, at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

Employer Contribution Rate

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

Employer contribution rates for the year ended June 30, 2021 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	1.58%	1.97%

In 2021, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	City Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions - ARHCT	\$ 385,979	\$ 208,912
Employer contributions - RMP	76,512	82,359
Employer contributions - ODD	20,979	26,114
Total Contributions	\$ 483,470	\$ 317,385

The remainder of this page intentionally left blank.

City of Wasilla, Alaska

Notes to Basic Financial Statements

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

At June 30, 2021, the City reported an asset for its proportionate share of the net OPEB asset (NOA) 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 NOA - ARHCT	\$ 1,210,102
City's proportionate share of NOA - ODD	130,411
Total City's Proportionate Share of Net OPEB Asset	\$ 1,340,513
State's proportionate share of the ARHCT NOA associated with the City	502,088
Total Net OPEB Asset	\$ 1,842,601

At June 30, 2021, the City reported a liability for its proportionate share of the net OPEB liability (NOL) associated with the City's participation in the RMP Plan. The amount recognized by the City for its proportionate share was \$(30,424).

The total OPEB liabilities (asset) for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net OPEB liabilities (asset) as of that date. The City's proportion of the net OPEB liabilities (asset) is based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.23978%	0.26721%	0.02743 %
RMP	0.43234%	0.42893%	(0.00546)%
ODD	0.47294%	0.47840%	0.00546 %

For the year ended June 30, 2021, the City recognized OPEB expense of \$(646,849). Of this amount, \$(323,106) 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	\$ (836,902)	\$ (323,106)
RMP	157,025	-
ODD	33,028	-
Total	\$ (646,849)	\$ (323,106)

City of Wasilla, Alaska

Notes to Basic Financial Statements

At June 30, 2021, 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
Difference between expected and actual experience	\$ -	\$ 158	\$ -	\$ 158
Changes in assumptions	-	42,727	-	42,727
Difference between projected and actual investment earnings	485,525	13,623	4,473	503,621
Changes in proportion and differences between City contributions and proportionate share of contributions	53,997	4,547	-	58,544
City contributions subsequent to the measurement date	208,912	82,359	26,114	317,385
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 748,434	\$ 143,414	\$ 30,587	\$ 922,435

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (97,078)	\$ (6,538)	\$ (43,756)	\$ (147,372)
Changes in assumptions	(873,512)	(78,653)	(1,910)	(924,075)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(460)	(10,531)	(10,991)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (940,590)	\$ (85,651)	\$ (56,197)	\$ (1,082,438)

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, 2022. 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
2022	\$ (890,497)	\$ (2,678)	\$ (8,467)	\$ (901,642)
2023	172,819	40	(7,406)	165,453
2024	185,561	(8)	(7,384)	178,169
2025	131,049	(1,048)	(7,739)	122,262
2026	-	(4,329)	(8,867)	(13,196)
Thereafter	-	(16,573)	(11,861)	(28,434)
Total Amortization	\$ (401,068)	\$ (24,596)	\$ (51,724)	\$ (477,388)

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, 2020 was determined by actuarial valuations as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
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
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation.
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%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected 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.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

City of Wasilla, Alaska

Notes to Basic Financial Statements

The actuarial assumptions used in the June 30, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amounts included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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 2.36% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2020 was 7.38%. This discount rate used did not change from the prior measurement date. 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.

City of Wasilla, Alaska

Notes to Basic Financial Statements

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 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	0.26721%	\$ 2,861,816	\$ (1,210,102)	\$ (1,705,706)
RMP	0.42893%	\$ 188,479	\$ 30,424	\$ (89,217)
ODD	0.47840%	\$ (122,546)	\$ (130,411)	\$ (136,697)

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 2020 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	0.26721%	\$ (1,946,812)	\$ (1,210,102)	\$ 3,165,813
RMP	0.42893%	\$ (106,751)	\$ 30,424	\$ 217,011
ODD	0.47840%	\$ 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 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.

City of Wasilla, Alaska

Notes to Basic Financial Statements

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, 2020, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,159 per year for each full-time employee, and \$1.38 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2021, the City contributed \$201,735 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

(e) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries. The City does not report these assets and income in the financial statements. The City believes that the Plan does not meet the reporting criteria for inclusion as a fiduciary fund.

8. Risk Management

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

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

APEI is a public entity risk pool organized to share risks among its members. APEI's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. APEI made no supplemental assessments during the year ended June 30, 2021. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

City of Wasilla, Alaska
Notes to Basic Financial Statements

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, 2021 were as follows:

Governmental funds:	
General Fund	\$ 33,266
Miscellaneous Capital Projects Fund	692,883
Nonmajor funds	315,541
Total Governmental Funds	\$ 1,041,690
Proprietary funds:	
Water utility	\$ 521,500
Sewer utility	634,130
Municipal airport	5,785
Curtis D. Menard Memorial sports center	4,100
Total Proprietary Funds	\$ 1,165,515

(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, 2021.

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 2021 in aggregate were \$733,895.

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

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payment for specified uses to States and certain local governments. The City was allocated and received total CARES Act distributions of \$18,690,898, passed through the State of Alaska. As of June 30, 2021, total eligible expenditures under the CARES Act were \$13,056,739. Eligible expenditures related to public safety reimbursement, COVID-19 mitigation, small business relief grants, housing and utility assistance, and development of ecommerce. Subsequent to year end, the City has submitted eligible expenditures of \$1,542,310. The CARES Act grant expires December 31, 2021.

City of Wasilla, Alaska

Notes to Basic Financial Statements

13. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the City for 2021 reporting:

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City has adopted the new terminology.

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB 95). 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. 87 - Leases - Effective for year-end June 30, 2022, 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, 2022. 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. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. 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, 2022. 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.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

City of Wasilla, Alaska

Notes to Basic Financial Statements

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).

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 (an intangible asset) and a corresponding subscription liability, 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 - 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 enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

14. Subsequent Events

The American Rescue Plan Act (ARPA) of 2021 was signed into law on March 11, 2021, providing additional COVID-19 relief. The full amount of ARPA relief to be received by the City, passed through the State of Alaska, is \$2,616,209. The City received the first tranche of funding in the amount of \$1,308,105 on August 20, 2021.

This page intentionally left blank.

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

<i>Year Ended June 30, 2021</i>	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 17,958,760	\$ 17,958,760	\$ 21,012,162	\$ 3,053,402
Licenses and permits	77,750	77,750	76,453	(1,297)
Fines and forfeitures	175,000	175,000	167,850	(7,150)
Intergovernmental	1,158,894	1,210,969	1,773,309	562,340
Charges for services	3,494,149	3,494,149	3,569,691	75,542
Investment income	500,000	500,000	91,610	(408,390)
Other	61,300	58,500	73,252	14,752
Total Revenues	23,425,853	23,475,128	26,764,327	3,289,199
Expenditures				
Current:				
General government	3,709,440	3,903,350	3,514,822	388,528
Public safety	10,974,555	11,015,352	2,981,016	8,034,336
Public works	2,428,351	2,449,497	2,187,668	261,829
Culture and recreation	2,542,634	2,563,361	2,330,455	232,906
Nondepartmental	179,000	179,000	148,945	30,055
Total Expenditures	19,833,980	20,110,560	11,162,906	8,947,654
Excess of Revenues Over Expenditures	3,591,873	3,364,568	15,601,421	12,236,853
Other Financing Sources (Uses)				
Proceeds from sale of assets	35,000	35,000	-	(35,000)
Transfers in	100	100	33	(67)
Transfers out	(3,329,900)	(3,477,600)	(3,477,600)	-
Net Other Financing Uses	(3,294,800)	(3,442,500)	(3,477,567)	(35,067)
Net Change in Fund Balance	\$ 297,073	\$ (77,932)	12,123,854	\$ 12,201,786
Fund Balance, beginning			24,244,930	
Fund Balance, ending			\$ 36,368,784	

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>	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.26731%	0.23985%	0.27329%	0.23669%	0.27588%	0.23878%	0.16341%
City's Proportionate Share of the Net Pension Liability	\$ 15,774,228	\$ 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	6,529,099	5,212,727	3,935,557	4,558,116	1,941,651	3,103,029	6,726,524
Total Net Pension Liability	\$ 22,303,327	\$ 18,342,932	\$ 17,515,588	\$ 16,793,714	\$ 17,362,176	\$ 14,683,808	\$ 14,348,171
City's Covered Payroll	9,031,438	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	174.66%	151.94%	166.96%	161.05%	215.09%	166.43%	113.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	63.37%

Schedule of City Contributions

<i>Years Ended June 30,</i>	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,201,900	\$ 966,295	\$ 1,022,635	\$ 1,051,897	\$ 878,392	\$ 732,714	\$ 696,515
Contributions Relative to the Contractually Required Contribution	1,201,900	966,295	1,022,635	1,051,897	878,392	732,714	696,515
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	9,296,678	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	12.928%	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			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability (Asset)	0.26721%	0.23978%	0.27329%	0.23680%	0.42893%	0.43234%	0.40399%	0.36639%	0.47840%	0.47294%	0.40399%	0.36639%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,210,102)	\$ 355,782	\$ 2,804,738	\$ 2,000,418	\$ 30,424	\$ 103,432	\$ 51,408	\$ 19,107	\$ (130,411)	\$ (114,665)	\$ (78,463)	\$ (51,986)
State of Alaska Proportionate Share of the Net OPEB Liability	(502,088)	141,589	813,279	-	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (1,712,190)	\$ 497,371	\$ 3,618,017	\$ 2,000,418	\$ 30,424	\$ 103,432	\$ 51,408	\$ 19,107	\$ (130,411)	\$ (114,665)	\$ (78,463)	\$ (51,986)
City's Covered Payroll	3,038,402	3,244,233	3,570,873	3,335,527	5,993,036	5,397,486	4,562,788	4,262,067	5,993,036	5,397,486	4,562,788	4,262,067
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-39.83%	10.97%	78.54%	59.97%	0.51%	1.92%	1.13%	0.45%	-2.18%	-2.12%	-1.72%	-1.22%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	106.15%	98.13%	88.12%	89.68%	95.23%	83.17%	88.71%	93.98%	283.80%	297.43%	270.62%	212.97%

Schedule of City Contributions

Years Ended June 30,	ARHCT				RMP				ODD			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Contractually Required Contributions	\$ 208,912	\$ 385,979	\$ 369,635	\$ 299,834	\$ 82,359	\$ 76,512	\$ 50,736	\$ 47,095	\$ 26,114	\$ 20,979	\$ 19,310	\$ 9,932
Contributions Relative to the Contractually Required Contribution	208,912	385,979	369,635	299,834	82,359	76,512	50,736	47,095	26,114	20,979	19,310	9,932
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	2,811,679	3,038,402	3,244,233	3,570,873	6,484,998	5,993,036	5,397,486	4,562,788	6,484,998	5,993,036	5,397,486	4,562,788
Contributions as a Percentage of Covered Payroll	7.430%	12.703%	11.394%	8.397%	1.270%	1.277%	0.940%	1.032%	0.403%	0.350%	0.358%	0.218%

See accompanying notes to Required Supplementary Information.

City of Wasilla, Alaska

Notes to Required Supplementary Information Year Ended June 30, 2021

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 2021 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 Year Ended June 30, 2021

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, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

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

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.

The remainder of this page intentionally left blank.

City of Wasilla, Alaska

Notes to Required Supplementary Information, continued Year Ended June 30, 2021

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, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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

In 2020, 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 largest projected subsidies to offset the cost of prescription drug coverage.

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.

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>	2021	2020
Assets		
Cash and investments	\$ 34,474,307	\$ 21,631,902
Receivables:		
Accounts	68,342	540,648
Taxes	2,001,107	1,913,363
Grants	23,900	13,378
Shared revenues	285,464	436,245
Total receivables	2,378,813	2,903,634
Prepaid items	396,656	559,810
Total Assets	\$ 37,249,776	\$ 25,095,346
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 287,480	\$ 172,672
Accrued payroll and employee benefits	555,210	651,594
Customer deposits	2,000	2,000
Unearned revenue	36,302	24,150
Total Liabilities	880,992	850,416
Fund Balance		
Nonspendable - prepaid items	396,656	559,810
Committed - capital improvements	24,419,709	12,710,762
Assigned:		
Land bank	691,500	714,000
Compensated absences	944,771	879,852
WPD K9 Unit	-	9,020
Wings Over Wasilla	25,864	11,793
Other purposes	33,266	14,580
Unassigned	9,857,018	9,345,113
Total Fund Balance	36,368,784	24,244,930
Total Liabilities and Fund Balance	\$ 37,249,776	\$ 25,095,346

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

<i>Years Ended June 30,</i>	2021	2020
Revenues		
Taxes	\$ 21,012,162	\$ 17,251,876
Licenses and permits	76,453	88,312
Fines and forfeitures	167,850	171,217
Intergovernmental	1,773,309	1,788,537
Charges for services	3,569,691	3,452,843
Investment income	91,610	967,478
Other	73,252	95,605
Total Revenues	26,764,327	23,815,868
Expenditures		
General government:		
City clerk	467,733	450,022
City council	146,627	148,943
Administration	342,613	275,205
General administration services	759,968	701,657
Finance	1,380,285	1,298,398
Management information systems	417,596	371,873
Total general government	3,514,822	3,246,098
Public safety:		
Police	299,113	505,940
General investigation	65,801	290,288
Police patrol	851,164	2,560,137
COPS - school resource officer grant	261,543	231,217
Dispatch center	1,412,460	2,699,364
Code compliance	90,935	144,715
Total public safety	2,981,016	6,431,661

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

<i>Years Ended June 30,</i>	2021	2020
Expenditures, continued:		
Public works:		
Administration	\$ 394,369	\$ 401,789
Road maintenance	1,214,739	1,192,367
Property maintenance	578,560	557,544
Total public works	2,187,668	2,151,700
Culture and recreation:		
Museum	243,262	251,757
Parks maintenance	687,583	629,428
Library	1,295,315	1,226,245
Recreation services	104,295	91,120
Total culture and recreation	2,330,455	2,198,550
Nondepartmental	148,945	207,561
Total Expenditures	11,162,906	14,235,570
Excess of Revenues Over Expenditures	15,601,421	9,580,298
Other Financing Sources (Uses)		
Issuance of refunding bonds		-
Premium on issuance		-
Payment to refunded bond escrow agent		-
Proceeds from sale of assets	-	99,572
Transfers in	33	100
Transfers out	(3,477,600)	(3,369,900)
Net Other Financing Uses	(3,477,567)	(3,270,228)
Net Change in Fund Balance	12,123,854	6,310,070
Fund Balance, beginning	24,244,930	17,934,860
Fund Balance, ending	\$ 36,368,784	\$ 24,244,930

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Sales taxes, including penalty and interest	\$ 17,782,760	\$ 20,834,132	\$ 3,051,372	\$ 17,075,856
Property and vehicle taxes	176,000	178,030	2,030	176,020
Total taxes	17,958,760	21,012,162	3,053,402	17,251,876
Licenses and permits:				
City business licenses	60,000	59,970	(30)	61,650
Land use permits	12,000	13,578	1,578	23,107
Other licenses and permits	5,750	2,905	(2,845)	3,555
Total licenses and permits	77,750	76,453	(1,297)	88,312
Fines and forfeitures	175,000	167,850	(7,150)	171,217
Intergovernmental:				
Electric and telephone co-op tax	225,000	189,502	(35,498)	211,389
Public safety grants	284,088	306,848	22,760	408,595
Library grants	8,250	7,000	(1,250)	8,250
Alcoholic beverage tax	30,000	23,600	(6,400)	27,350
Aviation fuel tax revenue sharing	2,000	2,166	166	1,558
Matanuska-Susitna Borough - Planning block grant	225,000	225,000	-	225,000
Matanuska-Susitna Borough - School resource officer	353,692	235,585	(118,107)	174,846
Fisheries tax	-	250	250	229
Community assistance	77,939	77,939	-	199,634
State PERS relief	-	696,419	696,419	531,686
Transportation grants	5,000	9,000	4,000	-
Total intergovernmental	1,210,969	1,773,309	562,340	1,788,537
Charges for services:				
Police dispatch services	3,417,499	3,446,592	29,093	3,375,341
Building rentals	20,100	51,981	31,881	18,268
Other charges for services	56,550	71,118	14,568	59,234
Total charges for services	3,494,149	3,569,691	75,542	3,452,843
Investment income	500,000	91,610	(408,390)	967,478
Other:				
Administration fee revenue	100	18	(82)	32
Donations	900	6,366	5,466	16,920
Miscellaneous	57,500	66,868	9,368	78,653
Total other	58,500	73,252	14,752	95,605
Total Revenues	23,475,128	26,764,327	3,289,199	23,815,868

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures				
General government:				
City clerk:				
Salaries	\$ 262,859	\$ 252,741	\$ 10,118	\$ 241,368
Employee benefits	137,428	146,043	(8,615)	141,048
Professional and technical services	35,375	15,330	20,045	11,329
Property services	14,771	14,088	683	11,769
Other purchased services	50,682	34,503	16,179	36,752
Supplies	5,864	5,028	836	7,756
Total city clerk	506,979	467,733	39,246	450,022
City council:				
Salaries	33,750	31,775	1,975	29,250
Employee benefits	2,658	2,417	241	2,749
Professional and technical services	111,895	91,042	20,853	87,198
Property services	2,200	2,197	3	1,975
Other purchased services	42,038	12,721	29,317	26,814
Supplies	6,833	6,475	358	957
Total city council	199,374	146,627	52,747	148,943
Administration:				
Salaries	232,135	217,991	14,144	175,229
Employee benefits	101,302	92,472	8,830	61,045
Professional and technical services	20,123	12,442	7,681	18,069
Property services	1,650	1,647	3	1,479
Other purchased services	19,865	12,547	7,318	15,963
Supplies	7,177	5,514	1,663	3,420
Total administration	382,252	342,613	39,639	275,205
General administration services:				
Salaries	432,947	392,020	40,927	377,664
Employee benefits	224,144	214,497	9,647	226,510
Professional and technical services	86,077	72,895	13,182	23,594
Property services	21,024	20,635	389	20,282
Other purchased services	57,980	41,394	16,586	43,134
Supplies	22,724	18,527	4,197	10,473
Total general administration services	844,896	759,968	84,928	701,657
Finance:				
Salaries	777,404	717,467	59,937	726,179
Employee benefits	440,090	461,357	(21,267)	444,615
Professional and technical services	199,880	125,176	74,704	57,244
Property services	34,885	18,143	16,742	15,992
Other purchased services	60,146	44,023	16,123	48,168
Supplies	15,050	14,119	931	6,200
Total finance	1,527,455	1,380,285	147,170	1,298,398

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>	2021			2020
	Budget	Actual	Variance	Actual
General government, continued:				
Management information systems:				
Salaries	\$ 126,508	\$ 126,228	\$ 280	\$ 119,068
Employee benefits	77,295	87,052	(9,757)	79,007
Professional and technical services	12,750	-	12,750	-
Property services	170,394	162,678	7,716	129,397
Other purchased services	52,247	39,238	13,009	42,278
Supplies	3,200	2,400	800	2,123
Total management information systems	442,394	417,596	24,798	371,873
Total general government	3,903,350	3,514,822	388,528	3,246,098
Public safety:				
Police:				
Salaries	284,740	5,476	279,264	138,055
Employee benefits	176,842	33,956	142,886	78,500
Professional and technical services	34,065	28,997	5,068	90,487
Property services	143,799	78,251	65,548	58,684
Other purchased services	79,229	69,903	9,326	48,245
Supplies	96,690	82,530	14,160	91,969
Total police	815,365	299,113	516,252	505,940
Investigation and drug enforcement:				
Salaries	453,475	(34,886)	488,361	152,931
Employee benefits	235,276	44,414	190,862	108,241
Professional and technical services	15,000	13,184	1,816	6,872
Property services	5,850	4,830	1,020	3,247
Other purchased services	39,359	29,216	10,143	16,046
Supplies	11,195	9,043	2,152	2,951
Total investigation and drug enforcement	760,155	65,801	694,354	290,288
Police patrol:				
Salaries	2,046,749	104,497	1,942,252	1,344,298
Employee benefits	1,142,973	381,352	761,621	859,604
Professional and technical services	25,914	7,755	18,159	10,341
Property services	89,410	62,194	27,216	74,500
Other purchased services	213,346	164,799	48,547	132,747
Supplies	223,099	121,547	101,552	128,599
Capital purchases	9,020	9,020	-	10,048
Total police patrol	3,750,511	851,164	2,899,347	2,560,137
School resource officer grant:				
Salaries	265,508	141,070	124,438	139,440
Employee benefits	153,835	90,439	63,396	68,628
Professional and technical services	15,000	2,991	12,009	4,598
Other purchased services	29,324	19,398	9,926	10,681
Supplies	11,200	7,645	3,555	7,870
Total school resource officer grant	474,867	261,543	213,324	231,217

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Public safety, continued:				
Dispatch center:				
Salaries	\$ 2,501,830	\$ 218,512	\$ 2,283,318	\$ 1,329,525
Employee benefits	1,473,163	545,506	927,657	913,058
Professional and technical services	116,030	106,705	9,325	28,180
Property services	553,358	304,418	248,940	268,295
Other purchased services	220,070	136,226	83,844	140,114
Supplies	123,023	101,093	21,930	20,192
Total dispatch center	4,987,474	1,412,460	3,575,014	2,699,364
Code compliance:				
Salaries	125,186	38,368	86,818	74,349
Employee benefits	57,058	14,765	42,293	40,152
Property services	5,204	4,016	1,188	734
Other purchased services	34,124	30,534	3,590	26,351
Supplies	5,408	3,252	2,156	3,129
Total code compliance	226,980	90,935	136,045	144,715
Total public safety	11,015,352	2,981,016	8,034,336	6,431,661
Public works:				
Administration:				
Salaries	248,705	225,078	23,627	235,702
Employee benefits	144,401	138,644	5,757	139,418
Professional and technical services	9,750	1,834	7,916	456
Property services	11,059	8,619	2,440	6,307
Other purchased services	14,574	12,805	1,769	11,700
Supplies	7,510	7,389	121	8,206
Total administration	435,999	394,369	41,630	401,789
Road maintenance:				
Salaries	419,190	402,829	16,361	332,183
Employee benefits	240,368	252,557	(12,189)	205,942
Property services	343,460	208,523	134,937	304,032
Other purchased services	48,383	43,629	4,754	38,837
Supplies	327,495	307,201	20,294	306,373
Capital purchases	5,000	-	5,000	5,000
Total road maintenance	1,383,896	1,214,739	169,157	1,192,367
Property maintenance:				
Salaries	228,194	215,665	12,529	197,981
Employee benefits	132,291	140,434	(8,143)	122,410
Property services	98,823	84,038	14,785	99,983
Other purchased services	49,050	46,845	2,205	37,417
Supplies	121,244	91,578	29,666	99,753
Total property maintenance	629,602	578,560	51,042	557,544
Total public works	2,449,497	2,187,668	261,829	2,151,700

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Culture and recreation:				
Museum:				
Salaries	\$ 118,770	\$ 93,442	\$ 25,328	\$ 100,986
Employee benefits	51,028	54,715	(3,687)	51,123
Professional and technical services	500	198	302	-
Property services	39,650	25,664	13,986	18,368
Other purchased services	53,164	33,769	19,395	42,077
Supplies	44,957	35,474	9,483	39,203
Total museum	308,069	243,262	64,807	251,757
Parks maintenance:				
Salaries	368,456	335,805	32,651	285,146
Employee benefits	159,303	163,307	(4,004)	147,808
Professional and technical services	1,260	260	1,000	780
Property services	71,827	61,303	10,524	68,711
Other purchased services	22,288	19,102	3,186	18,699
Supplies	113,887	107,306	6,581	104,572
Capital purchases	3,500	500	3,000	3,712
Total parks maintenance	740,521	687,583	52,938	629,428
Library:				
Salaries	615,672	569,655	46,017	548,876
Employee benefits	368,236	389,723	(21,487)	350,488
Professional and technical services	26,700	22,013	4,687	18,439
Property services	102,560	93,365	9,195	88,415
Other purchased services	61,460	56,751	4,709	53,718
Supplies	214,879	163,808	51,071	166,309
Total library	1,389,507	1,295,315	94,192	1,226,245
Recreation services:				
Salaries	38,679	37,300	1,379	35,952
Employee benefits	17,227	19,856	(2,629)	13,586
Other purchased services	66,858	45,515	21,343	40,209
Supplies	2,500	1,624	876	1,373
Total recreation services	125,264	104,295	20,969	91,120
Total culture and recreation	2,563,361	2,330,455	232,906	2,198,550

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>	2021		Variance	2020
	Budget	Actual		Actual
Nondepartmental:				
Insurance deductible	\$ 20,000	\$ 10,000	\$ 10,000	\$ -
Property tax payments	7,500	-	7,500	740
Settlements	25,000	12,445	12,555	25,321
Other agreements	126,500	126,500	-	181,500
Total nondepartmental	179,000	148,945	30,055	207,561
Total Expenditures	20,110,560	11,162,906	8,947,654	14,235,570
Excess of Revenues Over Expenditures	3,364,568	15,601,421	12,236,853	9,580,298
Other Financing Sources (Uses)				
Proceeds from sale of assets	35,000	-	(35,000)	99,572
Transfers in	100	33	(67)	100
Transfers out	(3,477,600)	(3,477,600)	-	(3,369,900)
Net Other Financing Uses	(3,442,500)	(3,477,567)	(35,067)	(3,270,228)
Net Change in Fund Balance	\$ (77,932)	12,123,854	\$ 12,201,786	6,310,070
Fund Balance, beginning		24,244,930		17,934,860
Fund Balance, ending		\$ 36,368,784		\$ 24,244,930

City of Wasilla, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2021</i>	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 64,315	\$ 2,664,528	\$ 335,378	\$ 3,064,221
Land held for resale	-	695,200	-	695,200
Receivables - grants	2,635	113,589	-	116,224
Prepaid items	1,316	-	-	1,316
Total Assets	\$ 68,266	\$ 3,473,317	\$ 335,378	\$ 3,876,961
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 99	\$ 446	\$ 200	\$ 745
Accrued payroll and employee benefits	3,454	-	-	3,454
Unearned revenue	6,080	-	-	6,080
Total Liabilities	9,633	446	200	10,279
Fund Balances				
Nonspendable:				
Prepaid items	1,316	-	-	1,316
Permanent Fund principal	-	-	335,178	335,178
Restricted -				
Main Street couplet	-	695,200	-	695,200
Assigned:				
Youth court	57,317	-	-	57,317
Road projects	-	742,683	-	742,683
Vehicle replacement	-	1,113,616	-	1,113,616
Right-of-way acquisition	-	138,654	-	138,654
Technology replacement	-	782,718	-	782,718
Total Fund Balances	58,633	3,472,871	335,178	3,866,682
Total Liabilities and Fund Balances	\$ 68,266	\$ 3,473,317	\$ 335,378	\$ 3,876,961

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

<i>Year Ended June 30, 2021</i>	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Chares for services	\$ 390	\$ -	\$ -	\$ 390
Intergovernmental	56,420	113,589	-	170,009
Other	2,500	-	2,200	4,700
Total Revenues	59,310	113,589	2,200	175,099
Expenditures				
Public safety	80,565	-	-	80,565
Capital outlay	-	523,854	-	523,854
Total Expenditures	80,565	523,854	-	604,419
Excess (deficiency) of revenues over expenditures	(21,255)	(410,265)	2,200	(429,320)
Other Financing Sources (Uses)				
Transfers in	25,000	1,218,100	-	1,243,100
Transfers out	-	-	(33)	(33)
Net Other Financing Sources (Uses)	25,000	1,218,100	(33)	1,243,067
Net change in fund balances	3,745	807,835	2,167	813,747
Fund Balances, beginning	54,888	2,665,036	333,011	3,052,935
Fund Balances, ending	\$ 58,633	\$ 3,472,871	\$ 335,178	\$ 3,866,682

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, 2021</i>	Youth Court	Federal Asset Forfeiture	Totals
Assets			
Cash and investments	\$ 63,691	\$ 624	\$ 64,315
Receivables - grants	2,635	-	2,635
Prepaid items	1,316	-	1,316
Total Assets	\$ 67,642	\$ 624	\$ 68,266
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 99	\$ -	\$ 99
Accrued payroll and employee benefits	3,454	-	3,454
Unearned revenue	5,456	624	6,080
Total Liabilities	9,009	624	9,633
Fund Balances			
Nonspendable - prepaid items	1,316	-	1,316
Assigned - youth court	57,317	-	57,317
Total Fund Balances	58,633	-	58,633
Total Liabilities and Fund Balances	\$ 67,642	\$ 624	\$ 68,266

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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Charges for services	\$ 3,500	\$ 390	\$ (3,110)	\$ 1,840
Intergovernmental	52,700	56,420	3,720	57,196
Other	-	2,500	2,500	838
Total Revenues	56,200	59,310	3,110	59,874
Expenditures				
Public Safety:				
Salaries	46,037	43,125	2,912	40,375
Employee benefits	30,894	32,666	(1,772)	29,397
Professional and technical services	233	233	-	223
Other purchased services	5,294	3,304	1,990	2,153
Supplies	2,400	1,237	1,163	2,526
Total Expenditures	84,858	80,565	4,293	74,674
Excess (deficiency) of revenues over expenditures	(28,658)	(21,255)	7,403	(14,800)
Other Financing Sources - transfers in	25,000	25,000	-	25,000
Net change in fund balance	<u>\$ (3,658)</u>	3,745	<u>\$ 7,403</u>	10,200
Fund Balance, beginning		<u>54,888</u>		<u>44,688</u>
Fund Balance, ending		<u>\$ 58,633</u>		<u>\$ 54,888</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues - intergovernmental	\$ -	\$ -	\$ -	\$ 1,502
Expenditures - other purchased services	-	-	-	4,370
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	(2,868)
Fund Balance, beginning		<u>-</u>		<u>2,868</u>
Fund Balance, ending		<u>\$ -</u>		<u>\$ -</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues - intergovernmental	\$ -	\$ -	\$ -	\$ 18,561
Expenditures - other purchased services	-	-	-	28,839
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	(10,278)
Fund Balance, beginning		<u>-</u>		<u>10,278</u>
Fund Balance, ending		<u>\$ -</u>		<u>\$ -</u>

This page intentionally left blank.

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, 2021</i>	Road Projects	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
Assets					
Cash and investments	\$ 629,540	\$ 1,113,616	\$ 138,654	\$ 782,718	\$ 2,664,528
Land held for resale	695,200	-	-	-	695,200
Grants receivable	113,589	-	-	-	113,589
Total Assets	\$ 1,438,329	\$ 1,113,616	\$ 138,654	\$ 782,718	\$ 3,473,317
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 446	\$ -	\$ -	\$ -	\$ 446
Fund Balances					
Restricted	695,200	-	-	-	695,200
Assigned	742,683	1,113,616	138,654	782,718	2,777,671
Total Fund Balances	1,437,883	1,113,616	138,654	782,718	3,472,871
Total Liabilities and Fund Balances	\$ 1,438,329	\$ 1,113,616	\$ 138,654	\$ 782,718	\$ 3,473,317

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

<i>Year Ended June 30, 2021</i>	Road Projects	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
Revenues					
Intergovernmental	\$ 113,589	\$ -	\$ -	\$ -	\$ 113,589
Expenditures					
Capital outlay	297,845	85,004	57,569	83,436	523,854
Deficiency of revenues over expenditures	(184,256)	(85,004)	(57,569)	(83,436)	(410,265)
Other Financing Sources - transfers in	460,000	575,000	25,000	158,100	1,218,100
Net change in fund balances	275,744	489,996	(32,569)	74,664	807,835
Fund Balances, beginning	1,162,139	623,620	171,223	708,054	2,665,036
Fund Balances, ending	\$1,437,883	\$1,113,616	\$ 138,654	\$ 782,718	\$ 3,472,871

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

Year Ended June 30, 2021

Expenditures	
Police Maintenance Building	\$ 1,490,894
Train Depot Relocation	577,191
Library Parking Lot Expansion	459,973
Equipment and Vehicles	411,797
E911 Upgrades and Software Subscription	396,991
Townsite Parking Lot	205,943
Veterans Wall of Honor	185,320
Land Acquisitions	119,408
Website and Audio Equipment	87,764
Park Improvements	77,413
Museum Renovation	53,343
Other	16,902
<hr/>	
Total Expenditures	\$ 4,082,939

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>	2021	2020
Assets		
Cash and investments	\$ 335,378	\$ 333,011
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 200	\$ -
Fund Balance - nonspendable - Permanent Fund principal	335,178	333,011
Total Liabilities and Fund Balances	\$ 335,378	\$ 333,011

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

<i>Years Ended June 30,</i>	2021	2020
Revenues - lot sales	\$ 2,200	\$ 2,200
Other Financing Uses - transfers out	(33)	(100)
Net change in fund balance	2,167	2,100
Fund Balance, beginning	333,011	330,911
Fund Balance, ending	\$ 335,178	\$ 333,011

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>	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 8,423,972	\$ 7,938,593
Receivables:		
Accounts	256,763	215,933
Allowance for doubtful accounts	(47,860)	(42,006)
Special assessments	36	1,707
Payment in lieu of assessments	83,907	83,907
Prepaid expenses	17,592	26,160
Inventory	30,987	34,837
Total Current Assets	8,765,397	8,259,131
Noncurrent Assets		
Prepaid expenses	6,926	7,307
Net other postemployment benefits asset	51,650	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	433,944
Construction in progress	255,204	-
Total capital assets	42,386,394	42,131,190
Less accumulated depreciation	(16,013,477)	(15,159,834)
Net capital assets	26,372,917	26,971,356
Total Noncurrent Assets	26,431,493	26,983,467
Total Assets	35,196,890	35,242,598
Deferred Outflows of Resources		
Related to pensions	93,899	69,556
Related to other postemployment benefits	35,542	44,115
Total Deferred Outflows of Resources	129,441	113,671
Total Assets and Deferred Outflows of Resources	\$ 35,326,331	\$ 35,356,269

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

<i>June 30,</i>	2021	2020
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 79,547	\$ 31,734
Accounts payable - capital	34,523	-
Accrued payroll and employee benefits	24,396	32,636
Compensated absences	48,219	42,403
Customer deposits	40,626	23,336
Accrued interest	2,407	3,209
Unearned revenue	117,217	104,721
Current portion of notes payable	165,450	165,450
Total Current Liabilities	512,385	403,489
Noncurrent Liabilities		
Notes payable, net of current portion	330,900	496,350
Net pension liability	635,661	533,787
Net other postemployment benefits liability	1,172	6,403
Total Noncurrent Liabilities	967,733	1,036,540
Total Liabilities	1,480,118	1,440,029
Deferred Inflows of Resources		
Related to pensions	-	24,388
Related to other postemployment benefits	41,706	17,750
Total Deferred Inflows of Resources	41,706	42,138
Net Position		
Net investment in capital assets	25,842,044	26,309,556
Unrestricted	7,962,463	7,564,546
Total Net Position	33,804,507	33,874,102
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 35,326,331	\$ 35,356,269

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

<i>Years Ended June 30,</i>	2021	2020
Operating Revenues		
Sales and user charges	\$ 1,996,091	\$ 1,975,511
Water meters	14,320	13,403
Total Operating Revenues	2,010,411	1,988,914
Operating Expenses		
Salaries	374,413	398,906
Employee benefits	282,758	156,830
Professional and technical services	40,770	48,823
Repair and maintenance	169,587	99,034
Other purchased services	159,035	135,832
Supplies	221,503	195,884
Total Operating Expenses	1,248,066	1,035,309
Operating income before depreciation	762,345	953,605
Depreciation	853,643	853,645
Operating income (loss)	(91,298)	99,960
Nonoperating Revenues (Expenses)		
Payments in lieu of assessments	32,647	50,018
Interest expense	(9,125)	(11,606)
Other income	-	386
Debt service assessments	71	248
State PERS relief	32,510	30,251
Net Nonoperating Revenues (Expenses)	56,103	69,297
Income (loss) before transfers and contributions	(35,195)	169,257
Transfers out	(34,400)	(19,250)
Capital contributions	-	36,783
Change in net position	(69,595)	186,790
Net Position, beginning	33,874,102	33,687,312
Net Position, ending	\$ 33,804,507	\$ 33,874,102

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

Years Ended June 30,	2021	2020
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 2,005,221	\$ 2,003,011
Payments to suppliers for goods and services	(530,283)	(472,110)
Payments to employees for services	(593,490)	(613,724)
Net cash flows from operating activities	881,448	917,177
Cash Flows for Noncapital Financing Activities - transfers out	(34,400)	(19,250)
Cash Flows for Capital and Related Financing Activities		
Principal paid on notes payable	(165,450)	(165,450)
Interest paid on notes payable	(9,927)	(12,409)
Special assessments received	1,742	1,679
Payments in lieu of assessments received	32,647	50,249
Acquisition and construction of capital assets	(220,681)	-
Capital contributions received	-	6,371
Net cash flows for capital and related financing activities	(361,669)	(119,560)
Net Increase in Cash and Investments	485,379	778,367
Cash and Investments, beginning	7,938,593	7,160,226
Cash and Investments, ending	\$ 8,423,972	\$ 7,938,593
Reconciliation of Operating Income (loss) to Net Cash Flows from Operating Activities		
Operating income (loss)	\$ (91,298)	\$ 99,960
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	853,643	853,645
State of Alaska on-behalf payments - PERS relief	32,510	30,251
Nonoperating revenues	-	386
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	(34,976)	13,957
Inventory	3,850	9,427
Prepaid expenses	8,949	(12,488)
Net postemployment benefits asset	(46,846)	(4,804)
Deferred outflows of resources related to pensions	(24,343)	23,138
Deferred outflows of resources related to other postemployment benefits	8,573	3,269
Accounts payable	47,813	10,524
Accrued payroll and employee benefits	(8,240)	7,405
Compensated absences	5,816	883
Customer deposits	17,290	(7,860)
Unearned revenue	12,496	7,614
Net pension liability	101,874	(18,844)
Net postemployment benefits liability	(5,231)	(97,127)
Deferred inflows of resources related to pensions	(24,388)	16,873
Deferred inflows of resources related to other postemployment benefits	23,956	(19,032)
Net Cash Flows from Operating Activities	\$ 881,448	\$ 917,177
Noncash Capital and Related Financing Activities		
Capital assets purchased on account	\$ 34,523	\$ -
Water extensions and other assets contributed by developers	\$ -	\$ 36,783

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

<i>June 30,</i>	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 5,344,784	\$ 4,889,245
Receivables:		
Accounts	166,720	138,864
Allowance for doubtful accounts	(28,405)	(24,455)
Special assessments	5,342	8,195
Grants	78,592	282,896
Prepaid expenses	16,549	24,328
Inventory	48,892	46,536
Total Current Assets	5,632,474	5,365,609
Noncurrent Assets		
Net other postemployment benefits asset	63,295	5,661
Capital assets:		
Land	964,024	964,024
Building	301,760	301,760
Treatment system	9,181,759	9,119,757
Collection/distribution system	12,211,212	12,211,212
Equipment	5,576,272	5,534,641
Total capital assets	28,235,027	28,131,394
Less accumulated depreciation	(15,155,266)	(14,627,182)
Net capital assets	13,079,761	13,504,212
Total Noncurrent Assets	13,143,056	13,509,873
Total Assets	18,775,530	18,875,482
Deferred Outflows of Resources		
Related to pensions	117,868	88,036
Related to other postemployment benefits	43,555	55,369
Total Deferred Outflows of Resources	161,423	143,405
Total Assets and Deferred Outflows of Resources	\$ 18,936,953	\$ 19,018,887

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

<i>June 30,</i>	2021	2020
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 79,665	\$ 52,796
Accounts payable - capital	-	159,728
Accrued payroll and employee benefits	31,053	34,889
Compensated absences	92,932	76,210
Customer deposits	53,014	-
Total Current Liabilities	256,664	323,623
Noncurrent Liabilities		
Net pension liability	858,675	733,832
Net other postemployment benefits liability	1,437	32,414
Total Noncurrent Liabilities	860,112	766,246
Total Liabilities	1,116,776	1,089,869
Deferred Inflows of Resources		
Related to pensions	-	44,822
Related to other postemployment benefits	51,109	33,620
Total Deferred Inflows of Resources	51,109	78,442
Net Position		
Net investment in capital assets	13,079,761	13,344,484
Unrestricted	4,689,307	4,506,092
Total Net Position	17,769,068	17,850,576
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 18,936,953	\$ 19,018,887

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

<i>Years Ended June 30,</i>	2021	2020
Operating Revenues - sales and user charges	\$ 1,509,562	\$ 1,460,337
Operating Expenses		
Salaries	468,066	425,753
Employee benefits	291,884	156,112
Professional and technical services	8,957	9,936
Repair and maintenance	334,177	527,681
Other purchased services	64,019	64,728
Supplies	231,133	213,025
Total Operating Expenses	1,398,236	1,397,235
Operating income before depreciation	111,326	63,102
Depreciation	528,084	520,857
Operating loss	(416,758)	(457,755)
Nonoperating Revenues (Expenses)		
Payments in lieu of assessments	42,112	1,260
Other income	-	640
Loss on disposal of capital assets	-	(19,953)
Nonoperating grants	242,884	609,039
Debt service assessments	883	1,173
State PERS relief	39,840	35,590
Net Nonoperating Revenues (Expenses)	325,719	627,749
Income (loss) before transfers and contributions	(91,039)	169,994
Transfers out	(32,100)	(16,250)
Capital contributions	41,631	45,000
Change in net position	(81,508)	198,744
Net Position, beginning	17,850,576	17,651,832
Net Position, ending	\$ 17,769,068	\$ 17,850,576

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

<i>Years Ended June 30,</i>	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 1,538,670	\$ 1,453,962
Payments to suppliers for goods and services	(605,994)	(916,206)
Payments to employees for services	(716,343)	(647,738)
Net cash flows from (for) operating activities	216,333	(109,982)
Cash Flows from Noncapital Financing Activities		
Nonoperating grants received	447,188	509,944
Transfers out	(32,100)	(16,250)
Net cash flows from noncapital financing activities	415,088	493,694
Cash Flows for Capital and Related Financing Activities		
Special assessments received	3,736	5,432
Payments in lieu of assessments received	42,112	1,260
Acquisition and construction of capital assets	(221,730)	(8,415)
Net cash flows for capital and related financing activities	(175,882)	(1,723)
Net Increase in Cash and Investments	455,539	381,989
Cash and Investments, beginning	4,889,245	4,507,256
Cash and Investments, ending	\$ 5,344,784	\$ 4,889,245
Reconciliation of Operating Loss to Net Cash Flows from (for) Operating Activities		
Operating loss	\$ (416,758)	\$ (457,755)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Depreciation	528,084	520,857
State of Alaska on-behalf payments - PERS relief	39,840	35,590
Nonoperating revenues	-	640
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	(23,906)	9,655
Inventory	(2,356)	30,010
Prepaid expenses	7,779	(9,351)
Net other postemployment benefits asset	(57,634)	(5,661)
Deferred outflows of resources related to pensions	(29,832)	27,270
Deferred outflows of resources related to other postemployment benefits	11,814	3,853
Accounts payable	26,869	(121,495)
Accrued payroll and employee benefits	(3,836)	(1,357)
Accrued annual and sick leave	16,722	13,654
Customer deposits	53,014	(16,670)
Net pension liability	124,843	(22,209)
Net other postemployment benefits liability	(30,977)	(114,468)
Deferred inflows of resources related to pensions	(44,822)	19,885
Deferred inflows of resources related to other postemployment benefits	17,489	(22,430)
Net Cash Flows from (for) Operating Activities	\$ 216,333	\$ (109,982)
Noncash Capital and Related Financing Activities		
Sewer extensions and other assets contributed by developers	\$ 41,631	\$ 45,000
Capital assets purchased on account	\$ -	\$ 159,728

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

<i>June 30,</i>	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 442,297	\$ 241,594
Receivables:		
Accounts	10,605	9,535
Allowance for doubtful accounts	(2,047)	-
Grants	292,739	524,526
Prepaid expenses	3,106	4,402
Total Current Assets	746,700	780,057
Noncurrent Assets		
Net other postemployment benefits asset	8,962	751
Capital assets:		
Land	2,375,587	2,375,587
Land improvements	20,753,250	20,312,864
Buildings	993,282	993,282
Equipment	1,619,703	1,582,538
Construction in progress	-	260,572
Total capital assets	25,741,822	25,524,843
Less accumulated depreciation	(13,340,287)	(12,496,375)
Net capital assets	12,401,535	13,028,468
Total Noncurrent Assets	12,410,497	13,029,219
Total Assets	13,157,197	13,809,276
Deferred Outflows of Resources		
Related to pensions	7,234	3,010
Related to other postemployment benefits	6,167	7,790
Total Deferred Outflows of Resources	13,401	10,800
Total Assets and Deferred Outflows of Resources	\$ 13,170,598	\$ 13,820,076

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

<i>June 30,</i>	2021	2020
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 13,183	\$ 14,637
Accounts payable - capital	-	212,616
Accrued payroll and employee benefits	4,296	5,240
Compensated absences	8,211	6,351
Unearned revenue	9,190	9,641
Total Current Liabilities	34,880	248,485
Noncurrent Liabilities		
Net pension liability	66,685	49,008
Net other postemployment benefits liability	203	2,753
Total Noncurrent Liabilities	66,888	51,761
Total Liabilities	101,768	300,246
Deferred Inflows of Resources		
Related to pensions	-	3,275
Related to other postemployment benefits	7,237	3,350
Total Deferred Inflows of Resources	7,237	6,625
Net Position		
Net investment in capital assets	12,401,535	12,815,852
Unrestricted	660,058	697,353
Total Net Position	13,061,593	13,513,205
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 13,170,598	\$ 13,820,076

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

<i>Years Ended June 30,</i>	2021	2020
Operating Revenues - fees and rentals	\$ 141,549	\$ 139,039
Operating Expenses		
Salaries	65,842	57,818
Employee benefits	48,684	22,787
Professional and technical services	398	381
Repair and maintenance	83,361	51,349
Other purchased services	60,093	30,438
Supplies	27,895	51,619
Total Operating Expenses	286,273	214,392
Operating loss before depreciation	(144,724)	(75,353)
Depreciation	843,912	849,485
Operating loss	(988,636)	(924,838)
Nonoperating Revenues		
Other income	1,780	-
State PERS relief	5,641	4,703
Total Nonoperating Revenues	7,421	4,703
Loss before transfers and contributions	(981,215)	(920,135)
Transfers in	400,000	249,150
Transfers out	(300)	(500)
Capital contributions	129,903	1,388,782
Change in net position	(451,612)	717,297
Net Position, beginning	13,513,205	12,795,908
Net Position, ending	\$ 13,061,593	\$ 13,513,205

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

<i>Years Ended June 30,</i>	2021	2020
Cash Flows for Operating Activities		
Receipts from customers and users	\$ 143,855	\$ 139,781
Payments to suppliers for goods and services	(171,905)	(125,729)
Payments to employees for services	(103,042)	(86,803)
Net cash flows for operating activities	(131,092)	(72,751)
Cash Flows for Noncapital Financing Activities		
Increase (decrease) in due to other funds	-	(1,395,228)
Transfers out	(300)	(500)
Net cash flows for noncapital financing activities	(300)	(1,395,728)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(429,595)	(1,874,112)
Transfers in	400,000	249,150
Capital contributions received	361,690	3,335,035
Net cash flows from capital and related financing activities	332,095	1,710,073
Net Increase in Cash and Investments	200,703	241,594
Cash and Investments, beginning	241,594	-
Cash and Investments, ending	\$ 442,297	\$ 241,594
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ (988,636)	\$ (924,838)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	843,912	849,485
State of Alaska on-behalf payments - PERS relief	5,641	4,703
Nonoperating revenues	1,780	-
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	977	(3,017)
Accounts payable	(1,454)	10,420
Prepaid expenses	1,296	(2,362)
Net other postemployment benefits asset	(8,211)	(751)
Deferred outflows of resources related to pensions	(4,224)	3,615
Deferred outflows of resources related to other postemployment benefits	1,623	511
Accrued payroll and employee benefits	(944)	2,915
Compensated absences	1,860	1,268
Unearned revenue	(451)	3,759
Net pension liability	17,677	(2,945)
Net other postemployment benefits liability	(2,550)	(15,176)
Deferred inflows of resources related to pensions	(3,275)	2,636
Deferred inflows of resources related to other postemployment benefits	3,887	(2,974)
Net Cash Flows for Operating Activities	\$ (131,092)	\$ (72,751)
Noncash Capital and Related Financing Activities		
Capital assets purchased on account	\$ -	\$ 212,616

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

<i>June 30,</i>	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 1,905,996	\$ 2,032,449
Receivables:		
Accounts	42,972	118,154
Allowance for doubtful accounts	(27,595)	(17,946)
Prepaid expenses	12,527	22,154
Total Current Assets	1,933,900	2,154,811
Noncurrent Assets		
Net other postemployment benefits asset	58,346	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	(7,397,407)	(6,878,435)
Net capital assets	12,469,171	12,988,143
Total Noncurrent Assets	12,527,517	12,993,317
Total Assets	14,461,417	15,148,128
Deferred Outflows of Resources		
Related to pensions	110,977	83,478
Related to other postemployment benefits	40,149	48,134
Total Deferred Outflows of Resources	151,126	131,612
Total Assets and Deferred Outflows of Resources	\$ 14,612,543	\$ 15,279,740

City of Wasilla, Alaska

Curtis D. Menard Memorial Sports Center Enterprise Fund
Statement of Net Position, continued

<i>June 30,</i>	2021	2020
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 33,667	\$ 14,593
Accrued payroll and employee benefits	19,694	35,082
Compensated absences	52,723	56,507
Customer deposits	3,000	6,400
Unearned revenue	26,907	94,348
Total Current Liabilities	135,991	206,930
Noncurrent Liabilities		
Net pension liability	735,798	620,718
Net other postemployment benefits liability	1,324	9,513
Total Noncurrent Liabilities	737,122	630,231
Total Liabilities	873,113	837,161
Deferred Inflows of Resources		
Related to pensions	-	27,864
Related to other postemployment benefits	47,112	20,326
Total Deferred Inflows of Resources	47,112	48,190
Net Position		
Net investment in capital assets	12,469,171	12,988,143
Unrestricted	1,223,147	1,406,246
Total Net Position	13,692,318	14,394,389
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 14,612,543	\$ 15,279,740

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>	2021	2020
Operating Revenues - fees and rentals	\$ 645,681	\$ 676,457
Operating Expenses		
Salaries	464,754	455,611
Employee benefits	321,599	180,294
Professional and technical services	2,627	2,516
Repair and maintenance	133,346	148,505
Other purchased services	120,268	92,431
Supplies	313,513	324,844
Total Operating Expenses	1,356,107	1,204,201
Operating loss before depreciation	(710,426)	(527,744)
Depreciation	518,972	518,973
Operating loss	(1,229,398)	(1,046,717)
Nonoperating Revenues		
Investment income	3	205
Other income	-	536
State PERS relief	36,724	32,709
Total Nonoperating Revenues	36,727	33,450
Loss before transfers and contributions	(1,192,671)	(1,013,267)
Other Financing Sources (Uses)		
Transfers in	500,000	600,000
Transfers out	(9,400)	(11,500)
Change in net position	(702,071)	(424,767)
Net Position, beginning	14,394,389	14,819,156
Net Position, ending	\$ 13,692,318	\$ 14,394,389

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

<i>Years Ended June 30,</i>	2021	2020
Cash Flows for Operating Activities		
Receipts from customers and users	\$ 659,671	\$ 669,918
Payments to suppliers for goods and services	(541,053)	(588,265)
Payments to employees for services	(735,674)	(692,038)
Net cash flows for operating activities	(617,056)	(610,385)
Cash Flows from Noncapital Financing Activities		
Transfers in	500,000	600,000
Transfers out	(9,400)	(11,500)
Net cash flows from noncapital financing activities	490,600	588,500
Cash Flows from Investing Activities - investment income received	3	205
Net Decrease in Cash and Investments	(126,453)	(21,680)
Cash and Investments, beginning	2,032,449	2,054,129
Cash and Investments, ending	\$ 1,905,996	\$ 2,032,449
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$(1,229,398)	\$(1,046,717)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	518,972	518,973
State of Alaska on-behalf payments - PERS relief	36,724	32,709
Nonoperating revenues	-	536
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowances	84,831	(6,997)
Prepaid expenses	9,627	(10,707)
Net other postemployment benefits asset	(53,172)	(5,174)
Deferred outflows of resources related to pensions	(27,499)	24,921
Deferred outflows of resources related to other postemployment benefits	7,985	3,521
Accounts payable	19,074	(9,262)
Accrued payroll and employee benefits	(15,388)	(64)
Compensated absences	(3,784)	15,186
Customer deposits	(3,400)	(780)
Unearned revenue	(67,441)	702
Net pension liability	115,080	(20,296)
Net other postemployment benefits liability	(8,189)	(104,610)
Deferred inflows of resources related to pensions	(27,864)	18,173
Deferred inflows of resources related to other postemployment benefits	26,786	(20,499)
Net Cash Flows for Operating Activities	\$ (617,056)	\$ (610,385)

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	114
Table 2	Changes in net position	115-116
Table 3	Fund balances of governmental funds	117
Table 4	Changes in fund balances of governmental funds	118
Table 5	Governmental activities tax revenues by source	119

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	120
Table 7	Assessed value and estimated actual value of taxable property	121
Table 8	Sales and property tax rates - direct and overlapping governments	122
Table 9	Principal property taxpayers	123

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	124
Table 11	Ratio of outstanding debt by type	125
Table 12	Direct and overlapping general obligation debt	126

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	127
----------	-------------------------------------	-----

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	128
Table 15	Operating indicators by function	129
Table 16	Capital asset statistics by function	130

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 67,011,488
Restricted	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	1,030,378
Unrestricted	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	31,154,914
Total governmental activities net position	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	99,196,780
Business-type activities:										
Net investment in capital assets	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	63,792,511
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	14,534,975
Total business-type activities net position	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	78,327,486
Total activities:										
Net Investment in capital assets	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	130,803,999
Restricted	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	1,030,378
Unrestricted	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	45,689,889
Total Net Position	\$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	\$177,524,266

City of Wasilla, Alaska

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 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	\$ 8,794,832
Public safety	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	10,975,731
Public works	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	4,010,392
Cultural and recreation	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	3,198,720
Interest on long-term debt	125,108	113,071	85,651	76,516	59,559	11,916	10,749	(1,994)	-	-
Total governmental activities expenses	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	26,979,675
Business-type activities:										
Water Utility	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	2,110,834
Sewer Utility	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	1,926,320
Municipal Airport	1,647,280	833,245	859,904	1,103,297	976,676	988,841	946,906	964,040	1,063,877	1,130,185
Curtis D. Menard Memorial Sports Center	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	1,875,079
Total business-type activities expenses	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	7,042,418
Total expenses	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	34,022,093
Program Revenues										
Governmental activities:										
Fees, fines & charges for services:										
General government	32,842	31,055	39,781	65,334	74,509	77,403	77,841	126,828	124,439	133,993
Public safety	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	3,606,886
Public works	210,329	221,723	148,579	190,078	187,385	209,440	225,171	62,924	41,375	65,559
Cultural and recreation	63,691	64,789	87,724	30,255	25,022	34,445	46,489	34,529	18,516	12,646
Operating grants and contributions	691,402	731,335	594,799	1,295,063	1,166,891	664,240	1,023,779	859,201	3,624,452	12,510,999
Capital grants and contributions	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	847,870
Total governmental activities program revenues	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	17,177,953
Business-type activities:										
Water Utility	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	2,010,411
Sewer Utility	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	1,509,562
Municipal Airport	65,849	69,522	72,121	85,669	86,581	111,764	121,189	131,022	139,039	141,549
Curtis D. Menard Memorial Sports Center	585,634	651,344	732,704	728,688	695,112	712,947	751,940	873,465	676,457	645,681
Operating grants and contributions	395,857	160,748	181,441	91,294	506,656	111,881	483,842	376,404	712,292	357,599
Capital grants and contributions	2,254,264	2,641,162	2,284,514	1,388,429	234,831	956,673	618,536	5,327,888	1,470,565	171,534
Total business-type activities program revenues	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	4,836,336
Total primary government program revenues	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	22,014,289
Net (expenses)/revenue:										
Governmental activities	(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)	(9,801,722)
Business-type activities	(7,083)	797,847	789,223	(422,053)	(1,702,455)	(755,571)	(894,392)	3,470,668	(158,099)	(2,206,082)
Total primary government net expenses	\$ (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)	\$ (12,007,804)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Sales taxes	\$ 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	\$ 20,834,132
Property taxes	2	-	-	-	-	-	-	-	-	-
Vehicle taxes	117,460	120,969	57,441	58,550	57,920	59,270	60,920	287,628	176,020	178,030
Grants and entitlements not restricted to a specific purpose	1,564,089	1,798,256	1,745,300	744,130	720,520	567,868	540,979	489,881	439,931	293,207
Investment earnings	67,015	85,725	83,197	103,799	169,528	119,083	271,966	829,737	983,264	93,114
Loss on land held for resale	-	-	-	-	-	-	(862,536)	(165,000)	-	-
Loss on sale of capital assets	-	-	-	-	-	-	-	(220,011)	-	-
Other	81,304	35,261	92,719	105,843	123,683	219,742	147,091	50,794	95,698	68,994
Transfers	(544,000)	(741,215)	1,229,599	(662,348)	(529,068)	(1,043,500)	(1,067,494)	(1,633,500)	(801,650)	(823,800)
Total governmental activities	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	20,643,677
Business-type activities:										
Investment earnings	4,574	6,542	3,479	3,453	1,166	7,702	5,918	3,875	205	3
Other	36,396	25,466	230,732	77,265	115,062	55,124	47,386	163,950	34,308	77,493
Transfers	544,000	741,215	(1,229,599)	662,348	529,068	1,043,500	1,067,494	1,633,500	801,650	823,800
Total business-type activities	584,970	773,223	(995,388)	743,066	645,296	1,106,326	1,120,798	1,801,325	836,163	901,296
Total primary government	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	21,544,973
Changes in Net Position										
Governmental activities	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	10,841,955
Business-type activities	577,887	1,571,070	(206,165)	1,532,289	(1,057,159)	350,755	226,406	5,271,993	678,064	(1,304,786)
Total Primary Government	\$ 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	\$ 9,537,169

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 118,443	\$ 96,268	\$ 88,911	\$ 54,514	\$ 285,279	\$ 366,795	\$ 227,785	\$ 464,491	\$ 559,810	\$ 396,656
Committed	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	24,419,709
Assigned	639,840	675,829	747,179	1,614,659	1,275,939	1,160,942	1,259,127	1,435,900	1,629,245	1,695,401
Unassigned	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	9,857,018
Total General Fund	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	36,368,784
All Other Governmental Funds:										
Nonspendable:										
Permanent fund	235,672	253,745	285,734	289,215	290,615	298,275	321,160	330,911	333,011	335,178
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	3,751
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	695,200
Assigned to:										
Special revenue funds	43,025	93,560	60,572	65,551	57,903	51,833	54,528	43,404	52,333	57,317
Capital projects funds	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	6,295,161
Total all other governmental funds	\$ 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	\$ 7,386,607

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Sales taxes	\$ 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	\$ 21,012,162
Property and vehicle taxes	117,462	120,969	57,441	58,550	57,920	59,270	60,920	287,628	176,020	244,303
Intergovernmental	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	13,500,506
Investment earnings	67,015	85,725	83,197	103,799	169,528	119,083	271,996	829,737	983,264	93,114
Loss on land held for resale	-	-	-	-	-	-	(862,536)	(165,000)	-	-
Other revenues	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	3,770,703
Total Revenues	\$ 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	\$ 38,620,788
Expenditures										
Current:										
General government	\$ 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	\$ 8,130,970
Public safety	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	9,391,010
Public works	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	2,187,668
Culture and recreation	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	2,330,455
Nondepartmental	64,567	139,725	205,565	97,983	53,171	55,701	172,435	253,745	207,561	148,945
Youth court	161,932	173,429	190,111	217,417	171,912	191,280	-	-	-	-
Capital outlay	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	4,606,793
Debt service:										
Principal	325,197	320,505	320,000	340,000	355,000	390,000	395,000	405,000	-	-
Interest	124,844	112,744	97,744	82,263	65,819	23,323	20,150	8,100	-	-
Other debt service costs	-	-	-	-	-	12,333	-	-	-	-
Total Expenditures	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	26,795,841
Excess of revenues over (under) expenditures	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	11,824,947
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	55,881	13,295	56,495	38,637	9,771	79,300	21,234	1,013,846	99,572	-
Transfers in	655,084	947,273	1,146,054	859,968	959,643	3,169,645	3,111,973	1,165,289	2,568,350	2,653,833
Transfers out	(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)	(3,477,633)
Net other financing sources (uses)	(488,119)	(727,920)	(784,068)	(623,711)	(519,297)	(951,867)	(1,046,260)	(619,654)	(702,078)	(823,800)
Net change in fund balances	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	11,001,147
Debt service as a percentage of noncapital expenditures										
	3.17%	2.94%	2.94%	2.43%	2.57%	2.79%	2.58%	2.36%	0.00%	0.00%
Total noncapital expenditures	\$ 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	\$ 23,195,627

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
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
2021	21,012,162	-	20,834,132	178,030

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 1, 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, 2021

Category	2021		2012	
	Total Sales Tax Revenue	Percentage of Total	Total Sales Tax Revenue	Percentage of Total
Trade Retail & Wholesale	\$ 15,274,165	73.31%	\$ 8,954,046	75.17%
Entertainment, Recreation & Food Service	3,044,490	14.61%	1,287,658	10.81%
Utilities & Information	765,682	3.68%	693,262	5.82%
Real Estate, Rental, Leasing & Transportation	304,600	1.46%	172,720	1.45%
Manufacturing (primarily construction related)	128,972	0.62%	90,529	0.76%
All Other Services	1,316,223	6.32%	713,501	5.99%
	<u>\$ 20,834,132</u>	<u>100.00%</u>	<u>\$ 11,911,716</u>	<u>100.00%</u>

Source: City of Wasilla Finance Department

(1) Wasilla Municipal Code restricts the publication of sale 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
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%
2021	1,575,605,429	1,152,127,117	12.472	1,264,483,246	91.11%

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			Total
	City of Wasilla	Mat-Su Borough	Wasilla Fire Service Area	City of Wasilla	
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
2021	2.50	10.322	2.15	0.00	12.472

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	2021			2012		
		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	\$ 20,455,300	1	1.78%	\$ 18,838,400	3	1.95%
Wal-Mart Stores Inc.	Retail Store	19,145,200	2	1.66%	19,833,600	1	2.05%
Schweiger John Loving TR	Entertainment	17,321,900	3	1.50%			
DBC LLC	Property Development and Retail Mall	17,211,000	4	1.49%	19,354,900	2	2.00%
Sun Mountain Dev Group LLC	Property Development and Retail Mall	15,661,300	5	1.36%			
Primrose Senior Holdings	Housing Facility	14,648,300	6	1.27%			
BDC Wasilla LP	Real Estate Rental and Leasing	14,213,500	7	1.23%	13,200,500	7	1.37%
Gary Lundgren	Individual	12,536,300	8		13,479,300	6	1.40%
Wasilla LLC	Property Development and Retail Mall	11,621,700	9	1.01%	12,864,700	8	1.33%
Global Finance & Investment Co.	Real Estate Rental and Leasing	10,974,500	10	0.95%	10,951,400	10	1.13%
Lowe's HIW Inc.	Retail Store				15,191,700	4	1.57%
Southcentral Foundation	Medical Facilities				13,580,200	5	1.41%
Mat-Su Valley Medical Center	Medical Facilities				11,003,900	9	1.14%
Total		\$ 153,789,000		12.25%	\$ 148,298,600		15.35%

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

City of Wasilla, Alaska
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total General Obligation Bonds	Percentage of Personal Income (2)	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Retired Principal	Total	General Obligation Bonds	Retired Principal	Total				
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%	-
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	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				
2012	\$ 2,542,425	\$ -	\$ 10,504	\$ -	\$ -	\$ -	\$ 2,552,929	0.73%	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
2021	-	-	-	-	-	496,350	496,350	0.11%	0.04%	55

(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, 2021

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	240,200,000	11.58%	27,815,160
Total Direct and Overlapping	\$ 240,200,000		\$ 27,815,160

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

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

City of Wasilla, Alaska
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Wasilla		Matanuska Susitna Borough				
	Population	School Enrollment	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (Annual %)
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
2021	8,963	4,744	107,305	48,943	35.2	17,935	7.2

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.

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

City of Wasilla, Alaska
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Clerk	2.00	3.00	3.00	2.00	3.00	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	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance/MIS	11.00	10.00	10.00	10.00	11.00	13.00	14.00	14.00	14.00	14.00
Police	48.00	49.00	49.00	49.00	50.00	60.00	62.00	64.00	65.00	65.00
Youth Court	1.50	1.50	1.50	1.50	1.50	1.50	0.75	0.75	0.75	0.75
Public Works	23.00	23.00	23.00	23.00	23.00	21.00	21.00	21.00	21.00	23.00
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	8.00	7.00	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	10.00	10.00	10.00	10.50
Total	115.50	115.50	114.50	113.50	116.50	126.50	129.25	131.25	132.25	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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public Safety -										
Police Services:										
Police requests for service	20,526	20,856	24,374	26,758	26,026	27,451	26,823	26,963	26,753	29,500
Criminal arrests	883	1,006	1,315	1,484	1,448	1,292	1,252	1,401	1,703	1,279
Water and Wastewater:										
Water production average										
gallons per day average										
July readings	615,959	779,454	909,806	758,613	705,253	696,907	823,830	1,194,825	1,020,846	855,381
Wastewater treatment avg.										
gallons per day average										
July readings	327,194	324,100	445,483	375,767	345,733	331,767	343,073	369,295	342,560	356,839

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Miles of streets	70.24	70.24	71.28	73.29	73.65	75.36	76.49	76.62	76.62	76.62
Miles of water lines	42.35	43.64	44.93	46.50	46.82	47.49	47.49	48.95	48.95	48.95
Miles of sewer lines	26.57	26.78	26.89	26.89	26.89	26.89	26.89	27.53	27.53	27.53
Police protection - Police Stations & Dispatch Centers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Recreation - Number of facilities:										
Parks	5.00	5.00	5.00	5.00	5.00	6.00	7.00	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	4.00	4.00	4.00
Soccer fields	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	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

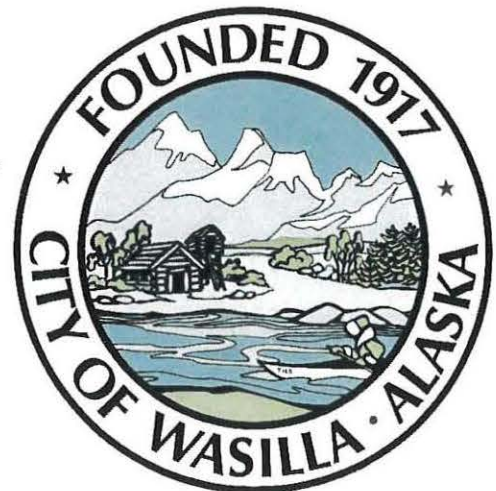
CITY OF WASILLA
ALASKA

Single Audit Reports

and

Supplementary Information

Fiscal Year Ended June 30, 2021



City of Wasilla, Alaska

Single Audit Reports
Year Ended June 30, 2021

City of Wasilla, Alaska

Contents

	<u>Page</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8-9



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

3601 C Street, Suite 600
Anchorage, AK 99503

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla, Alaska (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 24, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
November 24, 2021



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

3601 C Street, Suite 600
Anchorage, AK 99503

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

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

Report on Compliance

Opinion on Compliance for Each Major Federal Program

We have audited City of Wasilla, Alaska (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 24, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
November 24, 2021

City of Wasilla Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Transportation				
Airport Improvement Program:				
Construction Apron E Phase II	20.106		\$ -	\$ (5,892)
COVID-19 CARES Act Grant	20.106		-	30,000
Access Control IMP to Gate A	20.106		-	105,795
			<u>-</u>	<u>129,903</u>
Total Airport Improvement Program				
Passed through State of Alaska Department of Transportation and Public Facilities:				
Highway Planning and Construction Cluster	20.205	HFHWY00087	-	295,906
Highway Safety Cluster - State and Community Highway Safety	20.600	402 PT-21-06-FA(A)10	-	9,000
			<u>-</u>	<u>434,809</u>
Total Department of Transportation				
Department of the Treasury				
Passed through State of Alaska Department of Commerce, Community, and Economic Development				
COVID-19 Coronavirus Relief Fund	21.019	20-CRF-222	-	10,945,577
			<u>-</u>	<u>10,945,577</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$11,380,386</u>

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

City of Wasilla, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Wasilla, Alaska (the City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represented adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

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

City of Wasilla, Alaska
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? yes X no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

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

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

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

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
21.019	Coronavirus Relief Fund	Department of the Treasury

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

Auditee qualified as low-risk auditee? X yes no

City of Wasilla, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2021

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

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

Section III - Federal Award Findings and Questioned Costs

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