

# City of Wasilla

## Comprehensive Annual Financial Report

Fiscal Year Ending  
June 30, 2009



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**CITY OF WASILLA, ALASKA**

June 30, 2009

Verne E. Rupright  
Mayor

Prepared By  
Finance Department

Troy Tankersley  
Finance Director

Joan Miller  
Controller

**CITY OF WASILLA, ALASKA**

**Comprehensive Annual Financial Report**

Year Ended June 30, 2009

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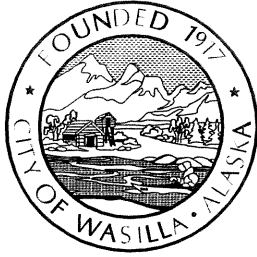
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# CITY OF WASILLA

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

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November 2, 2009

To the Citizens of the City of Wasilla:

The comprehensive annual financial report of the City of Wasilla for the fiscal year ended June 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the City. Included in this report are disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis, the basic financial statements, additional information, and related schedules. This section also includes the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Wasilla is required to undergo an annual single audit in conformity with the provisions of the Federal and State Single Audit Acts. Information related to assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

This report includes all funds of the City. The City provides a full range of municipal services authorized by state statute and City code. This includes police, planning and land use control, animal control, sewer, water, road maintenance, parks and recreation, museum, and library and cultural services.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements. Such narrative is presented in the form of a Management's Discussion and Analysis (MD&A), which should be read in conjunction with this letter of transmittal. The City's MD&A can be found immediately following the report of the independent auditors.

## **The Reporting Entity**

The City of Wasilla is a First Class City incorporated under Title 29 of the Alaska State Statutes. City code establishes a June 30 fiscal year end. There are no component units included in our financial statements.

## **Summary of Local Economy**

The City of Wasilla is located in the fastest growing area of Alaska and serves as the retail trade center for the Matanuska-Susitna Borough. As measured by increased population and sales tax receipts, the growth of the service-oriented economy of the City of Wasilla continues to increase steadily. The City of Wasilla remains primarily a bedroom community of Anchorage due to a lack of large-scale primary industry. The City of Wasilla offers an attractive lifestyle in which the cost of housing is less than that in Anchorage due to an abundance of less expensive land. Many residents in our workforce travel the daily commute to Anchorage but are still able to enjoy the quality of life in our community.

## **The Future**

The City continues to look toward growth in the service industries to maintain our position as the trade center of the Matanuska-Susitna Valley. Also, resource extraction industries will continue to fuel our economic growth in an indirect way. Other proposed projects that will benefit our economy are the continued Port development, and prison at Pt. McKenzie and the proposed Trans Alaska Gas Pipeline.

The population growth trend in the City of Wasilla and the Matanuska-Susitna Valley continues to show an upward trend. The continuing increase in Wasilla sales tax receipts and Anchorage-Valley vehicle counts are indicators of the continuing population growth occurring in Wasilla and the Valley.

## **Long-term Financial Planning**

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

Useful indicators to citizens and investors of an entity's debt position are the general obligation debt to assessed valuation and the net bonded debt per capita. At the end of fiscal year 2009, the City of Wasilla's percentage of general obligation debt to assessed valuation is .79% and the bonded debt per capita is \$998. The previous year's percentage of general obligation debt to assessed valuation was 1.33% with the net bonded debt per capita being \$1,150.

## **Accounting System and Budgetary Control**

The City's financial statements for all funds have been prepared in conformity with generally accepted accounting principles.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition and 2) the reliability of financial records for preparing the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the evaluation of the costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City adopts fiscal year budgets for all governmental funds. Budget amendments over \$10,000 between departments within funds and transfers between funds require approval of the City Council. The City's policy is that estimated purchase order amounts are encumbered prior to the release of the order to the vendor. When an encumbrance exceeds the available appropriation authority, policy is that the order is delayed until the budget is amended. Operating budgets lapse at year-end. Capital budget funds remaining are reappropriated in the new year's budget.

## **Cash Management**

All funds of the City are invested and earn interest every day of the year. Funds not needed for daily outlay are invested in overnight repurchase agreements with Wells Fargo Bank.

All investments are made according to the City's conservative investment and collateralization policy approved by the City Council in 1986 and revised in 2002, Chapter 5.12 of the Wasilla Municipal Code.

## **Risk Management**

The City of Wasilla is a member in good standing in the Alaska Public Entity Insurance Association (APEI), which is a pooling arrangement of Alaskan cities, boroughs and school districts. The concept of shared risk was originally started to ensure that all municipalities had access to insurance coverage on a long-term basis, although not necessarily the least expensive coverage. Claims are covered on an occurrence basis. The APEI provides risk management services and appraisal services.

## **Pension and Other Postemployment Benefits**

The City provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The City has no obligation in connection with employee benefits offered through this plan beyond its annual required payment to the pension plan.

Additional information on pension arrangements and postemployment benefits can be found in Note 6 in the Notes to the Basic Financial Statements.

## **Independent Audit**

The City Code, Section 5.04.060 requires examination of the City's financial records and statements by a Certified Public Accounting Firm, licensed to perform financial audits in the State of Alaska. The completion of this examination with the Auditor's opinion on the financial statements must be completed by November 30 of each year.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasilla for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

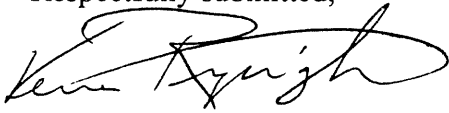
## **Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to Joan Miller, Controller, Sharon Sinko, Kelly Short, Deborah Davis, April Dwyer, Maureen Graham, Debra Alderman, and Kim Byrne for their capable help. Also, thanks to John Bost, Audit Partner, and the staff of Mikunda, Cottrell & Co. for their very professional manner, patience, and communication skills.



We would also like to thank the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



Verne E. Rupright  
Mayor



Troy Tankersley  
Finance Director

CITY OF WASILLA, ALASKA

CITY OFFICIALS

CITY COUNCIL

Ron Cox  
Leone Harris  
Kristofer D. Larson

Douglas W. Holler (Deputy Mayor)  
Nancy Hall  
Dianne Woodruff

STAFF

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

Verne E. Rupright  
Archie Giddings  
William W. Harvey  
Kristie Smithers  
Amanda Charles  
Troy Tankersley  
Joan Miller  
James Hastings  
J. Craig Robinson  
Marvin Yoder (Temporary)

PLANNING COMMISSION

Gary Hall  
Brandon Wall  
Jessie Elkins  
Daniel Kelly Jr. (Vice Chair)

Robert Webb  
Stan Tucker (Chair)  
Alvah Clark Buswell III

PARKS AND RECREATION COMMISSION

Mary Kay (Randy) Robinson  
Joan Matthews  
Sarah Sanderlin (Vice Chair)

Dave Tuttle (Chair)  
Mary Shampine

AIRPORT COMMISSION

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

Bryan Carricaburu  
Raymond J. Block (Chair)  
Cameron Sharick  
Robert Molloy

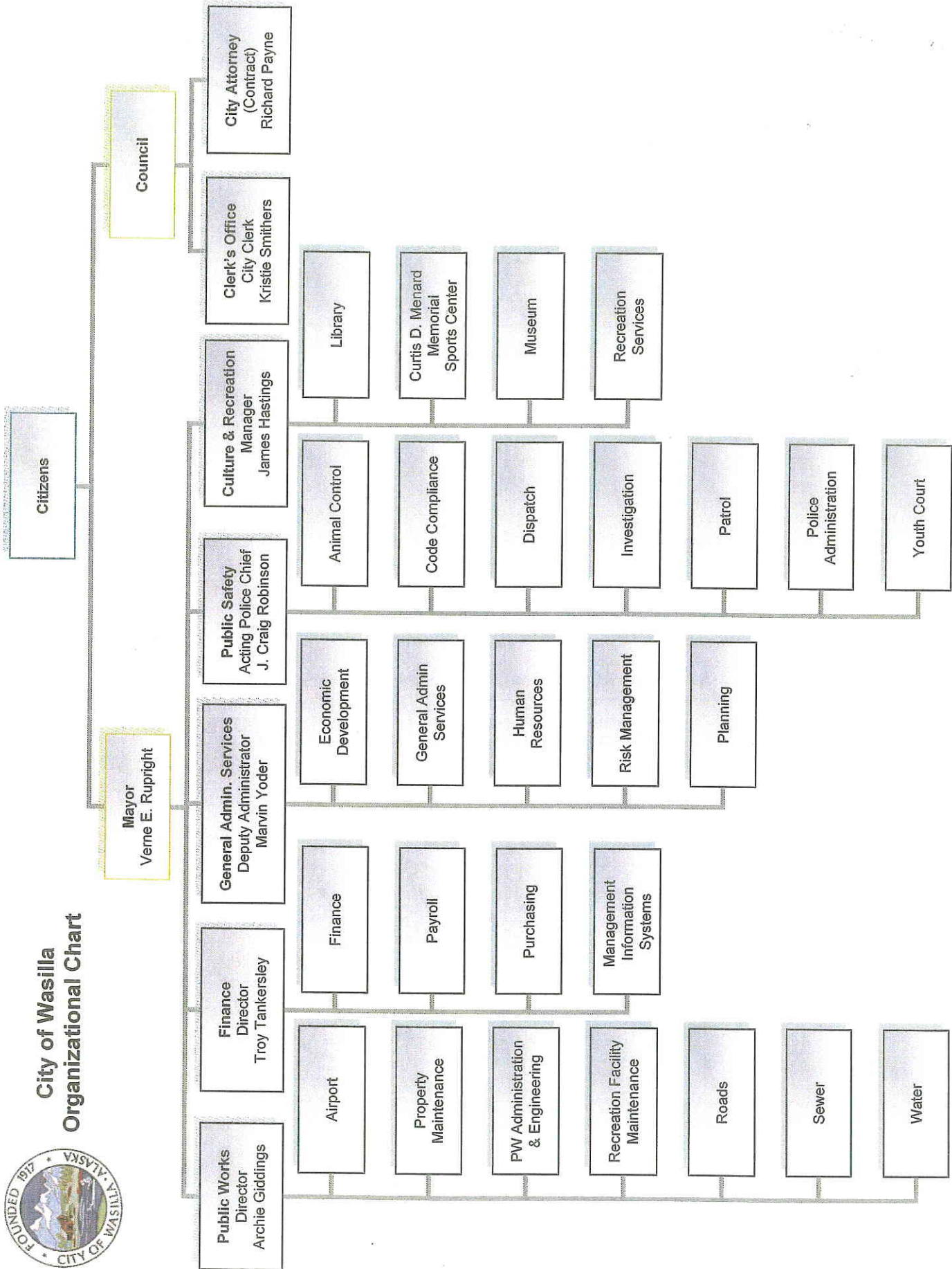
CONSULTANTS

City Attorney  
Auditors  
Insurance Pool  
  
Insurance Broker

Richard Payne  
Mikunda, Cottrell & Co.  
Alaska Public Entity Joint Insurance  
Association  
Michael Combs, Combs Insurance  
Agency, Inc.



# City of Wasilla Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wasilla  
Alaska

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

## Independent Auditor's Report

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla, Alaska as of and for the year ended June 30, 2009 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla, Alaska, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2009 on our consideration of City of Wasilla's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and City Council  
City of Wasilla, Alaska

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wasilla's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and the Schedule of State Financial Assistance is required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been audited by us and accordingly, we express no opinion on them.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 2, 2009



# CITY OF WASILLA

## Management's Discussion and Analysis

June 30, 2009

As management of the City of Wasilla, we offer readers of these Financial Statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended June 30, 2009. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii-xi of this report.

### **Financial Highlights**

- The assets of the City of Wasilla exceeded its liabilities at the close of the most current fiscal year by \$96,756,189 (total net assets). Of this amount, \$12,683,163 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of business of the current fiscal year, the City of Wasilla's governmental funds reported combined ending fund balances of \$10,336,081. Of this total, \$6,867,605 is unreserved and undesignated and available for spending at the government's discretion.
- The City's total outstanding debt decreased by \$4,717,296 to a year-end balance of \$11,283,664. The City's long-term debt table can be found on pages 40-44 of the Notes to the Basic Financial Statements.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Wasilla's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Wasilla's finances in a manner similar to a private-sector business.

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

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

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

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

The government-wide financial statements can be found on pages 18-19 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wasilla, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Wasilla maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Miscellaneous Capital Projects Fund, which are considered to be major funds. The other 19 governmental funds are combined and shown as non-major governmental funds on the governmental funds balance sheet and governmental statement of revenues, expenditures, and changes in fund balances. Individual fund information for the 19 non-major funds is presented in combining balance sheets for non-major governmental funds and combining statement of revenues, expenditures, and changes in fund balances for non-major funds, by fund type.

The City of Wasilla adopts annual appropriated budgets for its General Fund, special revenue funds, and debt service funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.



## CITY OF WASILLA

### Management's Discussion and Analysis, continued

The basic governmental fund financial statements can be found on pages 20-24 of this report.

**Proprietary funds.** The City of Wasilla maintains enterprise funds, a type of proprietary fund, to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, 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 of Wasilla.

The basic proprietary fund financial statements can be found on pages 25-28 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-50 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Wasilla's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 44-48 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 64 and 65. Combining and individual fund statements and schedules can be found on pages 68 through 109.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Wasilla, assets exceeded liabilities by \$96,756,189 at the close of the most recent fiscal year.

By far the largest portion of the City of Wasilla's net assets (85.4%) 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.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

#### City of Wasilla's Net Assets June 30, 2009

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 11,171,321	10,395,455	4,546,368	7,002,459	15,717,689	17,397,914
Capital assets, net of depreciation	<u>27,952,033</u>	<u>28,927,008</u>	<u>65,389,473</u>	<u>61,372,025</u>	<u>93,341,506</u>	<u>90,299,033</u>
Total assets	<u>\$ 39,123,354</u>	<u>39,322,463</u>	<u>69,935,841</u>	<u>68,374,484</u>	<u>109,059,195</u>	<u>107,696,947</u>
Long-term liabilities outstanding	\$ 4,064,840	4,677,159	7,296,726	11,422,124	11,361,566	16,099,283
Other liabilities	<u>688,408</u>	<u>935,010</u>	<u>253,032</u>	<u>993,140</u>	<u>941,440</u>	<u>1,928,150</u>
Total liabilities	<u>\$ 4,753,248</u>	<u>5,612,169</u>	<u>7,549,758</u>	<u>12,415,264</u>	<u>12,303,006</u>	<u>18,027,433</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 24,398,858	25,066,933	58,196,431	50,098,545	82,595,289	75,165,478
Restricted for debt service	-	-	1,477,737	2,914,197	1,477,737	2,914,497
Unrestricted	<u>9,971,248</u>	<u>8,643,361</u>	<u>2,711,915</u>	<u>2,946,178</u>	<u>12,683,163</u>	<u>11,589,539</u>
Total net assets	<u>\$ 34,370,106</u>	<u>33,710,294</u>	<u>62,386,083</u>	<u>55,959,220</u>	<u>96,756,189</u>	<u>89,669,514</u>

An additional portion of the City of Wasilla's net assets (1.53%) represents sources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$12,683,163) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Wasilla is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net assets increased by \$7,086,675 in fiscal year 2009. Over 80% of this increase represents capital grant and contributions for construction of capital projects. The remainder of the growth largely reflects the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

**Governmental Activities.** During fiscal year 2009, the City of Wasilla's net assets increased by \$659,812 for governmental activities. Highlights of governmental activities net asset changes are as follows:

- Sales tax revenue increased by \$684,653 a 6.6% increase from FY 2008.
- Investment earnings decreased by (\$133,536).
- Grants not restricted to specific programs increased by \$705,363.
- Net Pension Obligation (NPO)/Other Post-Employment Benefits (OPEB) were written off in the amount of \$321,267, as a result of a conversion to a cost-sharing plan. Refer to pages 44-48.

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

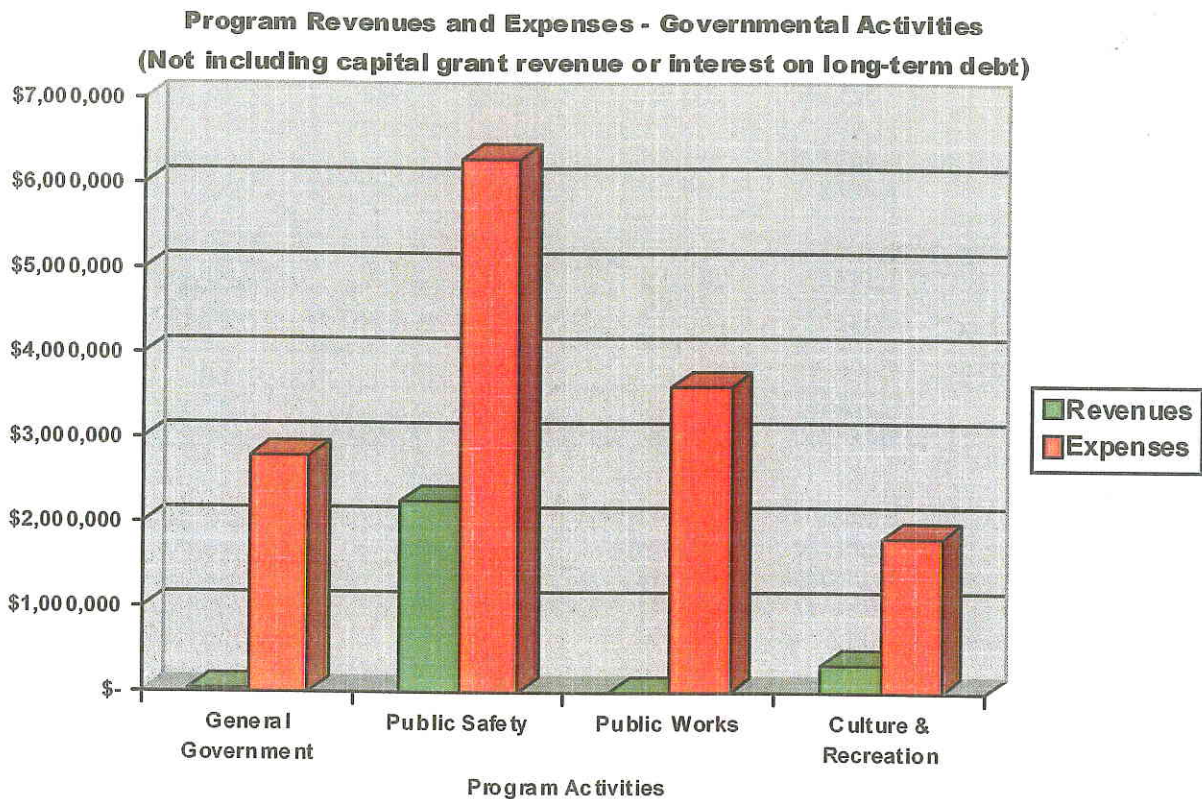
#### City of Wasilla's Changes in Net Assets Year Ended June 30, 2009

	Governmental Activities		Business-type Activities		Total Activities	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 1,682,624	2,091,822	2,269,531	2,231,639	3,952,155	4,323,461
Operating grants and contributions	970,880	513,374	-	-	970,880	513,374
Capital grants and contributions	323,666	1,382,910	5,426,008	2,599,391	5,749,674	3,982,301
General revenues:						
Property and vehicle taxes	105,708	101,920	-	-	105,708	101,920
Sales taxes	11,070,859	10,386,206	2,776,152	2,597,929	13,847,011	12,984,135
Grants and contributions not restricted to specific programs	1,359,374	654,011	100,518	-	1,459,892	654,011
Investment income	373,798	507,334	36,052	165,956	409,850	673,290
Other	13,654	23,105	2,518	8,644	16,172	31,749
Special Item-write off NPO/OPEB	<u>321,267</u>	<u>-</u>	<u>66,303</u>	<u>-</u>	<u>387,570</u>	<u>-</u>
Total revenues	<u>16,221,830</u>	<u>15,660,682</u>	<u>10,677,082</u>	<u>7,603,559</u>	<u>26,898,912</u>	<u>23,264,241</u>
Expenses:						
General government	2,808,593	2,818,033	-	-	2,808,593	2,818,033
Public safety	6,290,577	5,761,075	-	-	6,290,577	5,761,075
Public works	3,609,023	2,925,326	-	-	3,609,023	2,925,326
Culture and recreation	1,846,153	1,621,844	-	-	1,846,153	1,621,844
Interest on long-term debt	162,172	186,416	-	-	162,172	186,416
Water utility	-	-	1,160,186	1,096,799	1,160,186	1,096,799
Sewer utility	-	-	1,398,732	1,043,618	1,398,732	1,043,618
Municipal airport	-	-	819,103	481,477	819,103	481,477
Curtis D. Menard Memorial Sports Center	-	-	<u>1,717,698</u>	<u>2,162,833</u>	<u>1,717,698</u>	<u>2,162,833</u>
Total expenses	<u>14,716,518</u>	<u>13,312,694</u>	<u>5,095,719</u>	<u>4,784,727</u>	<u>19,812,237</u>	<u>18,097,421</u>
Increase in net assets before transfers	1,505,312	2,347,988	5,581,363	2,818,832	7,086,675	5,166,820
Transfers	<u>(845,500)</u>	<u>(1,754,989)</u>	<u>845,500</u>	<u>1,754,989</u>	<u>-</u>	<u>-</u>
Increase in net assets	659,812	592,999	6,426,863	4,573,821	7,086,675	5,166,820
Net assets - beginning	<u>33,710,294</u>	<u>33,117,295</u>	<u>55,959,220</u>	<u>51,385,399</u>	<u>89,669,514</u>	<u>84,502,694</u>
Net assets - ending	<u>\$ 34,370,106</u>	<u>33,710,294</u>	<u>62,386,083</u>	<u>55,959,220</u>	<u>96,756,189</u>	<u>89,669,514</u>

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

The following graph displays program revenues 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 property and sales taxes, grants and entitlements not restricted for a specific purpose, investment income, and other general revenues.



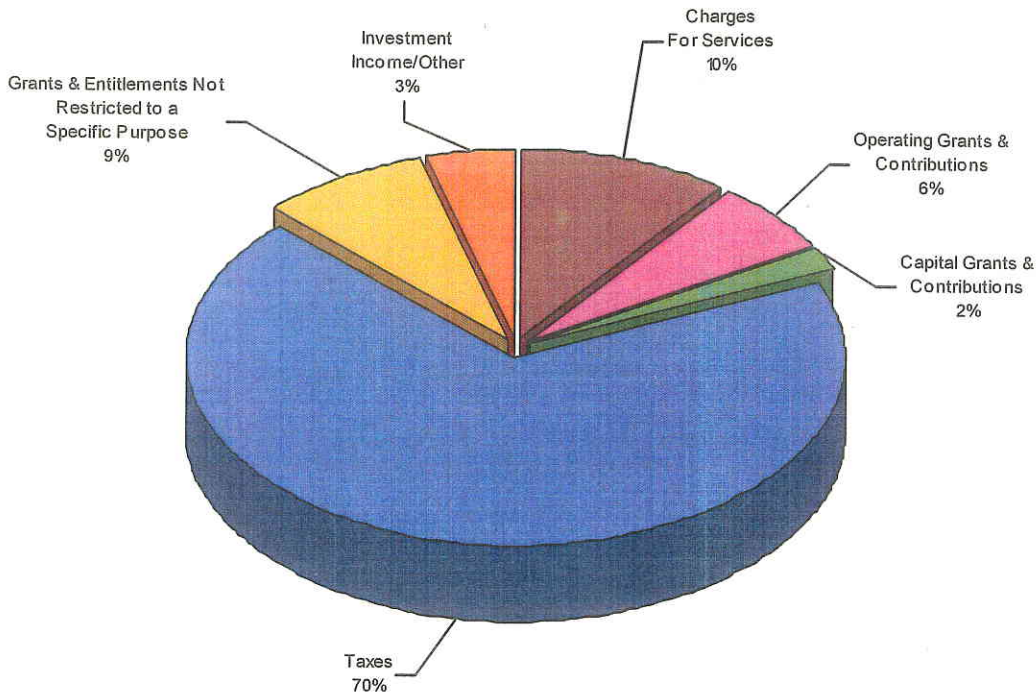
The following graph shows the percentages of all revenue sources for governmental activities. Taxes are the largest revenue source for the City of Wasilla, followed in order by Charges for Services, Nonrestricted Grants & Entitlements, Capital/Operating Grants & Contributions, and Investment Income/Other. Tax revenue for governmental activities increased from 2008 to 2009 by \$688,441. This increase in tax revenues is the result of the continued trend in growth of sales tax revenue. Sales tax revenue increased by over 6.6% from last fiscal year. This growth trend in sales tax is projected to flatten slightly in the next fiscal year, but resume this growth pattern in following years. Expenses for governmental activities increased \$1,403,824 or 10.5% from prior fiscal year. The increase relates primarily to general insurance and group health insurance. Payroll and related benefits increased from normal annual increases combined with the on-set of three labor unions; (1) International Union of Operating Engineers, Local 302, (2) Laborers' International Union of North America, Local 341, and (3) General Teamsters, Local 959.



# CITY OF WASILLA

## Management's Discussion and Analysis, continued

### Revenues By Source - Governmental Activities

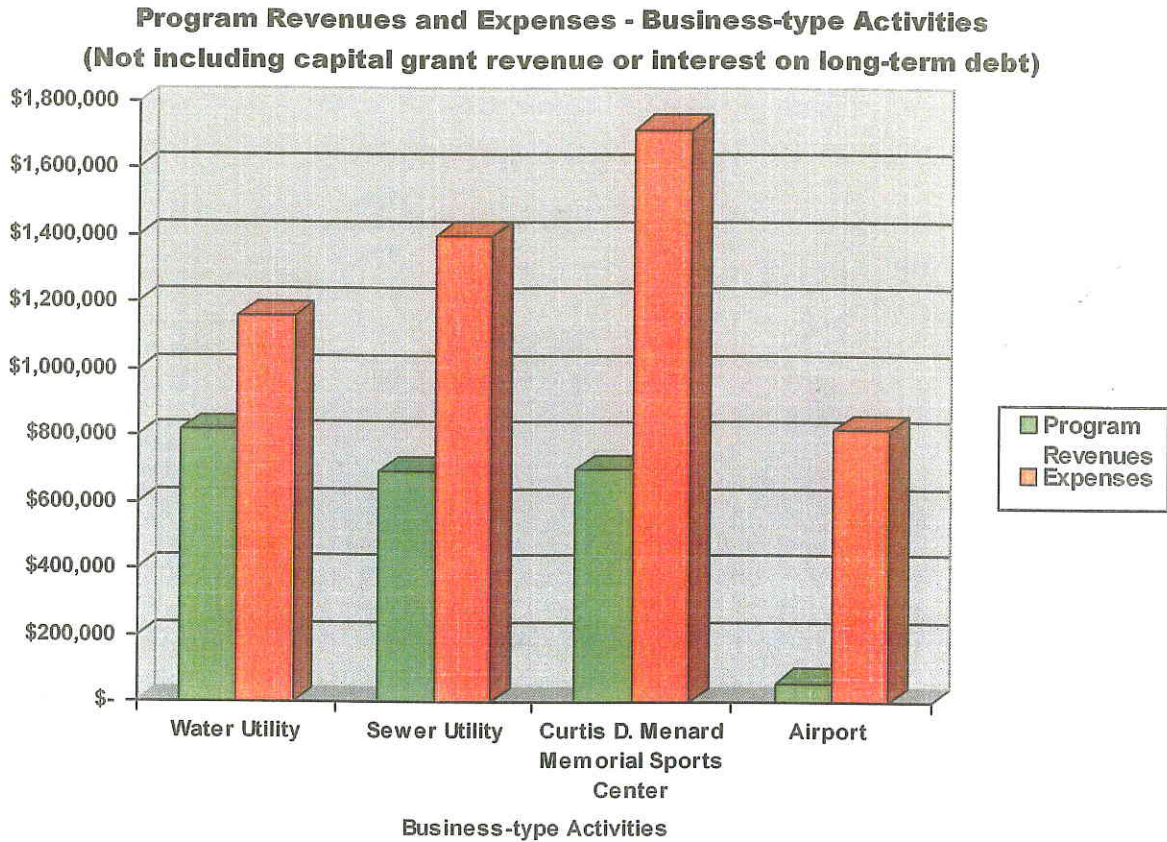


**Business-type activities.** In 2009, the City changed the Multi-use Sports Complex name to the Curtis D. Menard Memorial Sports Center. Business-type activities increased the City of Wasilla's net assets by \$6,426,863. The largest portion of this increase resulted from Capital Grants and Contributions at \$5,426,008. Sales tax dedicated for payment of the debt service on the Curtis D. Menard Memorial Sports Center net of interest paid on the debt in FY2009 was the second largest contribution at \$2,497,030. Increases in net assets that resulted from Capital Grants and Sales Tax net of interest paid on debt were offset by losses in the Sewer Utilities.

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, all of the business-type activities reported revenues below expenses. The main reason for the difference between revenues and expenses is due to depreciation expense in all of the activities.

# CITY OF WASILLA

## Management's Discussion and Analysis, continued



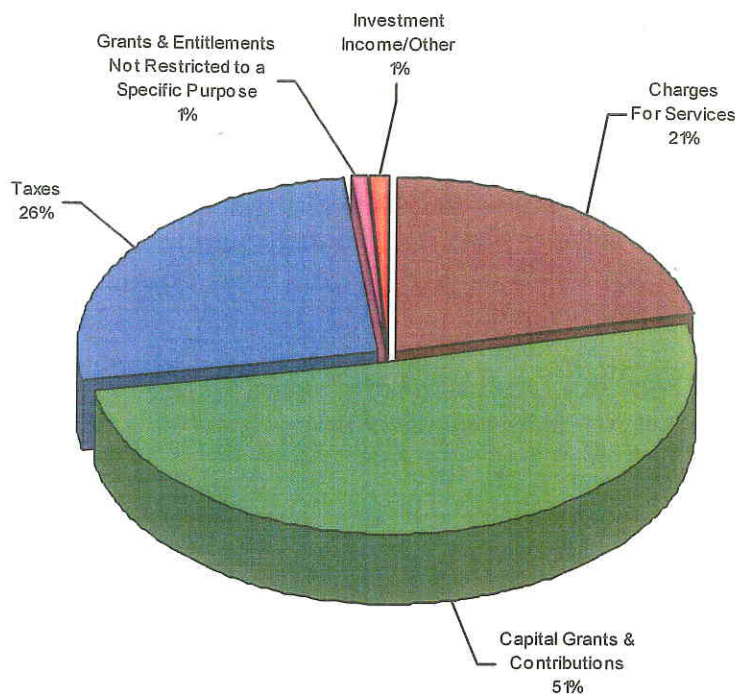
The following graph depicts the percentages of all revenue sources for business-type activities. Capital Grants & Contributions are the largest revenue source for the City of Wasilla, followed in order by Taxes, Charges for Services, Investment Earnings and Other Revenue. Tax revenue for business-type activities increased from 2008 to 2009 by \$178,223. This increase in tax revenues is the result of the continued trend in growth of sales tax revenue. Sales tax revenue increased by over 6.6% from last fiscal year. This growth trend in sales tax is projected to flatten slightly in the next fiscal year, but resume this growth pattern in following years. Capital Grants & Contributions increased from 2008 to 2009 by \$2,826,617 mainly in areas of Water and Sports Center.



## CITY OF WASILLA

### Management's Discussion and Analysis, continued

#### Revenues By Source - Business-type Activities



#### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Wasilla's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Wasilla's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Wasilla's governmental funds reported combined ending fund balances of \$10,336,081, an increase of \$1,058,768 in comparison with the prior year. The City's total fund balance is made up of 3 components:

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

The first component is reserved to indicate it is not available for spending at the government's discretion. The reserved portion is 12% (\$1,227,115) of the total fund balance. The next component is designated fund balance. Our designated fund balance is 22% (\$2,241,361) of the total. Designated fund balance is held for specific expenditures such as capital projects, and subsequent year's expenditures. The undesignated fund balance reflects the balance of \$6,867,605 (66% of fund balance). These are funds that the City can use for any purpose.

The General Fund is the chief operating fund of the City of Wasilla. At the end of the current fiscal year, undesignated fund balance of the General Fund was \$6,493,701 while total fund balance was \$7,067,598. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 57% of total General Fund expenditures, while total fund balance represents 62% of that same amount.

Fund balance of the City of Wasilla's General Fund increased by \$1,060,442 during the current fiscal year. The revised budget for fiscal year 2009 budgeted for an increase in General Fund balance of \$384,917. Key factors in the fund balance increasing in excess of the budgeted amount include:

- Intergovernmental receipts were \$456,572 over projections.
- All expenditure functions of the General Fund were under the revised budget by \$757,519.

The other major fund, the Miscellaneous Capital Project Fund, has a total fund balance of \$1,225,209. This total amount is designated for future capital project construction expenditures and encumbrances. The fund balance in this fund has increased by \$147,222 over the prior year. The key factor in this increase represents transfers to the fund for future capital project construction.

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

The water utility's unrestricted net assets were \$1,086,876. Unrestricted net assets have declined as the City starts to invest a portion of the unrestricted net assets for capital construction. To offset the decline in unrestricted net assets, the City has increased its water utility rates in FY2010 to facilitate the demand of ongoing repairs and maintenance and reserve for additional capital construction.

The sewer utility's unrestricted net assets were \$1,004,585. Unrestricted net assets are projected to decline slightly in fiscal year 2010 as the City invests a portion for capital construction. To offset the decline in unrestricted net assets, the City has increased its sewer utility rates to facilitate the demand of ongoing repairs and maintenance and reserve for additional capital construction.



## CITY OF WASILLA

### Management's Discussion and Analysis, continued

The Airport Fund's unrestricted net assets were \$201,443. Unrestricted net assets are projected to remain steady in fiscal year 2010. The airport operations continue to generate operating losses before depreciation. The City will continue to offset these losses with transfers from the General Fund and is seeking ways to lower the operating loss in the Airport Fund.

The Curtis D. Menard Memorial Sports Center's unrestricted net assets were \$419,011. Restricted net assets of \$1,477,737 are set aside for retirement of the sports center's general obligation debt.

#### **General Fund Budgetary Highlights**

The difference in fund balance between the original and final amended budget was a decrease \$241,452. The major components of the difference are as follows:

- An appropriation of \$259,046 to transfer funds to the Capital Reserve Fund for future capital projects.
- An appropriation of \$57,444 for the Police Bureau of Highway Patrol Grant program and \$113,752 for the Traffic Grant program. Both programs match intergovernmental grant receipts.

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

The difference in fund balance between the final amended budget and actual results in an increase of \$675,525. The major components of the difference are as follows:

- A positive budget variance in intergovernmental revenue collected being higher than projected by \$456,572.
- A positive variance of \$757,519 in total expenditures by all departments.

#### **Capital Asset and Debt Administration**

**Capital assets.** The City of Wasilla's investment in capital assets for its governmental and business type activities as of June 30, 2009 amounts to \$93,341,506 (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:

- Land acquisition for town site parking
- Airport Apron expansion and maintenance building
- Sports Center commercial kitchen addition
- Mission Hills water extension
- Almar COPS Project (Mobile Data Network)
- Garden Terrace water extension

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

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

	Governmental Activities		Business-type Activities		Total Activities	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land and land improvements	\$ 4,892,250	4,647,598	12,236,862	12,600,307	17,129,112	17,247,905
Buildings	4,801,720	4,894,508	14,772,648	14,088,020	19,574,368	18,982,528
Improvements other than buildings	-	-	28,690,710	25,256,812	28,690,710	25,256,812
Infrastructure	14,278,745	14,674,169	-	-	14,278,745	14,674,169
Furniture and equipment	2,241,118	1,495,836	-	-	2,241,118	1,495,836
Vehicles and equipment	1,362,041	1,140,715	2,133,483	2,233,826	3,495,524	3,374,541
Construction in progress	<u>376,159</u>	<u>2,074,182</u>	<u>7,555,770</u>	<u>7,193,060</u>	<u>7,931,929</u>	<u>9,267,242</u>
Total capital assets	<u>\$ 27,952,033</u>	<u>28,927,008</u>	<u>65,389,473</u>	<u>61,372,025</u>	<u>93,341,506</u>	<u>90,299,033</u>

Additional information on the City of Wasilla's capital assets can be found in note 3 on pages 38 and 39 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Wasilla had total long-term debt outstanding of \$11,283,664 including \$615,349 of compensated absences. Of this amount, \$7,160,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Wasilla's debt represents bonds and loans secured solely by specified revenue sources (i.e., special assessments levied against properties specifically benefited) in the amount of \$3,508,315 and compensated absences of \$615,349.

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

	Governmental Activities		Business-type Activities		Total Activities	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation	\$ 3,370,000	3,635,000	3,790,000	7,615,000	7,160,000	11,250,000
Other debt	511,665	802,135	103,684	148,644	615,349	950,779
Loans, long-term	<u>136,851</u>	<u>189,068</u>	<u>3,371,464</u>	<u>3,611,113</u>	<u>3,508,315</u>	<u>3,800,181</u>
Total long-term debt	<u>\$ 4,018,516</u>	<u>4,626,203</u>	<u>7,265,148</u>	<u>11,374,757</u>	<u>11,283,664</u>	<u>16,000,960</u>

Additional information on the City's long-term debt can be found on pages 40-44 of this report.

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

In setting the budgets for fiscal year 2010 the City considered a number of issues with citywide impact. Among them are the following:

## CITY OF WASILLA

### Management's Discussion and Analysis, continued

- Sales taxes growth rate has been from 6% to 9% over the past 5 years. This trend is attributed to the development and expansion of the retail sector of the City's economy. However, with a national economic recession, the FY2010 budget was reduced to a 2% growth rate.
- User fees and charges in the business-type activities will increase by 3% due to the City increasing its utility customer base by completing necessary infrastructure projects. Additionally, the utility funds have increased its utility rates to help offset losses caused from infrastructure repair and maintenance and necessary capital replacements.
- The City of Wasilla will continue to implement programs to keep local government small, efficient, and accountable to the citizens of Wasilla.
- The City of Wasilla will continue to aggressively invest in needed infrastructure and will transfer at least \$575,000 from the City's General Fund and Capital Reserve Fund to the Miscellaneous Capital Project Fund for construction of capital projects.
- The City of Wasilla will continue to make progress in making the enterprise funds (Water, Sewer, Airport, and Curtis D. Menard Memorial Sports Center) self-sufficient while ensuring the systems meet environmental and developmental needs of the citizens and the businesses in the City of Wasilla.

With the above considerations, the fiscal year 2010 budget includes setting the City of Wasilla's property tax at an approved rate of 0.0 mills.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Wasilla's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Wasilla, Attn: Finance Director, 290 E. Herning Ave, Wasilla, Alaska 99654.

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## **BASIC FINANCIAL STATEMENTS**

## CITY OF WASILLA, ALASKA

## Statement of Net Assets

June 30, 2009

<u>Assets</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Cash and investments	\$ 8,662,237	2,392,195	11,054,432
Receivables, net of allowance for uncollectible amounts:			
Accounts	29,359	184,226	213,585
Sales and property taxes	981,573	245,346	1,226,919
Crowley Petroleum	41,546	-	41,546
Grants	271,424	819,027	1,090,451
Shared revenues	259,423	-	259,423
Special assessments	130,820	2,730	133,550
Internal balances	279,953	(279,953)	-
Prepaid items	70,125	112,540	182,665
Inventories	-	175,074	175,074
Restricted cash and investments	411,001	883,682	1,294,683
Deferred charges, net of accumulated amortization	-	11,501	11,501
Unamortized bond issuance costs	33,860	-	33,860
Capital assets not being depreciated - land and construction in progress	5,268,409	11,604,740	16,873,149
Other capital assets, net of accumulated depreciation	<u>22,683,624</u>	<u>53,784,733</u>	<u>76,468,357</u>
<b>Total assets</b>	<b>\$ <u>39,123,354</u></b>	<b><u>69,935,841</u></b>	<b><u>109,059,195</u></b>
<u>Liabilities</u>			
Accounts payable	251,531	54,938	306,469
Accrued payroll and employee benefits	411,453	69,042	480,495
Customer deposits	-	42,248	42,248
Accrued interest	17,847	62,275	80,122
Unearned revenue	7,577	24,529	32,106
Noncurrent liabilities:			
Due within one year:			
Accrued leave	511,665	103,684	615,349
General obligation bonds	275,000	1,805,000	2,080,000
ADEC loans	-	230,696	230,696
Special assessment bonds	27,265	7,111	34,376
Due in more than one year:			
General obligation bonds	3,095,000	1,985,000	5,080,000
ADEC loans	-	3,133,657	3,133,657
Special assessment bonds	109,586	-	109,586
Unamortized bond premium	131,330	31,578	162,908
Deferred loss on refunding	<u>(85,006)</u>	<u>-</u>	<u>(85,006)</u>
<b>Total liabilities</b>	<b><u>4,753,248</u></b>	<b><u>7,549,758</u></b>	<b><u>12,303,006</u></b>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	24,398,858	58,196,431	82,595,289
Restricted for debt service	-	1,477,737	1,477,737
Unrestricted	<u>9,971,248</u>	<u>2,711,915</u>	<u>12,683,163</u>
<b>Total net assets</b>	<b><u>34,370,106</u></b>	<b><u>62,386,083</u></b>	<b><u>96,756,189</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>39,123,354</u></b>	<b><u>69,935,841</u></b>	<b><u>109,059,195</u></b>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Statement of Activities

Year Ended June 30, 2009

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Govern- mental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 2,808,593	36,509	-	-	(2,772,084)	-	(2,772,084)
Public safety	6,290,577	1,583,265	682,295	2,817	(4,022,200)	-	(4,022,200)
Public works	3,609,023	328	-	308,199	(3,300,496)	-	(3,300,496)
Culture and recreation	1,846,153	62,522	288,585	12,650	(1,482,396)	-	(1,482,396)
Interest on long-term debt	162,172	-	-	-	(162,172)	-	(162,172)
Total governmental activities	<u>14,716,518</u>	<u>1,682,624</u>	<u>970,880</u>	<u>323,666</u>	<u>(11,739,348)</u>	<u>-</u>	<u>(11,739,348)</u>
Business-type activities:							
Water Utility	1,160,186	818,318	-	2,926,998	-	2,585,130	2,585,130
Sewer Utility	1,398,732	694,702	-	7,840	-	(696,190)	(696,190)
Municipal Airport	819,103	58,178	-	1,496,489	-	735,564	735,564
Sports Center	1,717,698	698,333	-	994,681	-	(24,684)	(24,684)
Total business-type activities	<u>5,095,719</u>	<u>2,269,531</u>	<u>-</u>	<u>5,426,008</u>	<u>-</u>	<u>2,599,820</u>	<u>2,599,820</u>
Totals	\$ <u>19,812,237</u>	<u>3,952,155</u>	<u>970,880</u>	<u>5,749,674</u>	<u>(11,739,348)</u>	<u>2,599,820</u>	<u>(9,139,528)</u>
General revenues:							
Sales taxes					\$ 11,070,859	2,776,152	13,847,011
Property and vehicle taxes					105,708	-	105,708
Grants and entitlements not restricted to a specific purpose					1,359,374	100,518	1,459,892
Investment income					373,798	36,052	409,850
Other					13,654	2,518	16,172
Transfers					(845,500)	845,500	-
Special item - write off NPO/OPEB					321,267	66,303	387,570
Total general revenues, transfers, and special item					<u>12,399,160</u>	<u>3,827,043</u>	<u>16,226,203</u>
Change in net assets					659,812	6,426,863	7,086,675
Net assets at beginning of year					<u>33,710,294</u>	<u>55,959,220</u>	<u>89,669,514</u>
Net assets at end of year					\$ <u>34,370,106</u>	<u>62,386,083</u>	<u>96,756,189</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Governmental Funds

## Balance Sheet

June 30, 2009

<u>Assets</u>	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Miscellaneous Capital Project</u>	<u>Nonmajor Funds</u>	
Cash and investments	\$ 5,407,766	1,228,423	2,026,048	8,662,237
Receivables, net of allowance for uncollectible accounts:				
Accounts	22,009	7,125	225	29,359
Sales taxes	981,573	-	-	981,573
Crowley Petroleum	41,546	-	-	41,546
Grants	69,346	5,989	196,089	271,424
Shared revenues	259,423	-	-	259,423
Special assessments	-	-	130,820	130,820
Prepaid items	70,125	-	-	70,125
Due from other funds	288,516	-	-	288,516
Restricted cash and investments	411,001	-	-	411,001
<b>Total assets</b>	<b>\$ 7,551,305</b>	<b>1,241,537</b>	<b>2,353,182</b>	<b>11,146,024</b>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	104,363	16,328	130,840	251,531
Accrued payroll and employee benefits	375,339	-	36,114	411,453
Due to other funds	-	-	8,563	8,563
Deferred revenue	4,005	-	134,391	138,396
<b>Total liabilities</b>	<b>483,707</b>	<b>16,328</b>	<b>309,908</b>	<b>809,943</b>
Fund balances:				
Reserved:				
Encumbrances	92,771	-	142,836	235,607
Prepaid items	70,125	-	-	70,125
HRA plan	411,001	-	-	411,001
Debt service	-	-	306,327	306,327
Investments	-	-	204,055	204,055
Unreserved:				
Designated:				
Special revenue fund operations	-	-	434,945	434,945
Capital project fund capital improvements	-	1,225,209	581,207	1,806,416
Undesignated:				
General Fund	6,493,701	-	-	6,493,701
Debt service funds	-	-	373,904	373,904
<b>Total fund balances</b>	<b>7,067,598</b>	<b>1,225,209</b>	<b>2,043,274</b>	<b>10,336,081</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,551,305</b>	<b>1,241,537</b>	<b>2,353,182</b>	<b>11,146,024</b>

See accompanying notes to basic financial statements.



**CITY OF WASILLA, ALASKA**  
 Reconciliation of Governmental Funds Balance Sheet  
 to Statement of Net Assets  
 June 30, 2009

Total fund balances for governmental funds \$ 10,336,081

Total net assets reported for governmental activities in the  
 Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds. These  
 assets, net of accumulated depreciation consist of:

Land and land improvements	\$	4,892,250	
Buildings		6,412,698	
Office furniture and equipment		3,881,768	
Vehicles and equipment		2,905,397	
Infrastructure		22,981,562	
Construction in progress		376,159	
Accumulated depreciation		<u>(13,497,801)</u>	
Total capital assets			27,952,033

Other long-term assets are not available to pay for current period  
 expenditures and therefore are deferred in the funds. These assets  
 consist of deferred assessments. 130,819

Governmental funds report the effect of bond issuance costs when  
 debt is first issued, whereas these amounts are deferred and amortized  
 in the Statement of Net Assets. 33,860

Long-term liabilities, including bonds payable and accrued leave,  
 are not due and payable in the current period and therefore are  
 not reported as fund liabilities. These liabilities consist of:

General obligation bonds payable	(3,370,000)		
Unamortized deferred loss on refunding of bonds	85,006		
Unamortized bond premium	(131,330)		
Special assessment bonds payable	(136,851)		
Accrued interest on bonds	(17,847)		
Accrued leave	<u>(511,665)</u>		
Total long term liabilities			<u>(4,082,687)</u>

Total net assets of governmental activities \$ 34,370,106

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, 2009

	Major Funds			Total Governmental Funds
	General	Miscellaneous	Nonmajor Funds	
		Capital Project		
Revenues:				
Taxes	\$ 11,176,567	-	-	11,176,567
Licenses and permits	32,510	-	-	32,510
Fines, forfeitures and penalties	228,604	-	41,152	269,756
Intergovernmental	1,817,294	15,467	796,288	2,629,049
Special assessments	-	-	47,973	47,973
Charges for services	1,354,285	-	-	1,354,285
Investment income	354,233	6,066	13,499	373,798
Lot sales	-	-	8,300	8,300
Other	29,245	313	16,132	45,690
Total revenues	<u>14,992,738</u>	<u>21,846</u>	<u>923,344</u>	<u>15,937,928</u>
Expenditures:				
Current:				
General government	2,645,338	-	21,672	2,667,010
Public safety	5,647,051	-	231,904	5,878,955
Public works	2,145,522	-	-	2,145,522
Culture and recreation	870,287	-	858,386	1,728,673
Nondepartmental	22,500	-	-	22,500
Debt service:				
Principal	-	-	317,210	317,210
Interest	-	-	171,254	171,254
Capital outlay	-	304,101	798,435	1,102,536
Total expenditures	<u>11,330,698</u>	<u>304,101</u>	<u>2,398,861</u>	<u>14,033,660</u>
Excess of revenues over (under) expenditures	3,662,040	(282,255)	(1,475,517)	1,904,268
Other financing sources (uses):				
Transfers in	6,892	429,477	1,798,068	2,234,437
Transfers out	(2,608,490)	-	(471,447)	(3,079,937)
Net other financing sources (uses)	<u>(2,601,598)</u>	<u>429,477</u>	<u>1,326,621</u>	<u>(845,500)</u>
Net change in fund balances	1,060,442	147,222	(148,896)	1,058,768
Beginning fund balances	<u>6,007,156</u>	<u>1,077,987</u>	<u>2,192,170</u>	<u>9,277,313</u>
Ending fund balances	\$ <u>7,067,598</u>	<u>1,225,209</u>	<u>2,043,274</u>	<u>10,336,081</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

Reconciliation of the Change in Fund Balances of Governmental Funds  
to Statement of Activities  
Year Ended June 30, 2009

Net change in fund balances - total governmental funds	\$ 1,058,768
The change in net assets reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation (\$1,425,820) and loss on disposal of capital assets (\$27,410) exceeded capital outlays (\$478,255).	(974,975)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the decrease in other long-term assets.	(37,364)
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes financial resources in the governmental funds. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This adjustment combines the net change in these balances:	
General obligation bond principal payments	\$ 265,000
Amortization of deferred loss on refunding	(8,501)
Amortization of bond issue costs	(3,386)
Amortization of bond premium	13,133
Special assessment bond principal payments	<u>52,217</u>
	318,463
Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This is the amount of the decrease in accrued interest payable.	4,450
Accrued leave and the net pension/OPEB obligation reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of decrease in accrued leave and net pension/OPEB obligation.	<u>290,470</u>
Change in net assets of governmental activities	\$ <u><u>659,812</u></u>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
**General Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2009**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Taxes	\$ 11,450,900	11,450,900	11,176,567	(274,333)
Licenses and permits	35,600	35,600	32,510	(3,090)
Fines, forfeitures and penalties	181,000	182,500	228,604	46,104
Intergovernmental	1,012,598	1,360,722	1,817,294	456,572
Charges for services	1,372,245	1,415,110	1,354,285	(60,825)
Investment income	567,000	567,000	354,233	(212,767)
Other	51,900	62,900	29,245	(33,655)
Total revenues	<u>14,671,243</u>	<u>15,074,732</u>	<u>14,992,738</u>	<u>(81,994)</u>
Expenditures:				
General government	3,047,674	3,018,414	2,645,338	373,076
Public safety	5,613,739	5,781,357	5,647,051	134,306
Public works	2,379,498	2,352,848	2,145,522	207,326
Culture and recreation	904,411	901,198	870,287	30,911
Nondepartmental	45,000	34,400	22,500	11,900
Total expenditures	<u>11,990,322</u>	<u>12,088,217</u>	<u>11,330,698</u>	<u>757,519</u>
Excess of revenues over expenditures	2,680,921	2,986,515	3,662,040	675,525
Other financing sources (uses):				
Transfers in	6,892	6,892	6,892	-
Transfers out	<u>(2,061,444)</u>	<u>(2,608,490)</u>	<u>(2,608,490)</u>	<u>-</u>
Net other financing sources (uses)	<u>(2,054,552)</u>	<u>(2,601,598)</u>	<u>(2,601,598)</u>	<u>-</u>
Net change in fund balance	\$ <u>626,369</u>	<u>384,917</u>	1,060,442	<u>675,525</u>
Beginning fund balance			<u>6,007,156</u>	
Ending fund balance			\$ <u>7,067,598</u>	

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Enterprise Funds

## Statement of Net Assets

June 30, 2009

Assets	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Current assets:					
Cash and investments	\$ 752,554	931,465	-	708,176	2,392,195
Receivables:					
Accounts	104,482	77,734	729	35,308	218,253
Allowance for doubtful accounts	(18,813)	(15,214)	-	-	(34,027)
Grants	294,519	2,716	497,631	24,161	819,027
Special assessments	-	2,730	-	-	2,730
Sales taxes	-	-	-	245,346	245,346
Prepaid expenses	1,875	1,875	-	108,790	112,540
Inventories	81,816	93,258	-	-	175,074
Total current assets	<u>1,216,433</u>	<u>1,094,564</u>	<u>498,360</u>	<u>1,121,781</u>	<u>3,931,138</u>
Noncurrent assets:					
Restricted cash - bond redemption	-	-	-	883,682	883,682
Property, plant and equipment	27,156,952	23,066,024	17,001,239	18,795,448	86,019,663
Less accumulated depreciation	(5,060,338)	(9,058,367)	(4,818,664)	(1,692,821)	(20,630,190)
Net property, plant and equipment	<u>22,096,614</u>	<u>14,007,657</u>	<u>12,182,575</u>	<u>17,102,627</u>	<u>65,389,473</u>
Deferred charges, net of accumulated amortization	11,501	-	-	-	11,501
Total noncurrent assets	<u>22,108,115</u>	<u>14,007,657</u>	<u>12,182,575</u>	<u>17,986,309</u>	<u>66,284,656</u>
Total assets	\$ <u>23,324,548</u>	<u>15,102,221</u>	<u>12,680,935</u>	<u>19,108,090</u>	<u>70,215,794</u>
<u>Liabilities and Net Assets</u>					
Liabilities:					
Current liabilities:					
Accounts payable	31,177	11,171	8,082	4,508	54,938
Accrued payroll and employee benefits	18,071	26,876	948	23,147	69,042
Accrued annual and sick leave	23,689	45,693	2,161	32,141	103,684
Customer deposits	31,844	3,904	-	6,500	42,248
Accrued interest	19,051	2,335	-	40,889	62,275
Unearned revenue	17,226	-	5,773	1,530	24,529
Current portion of bond and loans	213,448	24,359	-	1,805,000	2,042,807
Due to other funds	-	-	279,953	-	279,953
Total current liabilities	<u>354,506</u>	<u>114,338</u>	<u>296,917</u>	<u>1,913,715</u>	<u>2,679,476</u>
Long-term debt, net of current portion:					
General obligation bonds	-	-	-	1,985,000	1,985,000
ADEC loans	2,907,247	226,410	-	-	3,133,657
Unamortized bond premium	-	-	-	31,578	31,578
Total long-term debt, net of current portion	<u>2,907,247</u>	<u>226,410</u>	<u>-</u>	<u>2,016,578</u>	<u>5,150,235</u>
Total liabilities	<u>3,261,753</u>	<u>340,748</u>	<u>296,917</u>	<u>3,930,293</u>	<u>7,829,711</u>
Net assets:					
Invested in capital assets, net of related debt	18,975,919	13,756,888	12,182,575	13,281,049	58,196,431
Restricted for debt service	-	-	-	1,477,737	1,477,737
Unrestricted	<u>1,086,876</u>	<u>1,004,585</u>	<u>201,443</u>	<u>419,011</u>	<u>2,711,915</u>
Total net assets	<u>20,062,795</u>	<u>14,761,473</u>	<u>12,384,018</u>	<u>15,177,797</u>	<u>62,386,083</u>
Total liabilities and net assets	\$ <u>23,324,548</u>	<u>15,102,221</u>	<u>12,680,935</u>	<u>19,108,090</u>	<u>70,215,794</u>

See accompanying notes to basic financial statements.

**CITY OF WASILLA, ALASKA**  
**Enterprise Funds**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2009**

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Operating revenues - charges for services	\$ 818,318	694,702	58,178	698,333	2,269,531
Operating expenses:					
Salaries and benefits	413,052	546,683	24,353	555,877	1,539,965
Other operating expenses	354,755	479,448	116,507	523,171	1,473,881
Depreciation	347,287	368,545	675,910	344,964	1,736,706
Total operating expenses	<u>1,115,094</u>	<u>1,394,676</u>	<u>816,770</u>	<u>1,424,012</u>	<u>4,750,552</u>
Operating loss	(296,776)	(699,974)	(758,592)	(725,679)	(2,481,021)
Nonoperating revenues (expenses):					
Sales tax revenue	-	-	-	2,776,152	2,776,152
Payments in lieu of assessments	48,415	7,840	-	-	56,255
Interest expense	(45,092)	(4,056)	(2,333)	(279,122)	(330,603)
Investment income	3,096	6,280	-	26,676	36,052
Litigation expense	-	-	-	(14,564)	(14,564)
Other income (expenses)	39	47	(8,898)	11,330	2,518
State PERS relief	30,065	40,634	1,739	28,080	100,518
Net nonoperating revenues (expenses)	<u>36,523</u>	<u>50,745</u>	<u>(9,492)</u>	<u>2,548,552</u>	<u>2,626,328</u>
Income (loss) before transfers, contributions and special item	(260,253)	(649,229)	(768,084)	1,822,873	145,307
Transfers in	20,000	-	65,000	795,000	880,000
Transfers out	(11,500)	(16,500)	-	(6,500)	(34,500)
Capital contributions	2,878,583	-	1,496,489	994,681	5,369,753
Special item - write off NPO/OPEB	19,295	26,054	897	20,057	66,303
Change in net assets	2,646,125	(639,675)	794,302	3,626,111	6,426,863
Beginning net assets	<u>17,416,670</u>	<u>15,401,148</u>	<u>11,589,716</u>	<u>11,551,686</u>	<u>55,959,220</u>
Ending net assets	\$ <u>20,062,795</u>	<u>14,761,473</u>	<u>12,384,018</u>	<u>15,177,797</u>	<u>62,386,083</u>

See accompanying notes to basic financial statements.

## CITY OF WASILLA, ALASKA

## Enterprise Funds

## Statement of Cash Flows

Year Ended June 30, 2009

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Cash flows from operating activities:					
Receipts from customers and users	\$ 777,100	697,032	57,584	687,016	2,218,732
Payments to suppliers	(262,857)	(349,985)	(131,122)	(1,266,093)	(2,010,057)
Payments to employees	(383,478)	(490,685)	(22,809)	(526,008)	(1,422,980)
Net cash flows from operating activities	<u>130,765</u>	<u>(143,638)</u>	<u>(96,347)</u>	<u>(1,105,085)</u>	<u>(1,214,305)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	40,000	795,000	835,000
Transfers out	(11,500)	(16,500)	-	(6,500)	(34,500)
Net cash flows from noncapital financing activities	<u>(11,500)</u>	<u>(16,500)</u>	<u>40,000</u>	<u>788,500</u>	<u>800,500</u>
Cash flows from capital and related financing activities:					
Principal and interest paid on long-term debt	(263,691)	(30,339)	-	(4,161,914)	(4,455,944)
Special assessments received	-	2,353	-	-	2,353
Payments in lieu of assessments received	48,415	7,840	-	-	56,255
Acquisition and construction of capital assets	(3,363,772)	(41,946)	(1,541,049)	(1,045,002)	(5,991,769)
Capital contributions received	2,721,912	-	1,365,543	1,232,609	5,320,064
Sales tax revenue received	-	-	-	2,768,880	2,768,880
Transfers in	20,000	-	25,000	-	45,000
Increase in due to other funds	-	-	209,186	-	209,186
Interest paid on internal borrowing	-	-	(2,333)	-	(2,333)
Net cash flows from capital and related financing activities	<u>(837,136)</u>	<u>(62,092)</u>	<u>56,347</u>	<u>(1,205,427)</u>	<u>(2,048,308)</u>
Cash flows from investing activities - investment income received					
	<u>3,096</u>	<u>6,280</u>	<u>-</u>	<u>26,676</u>	<u>36,052</u>
Net increase (decrease) in cash and investments	(714,775)	(215,950)	-	(1,495,336)	(2,426,061)
Beginning cash and investments	<u>1,467,329</u>	<u>1,147,415</u>	<u>-</u>	<u>3,087,194</u>	<u>5,701,938</u>
Ending cash and investments	\$ <u>752,554</u>	<u>931,465</u>	<u>-</u>	<u>1,591,858</u>	<u>3,275,877</u>
Reconciliation of cash and investments to balance sheet:					
Cash and investments:					
Current assets	\$ 752,554	931,465	-	708,176	2,392,195
Restricted assets	-	-	-	883,682	883,682
	\$ <u>752,554</u>	<u>931,465</u>	<u>-</u>	<u>1,591,858</u>	<u>3,275,877</u>

See accompanying notes to basic financial statements.

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

	Major Funds				Total Enterprise Funds
	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
Reconciliation of operating loss to net cash flows from operating activities:					
Operating loss	\$ (296,776)	(699,974)	(758,592)	(725,679)	(2,481,021)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:					
Depreciation and amortization	347,668	368,545	675,910	344,964	1,737,087
Noncash expense - PERS relief	30,065	40,634	1,739	28,080	100,518
Noncash expense - write off construction in progress	103,208	131,324	-	3,084	237,616
Other nonoperating revenues	39	47	-	11,330	11,416
Other nonoperating expenses	-	-	(8,898)	(14,564)	(23,462)
Decrease in allowance for doubtful accounts	3,642	2,291	-	-	5,933
(Increase) decrease in assets:					
Accounts receivable	(5,658)	(1,786)	(229)	(23,677)	(31,350)
Inventory	7,014	1,305	-	-	8,319
Prepaid expense	479	480	-	(108,790)	(107,831)
Increase (decrease) in liabilities:					
Accounts payable	(19,184)	(3,646)	(5,715)	(254,382)	(282,927)
Accrued payroll and employee benefits	(6,276)	3,825	(427)	(1,998)	(4,876)
Accrued annual and sick leave	5,785	11,539	232	3,787	21,343
Customer deposits	(25,381)	1,778	-	6,500	(17,103)
Unearned revenue	(13,860)	-	(367)	(5,470)	(19,697)
Legal settlement payable	-	-	-	(368,270)	(368,270)
Net cash flows from operating activities	\$ <u>130,765</u>	<u>(143,638)</u>	<u>(96,347)</u>	<u>(1,105,085)</u>	<u>(1,214,305)</u>

See accompanying notes to basic financial statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**

The Notes to the Basic Financial Statements are a summary of significant accounting policies and other notes to the financial statements necessary for adequate disclosure.

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements

June 30, 2009

### (1) Summary of Significant Accounting Policies

#### General

The accompanying financial statements include all activities of the City of Wasilla, a municipal corporation operating as a first class city under the provisions of Alaska statutes. The City operates under a Mayor-Council form of government.

#### Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units by using criteria provided by the Governmental Accounting Standards Board. Based upon the application of these criteria, there are no component units for which the City of Wasilla is financially accountable, nor do any special financial relationships exist between the City and any other entity.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to accrued leave are recorded only to the extent they have matured.

Property taxes, sales taxes, 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.

The City reports the following major funds:

#### Major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *Miscellaneous Capital Project Fund* accounts for various capital project activities of the City. Management of the City has chosen to reflect this fund as a major fund for consistency purposes.

#### 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.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes (including the City's dedicated sales taxes), investment income, and State of Alaska entitlement revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Budgets

The annual City operating budget is prepared by management in the spring preceding the fiscal year to which it relates. All funds are budgeted on an annual basis encompassing a fiscal year. The Capital Project Funds have project-length budgets. A budget is not prepared for the Cemetery Permanent Fund. 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.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### Budgets, continued

Annual budgets are also adopted for the Enterprise Funds. However, generally accepted accounting principles do not require the adoption of budgets for Enterprise Funds, and budgetary comparisons are not included for these funds since the measurement focus is upon determination of net income and financial position.

##### Central Treasury

The cash transactions of the City's funds are handled primarily in an overnight repurchase agreement account. Investment earnings are allocated among the funds based on their respective equity in the central treasury.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Enterprise Funds consider all cash and investments to be cash and cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

##### Prepaid Items

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

##### Inventory

Inventory is valued at the lower of average cost or market in the Enterprise Funds.

##### Short-Term Interfund Receivables/Payables

Short-term interfund loans are classified as "due from other funds" or "due to other funds" on the balance sheet.

##### Advances to Other Funds

Noncurrent portions of long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. The City did not have any advances to other funds at June 30, 2009.

##### Accrued Leave

All full-time employees are eligible for paid time off (PTO). Employees may accrue a maximum of 720 hour of PTO which may be cashed out upon termination at 100% of value. On July 31, 2003 the City converted from annual and sick leave to a PTO system. At the end of fiscal year 2009, 813 hours of sick leave remained on the books. Sick leave may be cashed out at 25% of the value upon termination. A liability for accrued leave is reported in the government-wide and proprietary fund financial statements. A liability for accrued leave is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### Summary of Significant Accounting Policies, continued

#### Capital Assets

Capital assets, which 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items, regardless of their acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

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

#### Deferred Grant Revenue

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

#### Long-Term Debt

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

#### Encumbrances

Encumbrances outstanding at year end, including purchase orders, contracts and other commitments for the expenditure of monies, are reported as reservations of fund balances in the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds since they do not constitute expenditures or liabilities.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### Property Taxes

Property taxes are levied on the assessed value of taxable property as of January 1 and are payable in two installments in August and February. An enforceable lien is attached on all taxable property as of January 1. The Matanuska-Susitna Borough bills and collects all property taxes for the City.

##### Grants and Other Intergovernmental Revenues

In applying the measurable and available concepts to grants and intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered "earned"; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

##### Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to support operations, provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers.

##### Administrative Fees

Grants may be charged an administrative fee if allowable under the terms of the grants. The fee is recorded as program revenue in the applicable fund.

##### Pension Plans

Substantially all employees of the City participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska.

##### Reclassifications

Certain reclassifications have been made to the 2008 financial statements to make them comparable with the 2009 presentation.

##### Comparative Data

Comparative data for the prior year have been presented in some of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

#### (2) **Cash and Investments**

The City of Wasilla utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "Cash and investments", or is included in "Due to other funds."

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### Cash and Investments, continued

##### Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of June 30, 2009.

Bank deposits	\$ 240,514
Investments	<u>12,108,601</u>
	\$ <u>12,349,115</u>
Cash and investments	\$ 11,054,432
Restricted cash and investments	<u>1,294,683</u>
	\$ <u>12,349,115</u>

Cash and cash investments are restricted as follows:

General Fund – HRA plan	\$ 411,001
Curtis D. Menard Memorial Sports Center Enterprise Fund – Bond redemption	<u>883,682</u>
	\$ <u>1,294,683</u>

#### General Investments

##### *Investment Policy*

The City is authorized to invest in the following:

- Government obligations: shares of SEC registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations of the United States and repurchase agreements backed by those obligations and rated in the highest category by S&P and Moody's.
- Commercial paper: having original maturities of not more than two hundred seventy (270) days and rated at all times "A-1" or better by S&P and "P-1" or better by Moody's, and bearing interest at a rate at least twenty-five basis points (.25%) above the rate of interest on United States Treasury obligations of the same maturity at the time of purchase.
- Interest bearing obligations of a corporation, or of any state of the United States of America or any political subdivision thereof, which obligations at all times are rated at least "AA" by S&P or Moody's; provided, that any such obligation of a corporation shall bear interest at a rate of at least twenty-five basis points (.25%) above the rate of interest on United States Treasury obligations of the same maturity at the time of purchase.
- Certificates of deposit of any rated bank, provided that such certificates of deposit are:
  - Fully insured by an appropriate insuring agency of the United States; and
  - To the extent not so insured, collateralized with government obligations held by a third party custodian, in an amount equal to one hundred-two percent (102%) of the principal and unpaid accrued interest.



## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### **Cash and Investments, continued**

##### *Investment Policy, continued*

- The Alaska Municipal League Investment Pool, Inc. (AMLIP).

##### *Interest Rate Risk*

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

Investment maturities at June 30, 2009 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
U.S. Treasuries	\$ 693,519	-	693,519
U.S. government agencies	4,009,694	408,624	3,601,070
Corporate bonds	<u>2,499,515</u>	<u>250,990</u>	<u>2,248,525</u>
Total subject to interest rate risk	7,202,728	<u>659,614</u>	<u>6,543,114</u>
Pooled investments	<u>4,905,873</u>		
 Total investments	 \$ <u>12,108,601</u>		

##### *Credit Risk*

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

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

\$ 1,430,176	AAA
566,314	AA
<u>503,025</u>	A
\$ <u>2,499,515</u>	

Pooled investments are invested with the Alaska Municipal League Investment Pool, Inc. (AMLIP). The AMLIP is an external investment pool which is not SEC registered and is not rated for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

(3) **Capital Assets**

Capital asset activity for the year ended June 30, 2009 follows:

	Balance July 1, 2008	Additions and Reclassifications	Deletions and Reclassifications	Balance June 30, 2009
<b><u>Governmental Activities</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,647,598	244,652	-	4,892,250
Construction in progress	<u>2,074,182</u>	<u>508,442</u>	<u>2,206,465</u>	<u>376,159</u>
Total assets not being depreciated	<u>6,721,780</u>	<u>753,094</u>	<u>2,206,465</u>	<u>5,268,409</u>
<i>Capital assets being depreciated:</i>				
Buildings	6,322,649	118,456	28,407	6,412,698
Office furniture and equipment	2,865,147	1,016,621	-	3,881,768
Vehicles and equipment	2,560,022	445,451	100,076	2,905,397
Infrastructure	<u>22,630,464</u>	<u>351,098</u>	<u>-</u>	<u>22,981,562</u>
Total assets being depreciated	<u>34,378,282</u>	<u>1,931,626</u>	<u>128,483</u>	<u>36,181,425</u>
Less accumulated depreciation for:				
Buildings	1,428,141	183,834	997	1,610,978
Office furniture and equipment	1,369,311	271,339	-	1,640,650
Vehicles and equipment	1,419,307	224,125	100,076	1,543,356
Infrastructure	<u>7,956,295</u>	<u>746,522</u>	<u>-</u>	<u>8,702,817</u>
Total accumulated depreciation	<u>12,173,054</u>	<u>1,425,820</u>	<u>101,073</u>	<u>13,497,801</u>
Total capital assets being depreciated, net	<u>22,205,228</u>	<u>505,806</u>	<u>27,410</u>	<u>22,683,624</u>
Governmental activity capital assets, net	<u>\$ 28,927,008</u>	<u>1,258,900</u>	<u>2,233,875</u>	<u>27,952,033</u>
<b><u>Business-type Activities</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,048,970	-	-	4,048,970
Construction in progress	<u>7,193,060</u>	<u>5,935,440</u>	<u>5,572,730</u>	<u>7,555,770</u>
Total assets not being depreciated	<u>11,242,030</u>	<u>5,935,440</u>	<u>5,572,730</u>	<u>11,604,740</u>
<i>Capital assets being depreciated:</i>				
Land improvements	12,379,631	250,000	-	12,629,631
Buildings	15,288,082	992,303	-	16,280,385
Treatment system	8,080,804	-	-	8,080,804
Collection/distribution system	20,265,536	4,174,903	102,208	24,338,231
Water tank and fence	6,565,877	-	-	6,565,877
Wells/well house	368,659	-	-	368,659
Vehicles and equipment	<u>6,092,558</u>	<u>76,456</u>	<u>17,678</u>	<u>6,151,336</u>
Total assets being depreciated	<u>69,041,147</u>	<u>5,493,662</u>	<u>119,886</u>	<u>74,414,923</u>
Less accumulated depreciation for:				
Land improvements	3,828,294	613,445	-	4,441,739
Buildings	1,200,062	307,675	-	1,507,737
Treatment system	2,320,485	139,928	-	2,460,413
Collection/distribution system	6,176,734	371,372	-	6,548,106
Water tank and fence	1,342,218	116,623	-	1,458,841
Wells/well house	184,627	10,874	-	195,501
Vehicles and equipment	<u>3,858,732</u>	<u>176,789</u>	<u>17,668</u>	<u>4,017,853</u>
Total accumulated depreciation	<u>18,911,152</u>	<u>1,736,706</u>	<u>17,668</u>	<u>20,630,190</u>
Total capital assets being depreciated, net	<u>50,129,995</u>	<u>3,756,956</u>	<u>102,218</u>	<u>53,784,733</u>
Business-type activity capital assets, net	<u>\$ 61,372,025</u>	<u>9,692,396</u>	<u>5,674,948</u>	<u>65,389,473</u>

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Capital Assets, continued**

Depreciation expense was charged to the functions as follows:

**Governmental Activities**

General government	\$ 88,001
Public safety	419,256
Public works	848,646
Culture and recreation	<u>69,917</u>
Total depreciation expense – governmental activities	<u>1,425,820</u>

**Business-type Activities**

Water utility	\$ 347,287
Sewer utility	368,545
Municipal airport	675,910
Curtis D. Menard Memorial Sports Center	<u>344,964</u>
Total depreciation expense – business-type activities	<u>1,736,706</u>

Total depreciation expense \$ 3,162,526

(4) **Interfund Receivables, Payables, and Transfers**

Interfund receivables and payables at June 30, 2009 consisted of short-term operating advances all of which are expected to be paid within one year. A summary of interfund receivables and payables at June 30, 2009 were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 288,516	-
Nonmajor governmental funds	-	8,563
Municipal Airport Enterprise Fund	<u>-</u>	<u>279,953</u>
	\$ <u>288,516</u>	<u>288,516</u>

Interfund transfers have been made in accordance with budget ordinances. Funds are transferred from one fund to support expenditures of other funds in accordance with the authority established for the individual fund. Transfers between fund types during the year ended June 30, 2009 were as follows:

	<b>Transfers In</b>						
	<u>Governmental Funds</u>			<u>Enterprise Funds</u>			
		Miscellaneous			Curtis D. Menard		
<u>Transfers Out</u>	<u>General</u>	<u>Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Memorial Sports Center</u>	<u>Total</u>
Operating:							
General Fund	\$ -	40,000	601,500	-	40,000	795,000	1,476,500
Nonmajor governmental funds	6,892	-	-	-	-	-	6,892

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

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

	<b>Transfers In</b>							
	<u>Governmental Funds</u>			<u>Enterprise Funds</u>				
	<u>General</u>	Miscellaneous		<u>Water Utility</u>	Curtis D. Menard Memorial			<u>Total</u>
		<u>Capital Project</u>	<u>Nonmajor Governmental</u>		<u>Municipal Airport</u>	<u>Sports Center</u>		
<b><u>Transfers Out</u></b>								
<b>Capital:</b>								
General Fund	\$ -	-	682,046	-	25,000	-	707,046	
Nonmajor governmental funds	-	389,477	55,078	20,000	-	-	464,555	
Sewer Utility Fund	-	-	16,500	-	-	-	16,500	
Water Utility Fund	-	-	11,500	-	-	-	11,500	
Curtis D. Menard Memorial Sports Center Fund	-	-	6,500	-	-	-	6,500	
<b>Debt Service –</b>								
General Fund	-	-	424,944	-	-	-	424,944	
<b>Total transfers</b>	<b>\$ <u>6,892</u></b>	<b><u>429,477</u></b>	<b><u>1,798,068</u></b>	<b><u>20,000</u></b>	<b><u>65,000</u></b>	<b><u>795,000</u></b>	<b><u>3,114,437</u></b>	

(5) **Long-Term Debt**

Long-term debt consists of the following at June 30, 2009:

<u>Governmental Activities</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2009</u>	<u>Due Within One Year</u>
<b>Special Assessment Bonds:</b>					
\$329,300 1986 Southside Water District Bond, due in annual installments of \$3,954 to \$6,454 through June 30, 2015; plus interest at 6.125%	\$ 37,296	-	3,956	33,340	3,954
\$626,000 1987 Sewer Improvement District Bond, due in annual installments of \$3,900 to \$4,900 through August 17, 2027; plus interest at 6.5%	88,000	-	3,900	84,100	3,900
\$287,200 2001 Wood Crest/Patricia/Century Park Paving Improvement Districts Bond, due in final installment of \$9,760 on November 24, 2008; plus interest at 5.9%	9,760	-	9,760	-	-
\$117,690 2003 Prospector Hills and WVCSA Paving Bond, due in final installment of \$3,076 on March 1, 2010; plus interest at 5.25%	14,844	-	11,768	3,076	3,076

# CITY OF WASILLA, ALASKA

## Notes to Basic Financial Statements, continued

### Long-Term Debt, continued

<u>Governmental Activities, continued</u>	Balance July 1, 2008	<u>Additions</u>	Retired	Balance June 30, 2009	Due Within One Year
Special Assessment Bonds, continued:					
\$228,338 2003 GVC/GGL Subdivision Paving Bond, due in final installment of \$16,335 on March 1, 2010; plus interest at 5.25%	\$ 39,168	-	22,833	16,335	16,335
Total special assessment bonds	<u>189,068</u>	<u>-</u>	<u>52,217</u>	<u>136,851</u>	<u>27,265</u>
General Obligation Bonds:					
\$5,500,000 1998 refunding Street Paving/Street Improvements General Obligation Bonds, due in final installment of \$260,000 on October 1, 2008; plus interest at 5.0%	\$ 260,000	-	260,000	-	-
\$3,380,000 2006 Street Paving/Street Improvements General Obligation Refunding Bonds, due in annual installments of \$275,000 to \$415,000 through December 1, 2018; plus variable interest from 3.875% to 5.5%	<u>3,375,000</u>	<u>-</u>	<u>5,000</u>	<u>3,370,000</u>	<u>275,000</u>
Total general obligation bonds	<u>3,635,000</u>	<u>-</u>	<u>265,000</u>	<u>3,370,000</u>	<u>275,000</u>
Accrued leave	480,868	565,024	534,227	511,665	511,665
Net pension/OPEB obligation	<u>321,267</u>	<u>-</u>	<u>321,267</u>	<u>-</u>	<u>-</u>
Total governmental activities	4,626,203	<u>565,024</u>	<u>1,172,711</u>	4,018,516	<u>813,930</u>
Plus unamortized bond premium	144,463			131,330	
Less unamortized deferred loss	<u>(93,507)</u>			<u>(85,006)</u>	
	<u>\$ 4,677,159</u>			<u>\$ 4,064,840</u>	
<u>Business-type Activities</u>					
Special Assessment Bonds -					
\$84,711 2001 Broadview Sewer Improvement District Bond, due in final installment of \$7,111 on June 28, 2010; plus interest at 4.55%	\$ 15,583	-	8,472	7,111	7,111
General Obligation Bonds -					
\$14,700,000 2002 Curtis D. Menard Memorial Sports Center General Obligation Bonds, due in annual installments of \$1,805,000 to \$1,985,000 through April 1, 2011; plus variable interest from 4.25% to 4.375%	<u>7,615,000</u>	<u>-</u>	<u>3,825,000</u>	<u>3,790,000</u>	<u>1,805,000</u>
Loans Payable:					
\$177,100 Water loan payable, due in annual installments of \$8,753 through August 31, 2018, plus interest at 1.5%	96,297	-	8,753	87,544	8,753

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Long - Term Debt, continued**

<b><u>Business-type Activities, continued</u></b>	<b><u>Balance July 1, 2008</u></b>	<b><u>Additions</u></b>	<b><u>Retired</u></b>	<b><u>Balance June 30, 2009</u></b>	<b><u>Due Within One Year</u></b>
Loans Payable, continued:					
\$745,939 Water loan payable, due in annual installments of \$37,293 through November 15, 2022; plus interest at 1.5%	\$ 559,488	-	37,375	522,113	37,293
\$301,066 Sewer loan payable, due in annual installments of \$15,054 through November 15, 2022; plus interest at 1.5%	225,800	-	15,053	210,747	15,054
\$39,049 Water loan payable, due in annual installments of \$1,952 through September 30, 2023; plus interest at 1.5%	31,241	-	1,953	29,288	1,952
\$44,353 Sewer loan payable, due in annual installments of \$2,194 through September 30, 2023; plus interest at 1.5%	35,504	-	2,593	32,911	2,194
\$3,309,000 Water loan payable, due in annual installments of \$165,450 through March 4, 2024; plus interest at 1.5%	<u>2,647,200</u>	<u>-</u>	<u>165,450</u>	<u>2,481,750</u>	<u>165,450</u>
Total loans payable	<u>3,595,530</u>	<u>-</u>	<u>231,177</u>	<u>3,364,353</u>	<u>230,696</u>
Accrued leave	82,341	98,462	77,119	103,684	103,684
Net pension/OPEB obligation	<u>66,303</u>	<u>-</u>	<u>66,303</u>	<u>-</u>	<u>-</u>
Total business-type activities	11,374,757	<u>98,462</u>	<u>4,208,071</u>	7,265,148	<u>2,146,491</u>
Plus unamortized bond premium	<u>47,367</u>			<u>31,578</u>	
	<u>\$ 11,422,124</u>			<u>\$ 7,296,726</u>	

Other long-term liabilities related to governmental activities, such as accrued leave are generally liquidated by the General Fund.

Annual debt service requirements to maturity for all of the above obligations except the accrued leave follow:

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**Long - Term Debt, continued**  
**Governmental Activities**

Year Ending June 30,	<u>Special Assessment Bonds</u>			<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 27,265	8,528	35,793	275,000	147,844	422,844
2011	7,854	7,013	14,867	290,000	136,544	426,544
2012	10,354	6,517	16,871	295,000	124,844	419,844
2013	10,354	5,868	16,222	310,000	112,744	422,744
2014	10,354	5,220	15,574	320,000	97,744	417,744
2015-2019	26,571	18,832	45,403	1,880,000	232,591	2,112,591
2020-2024	24,500	11,148	35,648	-	-	-
2025-2028	<u>19,599</u>	<u>3,185</u>	<u>22,784</u>	-	-	-
	\$ <u>136,851</u>	<u>66,311</u>	<u>203,162</u>	<u>3,370,000</u>	<u>852,311</u>	<u>4,222,311</u>

**Business-type Activities**

Year Ending June 30,	<u>Special Assessment Bonds</u>			<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,111	324	7,435	1,805,000	163,556	1,968,556
2011	-	-	-	<u>1,985,000</u>	<u>86,844</u>	<u>2,071,844</u>
	\$ <u>7,111</u>	<u>324</u>	<u>7,435</u>	<u>3,790,000</u>	<u>250,400</u>	<u>4,040,400</u>

Year Ending June 30,	<u>Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 230,696	50,465	281,161
2011	230,697	47,005	277,702
2012	230,697	43,544	274,241
2013	230,697	40,084	270,781
2014	230,697	36,623	267,320
2015-2019	1,153,489	131,211	1,284,700
2020-2024	<u>1,057,380</u>	<u>46,012</u>	<u>1,103,392</u>
	\$ <u>3,364,353</u>	<u>394,944</u>	<u>3,759,297</u>

**Special Assessment Bond Covenants**

By City Ordinance 82-14 and as amended by subsequent ordinances, the City created a bond guarantee fund. The purpose of the fund is to guarantee the payment of the principal of all special assessment bonds, warrants, and notes issued on any special assessment district funds and interest pertaining thereto. The City covenants that:

- The Bond Guarantee Fund shall be kept separate from all other money and funds of the City and shall be held in trust for the uses and purposes provided for in the ordinances.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

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

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

- From the date of delivery of the bonds, the City will make certain minimum payments into the bond guarantee fund. The payments vary with each special assessment bond issue.

All special assessment bonds are secured by special assessments levied against properties specifically benefited by the improvement within each district.

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

In 2007, the City issued general obligation refunding paving bonds of \$3,380,000 to advance refund \$3,390,000 of 1998 general obligation paving bonds meeting the requirements of an *in-substance defeasance*. The balance of the defeased bonds at June 30, 2009 was \$3,390,000.

In October 2008, the City deposited funds with an escrow agent to provide for the April 2012 payment on the 2002 Curtis D. Menard Memorial Sports Center general obligation bonds. This transaction met the requirements of an *in-substance defeasance*, and as a result, \$2,180,000 of principal has been removed from the City's financial statements. The balance of the defeased bonds at June 30, 2009 was \$2,180,000.

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

The City participates in the Public Employees' Retirement System (PERS). PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. The plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, Alaska 99811-0203



## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

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

##### Conversion to Cost Sharing

In April 2008 the Alaska Legislature passed Senate Bill (SB) 125 which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits will no longer track individual employer assets and liabilities. Rather, all plan costs and past service liabilities will be shared among all participating employers. The cost-sharing plan will require a uniform employer contribution rate of 22% or less of active member wages, subject to a wage floor. In addition, the legislation provides for State contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions will be recognized by each employer as an on-behalf payment.

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

As a result of the conversion to cost-sharing, the City will not be obligated to pay or to continue amortizing any prior recorded Net Pension/OPEB obligation. Accordingly, the City has written off its June 30, 2008 net pension/OPEB obligation and has recognized a special item (gain) in the amount of \$387,570 in these financial statements.

##### Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (2.09% for pension and 4.66% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (2.32% for pension and 5.18% for healthcare). The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due.

Under the recently adopted cost sharing arrangement, the employer contribution rate is statutorily capped at 22%, although State legislation currently provides that the State of Alaska will contribute any amount over 22% such that the total contribution equals the Alaska Retirement Management Board adopted rate. This rate will be consistent with the actuarially determined rate, but not the same as the Governmental Accounting Standards Board (GASB) Statement 45 accounting rate.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

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

##### Funding Policy, continued

The City's contribution rates for 2009 were determined as part of the June 30, 2006 actuarial valuation and are as follows:

	<u>Contractual</u> <u>Rate</u>	<u>ARM Board</u> <u>Adopted</u> <u>Rate</u>	<u>GASB 45*</u> <u>Rate</u>
Pension	6.82%	10.91%	8.47%
Postemployment healthcare	<u>15.18%</u>	<u>24.31%</u>	<u>37.25%</u>
Total contribution rate	<u>22.00%</u>	<u>35.22%</u>	<u>45.72%</u>

\*Using the 4.5% OPEB discount rate and disregarding future Medicare Part D payments.

The significant actuarial information and assumptions used in the most recent valuation of the plan follow:

<u>Valuation Date</u>	June 30, 2008
<u>Actuarial Cost Method</u>	Entry age normal Level percentage of pay for pension Level dollar for healthcare
<u>Amortization Method</u>	Level dollar, closed
<u>Equivalent Single Amortization Period</u>	20 years
<u>Asset Valuation Method</u>	5-year smoothed market
<u>Investment Rate of Return</u>	8.25% pension, 4.5% healthcare
<u>Salary Scale</u>	<i>Peace Officers/Firefighters</i> Merit: 2.5% per year for first 6 years, 0.5% thereafter Productivity: 0.5% per year <i>Others</i> Merit: 5.5% per year grading down to 1.5% after 5 years, for more than 6 years of service, 1.0% grading down to 0% Productivity: 0.5% per year
<u>Payroll Growth</u>	4.0%
<u>Inflation</u>	3.5%
<u>Health Cost Trend</u>	Medical: 8.0% in FY09 trending downward by variable amounts to 5.9% in FY15, 5.8% through FY25, 5.7% through FY50, and 5.1% through FY100 Prescription Drugs: 10.8% in FY09 trending downward by variable amounts to 5.9% in FY15, 5.8% through FY25, 5.7% through FY50 and 5.1% through FY100

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

#### Defined Benefit Pension Plan, continued

##### Funding Policy, continued

The State of Alaska Public Employees' Retirement System retiree healthcare benefits are partially funded. The PERS plan uses the percentage of ARC methodology in the development of the investment rate of return.

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

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

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

##### Annual Pension and Postemployment Healthcare Cost

The City is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.22% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the City has recorded the State contribution in the amount of \$771,720 as a PERS on-behalf payment. However, because the City is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. Only one year of information is available at this time.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>City Contributions</u>	<u>% of TBC Contributed</u>
2009	\$ 366,991	\$ 816,852	\$ 1,183,843	\$ 1,183,843	100%

The total benefit cost includes \$114,162 of City contributions attributable to the PERS Tier IV defined contribution plan wages.

**CITY OF WASILLA, ALASKA**

Notes to Basic Financial Statements, continued

**(7) Defined Contribution Pension Plan**

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

	<u>Others</u> <u>Tier IV</u>	<u>Police/Fire</u> <u>Tier IV</u>
Individual account	5.00%	5.00%
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	0.99	0.99
Occupational death and disability benefits	<u>0.58</u>	<u>1.33</u>
	<u>9.57</u> %	<u>10.32</u> %

\*Health Reimbursement Arrangement – AS 39.30.370 requires that the employer contribute “an amount equal to three percent of the average employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The City and employee contributions to PERS including the HRA contribution for the year ended June 30, 2009 were \$100,453 and \$78,028, respectively.

**(8) Deferred Compensation Plan**

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

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

(9) **Risk Management**

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

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

APEI is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. APEI made no supplemental assessments during the year ended June 30, 2009. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

(10) **Conduit Debt**

On April 22, 1996, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Cook Inlet Housing Development Corporation to purchase a facility. The bonds were issued in the amount of \$2,327,532. The outstanding balance at June 30, 2009 was \$1,633,996.

On November 27, 2000, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Southcentral Foundation to finance the construction of a facility. The bonds were issued in the amount of \$9,800,000. The outstanding balance at June 30, 2009 was \$7,235,126.

Neither of these bonds constitutes a general obligation debt or pledge of the full faith and credit of the City and, accordingly, the bonds and related assets are not reflected in the accompanying financial statements.

## CITY OF WASILLA, ALASKA

### Notes to Basic Financial Statements, continued

(11) **Contingencies**

The City, in the normal course of its activities, is involved in various claims and pending litigation and has accrued amounts it considers sufficient to cover settlements that may be payable as a result of unfavorable outcomes. The City intends to vigorously defend actions against it and pursue claims in its favor, and in the opinion of management and legal counsel, the disposition of these matters is not expected to have a material effect on the City's financial statements.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the applicable funds.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## GENERAL FUND

The General Fund accounts for all transactions not recorded in other funds and receives financial support from such sources as property taxes, sales taxes, licenses and permits, intergovernmental revenues and charges for services. Expenditures are authorized in the budget for such functions as general administration, public safety, property and road maintenance, and museum and other recreational services.



**CITY OF WASILLA, ALASKA**  
 General Fund  
 Balance Sheet  
 June 30, 2009  
 (With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ <u>5,407,766</u>	<u>4,866,434</u>
Receivables:		
Accounts	22,009	35,862
Sales taxes	981,573	952,296
Crowley Petroleum	41,546	44,388
Grants	69,346	14,772
Shared revenues	<u>259,423</u>	<u>253,832</u>
Total receivables	<u>1,373,897</u>	<u>1,301,150</u>
Prepaid items	70,125	23,212
Due from other funds	288,516	76,492
Restricted cash and investments	<u>411,001</u>	<u>405,835</u>
Total assets	\$ <u><u>7,551,305</u></u>	<u><u>6,673,123</u></u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	104,363	233,487
Accrued payroll and employee benefits	375,339	425,661
Deferred revenue	<u>4,005</u>	<u>6,819</u>
Total liabilities	<u>483,707</u>	<u>665,967</u>
Fund balance:		
Reserved:		
Encumbrances	92,771	37,110
Prepaid items	70,125	23,212
Long-term receivable	-	44,388
HRA plan	411,001	405,835
Unreserved and undesignated	<u>6,493,701</u>	<u>5,496,611</u>
Total fund balance	<u>7,067,598</u>	<u>6,007,156</u>
Total liabilities and fund balance	\$ <u><u>7,551,305</u></u>	<u><u>6,673,123</u></u>

## CITY OF WASILLA, ALASKA

## General Fund

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

Year Ended June 30, 2009

(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Revenues:		
Taxes	\$ 11,176,567	10,488,126
Licenses and permits	32,510	33,815
Fines, forfeitures and penalties	228,604	204,667
Intergovernmental	1,817,294	1,161,043
Charges for services	1,354,285	1,298,010
Investment income	354,233	407,964
Other	<u>29,245</u>	<u>32,026</u>
Total revenues	<u>14,992,738</u>	<u>13,625,651</u>
Expenditures:		
General government:		
City clerk	396,872	313,727
City council	150,223	222,288
Administration	258,020	223,930
General administration services	407,983	397,660
Finance	788,951	714,883
Community and economic development	363,983	444,596
Management information systems	<u>279,306</u>	<u>198,333</u>
Total general government	<u>2,645,338</u>	<u>2,515,417</u>
Public safety:		
Police	618,525	532,031
Multitask drug enforcement	138,325	133,541
Child abuse investigation	34,377	117,650
General investigation	237,553	226,232
Police patrol	2,321,720	1,941,828
Patrol - motorcycle grant	43,816	-
COPS - universal hiring grant	-	85,175
COPS - school resource officer grant	112,807	97,954
Dispatch center	1,960,631	1,745,191
Animal control	60,000	60,000
Code compliance	<u>119,297</u>	<u>97,117</u>
Total public safety	<u>5,647,051</u>	<u>5,036,719</u>

**CITY OF WASILLA, ALASKA**  
General Fund

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

	<u>2009</u>	<u>2008</u>
Expenditures, continued:		
Public works:		
Administration	\$ 466,268	496,264
Road maintenance	1,032,052	894,958
Property maintenance	<u>647,202</u>	<u>556,622</u>
Total public works	<u>2,145,522</u>	<u>1,947,844</u>
Culture and recreation:		
Museum	178,985	157,316
Parks maintenance	550,864	482,252
Recreation services	<u>140,438</u>	<u>133,399</u>
Total culture and recreation	<u>870,287</u>	<u>772,967</u>
Nondepartmental	<u>22,500</u>	<u>24,346</u>
Total expenditures	<u>11,330,698</u>	<u>10,297,293</u>
Excess of revenues over expenditures	3,662,040	3,328,358
Other financing sources (uses):		
Transfers in	6,892	3,000
Transfers out	<u>(2,608,490)</u>	<u>(3,435,059)</u>
Net other financing sources (uses)	<u>(2,601,598)</u>	<u>(3,432,059)</u>
Net change in fund balance	1,060,442	(103,701)
Beginning fund balance	<u>6,007,156</u>	<u>6,110,857</u>
Ending fund balance	\$ <u><u>7,067,598</u></u>	<u><u>6,007,156</u></u>

## CITY OF WASILLA, ALASKA

## General Fund

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

## Budget and Actual

Year Ended June 30, 2009

(With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
Sales taxes, including penalty and interest	\$ 11,344,200	11,070,859	(273,341)	10,386,206
Property and vehicle taxes	<u>106,700</u>	<u>105,708</u>	<u>(992)</u>	<u>101,920</u>
Total taxes	<u>11,450,900</u>	<u>11,176,567</u>	<u>(274,333)</u>	<u>10,488,126</u>
Licenses and permits:				
City business licenses	25,200	23,000	(2,200)	23,700
Land use permits	8,500	8,100	(400)	8,350
Other licenses and permits	<u>1,900</u>	<u>1,410</u>	<u>(490)</u>	<u>1,765</u>
Total licenses and permits	<u>35,600</u>	<u>32,510</u>	<u>(3,090)</u>	<u>33,815</u>
Fines, forfeitures and penalties	<u>182,500</u>	<u>228,604</u>	<u>46,104</u>	<u>204,667</u>
Intergovernmental:				
Electric and telephone co-op tax	255,000	257,843	2,843	237,191
Public safety grants	559,524	384,822	(174,702)	433,292
Culture and recreation grants	-	-	-	980
Alcoholic beverage tax	17,200	28,600	11,400	22,700
Aviation fuel tax revenue sharing	1,100	1,580	480	841
Matanuska-Susitna Borough - School resource officer	68,722	73,098	4,376	72,632
Fisheries tax	100	29	(71)	128
State revenue - sharing	459,076	458,188	(888)	-
Municipal energy assistance program	-	-	-	393,279
State PERS relief	-	612,464	612,464	-
State of Alaska insurance relief	-	<u>670</u>	<u>670</u>	-
Total intergovernmental	<u>1,360,722</u>	<u>1,817,294</u>	<u>456,572</u>	<u>1,161,043</u>
Charges for services				
Police dispatch services	1,312,405	1,315,114	2,709	1,232,126
Other charges for services	<u>102,705</u>	<u>39,171</u>	<u>(63,534)</u>	<u>65,884</u>
Total charges for services	<u>1,415,110</u>	<u>1,354,285</u>	<u>(60,825)</u>	<u>1,298,010</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Investment income	\$ <u>567,000</u>	<u>354,233</u>	<u>(212,767)</u>	<u>407,964</u>
Other:				
Administration fee revenue	300	228	(72)	388
Building rentals	1,300	1,101	(199)	1,211
Donations	21,200	14,261	(6,939)	7,450
Sale of capital assets	15,000	8,458	(6,542)	17,408
Miscellaneous	<u>25,100</u>	<u>5,197</u>	<u>(19,903)</u>	<u>5,569</u>
Total other	<u>62,900</u>	<u>29,245</u>	<u>(33,655)</u>	<u>32,026</u>
Total revenues	<u>15,074,732</u>	<u>14,992,738</u>	<u>(81,994)</u>	<u>13,625,651</u>
Expenditures:				
General government:				
City clerk:				
Salaries	172,792	170,069	2,723	157,726
Employee benefits	80,819	89,443	(8,624)	67,066
Professional and technical services	105,750	83,576	22,174	40,726
Property services	6,350	4,127	2,223	3,495
Other purchased services	61,300	42,458	18,842	40,270
Supplies	<u>10,800</u>	<u>7,199</u>	<u>3,601</u>	<u>4,444</u>
Total city clerk	<u>437,811</u>	<u>396,872</u>	<u>40,939</u>	<u>313,727</u>
City council:				
Salaries	36,396	34,962	1,434	32,146
Employee benefits	7,375	7,487	(112)	7,601
Professional and technical services	102,910	92,778	10,132	141,399
Property services	9,600	3,236	6,364	2,635
Other purchased services	62,280	11,718	50,562	38,441
Supplies	<u>3,000</u>	<u>42</u>	<u>2,958</u>	<u>66</u>
Total city council	<u>221,561</u>	<u>150,223</u>	<u>71,338</u>	<u>222,288</u>
Administration:				
Salaries	144,957	144,462	495	131,289
Employee benefits	72,291	86,864	(14,573)	59,015
Professional and technical services	18,500	9,870	8,630	17,606

## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Administration, continued:				
Property services	\$ 3,600	2,914	686	2,756
Other purchased services	9,635	8,288	1,347	8,819
Supplies	<u>4,782</u>	<u>5,622</u>	<u>(840)</u>	<u>4,445</u>
Total administration	<u>253,765</u>	<u>258,020</u>	<u>(4,255)</u>	<u>223,930</u>
General administration services:				
Salaries	136,028	121,900	14,128	110,509
Employee benefits	78,298	76,047	2,251	38,013
Professional and technical services	154,000	123,564	30,436	155,073
Property services	7,200	6,675	525	5,495
Other purchased services	73,015	69,351	3,664	72,199
Supplies	<u>18,000</u>	<u>10,446</u>	<u>7,554</u>	<u>16,371</u>
Total general administration services	<u>466,541</u>	<u>407,983</u>	<u>58,558</u>	<u>397,660</u>
Finance:				
Salaries	435,639	425,166	10,473	445,492
Employee benefits	258,184	287,543	(29,359)	189,059
Professional and technical services	30,071	6,980	23,091	22,566
Property services	5,192	4,309	883	4,156
Other purchased services	58,596	39,404	19,192	42,027
Supplies	<u>35,603</u>	<u>25,549</u>	<u>10,054</u>	<u>11,583</u>
Total finance	<u>823,285</u>	<u>788,951</u>	<u>34,334</u>	<u>714,883</u>
Community and economic development:				
Salaries	263,172	186,684	76,488	265,255
Employee benefits	125,002	86,070	38,932	95,390
Professional and technical services	77,620	69,327	8,293	48,417
Property services	1,100	1,046	54	220
Other purchased services	27,880	19,886	7,994	31,514
Supplies	<u>3,500</u>	<u>970</u>	<u>2,530</u>	<u>3,800</u>
Total community and economic development	<u>498,274</u>	<u>363,983</u>	<u>134,291</u>	<u>444,596</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Management information systems:				
Salaries	\$ 31,552	24,127	7,425	15,550
Employee benefits	17,277	13,381	3,896	8,364
Professional and technical services	155,800	154,925	875	266
Property services	71,700	65,151	6,549	161,463
Other purchased services	18,708	4,109	14,599	651
Supplies	22,140	17,613	4,527	12,039
Total management information systems:	<u>317,177</u>	<u>279,306</u>	<u>37,871</u>	<u>198,333</u>
Total general government	<u>3,018,414</u>	<u>2,645,338</u>	<u>373,076</u>	<u>2,515,417</u>
Public safety:				
Police:				
Salaries	281,018	280,727	291	256,006
Employee benefits	117,133	143,902	(26,769)	111,353
Professional and technical services	72,250	71,744	506	63,572
Property services	23,829	18,053	5,776	17,914
Other purchased services	108,047	93,844	14,203	75,843
Supplies	14,000	10,255	3,745	7,343
Total police	<u>616,277</u>	<u>618,525</u>	<u>(2,248)</u>	<u>532,031</u>
Multitask drug enforcement:				
Salaries	79,662	79,544	118	78,420
Employee benefits	44,597	53,169	(8,572)	37,068
Professional and technical services	150	168	(18)	-
Other purchased services	3,245	2,659	586	2,306
Supplies	3,462	2,498	964	15,747
Total multitask drug enforcement	<u>131,116</u>	<u>138,038</u>	<u>(6,922)</u>	<u>133,541</u>
Child abuse investigation:				
Salaries	75,336	19,962	55,374	77,013
Employee benefits	44,540	11,868	32,672	34,671
Property services	1,200	56	1,144	522
Other purchased services	2,533	2,219	314	2,602
Supplies	1,550	559	991	2,842
Total child abuse investigation	<u>125,159</u>	<u>34,664</u>	<u>90,495</u>	<u>117,650</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
General investigation:				
Salaries	\$ 145,699	131,545	14,154	136,288
Employee benefits	87,482	89,007	(1,525)	70,259
Professional and technical services	2,500	2,417	83	187
Property services	3,432	2,432	1,000	848
Other purchased services	15,743	8,199	7,544	10,727
Supplies	6,500	3,953	2,547	7,923
Total general investigation	<u>261,356</u>	<u>237,553</u>	<u>23,803</u>	<u>226,232</u>
Police patrol:				
Salaries	1,287,073	1,232,064	55,009	1,096,499
Employee benefits	647,481	767,116	(119,635)	502,406
Professional and technical services	17,649	19,933	(2,284)	48,265
Property services	40,460	42,465	(2,005)	27,923
Other purchased services	131,532	119,063	12,469	109,202
Supplies	175,475	141,079	34,396	157,533
Total police patrol	<u>2,299,670</u>	<u>2,321,720</u>	<u>(22,050)</u>	<u>1,941,828</u>
Patrol - motorcycle grant:				
Salaries	37,359	25,244	12,115	-
Employee benefits	12,651	18,204	(5,553)	-
Supplies	7,434	368	7,066	-
Total patrol - motorcycle grant	<u>57,444</u>	<u>43,816</u>	<u>13,628</u>	<u>-</u>
COPS - universal hiring grant:				
Salaries	-	-	-	55,799
Employee benefits	-	-	-	29,376
Total COPS - universal hiring grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,175</u>
COPS - school resource officer grant:				
Salaries	65,711	64,948	763	63,294
Employee benefits	31,525	41,222	(9,697)	26,306
Property services	4,582	4,592	(10)	5,959
Other purchased services	2,288	2,045	243	2,395
Total COPS - school resource officer grant	<u>104,106</u>	<u>112,807</u>	<u>(8,701)</u>	<u>97,954</u>



## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Dispatch center:				
Salaries	\$ 1,166,580	1,077,590	88,990	1,042,115
Employee benefits	632,976	753,938	(120,962)	518,379
Professional and technical services	21,745	16,746	4,999	16,383
Property services	85,500	34,361	51,139	90,942
Other purchased services	75,429	65,841	9,588	62,380
Supplies	17,580	12,155	5,425	14,992
Total dispatch center	<u>1,999,810</u>	<u>1,960,631</u>	<u>39,179</u>	<u>1,745,191</u>
Animal control - other purchased services	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Code compliance:				
Salaries	81,103	74,867	6,236	61,873
Employee benefits	29,786	34,215	(4,429)	21,922
Professional and technical services	500	-	500	297
Property services	1,000	924	76	1,439
Other purchased services	7,130	4,833	2,297	3,673
Supplies	6,900	4,458	2,442	7,913
Total code compliance	<u>126,419</u>	<u>119,297</u>	<u>7,122</u>	<u>97,117</u>
Total public safety	<u>5,781,357</u>	<u>5,647,051</u>	<u>134,306</u>	<u>5,036,719</u>
Public works:				
Administration:				
Salaries	255,557	243,788	11,769	270,234
Employee benefits	154,171	165,376	(11,205)	135,579
Professional and technical services	48,300	7,793	40,507	32,086
Property services	32,126	18,067	14,059	6,725
Other purchased services	39,408	24,980	14,428	41,010
Supplies	17,600	6,264	11,336	10,630
Total administration	<u>547,162</u>	<u>466,268</u>	<u>80,894</u>	<u>496,264</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Expenditures, continued:				
Public works, continued:				
Road maintenance:				
Salaries	\$ 284,316	230,787	53,529	228,540
Employee benefits	164,148	162,602	1,546	128,334
Property services	99,314	93,459	5,855	69,182
Other purchased services	256,145	249,121	7,024	250,526
Supplies	301,963	289,233	12,730	198,067
Capital expenditures	10,000	6,850	3,150	20,309
Total road maintenance	<u>1,115,886</u>	<u>1,032,052</u>	<u>83,834</u>	<u>894,958</u>
Property maintenance:				
Salaries	158,182	157,867	315	131,066
Employee benefits	96,629	113,833	(17,204)	68,537
Property services	211,163	172,270	38,893	172,491
Other purchased services	37,496	37,496	-	33,707
Supplies	186,330	165,736	20,594	150,821
Total property maintenance	<u>689,800</u>	<u>647,202</u>	<u>42,598</u>	<u>556,622</u>
Total public works	<u>2,352,848</u>	<u>2,145,522</u>	<u>207,326</u>	<u>1,947,844</u>
Culture and recreation:				
Museum:				
Salaries	73,341	69,781	3,560	62,419
Employee benefits	46,068	42,835	3,233	36,589
Professional and technical services	3,679	2,299	1,380	1,415
Property services	13,750	12,585	1,165	10,418
Other purchased services	23,421	22,928	493	24,771
Supplies	29,115	28,557	558	21,704
Total museum	<u>189,374</u>	<u>178,985</u>	<u>10,389</u>	<u>157,316</u>
Parks maintenance:				
Salaries	283,329	280,941	2,388	255,907
Employee benefits	101,997	122,520	(20,523)	70,440
Property services	56,171	41,254	14,917	43,183
Other purchased services	23,939	22,362	1,577	21,559
Supplies	80,125	76,701	3,424	82,154
Capital expenditures	10,000	7,086	2,914	9,009
Total parks maintenance	<u>555,561</u>	<u>550,864</u>	<u>4,697</u>	<u>482,252</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Culture and recreation, continued:				
Recreation services:				
Salaries	\$ 69,158	67,144	2,014	62,936
Employee benefits	37,845	41,822	(3,977)	31,803
Professional and technical services	14,500	6,975	7,525	8,829
Other purchased services	31,510	23,241	8,269	29,042
Supplies	3,250	1,256	1,994	789
Total recreation services	<u>156,263</u>	<u>140,438</u>	<u>15,825</u>	<u>133,399</u>
Total culture and recreation	<u>901,198</u>	<u>870,287</u>	<u>30,911</u>	<u>772,967</u>
Nondepartmental:				
Insurance deductible	6,900	-	6,900	8,511
Foreclosed tax payments	5,000	-	5,000	835
Other agreements	<u>22,500</u>	<u>22,500</u>	-	<u>15,000</u>
Total nondepartmental	<u>34,400</u>	<u>22,500</u>	<u>11,900</u>	<u>24,346</u>
Total expenditures	<u>12,088,217</u>	<u>11,330,698</u>	<u>757,519</u>	<u>10,297,293</u>
Excess of revenues over expenditures	2,986,515	3,662,040	675,525	3,328,358
Other financing sources (uses):				
Transfers in	6,892	6,892	-	3,000
Transfers out	<u>(2,608,490)</u>	<u>(2,608,490)</u>	-	<u>(3,435,059)</u>
Net other financing sources (uses)	<u>(2,601,598)</u>	<u>(2,601,598)</u>	-	<u>(3,432,059)</u>
Net change in fund balance	\$ <u>384,917</u>	1,060,442	<u>675,525</u>	(103,701)
Beginning fund balance		<u>6,007,156</u>		<u>6,110,857</u>
Ending fund balance	\$	<u>7,067,598</u>		<u>6,007,156</u>

**CITY OF WASILLA, ALASKA**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

<u>Assets</u>	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Project <u>Funds</u>	Cemetery Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Cash and investments	\$ 491,399	688,793	641,801	204,055	2,026,048
Receivables:					
Accounts	225	-	-	-	225
Grants	3,536	-	192,553	-	196,089
Special assessments, net	<u>-</u>	<u>130,820</u>	<u>-</u>	<u>-</u>	<u>130,820</u>
 Total assets	 \$ <u>495,160</u>	 <u>819,613</u>	 <u>834,354</u>	 <u>204,055</u>	 <u>2,353,182</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	3,504	-	127,336	-	130,840
Accrued payroll and employee benefits	36,114	-	-	-	36,114
Due to other funds	-	8,563	-	-	8,563
Deferred revenue	<u>3,572</u>	<u>130,819</u>	<u>-</u>	<u>-</u>	<u>134,391</u>
Total liabilities	<u>43,190</u>	<u>139,382</u>	<u>127,336</u>	<u>-</u>	<u>309,908</u>
 Fund balances:					
Reserved:					
Encumbrances	17,025	-	125,811	-	142,836
Debt service	-	306,327	-	-	306,327
Investments	-	-	-	204,055	204,055
Unreserved:					
Designated:					
Operations	434,945	-	-	-	434,945
Capital improvements	-	-	581,207	-	581,207
Undesignated	<u>-</u>	<u>373,904</u>	<u>-</u>	<u>-</u>	<u>373,904</u>
Total fund balances	<u>451,970</u>	<u>680,231</u>	<u>707,018</u>	<u>204,055</u>	<u>2,043,274</u>
 Total liabilities and fund balances	 \$ <u>495,160</u>	 <u>819,613</u>	 <u>834,354</u>	 <u>204,055</u>	 <u>2,353,182</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended June 30, 2009

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Project <u>Funds</u>	Cemetery Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:					
Intergovernmental	\$ 498,699	-	297,589	-	796,288
Fines and charges	41,152	-	-	-	41,152
Special assessments	-	47,973	-	-	47,973
Investment income	2,860	4,302	5,191	1,146	13,499
Lot sales	-	-	-	8,300	8,300
Other	16,132	-	-	-	16,132
Total revenues	<u>558,843</u>	<u>52,275</u>	<u>302,780</u>	<u>9,446</u>	<u>923,344</u>
Expenditures:					
General government	21,672	-	-	-	21,672
Public safety	231,904	-	-	-	231,904
Culture and recreation	858,386	-	-	-	858,386
Debt service:					
Principal	-	317,210	-	-	317,210
Interest	-	171,254	-	-	171,254
Capital outlay	-	-	798,435	-	798,435
Total expenditures	<u>1,111,962</u>	<u>488,464</u>	<u>798,435</u>	<u>-</u>	<u>2,398,861</u>
Excess of revenues over (under) expenditures	(553,119)	(436,189)	(495,655)	9,446	(1,475,517)
Other financing sources (uses):					
Transfers in	999,124	424,944	374,000	-	1,798,068
Transfers out	<u>(402,477)</u>	<u>(62,078)</u>	<u>-</u>	<u>(6,892)</u>	<u>(471,447)</u>
Net other financing sources (uses)	<u>596,647</u>	<u>362,866</u>	<u>374,000</u>	<u>(6,892)</u>	<u>1,326,621</u>
Net change in fund balances	43,528	(73,323)	(121,655)	2,554	(148,896)
Beginning fund balances	<u>408,442</u>	<u>753,554</u>	<u>828,673</u>	<u>201,501</u>	<u>2,192,170</u>
Ending fund balances	<u>\$ 451,970</u>	<u>680,231</u>	<u>707,018</u>	<u>204,055</u>	<u>2,043,274</u>

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## SPECIAL REVENUE FUNDS

Library – This fund is used to account for the activities of the City library.

Youth Court – This fund is used to account for the activities of the Mat-Su Youth Court.

Federal Asset Forfeiture – This fund is used to account for the activities related to federal drug enforcement activities.

Capital Reserve – This fund is used to accumulate monies for funding of capital projects.

Technology Replacement – This fund is used to accumulate monies for technology upgrades and replacements.

State Asset Forfeiture – This fund is used to account for the activities related to State drug enforcement activities.

**CITY OF WASILLA, ALASKA**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

<u>Assets</u>	<u>Library</u>	<u>Youth Court</u>	<u>Federal Asset Forfeiture</u>	<u>Capital Reserve</u>	<u>Tech- nology Replace- ment</u>	<u>State Asset Forfeiture</u>	<u>Totals</u>
Cash and investments	\$ 98,303	91,936	6,605	76,003	208,274	10,278	491,399
Receivables:							
Accounts	-	-	-	-	225	-	225
Grants	-	3,536	-	-	-	-	3,536
	<u>-</u>	<u>3,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,536</u>
Total assets	\$ <u>98,303</u>	<u>95,472</u>	<u>6,605</u>	<u>76,003</u>	<u>208,499</u>	<u>10,278</u>	<u>495,160</u>
 <u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	3,247	-	257	-	-	-	3,504
Accrued payroll and employee benefits	28,534	7,580	-	-	-	-	36,114
Deferred revenue	-	-	3,572	-	-	-	3,572
Total liabilities	<u>31,781</u>	<u>7,580</u>	<u>3,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,190</u>
Fund balances:							
Reserved for encumbrances	-	-	-	-	17,025	-	17,025
Unreserved - designated for operations	<u>66,522</u>	<u>87,892</u>	<u>2,776</u>	<u>76,003</u>	<u>191,474</u>	<u>10,278</u>	<u>434,945</u>
Total fund balances	<u>66,522</u>	<u>87,892</u>	<u>2,776</u>	<u>76,003</u>	<u>208,499</u>	<u>10,278</u>	<u>451,970</u>
Total liabilities and fund balances	\$ <u>98,303</u>	<u>95,472</u>	<u>6,605</u>	<u>76,003</u>	<u>208,499</u>	<u>10,278</u>	<u>495,160</u>



**CITY OF WASILLA, ALASKA**  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended June 30, 2009

	<u>Library</u>	<u>Youth Court</u>	<u>Federal Asset Forfeiture</u>	<u>Capital Reserve</u>	<u>Technology Replacement</u>	<u>State Asset Forfeiture</u>	<u>Totals</u>
<b>Revenues:</b>							
Intergovernmental	\$ 274,324	140,478	76,982	-	-	6,915	498,699
Fines and charges	27,575	13,577	-	-	-	-	41,152
Investment income	460	389	362	447	1,202	-	2,860
Other	10,738	5,394	-	-	-	-	16,132
Total revenues	<u>313,097</u>	<u>159,838</u>	<u>77,344</u>	<u>447</u>	<u>1,202</u>	<u>6,915</u>	<u>558,843</u>
<b>Expenditures:</b>							
Salaries	412,867	84,943	-	-	-	-	497,810
Employee benefits	245,237	59,750	-	-	-	-	304,987
Professional and technical services	27,200	280	-	-	-	-	27,480
Property services	7,474	763	-	-	-	-	8,237
Other purchased services	42,448	3,908	-	-	-	-	46,356
Supplies	107,209	2,771	76,982	-	21,672	2,507	211,141
Capital expenditures	15,951	-	-	-	-	-	15,951
Total expenditures	<u>858,386</u>	<u>152,415</u>	<u>76,982</u>	<u>-</u>	<u>21,672</u>	<u>2,507</u>	<u>1,111,962</u>
Excess of revenues over (under) expenditures	(545,289)	7,423	362	447	(20,470)	4,408	(553,119)
<b>Other financing sources (uses):</b>							
Transfers in	601,500	-	-	301,124	96,500	-	999,124
Transfers out	(13,000)	-	-	(299,477)	(90,000)	-	(402,477)
Net other financing sources (uses)	<u>588,500</u>	<u>-</u>	<u>-</u>	<u>1,647</u>	<u>6,500</u>	<u>-</u>	<u>596,647</u>
Net change in fund balances	43,211	7,423	362	2,094	(13,970)	4,408	43,528
Beginning fund balances	<u>23,311</u>	<u>80,469</u>	<u>2,414</u>	<u>73,909</u>	<u>222,469</u>	<u>5,870</u>	<u>408,442</u>
Ending fund balances	\$ <u>66,522</u>	<u>87,892</u>	<u>2,776</u>	<u>76,003</u>	<u>208,499</u>	<u>10,278</u>	<u>451,970</u>

**CITY OF WASILLA, ALASKA**  
**Library Special Revenue Fund**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Intergovernmental	\$ 225,655	274,324	48,669	297,174
Charges	2,400	2,799	399	2,934
Library fines	23,000	24,776	1,776	22,291
Investment income	2,000	460	(1,540)	3,232
Other	2,505	10,738	8,233	6,181
Total revenues	255,560	313,097	57,537	331,812
<b>Expenditures - culture and recreation:</b>				
Salaries	413,233	412,867	366	405,855
Employee benefits	204,938	245,237	(40,299)	168,614
Professional and technical services	34,805	27,200	7,605	27,713
Property services	12,444	7,474	4,970	16,793
Other purchased services	52,838	42,448	10,390	41,440
Supplies	115,040	107,209	7,831	102,558
Capital expenditures	15,951	15,951	-	6,350
Total expenditures	849,249	858,386	(9,137)	769,323
Excess of revenues over (under) expenditures	(593,689)	(545,289)	48,400	(437,511)
<b>Other financing sources (uses):</b>				
Transfers in	601,500	601,500	-	416,760
Transfers out	(13,000)	(13,000)	-	(13,000)
Net other financing sources (uses)	588,500	588,500	-	403,760
Net change in fund balance	\$ (5,189)	43,211	48,400	(33,751)
Beginning fund balance		23,311		57,062
Ending fund balance	\$ 66,522			23,311

**CITY OF WASILLA, ALASKA**  
**Youth Court Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental	\$ 116,830	140,478	23,648	129,923
Charges	11,150	13,577	2,427	11,410
Investment income	1,800	389	(1,411)	2,105
Other	<u>11,040</u>	<u>5,394</u>	<u>(5,646)</u>	<u>11,956</u>
Total revenues	<u>140,820</u>	<u>159,838</u>	<u>19,018</u>	<u>155,394</u>
<b>Expenditures - public safety:</b>				
Salaries	85,639	84,943	696	97,297
Employee benefits	51,091	59,750	(8,659)	23,751
Professional and technical services	280	280	-	-
Property services	763	763	-	540
Other purchased services	4,291	3,908	383	9,125
Supplies	<u>5,765</u>	<u>2,771</u>	<u>2,994</u>	<u>4,220</u>
Total expenditures	<u>147,829</u>	<u>152,415</u>	<u>(4,586)</u>	<u>134,933</u>
Net change in fund balance	\$ <u>(7,009)</u>	7,423	<u>14,432</u>	20,461
Beginning fund balance		<u>80,469</u>		<u>60,008</u>
Ending fund balance	\$	<u>87,892</u>		<u>80,469</u>

**CITY OF WASILLA, ALASKA**  
**Federal Asset Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental	\$ 78,213	76,982	(1,231)	51,043
Investment income	500	362	(138)	2,383
Total revenues	<u>78,713</u>	<u>77,344</u>	<u>(1,369)</u>	<u>53,426</u>
Expenditures - public safety - supplies	<u>78,213</u>	<u>76,982</u>	<u>1,231</u>	<u>51,043</u>
Net change in fund balance	\$ <u>500</u>	362	<u>(138)</u>	2,383
Beginning fund balance		<u>2,414</u>		<u>31</u>
Ending fund balance	\$ <u>2,776</u>			<u>2,414</u>

**CITY OF WASILLA, ALASKA**  
 Capital Reserve Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues - investment income	\$ 1,200	447	(753)	2,390
Other financing sources (uses):				
Transfers in	301,124	301,124	-	-
Transfers out	(299,477)	(299,477)	-	-
Net other financing sources (uses)	1,647	1,647	-	-
Net change in fund balance	\$ 2,847	2,094	(753)	2,390
Beginning fund balance		73,909		71,519
Ending fund balance	\$	76,003		73,909

**CITY OF WASILLA, ALASKA**  
**Technology Replacement Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	<u>2009</u>		Variance	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	Positive (Negative)	<u>Actual</u>
Revenues - investment income	\$ <u>9,140</u>	<u>1,202</u>	<u>(7,938)</u>	<u>8,672</u>
Expenditures - general government:				
Supplies	69,025	21,672	47,353	37,182
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,762</u>
Total expenditures	<u>69,025</u>	<u>21,672</u>	<u>47,353</u>	<u>132,944</u>
Excess of revenues over (under) expenditures	(59,885)	(20,470)	39,415	(124,272)
Other financing sources (uses):				
Transfers in	96,500	96,500	-	115,500
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>(40,400)</u>
Net other financing sources (uses)	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>75,100</u>
Net change in fund balance	\$ <u>(53,385)</u>	(13,970)	<u>39,415</u>	(49,172)
Beginning fund balance		<u>222,469</u>		<u>271,641</u>
Ending fund balance		\$ <u>208,499</u>		<u>222,469</u>

**CITY OF WASILLA, ALASKA**  
 State Asset Forfeiture Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues - intergovernmental	\$ -	6,915	6,915	-
Expenditures - public safety - supplies	<u>4,730</u>	<u>2,507</u>	<u>2,223</u>	<u>4,730</u>
Net change in fund balance	\$ <u>(4,730)</u>	4,408	<u>9,138</u>	(4,730)
Beginning fund balance		<u>5,870</u>		<u>10,600</u>
Ending fund balance		\$ <u>10,278</u>		<u>5,870</u>

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## DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation bond, and special assessment debt principal, interest and related costs for issuances that are not accounted for in the Enterprise Funds.

**CITY OF WASILLA, ALASKA**  
 Nonmajor Debt Service Funds  
 Combining Balance Sheet  
 June 30, 2009

<u>Assets</u>	1982	1986	1987	Street Paving Assessment Bonds	Bond Guarantee	Street Paving General Obligation Bond	<u>Totals</u>
Cash and investments	\$ 150,691	-	217,880	222,227	52,080	45,915	688,793
Receivables - special assessments, net	<u>52,631</u>	<u>19,029</u>	<u>16,533</u>	<u>42,627</u>	-	-	<u>130,820</u>
Total assets	<u>\$ 203,322</u>	<u>19,029</u>	<u>234,413</u>	<u>264,854</u>	<u>52,080</u>	<u>45,915</u>	<u>819,613</u>

Liabilities and Fund Balances (Deficit)

Liabilities:							
Due to other funds	-	8,563	-	-	-	-	8,563
Deferred revenue	<u>52,630</u>	<u>19,029</u>	<u>16,533</u>	<u>42,627</u>	-	-	<u>130,819</u>
Total liabilities	<u>52,630</u>	<u>27,592</u>	<u>16,533</u>	<u>42,627</u>	-	-	<u>139,382</u>
Fund balances (deficit):							
Reserved for debt service	-	-	84,100	222,227	-	-	306,327
Unreserved and undesignated (deficit)	<u>150,692</u>	<u>(8,563)</u>	<u>133,780</u>	-	52,080	45,915	<u>373,904</u>
Total fund balances (deficit)	<u>150,692</u>	<u>(8,563)</u>	<u>217,880</u>	<u>222,227</u>	<u>52,080</u>	<u>45,915</u>	<u>680,231</u>
Total liabilities and fund balances	<u>\$ 203,322</u>	<u>19,029</u>	<u>234,413</u>	<u>264,854</u>	<u>52,080</u>	<u>45,915</u>	<u>819,613</u>

**CITY OF WASILLA, ALASKA**  
 Nonmajor Debt Service Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances (Deficit)  
 Year Ended June 30, 2009

	1982	1986	1987	1988	Totals			
	Original Water Bond	Southside Water District Bond	Sewer Improvement District Bond	Street Paving Assessment Bonds	Gas Assessments	Overlook Sewer Improvement Bond	Street Paving General Obligation Bond	Guarantee
Revenues:								
Special assessments	\$ 7,593	3,437	4,099	-	-	-	-	47,973
Investment income (loss)	909	(32)	1,228	-	-	210	-	4,302
Total revenues	<u>8,502</u>	<u>3,405</u>	<u>5,327</u>	<u>-</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>52,275</u>
Expenditures - debt service:								
Principal	-	3,954	3,900	-	-	-	265,000	317,210
Interest	-	2,289	5,720	-	-	-	159,944	171,254
Total expenditures	<u>-</u>	<u>6,243</u>	<u>9,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,944</u>	<u>488,464</u>
Excess of revenues over (under) expenditures	8,502	(2,838)	(4,293)	-	-	210	(424,944)	(436,189)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	424,944	424,944
Transfers out	(20,000)	-	-	(1,641)	(40,437)	-	-	(62,078)
Net other financing sources (uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(1,641)</u>	<u>(40,437)</u>	<u>-</u>	<u>424,944</u>	<u>362,866</u>
Net change in fund balances	(11,498)	(2,838)	(4,293)	(1,641)	(1,641)	(40,227)	-	(73,323)
Beginning fund balances (deficit)	<u>162,190</u>	<u>(5,725)</u>	<u>222,173</u>	<u>235,689</u>	<u>1,641</u>	<u>40,227</u>	<u>45,915</u>	<u>753,554</u>
Ending fund balances (deficit)	<u>\$ 150,692</u>	<u>(8,563)</u>	<u>217,880</u>	<u>222,227</u>	<u>-</u>	<u>52,080</u>	<u>45,915</u>	<u>680,231</u>

**CITY OF WASILLA, ALASKA**  
 1982 Original Water Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ 8,000	7,593	(407)	5,803
Investment income	<u>6,000</u>	<u>909</u>	<u>(5,091)</u>	<u>5,515</u>
Total revenues	14,000	8,502	(5,498)	11,318
Other financing uses - transfers out	<u>(20,000)</u>	<u>(20,000)</u>	-	<u>(17,776)</u>
Net change in fund balance	\$ <u>(6,000)</u>	(11,498)	<u>(5,498)</u>	(6,458)
Beginning fund balance		<u>162,190</u>		<u>168,648</u>
Ending fund balance		\$ <u><u>150,692</u></u>		<u><u>162,190</u></u>

**CITY OF WASILLA, ALASKA**  
 1986 Southside Water District Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Deficit -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Special assessments	\$ 4,000	3,437	(563)	2,485
Investment income (loss)	100	(32)	(132)	(43)
Total revenues	4,100	3,405	(695)	2,442
Expenditures - debt service:				
Principal	3,954	3,954	-	3,954
Interest	2,300	2,289	11	2,531
Total expenditures	6,254	6,243	11	6,485
Net change in fund balance	\$ <u>(2,154)</u>	(2,838)	<u>(684)</u>	(4,043)
Beginning deficit		<u>(5,725)</u>		<u>(1,682)</u>
Ending deficit		\$ <u>(8,563)</u>		<u>(5,725)</u>

**CITY OF WASILLA, ALASKA**  
 1987 Sewer Improvement District Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Special assessments	\$ 10,000	4,099	(5,901)	3,754
Investment income	<u>7,766</u>	<u>1,228</u>	<u>(6,538)</u>	<u>7,163</u>
Total revenues	<u>17,766</u>	<u>5,327</u>	<u>(12,439)</u>	<u>10,917</u>
Expenditures - debt service:				
Principal	3,900	3,900	-	3,900
Interest	<u>5,720</u>	<u>5,720</u>	<u>-</u>	<u>5,974</u>
Total expenditures	<u>9,620</u>	<u>9,620</u>	<u>-</u>	<u>9,874</u>
Net change in fund balance	\$ <u>8,146</u>	(4,293)	<u>(12,439)</u>	1,043
Beginning fund balance		<u>222,173</u>		<u>221,130</u>
Ending fund balance		\$ <u>217,880</u>		<u>222,173</u>

## CITY OF WASILLA, ALASKA

Street Paving Assessment Bonds Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Special assessments	\$ 55,000	32,844	(22,156)	44,538
Investment income	<u>8,000</u>	<u>1,351</u>	<u>(6,649)</u>	<u>8,216</u>
Total revenues	<u>63,000</u>	<u>34,195</u>	<u>(28,805)</u>	<u>52,754</u>
Expenditures - debt service:				
Principal	44,356	44,356	-	57,719
Interest	<u>3,412</u>	<u>3,301</u>	<u>111</u>	<u>6,602</u>
Total expenditures	<u>47,768</u>	<u>47,657</u>	<u>111</u>	<u>64,321</u>
Net change in fund balance	\$ <u>15,232</u>	(13,462)	<u>(28,694)</u>	(11,567)
Beginning fund balance		<u>235,689</u>		<u>247,256</u>
Ending fund balance		\$ <u>222,227</u>		<u>235,689</u>

**CITY OF WASILLA, ALASKA**  
**Gas Assessments Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
Other financing uses - transfers out	\$ <u>(1,641)</u>	(1,641)	<u>-</u>	-
Beginning fund balance		<u>1,641</u>		<u>1,641</u>
Ending fund balance		\$ <u>-</u>		<u>1,641</u>



## CITY OF WASILLA, ALASKA

1988 Overlook Sewer Improvement Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	<u>2009</u>			<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues - investment income	\$ -	210	210	1,301
Other financing uses - transfers out	<u>(40,437)</u>	<u>(40,437)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>(40,437)</u>	<u>(40,227)</u>	<u>210</u>	-
Beginning fund balance		<u>40,227</u>		<u>38,926</u>
Ending fund balance	\$	<u>-</u>		<u>40,227</u>

**CITY OF WASILLA, ALASKA**  
**Bond Guarantee Debt Service Fund**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009		2008	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	
		Variance Positive (Negative)		
Revenues - investment income	\$ <u>1,000</u>	636	<u>(364)</u>	1,942
Beginning fund balance		<u>51,444</u>		<u>49,502</u>
Ending fund balance	\$	<u>52,080</u>		<u>51,444</u>

## CITY OF WASILLA, ALASKA

Street Paving General Obligation Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues	\$ -	-	-	-
Expenditures - debt service:				
Principal	265,000	265,000	-	250,000
Interest	159,944	159,944	-	172,769
Total expenditures	<u>424,944</u>	<u>424,944</u>	-	<u>422,769</u>
Excess of revenues over (under) expenditures	(424,944)	(424,944)	-	(422,769)
Other financing sources - transfers in	<u>424,944</u>	<u>424,944</u>	-	<u>431,310</u>
Net change in fund balance	\$ -	-	-	8,541
Beginning fund balance		<u>45,915</u>		<u>37,374</u>
Ending fund balance	\$	<u>45,915</u>		<u>45,915</u>

## CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

## CITY OF WASILLA, ALASKA

## Nonmajor Capital Project Funds

## Combining Balance Sheet

June 30, 2009

<u>Assets</u>	<u>Vehicle Replacement</u>	<u>Right- of-Way Acquisition</u>	<u>Regional Dispatch Center</u>	<u>Road</u>	<u>Totals</u>
Cash and investments	\$ 466,859	92,628	5,818	76,496	641,801
Grants receivable	<u>-</u>	<u>-</u>	<u>-</u>	192,553	<u>192,553</u>
 Total assets	 \$ <u>466,859</u>	 <u>92,628</u>	 <u>5,818</u>	 <u>269,049</u>	 <u>834,354</u>
 <u>Liabilities and Fund Balances</u>					
 Liabilities - accounts payable	 <u>-</u>	 <u>-</u>	 <u>-</u>	127,336	<u>127,336</u>
 Fund balances:					
Reserved for encumbrances	-	3,500	-	122,311	125,811
Unreserved - designated for capital improvements	<u>466,859</u>	<u>89,128</u>	<u>5,818</u>	<u>19,402</u>	<u>581,207</u>
Total fund balances	<u>466,859</u>	<u>92,628</u>	<u>5,818</u>	<u>141,713</u>	<u>707,018</u>
 Total liabilities and fund balances	 \$ <u>466,859</u>	 <u>92,628</u>	 <u>5,818</u>	 <u>269,049</u>	 <u>834,354</u>

**CITY OF WASILLA, ALASKA**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Year Ended June 30, 2009**

	<u>Vehicle</u> <u>Replacement</u>	<u>Right-</u> <u>of-Way</u> <u>Acquisition</u>	<u>Regional</u> <u>Dispatch</u> <u>Center</u>	<u>Road</u>	<u>Totals</u>
Revenues:					
Investment income	\$ 2,910	502	33	1,746	5,191
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,589</u>	<u>297,589</u>
Total revenues	2,910	502	33	299,335	302,780
Expenditures - capital outlay	<u>238,460</u>	<u>9,782</u>	<u>-</u>	<u>550,193</u>	<u>798,435</u>
Excess of revenues over (under) expenditures	(235,550)	(9,280)	33	(250,858)	(495,655)
Other financing sources - transfers in	<u>229,000</u>	<u>20,000</u>	<u>-</u>	<u>125,000</u>	<u>374,000</u>
Net change in fund balances	(6,550)	10,720	33	(125,858)	(121,655)
Beginning fund balances	<u>473,409</u>	<u>81,908</u>	<u>5,785</u>	<u>267,571</u>	<u>828,673</u>
Ending fund balances	\$ <u><u>466,859</u></u>	<u><u>92,628</u></u>	<u><u>5,818</u></u>	<u><u>141,713</u></u>	<u><u>707,018</u></u>

**CITY OF WASILLA, ALASKA**  
Miscellaneous Capital Project Fund  
Schedule of Expenditures by Project  
Year Ended June 30, 2009

## Expenditures:

Comprehensive plan update	\$ 19,293
City website	11,880
ALMR COPS technology	2,817
Land acquisition	228,193
New maintenance shop	3,178
Ballpark improvements	10,192
Bumpus recreation	1,211
Iditapark projects	13,230
Wasilla Big Lake trail	5,280
Smith ballfield	<u>8,827</u>
	\$ <u>304,101</u>

## PERMANENT FUND

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



**CITY OF WASILLA, ALASKA**  
**Cemetery Permanent Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	<u>2009</u>	<u>2008</u>
Revenues:		
Lot sales	\$ 8,300	11,000
Investment income	<u>1,146</u>	<u>6,396</u>
Total revenues	9,446	17,396
Other financing uses - transfers out	<u>(6,892)</u>	<u>(3,000)</u>
Net change in fund balance	2,554	14,396
Beginning fund balance	<u>201,501</u>	<u>187,105</u>
Ending fund balance	\$ <u><u>204,055</u></u>	<u><u>201,501</u></u>

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## ENTERPRISE FUNDS

The Water Utility Fund is used to account for the provision of water services to the residents of the City. The Sewer Utility Fund is used to account for sewer services for local residents. The Municipal Airport Fund is used to account for the activities of the Wasilla Municipal Airport. The Curtis D. Menard Memorial Sports Center Fund accounts for the operations of the Curtis D. Menard Memorial Sports Center facilities. All activities necessary to provide such services are accounted for in these funds, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**CITY OF WASILLA, ALASKA**  
 Water Utility Enterprise Fund  
 Statement of Net Assets  
 June 30, 2009  
 (With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and investments	\$ 752,554	1,467,329
Receivables:		
Accounts	104,482	98,824
Allowance for doubtful accounts	(18,813)	(15,171)
Grants	294,519	137,848
Inventory	81,816	88,830
Prepaid expenses	1,875	2,354
Total current assets	<u>1,216,433</u>	<u>1,780,014</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	15,290,960	11,260,211
Water tank and fence	6,565,877	6,565,877
Wells/well house	368,659	368,659
Equipment	286,173	247,511
Construction in progress	4,496,113	5,322,636
Total property, plant and equipment	27,156,952	23,914,064
Less accumulated depreciation	(5,060,338)	(4,730,728)
Net property, plant and equipment	<u>22,096,614</u>	<u>19,183,336</u>
Deferred charges, net of accumulated amortization	11,501	11,882
Total noncurrent assets	<u>22,108,115</u>	<u>19,195,218</u>
Total assets	<u>\$ 23,324,548</u>	<u>20,975,232</u>

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

<u>Liabilities and Net Assets</u>	<u>2009</u>	<u>2008</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 31,177	50,361
Accrued payroll and employee benefits	18,071	24,347
Accrued annual and sick leave	23,689	17,904
Customer deposits	31,844	57,225
Accrued interest	19,051	24,118
Unearned revenue	17,226	31,086
Current portion of ADEC loans	<u>213,448</u>	<u>213,455</u>
Total current liabilities	<u>354,506</u>	<u>418,496</u>
Long-term debt, net of current portion:		
ADEC loans	2,907,247	3,120,771
Net pension/OPEB obligation	<u>-</u>	<u>19,295</u>
Total long-term debt, net of current portion	<u>2,907,247</u>	<u>3,140,066</u>
 Total liabilities	 <u>3,261,753</u>	 <u>3,558,562</u>
Net assets:		
Invested in capital assets, net of related debt	18,975,919	15,849,110
Unrestricted	<u>1,086,876</u>	<u>1,567,560</u>
Total net assets	<u>20,062,795</u>	<u>17,416,670</u>
 Total liabilities and net assets	 <u>\$ 23,324,548</u>	 <u>20,975,232</u>

**CITY OF WASILLA, ALASKA**  
**Water Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Sales and user charges	\$ 804,861	777,626
Water meters	13,457	15,865
Total operating revenues	<u>818,318</u>	<u>793,491</u>
Operating expenses:		
Salaries	241,301	260,658
Employee benefits	171,751	138,244
Professional and technical services	59,877	33,824
Repair and maintenance	94,491	56,616
Other purchased services	55,480	52,679
Supplies	144,907	134,006
Total operating expenses	<u>767,807</u>	<u>676,027</u>
Operating income before depreciation	50,511	117,464
Depreciation	<u>347,287</u>	<u>351,790</u>
Operating loss	(296,776)	(234,326)
Nonoperating revenues (expenses):		
Payments in lieu of assessments	48,415	92,230
Interest expense	(45,092)	(68,982)
Investment income	3,096	40,020
Sale of capital assets	-	322
Other income (expenses)	39	141
State PERS relief	30,065	-
Net nonoperating revenues (expenses)	<u>36,523</u>	<u>63,731</u>
Loss before transfers, contributions and special item	(260,253)	(170,595)
Transfers in	20,000	252,000
Transfers out	(11,500)	(11,500)
Capital contributions	2,878,583	350,340
Special item - write off NPO/OPEB	19,295	-
Change in net assets	2,646,125	420,245
Beginning net assets	<u>17,416,670</u>	<u>16,996,425</u>
Ending net assets	\$ <u>20,062,795</u>	<u>17,416,670</u>

**CITY OF WASILLA, ALASKA**  
Water Utility Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2009  
(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 777,100	854,968
Payments to suppliers	(262,857)	(380,831)
Payments to employees	<u>(383,478)</u>	<u>(387,685)</u>
Net cash flows from operating activities	<u>130,765</u>	<u>86,452</u>
Cash flows from noncapital and related financing - transfers out	<u>(11,500)</u>	<u>(11,500)</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(263,691)	(293,131)
Payments in lieu of assessments received	48,415	92,230
Acquisition and construction of capital assets	(3,363,772)	(433,644)
Capital contributions received	2,721,912	756,864
Transfers in	<u>20,000</u>	<u>252,000</u>
Net cash flows from capital and related financing activities	<u>(837,136)</u>	<u>374,319</u>
Cash flows from investing activities -		
investment income received	<u>3,096</u>	<u>40,020</u>
Net increase (decrease) in cash and investments	(714,775)	489,291
Beginning cash and investments	<u>1,467,329</u>	<u>978,038</u>
Ending cash and investments	\$ <u>752,554</u>	<u>1,467,329</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(296,776)	(234,326)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation and amortization	347,668	352,171
Noncash expense - PERS relief	30,065	-
Noncash expense - write off construction in progress	103,208	-
Other nonoperating revenues	39	463
Increase (decrease) in allowance for doubtful accounts	3,642	(1,017)
(Increase) decrease in assets:		
Accounts receivable	(5,658)	35,618
Inventory	7,014	(34,988)
Prepaid expenses	479	(89)
Increase (decrease) in liabilities:		
Accounts payable	(19,184)	(69,010)
Accrued payroll and employee benefits	(6,276)	7,455
Accrued annual and sick leave	5,785	3,762
Customer deposits	(25,381)	7,933
Unearned revenue	<u>(13,860)</u>	<u>18,480</u>
Net cash flows from operating activities	\$ <u>130,765</u>	<u>86,452</u>
Noncash capital and related financing activities -		
Equipment received from general government	\$ -	<u>20,792</u>

**CITY OF WASILLA, ALASKA**  
**Sewer Utility Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2009**  
(With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and investments	\$ 931,465	1,147,415
Receivables:		
Accounts	77,734	75,948
Allowance for doubtful accounts	(15,214)	(12,923)
Grants	2,716	2,716
Special assessments	2,730	5,083
Prepaid expenses	1,875	2,355
Inventory	93,258	94,563
Total current assets	<u>1,094,564</u>	<u>1,315,157</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	657,810	657,810
Building	143,456	143,456
Treatment system	8,080,804	8,080,804
Collection/distribution system	9,047,271	9,005,325
Equipment	5,136,683	5,136,683
Construction in progress	-	131,324
Total property, plant and equipment	23,066,024	23,155,402
Less accumulated depreciation	<u>(9,058,367)</u>	<u>(8,689,822)</u>
Net property, plant and equipment	<u>14,007,657</u>	<u>14,465,580</u>
Total assets	\$ <u>15,102,221</u>	<u>15,780,737</u>



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

<u>Liabilities and Net Assets</u>	<u>2009</u>	<u>2008</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 11,171	14,817
Accrued payroll and employee benefits	26,876	23,051
Accrued annual and sick leave	45,693	34,154
Customer deposits	3,904	2,126
Accrued interest	2,335	2,500
Current portion:		
Special assessment bonds	7,111	8,471
ADEC loans	<u>17,248</u>	<u>17,248</u>
Total current liabilities	<u>114,338</u>	<u>102,367</u>
Long-term debt, net of current portion:		
Special assessment bonds	-	7,112
ADEC loans	226,410	244,056
Net pension/OPEB obligation	<u>-</u>	<u>26,054</u>
Total long-term debt, net of current portion	<u>226,410</u>	<u>277,222</u>
Total liabilities	<u>340,748</u>	<u>379,589</u>
Net assets:		
Invested in capital assets, net of related debt	13,756,888	14,188,693
Unrestricted	<u>1,004,585</u>	<u>1,212,455</u>
Total net assets	<u>14,761,473</u>	<u>15,401,148</u>
Total liabilities and net assets	<u>\$ 15,102,221</u>	<u>15,780,737</u>

**CITY OF WASILLA, ALASKA**  
**Sewer Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	<u>2009</u>	<u>2008</u>
Operating revenues - sales and user charges	\$ <u>694,702</u>	<u>678,897</u>
Operating expenses:		
Salaries	318,910	279,053
Employee benefits	227,773	143,966
Professional and technical services	36,167	7,199
Repair and maintenance	211,336	31,121
Other purchased services	35,044	33,960
Supplies	<u>196,901</u>	<u>181,663</u>
Total operating expenses	<u>1,026,131</u>	<u>676,962</u>
Operating income (loss) before depreciation	(331,429)	1,935
Depreciation	<u>368,545</u>	<u>361,555</u>
Operating loss	(699,974)	(359,620)
Nonoperating revenues (expenses):		
Payments in lieu of assessments	7,840	32,562
Interest expense	(4,056)	(5,101)
Investment income	6,280	37,003
Other income	47	460
State PERS relief	<u>40,634</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>50,745</u>	<u>64,924</u>
Loss before transfers, contributions and special item	(649,229)	(294,696)
Transfers in	-	40,000
Transfers out	(16,500)	(16,500)
Capital contributions	-	31,984
Special item - write off NPO/OPEB	<u>26,054</u>	<u>-</u>
Change in net assets	(639,675)	(239,212)
Beginning net assets	<u>15,401,148</u>	<u>15,640,360</u>
Ending net assets	\$ <u>14,761,473</u>	<u>15,401,148</u>

**CITY OF WASILLA, ALASKA**  
 Sewer Utility Enterprise Fund  
 Statement of Cash Flows  
 Year Ended June 30, 2009  
 (With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 697,032	682,583
Payments to suppliers	(349,985)	(255,098)
Payments to employees	(490,685)	(410,476)
Net cash flows from operating activities	<u>(143,638)</u>	<u>17,009</u>
Cash flows from noncapital financing activities - transfers out	<u>(16,500)</u>	<u>(16,500)</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(30,339)	(30,985)
Special assessments received	2,353	3,168
Payments in lieu of assessments received	7,840	32,562
Acquisition and construction of capital assets	(41,946)	(80,071)
Capital contributions received	-	13,410
Transfers in	-	40,000
Net cash flows from capital and related financing activities	<u>(62,092)</u>	<u>(21,916)</u>
Cash flows from investing activities - investment income received	<u>6,280</u>	<u>37,003</u>
Net increase (decrease) in cash and investments	(215,950)	15,596
Beginning cash and investments	<u>1,147,415</u>	<u>1,131,819</u>
Ending cash and investments	\$ <u>931,465</u>	<u>1,147,415</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(699,974)	(359,620)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation	368,545	361,555
Noncash expense - PERS relief	40,634	-
Noncash expense - write off construction in progress	131,324	-
Other nonoperating revenues	47	460
Increase (decrease) in allowance for doubtful accounts	2,291	(322)
(Increase) decrease in assets:		
Accounts receivable	(1,786)	3,872
Inventory	1,305	(3,526)
Prepaid expenses	480	(98)
Increase (decrease) in liabilities:		
Accounts payable	(3,646)	2,469
Accrued payroll and employee benefits	3,825	5,998
Accrued annual and sick leave	11,539	6,545
Customer deposits	1,778	(324)
Net cash flows from operating activities	\$ <u>(143,638)</u>	<u>17,009</u>
Noncash capital and related financing activities - Equipment received from general government	\$ <u>-</u>	<u>18,900</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Net Assets  
June 30, 2009  
(With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets - receivables:		
Accounts	\$ 729	500
Grants	<u>497,631</u>	<u>366,685</u>
Total current assets	<u>498,360</u>	<u>367,185</u>
Noncurrent assets - property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	12,379,631	12,379,631
Buildings	999,484	21,744
Equipment	440,664	440,664
Construction in progress	<u>1,711,460</u>	<u>1,148,142</u>
Total property, plant and equipment	17,001,239	15,460,181
Less accumulated depreciation	<u>(4,818,664)</u>	<u>(4,142,745)</u>
Net property, plant and equipment	<u>12,182,575</u>	<u>11,317,436</u>
Total assets	\$ <u>12,680,935</u>	<u>11,684,621</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	8,082	13,797
Accrued payroll and employee benefits	948	1,375
Accrued annual and sick leave	2,161	1,929
Unearned revenue	5,773	6,140
Due to other funds	<u>279,953</u>	<u>70,767</u>
Total current liabilities	296,917	94,008
Net pension/OPEB obligation	<u>-</u>	<u>897</u>
Total liabilities	<u>296,917</u>	<u>94,905</u>
Net assets:		
Invested in capital assets	12,182,575	11,317,436
Unrestricted	<u>201,443</u>	<u>272,280</u>
Total net assets	<u>12,384,018</u>	<u>11,589,716</u>
Total liabilities and net assets	\$ <u>12,680,935</u>	<u>11,684,621</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2009  
(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Operating revenues - fees and rentals	\$ <u>58,178</u>	<u>70,293</u>
Operating expenses:		
Salaries	13,844	15,926
Employee benefits	10,509	8,361
Professional and technical services	3,516	1,527
Repair and maintenance	48,109	43,615
Other purchased services	17,787	34,905
Supplies	<u>47,095</u>	<u>31,744</u>
Total operating expenses	<u>140,860</u>	<u>136,078</u>
Operating loss before depreciation	(82,682)	(65,785)
Depreciation	<u>675,910</u>	<u>337,249</u>
Operating loss	(758,592)	(403,034)
Nonoperating revenues (expenses):		
Interest expense	(2,333)	(8,150)
Sale of capital assets	-	6,945
Sales tax revenue	-	718
Other income (expenses)	(8,898)	58
State PERS relief	<u>1,739</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>(9,492)</u>	<u>(429)</u>
Loss before transfers, contributions and special item	(768,084)	(403,463)
Transfers in	65,000	87,618
Capital contributions	1,496,489	1,727,469
Special item - write off NPO/OPEB	<u>897</u>	<u>-</u>
Change in net assets	794,302	1,411,624
Beginning net assets	<u>11,589,716</u>	<u>10,178,092</u>
Ending net assets	\$ <u><u>12,384,018</u></u>	<u><u>11,589,716</u></u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2009  
(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 57,584	67,989
Payments to suppliers	(131,122)	(341,558)
Payments to employees	<u>(22,809)</u>	<u>(23,840)</u>
Net cash flows from operating activities	<u>(96,347)</u>	<u>(297,409)</u>
Cash flows from noncapital financing activities - transfers in	<u>40,000</u>	<u>79,493</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,541,049)	(1,813,686)
Proceeds from sale of capital assets	-	6,945
Capital contributions received	1,365,543	1,774,117
Transfers in	25,000	8,125
Increase in due to other funds	209,186	70,767
Interest paid on internal borrowing	<u>(2,333)</u>	<u>(8,150)</u>
Net cash flows from capital and related financing activities	<u>56,347</u>	<u>38,118</u>
Net increase (decrease) in cash and investments	-	(179,798)
Beginning cash and investments	<u>-</u>	<u>179,798</u>
Ending cash and investments	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(758,592)	(403,034)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation	675,910	337,249
Noncash expense - PERS relief	1,739	-
Other nonoperating revenues	-	776
Other nonoperating expenses	(8,898)	-
(Increase) decrease in accounts receivable	(229)	(190)
Increase (decrease) in liabilities:		
Accounts payable	(5,715)	(229,767)
Accrued payroll and employee benefits	(427)	371
Accrued annual and sick leave	232	76
Unearned revenue	<u>(367)</u>	<u>(2,890)</u>
Net cash flows from operating activities	<u>\$ (96,347)</u>	<u>(297,409)</u>

## CITY OF WASILLA, ALASKA

Curtis D. Menard Memorial Sports Center Enterprise Fund

## Statement of Net Assets

June 30, 2009

(With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and investments	\$ 708,176	701,688
Receivables:		
Sales taxes	245,346	238,074
Accounts	35,308	11,631
Grants	24,161	262,089
Prepaid expenses	108,790	-
Total current assets	<u>1,121,781</u>	<u>1,213,482</u>
Noncurrent assets:		
Restricted cash - bond redemption	<u>883,682</u>	<u>2,385,506</u>
Property, plant and equipment:		
Land	1,771,990	1,771,990
Buildings	15,387,445	15,122,882
Equipment	287,816	267,700
Construction in progress	1,348,197	590,958
Total property, plant and equipment	18,795,448	17,753,530
Less accumulated depreciation	<u>(1,692,821)</u>	<u>(1,347,857)</u>
Net property, plant and equipment	<u>17,102,627</u>	<u>16,405,673</u>
Total noncurrent assets	<u>17,986,309</u>	<u>18,791,179</u>
Total assets	\$ <u>19,108,090</u>	<u>20,004,661</u>
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Current liabilities:		
Accounts payable	4,508	258,890
Accrued payroll and employee benefits	23,147	25,145
Accrued annual and sick leave	32,141	28,354
Customer deposits	6,500	-
Accrued interest	40,889	82,892
Unearned revenue	1,530	7,000
Legal settlement payable	-	368,270
Current portion of general obligation bonds	1,805,000	1,645,000
Total current liabilities	<u>1,913,715</u>	<u>2,415,551</u>
Long-term debt, net of current portion:		
General obligation bonds	1,985,000	5,970,000
Unamortized bond premium	31,578	47,367
Net pension/OPEB obligation	-	20,057
Total long-term debt, net of current portion	<u>2,016,578</u>	<u>6,037,424</u>
Total liabilities	<u>3,930,293</u>	<u>8,452,975</u>
Net assets:		
Invested in capital assets, net of related debt	13,281,049	8,743,306
Restricted for debt service	1,477,737	2,914,497
Unrestricted (deficit)	<u>419,011</u>	<u>(106,117)</u>
Total net assets	<u>15,177,797</u>	<u>11,551,686</u>
Total liabilities and net assets	\$ <u>19,108,090</u>	<u>20,004,661</u>

**CITY OF WASILLA, ALASKA**  
**Curtis D. Menard Memorial Sports Center Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2009**  
**(With Comparative Amounts for 2008)**

	<u>2009</u>	<u>2008</u>
Operating revenues - fees and rentals	\$ <u>698,333</u>	<u>688,958</u>
Operating expenses:		
Salaries	361,958	356,605
Employee benefits	193,919	144,649
Professional and technical services	18,147	27,573
Repair and maintenance	45,811	68,100
Other purchased services	85,782	77,884
Supplies	<u>373,431</u>	<u>315,014</u>
Total operating expenses	<u>1,079,048</u>	<u>989,825</u>
Operating loss before depreciation	(380,715)	(300,867)
Depreciation	<u>344,964</u>	<u>342,968</u>
Operating loss	(725,679)	(643,835)
Nonoperating revenues (expenses):		
Sales tax revenue	2,776,152	2,597,929
Interest expense	(279,122)	(366,945)
Investment income	26,676	88,933
Sale of capital assets	-	433
Other revenue	11,330	250
Litigation expense	(14,564)	(428,406)
Sports complex master plan	-	(35,372)
State PERS relief	<u>28,080</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>2,548,552</u>	<u>1,856,822</u>
Income before transfers, contributions and special item	1,822,873	1,212,987
Transfers in	795,000	1,409,871
Transfers out	(6,500)	(6,500)
Capital contributions	994,681	364,806
Special item - write off NPO/OPEB	<u>20,057</u>	<u>-</u>
Change in net assets	3,626,111	2,981,164
Beginning net assets	<u>11,551,686</u>	<u>8,570,522</u>
Ending net assets	\$ <u><u>15,177,797</u></u>	<u><u>11,551,686</u></u>



**CITY OF WASILLA, ALASKA**  
Curtis D. Menard Memorial Sports Center Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2009  
(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 687,016	678,129
Payments to suppliers	(1,266,093)	(348,878)
Payments to employees	(526,008)	(490,770)
Net cash flows from operating activities	<u>(1,105,085)</u>	<u>(161,519)</u>
Cash flows from noncapital financing activities:		
Transfers in	795,000	1,409,871
Transfers out	<u>(6,500)</u>	<u>(6,500)</u>
Net cash flows from noncapital financing activities	<u>788,500</u>	<u>1,403,371</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(4,161,914)	(1,886,368)
Acquisition and construction of capital assets	(1,045,002)	(361,329)
Capital contributions received	1,232,609	93,032
Sales tax revenue received	2,768,880	2,587,969
Legal settlement paid (capitalized)	<u>-</u>	<u>(1,027,028)</u>
Net cash flows from capital and related financing activities	<u>(1,205,427)</u>	<u>(593,724)</u>
Cash flows from investing activities - investment income received	<u>26,676</u>	<u>88,933</u>
Net increase (decrease) in cash and investments	(1,495,336)	737,061
Beginning cash and investments	<u>3,087,194</u>	<u>2,350,133</u>
Ending cash and investments	\$ <u>1,591,858</u>	<u>3,087,194</u>
Reconciliation of cash and investments to balance sheet:		
Cash and investments	708,176	701,688
Restricted cash and investments	<u>883,682</u>	<u>2,385,506</u>
	\$ <u>1,591,858</u>	<u>3,087,194</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	(725,679)	(643,835)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation	344,964	342,968
Noncash expense - PERS relief	28,080	-
Noncash expense - write off construction in progress	3,084	-
Other nonoperating revenues	11,330	683
Other nonoperating expenses	(14,564)	(463,778)
(Increase) decrease in assets:		
Accounts receivable	(23,677)	(3,861)
Prepaid expenses	(108,790)	63
Increase (decrease) in liabilities:		
Accounts payable	(254,382)	235,138
Accrued payroll and employee benefits	(1,998)	6,209
Accrued annual and sick leave	3,787	4,275
Customer deposits	6,500	(5,000)
Unearned revenue	(5,470)	(2,651)
Legal settlement payable (not capitalized)	<u>(368,270)</u>	<u>368,270</u>
Net cash flows from operating activities	\$ <u>(1,105,085)</u>	<u>(161,519)</u>
Noncash capital and related financing activities - equipment received from general government	\$ <u>-</u>	<u>9,985</u>

**CITY OF WASILLA, ALASKA**  
Capital Assets  
Schedule of Governmental Capital Assets  
June 30, 2009

Capital assets:	
Land	\$ 4,892,250
Buildings	6,412,698
Office furniture and equipment	3,881,768
Vehicles and equipment	2,905,397
Infrastructure	22,981,562
Construction in progress	<u>376,159</u>
 Total capital assets	 \$ <u>41,449,834</u>

## CITY OF WASILLA, ALASKA

## Capital Assets

Schedule of Governmental Capital Assets by Function and Activity  
June 30, 2009

	Land	Buildings	Office Furniture and Equipment	Vehicles and Equipment	Infrastructure	Construction in Progress	Total
General government:							
Administration	\$ -	-	-	45,493	-	-	45,493
City Council	-	-	136,118	-	-	-	136,118
Finance	-	-	475,799	18,708	-	-	494,507
Nondepartmental	<u>1,347,234</u>	<u>1,379,939</u>	<u>9,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,736,402</u>
Total general government	<u>1,347,234</u>	<u>1,379,939</u>	<u>621,146</u>	<u>64,201</u>	<u>-</u>	<u>-</u>	<u>3,412,520</u>
Public safety	<u>600,000</u>	<u>1,251,935</u>	<u>3,197,634</u>	<u>1,823,282</u>	<u>-</u>	<u>-</u>	<u>6,872,851</u>
Public works:							
Public works	81,305	1,961,151	6,945	324,565	-	177,799	2,551,765
Streets	<u>1,968,215</u>	<u>-</u>	<u>-</u>	<u>514,525</u>	<u>22,981,562</u>	<u>120,360</u>	<u>25,584,662</u>
Total public works	<u>2,049,520</u>	<u>1,961,151</u>	<u>6,945</u>	<u>839,090</u>	<u>22,981,562</u>	<u>298,159</u>	<u>28,136,427</u>
Culture and recreation:							
Museum	90,650	120,232	19,539	-	-	-	230,421
Recreation services	789,846	841,455	-	178,824	-	-	1,810,125
Library	<u>15,000</u>	<u>857,986</u>	<u>36,504</u>	<u>-</u>	<u>-</u>	<u>78,000</u>	<u>987,490</u>
Total culture and recreation	<u>895,496</u>	<u>1,819,673</u>	<u>56,043</u>	<u>178,824</u>	<u>-</u>	<u>78,000</u>	<u>3,028,036</u>
Total capital assets allocated to functions	\$ <u>4,892,250</u>	<u>6,412,698</u>	<u>3,881,768</u>	<u>2,905,397</u>	<u>22,981,562</u>	<u>376,159</u>	<u>41,449,834</u>

## CITY OF WASILLA, ALASKA

## Capital Assets

Schedule of Changes in Governmental Capital Assets by Function and Activity  
Year Ended June 30, 2009

	Capital Assets July 1, <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	Capital Assets June 30, <u>2009</u>
General government:				
Administration	\$ 45,493	-	-	45,493
City Council	136,118	-	-	136,118
Finance	494,507	-	-	494,507
Nondepartmental	<u>2,498,894</u>	<u>474,823</u>	<u>237,315</u>	<u>2,736,402</u>
Total general government	<u>3,175,012</u>	<u>474,823</u>	<u>237,315</u>	<u>3,412,520</u>
Public safety	<u>6,757,988</u>	<u>1,431,055</u>	<u>1,316,192</u>	<u>6,872,851</u>
Public works:				
Public works	2,566,993	10,028	25,256	2,551,765
Streets	<u>25,466,215</u>	<u>637,411</u>	<u>518,964</u>	<u>25,584,662</u>
Total public works	<u>28,033,208</u>	<u>647,439</u>	<u>544,220</u>	<u>28,136,427</u>
Culture and recreation:				
Museum	230,421	-	-	230,421
Recreation services	1,915,943	131,403	237,221	1,810,125
Library	<u>987,490</u>	-	-	<u>987,490</u>
Total culture and recreation	<u>3,133,854</u>	<u>131,403</u>	<u>237,221</u>	<u>3,028,036</u>
Total capital assets	\$ <u>41,100,062</u>	<u>2,684,720</u>	<u>2,334,948</u>	<u>41,449,834</u>

**CITY OF WASILLA, ALASKA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2009**

Name of Award	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	July 1, 2008 Receivable (Deferred)	Federal Share of Expend- itures	Federal Receipts	June 30, 2009 Receivable (Deferred)
<b>DEPARTMENT OF TRANSPORTATION</b>							
Construct Apron Improvements Phase 1C	3-02-0417-012-2006	20.106	\$ 4,046,823	302,572	99,226	-	401,798
Construct Taxiway B	3-02-0417-013-2007	20.106	1,052,877	11,526	14,952	13,996	12,482
Snow Removal Equipment Building	3-02-0417-014-2008	20.106	1,409,818	615	1,344,332	1,319,047	25,900
Passed through the State of Alaska:							
Department of Transportation and Public Facilities:							
FY 09 Operation Glow	410 K8-09-00-019B	20.601	9,955	-	9,868	9,868	-
Police Motorcycle Operator Training	410 K8-09-00-08	20.601	20,260	-	14,390	-	14,390
IACP Annual Conference FY 09	154 AL 08-00-00(U)	20.607	3,079	-	2,490	2,490	-
ASTEP CIOT Enforcement	402 PT 09-06-03	20.600	42,589	-	23,266	17,374	5,892
ASTEP Seatbelt Overtime Enforcement	402OP 08-04-03	20.600	23,353	2,344	6,399	8,743	-
ASTEP DUI Enforcement	154AL 08-00-01	20.607	30,570	1,195	10,223	11,418	-
ASTEP DUI Enforcement	154AL 09-01-01	20.607	54,266	-	40,741	35,802	4,939
Lifesavers Conference	402OP 08-04-04	20.600	1,450	1,450	-	1,450	-
Law Enforcement Liaison	410K8 08-01-01	20.601	13,358	1,596	1,659	3,255	-
Law Enforcement Liaison	410K8 09-00-04	20.601	17,758	-	3,790	3,249	541
Department of Public Safety -							
Bureau of Highway Patrol	FY09 BHP	20.607	134,900	-	35,187	7,539	27,648
Total Department of Transportation				<u>321,298</u>	<u>1,606,523</u>	<u>1,434,231</u>	<u>493,590</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
Garden Terrace Water Main Extension Phase II	XP-96065701-0	66.202	867,300	-	661,441	553,065	108,376
Garden Terrace Water Main Extension	XP-96002201-0	66.202	892,000	71,614	162,040	233,654	-
Total Environmental Protection Agency				<u>71,614</u>	<u>823,481</u>	<u>786,719</u>	<u>108,376</u>
<b>DEPARTMENT OF JUSTICE</b>							
COPS Law Enforcement Technology	2006CKWX0220	16.710	148,084	20,000	-	20,000	-
Edward Byrne Memorial	2007-DJ-BX-0734	16.738	32,178	7,542	-	7,542	-
Passed through the State of Alaska:							
Department of Health and Social Services:							
Youth Court and Community Panels (44% Federal)	609-08-086	16.541	19,729	5,932	-	5,932	-
Youth Court and Community Panels (21% Federal)	609-09-086	16.541	9,729	-	9,729	9,243	486
Department of Public Safety:							
Multi Jurisdictional task Force	JAG 09-023E	16.738	75,000	-	75,000	70,478	4,522
Federal Asset Forfeiture	FY 09 Asset Forfeit	16.000	80,554	(75,763)	76,982	4,791	(3,572)
Passed through the Matanuska-Susitna Borough -							
2005 COPS ALMR Project	2005CKWX0056	16.710	279,737	9,441	2,817	12,258	-
Total Department of Justice				<u>(32,848)</u>	<u>164,528</u>	<u>130,244</u>	<u>1,436</u>
<b>DEPARTMENT OF AGRICULTURE</b>							
Passed through the State of Alaska							
Department of Natural Resources -							
FY08 Arbor Day	FY08 Arbor Day	10.664	1,000	980	-	980	-
<b>INSTITUTE OF MUSEUMS AND LIBRARIES</b>							
Passed through the State of Alaska							
Department of Education and Early Development -							
Continuing Education Grant	CED 09-787-169	45.310	1,000	-	1,000	1,000	-
<b>DEPARTMENT OF EDUCATION</b>							
Passed through the State of Alaska							
Department of Education and Early Development:							
Governor's Drug & Violence Prevention	DA 08.057.01	84.186B	51,000	2,744	-	2,744	-
Governor's Drug & Violence Prevention	DA 09.057.01	84.186B	51,000	-	51,000	49,714	1,286
Total Department of Education				<u>2,744</u>	<u>51,000</u>	<u>52,458</u>	<u>1,286</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			\$	<u>363,788</u>	<u>2,646,532</u>	<u>2,405,632</u>	<u>604,688</u>

**CITY OF WASILLA, ALASKA**  
 Schedule of State Financial Assistance  
 Year Ended June 30, 2009

Name of Award	Grant Number	Total Grant Award	July 1, 2008 Receivable (Deferred)	State Share of Expend- itures	State Receipts	June 30, 2009 Receivable (Deferred)
<b>DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT</b>						
Wasilla to Big Lake Trail	06-DC-353	\$ 2,000,000	-	5,280	-	5,280
Community Projects & Improvements	05-MG-046	6,096	-	738	738	-
Ball Park Improvements	03-MG-064	45,000	10,004	6,633	16,637	-
* Mission Hills Water Line Extension	06-DC-350	500,000	18,828	271,011	287,171	2,668
* Sports Complex Emergency Generators and Kitchen	06-DC-174	600,000	116,759	382,431	492,389	6,801
* Sports Complex Kitchen	08-DC-390	630,000	114,858	475,904	580,963	9,799
* Traffic Signals	08-DC-391	300,000	-	200,329	105,036	95,293
* South Mack Drive Extension	08-DC-414	2,000,000	-	97,260	-	97,260
* Sports Complex Emergency Generators and Kitchen	08-RR-030	260,000	30,472	136,346	159,256	7,562
Palmer-Wasilla Water Improvement Phase III & Bumpus Well No. 2	07-DC-276	500,000	-	(5)	-	(5)
Total Department of Commerce, Community and Economic Development			<u>290,921</u>	<u>1,575,927</u>	<u>1,642,190</u>	<u>224,658</u>
<b>DEPARTMENT OF ENVIRONMENTAL CONSERVATION</b>						
Sewer Treatment Plant Expansion Engineering	90520	27,164	2,716	-	-	2,716
* Mission Hills Water Extension	90521	962,150	-	526,707	526,707	-
* Garden Terrace Water Main Extension Phase 2	90519	2,361,000	<u>28,306</u>	<u>1,221,921</u>	<u>1,080,888</u>	<u>169,339</u>
Total Department of Environmental Conservation			<u>31,022</u>	<u>1,748,628</u>	<u>1,607,595</u>	<u>172,055</u>
<b>DEPARTMENT OF REVENUE</b>						
FY 08 Electric & Telephone Co-op Tax	N/A	237,191	237,191	-	237,191	-
* FY 09 Electric & Telephone Co-op Tax	N/A	257,843	-	257,843	-	257,843
* Community Revenue Sharing FY 09	N/A	458,188	-	458,188	458,188	-
Revenue Sharing FY08 Aviation Fuel	N/A	841	841	-	841	-
Revenue Sharing FY09 Aviation Fuel	N/A	1,580	-	1,580	-	1,580
Revenue Share Liquor Licenses FY08	N/A	15,800	15,800	-	15,800	-
Revenue Share Liquor Licenses FY09	N/A	28,600	-	28,600	26,400	2,200
FY 08 Fisheries Business Tax	N/A	29	-	29	29	-
Total Department of Revenue			<u>253,832</u>	<u>746,240</u>	<u>738,449</u>	<u>261,623</u>
<b>DEPARTMENT OF HEALTH AND SOCIAL SERVICES</b>						
Youth Court and Community Panels (56% State)	609-08-086	25,271	7,568	-	7,568	-
Youth Court and Community Panels (79% State)	609-09-086	35,271	-	35,271	33,507	1,764
Total Department of Health and Social Services			<u>7,568</u>	<u>35,271</u>	<u>41,075</u>	<u>1,764</u>
<b>DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES</b>						
2008 Police Work Plan - Construction Zone Enforcement	N/A	50,000	9,423	9,535	18,958	-
Church Road South Extension	56560	1,121,625	709	-	-	709
Snow Removal Equipment Building	52077	37,100	-	34,974	-	34,974
Wasilla Airport	58679	7,564	7,564	-	7,564	-
Construct Apron	59866	106,495	16,898	2,611	-	19,509
Construct Taxiway B	50949	27,904	<u>27,510</u>	<u>393</u>	<u>24,936</u>	<u>2,967</u>
Total Department of Transportation and Public Facilities			<u>62,104</u>	<u>47,513</u>	<u>51,458</u>	<u>58,159</u>
<b>DEPARTMENT OF MILITARY AND VETERAN AFFAIRS</b>						
SECC After-Hours Answering Point	GF2008001	25,000	6,250	-	6,250	-
SECC After-Hours Answering Point	GF2009001	36,028	-	36,028	26,815	9,213
Total Department of Military and Veteran Affairs			<u>6,250</u>	<u>36,028</u>	<u>33,065</u>	<u>9,213</u>
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
FY 09 State Asset Forfeiture	N/A	6,915	-	2,507	6,915	(4,408)
<b>DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT</b>						
Public Library Assistance Grant	PLA 09-787-84	6,350	-	6,350	6,350	-
<b>DEPARTMENT OF ADMINISTRATION</b>						
* PERS On - Behalf	N/A	771,720	-	771,720	771,720	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<b>\$</b>	<u><u>651,697</u></u>	<u><u>4,970,184</u></u>	<u><u>4,898,817</u></u>	<u><u>723,064</u></u>

\* Major Programs

## CITY OF WASILLA, ALASKA

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

Year Ended June 30, 2009

#### Note 1 – Basis of Presentation

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

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## CITY OF WASILLA

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

### **Context**

**Page**

#### **Financial Trends**

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

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#### **Revenue Capacity**

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#### **Debt Capacity**

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

Table 11	Ratio of general bonded debt and total debt outstanding	129-130
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#### **Demographic and Economic Information**

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

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#### **Operating Information**

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

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

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

	2004	2005	2006	2007	2008	2009
Governmental activities:						
Invested in capital assets, net of related debt	\$ 17,095,906	20,799,331	23,130,317	24,224,874	25,066,933	24,398,858
Unrestricted	<u>8,363,327</u>	<u>8,582,004</u>	<u>8,728,564</u>	<u>8,892,421</u>	<u>8,643,361</u>	<u>9,971,248</u>
Total governmental activities net assets	\$ <u>25,459,233</u>	<u>29,381,335</u>	<u>31,858,881</u>	<u>33,117,295</u>	<u>33,710,294</u>	<u>34,370,106</u>
Business-type activities:						
Invested in capital assets, net of related debt	\$ 33,769,762	37,833,931	40,517,807	47,010,053	50,098,545	58,196,431
Restricted	551,244	1,010,688	1,549,126	2,178,513	2,914,497	1,477,737
Unrestricted	<u>3,264,705</u>	<u>3,253,754</u>	<u>3,150,604</u>	<u>2,196,833</u>	<u>2,946,178</u>	<u>2,711,915</u>
Total business-type activities net assets	\$ <u>37,585,711</u>	<u>42,098,373</u>	<u>45,217,537</u>	<u>51,385,399</u>	<u>55,959,220</u>	<u>62,386,083</u>
Total activities:						
Invested in capital assets, net of related debt	\$ 50,865,668	58,633,262	63,648,124	71,234,927	75,165,478	82,595,289
Restricted	551,244	1,010,688	1,549,126	2,178,513	2,914,497	1,477,737
Unrestricted	<u>11,628,032</u>	<u>11,835,758</u>	<u>11,879,168</u>	<u>11,089,254</u>	<u>11,589,539</u>	<u>12,683,163</u>
Total net assets	\$ <u>63,044,944</u>	<u>71,479,708</u>	<u>77,076,418</u>	<u>84,502,694</u>	<u>89,669,514</u>	<u>96,756,189</u>

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

	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental activities:						
General government	\$ 1,794,203	2,050,929	2,053,904	2,631,085	2,818,033	2,808,593
Public safety	2,592,610	3,692,121	4,483,195	5,142,112	5,761,075	6,290,577
Public works	2,028,541	2,254,234	2,746,502	2,682,130	2,925,326	3,609,023
Cultural and recreation	1,245,813	1,314,516	1,387,867	1,529,659	1,621,844	1,846,153
Interest on long-term debt	230,014	239,298	232,958	154,562	186,416	162,172
Total governmental activities expenses	<u>7,891,181</u>	<u>9,551,098</u>	<u>10,904,426</u>	<u>12,139,548</u>	<u>13,312,694</u>	<u>14,716,518</u>
Business-type activities:						
Water Utility	746,930	946,892	948,453	1,087,748	1,096,799	1,160,186
Sewer Utility	890,619	967,021	986,383	1,075,369	1,043,618	1,398,732
Municipal Airport	404,940	434,727	456,878	490,437	481,477	819,103
Curtis D. Menard Memorial Sports Center	382,024	1,613,148	1,613,022	1,659,328	2,162,833	1,717,698
Total business-type activities expenses	<u>2,424,513</u>	<u>3,961,788</u>	<u>4,004,736</u>	<u>4,312,882</u>	<u>4,784,727</u>	<u>5,095,719</u>
Total expenses	<u>\$ 10,315,694</u>	<u>13,512,886</u>	<u>14,909,162</u>	<u>16,452,430</u>	<u>18,097,421</u>	<u>19,812,237</u>
<b>Program Revenues</b>						
Governmental activities:						
Fees, fines & charges for services:						
General government	\$ 46,632	84,850	52,967	34,274	36,778	36,509
Public safety	66,492	1,165,503	1,394,672	1,557,226	1,697,437	1,583,265
Public works	35,400	554,450	100	-	19,145	328
Cultural and recreation	26,240	396,564	416,794	12,776	338,462	62,522
Operating grants and contributions	787,076	364,245	293,038	747,346	513,374	970,880
Capital grants and contributions	2,704,812	2,835,696	2,053,199	730,639	1,382,910	323,666
Total governmental activities program revenues	<u>3,666,652</u>	<u>5,401,308</u>	<u>4,210,770</u>	<u>3,082,261</u>	<u>3,988,106</u>	<u>2,977,170</u>
Business-type activities:						
Water Utility	688,170	743,673	764,216	769,376	793,491	818,318
Sewer Utility	642,068	642,553	656,759	673,985	678,897	694,702
Municipal Airport	44,180	56,047	66,225	67,902	70,293	58,178
Curtis D. Menard Memorial Sports Center	63,599	576,555	642,091	728,117	688,958	698,333
Capital grants and contributions	1,726,849	3,196,010	1,906,555	4,828,574	2,599,391	5,426,008
Total business-type activities program revenues	<u>3,164,866</u>	<u>5,214,838</u>	<u>4,035,846</u>	<u>7,067,954</u>	<u>4,831,030</u>	<u>7,695,539</u>
Total primary government program revenues	<u>\$ 6,831,518</u>	<u>10,616,146</u>	<u>8,246,616</u>	<u>10,150,215</u>	<u>8,819,136</u>	<u>10,672,709</u>
Net (expenses)/revenue:						
Governmental activities	\$ (746,930)	(946,892)	(6,693,656)	(9,057,287)	(9,324,588)	(11,739,348)
Business-type activities	<u>-</u>	<u>-</u>	<u>31,110</u>	<u>2,755,072</u>	<u>46,303</u>	<u>2,599,820</u>
Total primary government net expenses	<u>\$ (746,930)</u>	<u>(946,892)</u>	<u>(6,662,546)</u>	<u>(6,302,215)</u>	<u>(9,278,285)</u>	<u>(9,139,528)</u>

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

	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes</b>						
<b>in Net Assets</b>						
<b>Governmental activities:</b>						
Sales taxes	\$ 7,659,612	8,346,749	8,976,284	9,658,193	10,386,206	11,070,859
Property taxes	235,621	179,547	194,627	2,722	300	289
Vehicle taxes	95,145	100,725	91,630	96,190	101,620	105,419
Grants and entitlements not restricted to a specific purpose	333,124	226,516	376,984	773,246	654,011	1,359,374
Investment earnings	76,293	176,928	181,753	457,286	507,334	373,798
Other	123,614	121,429	25,213	90,005	23,105	13,654
Transfers	(1,108,823)	(1,080,002)	(675,289)	(761,941)	(1,754,989)	(845,500)
Special item - write off NPO/OPEB	-	-	-	-	-	321,267
<b>Total governmental activities</b>	<u>7,414,586</u>	<u>8,071,892</u>	<u>9,171,202</u>	<u>10,315,701</u>	<u>9,917,587</u>	<u>12,399,160</u>
<b>Business-type activities:</b>						
Taxes	1,880,477	2,087,056	2,244,071	2,414,673	2,597,929	2,776,152
Payments in lieu of assessments	92,367	-	-	-	-	-
Grants and entitlements not restricted to a specific purpose	-	-	25,628	28,037	-	100,518
Investment earnings	10,773	65,450	143,066	205,401	165,956	36,052
Other	35,930	27,104	-	2,738	8,644	2,518
Transfers	1,108,823	1,080,002	675,289	761,941	1,754,989	845,500
Special item - write off NPO/OPEB	-	-	-	-	-	66,303
<b>Total business-type activities</b>	<u>3,128,370</u>	<u>3,259,612</u>	<u>3,088,054</u>	<u>3,412,790</u>	<u>4,527,518</u>	<u>3,827,043</u>
<b>Total primary government</b>	10,542,956	11,331,504	12,259,256	13,728,491	14,445,105	16,226,203
<b>Changes in Net Assets</b>						
Governmental activities	3,190,057	8,071,892	2,477,546	1,258,414	592,999	659,812
Business-type activities	<u>3,868,723</u>	<u>3,259,612</u>	<u>3,119,164</u>	<u>6,167,862</u>	<u>4,573,821</u>	<u>6,426,863</u>
<b>Total primary government</b>	<u>\$ 7,058,780</u>	<u>11,331,504</u>	<u>5,596,710</u>	<u>7,426,276</u>	<u>5,166,820</u>	<u>7,086,675</u>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	\$ 255,479	225,465	190,173	227,553	183,998	164,753	618,526	550,401	510,545	573,897
Unreserved	4,237,415	4,676,505	4,417,739	4,562,994	5,319,647	5,383,604	5,201,696	5,560,456	5,496,611	6,493,701
Total General Fund	\$ 4,492,894	4,901,970	4,607,912	4,790,547	5,503,645	5,548,357	5,820,222	6,110,857	6,007,156	7,067,598
All Other Governmental Funds:										
Reserved - other funds	\$ 880,567	1,332,408	1,133,777	591,798	1,016,659	659,965	746,580	788,915	423,625	449,163
Reserved - permanent funds	102,105	111,380	117,780	128,905	145,705	164,505	175,705	187,105	201,501	204,055
Unreserved, reported in:										
Special revenue funds	58,591	26,706	836,959	212,329	122,898	476,158	613,996	463,568	391,417	434,945
Debt service funds	332,828	367,578	232,475	332,400	357,001	365,588	382,730	423,639	429,865	373,904
Capital projects funds	3,911,251	1,471,383	15,628,390	1,926,885	939,960	1,442,295	1,436,989	1,482,878	1,823,749	1,806,416
Total all other governmental funds	\$ 5,285,342	3,309,455	17,949,381	3,192,317	2,582,223	3,108,511	3,356,000	3,346,105	3,270,157	3,268,483

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>										
Sales taxes	\$ 5,509,279	5,985,169	6,497,070	7,135,583	7,659,612	8,346,749	8,976,284	9,658,193	10,386,206	11,070,858
Property and vehicle taxes	440,877	420,516	404,632	273,619	330,766	280,272	286,257	98,912	101,920	105,709
Intergovernmental	1,663,277	1,285,823	1,417,068	1,403,622	3,827,307	4,444,364	3,016,976	2,320,519	2,998,131	2,629,049
Investment earnings	528,552	522,855	349,055	258,862	76,294	176,928	181,753	457,286	507,334	373,798
Other revenues	1,049,012	760,067	563,718	673,972	593,593	1,474,404	1,751,403	1,719,860	1,710,709	1,758,514
<b>Total revenues</b>	<b>\$ 9,190,997</b>	<b>8,974,430</b>	<b>9,231,543</b>	<b>9,745,658</b>	<b>12,487,572</b>	<b>14,722,717</b>	<b>14,212,673</b>	<b>14,254,770</b>	<b>15,704,300</b>	<b>15,937,928</b>
<b>Expenditures:</b>										
General government	\$ 1,362,431	1,468,399	1,524,348	1,845,071	1,706,023	1,815,628	1,880,357	2,395,634	2,648,361	2,667,010
Public safety	1,632,413	1,752,855	1,950,183	1,990,275	2,212,835	3,286,366	3,950,162	4,622,369	5,092,492	5,726,540
Public works	754,122	1,089,402	1,093,759	1,289,360	1,328,883	1,611,765	1,905,214	1,871,951	1,947,844	2,145,522
Culture and recreation	480,528	519,655	458,926	460,436	497,858	581,136	620,317	715,929	772,967	870,287
Non-departmental	63,326	59,951	59,238	54,204	66,154	66,590	32,987	30,528	24,346	22,500
Library	539,217	511,964	584,355	602,949	663,472	685,316	699,278	720,935	769,323	858,386
Youth court	130,526	154,649	141,343	145,368	153,312	141,012	134,999	150,649	134,933	152,415
Capital outlay	4,840,525	3,543,124	2,187,939	2,153,900	3,998,267	4,112,880	3,232,681	2,193,371	2,235,245	1,102,536
Debt service:										
Principal	294,683	342,142	458,791	358,892	585,650	507,557	326,264	329,196	315,573	317,210
Interest	348,316	338,736	327,577	299,770	295,772	263,465	235,771	186,483	187,876	171,254
Other debt service costs	-	64,768	152,789	-	-	-	-	40,632	-	-
<b>Total expenditures</b>	<b>\$ 10,446,087</b>	<b>9,845,645</b>	<b>8,939,248</b>	<b>9,200,225</b>	<b>11,508,226</b>	<b>13,071,715</b>	<b>13,018,030</b>	<b>13,257,677</b>	<b>14,128,960</b>	<b>14,033,660</b>
Excess of revenues over (under) expenditures	\$ (1,255,090)	(871,215)	292,295	545,433	979,346	1,651,002	1,194,643	997,093	1,575,340	1,904,268
<b>Other financing sources (uses):</b>										
Bond proceeds	189,320	216,488	14,828,128	346,028	-	-	-	45,588	-	-
Transfers in	2,354,068	933,431	2,103,568	3,268,557	1,628,868	2,710,880	2,940,076	2,430,840	1,754,246	2,234,437
Transfers out	(2,506,686)	(1,084,495)	(2,184,523)	(3,339,061)	(2,737,691)	(3,790,882)	(3,615,365)	(3,192,781)	(3,509,255)	(3,079,937)
Cummulative effect of a change in accounting principle	-	-	-	-	232,481	-	-	-	-	-
Net other financing sources (uses)	\$ 36,702	65,424	14,747,173	275,524	(876,342)	(1,080,002)	(675,289)	(716,353)	(1,754,989)	(845,500)
Net change in fund balances	\$ (1,218,388)	(805,791)	15,039,468	820,957	103,004	571,000	519,354	280,740	(179,649)	1,058,768
Debt service as a percentage of noncapital expenditures	11.47%	11.83%	13.91%	9.35%	11.74%	8.61%	5.74%	5.03%	4.23%	3.60%
Total non-capital expenditures	\$ 5,605,562	6,302,521	6,751,309	7,046,325	7,509,959	8,958,835	9,785,349	11,064,306	11,893,715	13,555,405

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

Fiscal Year Ended <u>June 30</u>	Total <u>Taxes</u>	Property <u>Taxes</u>	Sales <u>Taxes</u>	Vehicle <u>Taxes</u>
2000	\$ 5,950,156	\$ 363,867	\$ 5,509,279	\$ 77,010
2001	6,405,684	342,320	5,985,169	78,195
2002	6,901,701	321,112	6,497,069	83,520
2003	7,411,598	193,980	7,135,583	82,035
2004	7,990,378	235,621	7,659,612	95,145
2005	8,627,021	179,547	8,346,749	100,725
2006	9,262,541	194,627	8,976,284	91,630
2007	9,757,105	2,722	9,658,193	96,190
2008	10,488,126	300	10,386,206	101,620
2009	11,176,567	289	11,070,859	105,419

- (1) A dedicated .5% sales tax on retail sales and services was approved by the voters in October 2001, becoming effective July 1, 2002. The dedicated sales tax will be used to retire the Curtis D. Menard Memorial Sports Center general obligation bonds.
- (2) Property taxes were reduced to 0.00 Mills July 1, 2006.

**CITY OF WASILLA**  
 General Government Sales Tax Revenue By Category  
 June 30, 2009

<u>Category</u>	<u>Total Sales Tax Revenue</u>	<u>Percentage of Total</u>
Retail & Food Stores	\$ 5,939,515	53.65%
Building Materials & Home Furnishings	1,100,443	9.94%
Service Stations (inc. oil & lube centers)	829,208	7.49%
Eating & Drinking Establishments	835,851	7.55%
Utilities	733,998	6.63%
Auto Dealers & Auto Supply Stores	204,811	1.85%
Other Outlets	<u>1,427,033</u>	<u>12.89%</u>
	\$ <u><u>11,070,859</u></u>	<u><u>100.00%</u></u>



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

Fiscal Year Ended June 30	Real	Total Assessed Value Net of Exemptions	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2000	\$ 322,482,900	\$ 304,377,400	14.700	\$ 342,576,700	88.85%
2001	361,413,900	341,866,700	13.940	360,629,100	94.80%
2002	381,258,900	360,261,400	15.033	377,912,600	95.33%
2003	408,866,900	387,961,600	13.202	395,409,800	98.12%
2004	445,441,100	418,986,300	12.983	431,953,800	97.00%
2005	530,369,900	500,749,673	13.700	565,833,000	88.50%
2006	681,562,200	649,749,673	12.680	843,508,500	77.03%
2007	818,127,000	788,757,000	11.064	879,854,800	89.65%
2008	883,096,000	845,977,500	11.104	922,533,500	91.70%
2009	904,686,770	854,448,324	11.886	912,805,200	93.61%

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

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

<u>Fiscal Year Ended June 30</u>	<u>Mat-Su Borough</u>	<u>Wasilla Fire Service Area</u>	<u>City of Wasilla</u>	<u>Total</u>
2000	12.500	1.000	1.200	14.700
2001	11.940	1.000	1.000	13.940
2002	13.133	1.000	0.900	15.033
2003	11.702	1.000	0.500	13.202
2004	11.483	1.000	0.500	12.983
2005	11.800	1.500	0.400	13.700
2006	10.880	1.500	0.300	12.680
2007	9.644	1.420	0.000	11.064
2008	9.644	1.460	0.000	11.104
2009	10.326	1.560	0.000	11.886

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

**CITY OF WASILLA**  
Principal Property Taxpayers  
June 30, 2009

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessment Value</u>
Wal-Mart Stores Inc.	Retail Store	\$ 20,892,500
Fred Meyer Stores	Retail Store	18,198,000
DBC LLC	Property Development and Retail Mall	17,599,700
Lowe's HIW Inc.	Retail Store	12,875,100
Mat-Su Valley Medical Center	Medical Facilities	10,263,500
Shadowoods LLC	Property Developmnet and Retail Mall	9,862,200
Home Depot USA	Retail Store	9,621,500
Newcomb Family Trust	Property Development	8,593,400
Wasilla Center Dev LLC	Property Development and Retail Mall	6,891,000
Wasilla LLC	Property Development and Retail Mall	<u>6,418,800</u>
Total		\$ <u>121,215,700</u>

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

Fiscal Year Ended <u>June 30</u>	<u>City Levy</u>	<u>Amount Collected</u>	<u>Percentage of Levy</u>	<u>Amount of Levy Uncollected</u>	Amount of Levy Uncollected as Percentage of Total <u>Taxes</u>
2000	\$ 365,253	\$ 363,867	99.62%	\$ 1,386	0.38%
2001	341,867	342,320	100.13%	(453)	-0.13%
2002	324,235	321,112	99.04%	3,123	0.96%
2003	193,980	193,980	100.00%	-	0.00%
2004	207,000	235,621	113.83%	(28,621)	-13.83%
2005	200,299	179,547	89.64%	20,752	10.36%
2006	194,924	194,627	99.85%	297	0.15%
2007	-	2,722	0.00%	(2,722)	0.00%
2008	-	300	0.00%	(300)	0.00%
2009	-	289	0.00%	(289)	0.00%

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

Fiscal Year Ended <u>June 30</u>	Governmental Activities			Business-Type Activities			Total General Obligation Bonds	Percentage of Personal Income (2)	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Retired Principal	Total	General Obligation Bonds	Retired Principal	Total				
2000	\$ 5,500,000	\$ 170,000	\$ 5,330,000	\$ -	\$ -	\$ -	\$ 5,330,000	0.45%	1.75%	\$ 975
2001	5,330,000	175,000	5,155,000	-	-	-	5,155,000	0.50%	1.51%	869
2002	5,155,000	185,000	4,970,000	-	-	-	4,970,000	0.58%	1.38%	788
2003	4,970,000	195,000	4,775,000	14,700,000	840,000	13,860,000	18,635,000	0.16%	4.80%	2,671
2004	4,775,000	205,000	4,570,000	13,860,000	1,020,000	12,840,000	17,410,000	0.17%	4.16%	2,283
2005	4,570,000	215,000	4,355,000	12,840,000	1,125,000	11,715,000	16,070,000	0.20%	3.21%	1,925
2006	4,355,000	225,000	4,130,000	11,715,000	1,240,000	10,475,000	14,605,000	0.23%	2.25%	1,600
2007	4,130,000	245,000	3,885,000	10,475,000	1,365,000	9,110,000	12,995,000	0.26%	1.65%	1,329
2008	3,885,000	250,000	3,635,000	9,110,000	1,495,000	7,615,000	11,250,000	0.32%	1.33%	1,150
2009	3,635,000	265,000	3,370,000	7,615,000	3,825,000	3,790,000	7,160,000	0.50%	0.79%	998

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

(2) Population and personal income data can be found in Schedule 13. 2009 statistical data not available, therefore population and personal income from 2008.

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

**CITY OF WASILLA**  
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 (2)	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Free Main Allowances	General Obligation Bonds	Special Assessment Bonds	Loans Payable	Special Assessment Bonds	Loans Payable				
2000	\$ 5,330,000	\$ 1,165,747	\$ 168,351	\$ -	\$ -	\$ 164,436	\$ -	\$ 164,436	\$ 6,828,534	0.35%	2.12%	\$ 1,249
2001	5,155,000	1,215,093	158,121	-	-	155,581	84,711	155,581	6,768,506	0.38%	1.87%	1,228
2002	4,970,000	941,303	5,639	14,700,000	76,240	4,112,780	76,240	4,112,780	24,805,962	0.12%	6.51%	4,173
2003	4,775,000	1,123,438	9,558	13,860,000	67,769	4,260,275	67,769	4,260,275	24,096,040	0.12%	5.89%	3,780
2004	4,570,000	742,787	-	12,840,000	49,898	4,518,413	49,898	4,518,413	22,721,098	0.13%	5.10%	3,702
2005	4,355,000	450,230	-	11,715,000	41,427	4,287,687	41,427	4,287,687	20,849,344	0.15%	3.93%	3,279
2006	4,130,000	348,966	-	10,475,000	32,525	4,056,961	32,525	4,056,961	19,043,452	0.17%	2.79%	2,943
2007	3,885,000	254,640	-	9,110,000	24,054	3,826,233	24,054	3,826,233	17,099,927	0.20%	2.09%	2,474
2008	3,635,000	189,068	-	7,615,000	15,583	3,595,530	15,583	3,595,530	15,050,181	0.24%	1.70%	2,097
2009	3,370,000	136,851	-	3,790,000	7,111	3,364,353	7,111	3,364,353	10,668,315	0.33%	1.18%	1,487

(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. 2009 statistical data not available, therefore population and personal income from 2008.

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

**CITY OF WASILLA**  
 Computation of Direct and Overlapping General Obligation Debt  
 June 30, 2009

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	Percentage Applicable to this Governmental <u>Unit</u>	City of Wasilla's Share of Debt
City of Wasilla	\$ 7,160,000	100.00%	\$ 7,160,000
Matanuska Susitna Borough	<u>179,875,000</u>	11.37%	<u>20,451,788</u>
Total Direct and Overlapping	\$ <u>187,035,000</u>		\$ <u>27,611,788</u>

Note: There is no debt limit mandated by law.

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

City of Wasilla			Matanuska Susitna Borough				
Fiscal Year	Population	School Enrollment	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (Annual %)
2000	5,469	3,080	59,322	\$24,227	34.1	12,513	7.2
2001	5,514	3,088	61,974	\$25,924	34.2	12,745	6.9
2002	5,944	2,976	64,550	\$28,826	34.3	13,064	8.0
2003	6,374	3,060	67,527	\$29,288	34.3	13,588	8.9
2004	6,137	3,289	71,231	\$28,885	34.5	14,303	8.3
2005	6,359	3,551	74,964	\$31,487	34.6	14,662	7.1
2006	6,471	3,903	80,480	\$33,033	34.0	15,949	6.9
2007	6,912	4,079	82,669	\$34,341	33.6	16,115	6.9
2008	7,176	4,101	85,458	\$35,701	33.2	16,285	7.5
2009	n/a	4,180	n/a	n/a	n/a	16,349	9.7
Source	US Census	State of Alaska Dept of Education	US Census	Bureau of Economic Analysis	State of Alaska	Mat-Su School Dist	State of Alaska



**CITY OF WASILLA**  
Principal Employers in the City of Wasilla  
for 2009

Rank	Employer
1	Wal-Mart Associates, Inc.
2	Fred Meyer Stores, Inc.
3	Safeway, Inc.
4	Spenard Builders Supply, Inc.
5	Lowes HIW, Inc.
6	Wasilla, City of
7	The Home Depot
8	Kendall Dealership Holdings, LLC.
9	Job Ready, Inc.
10	Target Corporation

Principal Employers Where Residents Work  
(employer's not necessarily located in the City of Wasilla)  
for 2009

Rank	Employer
1	Mat Su Borough Schools
2	State of Alaska (excluding University of Alaska)
3	Wal-Mart Associates, Inc.
4	Veco Alaska, Inc.
5	ASRC Energy Services O&M, Inc.
6	Palmer-Wasilla Health System, LLC.
7	Fred Meyer Stores, Inc.
8	Municipality of Anchorage
9	Nana Management Services, LLC.
10	Safeway, Inc.

Source: Alaska Department of Labor

Note: According to the Alaska Department of Labor, with the adoption of Senate Bill 120 by the Legislature of Alaska on May 30, 2008, they are no longer able to provide employment information (including the number of employees employed by a specific employer). Therefore, we are only able to provide the top ten employer information with their associated rankings for 2009. Total City employment numbers were not available and thus a percentage of total city employment is not available.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Clerk	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Mayor	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
General Admin Services	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Finance/MIS	7.00	7.00	7.00	7.00	7.00	7.75	7.75	8.00	9.00	9.00
Community & Econ Development	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Police	16.00	18.00	20.00	20.00	26.00	40.00	47.00	50.00	50.00	50.00
Youth Court	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50	1.50	1.50
Public Works	14.00	15.00	15.75	16.29	19.00	18.00	21.00	23.00	22.00	23.00
Museum	2.00	2.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Recreation Facilities Maintenance	3.59	3.59	3.09	3.55	2.55	2.55	2.55	2.55	2.55	2.55
Sports Center/Recreation Services	-	-	-	-	10.90	10.90	11.89	12.35	8.66	8.66
Library	9.00	9.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
<b>Total</b>	<u>62.59</u>	<u>66.59</u>	<u>68.34</u>	<u>69.34</u>	<u>86.45</u>	<u>100.20</u>	<u>111.69</u>	<u>117.40</u>	<u>113.71</u>	<u>115.71</u>

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

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Public Safety:</b>										
Police Services:										
Police requests for service \$	8,057	8,429	8,378	8,102	6,759	6,651	6,730	11,175	16,537	17,821
Criminal arrests	668	766	811	740	672	608	729	605	838	751
<b>Water and Wastewater:</b>										
Water production average gallons per day average July readings	512,000	473,000	472,000	519,000	549,000	739,726	715,069	846,575	967,123	819,178
Wastewater treatment avg. gallons per day average July readings	308,000	169,000	254,000	371,000	306,000	273,973	287,671	323,288	328,767	358,904

\* Public Safety reported on Calendar Year.  
Water and Wastewater reported on Fiscal Year.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Miles of streets	62.35	62.35	62.47	62.47	63.26	63.26	63.26	63.62	64.75	66.37
Miles of water lines	10.89	11.97	13.01	14.44	17.40	18.53	20.44	42.04	53.89	53.89
Miles of sewer lines	20.68	20.68	21.20	21.81	22.76	22.97	23.02	23.02	25.84	25.84
Police protection -										
Number of stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation:										
Number of facilities:										
Parks	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Ball fields	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fitness trails	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Soccer fields	-	-	-	-	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

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

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wasilla, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated November 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Honorable Mayor and City Council  
City of Wasilla, Alaska

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

Compliance and Other Matters

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

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

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 2, 2009



Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Mayor and City Council  
City of Wasilla, Alaska

Compliance

We have audited the compliance of City of Wasilla with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. City of Wasilla's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Wasilla's management. Our responsibility is to express an opinion on City of Wasilla's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Wasilla's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Wasilla's compliance with those requirements.

In our opinion, City of Wasilla complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Honorable Mayor and City Council  
City of Wasilla, Alaska

### Internal Control Over Compliance

The management of City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Wasilla's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Wasilla's internal control over compliance.

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

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

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

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

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 2, 2009



Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and City Council  
City of Wasilla, Alaska

Compliance

We have audited the compliance of City of Wasilla with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that are applicable to each of its major state programs for the year ended June 30, 2009. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of City of Wasilla's management. Our responsibility is to express an opinion on City of Wasilla's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of Wasilla's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Wasilla's compliance with those requirements.

In our opinion, City of Wasilla complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2009.

Honorable Mayor and City Council  
City of Wasilla, Alaska

### Internal Control Over Compliance

The management of City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered City of Wasilla's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control over compliance.

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

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

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

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

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
November 2, 2009

**CITY OF WASILLA, ALASKA**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2009

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

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

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

**Federal Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major programs? Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes   X   no

Identification of major programs:

<u>Agency</u>	<u>CFDA Number</u>	<u>Program</u>
Department of Transportation	20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and B programs \$300,000

Low-risk auditee Yes



**CITY OF WASILLA, ALASKA**

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2009

**Federal**

There were no prior year audit findings.

**State of Alaska**

There were no prior year audit findings.

**CITY OF WASILLA, ALASKA**

Corrective Action Plan

Year Ended June 30, 2009

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