



Comprehensive Annual Financial Report
Fiscal Year Ended
June 30, 2011



CITY OF WASILLA, ALASKA

Comprehensive Annual Financial Report

June 30, 2011

(With Independent Auditors' Report Thereon)

Prepared By
Finance Department

Troy Tankersley, Finance Director
Joan Miller, Controller

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INTRODUCTORY SECTION



CITY OF WASILLA

Finance Department

290 East Herning Avenue

Wasilla, Alaska 99654-7091

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

December 7, 2011

To the Citizens of the City of Wasilla:

State of Alaska statutes and local charter provisions require that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Wasilla for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City of Wasilla. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Wasilla has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Wasilla's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Wasilla's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Wasilla's financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Wasilla for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Wasilla's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Wasilla was part of a broader, State and federally mandated "Single Audit" designed to meet the special needs of State and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but

also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be available in the City of Wasilla's separately issued Single Audit Report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Wasilla's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Wasilla is located in the south central part of the state and is approximately 42 miles north of Anchorage. The City of Wasilla is a First Class city incorporated in 1974 under Title 29 of the Alaska State Statutes and City code establishes a June 30 fiscal year end. The City of Wasilla currently occupies a land area of approximately 13.43 square miles and serves the resident population of approximately 7,831 in addition to the approximate 81,164 adjacent Mat-Su Borough residents who patronize the Wasilla businesses.

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

The City provides a full range of municipal services authorized by state statute and City code. This includes police, planning and land use control, animal control, sewer, water, road maintenance, parks and recreation, museum, library, and cultural services. Funding for the City's operations is primarily supported by a 2% sales tax, charges for services, grants, state revenue sharing and other sources. The City of Wasilla is empowered to levy a property tax on both real and personal property located within its boundaries, however at this time the City levies no said tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate. Most recent annexations have been conducted through the voter approval process.

The annual budget serves as the foundation for the City of Wasilla's financial planning and control. The council is required to hold public hearings on the proposed budget and a final budget must be approved by council on or before May 30th of each year. The budget is prepared by fund, function (e.g. public safety) and department (e.g. patrol). All transfers between funds require council approval. The Mayor may transfer up to \$10,000 per fiscal year between departments and functions. Contracts for supplies, services or construction in excess of \$30,000 require council approval.

Factors Affecting Financial Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Wasilla operates.

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 remain steady. 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 commute daily to Anchorage but are still able to enjoy the quality of life in our community.

The City continues to look toward growth in the service industries to maintain our position as the trade center of the Matanuska-Susitna Valley. Resource extraction industries, particularly petroleum, continue to fuel our economy both directly and indirectly. Other proposed projects that will benefit our economy include opening of the Goose Creek Correctional Center, continued Port MacKenzie development along with the MacKenzie Rail Extension, potential State hydro development and Nordic Ski Areas at Hatchers Pass.

Long-term financial planning. The City of Wasilla develops a strategic plan by identifying the goals and objectives for the upcoming five years. The goals and objectives include both capital projects and quality of life issues which are revisited on an annual basis. The City updated its “Comprehensive Plan” to vividly outline desired land use and, particularly development of its core downtown.

Cash management policies and practices. Operating funds of the City are invested and earn interest in overnight repurchase agreements with Wells Fargo Bank. Monies not needed for immediate operations are invested 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. Investment income includes appreciation or depreciation in the fair value of investments. Investments are managed by Alaska Permanent Capital, Inc.

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 financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasilla for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the fifteenth consecutive year that the government has received this prestigious award. 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 CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire administration and the finance department. We would like to express our appreciation to all members of the finance department who assisted and contributed to the preparation of the report. Credit also must be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wasilla's finances.

Respectfully submitted,



Verne E. Rupright

Mayor



Troy Tankersley

Finance Director

CITY OF WASILLA, ALASKA

City Officials

CITY COUNCIL

Taffina Katkus
Leone Harris
Steve Menard

Douglas W. Holler (Deputy Mayor)
Colleen Sullivan-Leonard
Dianne Woodruff

STAFF

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

Verne E. Rupright
Archie Giddings
William W. Harvey
Kristie Smithers
Amanda Charles
Troy Tankersley
Joan Miller
James Hastings
Gene Belden (Temporary)
Bert Cottle (Temporary)

PLANNING COMMISSION

Doug Miller
Steven DeHart
Glenda Ledford

Daniel Kelly Jr. (Vice Chair)
Robert Webb
Alvah Clark Buswell III

PARKS AND RECREATION COMMISSION

Mary Kay (Randy) Robinson
Joan Matthews (Co-Chair)
Henry Hartman

Dave Tuttle (Chair)
Mary Shampine

AIRPORT COMMISSION

Joseph Bond
Littleton C. Billingsley, Jr.
William Bruu
Robert Molloy

John Popecki
Raymond J. Block (Chair)
Cameron Sharick

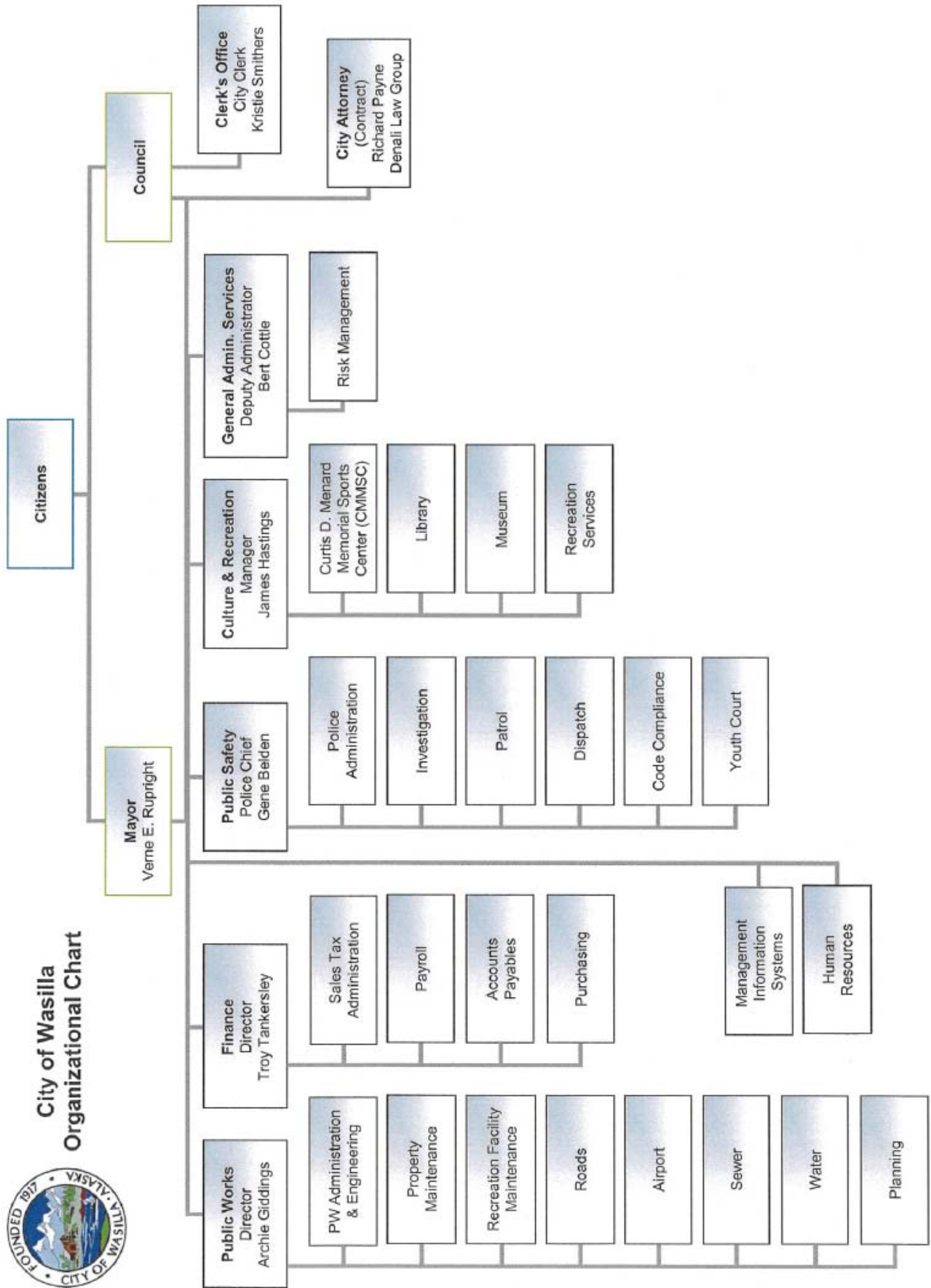
CONSULTANTS

City Attorney
Auditors
Insurance Pool
Insurance Broker

Richard Payne
KPMG LLP
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, 2010

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 "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

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 (the City), as of and for the year ended June 30, 2011, 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 of Wasilla'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and 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, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1(i) to the financial statements, certain governmental fund balances as of June 30, 2010 have been restated for the adoption of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011 on our consideration of the City of Wasilla's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

The management's discussion and analysis and budgetary comparison information on pages 3 through 16 and 49 are not a required part of the basic financial statements but are supplementary information required



by U.S. generally accepted accounting principles. 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 for the year ended June 30, 2011 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wasilla's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2011 combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2011, taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

December 7, 2011

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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, 2011.

Financial Highlights

- The assets of the City of Wasilla exceeded its liabilities at the close of the most current fiscal year by \$104,290,746 (total net assets). Of this amount, \$13,989,551 (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 \$11,236,160. Of this total, \$7,293,632 is unassigned and available for spending at the government's discretion.
- The City's total outstanding debt decreased by \$2,613,522 to a year-end balance of \$5,842,986. The City's long-term debt table can be found on pages 40-43 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.

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).

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 17-18 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.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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 17 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, the Miscellaneous Capital Project Fund and the Road Capital Project Fund, which are considered to be major funds. The other 14 governmental funds are combined and shown as nonmajor governmental funds on the governmental funds balance sheet and governmental statement of revenues, expenditures, and changes in fund balances. Individual fund information for the 14 nonmajor funds is presented in combining balance sheets for nonmajor governmental funds and combining statement of revenues, expenditures, and changes in fund balances for nonmajor funds, by fund type.

The City 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.

The basic governmental fund financial statements can be found on pages 19-22 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 23-26 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 27-48 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The City's budgetary comparison schedule for the General Fund can be found on page 49 of this report.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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 \$104,290,746 at the close of the most recent fiscal year.

The largest portion of the City of Wasilla's net assets (86.5%) 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's Net Assets
June 30, 2011

	Governmental Activities		Business-type Activities		Total Activities	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 12,245,577	10,625,179	5,334,441	6,242,451	17,580,018	16,867,630
Capital assets, net of depreciation	29,943,818	29,589,249	64,627,625	64,708,015	94,571,443	94,297,264
Total assets	42,189,395	40,214,428	69,962,066	70,950,466	112,151,461	111,164,894
Long-term liabilities	3,339,395	3,710,344	3,062,958	5,322,557	6,402,353	9,032,901
Other liabilities	982,556	762,649	475,806	392,585	1,458,362	1,155,234
Total liabilities	4,321,951	4,472,993	3,538,764	5,715,142	7,860,715	10,188,135
Net assets:						
Invested in capital assets, net of related debt	28,633,797	26,352,274	61,667,398	59,488,483	90,301,195	85,840,757
Restricted for debt service	—	—	—	2,071,844	—	2,071,844
Restricted for cemetery endowment	222,722	210,573	—	—	222,722	210,573
Unrestricted	9,010,925	9,178,588	4,755,904	3,674,997	13,766,829	12,853,585
Total net assets	\$ 37,867,444	35,741,435	66,423,302	65,235,324	104,290,746	100,976,759

An additional portion of the City's net assets may represent resources that are subject to external restrictions on how they may be used. Restricted net assets are zero in the current year resulting in the removal of restrictions on certain assets associated with general obligation bonds that were paid in full.

The remaining balance of unrestricted net assets of \$13,766,829 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 \$3,313,987 during the current fiscal year. The increase largely consists of increased sales tax over prior year, donated roads from developers, and capital grant contributions.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

Governmental Activities. During fiscal year 2011, the City of Wasilla's net assets increased by \$2,126,009 for governmental activities. Highlights of governmental activities net asset changes are as follows:

- Recording approximately \$1,594,000 (net of depreciation) in donated roads received from developers in the current and prior periods (fiscal years 2005-2010). Ownership was received through the platting process but not recorded as an asset in the government-wide financials in prior periods. Estimated value, net of depreciation, was recorded in the current year statement of net assets.
- Capital grants and contributions of \$593,512 for the South Mack Road extension project.
- Sales tax revenue increase of \$495,804.
- Investment earnings decrease of \$114,216 due to continued decline in interest rates.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

City of Wasilla's Changes in Net Assets
Year ended June 30, 2011

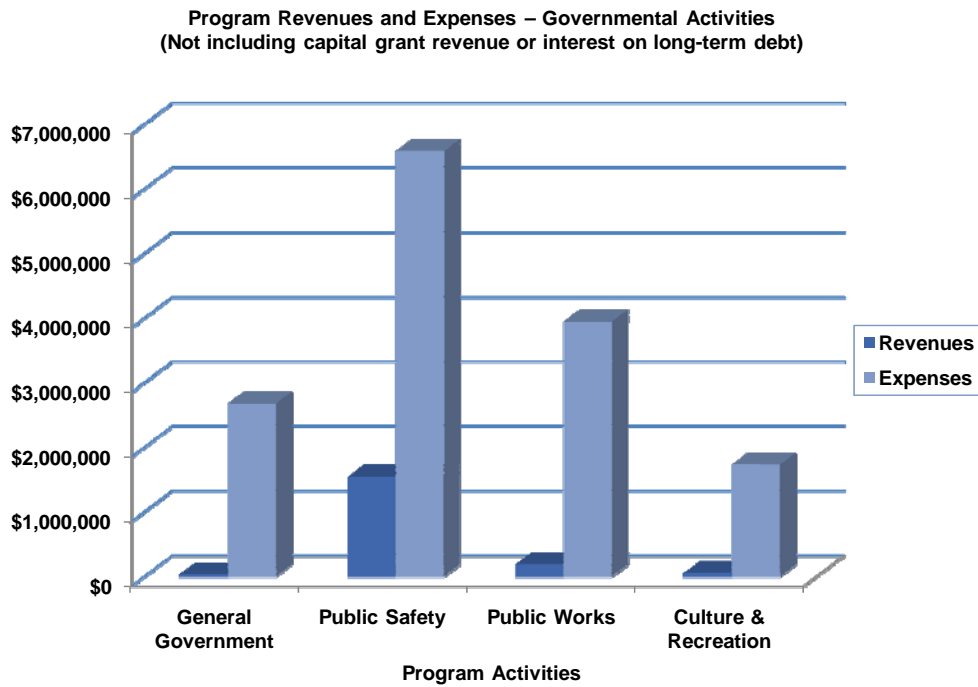
	Governmental Activities		Business-type Activities		Total Activities	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 1,824,159	1,820,553	3,079,958	2,975,641	4,904,117	4,796,194
Operating grants and contributions	633,479	901,746	320,593	216,869	954,072	1,118,615
Capital grants and contributions	2,650,118	1,724,791	1,893,891	1,231,514	4,544,009	2,956,305
General revenues:						
Sales taxes	11,681,721	11,185,917	—	2,813,929	11,681,721	13,999,846
Property and vehicle taxes	108,670	107,732	—	—	108,670	107,732
Grants and entitlements not restricted to a specific purpose	1,158,757	1,220,956	—	—	1,158,757	1,220,956
Investment income	121,725	235,941	2,836	5,881	124,561	241,822
Other	31,540	57,143	7,655	—	39,195	57,143
Total revenues	18,210,169	17,254,779	5,304,933	7,243,834	23,515,102	24,498,613
Expenses:						
General government	2,678,667	2,949,299	—	—	2,678,667	2,949,299
Public safety	6,585,810	6,469,113	—	—	6,585,810	6,469,113
Public works	3,949,216	3,473,727	—	—	3,949,216	3,473,727
Culture and recreation	1,734,297	1,908,613	—	—	1,734,297	1,908,613
Interest on long-term debt	113,014	169,873	—	—	113,014	169,873
Water utility	—	—	1,347,403	1,354,805	1,347,403	1,354,805
Sewer utility	—	—	1,254,787	1,248,782	1,254,787	1,248,782
Municipal airport	—	—	1,046,550	1,081,269	1,046,550	1,081,269
Curtis D. Menard Memorial Sports Center	—	—	1,491,371	1,622,562	1,491,371	1,622,562
Total expenses	15,061,004	14,970,625	5,140,111	5,307,418	20,201,115	20,278,043
Increase in net assets before transfers	3,149,165	2,284,154	164,822	1,936,416	3,313,987	4,220,570
Transfers	(1,023,156)	(912,825)	1,023,156	912,825	—	—
Increase in net assets	2,126,009	1,371,329	1,187,978	2,849,241	3,313,987	4,220,570
Net assets – beginning	35,741,435	34,370,106	65,235,324	62,386,083	100,976,759	96,756,189
Net assets – ending	\$ 37,867,444	35,741,435	66,423,302	65,235,324	104,290,746	100,976,759

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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.

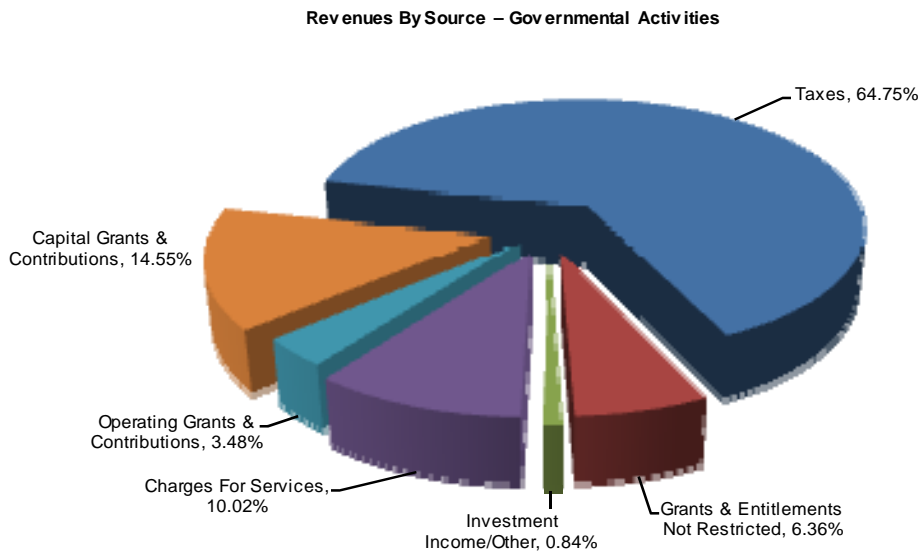


CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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 Capital Grants & Contributions, Non-restricted Grants and Entitlements, Charges for Services, Operating Grants and Contributions and Investment Income/Other. Tax revenue for governmental activities increased from 2010 to 2011 by \$496,742, or 4.4%. This 4.4% growth may indicate rising consumer confidence with the settling of our national economic conditions. Expenses for governmental activities increased only \$90,379 or .06% from prior fiscal year.



Business-type activities. Business-type activities increased the City of Wasilla's net assets by \$1,187,978. The largest portion of this increase resulted from Capital Grants and Contributions of \$1,893,891 generated by federal and state grants for airport infrastructure. This increase to net assets was offset by losses in the Airport Fund as a result of its low user fee revenue but significant annual depreciation. In the current fiscal year, the City of Wasilla made the final payment on the general obligation bonds used to construct the Curtis D. Menard Memorial Sports Center. The .5% sales tax associated with payment of these bonds was removed effective July 1, 2010, decreasing the sales tax revenue by \$2,813,929 to a zero balance in the current year.

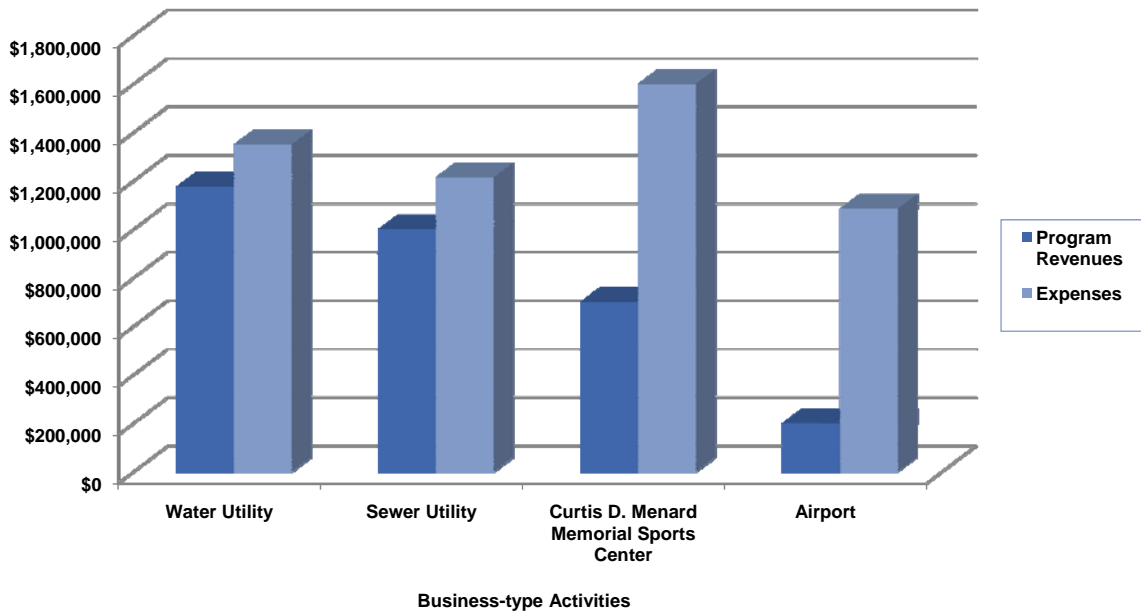
CITY OF WASILLA, ALASKA

Management’s Discussion and Analysis (unaudited)

June 30, 2011

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. With regard to water, sewer and the airport, the shortfall in revenue to expense relates primarily to depreciation expense. The shortfall in revenue to expense for the Curtis D. Menard Memorial Sports Center includes depreciation, high minimum operating costs, and declining user fees.

*Program Revenues and Expenses – Business-type Activities
(Not including taxes, capital grant revenue or interest on long-term debt)*



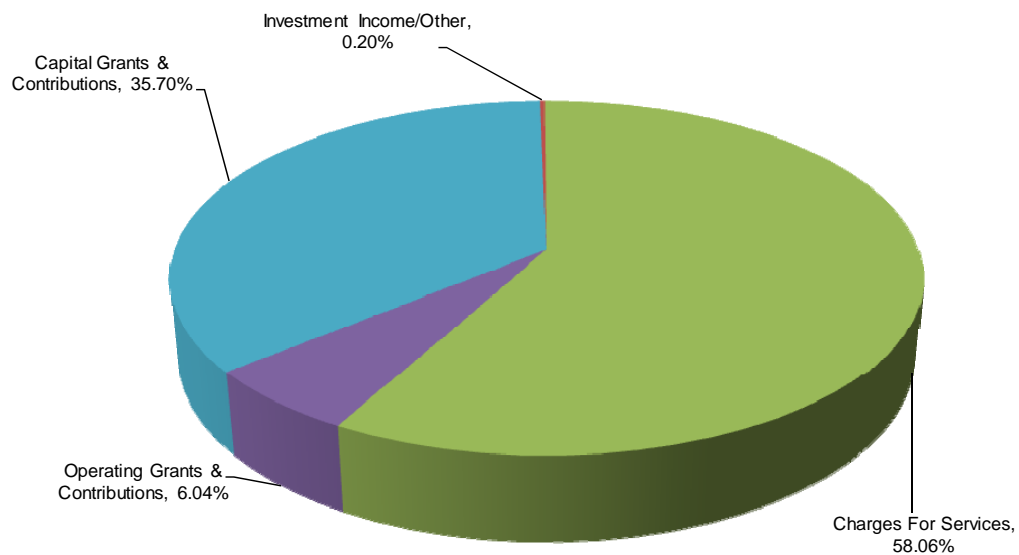
CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

The following graph depicts the percentages of all revenue sources for business-type activities. Charges for Services are the largest revenue source for the City of Wasilla, followed in order by Capital Grants and Contributions, Operating Grants and Contribution, Other Revenue and Investment Earnings. Tax revenue for business-type activities decreased to zero in the current fiscal year given that sufficient funds were collected by June 30, 2010 to extinguish general obligation bonds relating to the construction of the Sports Center. In accordance with City code, the 0.5% sales tax was removed once sufficient funds had been collected to retire the debt. On July 1, 2010 the .5% sales tax was removed.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

As of the end of the current fiscal year, the City of Wasilla's governmental funds reported combined ending fund balances of \$11,236,160, an increase of \$1,471,309 in comparison with the prior year. The City's total fund balance is made up of the following components:

The first component is nonspendable which indicates it is not in spendable form or is legally or contractually required to remain intact. The nonspendable portion is 3% (\$301,675) of the total fund balance. The restricted classification includes amounts for which constraints have been placed by external parties (creditors, grantors, etc.) or enabling legislation. There was no restricted fund balance at year end. The committed classification can only be used for specific purposes by formal action of the City Council. The committed portion is 9% (\$1,001,579) of the total fund balance. The next component is assigned fund balance which includes amounts that are intended to be used for a specific purpose and have been expressly assigned by the person with designated authority. The assigned portion is 23% (\$2,639,274) of the total fund balance. Unassigned fund balance is the residual fund balance available for use for any purpose. The unassigned fund balance portion is 65% (\$7,293,632) of the total fund balance.

The General Fund is the chief operating fund of the City of Wasilla. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,293,632 while total fund balance was \$8,687,154. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58% of total General Fund expenditures, while total fund balance represents 69% of that same amount.

Fund balance of the City of Wasilla's General Fund increased by \$2,208,940 during the current fiscal year. Key factors contributing to this increase include:

- Sales tax revenue increase of \$496,742 over the prior year.
- Transfers out were reduced by \$3,615,948 over the prior year, primarily a reduction of transfers to capital projects, the capital project reserve fund, and the library fund.

The Miscellaneous Capital Project Fund has a total fund balance of \$1,208,026. This total amount is designated for future capital project construction expenditures. Fund balance has decreased by \$203,699 over the prior year which resulted from the absence of any transfers in but continued use for various capital purchases.

The Road Capital Project Fund has a total fund balance of \$57,198. This total amount is designated for future road construction expenditures. Fund balance decreased \$133,065 over the prior year. General road paving and upgrades were the primary use of the fund balance. The Road Capital Project Fund had additional capital outlay related to the South Mack Road extension, Knik-Goose Bay/Fern intersection and Swanson-Nelson repaving but were funded through intergovernmental revenues.

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 are \$1,765,099. Unrestricted net assets have increased by \$513,169 in comparison with the prior year. In fiscal year 2009, the City of Wasilla approved a multi-year utility rate increase to facilitate the demand of ongoing repairs and maintenance and to build a reserve for additional capital construction. The 7.5% rate increase in the current fiscal year, along with the additional customer service base added by the Garden Terrace extension in the prior year are key factors contributing to the fund's increase in unrestricted net assets. Additionally, repairs and maintenance decreased \$111,151 largely due to the fact that in

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

the prior year, costs for drilling two water wells at a local ball field were expended and not capitalized due to unsatisfactory results.

The sewer utility's unrestricted net assets are \$1,629,631. Unrestricted net assets increased by \$444,973 in comparison with the prior year. In fiscal year 2009, the City of Wasilla approved a multi-year utility rate increase to facilitate the demand of ongoing repairs and maintenance and to build a reserve for additional capital construction. The 7.5% rate increase in the current fiscal year and maintaining flat operating costs are key factors contributing to the fund's increase in unrestricted net assets. Additionally, the 1987 Sewer Improvement District Bond debt service fund was closed and transferred to the sewer utility which increased fund balance positively by approximately \$130,380.

The Airport Fund's unrestricted net assets were \$136,276, a decrease of \$34,864 from prior year. The airport operations continue to generate operating losses before depreciation. The City of Wasilla receives significant federal and state grant funding annually to construct infrastructure necessary to allow for commercial use and development in the future. As such, the City will continue to offset operating losses with transfers from the General Fund in an effort to support development of the airport and the economic opportunities it may bring to the community in the future.

The Curtis D. Menard Memorial Sports Center's unrestricted net assets were \$1,224,898, an increase of \$157,629 over prior year. The net assets restricted for debt decreased to zero, a difference of \$2,071,844 from the prior year, as the general obligation bonds related to the construction of the sports center were paid in full this fiscal year. The Curtis D. Menard Memorial Sports Center continues to be significantly funded through transfers from the General Fund.

General Fund Budgetary Highlights

The difference between the original and final amended budget was a decrease to fund balance of \$577,801. The major components of this difference relates to the following.

- The Street Paving Debt Service fund was closed and transferred into the General Fund during the current year. The debt service payments of principal and interest were not budgeted in the General Fund thus requiring an appropriation of \$426,544.
- In compliance with GASB 54, the City of Wasilla's Library Fund is now accounted for in the General Fund as it no longer met the qualifications of a special revenue fund. As such, approximately \$902,000 in library expenditures was appropriated in the General Fund which was partially offset by the reduction of transfer to the Library of approximately \$720,000. The overall decrease to General Fund balance was approximately \$182,000.

The difference in fund balance between the final amended budget and the actual results is a positive variance of \$1,843,086. The major components of the difference are as follows:

- A positive variance in revenues is attributed to increased sales tax and intergovernmental revenues of \$333,391 and \$322,200, respectively.
- A positive variance of \$1,315,163 in total expenditures was shared across several departments and largely related to personnel and benefit variances.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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, 2011 amounts to \$94,571,443 (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:

- Recording approximately \$1,594,000 (net of depreciation) in donated roads to the City of Wasilla by land developers during fiscal years 2005 – 2011. The donated capital consisted primarily of local roads and cul-de-sacs acquired by the City of Wasilla through the platting process. Value of the right of ways and construction costs were estimated based on current acquisition cost and adjusted based on consumer price indices.
- Wasilla Airport Apron D Phase 1 – excavation only.
- Purchase of Case 821E Loader with snow bucket for use at the airport.
- Construction and completion of Lakeview Connector Road.
- Various acquisitions including the historical Wasilla post office, R&R caboose, park structure, public safety canine, and AS 400 replacement for the City's financial operating system.

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

	Governmental Activities		Business-type Activities		Total Activities	
	2011	2010	2011	2010	2011	2010
Land and land improvements	\$ 6,018,592	4,992,250	4,048,970	13,077,469	10,067,562	18,069,719
Buildings	6,151,785	6,337,277	15,463,346	16,053,679	21,615,131	22,390,956
Improvements other than buildings	—	—	41,328,357	33,569,025	41,328,357	33,569,025
Infrastructure	14,351,382	14,441,011	—	—	14,351,382	14,441,011
Furniture and equipment	1,362,371	1,759,371	—	—	1,362,371	1,759,371
Vehicles and equipment	1,649,776	1,819,512	2,153,110	1,985,447	3,802,886	3,804,959
Construction in progress	409,912	239,828	1,633,842	22,395	2,043,754	262,223
Total capital assets	\$ 29,943,818	29,589,249	64,627,625	64,708,015	94,571,443	94,297,264

Additional information on the City of Wasilla's capital assets can be found in note 3 on pages 39 through 41 of this report.

CITY OF WASILLA, ALASKA

Management’s Discussion and Analysis (unaudited)

June 30, 2011

Long-term debt. At the end of the current fiscal year, the City of Wasilla had total long-term debt outstanding of \$5,842,986. Of this amount, \$2,842,058 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 \$2,960,227, and capital lease of \$40,701.

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

	Governmental Activities		Business-type Activities		Total Activities	
	2011	2010	2011	2010	2011	2010
General obligation	\$ 2,842,058	3,166,078	—	2,000,789	2,842,058	5,166,867
Long-term loans and capital leases	40,701	70,898	2,960,227	3,218,743	3,000,928	3,289,641
Total long-term debt	<u>\$ 2,882,759</u>	<u>3,236,976</u>	<u>2,960,227</u>	<u>5,219,532</u>	<u>5,842,986</u>	<u>8,456,508</u>

The City of Wasilla’s total debt decreased by \$2,613,522, or 31%, during the current fiscal year. The key factor in this decrease relates to the final debt service payment on the general obligation bonds used to construct the Curtis D. Menard Memorial Sports Center. Additionally, the City met its other required debt payments and did not issue any new debt.

State statutes do not impose debt limits on the City of Wasilla however its Municipal Code 5.02.040 requires that annual general obligation debt service not exceed twenty (20) percent of annual general fund revenue. Additional information on the City’s long-term debt can be found on pages 40-43 of this report.

Economic Factors and Next Year’s Budgets and Rates

In setting the budgets for fiscal year 2012 the City considered a number of issues with citywide impact. Among them are the following:

- In FY2011 actual sales taxes revenues were approximately 2.9% over budgeted sales tax revenues.
- User fees and charges in the business-type activities will increase due to the City’s planned sewer and water rate increase of 7.5% during FY2012. This will assist in offsetting operating losses due to repair and maintenance and necessary capital replacements. Additionally, the City intends to contract with a professional services firm to ensure that equitable and adequate utility rates are in place.
- 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 invest in needed infrastructure as funding is available. The budgeted transfer to the Capital Project Fund in FY 2012 is \$511,500.
- In FY 2012, sales tax revenues are projected to increase 1.42% over FY 2011 budgeted sales tax revenues.

With the above considerations, the fiscal year 2012 budget includes setting the City of Wasilla’s property tax at an approved rate of 0.0 mills.

CITY OF WASILLA, ALASKA

Management's Discussion and Analysis (unaudited)

June 30, 2011

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.

BASIC FINANCIAL STATEMENTS

CITY OF WASILLA, ALASKA

Statement of Net Assets

June 30, 2011

Assets	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 10,049,669	4,251,824	14,301,493
Receivables, net of allowance for uncollectible amounts:			
Accounts, net	48,639	263,261	311,900
Sales and property taxes	1,077,776	—	1,077,776
Grants	373,685	876,129	1,249,814
Shared revenues	280,150	—	280,150
Special assessments	10,668	62,166	72,834
Internal balances	298,949	(298,949)	—
Prepaid items	78,953	9,626	88,579
Inventories	—	159,646	159,646
Deferred charges	27,088	10,738	37,826
Capital assets:			
Not being depreciated	6,428,504	5,682,812	12,111,316
Being depreciated	23,515,314	58,944,813	82,460,127
Total assets	<u>\$ 42,189,395</u>	<u>69,962,066</u>	<u>112,151,461</u>
Liabilities			
Accounts payable	\$ 238,086	325,642	563,728
Accrued payroll and employee benefits	330,595	54,743	385,338
Customer deposits	15,616	50,917	66,533
Accrued interest	10,895	18,093	28,988
Unearned revenue	387,364	26,411	413,775
Noncurrent liabilities:			
Due within one year	786,466	390,697	1,177,163
Due in more than one year	2,552,929	2,672,261	5,225,190
Total liabilities	<u>4,321,951</u>	<u>3,538,764</u>	<u>7,860,715</u>
Net Assets			
Invested in capital assets, net of related debt	27,061,059	61,667,398	88,728,457
Restricted for cemetery endowment, nonspendable	222,722	—	222,722
Unrestricted	10,583,663	4,755,904	15,339,567
Total net assets	<u>37,867,444</u>	<u>66,423,302</u>	<u>104,290,746</u>
Total liabilities and net assets	<u>\$ 42,189,395</u>	<u>69,962,066</u>	<u>112,151,461</u>

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Statement of Activities

Year ended June 30, 2011

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,678,667	33,588	—	—	(2,645,079)	—	(2,645,079)
Public safety	6,585,810	1,544,398	527,837	22,033	(4,491,542)	—	(4,491,542)
Public works	3,949,216	191,833	—	2,628,085	(1,129,298)	—	(1,129,298)
Culture and recreation	1,734,297	54,340	105,642	—	(1,574,315)	—	(1,574,315)
Interest on long-term debt	113,014	—	—	—	(113,014)	—	(113,014)
Total governmental activities	<u>15,061,004</u>	<u>1,824,159</u>	<u>633,479</u>	<u>2,650,118</u>	<u>(9,953,248)</u>	<u>—</u>	<u>(9,953,248)</u>
Business-type activities:							
Water Utility	1,347,403	1,312,070	19,946	141,782	—	126,395	126,395
Sewer Utility	1,254,787	1,159,179	29,061	30,567	—	(35,980)	(35,980)
Municipal Airport	1,046,550	64,082	248,497	1,695,629	—	961,658	961,658
Sports Center	1,491,371	544,627	23,089	25,913	—	(897,742)	(897,742)
Total business-type activities	<u>5,140,111</u>	<u>3,079,958</u>	<u>320,593</u>	<u>1,893,891</u>	<u>—</u>	<u>154,331</u>	<u>154,331</u>
Totals	<u>\$ 20,201,115</u>	<u>4,904,117</u>	<u>954,072</u>	<u>4,544,009</u>	<u>(9,953,248)</u>	<u>154,331</u>	<u>(9,798,917)</u>
General revenues:							
Sales taxes					11,681,721	—	11,681,721
Property and vehicle taxes					108,670	—	108,670
Grants and entitlements not restricted to a specific purpose					1,158,757	—	1,158,757
Investment income					121,725	2,836	124,561
Other					31,540	7,655	39,195
Transfers					(1,023,156)	1,023,156	—
Total general revenues and transfers					<u>12,079,257</u>	<u>1,033,647</u>	<u>13,112,904</u>
Change in net assets					<u>2,126,009</u>	<u>1,187,978</u>	<u>3,313,987</u>
Net assets at beginning of year					<u>35,741,435</u>	<u>65,235,324</u>	<u>100,976,759</u>
Net assets at end of year					<u>\$ 37,867,444</u>	<u>66,423,302</u>	<u>104,290,746</u>

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Governmental Funds

Balance Sheet

June 30, 2011

Assets	General	Miscellaneous Capital Project	Road Capital Project	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 7,392,981	1,195,621	131,386	1,329,681	10,049,669
Receivables, net of allowance for uncollectible accounts:					
Accounts	41,514	7,125	—	—	48,639
Sales taxes	1,077,776	—	—	—	1,077,776
Grants	52,249	5,280	313,907	2,249	373,685
Shared revenues	280,150	—	—	—	280,150
Special assessments	10,668	—	—	—	10,668
Prepaid items	78,953	—	—	—	78,953
Due from other funds	298,949	—	—	—	298,949
Total assets	\$ 9,233,240	1,208,026	445,293	1,331,930	12,218,489
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 160,243	—	77,808	35	238,086
Accrued payroll and employee benefits	323,440	—	—	7,155	330,595
Customer deposits	15,616	—	—	—	15,616
Unearned revenue	46,787	—	310,287	40,958	398,032
Total liabilities	546,086	—	388,095	48,148	982,329
Fund balances:					
Nonspendable:					
Prepaid items	78,953	—	—	—	78,953
Cemetery endowment	—	—	—	222,722	222,722
Committed to:					
Excess stabilization of funds	1,001,579	—	—	—	1,001,579
Assigned to:					
Land bank	50,000	—	—	—	50,000
Capital improvements	—	1,208,026	—	—	1,208,026
Youth court	—	—	—	34,945	34,945
Federal and state drug enforcement	—	—	—	13,133	13,133
Vehicle replacement	—	—	—	666,909	666,909
Right-of-way acquisition	—	—	—	80,624	80,624
Road improvements	—	—	57,198	—	57,198
Technology replacement	—	—	—	265,449	265,449
Other purposes	262,990	—	—	—	262,990
Unassigned	7,293,632	—	—	—	7,293,632
Total fund balances	8,687,154	1,208,026	57,198	1,283,782	11,236,160
Total liabilities and fund balances	\$ 9,233,240	1,208,026	445,293	1,331,930	12,218,489

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2011

Amount reported as fund balance on the governmental funds balance sheet	\$	11,236,160
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		29,943,818
Deferred amounts related to issuance costs and premiums and on refunding to governmental activities are not financial resources; therefore, are not reported in the funds:		
Issuance costs	\$ 27,088	
Issuance premiums	(105,064)	
Loss on refunding	68,006	(9,970)
Long-term receivables, delinquent property taxes and loans are not available to pay for current-period expenditures, and therefore, are deferred in the funds:		
Special assessments		10,668
Long-term obligations, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds payable	(2,805,000)	
Capital lease	(40,701)	
Compensated absences	(456,636)	(3,313,232)
Accrued interest on bonds	(10,895)	
Net assets of governmental activities	\$	37,867,444

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2011

	General	Miscellaneous Capital Project	Road Capital Project	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,790,391	—	—	—	11,790,391
Licenses and permits	34,088	—	—	—	34,088
Fines, forfeitures and penalties	204,043	—	—	6,765	210,808
Intergovernmental	1,675,163	19,800	902,624	104,652	2,702,239
Charges for services	1,579,824	25	—	—	1,579,849
Investment income	116,361	2,344	428	2,592	121,725
Lot sales	—	—	—	12,400	12,400
Other	53,922	—	—	5,998	59,920
Total revenues	15,453,792	22,169	903,052	132,407	16,511,420
Expenditures:					
Current:					
General government	2,521,849	—	—	—	2,521,849
Public safety	5,772,067	—	—	180,863	5,952,930
Public works	2,064,098	—	—	—	2,064,098
Culture and recreation	1,670,474	—	—	—	1,670,474
Nondepartmental	54,486	—	—	—	54,486
Debt service:					
Principal	290,000	—	—	59,659	349,659
Interest	136,544	—	—	319	136,863
Capital outlay	—	225,868	1,036,117	87,809	1,349,794
Total expenditures	12,509,518	225,868	1,036,117	328,650	14,100,153
Excess of revenues over (under) expenditures	2,944,274	(203,699)	(133,065)	(196,243)	2,411,267
Other financing sources (uses):					
Proceeds from the sale of assets	4,279	—	—	—	4,279
Transfers in	332,503	—	—	396,344	728,847
Transfers out	(1,072,116)	—	—	(600,968)	(1,673,084)
Net other financing sources (uses)	(735,334)	—	—	(204,624)	(939,958)
Net change in fund balances	2,208,940	(203,699)	(133,065)	(400,867)	1,471,309
Beginning fund balances, as restated (note 1(h))	6,478,214	1,411,725	190,263	1,684,649	9,764,851
Ending fund balances	\$ 8,687,154	1,208,026	57,198	1,283,782	11,236,160

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2011

Net change in fund balance – total governmental funds		\$ 1,471,309
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures		
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	\$ 490,812	
Contribution of roads by developer	1,705,661	
Depreciation expense	<u>(1,841,904)</u>	354,569
Revenues and transfers in the statement of activities that do not provide current financial resources and are deferred in the funds:		
Special assessments		(11,191)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal repayments on general obligation debt, special assessment bonds and capital leases		349,583
Some expenses and transfers 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:		
Compensated absences	16,733	
Accrued interest	22,678	
Amortization of deferred amounts	1,247	
Transfer of special assessments receivable from debt service funds to proprietary funds	<u>(78,919)</u>	<u>(38,261)</u>
Change in net assets of governmental activities		<u>\$ 2,126,009</u>

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Enterprise Funds

Balance Sheet

June 30, 2011

Assets	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Current assets:	\$				
Cash and investments	1,499,975	1,508,363	—	1,243,486	4,251,824
Receivables:					
Accounts	160,183	120,529	913	25,803	307,428
Allowance for doubtful accounts	(25,149)	(19,018)	—	—	(44,167)
Grants	137,950	2,716	735,463	—	876,129
Special assessments	49,778	12,388	—	—	62,166
Prepaid expenses	3,656	3,656	1,157	1,157	9,626
Inventories	57,643	102,003	—	—	159,646
Total current assets	1,884,036	1,730,637	737,533	1,270,446	5,622,652
Noncurrent assets:					
Capital assets, net	22,325,919	13,230,606	12,571,611	16,499,489	64,627,625
Deferred charges	10,738	—	—	—	10,738
Total noncurrent assets	22,336,657	13,230,606	12,571,611	16,499,489	64,638,363
Total assets	\$ 24,220,693	14,961,243	13,309,144	17,769,935	70,261,015
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 21,085	16,153	281,768	6,636	325,642
Accrued payroll and employee benefits	11,498	20,540	1,118	21,587	54,743
Accrued annual and sick leave	20,470	56,410	9,026	16,825	102,731
Customer deposits	44,769	5,898	—	250	50,917
Accrued interest	16,088	2,005	—	—	18,093
Unearned revenue	15,765	—	10,396	250	26,411
Due to other funds	—	—	298,949	—	298,949
Current portion of bond and loans	270,719	17,247	—	—	287,966
Total current liabilities	400,394	118,253	601,257	45,548	1,165,452
Long-term debt, net of current portion	2,480,345	191,916	—	—	2,672,261
Total liabilities	2,880,739	310,169	601,257	45,548	3,837,713
Net assets:					
Invested in capital assets, net of related debt	19,574,855	13,021,443	12,571,611	16,499,489	61,667,398
Unrestricted	1,765,099	1,629,631	136,276	1,224,898	4,755,904
Total net assets	21,339,954	14,651,074	12,707,887	17,724,387	66,423,302
Total liabilities and net assets	\$ 24,220,693	14,961,243	13,309,144	17,769,935	70,261,015

See accompanying notes to basic financial statements.

CITY OF WASILLA, ALASKA
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
Year ended June 30, 2011

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Municipal Airport</u>	<u>Curtis D. Menard Memorial Sports Center</u>	<u>Total Enterprise Funds</u>
Operating revenues – charges for services	\$ 1,312,070	1,159,179	64,082	544,627	3,079,958
Operating expenses:					
Salaries and benefits	401,591	614,647	41,562	618,674	1,676,474
Other operating expenses	324,929	243,947	328,320	422,578	1,319,774
Depreciation	580,210	392,962	676,668	346,380	1,996,220
Total operating expenses	<u>1,306,730</u>	<u>1,251,556</u>	<u>1,046,550</u>	<u>1,387,632</u>	<u>4,992,468</u>
Operating income (loss)	<u>5,340</u>	<u>(92,377)</u>	<u>(982,468)</u>	<u>(843,005)</u>	<u>(1,912,510)</u>
Nonoperating revenues (expenses):					
Payments in lieu of assessments	44,148	31,930	—	—	76,078
Interest	(40,673)	(3,231)	—	(103,739)	(147,643)
Investment income (loss)	2,269	2,317	(560)	(1,190)	2,836
Other income	4,397	3,128	130	—	7,655
State PERS relief	19,946	29,061	2,066	23,089	74,162
Airport master plan grants	—	—	246,431	—	246,431
Net nonoperating revenues (expenses)	<u>30,087</u>	<u>63,205</u>	<u>248,067</u>	<u>(81,840)</u>	<u>259,519</u>
Income (loss) before transfers and capital contributions	35,427	(29,172)	(734,401)	(924,845)	(1,652,991)
Transfers in	96,241	130,380	80,000	678,616	985,237
Transfers out	(14,500)	(16,500)	(500)	(9,500)	(41,000)
Capital contributions	163,145	12,045	1,695,629	25,913	1,896,732
Change in net assets	<u>280,313</u>	<u>96,753</u>	<u>1,040,728</u>	<u>(229,816)</u>	<u>1,187,978</u>
Beginning net assets	<u>21,059,641</u>	<u>14,554,321</u>	<u>11,667,159</u>	<u>17,954,203</u>	<u>65,235,324</u>
Ending net assets	<u>\$ 21,339,954</u>	<u>14,651,074</u>	<u>12,707,887</u>	<u>17,724,387</u>	<u>66,423,302</u>

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Enterprise Funds

Statement of Cash Flows

Year ended June 30, 2011

	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Cash flows from operating activities:					
Cash received from customers and users	\$ 1,300,764	1,160,721	67,507	535,760	3,064,752
Cash payments to suppliers for goods and services	(295,892)	(236,147)	(328,320)	(371,068)	(1,231,427)
Cash payments to employees for services	(399,910)	(589,170)	(39,066)	(603,279)	(1,631,425)
Net cash provided by (used for) operating activities	<u>604,962</u>	<u>335,404</u>	<u>(299,879)</u>	<u>(438,587)</u>	<u>201,900</u>
Cash flows from noncapital financing activities:					
Transfers in from other funds	96,241	130,380	80,000	678,616	985,237
Transfers out to other funds	(14,500)	(16,500)	(500)	(9,500)	(41,000)
Airport master plan grants received	—	—	246,431	—	246,431
Net cash provided by (used for) noncapital financing activities	<u>81,741</u>	<u>113,880</u>	<u>325,931</u>	<u>669,116</u>	<u>1,190,668</u>
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(241,269)	(17,247)	—	(1,985,000)	(2,243,516)
Interest paid on long-term debt	(43,369)	(3,396)	—	(143,920)	(190,685)
Special assessments received	—	3,877	—	—	3,877
Payments in lieu of assessments received	44,148	31,930	—	—	76,078
Interest and penalties on assessments	4,397	—	—	—	4,397
Acquisition and construction of capital assets	(211,701)	(27,495)	(1,518,924)	(29,990)	(1,788,110)
Capital contributions received	449,973	—	1,532,587	25,913	2,008,473
Sales tax revenue received	—	—	—	249,154	249,154
Increase in due to other funds	—	—	(39,155)	—	(39,155)
Interest paid on internal borrowing	—	—	(560)	—	(560)
Net cash provided by (used for) capital and related financing activities	<u>2,179</u>	<u>(12,331)</u>	<u>(26,052)</u>	<u>(1,883,843)</u>	<u>(1,920,047)</u>
Cash flows from investing activities – investment income received	<u>2,269</u>	<u>2,317</u>	<u>—</u>	<u>1,491</u>	<u>6,077</u>
Net increase (decrease) in cash and cash equivalents	691,151	439,270	—	(1,651,823)	(521,402)
Beginning cash and cash equivalents	808,824	1,069,093	—	2,895,309	4,773,226
Ending cash and cash equivalents	\$ <u>1,499,975</u>	<u>1,508,363</u>	<u>—</u>	<u>1,243,486</u>	<u>4,251,824</u>

CITY OF WASILLA, ALASKA

Enterprise Funds

Statement of Cash Flows

Year ended June 30, 2011

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Municipal Airport</u>	<u>Curtis D. Menard Memorial Sports Center</u>	<u>Total Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 5,340	(92,377)	(982,468)	(843,005)	(1,912,510)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:					
Depreciation	580,210	392,962	676,668	346,380	1,996,220
State of Alaska on-behalf payments – PERS relief	19,946	29,061	2,066	23,089	74,162
Changes in operating assets and liabilities that provided (used) cash:					
Accounts receivable and related allowance	(4,219)	2,604	(427)	(7,967)	(10,009)
Inventory	22,757	(3,275)	—	—	19,482
Prepaid expense	—	—	—	54,395	54,395
Accounts payable	—	7,098	—	(2,885)	4,213
Accrued payroll and employee benefits	(11,966)	(9,581)	(722)	(6,550)	(28,819)
Accrued annual and sick leave	(6,299)	5,997	1,152	(1,144)	(294)
Customer deposits	(3,014)	2,915	—	(500)	(599)
Unearned revenue	2,207	—	3,852	(400)	5,659
Net cash provided by (used in) operating activities	\$ <u>604,962</u>	<u>335,404</u>	<u>(299,879)</u>	<u>(438,587)</u>	<u>201,900</u>
Noncash capital and financing activities:					
Contribution of special assessments receivable by governmental funds	\$ 65,510	13,408	—	—	78,918
Acquisition and construction of capital assets through accounts payable	—	—	127,722	—	127,722
State of Alaska on-behalf payments – PERS relief	19,946	29,061	2,066	23,089	74,162

See accompanying notes to financial statements.

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

(1) Summary of Significant Accounting Policies

(a) 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.

(b) Reporting Entity

As defined by U.S. generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit’s board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

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

(c) Basis of Presentation

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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business–type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* 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.

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

The City reports the following major governmental funds:

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

The *Miscellaneous Capital Project Fund* accounts for various capital project activities of the City.

The *Road Capital Project Fund* accounts for improvements to City roads.

The City reports the following major proprietary funds:

The *Water Utility Enterprise Fund* is used to account for the operations of the City water system.

The *Sewer Utility Enterprise Fund* is used to account for the operations of the wastewater utility.

The *Municipal Airport Enterprise Fund* is used to account for the operations of Wasilla Municipal Airport.

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

(d) Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

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.

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.

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

(e) Budgets

The annual City operating budget is prepared by management in the spring preceding the fiscal year, to which it relates. All funds are budgeted on an annual basis encompassing a fiscal year, with the exception of the Cemetery Permanent Fund, for which no budget is prepared. The Capital Project Funds have project-length budgets. The budget is submitted to the City Council for review and approval. Legal enactment of the budget is obtained through passage of a City ordinance. Amendments to the budget can occur any time during the fiscal year through City Council action. The legal level of budgetary control for all funds is at the function or activity level. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered, except for capital projects.

Annual budgets for the General, Special Revenue and Debt Service Funds are legally adopted on the same modified accrual basis used to reflect actual revenues and expenditures.

Annual budgets are also adopted for the Enterprise Funds. However, 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.

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

(f) *Assets and Liabilities*

Deposits and Investments

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

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

For purposes of the statement of cash flows, the proprietary funds consider cash and investments and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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

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 (0.25%) 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 (0.25%) 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
 - The Alaska Municipal League Investment Pool. Inc. (AMLIP).

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

Receivables and Payables

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

Trade receivables for the Water and Sewer funds are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of 90 days outstanding are determined to be uncollectible and are included in the allowance for uncollectibles.

Inventories and Prepaid Items

Inventories in the enterprise funds consist of supplies and materials. All inventories are valued at cost using the first-in/first-out (FIFO) method.

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

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.

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. No interest was capitalized in 2011.

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

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences reported in the government-wide and

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 unearned revenue.

Bond Premiums, Discounts, Issuance Cost, and Deferred Loss on Refunding

In the government-wide 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 balance sheets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

(g) **Equity**

Fund Balance Components

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable

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

Restricted

Reflects the same definition as restricted net assets: constraints placed on the use of amounts are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds, and debt service funds.

Committed

Includes amounts that are committed for specific purposes by formal action of the city council. Amounts classified as committed are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the council removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Included in committed are amounts related to stabilization of funds that are formally set aside by City ordinance for use in capital projects, emergency situations or other designated purposes, as determined through formal council action. The excess stabilization of funds amount is determined based on the amount in the general fund balance in excess of the maximum unassigned fund balance for the succeeding fiscal year, as defined.

Assigned

Amounts that are intended by the City to be used for specific purposes, but are neither restricted nor limited, is reported as assigned fund balance. Intent is expressed by the city council itself or a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes in accordance with policy established by the city council. This would include any activity reported in a fund other than the general fund that is not otherwise restricted more narrowly by the above definitions.

Unassigned

Includes any remaining amounts after applying the above definitions. Planned spending in the subsequent year's budget would be included here and can no longer be described as "designated" unless formally committed or assigned.

Spending Policy

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

(h) Net Assets

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

Invested in Capital Assets, Net of Related Debt

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

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

Restricted

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

Unrestricted

This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

(i) Revenues, Expenditures, and Expenses

Property Taxes

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

Grants and Other Intergovernmental Revenues

Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

(j) Recently Adopted Accounting Standards

On July 1, 2010, the City adopted the provisions of GASB 54. The fund balance amounts for governmental funds have been reclassified in accordance with GASB 54. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, or unassigned. GASB 54 also provides definitions of the five governmental fund types. Accordingly, the City reviewed its governmental fund types for conformity with GASB 54 and restated its fund balance amounts as of June 30, 2010 as follows:

	General Fund	Miscellaneous Capital Projects	Road	Other Governmental Funds	Total Governmental Funds
Fund balance, June 30, 2010, as previously presented	\$ 6,286,652	1,411,725	190,263	1,876,211	9,764,851
Adjustments					
Library fund	191,479	—	—	(191,479)	—
Capital Reserve fund	83	—	—	(83)	—
Fund balance, June 30, 2010, as restated	\$ <u>6,478,214</u>	<u>1,411,725</u>	<u>190,263</u>	<u>1,684,649</u>	<u>9,764,851</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

(2) Deposits and Investments

(a) Investments

As of June 30, 2011, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Money market funds	\$ 82,393	82,393	—
U.S. Treasuries	4,144,077	—	4,144,077
U.S. government agencies	3,934,708	—	3,934,708
Corporate bonds	1,298,771	359,822	938,949
Alaska Municipal League Investment Pool, Inc. (AMLIP)	141,779	141,779	—
Total subject to interest rate risk	<u>9,601,728</u>	<u>583,994</u>	<u>9,017,734</u>

(b) 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.

(c) Credit Risk

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

At June 30, 2011, the City corporate bonds were rated as follows:

<u>Investment</u>	<u>Standard & Poor</u>	<u>Moody's Investor Service</u>
Corporate bonds	AAA to AA-	Aaa to A1

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

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

The manager is required to produce monthly disclosure statements on the pool. The pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the pool is voluntary. The pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the pool are reviewed for fair value by an independent pricing service. As of June 30, 2011, the fair value of the investments in the pool approximates amortized cost and is equal to the value of pool shares.

(d) Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer.

(e) Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposit policy for custodial credit risk is to collateralize its primary demand deposit account for 102% of the uninsured balance. As of June 30, 2011, the City’s bank account balances were not exposed to custodial credit risk as they were either insured or collateralized.

(f) Custodial Credit Risk – Investments

For an investment, this is a risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no debt securities exposed to custodial credit risk at June 30, 2011.

(g) Reconciliation to the Statement of Net Assets

Deposits and investments are reported as follows on the statement of net assets, as of June 30, 2011:

Cash and investments	\$ <u>14,301,493</u>
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Deposits and investments are comprised as follows, as of June 30, 2011:

Carrying value of bank deposits	\$ 4,696,395
Petty cash accounts	3,370
Investments	<u>9,601,728</u>
	<u>\$ 14,301,493</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

(3) Capital Assets

Capital asset activity for the year ended June 30, 2011 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,992,250	1,026,342	—	6,018,592
Construction in progress	239,828	490,813	(320,729)	409,912
Total assets not being depreciated	<u>5,232,078</u>	<u>1,517,155</u>	<u>(320,729)</u>	<u>6,428,504</u>
Capital assets being depreciated:				
Buildings	8,073,197	11,375	—	8,084,572
Office furniture and equipment	3,881,768	—	—	3,881,768
Vehicles and equipment	3,484,858	166,069	(75,533)	3,575,394
Infrastructure	23,890,349	822,603	—	24,712,952
Total assets being depreciated	<u>39,330,172</u>	<u>1,000,047</u>	<u>(75,533)</u>	<u>40,254,686</u>
Less accumulated depreciation for:				
Buildings	1,735,920	196,867	—	1,932,787
Office furniture and equipment	2,122,397	397,000	—	2,519,397
Vehicles and equipment	1,665,346	335,805	(75,533)	1,925,618
Infrastructure	9,449,338	912,232	—	10,361,570
Total accumulated depreciation	<u>14,973,001</u>	<u>1,841,904</u>	<u>(75,533)</u>	<u>16,739,372</u>
Total capital assets being depreciated, net	<u>24,357,171</u>	<u>(841,857)</u>	<u>—</u>	<u>23,515,314</u>
Governmental activity capital assets, net	<u>\$ 29,589,249</u>	<u>675,298</u>	<u>(320,729)</u>	<u>29,943,818</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

Business-type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 4,048,970	—	—	4,048,970
Construction in progress	22,395	1,915,832	(304,385)	1,633,842
Total assets not being depreciated	<u>4,071,365</u>	<u>1,915,832</u>	<u>(304,385)</u>	<u>5,682,812</u>
Capital assets being depreciated:				
Land improvements	14,344,889	—	—	14,344,889
Buildings	17,652,478	—	—	17,652,478
Treatment system	8,080,804	—	—	8,080,804
Collection/distribution system	29,756,925	17,325	—	29,774,250
Water tank and fence	6,847,577	—	—	6,847,577
Wells/well house	368,659	—	—	368,659
Vehicles and equipment	6,220,353	287,058	—	6,507,411
Total assets being depreciated	<u>83,271,685</u>	<u>304,383</u>	<u>—</u>	<u>83,576,068</u>
Less accumulated depreciation for:				
Land improvements	5,066,390	653,353	—	5,719,743
Buildings	1,848,799	340,333	—	2,189,132
Treatment system	2,638,318	161,930	—	2,800,248
Collection/distribution system	7,045,198	577,600	—	7,622,798
Water tank and fence	1,598,747	137,298	—	1,736,045
Wells/well house	202,677	6,311	—	208,988
Vehicles and equipment	4,234,906	119,395	—	4,354,301
Total accumulated depreciation	<u>22,635,035</u>	<u>1,996,220</u>	<u>—</u>	<u>24,631,255</u>
Total capital assets being depreciated, net	<u>60,636,650</u>	<u>(1,691,837)</u>	<u>—</u>	<u>58,944,813</u>
Business-type activity capital assets, net	<u>\$ 64,708,015</u>	<u>223,995</u>	<u>(304,385)</u>	<u>64,627,625</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

Depreciation expense was charged to the functions as follows:

Governmental activities:	
General government	\$ 119,065
Public safety	610,847
Public works	1,048,169
Culture and recreation	<u>63,823</u>
Total depreciation expense – governmental activities	\$ <u><u>1,841,904</u></u>
Business-type activities:	
Water utility	\$ 580,210
Sewer utility	392,962
Municipal airport	676,668
Curtis D. Menard Memorial Sports Center	<u>346,380</u>
Total depreciation expense – business-type activities	\$ <u><u>1,996,220</u></u>

(4) Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at June 30, 2011 consisted of short-term operating advances, all of which are expected to be paid within one year. At June 30, 2011 the General Fund had a receivable from the Municipal Airport Enterprise Fund of \$289,949.

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

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, 2011 were as follows:

Transfers Out	Transfers In						Total
	Governmental Funds		Enterprise Funds				
	General	Nonmajor Governmental	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	
General Fund	\$ —	313,500	—	—	80,000	678,616	1,072,116
Nonmajor governmental funds	332,503	41,844	96,241	130,380	—	—	600,968
Sewer Utility Fund	—	16,500	—	—	—	—	16,500
Water Utility Fund	—	14,500	—	—	—	—	14,500
Municipal airport	—	500	—	—	—	—	500
Curtis D. Menard Memorial Sports Center Fund	—	9,500	—	—	—	—	9,500
Total transfers	\$ 332,503	396,344	96,241	130,380	80,000	678,616	1,714,084

Significant transfers were as follows:

- General Fund transferred \$229,000 to Capital Projects Funds for the replacements of vehicles;
- General Fund transferred \$678,616 to the Sports Center to subsidize operations.

(5) Long-Term Obligations

(a) General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 10-year serial bonds with amounts of principal maturing in varying increments. General obligation bonds currently outstanding are as follows:

\$3,380,000 1998 Series A for street paving and other road improvements, due in annual installments of \$295,000 to \$375,000 through December 1, 2018, plus interest rates from 3.875% to 5.5%	<u>Bond Principal</u>
	\$ <u><u>2,805,000</u></u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending:			
2012	\$ 295,000	124,844	419,844
2013	310,000	112,744	422,744
2014	320,000	97,744	417,744
2015	340,000	82,263	422,263
2016	355,000	65,819	420,819
2017 – 2019	<u>1,185,000</u>	<u>84,509</u>	<u>1,269,509</u>
	<u>\$ 2,805,000</u>	<u>567,923</u>	<u>3,372,923</u>

(b) Capital Leases

The City has a telephone system lease with a net book value of \$83,336 (\$92,596, less accumulated amortization of \$9,260). The City accounts for this lease as a capital lease in its governmental-type funds. Total amortization expense for the lease was \$9,260 during the year ended June 30, 2011.

Following is a schedule of future lease payments under the leases together with the present value of lease payments as of June 30, 2011:

Fiscal year ending June 30:		
2012		\$ 30,197
2013		<u>10,504</u>
Total lease payments		40,701
Less amount representing interest		<u>—</u>
Present value of required lease payments		<u>\$ 40,701</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

(c) **ADEC Loans**

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

	<u>Loan principal</u>
\$177,100 Water loan payable, due in annual installments of \$8,754 through August 31, 2018, plus interest at 1.5%	\$ 70,036
\$745,939 Water loan payable, due in annual installments of \$37,294 through November 15, 2022, plus interest at 1.5%	447,525
\$301,066 Sewer loan payable, due in annual installments of \$15,053 through November 15, 2022, plus interest at 1.5%	180,640
\$39,049 Water loan payable, due in annual installments of \$1,952 through September 30, 2023, plus interest at 1.5%	25,384
\$44,353 Sewer loan payable, due in annual installments of \$2,194 through September 30, 2023, plus interest at 1.5%	28,523
\$3,309,000 Water loan payable, due in annual installments of \$165,450 through March 4, 2024; plus interest at 1.5%	2,150,850
\$57,269 Water loan payable, due in annual installments of \$11,454 through July 22, 2015, plus interest at 1.0% and was retired early in July 2011	<u>57,269</u>
	<u>\$ 2,960,227</u>

Annual debt service requirements to maturity for the ADEC loans are as follows:

	Loan Principal	Interest	Total
Fiscal year ending:			
2012	\$ 287,966	43,905	331,871
2013	230,697	40,084	270,781
2014	230,697	36,623	267,320
2015	230,697	33,163	263,860
2016	230,697	29,703	260,400
2017 – 2021	1,135,981	96,737	1,232,718
2022 – 2024	<u>613,492</u>	<u>17,619</u>	<u>631,111</u>
	<u>\$ 2,960,227</u>	<u>297,834</u>	<u>3,258,061</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

(d) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 3,095,000	—	290,000	2,805,000	295,000
Special assessments	29,387	75	29,462	—	—
Plus (less) deferred amounts:					
Issuance premiums	118,197	—	13,133	105,064	13,133
Loss on refunding	(76,506)	—	(8,500)	(68,006)	(8,500)
Total bonds payable	3,166,078	75	324,095	2,842,058	299,633
Capital leases	70,898	—	30,197	40,701	30,197
Compensated absences	473,369	618,538	635,271	456,636	456,636
Total governmental activities	<u>\$ 3,710,345</u>	<u>618,613</u>	<u>989,563</u>	<u>3,339,395</u>	<u>786,466</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 1,985,000	—	1,985,000	—	—
Plus issuance premium	15,789	—	15,789	—	—
	2,000,789	—	2,000,789	—	—
ADEC loans	3,218,743	—	258,516	2,960,227	287,966
Compensated absences	103,025	80,985	81,279	102,731	102,731
Total business-type activities	<u>\$ 5,322,557</u>	<u>80,985</u>	<u>2,340,584</u>	<u>3,062,958</u>	<u>390,697</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

(e) Refunded Bond Issues

The City has issued various advance refunding bond issues for the purpose of redeeming certain general obligation bond issues as they become due or callable. The proceeds of the refunding bond issue have been placed in irrevocable escrow accounts and invested in U.S. government obligations that together with interest earned thereon, will provide amounts sufficient for future payment of all interest, principal, and call premiums. Since payments of these advance refunded bond issues have been provided through funding as described above, neither the liability nor the assets irrevocably

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

pledged are reflected in the basic financial statements. At June 30, 2011, the balances of the refunded general obligation bonds payable are as follows:

<u>Issue</u>	<u>2011</u>
1998 Series - Paving	\$ 3,120,000
2002 Series - Sports Center	2,180,000
	<u>\$ 5,300,000</u>

(f) Conduit Revenue Bonds

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, 2011 was \$1,460,637.

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, 2011 was \$6,322,316.

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.

(6) Retirement Commitments

(a) Alaska Public Employees Retirement System (PERS)

Plan Description

The City participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The plan was established and is administered by the State of Alaska Department of Administration 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

June 30, 2011

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 no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers. The cost-sharing plan requires a uniform employer contribution rate of 22% of active member wages, subject to a wage floor. 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 are 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 notes.

Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (2.50% for pension and 4.25% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (2.78% for pension and 4.72% 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 assets to pay both pension and postemployment healthcare benefits when due.

Under current legislation, the employer contribution rate is statutorily capped at 22%, however, the State of Alaska contributes any amount over 22% such that the total contribution equals the Alaska Retirement Management Board adopted rate, generally consistent with the actuarially determined rate.

The City's contribution rates for 2011 were determined as part of the June 30, 2008 actuarial valuation and are as follows:

	City's Contractual Rate	State of Alaska Rate	ARM Board Adopted Rate
Pension	7.64%	2.07%	9.71%
Postemployment healthcare	14.36	3.89	18.25%
Total contribution rate	<u>22.00%</u>	<u>5.96%</u>	<u>27.96%</u>

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

Annual Pension and Postemployment Healthcare Contributions

The City is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 5.65% of covered payroll to the Plan. In accordance with the provisions of GASB Statement No. 24, the City has recorded the State PERS on-behalf payment in the amount of \$522,839 as revenue and expenditures/expenses. However, because the City is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost below. The City’s contributions to PERS for the last three years equaled the required contributions each year and are as follows:

<u>Year Ended June 30</u>	<u>Annual Pension</u>	<u>Annual OPEB</u>	<u>Total</u>
2011	\$ 361,288	679,071	1,040,359
2010	454,929	771,596	1,226,525
2009	366,991	816,852	1,183,843

(b) 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 Tier IV</u>	<u>Police/Fire Tier IV</u>
Individual account	5.00%	5.00%
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	0.55	0.55
Occupational death and disability benefits	0.31	1.18
	<u>8.86%</u>	<u>9.73%</u>

* HRA – 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.

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

The City is also levied an amount to amortized the PERS defined benefit plan unfunded liability. This amount is based on the PERS defined contribution plan covered payroll at a rate of approximately 12.5%.

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 contributions for the year ended June 30, 2011 were as follows:

Defined contribution plan contributions:		
City	\$	153,682
Employees		129,991
Defined benefit unfunded liability:		
City		<u>203,256</u>
	\$	<u><u>486,929</u></u>

(c) *Deferred Compensation Plan*

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

(7) Risk Management

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

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

CITY OF WASILLA, ALASKA

Notes to Basic Financial Statements

June 30, 2011

APEI is a public entity risk pool organized to share risks among its members. APEI's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. APEI made no supplemental assessments during the year ended June 30, 2011. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

(8) Commitments and Contingencies

(a) Commitments

Encumbrances outstanding at year end, including purchase orders, contracts and other commitments for the expenditure of monies, are reported as committed or assigned fund balances in the governmental funds. Outstanding encumbrances at June 30, 2011 were as follows:

Governmental funds:		
General fund	\$	262,990
Miscellaneous capital projects		284,326
Other governmental funds		<u>656,926</u>
Total governmental funds		<u>1,204,242</u>
Proprietary funds:		
Water fund		2,562
Sewer fund		2,500
Airport fund		1,277,900
Curtis D. Menard Memorial Sports Center		<u>4,842</u>
Total proprietary funds		<u>1,287,804</u>
Total	\$	<u><u>2,492,046</u></u>

(b) Litigation

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

(c) Grants;

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WASILLA, ALASKA

General Fund

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

Year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
\$				
Taxes	11,457,000	11,457,000	11,790,391	333,391
Licenses and permits	34,600	34,600	34,088	(512)
Fines, forfeitures and penalties	200,000	224,000	204,043	(19,957)
Intergovernmental	1,158,395	1,352,963	1,675,163	322,200
Charges for services	1,531,046	1,531,046	1,579,824	48,778
Investment income	276,500	276,500	116,361	(160,139)
Other	32,150	38,950	53,922	14,972
Total revenues	<u>14,689,691</u>	<u>14,915,059</u>	<u>15,453,792</u>	<u>538,733</u>
Expenditures:				
Current:				
General government	2,992,641	3,040,066	2,521,849	518,217
Public safety	6,093,272	6,304,248	5,772,067	532,181
Public works	2,198,811	2,263,229	2,064,098	199,131
Culture and recreation	891,918	1,708,594	1,670,474	38,120
Nondepartmental	82,000	82,000	54,486	27,514
Debt service:				
Principal	—	290,000	290,000	—
Interest	—	136,544	136,544	—
Total expenditures	<u>12,258,642</u>	<u>13,824,681</u>	<u>12,509,518</u>	<u>1,315,163</u>
Excess of revenues over expenditures	2,431,049	1,090,378	2,944,274	1,853,896
Other financing sources (uses):				
Proceeds from sale of assets	15,000	15,000	4,279	(10,721)
Transfers in	650	332,592	332,503	(89)
Transfers out	(1,503,044)	(1,072,116)	(1,072,116)	—
Net other financing sources (uses), net	<u>(1,487,394)</u>	<u>(724,524)</u>	<u>(735,334)</u>	<u>(10,810)</u>
Net change in fund balance	<u>\$ 943,655</u>	<u>365,854</u>	<u>2,208,940</u>	<u>1,843,086</u>
Beginning fund balance			6,478,214	
Ending fund balance			<u>\$ 8,687,154</u>	

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

**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 Sheets
 June 30, 2011
 (with comparative amounts for 2010)

Assets	2011	2010 (unaudited)
Cash and investments	\$ 6,981,111	4,855,563
Receivables:		
Accounts	41,514	55,493
Sales taxes	1,077,776	998,206
Grants	52,249	105,324
Shared revenues	280,150	255,095
Special assessments	10,668	—
Total receivables	1,462,357	1,414,118
Prepaid items	78,953	74,596
Due from other funds	298,949	350,167
Restricted cash and investments	411,870	411,516
Total assets	\$ 9,233,240	7,105,960
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 160,243	96,860
Accrued payroll and employee benefits	323,440	460,893
Customer deposits	15,616	—
Deferred revenue	46,787	69,993
Total liabilities	546,086	627,746
Fund balance:		
Nonspendable:		
Prepaid items	78,953	74,596
Committed to:		
Economic stabilization	1,001,579	—
Assigned to:		
Land bank	50,000	—
Encumbrances	262,990	129,694
Unassigned	7,293,632	6,273,924
Total fund balance	8,687,154	6,478,214
Total liabilities and fund balance	\$ 9,233,240	7,105,960

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011	2010 (unaudited)
	<hr/>	<hr/>
Revenues:		
Taxes	\$ 11,790,391	11,293,649
Licenses and permits	34,088	33,420
Fines, forfeitures and penalties	204,043	251,384
Intergovernmental	1,675,163	1,974,126
Charges for services	1,579,824	1,453,613
Investment income	116,361	230,581
Other	53,922	71,883
	<hr/>	<hr/>
Total revenues	15,453,792	15,308,656
	<hr/>	<hr/>
Expenditures:		
General government:		
City clerk	385,415	361,986
City council	126,192	132,411
Administration	269,708	250,809
General administration services	615,690	344,300
Finance	893,830	844,408
Community and economic development	—	356,878
Management information systems	231,014	231,259
	<hr/>	<hr/>
Total general government	2,521,849	2,522,051
	<hr/>	<hr/>
Public safety:		
Police	658,534	565,839
Multitask drug enforcement	140,759	152,733
Child abuse investigation	—	880
General investigation	266,497	274,462
Police patrol	2,429,270	2,284,273
Patrol – motorcycle grant	34,651	116,503
COPS – school resource officer grant	121,815	125,382
Dispatch center	1,978,610	1,959,750
Animal control	—	8,192
Code compliance	141,931	117,631
	<hr/>	<hr/>
Total public safety	5,772,067	5,605,645
	<hr/>	<hr/>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011	2010 (unaudited)
	<hr/>	<hr/>
Public works:		
Administration	\$ 438,828	422,034
Road maintenance	946,549	1,074,833
Property maintenance	678,721	667,020
	<hr/>	<hr/>
Total public works	2,064,098	2,163,887
	<hr/>	<hr/>
Culture and recreation:		
Museum	175,125	179,186
Parks maintenance	530,041	466,268
Library	908,564	893,827
Recreation services	56,744	142,667
	<hr/>	<hr/>
Total culture and recreation	1,670,474	1,681,948
	<hr/>	<hr/>
Debt service:		
Principal	290,000	—
Interest	136,544	—
	<hr/>	<hr/>
Total debt service	426,544	—
	<hr/>	<hr/>
Nondepartmental	54,486	102,000
	<hr/>	<hr/>
Total expenditures	12,509,518	12,075,531
	<hr/>	<hr/>
Excess of revenues over expenditures	2,944,274	3,233,125
	<hr/>	<hr/>
Other financing sources (uses):		
Proceeds from the sale of assets	4,279	8,035
Transfers in	332,503	1,900
Transfers out	(1,072,116)	(3,898,964)
	<hr/>	<hr/>
Net other financing uses	(735,334)	(3,889,029)
	<hr/>	<hr/>
Net change in fund balance	2,208,940	(655,904)
	<hr/>	<hr/>
Beginning fund balance	6,478,214	7,134,120
	<hr/>	<hr/>
Ending fund balance	\$ 8,687,154	6,478,216
	<hr/> <hr/>	<hr/> <hr/>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

General Fund

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

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited) Actual
Revenues:				
Taxes:				
Sales taxes, including penalty and interest	\$ 11,348,330	11,681,721	333,391	11,185,917
Property and vehicle taxes	108,670	108,670	—	107,732
Total taxes	11,457,000	11,790,391	333,391	11,293,649
Licenses and permits:				
City business licenses	25,000	23,128	(1,872)	23,050
Land use permits	8,000	9,350	1,350	8,675
Other licenses and permits	1,600	1,610	10	1,695
Total licenses and permits	34,600	34,088	(512)	33,420
Fines, forfeitures and penalties	224,000	204,043	(19,957)	251,384
Intergovernmental:				
Electric and telephone co-op tax	265,000	229,968	(35,032)	245,411
Public safety grants	441,760	354,337	(87,423)	503,688
Library grants	86,424	86,511	87	177,537
Alcoholic beverage tax	20,000	25,850	5,850	27,200
Aviation fuel tax revenue sharing	1,100	1,508	408	1,884
Matanuska-Susitna Borough – School resource officer	75,329	73,559	(1,770)	71,945
Fisheries tax	100	25	(75)	—
State revenue-sharing	463,250	459,348	(3,902)	677,730
State PERS relief	—	442,057	442,057	268,731
Urban forestry grant	—	2,000	2,000	—
Total intergovernmental	1,352,963	1,675,163	322,200	1,974,126
Charges for services				
Police dispatch services	1,359,946	1,359,864	(82)	1,333,670
Building rentals	171,100	191,256	20,156	90,901
Other charges for services	23,500	28,704	5,204	29,042
Total charges for services	1,554,546	1,579,824	25,278	1,453,613
Investment income	276,500	116,361	(160,139)	230,581
Other:				
Administration fee revenue	200	220	20	164
Special assessments	—	14,747	14,747	—
Donations	7,500	29,931	22,431	1,125
Miscellaneous	7,750	9,024	1,274	70,594
Total other	15,450	53,922	38,472	71,883
Total revenues	14,915,059	15,453,792	538,733	15,308,656

CITY OF WASILLA, ALASKA

General Fund

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

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited) Actual
Expenditures:				
General government:				
City clerk:				
Salaries	\$ 186,106	172,574	13,532	166,107
Employee benefits	85,032	92,847	(7,815)	83,579
Professional and technical services	101,450	72,496	28,954	66,958
Property services	5,091	3,621	1,470	3,799
Other purchased services	51,264	39,181	12,083	39,010
Supplies	9,975	4,696	5,279	2,533
Total city clerk	438,918	385,415	53,503	361,986
City council:				
Salaries	35,146	27,660	7,486	36,017
Employee benefits	4,952	5,075	(123)	4,929
Professional and technical services	105,706	61,051	44,655	69,008
Property services	6,000	2,410	3,590	2,976
Other purchased services	40,924	29,962	10,962	19,050
Supplies	1,000	34	966	431
Total city Council	193,728	126,192	67,536	132,411
Administration:				
Salaries	155,388	149,294	6,094	139,348
Employee benefits	87,033	94,679	(7,646)	83,986
Professional and technical services	28,519	10,263	18,256	15,193
Property services	1,401	1,401	—	1,558
Other purchased services	18,300	10,965	7,335	8,017
Supplies	4,300	3,106	1,194	2,707
Total administration	294,941	269,708	25,233	250,809
General administration services:				
Salaries	390,795	331,559	59,236	125,265
Employee benefits	189,880	158,096	31,784	76,699
Professional and technical services	142,360	81,549	60,811	97,287
Property services	8,770	4,681	4,089	3,836
Other purchased services	67,644	22,237	45,407	30,150
Supplies	19,700	17,568	2,132	11,063
Total general administration services	819,149	615,690	203,459	344,300
Finance:				
Salaries	571,410	516,258	55,152	478,979
Employee benefits	343,692	335,605	8,087	298,480
Professional and technical services	11,450	1,434	10,016	10,742
Property services	15,200	6,532	8,668	5,371
Other purchased services	48,065	30,237	17,828	43,637
Supplies	9,550	3,764	5,786	7,199
Total finance	999,367	893,830	105,537	844,408

CITY OF WASILLA, ALASKA

General Fund

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

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011		Variance Positive (Negative)	2010 (unaudited)
	Budget	Actual		Actual
Community and economic development:				
Salaries	\$ —	—	—	212,614
Employee benefits	—	—	—	98,526
Professional and technical services	—	—	—	35,288
Property services	—	—	—	10
Other purchased services	—	—	—	9,918
Supplies	—	—	—	522
Total community and economic development	—	—	—	356,878
Management information systems:				
Salaries	55,082	53,443	1,639	32,921
Employee benefits	24,635	28,074	(3,439)	16,623
Professional and technical services	87,668	58,188	29,480	92,545
Property services	79,886	51,247	28,639	72,784
Other purchased services	27,192	24,847	2,345	11,137
Supplies	19,500	15,215	4,285	5,249
Total management information systems	293,963	231,014	62,949	231,259
Total general government	3,040,066	2,521,849	518,217	2,522,051
Public safety:				
Police:				
Salaries	334,380	316,245	18,135	244,096
Employee benefits	168,013	169,132	(1,119)	99,219
Professional and technical services	55,977	39,349	16,628	41,983
Property services	31,706	30,236	1,470	34,332
Other purchased services	51,624	42,959	8,665	137,739
Supplies	70,462	60,613	9,849	8,470
Capital purchases	32,223	—	32,223	—
Total police	712,162	658,534	53,628	565,839
Multitask drug enforcement:				
Salaries	86,463	82,112	4,351	78,494
Employee benefits	43,861	44,390	(529)	40,286
Professional and technical services	—	—	—	231
Other purchased services	4,540	4,145	395	880
Supplies	8,771	10,112	(1,341)	33,722
Total multitask drug enforcement	143,635	140,759	2,876	153,613
General investigation:				
Salaries	174,809	151,874	22,935	160,169
Employee benefits	102,401	103,234	(833)	98,143
Professional and technical services	4,200	505	3,695	517
Property services	1,750	1,523	227	861
Other purchased services	6,730	4,311	2,419	8,830
Supplies	5,460	5,050	410	5,942
Total general investigation	295,350	266,497	28,853	274,462

CITY OF WASILLA, ALASKA

General Fund

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

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited) Actual
Police patrol:				
Salaries	\$ 1,465,185	1,344,949	120,236	1,271,800
Employee benefits	762,685	776,805	(14,120)	716,123
Professional and technical services	20,000	20,668	(668)	16,372
Property services	38,000	34,900	3,100	29,940
Other purchased services	93,821	63,386	30,435	66,822
Supplies	313,344	188,562	124,782	183,216
Capital purchases	35,233	—	35,233	—
Total police patrol	2,728,268	2,429,270	298,998	2,284,273
Bureau of highway patrol grant:				
Salaries	23,380	23,379	1	79,800
Employee benefits	10,995	10,992	3	36,703
Supplies	280	280	—	—
Total bureau of highway patrol grant	34,655	34,651	4	116,503
School resource officer grant:				
Salaries	84,051	73,127	10,924	76,535
Employee benefits	42,649	41,002	1,647	39,025
Property services	250	10	240	7,599
Other purchased services	10,578	5,619	4,959	2,091
Supplies	2,000	2,057	(57)	132
Total school resource officer grant	139,528	121,815	17,713	125,382
Dispatch center:				
Salaries	1,230,407	1,112,837	117,570	1,116,644
Employee benefits	721,427	740,593	(19,166)	700,368
Professional and technical services	2,750	856	1,894	—
Property services	88,362	78,463	9,899	100,336
Other purchased services	43,709	36,622	7,087	22,466
Supplies	24,280	9,239	15,041	19,936
Total dispatch center	2,110,935	1,978,610	132,325	1,959,750
Animal control – other purchased services	—	—	—	8,192
Code compliance:				
Salaries	86,437	85,126	1,311	77,517
Employee benefits	29,270	34,220	(4,950)	31,018
Property services	1,500	1,276	224	625
Other purchased services	14,793	14,679	114	2,184
Supplies	7,715	6,630	1,085	6,287
Total code compliance	139,715	141,931	(2,216)	117,631
Total public safety	6,304,248	5,772,067	532,181	5,605,645
Public works:				
Administration:				
Salaries	247,263	247,049	214	231,744
Employee benefits	142,255	156,473	(14,218)	143,143
Professional and technical services	7,939	2,378	5,561	7,290
Property services	20,086	15,800	4,286	16,944
Other purchased services	22,255	9,331	12,924	15,762
Supplies	10,241	1,897	8,344	7,151
Capital purchases	5,900	5,900	—	—
Total administration	455,939	438,828	17,111	422,034

CITY OF WASILLA, ALASKA

General Fund

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

Year ended June 30, 2011
(with comparative amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited) Actual
Road maintenance:				
Salaries	\$ 290,202	272,880	17,322	306,766
Employee benefits	185,543	190,041	(4,498)	187,031
Property services	105,589	72,972	32,617	116,970
Other purchased services	182,798	176,337	6,461	217,866
Supplies	272,292	220,166	52,126	240,473
Capital purchases	20,500	14,153	6,347	5,727
Total road maintenance	<u>1,056,924</u>	<u>946,549</u>	<u>110,375</u>	<u>1,074,833</u>
Property maintenance:				
Salaries	181,994	164,661	17,333	156,933
Employee benefits	124,923	121,382	3,541	112,297
Professional and technical services	960	136	824	—
Property services	177,434	159,424	18,010	150,104
Other purchased services	79,490	62,087	17,403	66,911
Supplies	161,977	147,443	14,534	180,775
Other expenditures	23,588	23,588	—	—
Total property maintenance	<u>750,366</u>	<u>678,721</u>	<u>71,645</u>	<u>667,020</u>
Total public works	<u>2,263,229</u>	<u>2,064,098</u>	<u>199,131</u>	<u>2,163,887</u>
Culture and recreation:				
Museum:				
Salaries	80,496	74,264	6,232	84,443
Employee benefits	39,478	40,022	(544)	40,038
Professional and technical services	2,781	2,568	213	2,072
Property services	5,700	4,773	927	5,043
Other purchased services	37,682	33,260	4,422	27,009
Supplies	23,000	20,238	2,762	20,581
Total museum	<u>189,137</u>	<u>175,125</u>	<u>14,012</u>	<u>179,186</u>
Parks maintenance:				
Salaries	303,277	273,348	29,929	258,045
Employee benefits	109,793	116,985	(7,192)	92,339
Property services	37,585	30,664	6,921	16,884
Other purchased services	16,587	13,724	2,863	16,848
Supplies	86,801	82,045	4,756	82,152
Capital expenditures	15,361	13,275	2,086	—
Total parks maintenance	<u>569,404</u>	<u>530,041</u>	<u>39,363</u>	<u>466,268</u>
Library:				
Salaries	443,374	443,385	(11)	429,711
Employee benefits	241,913	277,210	(35,297)	239,559
Professional and technical services	34,588	33,750	838	29,093
Property services	24,151	22,020	2,131	23,575
Other purchased services	28,058	27,723	335	32,084
Supplies	112,780	103,791	8,989	131,523
Capital expenditures	685	685	—	8,282
Total library	<u>885,549</u>	<u>908,564</u>	<u>(23,015)</u>	<u>893,827</u>

CITY OF WASILLA, ALASKA

General Fund

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

Year Ended June 30, 2011
(With Comparative Amounts for 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	(unaudited) Actual
Recreation services:				
Salaries	\$ 32,606	31,292	1,314	71,360
Employee benefits	5,324	4,898	426	38,247
Professional and technical services	—	—	—	9,450
Other purchased services	24,274	18,280	5,994	22,083
Supplies	2,300	2,274	26	1,527
Total recreation services	64,504	56,744	7,760	142,667
Total culture and recreation	1,708,594	1,670,474	38,120	1,681,948
Debt service:				
Principal	290,000	290,000	—	—
Interest	136,544	136,544	—	—
Total debt service	426,544	426,544	—	—
Nondepartmental:				
Insurance deductible	57,000	37,854	19,146	51,000
Foreclosed tax payments	10,000	1,632	8,368	—
Other agreements	15,000	15,000	—	51,000
Total nondepartmental	82,000	54,486	27,514	102,000
Total expenditures	13,824,681	12,509,518	1,315,163	12,075,531
Excess of revenues over expenditures	1,090,378	2,944,274	(776,430)	3,233,125
Other financing sources (uses):				
Proceeds from the sale of assets	15,000	4,279	(10,721)	8,035
Transfers in	332,592	332,503	(89)	1,900
Transfers out	(1,072,116)	(1,072,116)	—	(3,974,969)
Net other financing sources (uses)	(724,524)	(735,334)	(10,810)	(3,965,034)
Net change in fund balance	\$ 365,854	2,208,940	1,843,086	(731,909)
Beginning fund balance		6,478,214		7,210,123
Ending fund balance		\$ 8,687,154		6,478,214

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2011

Assets	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Cash and investments	\$ 93,977	1,012,982	222,722	1,329,681
Receivables:				
Grants	2,249	—	—	2,249
Total assets	<u>96,226</u>	<u>1,012,982</u>	<u>222,722</u>	<u>1,331,930</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	35	—	—	35
Accrued payroll and employee benefits	7,155	—	—	7,155
Deferred revenue	40,958	—	—	40,958
Total liabilities	<u>48,148</u>	<u>—</u>	<u>—</u>	<u>48,148</u>
Fund balances:				
Nonspendable:				
Permanent fund principal	—	—	222,722	222,722
Assigned to:				
Youth court	34,945	—	—	34,945
Federal and state drug enforcement	13,133	—	—	13,133
Vehicle replacement	—	666,909	—	666,909
Right-of-way acquisition	—	80,624	—	80,624
Road improvements	—	—	—	—
Technology replacement	—	265,449	—	265,449
Total fund balances	<u>48,078</u>	<u>1,012,982</u>	<u>222,722</u>	<u>1,283,782</u>
Total liabilities and fund balances	<u>\$ 96,226</u>	<u>1,012,982</u>	<u>222,722</u>	<u>1,331,930</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year ended June 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Intergovernmental	\$ 104,652	—	—	—	104,652
Fines and charges	6,765	—	—	—	6,765
Investment income	256	—	1,937	399	2,592
Lot sales	—	—	—	12,400	12,400
Other	5,998	—	—	—	5,998
Total revenues	<u>117,671</u>	<u>—</u>	<u>1,937</u>	<u>12,799</u>	<u>132,407</u>
Expenditures:					
Public safety	148,540	—	32,323	—	180,863
Debt service:					
Principal	—	29,462	30,197	—	59,659
Interest	—	319	—	—	319
Capital outlay	22,033	—	65,776	—	87,809
Total expenditures	<u>170,573</u>	<u>29,781</u>	<u>128,296</u>	<u>—</u>	<u>328,650</u>
Excess of revenues over (under) expenditures	(52,902)	(29,781)	(126,359)	12,799	(196,243)
Other financing sources (uses):					
Transfers in	—	41,844	354,500	—	396,344
Transfers out	—	(594,491)	(5,827)	(650)	(600,968)
Net other financing sources (uses)	<u>—</u>	<u>(552,647)</u>	<u>348,673</u>	<u>(650)</u>	<u>(204,624)</u>
Net change in fund balances	(52,902)	(582,428)	222,314	12,149	(400,867)
Beginning fund balances	100,980	582,428	790,668	210,573	1,684,649
Ending fund balances	<u>\$ 48,078</u>	<u>—</u>	<u>1,012,982</u>	<u>222,722</u>	<u>1,283,782</u>

See accompanying independent auditors' report.

SPECIAL REVENUE FUNDS

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.

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
 Year ended June 30, 2011

Assets	Youth Court	Federal Asset Forfeiture	State Asset Forfeiture	Totals
Cash and investments	\$ 42,083	29,634	22,260	93,977
Receivables – grants	2,249	—	—	2,249
Total assets	<u>\$ 44,332</u>	<u>29,634</u>	<u>22,260</u>	<u>96,226</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 35	—	—	35
Accrued payroll and employee benefits	7,155	—	—	7,155
Unearned revenue	2,197	26,779	11,982	40,958
Total liabilities	<u>9,387</u>	<u>26,779</u>	<u>11,982</u>	<u>48,148</u>
Fund balances:				
Assigned	34,945	2,855	10,278	48,078
Total fund balances	<u>34,945</u>	<u>2,855</u>	<u>10,278</u>	<u>48,078</u>
Total liabilities and fund balances	<u>\$ 44,332</u>	<u>29,634</u>	<u>22,260</u>	<u>96,226</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2011

	<u>Youth court</u>	<u>Federal Asset Forfeiture</u>	<u>State Asset Forfeiture</u>	<u>Totals</u>
Revenues:				
Intergovernmental	\$ 82,619	22,033	—	104,652
Fines and charges	6,765	—	—	6,765
Investment income	192	64	—	256
Other	5,998	—	—	5,998
Total revenues	<u>95,574</u>	<u>22,097</u>	<u>—</u>	<u>117,671</u>
Expenditures:				
Salaries	81,297	—	—	81,297
Employee benefits	62,628	—	—	62,628
Professional and technical services	270	—	—	270
Other purchased services	3,682	—	—	3,682
Supplies	663	—	—	663
Capital outlay	—	22,033	—	22,033
Total expenditures	<u>148,540</u>	<u>22,033</u>	<u>—</u>	<u>170,573</u>
Excess of revenues over (under) expenditures	(52,966)	64	—	(52,902)
Beginning fund balances	<u>87,911</u>	<u>2,791</u>	<u>10,278</u>	<u>100,980</u>
Ending fund balances	<u>\$ 34,945</u>	<u>2,855</u>	<u>10,278</u>	<u>48,078</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Youth Court Fund

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

Year Ended June 30, 2011

(With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010 (unaudited)
	Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 76,000	82,619	6,619	134,055
Fines and charges	8,500	6,765	(1,735)	9,335
Investment income	—	192	192	180
Other	2,300	5,998	3,698	2,950
Total revenues	<u>86,800</u>	<u>95,574</u>	<u>8,774</u>	<u>146,520</u>
Expenditures – public safety:				
Salaries	83,786	87,917	(4,131)	83,403
Employee benefits	59,694	56,008	3,686	56,492
Professional and technical services	270	270	—	345
Property services	1,080	—	1,080	—
Other purchased services	6,045	3,682	2,363	4,192
Supplies	1,555	663	892	2,069
Total expenditures	<u>152,430</u>	<u>148,540</u>	<u>3,890</u>	<u>146,501</u>
Net change in fund balance	\$ <u>(65,630)</u>	<u>(52,966)</u>	<u>12,664</u>	<u>19</u>
Beginning fund balance		87,911		87,892
Ending fund balance		\$ <u>34,945</u>		\$ <u>87,911</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Federal Asset Forfeiture Fund

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

Year Ended June 30, 2011

(With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited) Actual
Revenues:				
Intergovernmental	\$ 22,100	22,033	(67)	13,396
Investment income	—	64	64	15
Total revenues	22,100	22,097	(3)	13,411
Expenditures – capital outlay	22,100	22,033	67	13,396
Net change in fund balance	\$ —	64	64	15
Beginning fund balance		2,791		2,776
Ending fund balance		\$ 2,855		\$ 2,791

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

State Asset Forfeiture Fund

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

Year Ended June 30, 2011

(With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited)
				Actual
Revenues – intergovernmental	\$ —	—	—	—
Expenditures – public safety – supplies	—	—	—	—
Net change in fund balance	\$ —	—	—	—
Beginning fund balance		10,278		10,278
Ending fund balance		\$ 10,278		10,278

See accompanying independent auditors' report.

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 Statement of Revenues, Expenditures and
 Changes in Fund Balances (Deficit)
 Year ended June 30, 2011

	1982 Original Water Bond	1986 Southside Water District Bond	1987 Sewer Improvement District Bond	Street Paving Assessment Bonds	Bond Guarantee	Street Paving General Obligation Bond	Totals
Revenues:							
Special assessments	\$ —	—	—	—	—	—	—
Investment income (loss)	—	—	—	—	—	—	—
Total revenues	—	—	—	—	—	—	—
Expenditures – debt service:							
Principal	—	29,462	—	—	—	—	29,462
Interest	—	319	—	—	—	—	319
Total expenditures	—	29,781	—	—	—	—	29,781
Excess of revenues over (under) expenditures	—	(29,781)	—	—	—	—	(29,781)
Other financing sources (uses):							
Transfers in	—	41,844	—	—	—	—	41,844
Transfers out	(138,085)	—	(130,380)	(227,968)	(52,143)	(45,915)	(594,491)
Net other financing sources (uses)	(138,085)	41,844	(130,380)	(227,968)	(52,143)	(45,915)	(552,647)
Net change in fund balances	(138,085)	12,063	(130,380)	(227,968)	(52,143)	(45,915)	(582,428)
Beginning fund balances (deficit)	138,085	(12,063)	130,380	227,968	52,143	45,915	582,428
Ending fund balances	\$ —	—	—	—	—	—	—

See accompanying independent auditors' report.

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, 2011

(With Comparative Amounts for 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	(unaudited) Actual
Revenues:				
Special assessments	\$ —	—	—	7,183
Investment income	—	—	—	210
Total revenues	—	—	—	7,393
Other financing uses – transfers out	(141,556)	(138,085)	3,471	(20,000)
Net change in fund balance	\$ <u>(141,556)</u>	<u>(138,085)</u>	<u>3,471</u>	<u>(12,607)</u>
Beginning fund balance		138,085		150,692
Ending fund balance		\$ <u>—</u>		<u>138,085</u>

See accompanying independent auditors' report.

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, 2011

(With Comparative Amounts for 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	(unaudited) Actual
Revenues:				
Special assessments	\$ —	—	—	2,513
Investment income (loss)	—	—	—	(12)
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,501</u>
Expenditures – debt service:				
Principal	29,462	29,462	—	3,954
Interest	1,800	319	1,481	2,047
Total expenditures	<u>31,262</u>	<u>29,781</u>	<u>1,481</u>	<u>6,001</u>
Excess of revenues under expenditures	(31,262)	(29,781)	1,481	(3,500)
Other financing sources – transfers in	<u>41,502</u>	<u>41,844</u>	<u>342</u>	<u>—</u>
Net change in fund balance	\$ <u><u>10,240</u></u>	<u>12,063</u>	<u><u>1,139</u></u>	<u>(3,500)</u>
Beginning fund deficit		(12,063)		(8,563)
Ending fund deficit		\$ <u><u>—</u></u>		<u><u>(12,063)</u></u>

See accompanying independent auditors' report.

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, 2011

(With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		(unaudited) Actual
Revenues:				
Special assessments	\$	—	—	4,228
Investment income		—	—	299
Total revenues	—	—	—	4,527
Expenditures – debt service:				
Principal	—	—	—	84,100
Interest	—	—	—	7,927
Total expenditures	—	—	—	92,027
Excess of revenues under expenditures	—	—	—	(87,500)
Other financing uses – transfers out	(130,381)	(130,380)	1	—
Net change in fund balance	\$ (130,381)	(130,380)	1	(87,500)
Beginning fund balance		130,380		217,880
Ending fund balance		\$ —		130,380

See accompanying independent auditors' report.

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, 2011

(With Comparative Amounts for 2010)

	2011			2010 (unaudited)
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Special assessments	\$ —	—	—	25,757
Investment income (loss)	—	—	—	357
Total revenues	—	—	—	26,114
Expenditures – debt service:				
Principal	—	—	—	19,411
Interest	—	—	—	962
Total expenditures	—	—	—	20,373
Excess of revenues under expenditures	—	—	—	5,741
Other financing uses – transfers out	(227,969)	(227,968)	1	—
Net change in fund balance	\$ (227,969)	(227,968)	1	5,741
Beginning fund balance		227,968		222,227
Ending fund balance		\$ —		227,968

See accompanying independent auditors' report.

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, 2011

(With Comparative Amounts for 2010)

	2011			2010 (unaudited)
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues – investment income	\$ —	—	—	63
Other financing uses – transfers out	(52,144)	(52,143)	1	—
	<u>\$ (52,144)</u>	<u>(52,143)</u>	<u>1</u>	63
Beginning fund balance		52,143		52,080
Ending fund balance		<u>\$ (52,143)</u>		<u>52,143</u>

See accompanying independent auditors' report.

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, 2011

(With Comparative Amounts for 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	(unaudited) Actual
Revenues	\$ —	—	—	—
Expenditures – debt service:				
Principal	—	—	—	275,000
Interest	—	—	—	147,844
Total expenditures	—	—	—	422,844
Excess of revenues over expenditures	—	—	—	(422,844)
Other financing uses - transfers out	(45,916)	(45,915)	1	422,844
Net change in fund balance	<u><u>\$ (45,916)</u></u>	<u><u>(45,915)</u></u>	<u><u>1</u></u>	—
Beginning fund balance		45,915		45,915
Ending fund balance		<u><u>\$ —</u></u>		<u><u>45,915</u></u>

See accompanying independent auditors' report.

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, 2011

Assets	Vehicle Replacement	Right- of-Way Acquisition	Technology Replacement	Totals
Cash and investments	\$ 666,909	80,624	265,449	1,012,982
Grants receivable	—	—	—	—
Total assets	<u>\$ 666,909</u>	<u>80,624</u>	<u>265,449</u>	<u>1,012,982</u>
Liabilities and Fund Balances				
Liabilities – accounts payable	\$ —	—	—	—
Deferred revenue	—	—	—	—
Fund balances:				
Assigned	666,909	80,624	265,449	1,012,982
Total fund balances	<u>666,909</u>	<u>80,624</u>	<u>265,449</u>	<u>1,012,982</u>
Total liabilities and fund balances	<u>\$ 666,909</u>	<u>80,624</u>	<u>265,449</u>	<u>1,012,982</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year ended June 30, 2011

	<u>Vehicle Replacement</u>	<u>Right- of-Way Acquisition</u>	<u>Regional Dispatch Center</u>	<u>Technology Replacement</u>	<u>Totals</u>
Revenues:					
Intergovernmental	\$ —	—	—	—	—
Investment income	1,229	158	—	550	1,937
Total revenues	1,229	158	—	550	1,937
Expenditures:					
Supplies	—	—	—	32,323	32,323
Debt service - principal	—	—	—	30,197	30,197
Capital outlay	53,470	12,306	—	—	65,776
	53,470	12,306	—	62,520	128,296
Excess of revenues over (under) expenditures	(52,241)	(12,148)	—	(61,970)	(126,359)
Other financing sources (uses):					
Transfers in	229,000	—	—	125,500	354,500
Transfers out	—	—	(5,827)	—	(5,827)
Net other financing sources (uses)	229,000	—	(5,827)	125,500	348,673
Net change in fund balances	176,759	(12,148)	(5,827)	63,530	222,314
Beginning fund balances	490,150	92,772	5,827	201,919	790,668
Ending fund balances	\$ 666,909	80,624	—	265,449	1,012,982

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Miscellaneous Capital Project Fund
Schedule of Expenditures by Project
Year ended June 30, 2011

Expenditures:	
Nunley park improvement	\$ 17,500
Iditapark projects	1,851
Townsite restoration	79,007
Wasilla Big Lake trail	19,800
Comprehensive plan update	22,596
City website	23,200
AS400 operating system replacement	<u>61,914</u>
	<u>\$ 225,868</u>

See accompanying independent auditors' report.

PERMANENT FUND

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

CITY OF WASILLA, ALASKA

Cemetery Permanent Fund

Balance Sheet

June 30, 2011

	Assets	2011	2010 (unaudited)
Cash and investments		\$ 222,722	210,573
Total assets		<u>222,722</u>	<u>210,573</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable		—	—
Total liabilities		<u>—</u>	<u>—</u>
Fund balances:			
Nonspendable:			
Permanent fund principal		222,722	210,573
Total fund balances		<u>222,722</u>	<u>210,573</u>
Total liabilities and fund balances		<u>\$ 222,722</u>	<u>210,573</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Cemetery Permanent Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u> <u>(unaudited)</u>
Revenues:		
Lot sales	\$ 12,400	8,100
Investment income	399	318
Total revenues	<u>12,799</u>	<u>8,418</u>
Other financing uses – transfers out	<u>(650)</u>	<u>(1,900)</u>
Net change in fund balance	12,149	6,518
Beginning fund balance	<u>210,573</u>	<u>204,055</u>
Ending fund balance	<u>\$ 222,722</u>	<u>210,573</u>

See accompanying independent auditors' report.

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 recreational sports complex facility. All activities necessary to provide such services are accounted for in these funds, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund

Statement of Net Assets

June 30, 2011

(With Comparative Amounts for 2010)

Assets	2011	2010 (unaudited)
Current assets:		
Cash and investments	\$ 1,499,975	808,824
Receivables:		
Accounts	160,183	149,684
Allowance for doubtful accounts	(25,149)	(18,869)
Special assessments	49,778	—
Grants	137,950	474,556
Inventories	57,643	80,400
Prepaid expenses	3,656	3,656
Total current assets	1,884,036	1,498,251
Noncurrent assets:		
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	20,721,406	20,704,082
Water tank and fence	6,847,577	6,847,577
Wells/well house	368,659	368,659
Equipment	311,233	311,233
Construction in progress	88,762	—
Total property, plant and equipment	28,486,807	28,380,721
Less accumulated depreciation	(6,160,888)	(5,580,677)
Net property, plant and equipment	22,325,919	22,800,044
Deferred charges, net	10,738	11,119
Total noncurrent assets	22,336,657	22,811,163
Total assets	\$ 24,220,693	24,309,414

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund

Statement of Net Assets

June 30, 2011

(With Comparative Amounts for 2010)

Liabilities and Net Assets	2011	2010 (unaudited)
Liabilities:		
Current liabilities:		
Accounts payable	\$ 21,085	126,701
Accrued payroll and employee benefits	11,498	23,464
Accrued annual and sick leave	20,470	26,769
Customer deposits	44,769	47,783
Accrued interest	16,088	19,165
Unearned revenue	15,765	13,558
Current portion of ADEC loans	270,719	213,450
Total current liabilities	400,394	470,890
Long-term debt, net of current portion	2,480,345	2,778,883
Total liabilities	2,880,739	3,249,773
Net assets:		
Invested in capital assets, net of related debt	19,574,855	19,807,711
Unrestricted	1,765,099	1,251,930
Total net assets	21,339,954	21,059,641
Total liabilities and net assets	\$ 24,220,693	24,309,414

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u> <u>(unaudited)</u>
Operating revenues:		
Sales and user charges	\$ 1,297,567	1,139,373
Water meters	14,503	8,924
Total operating revenues	<u>1,312,070</u>	<u>1,148,297</u>
Operating expenses:		
Salaries	242,944	243,317
Employee benefits	158,647	151,168
Professional and technical services	28,230	24,782
Repair and maintenance	68,262	179,413
Other purchased services	70,655	72,864
Supplies	157,782	141,058
Total operating expenses	<u>726,520</u>	<u>812,602</u>
Operating income before depreciation	585,550	335,695
Depreciation	580,210	495,279
Operating income (loss)	<u>5,340</u>	<u>(159,584)</u>
Nonoperating revenues (expenses):		
Payments in lieu of assessments	44,148	16,228
Interest	(40,673)	(46,924)
Investment income	2,269	1,128
Interest and penalties on assessments	4,397	—
State PERS relief	19,946	12,706
Net nonoperating revenues (expenses)	<u>30,087</u>	<u>(16,862)</u>
Loss before transfers and contributions	35,427	(176,446)
Transfers in	96,241	20,000
Transfers out	(14,500)	(11,500)
Capital contributions	163,145	1,164,792
Change in net assets	280,313	996,846
Beginning net assets	<u>21,059,641</u>	<u>20,062,795</u>
Ending net assets	\$ <u><u>21,339,954</u></u>	<u><u>21,059,641</u></u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Water Utility Enterprise Fund
Statement of Cash Flows
Year ended June 30, 2011
(with comparative amounts for 2010)

	2011	2010 (unaudited)
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,300,764	1,115,422
Cash payments to suppliers for goods and services	(295,892)	(322,958)
Cash payments to employees for services	(399,910)	(373,306)
Net cash provided by operating activities	604,962	419,158
Cash flows from noncapital financing activities:		
Transfers out to other funds	(14,500)	(11,500)
Net cash used for noncapital financing activities	(14,500)	(11,500)
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(241,269)	(128,362)
Interest paid on long-term debt	(43,369)	(46,428)
Payments in lieu of assessments received	44,148	16,228
Interest and penalties on assessments	4,397	—
Acquisition and construction of capital assets	(211,701)	(1,198,709)
Capital contributions received	449,973	984,755
Transfers in from other funds	96,241	20,000
Net cash provided by (used for) capital and related financing activities	98,420	(352,516)
Cash flows from investing activities – investment income received	2,269	1,128
Net increase in cash and cash equivalents	691,151	56,270
Beginning cash and cash equivalents	808,824	752,554
Ending cash and cash equivalents	\$ 1,499,975	808,824
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 5,340	(159,584)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	580,210	495,279
State of Alaska on-behalf payments – PERS relief	19,946	12,706
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	(4,219)	(45,146)
Inventory	22,757	1,416
Prepaid expenses	—	(1,781)
Accounts payable	—	95,524
Accrued payroll and employee benefits	(11,966)	5,393
Accrued annual and sick leave	(6,299)	3,080
Customer deposits	(3,014)	15,939
Unearned revenue	2,207	(3,668)
Net cash provided by operating activities	\$ 604,962	419,158
Noncash capital and related financing activities -		
Equipment transferred from general government	\$ —	33,000
Special assessments receivable transferred from debt service fund	65,510	—
State of Alaska on-behalf payments – PERS relief	19,946	12,706

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Net Assets

June 30, 2011

(With Comparative Amounts for 2010)

Assets	2011	2010 (unaudited)
Current assets:		
Cash and investments	\$ 1,508,363	1,069,093
Receivables:		
Accounts	120,529	119,156
Allowance for doubtful accounts	(19,018)	(15,041)
Grants	2,716	2,716
Special assessments	12,388	1,092
Prepaid expenses	3,656	3,656
Inventory	102,003	98,728
Total current assets	<u>1,730,637</u>	<u>1,279,400</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	657,810	657,810
Building	143,456	143,456
Treatment system	8,096,550	8,080,804
Collection/distribution system	9,052,843	9,052,843
Equipment	5,148,432	5,136,683
Total property, plant and equipment	<u>23,099,091</u>	<u>23,071,596</u>
Less accumulated depreciation	<u>(9,868,485)</u>	<u>(9,475,523)</u>
Net property, plant and equipment	<u>13,230,606</u>	<u>13,596,073</u>
Total assets	<u>\$ 14,961,243</u>	<u>14,875,473</u>

CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Net Assets

June 30, 2011

(With Comparative Amounts for 2010)

Liabilities and Net Assets	2011	2010 (unaudited)
Liabilities:		
Current liabilities:		
Accounts payable	\$ 16,153	9,055
Accrued payroll and employee benefits	20,540	30,121
Accrued annual and sick leave	56,410	50,413
Customer deposits	5,898	2,983
Accrued interest	2,005	2,170
Current portion of long-term debt	17,247	17,247
Total current liabilities	118,253	111,989
Long-term debt, net of current portion	191,916	209,163
Total liabilities	310,169	321,152
Net assets:		
Invested in capital assets, net of related debt	13,021,443	13,369,663
Unrestricted	1,629,631	1,184,658
Total net assets	14,651,074	14,554,321
Total liabilities and net assets	\$ 14,961,243	14,875,473

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u> <u>(unaudited)</u>
Operating revenues – sales and user charges	\$ 1,159,179	1,024,400
Operating expenses:		
Salaries	365,178	347,504
Employee benefits	249,469	227,247
Professional and technical services	6,006	7,080
Repair and maintenance	11,645	30,430
Other purchased services	60,479	47,434
Supplies	165,817	168,120
Total operating expenses	<u>858,594</u>	<u>827,815</u>
Operating income before depreciation	300,585	196,585
Depreciation	<u>392,962</u>	<u>417,156</u>
Operating loss	<u>(92,377)</u>	<u>(220,571)</u>
Nonoperating revenues (expenses):		
Payments in lieu of assessments	31,930	13,681
Interest	(3,231)	(3,811)
Investment income	2,317	1,423
Interest and penalties on assessments	3,128	—
State PERS relief	29,061	18,626
Net nonoperating revenues (expenses)	<u>63,205</u>	<u>29,919</u>
Loss before transfers and capital contributions	(29,172)	(190,652)
Transfers in	130,380	—
Transfers out	(16,500)	(16,500)
Capital contributions	12,045	—
Change in net assets	96,753	(207,152)
Beginning net assets	<u>14,554,321</u>	<u>14,761,473</u>
Ending net assets	\$ <u><u>14,651,074</u></u>	<u><u>14,554,321</u></u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Cash Flows

Year ended June 30, 2011

(with comparative amounts for 2010)

	<u>2011</u>	<u>2010</u> <u>(unaudited)</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,160,721	981,884
Cash payments to suppliers for goods and services	(236,147)	(262,431)
Cash payments to employees for services	<u>(589,170)</u>	<u>(548,160)</u>
Net cash provided by operating activities	<u>335,404</u>	<u>171,293</u>
Cash flows from noncapital financing activities:		
Transfers out to other funds	<u>(16,500)</u>	<u>(16,500)</u>
Net cash used for noncapital financing activities	<u>(16,500)</u>	<u>(16,500)</u>
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(17,247)	(24,360)
Interest paid on long-term debt	(3,396)	(3,975)
Special assessments received	3,877	1,638
Payments in lieu of assessments received	31,930	13,681
Acquisition and construction of capital assets	(27,495)	(5,572)
Transfers in from other funds	<u>130,380</u>	<u>—</u>
Net cash provided by (used for) capital and related financing activities	<u>118,049</u>	<u>(18,588)</u>
Cash flows from investing activities – investment income received	<u>2,317</u>	<u>1,423</u>
Net increase in cash and cash equivalents	439,270	137,628
Beginning cash and cash equivalents	<u>1,069,093</u>	<u>931,465</u>
Ending cash and cash equivalents	\$ <u><u>1,508,363</u></u>	\$ <u><u>1,069,093</u></u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (92,377)	(220,571)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	392,962	417,156
State of Alaska on-behalf payments – PERS relief	29,061	18,626
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	2,604	(41,595)
Inventory	(3,275)	(5,470)
Prepaid expenses	—	(1,781)
Accounts payable	7,098	(2,116)
Accrued payroll and employee benefits	(9,581)	3,245
Accrued annual and sick leave	5,997	4,720
Customer deposits	<u>2,915</u>	<u>(921)</u>
Net cash provided by operating activities	\$ <u><u>335,404</u></u>	\$ <u><u>171,293</u></u>
Noncash capital and related financing activities -		
Special assessments receivable transferred from debt service fund	\$ 13,408	—
State of Alaska on-behalf payments – PERS relief	29,061	18,626

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Municipal Airport Enterprise Fund
Statement of Net Assets
Year ended June 30, 2011
(With Comparative Amounts for 2010)

Assets	2011	2010 (unaudited)
Current assets:		
Receivables:		
Accounts	\$ 913	486
Grants	735,463	572,291
Prepaid expenses	1,157	1,157
Total current assets	<u>737,533</u>	<u>573,934</u>
Noncurrent assets – property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	14,094,889	14,094,889
Buildings	993,282	993,282
Equipment	670,239	440,664
Construction in progress	1,545,080	22,395
Total property, plant and equipment	<u>18,773,490</u>	<u>17,021,230</u>
Less accumulated depreciation	<u>(6,201,879)</u>	<u>(5,525,211)</u>
Net property, plant and equipment	<u>12,571,611</u>	<u>11,496,019</u>
Total assets	<u>\$ 13,309,144</u>	<u>12,069,953</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 281,768	48,432
Accrued payroll and employee benefits	1,118	1,840
Accrued annual and sick leave	9,026	7,874
Unearned revenue	10,396	6,544
Due to other funds	298,949	338,104
Total current liabilities	<u>601,257</u>	<u>402,794</u>
Net assets:		
Invested in capital assets	12,571,611	11,496,019
Unrestricted	136,276	171,140
Total net assets	<u>12,707,887</u>	<u>11,667,159</u>
Total liabilities and net assets	<u>\$ 13,309,144</u>	<u>12,069,953</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Municipal Airport Enterprise Fund

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u> <u>(unaudited)</u>
Operating revenues – fees and rentals	\$ 64,082	67,221
Operating expenses:		
Salaries	27,192	36,402
Employee benefits	14,370	16,269
Professional and technical services	3,080	2,425
Repair and maintenance	19,942	41,153
Other purchased services	28,834	30,133
Supplies	30,033	32,966
Total operating expenses	<u>123,451</u>	<u>159,348</u>
Operating loss before depreciation	(59,369)	(92,127)
Depreciation	<u>676,668</u>	<u>706,547</u>
Operating loss	<u>(736,037)</u>	<u>(798,674)</u>
Nonoperating revenues (expenses):		
Interest	(560)	(290)
Other income (expenses)	130	(5,313)
State PERS relief	2,066	1,651
Airport fuel pad	—	(39,633)
Airport master plan	(246,431)	(170,138)
Airport master plan grants	246,431	170,138
Net nonoperating revenues (expenses)	<u>1,636</u>	<u>(43,585)</u>
Loss before transfers and capital contributions	(734,401)	(842,259)
Transfers in	80,000	127,325
Transfers out	(500)	—
Capital contributions	<u>1,695,629</u>	<u>(1,925)</u>
Change in net assets	1,040,728	(716,859)
Beginning net assets	<u>11,667,159</u>	<u>12,384,018</u>
Ending net assets	\$ <u><u>12,707,887</u></u>	<u><u>11,667,159</u></u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Municipal Airport Enterprise Fund
Statement of Cash Flows
Year ended June 30, 2011
(with comparative amounts for 2010)

	2011	2010 (unaudited)
Cash flows from operating activities:		
Cash received from customers and users	\$ 67,507	68,235
Cash payments to suppliers for goods and services	(81,889)	(282,568)
Cash payments to employees for services	(39,066)	(44,415)
Net cash used in operating activities	(53,448)	(258,748)
Cash flows from noncapital financing activities:		
Transfers in from other funds	80,000	127,325
Transfers out to other funds	(500)	—
Airport master plan expenses	(246,431)	—
Airport master plan grants received	246,431	38,713
Net cash provided by noncapital financing activities	79,500	166,038
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,518,924)	(19,991)
Capital contributions received	1,532,587	54,840
Increase (decrease) in due to other funds	(39,155)	58,151
Interest paid on internal borrowing	(560)	(290)
Net cash provided by (used for) capital and related financing activities	(26,052)	92,710
Net increase in cash and cash equivalents	—	—
Beginning cash and cash equivalents	—	—
Ending cash and cash equivalents	\$ —	—
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (736,037)	(798,674)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	676,668	706,547
State of Alaska on-behalf payments – PERS relief	2,066	1,651
Other nonoperating expenses	(246,431)	(215,084)
Other nonoperating revenues	246,431	—
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(427)	243
Prepaid expenses	—	(1,157)
Accounts payable	—	40,350
Accrued payroll and employee benefits	(722)	892
Accrued annual and sick leave	1,152	5,713
Unearned revenue	3,852	771
Net cash used in operating activities	\$ (53,448)	(258,748)
Noncash capital and related financing activities -		
Acquisition and construction of capital assets through accounts payable	\$ 127,722	—
State of Alaska on-behalf payments – PERS relief	2,066	1,651

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Curtis D. Menard Memorial Sports Center Enterprise Fund
Statement of Net Assets
Year ended June 30, 2011
(With Comparative Amounts for 2010)

Assets	2011	2010 (unaudited)
Current assets:		
Cash and investments	\$ 1,243,486	1,280,009
Receivables:		
Sales taxes	—	249,154
Accounts	25,803	17,836
Prepaid expenses	1,157	55,552
Total current assets	<u>1,270,446</u>	<u>1,602,551</u>
Noncurrent assets:		
Restricted cash – bond redemption	—	1,615,300
Property, plant and equipment:		
Land	1,771,990	1,771,990
Buildings	16,765,740	16,765,740
Equipment	361,763	331,773
Total property, plant and equipment	<u>18,899,493</u>	<u>18,869,503</u>
Less accumulated depreciation	<u>(2,400,004)</u>	<u>(2,053,624)</u>
Net property, plant and equipment	<u>16,499,489</u>	<u>16,815,879</u>
Total noncurrent assets	<u>16,499,489</u>	<u>18,431,179</u>
Total assets	<u>\$ 17,769,935</u>	<u>20,033,730</u>
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 6,636	9,521
Accrued payroll and employee benefits	21,587	28,137
Accrued annual and sick leave	16,825	17,969
Customer deposits	250	750
Accrued interest	—	21,711
Unearned revenue	250	650
Current portion of general obligation bonds	—	1,985,000
Unamortized bond premium	—	15,789
Total current liabilities	<u>45,548</u>	<u>2,079,527</u>
Net assets:		
Invested in capital assets, net of related debt	16,499,489	14,815,090
Restricted for debt service	—	2,071,844
Unrestricted	1,224,898	1,067,269
Total net assets	<u>17,724,387</u>	<u>17,954,203</u>
Total liabilities and net assets	<u>\$ 17,769,935</u>	<u>20,033,730</u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA

Curtis D. Menard Memorial Sports Center Enterprise Fund

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u> <u>(unaudited)</u>
Operating revenues – fees and rentals	\$ 544,627	689,696
Operating expenses:		
Salaries	376,820	359,520
Employee benefits	241,854	210,813
Professional and technical services	8,426	14,020
Repair and maintenance	77,159	55,754
Other purchased services	113,948	145,665
Supplies	223,045	271,819
Total operating expenses	<u>1,041,252</u>	<u>1,057,591</u>
Operating loss before depreciation	(496,625)	(367,895)
Depreciation	<u>346,380</u>	<u>358,799</u>
Operating loss	<u>(843,005)</u>	<u>(726,694)</u>
Nonoperating revenues (expenses):		
Sales tax	—	2,813,929
Interest	(103,739)	(182,984)
Investment income	(1,190)	3,330
Loss on disposal of capital assets	—	(12,688)
Other	—	46,027
Litigation	—	(10,500)
State PERS relief	23,089	13,748
Net nonoperating revenues (expenses)	<u>(81,840)</u>	<u>2,670,862</u>
Income before transfers and capital contributions	(924,845)	1,944,168
Transfers in	678,616	800,000
Transfers out	(9,500)	(6,500)
Capital contributions	<u>25,913</u>	<u>38,738</u>
Change in net assets	(229,816)	2,776,406
Beginning net assets	<u>17,954,203</u>	<u>15,177,797</u>
Ending net assets	\$ <u><u>17,724,387</u></u>	<u><u>17,954,203</u></u>

See accompanying independent auditors' report.

CITY OF WASILLA, ALASKA
Curtis D. Menard Memorial Sports Center Enterprise Fund
Statement of Cash Flows
Year ended June 30, 2011
(With Comparative Amounts for 2010)

	2011	2010 (unaudited)
Cash flows from operating activities:		
Cash received from customers and users	\$ 535,760	746,565
Cash payments to suppliers for goods and services	(371,068)	(439,507)
Cash payments to employees for services	(603,279)	(565,767)
Net cash used in operating activities	(438,587)	(258,709)
Cash flows from noncapital financing activities:		
Transfers in	678,616	800,000
Transfers out	(9,500)	(6,500)
Net cash provided by noncapital financing activities	669,116	793,500
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(1,985,000)	(1,839,087)
Interest paid on long-term debt	(143,920)	(183,864)
Acquisition and construction of capital assets	(29,990)	(108,900)
Capital contributions received	25,913	87,060
Sales tax revenue received	249,154	2,810,121
Net cash provided by (used for) capital and related financing activities	(1,883,843)	765,330
Cash flows from investing activities – investment income received	1,491	3,330
Net increase (decrease) in cash and investments	(1,651,823)	1,303,451
Beginning cash and investments	2,895,309	1,591,858
Ending cash and investments	\$ 1,243,486	2,895,309
Reconciliation of cash and investments to balance sheet		
Cash and investments	\$ 1,243,486	1,280,009
Restricted cash and investments	—	1,615,300
	\$ 1,243,486	2,895,309
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (843,005)	(726,694)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation	346,380	358,799
State of Alaska on-behalf payments – PERS relief	23,089	13,748
Other nonoperating revenues		46,027
Other nonoperating expenses	—	(10,500)
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(7,967)	17,472
Prepaid expenses	54,395	53,238
Accounts payable	(2,885)	5,013
Accrued payroll and employee benefits	(6,550)	4,990
Accrued annual and sick leave	(1,144)	(14,172)
Customer deposits	(500)	(5,750)
Unearned revenue	(400)	(880)
Net cash used in operating activities	\$ (438,587)	(258,709)

See accompanying independent auditors' report.

STATISTICAL SECTION

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.

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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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Demographic and Economic Information

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

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Operating Information

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

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

Table 1

CITY OF WASILLA, ALASKA

Net Assets by Component

Last Eight Fiscal Years

(Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
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	26,352,274	28,633,797
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>	<u>9,389,161</u>	<u>9,233,647</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>	<u>35,741,435</u>	<u>37,867,444</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	59,488,483	61,667,398
Restricted	551,244	1,010,688	1,549,126	2,178,513	2,914,497	1,477,737	2,071,844	—
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>	<u>3,674,997</u>	<u>4,775,904</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>	<u>65,235,324</u>	<u>66,443,302</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	85,840,757	90,301,195
Restricted	551,244	1,010,688	1,549,126	2,178,513	2,914,497	1,477,737	2,071,844	—
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>	<u>13,064,158</u>	<u>14,009,551</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>	<u>100,976,759</u>	<u>104,310,746</u>

Note: Data for years prior to GASB 34 implementation is unavailable. Therefore, only eight years of data is presented.

See accompanying independent auditors' report.

Table 2

CITY OF WASILLA, ALASKA

Changes in Net Assets

Last Eight Fiscal Years

(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities:								
General government	\$ 1,794,203	2,050,929	2,053,904	2,631,085	2,818,033	2,808,593	2,949,299	2,678,667
Public safety	2,592,610	3,692,121	4,483,195	5,142,112	5,761,075	6,290,577	6,469,113	6,585,810
Public works	2,028,541	2,254,234	2,746,502	2,682,130	2,925,326	3,609,023	3,473,727	3,949,216
Cultural and recreation	1,245,813	1,314,516	1,387,867	1,529,659	1,621,844	1,846,153	1,908,613	1,734,297
Interest on long-term debt	230,014	239,298	232,958	154,562	186,416	162,172	169,873	113,014
Total governmental activities expenses	7,891,181	9,551,098	10,904,426	12,139,548	13,312,694	14,716,518	14,970,625	15,061,004
Business-type activities:								
Water utility	746,930	946,892	948,453	1,087,748	1,096,799	1,160,186	1,354,805	1,347,403
Sewer utility	890,619	967,021	986,383	1,075,369	1,043,618	1,398,732	1,248,782	1,254,787
Municipal airport	404,940	434,727	456,878	490,437	481,477	819,103	1,081,269	1,046,550
Curtis D. Menard Memorial Sports Center	382,024	1,613,148	1,613,022	1,659,328	2,162,833	1,717,698	1,622,562	1,491,371
Total business-type activities expenses	2,424,513	3,961,788	4,004,736	4,312,882	4,784,727	5,095,719	5,307,418	5,140,111
Total expenses	10,315,694	13,512,886	14,909,162	16,452,430	18,097,421	19,812,237	20,278,043	20,201,115
Program revenues:								
Governmental activities:								
Fees, fines and charges for services:								
General government	46,632	84,850	52,967	34,274	36,778	36,509	38,397	33,588
Public safety	66,492	1,165,503	1,394,672	1,557,226	1,697,437	1,583,265	1,564,989	1,544,398
Public works	35,400	554,450	100	—	19,145	328	141,022	191,833
Cultural and recreation	26,240	396,564	416,794	12,776	338,462	62,522	76,145	54,340
Operating grants and contributions	787,076	364,245	293,038	747,346	513,374	970,880	901,746	633,479
Capital grants and contributions	2,704,812	2,835,696	2,053,199	730,639	1,382,910	323,666	1,724,791	2,650,118
Total governmental activities program revenues	3,666,652	5,401,308	4,210,770	3,082,261	3,988,106	2,977,170	4,447,090	5,107,756
Business-type activities:								
Water utility	688,170	743,673	764,216	769,376	793,491	818,318	1,148,297	1,312,070
Sewer utility	642,068	642,553	656,759	673,985	678,897	694,702	1,024,400	1,159,179
Municipal airport	44,180	56,047	66,225	67,902	70,293	58,178	67,221	64,082
Curtis D. Menard Memorial Sports Center	63,599	576,555	642,091	728,117	688,958	698,333	735,723	544,627
Operating grants and contributions	—	—	—	—	—	—	216,869	320,593
Capital grants and contributions	1,819,216	3,196,010	1,906,555	4,828,574	2,599,391	5,426,008	1,231,514	1,893,891
Total business-type activities program revenues	3,257,233	5,214,838	4,035,846	7,067,954	4,831,030	7,695,539	4,424,024	5,294,442
Total primary government program revenues	6,923,885	10,616,146	8,246,616	10,150,215	8,819,136	10,672,709	8,871,114	10,402,198
Net (expenses) revenue:								
Governmental activities	(4,224,529)	(4,149,790)	(6,693,656)	(9,057,287)	(9,324,588)	(11,739,348)	(10,523,535)	(9,953,248)
Business-type activities	832,720	1,253,050	31,110	2,755,072	46,303	2,599,820	(883,394)	154,331
Total primary government net expenses	(3,391,809)	(2,896,740)	(6,662,546)	(6,302,215)	(9,278,285)	(9,139,528)	(11,406,929)	(9,798,917)

General revenues and other changes in net assets:

Governmental activities:								
Sales taxes	7,659,612	8,346,749	8,976,284	9,658,193	10,386,206	11,070,859	11,185,917	11,681,721
Property taxes	235,621	179,547	194,627	2,722	300	289	92	—
Vehicle taxes	95,145	100,725	91,630	96,190	101,620	105,419	107,640	108,670
Grants and entitlements not restricted to a specific purpose	333,124	226,516	376,984	773,246	654,011	1,359,374	1,220,956	1,158,757
Investment earnings	76,293	176,928	181,753	457,286	507,334	373,798	235,941	121,725
Other	123,614	121,429	25,213	90,005	23,105	13,654	57,143	31,540
Transfers	(1,108,823)	(1,080,002)	(675,289)	(761,941)	(1,754,989)	(845,500)	(912,825)	(1,023,156)
Extraordinary item – NPO/OPEB elimination	—	—	—	—	—	321,267	—	—
Total governmental activities	7,414,586	8,071,892	9,171,202	10,315,701	9,917,587	12,399,160	11,894,864	12,079,257
Business-type activities:								
Taxes	1,880,477	2,087,056	2,244,071	2,414,673	2,597,929	2,776,152	2,813,929	—
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	5,881	2,836
Other	35,930	27,104	—	2,738	8,644	2,518	—	7,655
Transfers	1,108,823	1,080,002	675,289	761,941	1,754,989	845,500	912,825	1,023,156
Extraordinary item – NPO/OPEB elimination	—	—	—	—	—	66,303	—	—
Total business-type activities	3,036,003	3,259,612	3,088,054	3,412,790	4,527,518	3,827,043	3,732,635	1,033,647
Total primary government	10,450,589	11,331,504	12,259,256	13,728,491	14,445,105	16,226,203	15,627,499	13,112,904
Changes in net assets:								
Governmental activities	3,190,057	3,922,102	2,477,546	1,258,414	592,999	659,812	1,371,329	2,126,009
Business-type activities	3,868,723	4,512,662	3,119,164	6,167,862	4,573,821	6,426,863	2,849,241	1,187,978
Total primary government	\$ 7,058,780	8,434,764	5,596,710	7,426,276	5,166,820	7,086,675	4,220,570	3,313,987

Note: Data for years prior to GASB 34 implementation is unavailable. Therefore, only eight years of data is presented.

See accompanying independent auditors' report.

Table 3

CITY OF WASILLA, ALASKA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund:										
Nonspendable	\$ 52,439	60,759	28,732	16,899	65,286	65,057	67,600	70,125	74,596	78,953
Committed	573,409	—	864,359	—	386,276	—	259,046	1,332,106	—	1,001,579
Assigned	137,734	175,681	155,266	147,854	192,093	94,967	37,110	92,771	129,694	312,990
Unassigned	3,544,330	4,562,994	4,494,564	5,424,551	5,217,815	6,007,895	5,666,711	5,639,118	6,273,841	7,293,632
Total general fund	<u>4,307,912</u>	<u>4,799,434</u>	<u>5,542,921</u>	<u>5,589,304</u>	<u>5,861,470</u>	<u>6,167,919</u>	<u>6,030,467</u>	<u>7,134,120</u>	<u>6,478,131</u>	<u>8,687,154</u>
All other governmental funds:										
Nonspendable:										
Permanent fund	117,780	128,905	145,705	164,505	175,705	187,105	201,501	204,055	210,573	222,722
Special revenue funds	—	—	—	—	—	138	—	—	—	—
Capital projects funds	—	—	—	—	—	7,125	—	—	—	—
Restricted for - debt service funds	568,802	557,662	418,677	289,311	355,381	339,156	323,689	306,327	227,968	—
Assigned to:										
Special revenue funds	836,959	201,670	62,648	334,834	396,505	142,020	162,662	176,949	302,982	48,078
Debt service funds	232,475	332,400	357,001	365,588	382,730	423,639	429,865	373,904	354,460	—
Capital projects funds	16,193,365	1,962,793	1,558,916	1,913,326	2,004,431	2,189,860	2,129,129	2,140,726	2,190,737	2,278,206
Total all other governmental funds	<u>\$ 17,949,381</u>	<u>3,183,430</u>	<u>2,542,947</u>	<u>3,067,564</u>	<u>3,314,752</u>	<u>3,289,043</u>	<u>3,246,846</u>	<u>3,201,961</u>	<u>3,286,720</u>	<u>2,549,006</u>

See accompanying independent auditors' report.

Table 4

CITY OF WASILLA, ALASKA
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Sales taxes	\$ 6,497,070	7,135,583	7,659,612	8,346,749	8,976,284	9,658,193	10,386,206	11,070,858	11,185,917	11,681,721
Property and vehicle taxes	404,632	273,619	330,766	280,272	286,257	98,912	101,920	105,709	107,732	108,670
Intergovernmental	1,417,068	1,403,622	3,827,307	4,444,364	3,016,976	2,320,519	2,998,131	2,629,049	3,876,409	2,702,239
Investment earnings	349,055	258,862	76,294	176,928	181,753	457,286	507,334	373,798	235,941	121,725
Other revenues	563,718	673,972	593,593	1,474,404	1,751,403	1,719,860	1,710,709	1,758,514	1,870,786	1,897,065
Total revenues	9,231,543	9,745,658	12,487,572	14,722,717	14,212,673	14,254,770	15,704,300	15,937,928	17,276,785	16,511,420
Expenditures:										
Current:										
General government	1,524,348	1,845,071	1,706,023	1,815,628	1,880,357	2,395,634	2,648,361	2,667,010	2,672,437	2,554,172
Public safety	1,950,183	1,990,275	2,212,835	3,286,366	3,950,162	4,622,369	5,092,492	5,726,540	5,619,041	5,772,067
Public works	1,093,759	1,289,360	1,328,883	1,611,765	1,905,214	1,871,951	1,947,844	2,145,522	2,163,887	2,064,098
Culture and recreation	1,043,281	1,063,385	1,161,330	1,266,452	1,319,595	1,436,864	1,542,290	1,728,673	1,681,948	1,670,474
Nondepartmental	59,238	54,204	66,154	66,590	32,987	30,528	24,346	22,500	102,000	54,486
Youth court	141,343	145,368	153,312	141,012	134,999	150,649	134,933	152,415	146,501	148,540
Capital outlay	2,187,939	2,153,900	3,998,267	4,112,880	3,232,681	2,193,371	2,235,245	1,102,536	4,087,063	1,349,794
Debt service:										
Principal	458,791	358,892	585,650	507,557	326,264	329,196	315,573	317,210	400,080	349,659
Interest	327,577	299,770	295,772	263,465	235,771	186,483	187,876	171,254	158,780	136,863
Other debt service costs	152,789	—	—	—	—	40,632	—	—	—	—
Total expenditures	8,939,248	9,200,225	11,508,226	13,071,715	13,018,030	13,257,677	14,128,960	14,033,660	17,031,737	14,100,153
Excess of revenues over (under) expenditures	292,295	545,433	979,346	1,651,002	1,194,643	997,093	1,575,340	1,904,268	245,048	2,411,267
Other financing sources (uses):										
Bond proceeds	14,828,128	346,028	—	—	—	45,588	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—	8,035	4,279
Transfers in	2,103,568	3,268,557	1,628,868	2,710,880	2,940,076	2,430,840	1,754,246	2,234,437	5,275,203	728,932
Transfers out	(2,184,523)	(3,339,061)	(2,737,691)	(3,790,882)	(3,615,365)	(3,192,781)	(3,509,235)	(3,079,937)	(6,188,028)	(1,673,169)
Proceeds from capital lease	—	—	—	—	—	—	—	—	88,512	—
Cumulative effect of a change in accounting principle	—	—	232,481	—	—	—	—	—	—	—
Net other financing sources (uses)	14,747,173	275,524	(876,342)	(1,080,002)	(675,289)	(716,353)	(1,754,989)	(845,500)	(816,278)	(939,958)
Net change in fund balances	\$ 15,039,468	820,957	103,004	571,000	519,354	280,740	(179,649)	1,058,768	(571,230)	1,471,309
Debt service as a percentage of noncapital expenditures	13.91%	9.35%	11.74%	8.61%	5.74%	5.03%	4.23%	3.60%	4.09%	3.82%
Total noncapital expenditures	\$ 6,751,309	7,046,325	7,509,959	8,958,835	9,785,349	11,064,306	11,893,715	13,555,405	13,652,773	12,750,359

See accompanying independent auditors' report.

Table 5

CITY OF WASILLA, ALASKA
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	<u>Total Taxes</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Vehicle Taxes</u>
Fiscal year ended June 30:				
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
2010	11,293,649	92	11,185,917	107,640
2011	11,790,391	—	11,681,721	108,670

(1) Property taxes were reduced to 0.00 Mills July 1, 2006 and have remained at this rate.

See accompanying independent auditors' report.

Table 6

CITY OF WASILLA, ALASKA

General Government Sales Tax Revenue By Category

June 30, 2011

Category	Total Sales Tax Revenue	Percentage of Total
Trade retail and wholesale	\$ 8,781,107	75.17%
Entertainment, recreation and food service	1,262,920	10.81
Utilities and information	679,722	5.82
Real estate, rental, leasing and transportation	169,393	1.45
Manufacturing (primarily construction related)	88,687	0.76
All other services	699,892	5.99
	\$ 11,681,721	100.00%

Comparative data for fiscal year 2002 is not available.

See accompanying independent auditors' report.

Table 7

CITY OF WASILLA, ALASKA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	<u>Real</u>	<u>Total Assessed Value Net of Exemptions</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
Fiscal year ended June 30:					
2002	\$ 381,258,900	360,261,400	15.033%	\$ 377,912,600	95.330%
2003	408,866,900	387,961,600	13.202	395,409,800	98.120
2004	445,441,100	418,986,300	12.983	431,953,800	97.000
2005	530,369,900	500,749,673	13.700	565,833,000	88.500
2006	681,562,200	649,749,673	12.680	843,508,500	77.030
2007	818,127,000	788,757,000	11.064	879,854,800	89.650
2008	883,096,000	845,977,500	11.104	922,533,500	91.700
2009	904,686,770	854,448,324	11.886	912,805,200	93.610
2010	929,324,350	879,403,919	11.700	951,043,600	92.470
2011	926,268,940	875,447,170	11.786	956,288,200	91.550

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

See accompanying independent auditors' report.

Table 8

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

	<u>Mat-Su Borough</u>	<u>Wasilla Fire Service Area</u>	<u>City of Wasilla</u>	<u>Total</u>
Fiscal year ended June 30:				
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	—	11.064
2008	9.644	1.460	—	11.104
2009	10.326	1.560	—	11.886
2010	9.980	1.720	—	11.700
2011	9.956	1.830	—	11.786

Source: Matanuska-Susitna Borough

Note: Millage rate is \$1,000 per assessed value.

See accompanying independent auditors' report.

Table 9

CITY OF WASILLA, ALASKA

Principal Property Taxpayers

June 30, 2011

Taxpayer	Nature of Business	2011			2002		
		(1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Stores Inc.	Retail Store	\$ 20,127,200	1	2.17%	\$ 8,167,800	4	2.27%
DBC LLC	Property Development and Retail Mal	19,895,800	2	2.15	11,521,500	2	3.20
Fred Meyer Stores	Retail Store	19,102,200	3	2.06			
Lowe's HIW Inc.	Retail Store	15,507,500	4	1.67			
Gary Lundgren	Individual	13,479,300	5	1.46			
BDC Wasilla LP	Real Estate Rental and Leasing	13,201,200	6	1.43			
Wasilla LLC	Property Development and Retail Mal	12,578,400	7	1.36	8,331,000	3	2.31
Mat-Su Valley Medical Center	Medical Facilities	11,321,200	8	1.22			
Global Finance & Investment Co.	Real Estate Rental and Leasing	11,080,000	9	1.20			
Wasilla Retirement LLC (Primrose)	Housing Facility	10,870,000	10	1.17			
Willmington Trust Co TRE	Retail				13,838,900	1	3.84
Karablnnikoff/Newcomb TRE	Family Trust				6,659,300	5	1.85
Pedersen Floyd/Creekside	Property Development and Retail Mal				5,550,100	6	1.54
Seagull Energy Corp	Natural Gass Transmission Lines				4,707,900	7	1.31
Valley Hospital Association Inc.	Medical Center				4,057,300	8	1.13
NYE Frontier Ford	Automobile Dealership				3,551,900	9	0.99
Spendard Builders	Retail				2,488,900	10	0.69
Total		\$ 147,162,800		15.89%	\$ 68,874,600		19.13%

(1) Assessed Value is only for property owned inside the city limits of Wasilla.

See accompanying independent auditors' report.

Table 10

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

Fiscal year ended June 30:	(2) City Levy	(1) Amount Collected	Percentage of Levy	Amount of Levy Uncollected	Amount of Levy Uncollected as Percentage of Total Taxes
2002	\$ 324,235	321,112	99.04%	\$ 3,123	0.96%
2003	193,980	193,980	100.00	—	—
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	—	(2,722)	—
2008	—	300	—	(300)	—
2009	—	289	—	(289)	—
2010	—	92	—	(92)	—
2011	—	—	—	—	—

(1) The Matanuska-Susitna Borough administers the assessment, collection, and foreclosure regarding property taxes for the City of Wasilla. Collected amounts are periodically forwarded to the City but do not include detail as to the year levied.

(2) Property taxes were reduced to 0.00 Mills July 1, 2006 and have remained at this rate.

See accompanying independent auditors' report.

Table 11

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

	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				
Fiscal year ended June 30:										
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	0.28	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	0.35	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	0.54	0.79	998
2010	3,370,000	275,000	3,095,000	3,790,000	1,805,000	1,985,000	5,080,000	0.76	0.55	708
2011	3,095,000	290,000	2,805,000	1,985,000	1,985,000	—	2,805,000	1.37	0.30	358

- (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. Personal income data for years 2007 - 2009 were revised based on the most current publication. Personal income for years 2010 - 2011 were estimated using the most recent year's data (2009).
- (3) Property value data can be found in Table 7.

See accompanying independent auditors' report.

Table 11, continued

CITY OF WASILLA, ALASKA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Free Main Allowances	General Obligation Bonds	Special Assessment Bonds	Loans Payable				
Fiscal year ended June 30:										
2002	\$ 4,970,000	941,303	5,639	14,700,000	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	24,096,040	0.12	5.89	3,780
2004	4,570,000	742,787	—	12,840,000	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	20,849,344	0.15	3.93	3,279
2006	4,130,000	348,966	—	10,475,000	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	17,099,927	0.21	2.09	2,474
2008	3,635,000	189,068	—	7,615,000	15,583	3,595,530	15,050,181	0.26	1.70	2,097
2009	3,370,000	136,851	—	3,790,000	7,111	3,364,353	10,668,315	0.36	1.18	1,487
2010	3,095,000	29,387	—	1,985,000	—	3,218,743	8,328,130	0.46	0.90	1,161
2011	2,805,000	—	—	—	—	2,960,227	5,765,227	0.76	0.54	644

(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. Personal income data for years 2007 - 2009 were revised based on the most current publication. Personal income for years 2010 - 2011 were estimated using the most recent year's data (2009).

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

See accompanying independent auditors' report.

Table 12

CITY OF WASILLA, ALASKA

Computation of Direct and Overlapping General Obligation Debt

June 30, 2011

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>City of Wasilla's Share of Debt</u>
City of Wasilla	\$ 2,805,000	100.00%	\$ 2,805,000
Matanuska Susitna Borough	184,240,000	11.28%	20,782,272
Total direct and overlapping	\$ <u>187,045,000</u>		\$ <u>23,587,272</u>

Source: Matanuska-Susitna Borough
Note: There is no debt limit mandated by law.

See accompanying independent auditors' report.

Table 13

CITY OF WASILLA, ALASKA
 Demographic and Economic Statistics
 Last Ten Fiscal Years

	<u>City of Wasilla</u>		<u>Matanuska Susitna Borough</u>				
	<u>Population</u>	<u>School Enrollment</u>	<u>Population</u>	<u>Per capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate (Annual Percentage)</u>
Fiscal year ended June 30:							
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	36,212	33.6	16,115	6.9
2008	7,176	4,101	85,458	39,534	33.2	16,285	7.5
2009	7,176	4,194	85,319	38,508	34.1	16,468	9.4
2010	7,176	4,208	85,319	38,508	34.1	16,653	8.6
2011	7,831	4,218	88,995	38,508	34.4	16,964	9.0
	(1)	(2)	(1)	(3)		(2)	
Source	US census	State of Alaska Dept of Education	US Census and Bureau of Economic Analysis	Bureau of Economic Analysis	State of Alaska	Mat-Su School District	State of Alaska, Department of Labor

- (1) If information is not available from source or alternate source, the most recent year's data is used as an estimate.
- (2) Preliminary enrollment numbers for the current year were obtained from the Matanuska-Susitna Borough School District. Prior year enrollment data is revised in the current year based on final certified enrollment from the State of Alaska.
- (3) Information for years 2007 - 2009 were updated based on Bureau of Economic Analysis most recent publication. No data is available for years 2010-2011, thus year 2009 was used as an estimate.

See accompanying independent auditors' report.

Table 14

CITY OF WASILLA, ALASKA
 Full-Time Equivalent Employees by Function
 Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City clerk	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Mayor	3.00	3.00	2.00	2.00	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	2.00	6.00	6.00
Finance/MIS	7.00	7.00	7.00	7.75	7.75	8.00	9.00	9.00	11.00	11.00
Community and economic development	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	—	—
Police	20.00	20.00	26.00	40.00	47.00	50.00	50.00	50.00	50.00	48.00
Youth court	2.50	2.50	2.50	2.50	1.50	1.50	1.50	1.50	1.50	1.50
Public works	15.75	16.29	19.00	18.00	21.00	23.00	22.00	23.00	23.00	23.00
Museum	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50
Recreation facilities maintenance	3.09	3.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	3.00
Sports center/recreation services	—	—	10.90	10.90	11.89	12.35	8.66	8.66	10.66	9.50
Library	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Total	<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>	<u>119.71</u>	<u>117.00</u>

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

See accompanying independent auditors' report.

Table 15

CITY OF WASILLA, ALASKA
 Operating Indicators by Function
 Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety:										
Police services:										
Police requests for service	8,378	8,102	6,759	6,651	6,730	11,175	16,537	17,821	16,658	19,800
Criminal arrests	811	740	672	608	729	605	838	751	712	847
Water and wastewater:										
Water production average										
Gallons per day average										
July readings	472,000	519,000	549,000	739,726	715,069	846,575	967,123	819,178	813,377	724,687
Wastewater treatment avg.										
Gallons per day average										
July readings	254,000	371,000	306,000	273,973	287,671	323,288	328,767	358,904	361,648	381,229

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

See accompanying independent auditors' report.

Table 16

CITY OF WASILLA, ALASKA
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Miles of streets	62.47	62.47	63.26	63.26	63.26	63.62	64.75	66.37	66.37	69.82
Miles of water lines	13.01	14.44	17.40	18.53	20.44	42.04	53.89	53.89	53.91	53.91
Miles of sewer lines	21.20	21.81	22.76	22.97	23.02	23.02	25.84	25.84	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	5.00	5.00
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	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Soccer fields	—	—	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Multi-purpose facility	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

See accompanying independent auditors' report.