

ANNUAL FINANCIAL REPORT

OF THE

CITY OF WASILLA
ALASKA

FISCAL YEAR JULY 1, 1993 - JUNE 30, 1994

CITY OF WASILLA, ALASKA
 ANNUAL FINANCIAL REPORT
 Year Ended June 30, 1994

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

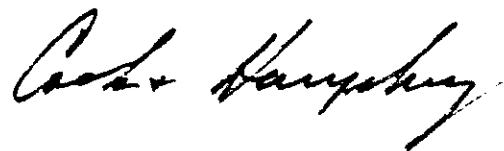
The Mayor and
Members of the City Council
City of Wasilla, Alaska

We have audited the accompanying general purpose financial statements of the City of Wasilla, Alaska as of and for the year ended June 30, 1994. These general purpose financial statements are the responsibility of the City of Wasilla, Alaska's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Wasilla, Alaska as of June 30, 1994, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Wasilla, Alaska. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



August 31, 1994

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GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENTS - OVERVIEW

CITY OF WASILLA, ALASKA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1994
With Comparative Totals for 1993

<u>ASSETS</u>	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Equity in central treasury and cash funds	\$ 2,494,830	\$ 34,475	\$ 463,530	\$ 1,815,831
Accounts receivable	27,247	300		
Grants receivable	100,559			158,563
Special assessments receivable (net)	12,574		1,370,464	
Notes receivable				
Due from other funds	52,407		21,129	
Interest and penalty receivable	19,565		12,634	10,084
Inventory				
Advances to other funds	138,944			
Deferred charge				
Property, plant and equipment, net of accumulated depreciation, when applicable				
Amount available for payment of long-term debt				
Amount to be provided for payment of long-term debt				
Total assets	<u>\$ 2,846,126</u>	<u>\$ 34,775</u>	<u>\$ 1,867,757</u>	<u>\$ 1,984,478</u>

(Continued)

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1994	1993
Enterprise	Trust and Agency				
\$ 579,164	\$ 49,700	\$	\$	\$ 5,437,530	\$ 4,169,942
53,530				81,077	88,995
				259,122	160,092
				1,383,038	1,459,598
44,154				44,154	41,223
				73,536	37,248
1,311	340			43,934	33,858
24,604				24,604	4,303
				138,944	118,417
17,156				17,156	17,537
24,183,142		6,341,708		30,524,850	28,212,623
			355,218	355,218	348,551
			759,555	759,555	870,189
<u>\$ 24,903,061</u>	<u>\$ 50,040</u>	<u>\$ 6,341,708</u>	<u>\$ 1,114,773</u>	<u>\$ 39,142,718</u>	<u>\$ 35,562,576</u>

CITY OF WASILLA, ALASKA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1994

With Comparative Totals for 1993

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities				
Advance from central treasury	\$	\$	\$ 708	\$
Accounts, contracts and retainages payable	105,294	9,593		412,536
Accrued annual and sick leave	113,714	25,182		
Due to other funds			26,409	40,158
Claims and judgments payable				50,000
Customer deposits				
Revenue billed in advance				
Deferred revenue	15,012		1,362,130	85,965
Advances from other funds			123,292	
Bonds payable				
Other				
Total liabilities	<u>234,020</u>	<u>34,775</u>	<u>1,512,539</u>	<u>588,659</u>
Equity and other credits				
Investment in general fixed assets				
Contributions in aid of construction, net of accumulated amortization				
Retained earnings (accumulated deficit)				
Unreserved				
Fund balance (deficit)				
Reserved for encumbrances	6,534	10,168		3,930
Reserved for debt service			355,218	
Reserved for advances	138,944			
Reserved for investment				
Unreserved				
Undesignated	2,466,628	(10,168)		1,391,889
Designated for operations				
Total equity and other credits	<u>2,612,106</u>	<u></u>	<u>355,218</u>	<u>1,395,819</u>
Total liabilities, equity and other credits	<u>\$ 2,846,126</u>	<u>\$ 34,775</u>	<u>\$ 1,867,757</u>	<u>\$ 1,984,478</u>

The accompanying notes are an integral part
of these financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1994	1993
Enterprise	Trust and Agency				
\$ 40,465	\$	\$	\$	\$ 41,173	\$ 47,310
16,499				543,922	483,817
14,063				152,959	107,408
6,969				73,536	37,248
9,536				50,000	
21,772				9,536	10,156
				1,483,702	1,589,899
15,652				138,944	118,417
700			1,114,773	1,114,773	1,218,740
<u>125,656</u>			<u>1,114,773</u>	<u>3,610,422</u>	<u>3,574,730</u>
		6,341,708		6,341,708	4,490,028
24,542,954				24,542,954	24,930,585
234,451				234,451	(658,876)
				20,632	61,816
				355,218	348,551
				138,944	118,418
	46,455			46,455	43,055
				3,848,349	2,652,069
	3,585			3,585	2,200
<u>24,777,405</u>	<u>50,040</u>	<u>6,341,708</u>		<u>35,532,296</u>	<u>31,987,846</u>
<u>\$ 24,903,061</u>	<u>\$ 50,040</u>	<u>\$ 6,341,708</u>	<u>\$ 1,114,773</u>	<u>\$ 39,142,718</u>	<u>\$ 35,562,576</u>

CITY OF WASILLA, ALASKA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 1994
With Comparative Totals for 1993

	Governmental	
	General	Special Revenue
Revenues		
Sales taxes	\$ 3,219,602	\$
Property taxes	480,179	
Licenses and permits	39,650	
Fines, forfeitures and penalties	13,514	
Federal grants		
State of Alaska	487,032	8,033
Matanuska-Susitna Borough	11,190	120,126
Special assessments		
Interest		
Free main allowances		
Library fines		5,936
Other	239,209	2,928
Total revenues	<u>4,490,376</u>	<u>137,023</u>
Expenditures		
Administration	173,985	
City Council	124,154	
Municipal services	285,768	
Planning	41,026	
Finance	369,469	
Police	861,096	
Property maintenance	149,615	
Road maintenance	335,348	
Recreational services	81,957	
Museum	203,512	
Allocation of administrative expenditures to other funds	(44,295)	
Library		435,082
Capital projects		
Debt service		
Total expenditures	<u>2,581,635</u>	<u>435,082</u>
Excess (deficiency) of revenues over expenditures	<u>1,908,741</u>	<u>(298,059)</u>

(Continued)

Fund Types		Totals (Memorandum Only)	
Debt Service	Capital Projects	1994	1993
\$	\$	\$ 3,219,602	\$ 1,123,749
		480,179	971,184
		39,650	37,276
		13,514	
			280,690
	1,886,286	2,381,351	1,060,258
		131,316	274,250
355,433		355,433	245,685
14,782	44,027	58,809	42,585
5,911		5,911	8,442
		5,936	5,520
	19,730	261,867	167,629
<u>376,126</u>	<u>1,950,043</u>	<u>6,953,568</u>	<u>4,217,268</u>
		173,985	166,258
		124,154	144,832
		285,768	180,825
		41,026	12,073
		369,469	328,370
		861,096	151,459
		149,615	131,332
		335,348	289,218
		81,957	14,080
		203,512	186,952
		(44,295)	(40,196)
		435,082	372,372
	2,556,528	2,556,528	1,145,857
336,819		336,819	207,064
<u>336,819</u>	<u>2,556,528</u>	<u>5,910,064</u>	<u>3,290,496</u>
<u>39,307</u>	<u>(606,485)</u>	<u>1,043,504</u>	<u>926,772</u>

CITY OF WASILLA, ALASKA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 1994
With Comparative Totals for 1993

	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
Other financing sources (uses)		
Bond proceeds	\$	\$
Operating transfers in		298,059
Operating transfers out	(1,339,982)	
Proceeds from sale of general fixed assets	<u>21,987</u>	
Net other financing sources (uses)	<u>(1,317,995)</u>	<u>298,059</u>
Excess of revenues over expendi- tures and net other financing sources (uses)	590,746	
Fund balances, July 1	<u>2,021,360</u>	
Fund balances, June 30	<u>\$ 2,612,106</u>	<u>\$</u>

The accompanying notes are an integral part
of these financial statements.

Fund Types		Totals (Memorandum Only)	
<u>Debt Service</u>	<u>Capital Projects</u>	<u>1994</u>	<u>1993</u>
\$	\$ 147,370	\$ 147,370	\$
(32,640)	1,043,991	1,342,050	879,678
		(1,372,622)	(908,432)
		21,987	
<u>(32,640)</u>	<u>1,191,361</u>	<u>138,785</u>	<u>(28,754)</u>
6,667	584,876	1,182,289	898,018
<u>348,551</u>	<u>810,943</u>	<u>3,180,854</u>	<u>2,282,836</u>
<u>\$ 355,218</u>	<u>\$ 1,395,819</u>	<u>\$ 4,363,143</u>	<u>\$ 3,180,854</u>

CITY OF WASILLA, ALASKA

COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS

Year Ended June 30, 1994

	General Fund				
	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues					
Sales taxes	\$ 2,691,164	\$ 3,219,602	\$	\$ 3,219,602	\$ 528,438
Property taxes	423,860	480,179		480,179	56,319
Licenses and permits	29,800	39,650		39,650	9,850
Fines, forfeitures and penalties	10,300	13,514		13,514	3,214
State of Alaska	483,788	487,032		487,032	3,244
Matanuska-Susitna Borough	16,000	11,190		11,190	(4,810)
Special assessments					
Interest					
Library fines					
Other	128,325	239,209		239,209	110,884
	<u>3,783,237</u>	<u>4,490,376</u>		<u>4,490,376</u>	<u>707,139</u>
Expenditures					
Administration	192,376	173,985	(778)	173,207	19,169
City Council	139,751	124,154	(129)	124,025	15,726
Municipal services	293,205	285,768	36	285,804	7,401
Planning	70,507	41,026		41,026	29,481
Finance	375,659	369,469	(855)	368,614	7,045
Police	991,886	861,096	(26,300)	834,796	157,090
Property maintenance	161,745	149,615	435	150,050	11,695
Road maintenance	353,691	335,348	(11,053)	324,295	29,396
Recreational services	112,142	81,957		81,957	30,185
Museum	211,389	203,512	1,300	204,812	6,577
Allocation of administrative expenditures to other funds	(42,635)	(44,295)		(44,295)	1,660
Library					
	<u>2,859,716</u>	<u>2,581,635</u>	<u>(37,344)</u>	<u>2,544,291</u>	<u>315,425</u>
Excess (deficiency) of revenues over expenditures	<u>923,521</u>	<u>1,908,741</u>	<u>37,344</u>	<u>1,946,085</u>	<u>1,022,564</u>
Other financing sources (uses)					
Operating transfers in					
Operating transfers out	(1,382,093)	(1,339,982)		(1,339,982)	42,111
Proceeds from sale of general fixed assets		21,987		21,987	21,987
	<u>(1,382,093)</u>	<u>(1,317,995)</u>		<u>(1,317,995)</u>	<u>64,098</u>
Excess (deficiency) of revenues over expenditures and net other financing sources (uses)	<u>\$ (458,572)</u>	<u>590,746</u>	<u>37,344</u>	<u>628,090</u>	<u>\$ 1,086,662</u>
Fund balances, July 1		<u>2,021,360</u>	<u>(16,400)</u>	<u>2,004,960</u>	
Fund balances, June 30		<u>\$ 2,612,106</u>	<u>\$ 20,944</u>	<u>\$ 2,633,050</u>	

Special Revenue Fund				
Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
\$	\$	\$	\$	\$
8,033	8,033		8,033	
120,126	120,126		120,126	
4,200	5,936		5,936	1,736
4,200	2,928		2,928	(1,272)
<u>136,559</u>	<u>137,023</u>		<u>137,023</u>	<u>464</u>
456,939	435,082	(7,769)	427,313	29,626
456,939	435,082	(7,769)	427,313	29,626
(320,380)	(298,059)	7,769	(290,290)	30,090
322,321	298,059		298,059	(24,262)
<u>322,321</u>	<u>298,059</u>		<u>298,059</u>	<u>(24,262)</u>
\$ 1,941		7,769	7,769	\$ 5,828
		3,171	3,171	
	\$	\$ 10,940	\$ 10,940	

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COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS

Year Ended June 30, 1994

	Debt Service Funds				
	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Favorable (Unfavorable)
Revenues	\$	\$	\$	\$	\$
Sales taxes					
Property taxes					
Licenses and permits					
Fines, forfeitures and penalties					
State of Alaska					
Matanuska-Susitna Borough					
Special assessments	272,876	355,433		355,433	82,557
Interest	9,586	14,782		14,782	5,196
Library fines		5,911		5,911	5,911
Other					
	<u>282,462</u>	<u>376,126</u>		<u>376,126</u>	<u>93,664</u>
Expenditures					
Administration					
City Council					
Municipal services					
Planning					
Finance					
Police					
Property maintenance					
Road maintenance					
Recreational services					
Museum					
Allocation of administrative expenditures to other funds					
Library					
Debt service	337,633	336,819		336,819	814
	<u>337,633</u>	<u>336,819</u>		<u>336,819</u>	<u>814</u>
Excess (deficiency) of revenues over expenditures	<u>(55,171)</u>	<u>39,307</u>		<u>39,307</u>	<u>94,478</u>
Other financing sources (uses)					
Operating transfers in					
Operating transfers out	(32,640)	(32,640)		(32,640)	
Proceeds from sale of general fixed assets					
	<u>(32,640)</u>	<u>(32,640)</u>		<u>(32,640)</u>	
Excess (deficiency) of revenues over expenditures and net other financing sources (uses)	<u>\$ (87,811)</u>	<u>6,667</u>		<u>6,667</u>	<u>\$ 94,478</u>
Fund balances, July 1		348,551		348,551	
Fund balances, June 30		<u>\$ 355,218</u>	<u>\$</u>	<u>\$ 355,218</u>	

The accompanying notes are an integral part
of these financial statements.

CITY OF WASILLA, ALASKA

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT/FUND BALANCE
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND

Year Ended June 30, 1994
With Comparative Totals for 1993

	Proprietary	Fiduciary	Totals	
	Fund Type	Fund Type	(Memorandum Only)	
	Enterprise	Non-Expendable Trust	1994	1993
Operating revenues				
Sales and user charges	\$ 478,775	\$	\$ 478,775	\$ 427,806
Fees and rentals	11,595		11,595	6,447
Connections	1,775		1,775	660
Meters	2,196		2,196	730
Other	12,910	3,400	16,310	18,256
	<u>507,251</u>	<u>3,400</u>	<u>510,651</u>	<u>453,899</u>
Operating expenses				
Salaries and benefits	277,466		277,466	235,758
Operations	3,992		3,992	3,411
Utilities	51,681		51,681	54,900
Outside services	49,128		49,128	44,498
Insurance	16,085		16,085	11,935
Materials and supplies	32,380		32,380	33,399
Maintenance	20,485		20,485	15,420
Rent	8,833		8,833	12,600
Transportation	5,978		5,978	7,867
Contingency	4,889		4,889	2,523
Other	46,162		46,162	25,707
	<u>517,079</u>		<u>517,079</u>	<u>448,018</u>
Operating income (loss) before depreciation	(9,828)	3,400	(6,428)	5,881
Depreciation	<u>643,259</u>		<u>643,259</u>	<u>680,918</u>
Operating income (loss)	<u>(653,087)</u>	<u>3,400</u>	<u>(649,687)</u>	<u>(675,037)</u>

The accompanying notes are an integral part
of these financial statements.

	Proprietary Fund Type		Fiduciary Fund Type	
	Enterprise	Non- Expendable Trust	Totals (Memorandum Only)	
			1994	1993
Nonoperating revenues				
Transfers in				
General Fund	\$ 30,572	\$	\$ 30,572	\$ 28,754
Special assessments	332		332	1,582
Payments in lieu of assessments	3,162		3,162	2,467
Interest income	20,911	1,385	22,296	19,108
	<u>54,977</u>	<u>1,385</u>	<u>56,362</u>	<u>51,911</u>
Total net nonoperating revenues				
Net income (loss)	(598,110)	4,785	(593,325)	(623,126)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>596,548</u>		<u>596,548</u>	<u>628,903</u>
Change in retained earnings/fund balance and accumulated deficit	<u>(1,562)</u>	<u>4,785</u>	<u>3,223</u>	<u>5,777</u>
Retained earnings/fund balance (accumulated deficit), July 1 (as previously reported)	(658,876)	45,255	(613,621)	(619,398)
Prior period adjustment	<u>894,889</u>		<u>894,889</u>	
Retained earnings/fund balance (accumulated deficit), July 1 (as restated)	<u>236,013</u>	<u>45,255</u>	<u>281,268</u>	<u>(619,398)</u>
Retained earnings/fund balance balance (accumulated deficit), June 30	<u>\$ 234,451</u>	<u>\$ 50,040</u>	<u>\$ 284,491</u>	<u>\$ (613,621)</u>

CITY OF WASILLA, ALASKA

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND

Year Ended June 30, 1994
 With Comparative Totals for 1993

Increase (Decrease) in Cash and Cash Equivalents	Proprietary	Fiduciary	Totals	
	Fund Type	Fund Type	(Memorandum Only)	
	Enterprise	Non-Expendable Trust	1994	1993
Cash flows from operating activities				
Cash received from customers	\$ 490,711	\$ 3,400	\$ 494,111	\$ 446,624
Cash payments to suppliers for goods and services	(254,805)		(254,805)	(205,394)
Cash payments to employees for services	(273,120)		(273,120)	(232,178)
Other operating revenues	23,027		23,027	4,639
Net cash provided by (used in) operating activities	<u>(14,187)</u>	<u>3,400</u>	<u>(10,787)</u>	<u>13,691</u>
Cash flows from noncapital financing activities				
Operating transfers in	30,572		30,572	28,754
Net advances received from central treasury	18,182		18,182	3,625
Net cash provided by noncapital financing activities	<u>48,754</u>		<u>48,754</u>	<u>32,379</u>
Cash flows from capital and related financing activities				
Payments on advances from funds	(6,452)		(6,452)	(5,973)
Receipts from special assessments and payments in lieu of assessments	3,494		3,494	4,049
Net cash used in capital and related financing activities	<u>(2,958)</u>		<u>(2,958)</u>	<u>(1,924)</u>
Cash flows from investing activities				
Interest on central treasury and cash funds	14,046	488	14,534	10,259
Issuance of notes receivable	(13,909)		(13,909)	(19,000)
Principal payments on notes receivable	10,978		10,978	4,524
Net cash provided by (used in) investing activities	<u>11,115</u>	<u>488</u>	<u>11,603</u>	<u>(4,217)</u>
Net increase in cash and cash equivalents	42,724	3,888	46,612	39,929
Cash and cash equivalents				
Beginning of year	301,838	19,036	320,874	280,945
End of year	<u>\$ 344,562</u>	<u>\$ 22,924</u>	<u>\$ 367,486</u>	<u>\$ 320,874</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet				
Equity in central treasury and cash funds per the balance sheet	579,164	49,700	628,864	574,263
Less: Investments not meeting the definition of cash equivalents	<u>234,602</u>	<u>26,776</u>	<u>261,378</u>	<u>253,389</u>
Cash and cash equivalents at end of year	<u>\$ 344,562</u>	<u>\$ 22,924</u>	<u>\$ 367,486</u>	<u>\$ 320,874</u>

The accompanying notes are an integral part of these financial statements.

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	Proprietary	Fiduciary	Totals	
	Fund Type	Fund Type	(Memorandum Only)	
	Enterprise	Non- Expendable Trust	1994	1993
Operating income (loss)	<u>\$(653,087)</u>	<u>\$ 3,400</u>	<u>\$(649,687)</u>	<u>\$(675,037)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	643,259		643,259	680,918
Amortization	381		381	381
(Increase) decrease in assets				
Accounts receivable - trade	(6,364)		(6,364)	5,878
Accounts receivable - other	10,738		10,738	(9,573)
Prepaid insurance				5,000
Inventory	(20,301)		(20,301)	1,260
Increase (decrease) in liabilities				
Accounts payable	7,993		7,993	225
Revenue billed in advance	2,033		2,033	1,353
Unearned revenue				(1,000)
Accrued annual and sick leave	1,478		1,478	3,580
Customer deposits	(1,017)		(1,017)	706
Other	700		700	
Total adjustments	<u>638,900</u>		<u>638,900</u>	<u>688,728</u>
Net cash provided by (used in) operating activities	<u>\$ (14,187)</u>	<u>\$ 3,400</u>	<u>\$(10,787)</u>	<u>\$ 13,691</u>

Noncash Capital and Related Financing Activities

During 1994 and 1993, the City of Wasilla received \$1,000,475 and \$71,259, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$11,500 and \$5,000 in capital contributions in 1994 and 1993, respectively. The water utility received \$91,831 and \$23,838 in private contributions in 1994 and 1993, respectively. The utilities recorded the contributions as contributed capital and fixed assets.

On December 1, 1993, the State of Alaska contributed a snowblower to the City of Wasilla Municipal Airport. The contribution was recorded in the Municipal Airport Fund at its estimated fair market value of \$207,500.

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CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS

June 30, 1994

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles (GAAP). Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no entities are considered to be component units.

Fund Accounting - The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three categories: governmental, proprietary and fiduciary.

Governmental Funds

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for and payment of principal, interest and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Trust and agency funds account for assets held in a trustee capacity or as an agent for individuals, private organizations and other funds. These include nonexpendable trust funds and agency funds. Nonexpendable trust funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Public domain (infrastructure) general fixed assets consisting of certain

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets.

Portions of the property, plant and equipment of the Enterprise Funds have been constructed through the use of contributions in aid of construction from state and federal agencies and private sources. Depreciation of all assets has been charged against operations.

Depreciation for property, plant and equipment of the Enterprise Funds is computed by use of the straight-line method over the estimated economic life of the asset. Estimated lives of major assets are as follows:

Distribution System and Plant in Service	40 - 50 years
Equipment	5 years
Land improvements	20 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The only long-term debt of the City is the special assessment bonds. The long-term portion of this debt is accounted for in the General Long-Term Debt Account Group with the accumulation of resources for, and the payment of, this debt accounted for in the Debt Service Fund.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is utilized in the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, meaning both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

The accrual basis of accounting is utilized in the Proprietary Funds and the Nonexpendable Trust Fund. Revenues are recognized when earned and expenses are recognized when incurred.

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, except that budgets of Capital

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Projects funds generally encompass the period of project completion which is generally greater than one year. 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 City Mayor is authorized to transfer budgeted amounts between line items in each department and between departments up to \$5,000; however, any revision that alters total expenditures must be approved by the City Council. 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.

Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles, except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. Budgetary comparisons presented in this report are on this budgetary basis.

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

Central Treasury - The cash transactions of the City's funds are handled primarily in an overnight repurchase agreement account. Interest earned by the central treasury is recorded in all of the funds based on their equity in the central treasury.

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

Advances to Other Funds - Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased.

Accrued Leave - Annual and sick leave are recorded as expenditures in the period in which they are earned by the employees. The long-term portions of annual and sick leave are not considered material.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Grant Revenues - State entitlements are recorded as revenue in the period of allocation. All other grant revenues are dependent upon expenditures, and revenues from these grants are recognized when the expenditures are made.

Administrative Fees - Grants are charged an administrative fee if allowable under the terms of the grants. The fee is recorded as revenue in the General Fund.

Reclassifications - Certain reclassifications, which have no effect on fund equity, have been made to the June 30, 1993 financial statements to conform them to current classifications.

PRIOR PERIOD ADJUSTMENT

It was determined that depreciation on plant assets acquired with grants restricted for capital acquisition and construction in the sewer and water utilities were amortized over the wrong period in prior years.

Retained earnings (accumulated deficit) for the utility funds as of June 30, 1993 has been restated to reflect the proper amortization period. The effects of the prior period adjustment were as follows:

	<u>June 30, 1993</u>	
	<u>As Previously Reported</u>	<u>As Restated</u>
Sewer utility accumulated deficit	<u>\$ (1,001,239)</u>	<u>\$ (155,670)</u>
Water utility retained earnings	<u>\$ 342,363</u>	<u>\$ 391,683</u>

CASH AND INVESTMENTS

Deposits

At June 30, 1994, the carrying amount of the City's net bank balances including certificates of deposit totaled \$422,473 and the bank deposits including certificates of deposit totaled \$675,388. The deposits were covered by federal depository insurance or by collateral held by the City's agent in the City's name.

CITY OF WASILLA, ALASKA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

In compliance with the current banking services contract with National Bank of Alaska, the City is required to maintain a compensating balance of \$500,000.

Investments

The City is authorized to invest in the following:

- Obligations of, or obligations insured or guaranteed by, the United States government or an agency or instrumentality of the United States.
- Negotiable certificates of deposit issued by rated banks.
- Certificates of deposit issued by banks with a main or branch office within the State of Alaska.
- Repurchase agreements secured by obligations insured or guaranteed by the United States government or agencies or instrumentalities of the United States government.
- The Alaska Municipal League Investment Pool, Inc.
- Federally insured deposits in banks with a main or branch office within the State of Alaska.

The City's investments are categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or by its trust department or agent, but not in the City's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Repurchase agreements	\$	\$ 2,456,757	\$ 1,738,172	\$ 4,194,929	\$ 4,194,929
U.S. government securities	<u>260,000</u>			<u>260,000</u>	<u>260,000</u>
Categorized investments	<u>\$ 260,000</u>	<u>\$ 2,456,757</u>	<u>\$ 1,738,172</u>	4,454,929	4,454,929
AML pool				<u>518,955</u>	<u>518,955</u>
Total investments				<u>\$ 4,973,884</u>	<u>\$ 4,973,884</u>

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

FIXED ASSETS

During the fiscal year ended June 30, 1994, a valuation of circulation materials at the Wasilla Public Library was made and their value was included in fixed assets for the first time.

A summary of this and other changes in the general fixed assets account group is as follows:

	Balance July 1, 1993	Library Collection Valuation	Additions	Deletions	Balance June 30, 1994
Land	\$ 1,322,211	\$	\$ 170,373	\$ 34,602	\$ 1,457,982
Buildings	2,439,325		83,894	176,656	2,346,563
Office furniture and equipment	228,205		133,948	6,146	356,007
Vehicles and equipment	500,287		89,312	23,692	565,907
Library collections		1,459,004	58,810		1,517,814
Construction in progress			97,435		97,435
	<u>\$ 4,490,028</u>	<u>\$ 1,459,004</u>	<u>\$ 633,772</u>	<u>\$ 241,096</u>	<u>\$ 6,341,708</u>

As discussed in the summary of significant accounting policies, public domain (infrastructure) fixed assets are not capitalized.

The following is a summary of enterprise fund type fixed assets at June 30, 1994:

	Sewer Utility	Water Utility	Municipal Airport	Total
Distribution system	\$ 7,516,828	\$ 4,281,712	\$	\$ 11,798,540
Other plant in service	5,745,898	2,549,968		8,295,866
Equipment	1,933,728	40,529	221,289	2,195,546
Land	657,810	149,170	1,470,000	2,276,980
Land improvements			4,073,964	4,073,964
Construction in progress	<u>1,087,208</u>			<u>1,087,208</u>
	16,941,472	7,021,379	5,765,253	29,728,104
Accumulated depreciation	<u>3,661,893</u>	<u>1,443,168</u>	<u>439,901</u>	<u>5,544,962</u>
Net property, plant and equipment	<u>\$ 13,279,579</u>	<u>\$ 5,578,211</u>	<u>\$ 5,325,352</u>	<u>\$ 24,183,142</u>

CITY OF WASILLA, ALASKA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

LONG-TERM DEBT

Long-term debt consists solely of the following special assessment debt at June 30, 1994:

	<u>Bond Principal</u>
\$329,300 1986 Southside Water District Bond due in annual principal installments of \$5,160 to \$7,660 through June 30, 2026; interest at 6.125 percent	\$ 202,390
\$626,000 1987 Sewer Improvement District Bond due in annual principal installments of \$5,400 to \$7,900 through August 17, 2027; interest at 6.5 percent	236,100
\$308,700 1987 Mission Hills Paving Improvement District Bond due in annual principal installments of \$15,580 to \$20,580 through December 3, 2002; interest at 6.125 percent	165,220
\$403,700 1988 Phase I Paving Improvement District Bond due in annual principal installments of \$20,900 to \$26,100 through February 12, 2003; interest at 6.125 percent	213,300
\$290,000 1988 Overlook Sewer Improvement District Bond due in annual principal installments of \$29,000 through May 16, 1998; interest at 7.48 percent	116,000
\$61,270 1988 North Country Estates Gas Assessment District Bond due in annual principal installments of \$9,190 to \$12,250 through October 31, 1995; interest at 11.0 percent through March 31, 1993 and 9 percent thereafter	24,500
\$23,080 1990 Creekside Estates/Southway Gas Assessment Districts Bond due in annual principal installments of \$3,297 beginning February 16, 1991 through March 1, 1997; interest at 12.5 percent through March 31, 1993 and 9 percent thereafter	9,893
\$147,370 1993 Glenwood/Naomi/Shadowood Paving Improvement Districts Bond due in annual principal installments of \$14,737 beginning on December 22, 1994 through December 22, 2003; interest at 5.10 percent	<u>147,370</u>
Total	<u>\$ 1,114,773</u>

In November 1993, the City made a \$19,103 prepayment on the 1988 West Lake/Lucille/Pincrest GAO Assessment Districts bond which retired the debt.

In December 1993, the City made a \$50,875 prepayment on the 1990 Knik/Snider GAO Assessment Districts bond which retired the debt.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

In August 1993, the City made a \$60,000 prepayment on the 1987 Sewer Improvement District bond which was applied as \$1,750 on installments 7 through 14 and 19 through 40, and \$1,875 on installments 15 through 18, respectively, in 1994 through 2027.

Special assessment bond debt service requirements to maturity, including \$698,726 of interest, are as follows:

Fiscal Period Ending June 30	1986 Southside Water District Bond	1987 Sewer Improvement District Bond	1987 Mission Hills Paving Improvement District Bond	1988 Phase I Paving Improvement District Bond	1988 Overlook Sewer Improvement District Bond
1995	\$ 17,556	\$ 20,811	\$ 25,700	\$ 33,965	\$ 37,677
1996	17,240	20,395	24,745	32,684	35,507
1997	16,924	20,044	23,791	31,404	33,338
1998	16,608	19,693	22,837	30,124	31,169
1999	16,292	20,343	26,883	33,844	
Thereafter	341,616	418,749	94,925	119,713	
	426,236	520,035	218,881	281,734	137,691
Less amount of interest	223,846	283,935	53,661	68,434	21,691
	<u>\$ 202,390</u>	<u>\$ 236,100</u>	<u>\$ 165,220</u>	<u>\$ 213,300</u>	<u>\$ 116,000</u>

Fiscal Period Ending June 30	1988 North Country Estates Gas Assessment District Bond	1990 Creekside Estates/Southway Gas Assessment Districts Bond	1993 Glenwood/Naomi/Shadowood Paving Improvement Districts Bond	Total
1995	\$ 14,945	\$ 4,187	\$ 22,253	\$ 177,094
1996	13,597	3,890	21,508	169,566
1997		3,596	20,750	149,847
1998			19,998	140,429
1999			84,951	182,313
Thereafter			19,247	994,250
	28,542	11,673	188,707	1,813,499
Less amount of interest	4,042	1,780	41,337	698,726
	<u>\$ 24,500</u>	<u>\$ 9,893</u>	<u>\$ 147,370</u>	<u>\$ 1,114,773</u>

CITY OF WASILLA, ALASKA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

During the fiscal year ended June 30, 1994, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 1993</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 1994</u>
Special Assessment Debt	<u>\$ 1,218,740</u>	<u>\$ 147,370</u>	<u>\$ 251,337</u>	<u>\$ 1,114,773</u>

SPECIAL ASSESSMENT BONDS COVENANTS

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

- The Bond Guarantee Fund shall be kept separate from all other money and funds of the City and shall be held in trust for the uses and purposes provided in the ordinances.
- From the date of delivery of the bonds, the City will make certain minimum payments into the bond guarantee fund. The payments vary with each special assessment bond issue.

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

ENTERPRISE FUND SEGMENT INFORMATION

The City owns and operates a Sewer Utility Enterprise Fund, a Water Utility Enterprise Fund and an Airport Enterprise Fund. Segment financial data as of and for the year ended June 30, 1994 for the sewer and water utilities and airport are as follows:

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Operating revenues	\$ 231,858	\$ 263,760	\$ 11,633	\$ 507,251
Depreciation	281,690	136,431	225,138	643,259
Operating loss	(291,092)	(105,911)	(256,084)	(653,087)
Net loss	(287,378)	(85,594)	(225,138)	(598,110)
Contributions in aid of construction				
Additions	1,011,975	91,831		1,103,806
Amortization	272,671	98,739	225,138	596,548
Transfers in			30,946	30,946
Property, plant and equipment additions	1,011,975	91,831		1,103,806
Net working capital	(44,919)	600,785		555,866
Total assets	13,360,772	6,216,036	5,326,253	24,903,061
Total equity	13,255,901	6,196,152	5,325,352	24,777,405

CONTRIBUTED CAPITAL

During the year, contributed capital changed by the following amounts:

<u>Source</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>
Capital grants - plant assets	\$ 1,000,475	\$	\$
Customers	11,500	91,831	
Total additions	1,011,975	91,831	
Amortization of capital grants	(272,671)	(98,739)	(225,138)
Prior period adjustment	(845,569)	(49,320)	
Net increase (decrease) in contributed capital	(106,265)	(56,228)	(225,138)
Contributed capital			
July 1, 1993	<u>13,532,543</u>	<u>5,847,552</u>	<u>5,550,490</u>
June 30, 1994	<u>\$ 13,426,278</u>	<u>\$ 5,791,324</u>	<u>\$ 5,325,352</u>

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

RETIREMENT COMMITMENTS

As of June 30, 1994, all permanent employees of the City participate in the Alaska Public Employees' Retirement System (PERS). The System is a statewide defined benefit retirement plan, administered by the State of Alaska.

Plan Description and Provisions

The Alaska Public Employees' Retirement System is a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions within the State of Alaska. PERS was created by State Statutes and political subdivision participation is optional.

Employee participation in the plan is mandatory for permanent employees scheduled to work at least 15 hours a week. There is no optional participation for other employees. City police officers are required to contribute 7.5 percent of their eligible compensation (usually equal to gross wages) and all other employees are required to contribute 6.75 percent. The City is required to contribute remaining amounts necessary to fund the plan using the actuarial basis specified by the State Retirement Board. Employer rates are adjusted annually on July 1 and are based on actuarial valuations made two years prior to that date. The employer rate for amortizing all future service liabilities is uniform for all participating employees and a separate rate is determined for amortizing each employer's unfunded past service liability. The City's combined contribution rate was 11.03 percent in fiscal year 1994 and 10.89 percent in 1993.

Benefits vest after 5 years of credited service. Employees hired prior to July 1, 1986 with 5 or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees hired after June 30, 1986, the normal and early retirement ages are 60 and 55, respectively. Police officers receive a normal annual pension benefit equal to 2 percent of the member's highest three-year average monthly compensation for the first ten years of service and 2½ percent for years of service exceeding 10 years. They may retire with at least 20 years of service at any age and receive normal benefits. The normal annual pension benefit for all other members is equal to 2 percent of the member's highest three-year average monthly compensation for the first 10 years of service, 2½ percent for the second 10 years of service, and 2½ percent for the third 10 years of service. All service earned prior to July 1, 1986 is calculated using the 2 percent multiplier. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan also provides for both occupational and non-occupational disability and death benefits.

Pension benefits are adjusted each year based upon increases in the Consumer Price Index (CPI) for the prior year. The increase in the benefits is 75 percent of the CPI increase up to a 9 percent maximum for recipients who are at least age 65 or on disability or 50 percent of the increase up to a 6 percent maximum for recipients who are at least age 60 but under 65 or who have been receiving

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

benefits for at least 5 years. Starting at age 65, or at any age for those employed before July 1, 1986, a retired employee who remains in Alaska is eligible for an additional allowance equal to 10 percent of the base benefit or \$50 a month, whichever is greater.

Major medical benefits are provided without cost to all members first hired before July 1, 1986. Members hired after June 30, 1986 may elect major medical benefits at the time of retirement and pay for coverage. Medical benefits will be provided at no cost when the member hired after June 30, 1986 reaches age 65.

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of PERS on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to PERS.

The pension benefit obligation of PERS was computed as part of an actuarial valuation performed as of June 30, 1993, which is the latest date this information is available as of the date of these financial statements. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.75 percent per year compounded annually, (b) the valuation is based on a five year average ratio between market and book values of the plan assets, except that fixed income investments are carried at book value, and the valuation of assets cannot be outside the range of book and actuarial values, (c) health cost inflation trend from 10.5 percent in 1994 to 7.5 percent in 1997 and later compounded annually and (d) projected salary increases of 6.5 percent per year compounded annually for the first five years of employment and 5.5 percent per year thereafter with approximately 5 percent attributable to inflation and the remainder attributable to merit and seniority. The actuarial assumptions used to determine the pension benefit obligation are identical to those used to determine contribution requirements.

CITY OF WASILLA, ALASKA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

The assets in excess of (unfunded) pension benefit obligation in thousands is as follows:

	<u>Amount</u>
Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 392
Current employees	
Accumulated contributions including allocated investment earnings	350
Employer financed, vested	882
Employer financed, nonvested	<u>105</u>
Total pension benefit obligation	1,729
Net assets available for benefits as of June 30, 1993 at market (actuarial value was \$1,622)	<u>1,652</u>
Assets in excess of (unfunded) pension benefit obligation	<u>\$ (77)</u>
Assets as a percent of pension benefit obligation	<u>95.5%</u>

Actuarially Determined Contribution Requirements and Contributions Made

The PERS funding policy provides for actuarially determined periodic contributions at rates that change over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee group as a whole is equal to a consolidated rate (normal cost) and a past service rate. The consolidated rate is determined using the credited projected benefits actuarial funding method with proration based on service. PERS uses the level percentage of payroll method to amortize the unfunded liability over a 25 year period. Any funding surplus is amortized over five years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligations as described above.

The City's payroll for employees covered by PERS for the year ended June 30, 1994 was \$1,326,106 out of a total payroll of \$1,583,698.

The contribution to PERS for 1994 of \$238,567 was made in accordance with actuarially determined requirements computed through actuarial valuations performed as of June 30, 1991. The contribution consisted of (a) \$227,295 normal costs (17.14 percent of current covered payroll) plus (b) \$11,272 amortization of the unfunded actuarial accrued liability (.85 percent of current covered payroll). The City contributed \$146,289 (11.03 percent of current covered payroll); employees contributed \$92,278 (6.96 percent of current covered payroll).

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Trend Information - PERS

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three year trend information follows:

Net assets available as a percentage of the pension benefit obligation	
1991	98.0%
1992	97.6%
1993	95.5%
Assets in excess of (unfunded) pension benefit obligation as a percentage of annual covered payroll	
1991	(4.0)%
1992	(4.9)%
1993	(9.3)%
Contributions, which were made in accordance with actuarially determined requirements as a percentage of annual covered payroll	
1991	7.78%
1992	7.78%
1993	10.89%

Prior to 1987, PERS plan information was available only for the plan as a whole, not by individual employer.

Seven year historical trend information is presented on page 41.

LEASES

The Enterprise Funds lease a shop building from the General Fund for which they paid \$8,833 in 1994.

The City leases a portion of the Wasilla Elementary School building to a tenant payable in monthly installments of \$1,768 beginning August 1993 for which it received \$17,680 in 1994.

CITY OF WASILLA, ALASKA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

INTERFUND ASSETS/LIABILITIES

<u>Due To/From Other Funds</u>	<u>Receivable</u>	<u>Payable</u>
Assessment Districts Bonds Debt Service Funds	\$ 7,570	\$ 5,280
Miscellaneous Projects and Road and Street Improvement Fund		40,158
Bond Guarantee Debt Service Fund	13,559	7,570
1988 Overlook Sewer Improvement Bond Debt Service Fund		13,559
General Fund	52,407	
Sewer Utility Fund		<u>6,969</u>
	<u>\$ 73,536</u>	<u>\$ 73,536</u>
 <u>Interfund Advances</u>		
General Fund	\$ 138,944	
Bond Guarantee Debt Service Fund		123,292
Sewer Utility Fund		<u>15,652</u>
	<u>\$ 138,944</u>	<u>\$ 138,944</u>

In 1992, the General Fund advanced the Sewer Utility Enterprise Fund \$35,042 for the purchase of a septic tank pumper truck. The advance requires annual repayments of \$8,778 including interest at 8 percent. The current portion of the advance is \$6,969 and is included in Due To/From Other Funds.

Deficit Fund Balances of Individual Funds

The \$14,267 deficit in the 1988 Overlook Sewer Improvement Bond Fund is due primarily to slower than anticipated collections on special assessments. The deficit is expected to be eliminated as the special assessments are collected.

The \$170,377 deficit in the Sewer Utility Fund has resulted primarily from depreciation. The City has provided funding from other sources for losses before depreciation but has no plans at present to appropriate contributions from other sources to fund depreciation.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Interfund Transfers

A summary of interfund transfers during 1994 is as follows:

	Operating Transfers In	Operating Transfers Out
General Fund	\$	\$ 1,339,982
Special Revenue Fund	298,059	
Debt Service Funds		32,640
Capital Projects Funds	1,043,991	
Enterprise Funds	<u>30,572</u>	
	<u>\$ 1,372,622</u>	<u>\$ 1,372,622</u>

CONTINGENCIES

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

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. The City of Wasilla received notice from the U.S. Environmental Protection Agency that an audit conducted on two construction grants awarded to the City for the Period of April 11, 1977 through September 4, 1990 recommended that the EPA recover \$343,087 of federal funds paid in excess of the amounts accepted in the audit. The City of Wasilla recorded the \$343,087 in accounts payable of the Capital Projects Funds at June 30, 1993. Any other disallowed claims, including amounts already collected, would become a liability of the general or other applicable funds. Other disallowances, if any, cannot be determined at this time; but, in the City's opinion, any such disallowances would be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WASILLA, ALASKA
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF PERS FUNDING PROGRESS

June 30, 1994

(In Thousands)

Year Ended June 30	Net Assets Available	Pension Benefit Obligation	Percentage Funded	Assets in Excess of (Unfunded) Pension Benefit Obligation	Annual Covered Payroll	Assets in Excess of (Unfunded) Pension Benefit Obligation as a Percentage of Covered Payroll
1987	\$ 494	\$ 432	114.4%	\$ 62	\$ 474	13.1%
1988	606	570	106.3%	36	519	6.9%
1989	853	723	118.0%	130	532	24.4%
1990	1,012	939	107.8%	73	592	12.3%
1991	1,204	1,229	98.0%	(25)	621	(4.0)%
1992	1,405	1,440	97.6%	(35)	720	(4.9)%
1993	1,652	1,729	95.5%	(77)	824	(9.3)%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and assets in excess of (unfunded) pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in assets in excess of (unfunded) pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the assets in excess of (unfunded) pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the more positive this percentage is, the stronger the plan.

Prior to 1987, PERS plan information was available only for the plan as a whole, not by individual employer.

See notes to financial statements.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

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GENERAL FUND

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

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CITY OF WASILLA, ALASKA
 GENERAL FUND
 COMPARATIVE BALANCE SHEET
 June 30, 1994 and 1993

<u>ASSETS</u>	<u>1994</u>	<u>1993</u>
Equity in central treasury and cash funds	\$ 2,494,830	\$ 1,895,445
Accounts and grants receivable		
State of Alaska	100,559	96,350
Matanuska-Susitna Borough	22,400	13,670
Other	4,847	2,421
Accrued interest receivable	19,565	11,469
Assessments receivable	12,574	
	<u>159,945</u>	<u>123,910</u>
Due from other funds	52,407	6,000
Advances to other funds	138,944	118,417
	<u>191,351</u>	<u>124,417</u>
Total assets	<u>\$ 2,846,126</u>	<u>\$ 2,143,772</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	\$ 105,294	\$ 51,926
Accrued liabilities		
Annual and sick leave	113,714	69,754
Deferred revenue	15,012	732
Total liabilities	<u>234,020</u>	<u>122,412</u>
Fund balance		
Reserved for encumbrances	6,534	43,879
Reserved for advances to other funds	138,944	118,418
Unreserved		
Undesignated	<u>2,466,628</u>	<u>1,859,063</u>
Total fund balance	<u>2,612,106</u>	<u>2,021,360</u>
Total liabilities and fund balance	<u>\$ 2,846,126</u>	<u>\$ 2,143,772</u>

CITY OF WASILLA, ALASKA

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Revenues		
Sales taxes	\$ 3,219,602	\$ 1,123,749
Property taxes	<u>480,179</u>	<u>971,184</u>
Licenses and permits		
City business licenses	27,450	23,785
Land use permits	4,015	5,896
Utility permits	5,031	5,266
Driveway permits	275	175
Taxicab permits	360	375
Animal licenses	<u>2,519</u>	<u>1,779</u>
Total licenses and permits	<u>39,650</u>	<u>37,276</u>
Fines, forfeitures and penalties	<u>13,514</u>	
State of Alaska		
Municipal assistance	269,286	289,750
State shared revenue		
Road maintenance	58,645	62,470
Health facilities	3,221	3,512
Other	36,096	33,749
Electric and telephone co-op tax	90,675	92,998
Amusement and gaming tax	684	174
Alcoholic beverage tax	24,425	2,650
Other	<u>4,000</u>	
Total State of Alaska	<u>487,032</u>	<u>485,303</u>
Matanuska-Susitna Borough		
Solid waste	1,000	1,000
Parks and recreation	10,000	15,750
Snow removal	<u>190</u>	
Total Matanuska-Susitna Borough	<u>11,190</u>	<u>16,750</u>
Other		
Charges to other funds	74,196	11,774
Charges for services	13,174	1,719
Interest	109,513	70,160
Building rentals	27,834	26,425
Miscellaneous	<u>14,492</u>	<u>34,512</u>
Total other	<u>239,209</u>	<u>144,590</u>
Total revenues	<u>4,490,376</u>	<u>2,778,852</u>

	<u>1994</u>	<u>1993</u>
Expenditures		
General Government		
Administration	\$ 173,985	\$ 166,258
City Council	124,154	144,832
Municipal services	285,768	180,825
Planning	41,026	12,073
Finance	369,469	328,370
Police	861,096	151,459
Property maintenance	149,615	131,332
Road maintenance	335,348	289,218
Recreational services	81,957	14,080
Museum	<u>203,512</u>	<u>186,952</u>
Total expenditures before allocation of administrative expenditures to other funds	2,625,930	1,605,399
Allocation of administrative expenditures to other funds	<u>(44,295)</u>	<u>(40,196)</u>
Total expenditures	<u>2,581,635</u>	<u>1,565,203</u>
Excess of revenues over expenditures	<u>1,908,741</u>	<u>1,213,649</u>
Other financing sources (uses)		
Operating transfer in		
Debt Service Fund		26,620
Operating transfers out		
Library Special Revenue Fund	(298,059)	(98,307)
Capital Projects Funds	(1,011,351)	(700,195)
Enterprise Funds	(30,572)	(28,754)
Proceeds from sale of fixed assets	<u>21,987</u>	<u> </u>
Net other financing uses	<u>(1,317,995)</u>	<u>(800,636)</u>
Excess of revenues over expenditures and other financing uses	590,746	413,013
Fund balance July 1	<u>2,021,360</u>	<u>1,608,347</u>
Fund balance, June 30	<u>\$ 2,612,106</u>	<u>\$ 2,021,360</u>

CITY OF WASILLA, ALASKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 1994

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues					
Sales taxes	\$ 2,691,164	\$ 3,219,602	\$	\$ 3,219,602	\$ 528,438
Property taxes	423,860	480,179		480,179	56,319
Licenses and permits					
City business licenses	19,000	27,450		27,450	8,450
Land use permits	2,500	4,015		4,015	1,515
Utility permits	5,500	5,031		5,031	(469)
Driveway permits	150	275		275	125
Taxicab permits	150	360		360	210
Animal licenses	2,500	2,519		2,519	19
Total licenses and permits	29,800	39,650		39,650	9,850
Fines, forfeitures and penalties	10,300	13,514		13,514	3,214
State of Alaska					
Municipal assistance	269,468	269,286		269,286	(182)
State shared revenue					
Road maintenance	58,097	58,645		58,645	548
Health facilities	3,336	3,221		3,221	(115)
Other	31,387	36,096		36,096	4,709
Electric and telephone co-op tax	105,000	90,675		90,675	(14,325)
Amusement and gaming tax	1,500	684		684	(816)
Alcoholic beverage tax	15,000	24,425		24,425	9,425
Other		4,000		4,000	4,000
Total State of Alaska	483,788	487,032		487,032	3,244
Matanuska-Susitna Borough					
Solid waste	1,000	1,000		1,000	
Parks and recreation	15,000	10,000		10,000	(5,000)
Snow removal		190		190	190
Total Matanuska-Susitna Borough	16,000	11,190		11,190	(4,810)
Other					
Charges to other funds	6,400	74,196		74,196	67,796
Charges for services	10,175	13,174		13,174	2,999
Interest	75,200	109,513		109,513	34,313
Building rentals	17,300	27,834		27,834	10,534
Miscellaneous	19,250	14,492		14,492	(4,758)
Total other	128,325	239,209		239,209	110,884
Total revenues	3,783,237	4,490,376		4,490,376	707,139

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Expenditures					
Administration					
Salaries	\$ 114,027	\$ 114,664	\$	\$ 114,664	\$ (637)
Employee benefits	36,124	34,291		34,291	1,833
Travel	4,000	1,575		1,575	2,425
Legislative lobbying	500				500
Contingency	5,000	1,463		1,463	3,537
Supplies and capital outlay	7,150	6,631	733	7,364	(214)
City engineer	10,000	3,212	(1,511)	1,701	8,299
Other	15,575	12,149		12,149	3,426
Total administration	192,376	173,985	(778)	173,207	19,169
City Council					
Travel and conferences	2,825	105		105	2,720
Accounting and auditing	17,980	15,177		15,177	2,803
Contingency	19,000	16,777	(209)	16,568	2,432
Animal control	17,500	30,834		30,834	(13,334)
Insurance	22,000	16,318	80	16,398	5,602
Mat-Su Alcohol Council	3,336	3,221		3,221	115
Salaries and benefits	8,413	7,273		7,273	1,140
Legal and other professional services	30,500	30,867		30,867	(367)
Wasilla area seniors	10,361				10,361
Other	7,836	3,582		3,582	4,254
Total City Council	139,751	124,154	(129)	124,025	15,726
Municipal services					
Salaries	104,106	103,408		103,408	698
Employee benefits	33,668	33,153		33,153	515
Travel and conferences	3,725	3,860		3,860	(135)
Supplies	3,185	2,538		2,538	647
Equipment	32,550	32,306	186	32,492	58
Advertising	10,820	7,326		7,326	3,494
Economic development	68,000	67,305	(150)	67,155	845
Tourism	30,000	30,140		30,140	(140)
Other	7,151	5,732		5,732	1,419
Total municipal services	293,205	285,768	36	285,804	7,401

(Continued)

CITY OF WASILLA, ALASKA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 1994

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Expenditures - Continued					
Planning					
Salaries	\$ 5,649	\$ 4,998	\$	\$ 4,998	\$ 651
Employee benefits	7,659	624		624	7,035
Equipment	10,523	9,104		9,104	1,419
Professional services	7,500				7,500
Supplies	4,150	819		819	3,331
Contractual	10,000	2,033		2,033	7,967
Contingency	20,851	20,491		20,491	360
Travel and training	2,600	1,243		1,243	1,357
Other	1,575	1,714		1,714	(139)
Total planning	70,507	41,026		41,026	29,481
Finance					
Salaries	200,295	199,410		199,410	885
Employee benefits	61,058	59,271	(855)	58,416	2,642
Communications	27,705	27,712		27,712	(7)
Travel and conferences	6,093	4,219		4,219	1,874
Contractual services	6,000	5,341		5,341	659
Equipment maintenance	17,318	16,714		16,714	604
Supplies	17,870	15,775		15,775	2,095
Equipment	5,500	6,860		6,860	(1,360)
Insurance and bonding	23,320	25,358		25,358	(2,038)
Foreclosure costs	10,500	8,809		8,809	1,691
Total finance	375,659	369,469	(855)	368,614	7,045
Police					
Salaries	463,538	437,881		437,881	25,657
Employee benefits	163,631	139,418	(2,768)	136,650	26,981
Travel and training	9,600	9,441		9,441	159
Contingency	15,000	9,097		9,097	5,903
Communications	147,799	136,484	(15,000)	121,484	26,315
Professional services	20,000	739		739	19,261
Insurance	35,024	36,554	(5,600)	30,954	4,070
Supplies	15,191	17,721	(2,692)	15,029	162
Capital outlay	65,621	49,478		49,478	16,143
Community relations	32,000	5,560		5,560	26,440
Fuel and oil	18,144	16,488		16,488	1,656
Contractual	3,000	1,360		1,360	1,640
Other	3,338	875	(240)	635	2,703
Total police	991,886	861,096	(26,300)	834,796	157,090

	<u>Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Property maintenance	\$ 42,990	\$ 41,405	\$	\$ 41,405	\$ 1,585
Salaries	16,730	13,631		13,631	3,099
Employee benefits	1,400	1,260		1,260	140
Travel and conferences	30,196	28,668		28,668	1,528
Utilities	30,215	30,956	1,199	32,155	(1,940)
Contractual services	12,200	6,642		6,642	5,558
Insurance	13,036	14,400	(764)	13,636	(600)
Janitorial services	3,764	4,261		4,261	(497)
Supplies	4,667	4,910		4,910	(243)
Assessments	6,547	3,482		3,482	3,065
Other					
Total property maintenance	<u>161,745</u>	<u>149,615</u>	<u>435</u>	<u>150,050</u>	<u>11,695</u>
Road maintenance	76,956	76,706		76,706	250
Salaries	24,764	23,102		23,102	1,662
Employee benefits	32,920	28,199		28,199	4,721
Utilities	4,100	1,913		1,913	2,187
Insurance	147,751	149,975	(5,713)	144,262	3,489
Contractual services	11,000	18,012	(4,090)	13,922	(2,922)
Vehicle and equipment maintenance and acquisition	12,900	9,783		9,783	3,117
Railroad crossing maintenance	9,000	3,827	(1,250)	2,577	6,423
Asphalt and culvert repair	6,000	2,375		2,375	3,625
Storm drain thawing	2,250	1,823		1,823	427
Supplies	5,000	3,045		3,045	1,955
Fuel and oil	5,000	8,447		8,447	(3,447)
Signs	8,100	2,065		2,065	6,035
Facility and equipment rental		560		560	(560)
Street lights	7,950	5,516		5,516	2,434
Other					
Total road maintenance	<u>353,691</u>	<u>335,348</u>	<u>(11,053)</u>	<u>324,295</u>	<u>29,396</u>

(Continued)

CITY OF WASILLA, ALASKA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures - Continued					
Recreational services					
Salaries	\$ 59,908	\$ 46,303	\$	\$ 46,303	\$ 13,605
Employee benefits	15,839	10,524		10,524	5,315
Contractual services	10,860	3,362		3,362	7,498
Repairs and maintenance	12,750	13,474		13,474	(724)
Supplies	2,600	1,141		1,141	1,459
Fuel and oil	3,750	1,046		1,046	2,704
Other	6,435	6,107		6,107	328
Total recreational services	<u>112,142</u>	<u>81,957</u>		<u>81,957</u>	<u>30,185</u>
Museum					
Salaries	130,747	129,619		129,619	1,128
Employee benefits	40,593	36,982		36,982	3,611
Contractual services	5,300	5,714		5,714	(414)
Advertising	1,443	1,494		1,494	(51)
Supplies	4,567	2,815	1,300	4,115	452
Repairs and maintenance	8,026	7,814		7,814	212
Utilities	4,982	4,493		4,493	489
Capital outlay	8,874	8,086		8,086	788
Insurance	1,207	925		925	282
Other	5,650	5,570		5,570	80
Total museum	<u>211,389</u>	<u>203,512</u>	<u>1,300</u>	<u>204,812</u>	<u>6,577</u>
Total expenditures before allocation of administrative expenditures to other funds	2,902,351	2,625,930	(37,344)	2,588,586	313,765
Allocation of administrative expenditures to other funds	<u>(42,635)</u>	<u>(44,295)</u>		<u>(44,295)</u>	<u>1,660</u>
Total expenditures	<u>2,859,716</u>	<u>2,581,635</u>	<u>(37,344)</u>	<u>2,544,291</u>	<u>315,425</u>

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Excess of revenues over expenditures	\$ 923,521	\$ 1,908,741	\$ 37,344	\$ 1,946,085	\$ 1,022,564
Other financing sources (uses)					
Operating transfers out					
Library Special Revenue Fund	(322,321)	(298,059)		(298,059)	24,262
Capital Projects Funds	(988,772)	(1,011,351)		(1,011,351)	(22,579)
Enterprise Funds	(62,400)	(30,572)		(30,572)	31,828
Debt Service Funds	(8,600)				8,600
Proceeds from sale of general fixed assets		21,987		21,987	21,987
Net other financing uses	<u>(1,382,093)</u>	<u>(1,317,995)</u>		<u>(1,317,995)</u>	<u>64,098</u>
Excess (deficiency) of revenues over expenditures and net other financing uses	<u>\$ (458,572)</u>	590,746	37,344	628,090	<u>\$ 1,086,662</u>
Fund balance, July 1		<u>2,021,360</u>	<u>(16,400)</u>	<u>2,004,960</u>	
Fund balance, June 30		<u>\$ 2,612,106</u>	<u>\$ 20,944</u>	<u>\$ 2,633,050</u>	

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SPECIAL REVENUE FUND

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes. The City maintains a Library Special Revenue Fund to account for the activities of the City of Wasilla Library.

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CITY OF WASILLA, ALASKA
LIBRARY FUND
COMPARATIVE BALANCE SHEET
June 30, 1994 and 1993

<u>ASSETS</u>	<u>1994</u>	<u>1993</u>
Equity in central treasury and cash funds	\$ 34,475	\$ 28,041
Accounts receivable	<u>300</u>	<u> </u>
Total assets	<u>\$ 34,775</u>	<u>\$ 28,041</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	\$ 9,593	\$ 3,369
Accounts payable	<u>25,182</u>	<u>24,672</u>
Accrued annual and sick leave	<u>34,775</u>	<u>28,041</u>
Total liabilities	<u>34,775</u>	<u>28,041</u>
Fund balance	10,168	17,937
Reserved for encumbrances	<u>(10,168)</u>	<u>(17,937)</u>
Unreserved	<u> </u>	<u> </u>
Total fund balance	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 34,775</u>	<u>\$ 28,041</u>

CITY OF WASILLA, ALASKA

LIBRARY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Revenues		
State of Alaska	\$ 8,033	\$ 8,615
Matanuska-Susitna Borough	120,126	257,500
Library fines	5,936	5,520
Other	<u>2,928</u>	<u>2,430</u>
Total revenues	<u>137,023</u>	<u>274,065</u>
Expenditures		
Salaries	207,636	185,260
Employee benefits	81,720	68,590
Communications	7,686	7,273
Utilities	6,708	6,836
Travel and continuing education	878	1,254
Contractual services	9,235	8,550
Insurance	5,343	5,828
Janitorial	5,400	5,545
Equipment maintenance and rental	409	1,655
Supplies	11,530	6,778
Fuel	986	1,044
Books, periodicals and audio visual	58,810	54,494
Administration	8,000	8,000
Building maintenance	20,584	5,400
Furniture and fixtures	10,104	5,865
Other	<u>53</u>	<u> </u>
Total expenditures	<u>435,082</u>	<u>372,372</u>
Deficiency of revenues over expenditures	(298,059)	(98,307)
Other financing sources		
Operating transfer in General fund	<u>298,059</u>	<u>98,307</u>
Deficiency of revenues and other financing sources over expenditures		
Fund balance, July 1	<u> </u>	<u> </u>
Fund balance, June 30	<u>\$ </u>	<u>\$ </u>

CITY OF WASILLA, ALASKA

LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 1994

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues					
State of Alaska	\$ 8,033	\$ 8,033	\$	\$ 8,033	\$
Matanuska-Susitna Borough	120,126	120,126		120,126	
Library fines	4,200	5,936		5,936	1,736
Other	4,200	2,928		2,928	(1,272)
Total revenues	<u>136,559</u>	<u>137,023</u>		<u>137,023</u>	<u>464</u>
Expenditures					
Salaries	265,884	207,636		207,636	58,248
Employee benefits	45,295	81,720		81,720	(36,425)
Communications	8,486	7,686		7,686	800
Utilities	5,685	6,708		6,708	(1,023)
Travel and continuing education	1,600	878		878	722
Contractual services	11,172	9,235		9,235	1,937
Insurance	6,452	5,343		5,343	1,109
Janitorial	5,600	5,400		5,400	200
Equipment maintenance and rental	3,000	409		409	2,591
Supplies	12,847	11,530	(1,287)	10,243	2,604
Fuel	1,365	986		986	379
Books, periodicals and audio visual	59,226	58,810	1,813	60,623	(1,397)
Administration	8,000	8,000		8,000	
Building maintenance	20,400	20,584		20,584	(184)
Furniture and fixtures	1,827	10,104	(8,295)	1,809	18
Other	100	53		53	47
Total expenditures	<u>456,939</u>	<u>435,082</u>	<u>(7,769)</u>	<u>427,313</u>	<u>29,626</u>
Excess (deficiency) of revenues over expenditures	(320,380)	(298,059)	7,769	(290,290)	30,090
Other financing sources					
Operating transfer in General Fund	<u>322,321</u>	<u>298,059</u>		<u>298,059</u>	<u>(24,262)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 1,941</u>		7,769	7,769	<u>\$ 5,828</u>
Fund balance, July 1			<u>3,171</u>	<u>3,171</u>	
Fund balance June 30		<u>\$</u>	<u>\$ 10,940</u>	<u>\$ 10,940</u>	

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DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, special assessment debt principal, interest and related costs.

CITY OF WASILLA, ALASKA

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

June 30, 1994
With Comparative Totals for 1993

<u>ASSETS</u>	<u>1982 Original Water Bond</u>	<u>1986 Southside Water District Bond</u>	<u>1987 Sewer Improvement Bond</u>
Equity in central treasury and cash funds	\$ 80,179	\$ 27,396	\$ 72,504
Due from other funds			
Special assessments receivable, net	334,963	171,046	267,790
Interest and penalty receivable	<u>12,634</u>	<u> </u>	<u> </u>
Total assets	<u>\$ 427,776</u>	<u>\$ 198,442</u>	<u>\$ 340,294</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities	\$	\$	\$
Advance from central treasury			
Due to other funds			
Advances from other funds			
Deferred revenue	<u>326,629</u>	<u>171,046</u>	<u>267,790</u>
Total liabilities	326,629	171,046	267,790
Fund balances (deficit)			
Reserved for debt service	<u>101,147</u>	<u>27,396</u>	<u>72,504</u>
Total liabilities and fund balances	<u>\$ 427,776</u>	<u>\$ 198,442</u>	<u>\$ 340,294</u>

	Paving Bonds	1988 Overlook Sewer Improvement Bond	Gas Assessment Districts Bonds	Bond Guarantee Fund	Totals	
					June 30,	
					1994	1993
	\$ 118,102	\$	\$ 36,310	\$ 129,039	\$ 463,530	\$ 448,033
			7,570	13,559	21,129	31,248
	440,192	88,358	68,115		1,370,464	1,450,671
					12,634	20,889
	<u>\$ 558,294</u>	<u>\$ 88,358</u>	<u>\$ 111,995</u>	<u>\$ 142,598</u>	<u>\$ 1,867,757</u>	<u>\$ 1,950,841</u>
	\$	\$ 708	\$	\$	\$ 708	\$ 25,027
		13,559	5,280	7,570	26,409	31,248
	440,192	88,358	68,115	123,292	123,292	95,344
					1,362,130	1,450,671
	440,192	102,625	73,395	130,862	1,512,539	1,602,290
	118,102	(14,267)	38,600	11,736	355,218	348,551
	<u>\$ 558,294</u>	<u>\$ 88,358</u>	<u>\$ 111,995</u>	<u>\$ 142,598</u>	<u>\$ 1,867,757</u>	<u>\$ 1,950,841</u>

CITY OF WASILLA, ALASKA

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICIT)

Year Ended June 30, 1994
With Comparative Totals for 1993

	1982 Original Water Bond	1986 Southside Water District Bond	1987 Sewer Improvement Bond
Revenues			
Special assessments	\$ 57,360	\$ 26,887	\$ 55,215
Central treasury and cash funds interest	2,649	624	1,204
Free main allowances	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>60,009</u>	<u>27,511</u>	<u>56,419</u>
Expenditures			
Debt service			
Principal		5,160	67,150
Interest		<u>12,712</u>	<u>19,711</u>
Total expenditures		<u>17,872</u>	<u>86,861</u>
Excess (deficiency) of revenues over expenditures	<u>60,009</u>	<u>9,639</u>	<u>(30,442)</u>
Other financing uses			
Operating transfers out	<u>(32,640)</u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures and other financing uses	27,369	9,639	(30,442)
Fund balances (deficit), July 1	<u>73,778</u>	<u>17,757</u>	<u>102,946</u>
Fund balances (deficit), June 30	<u>\$ 101,147</u>	<u>\$ 27,396</u>	<u>\$ 72,504</u>

Paving Bonds	1988 Overlook Sewer Improvement Bond	Gas Assessment Districts Bonds	Bond Guarantee Fund	Totals	
				June 30,	
				1994	1993
\$ 87,880	\$ 63,817	\$ 64,274	\$	\$ 355,433	\$ 245,685
5,239	366	1,601	3,099	14,782	10,715
		5,911		5,911	8,442
<u>93,119</u>	<u>64,183</u>	<u>71,786</u>	<u>3,099</u>	<u>376,126</u>	<u>264,842</u>
36,480	29,000	112,553		250,343	108,636
25,419	10,864	17,770		86,476	98,428
<u>61,899</u>	<u>39,864</u>	<u>130,323</u>		<u>336,819</u>	<u>207,064</u>
31,220	24,319	(58,537)	3,099	39,307	57,778
				(32,640)	(81,176)
31,220	24,319	(58,537)	3,099	6,667	(23,398)
86,882	(38,586)	97,137	8,637	348,551	371,949
<u>\$ 118,102</u>	<u>\$ (14,267)</u>	<u>\$ 38,600</u>	<u>\$ 11,736</u>	<u>\$ 355,218</u>	<u>\$ 348,551</u>

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CAPITAL PROJECTS FUNDS

Capital Projects 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
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 June 30, 1994
 With Comparative Totals for 1993

<u>ASSETS</u>	<u>Miscellaneous Projects and Road and Street Improvements</u>	<u>Vehicle Replacement</u>
Equity in central treasury and cash funds	\$ 1,178,234	\$ 121,732
Grants receivable	21,509	
Other receivables		680
Accrued interest receivable	<u>3,963</u>	<u>680</u>
Total assets	<u>\$ 1,203,706</u>	<u>\$ 122,412</u>
<u>LIABILITIES AND FUND BALANCES (DEFICIT)</u>		
Liabilities	\$ 28,686	\$
Accounts payable	21,195	
Retainages payable	40,158	
Due to other funds		
Claims and judgments payable	<u>47,465</u>	
Deferred revenue		
Total liabilities	<u>137,504</u>	
Fund balances	3,930	
Reserved for encumbrances		
Unreserved		122,412
Undesignated	<u>1,062,272</u>	<u>122,412</u>
Total fund balances (deficit)	<u>1,066,202</u>	<u>122,412</u>
Total liabilities and fund balances	<u>\$ 1,203,706</u>	<u>\$ 122,412</u>

<u>Water Plant Construction</u>	<u>Right-of-Way Acquisition</u>	<u>Sewer Plant Construction</u>	<u>Totals</u>	
			<u>1994</u>	<u>1993</u>
\$ 67,354 871	\$ 30,735	\$ 417,776 136,183 5,441	\$ 1,815,831 158,563 10,084	\$ 1,224,160 63,742 15,000 8,217
<u>\$ 68,225</u>	<u>\$ 30,735</u>	<u>\$ 559,400</u>	<u>\$ 1,984,478</u>	<u>\$ 1,311,119</u>
\$	\$	\$ 346,394 16,261 50,000 38,500	\$ 375,080 37,456 40,158 50,000 85,965	\$ 420,016 80,160
		<u>451,155</u>	<u>588,659</u>	<u>500,176</u>
			3,930	
<u>68,225</u>	<u>30,735</u>	<u>108,245</u>	<u>1,391,889</u>	<u>810,943</u>
<u>68,225</u>	<u>30,735</u>	<u>108,245</u>	<u>1,395,819</u>	<u>810,943</u>
<u>\$ 68,225</u>	<u>\$ 30,735</u>	<u>\$ 559,400</u>	<u>\$ 1,984,478</u>	<u>\$ 1,311,119</u>

CITY OF WASILLA, ALASKA
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES

Year Ended June 30, 1994
 With Comparative Totals for the Year Ended 1993

	<u>Miscellaneous Projects and Road and Street Improvements</u>	<u>Vehicle Replacement</u>
Revenues		
State of Alaska	\$ 897,312	\$
Federal grants		
Interest	21,753	3,499
Other	<u>8,568</u>	<u>10,000</u>
	<u>927,633</u>	<u>13,499</u>
Expenditures		
Capital project expenditures	<u>1,414,896</u>	<u>61,542</u>
Excess (deficiency) of revenues over expenditures	<u>(487,263)</u>	<u>(48,043)</u>
Other financing sources (uses)		
Bond proceeds	147,370	
Operating transfers in	<u>907,671</u>	<u>100,000</u>
Net other financing sources (uses)	<u>1,055,041</u>	<u>100,000</u>
Excess of revenues over expenditures and other financing sources (uses)	567,778	51,957
Fund balances, July 1	<u>498,424</u>	<u>70,455</u>
Fund balances June 30	<u>\$ 1,066,202</u>	<u>\$ 122,412</u>

<u>Water Plant Construction</u>	<u>Right-of-Way Acquisition</u>	<u>Sewer Plant Construction</u>	<u>Totals</u>	
			<u>1994</u>	<u>1993</u>
\$	\$	\$ 988,974	\$ 1,886,286	\$ 566,340
				280,690
1,705	785	16,285	44,027	31,870
<u>1,162</u>			<u>19,730</u>	<u>20,609</u>
2,867	<u>785</u>	<u>1,005,259</u>	<u>1,950,043</u>	<u>899,509</u>
91,116		<u>988,974</u>	<u>2,556,528</u>	<u>1,145,857</u>
<u>(88,249)</u>	<u>785</u>	<u>16,285</u>	<u>(606,485)</u>	<u>(246,348)</u>
			147,370	
<u>31,320</u>	<u>5,000</u>		<u>1,043,991</u>	<u>754,751</u>
<u>31,320</u>	<u>5,000</u>		<u>1,191,361</u>	<u>754,751</u>
(56,929)	5,785	16,285	584,876	508,403
<u>125,154</u>	<u>24,950</u>	<u>91,960</u>	<u>810,943</u>	<u>302,540</u>
<u>\$ 68,225</u>	<u>\$ 30,735</u>	<u>\$ 108,245</u>	<u>\$ 1,395,819</u>	<u>\$ 810,943</u>

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ENTERPRISE FUNDS

The Sewer and Water Utility Funds are used to account for the provision of sewer and water services to the residents of the City. The Municipal Airport Fund is used to account for the activities of the Wasilla Municipal Airport. 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

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

June 30, 1994
With Comparative Totals for June 30, 1993

ASSETS	Sewer	Water	Municipal	Totals	
	Utility	Utility	Airport	1994	1993
Current assets					
Equity in central treasury and cash funds	\$	\$ 578,263	\$ 901	\$ 579,164	\$ 529,272
Accounts receivable					
Trade	19,586	32,314		51,900	45,536
State of Alaska					11,500
Other	1,630			1,630	868
Special assessments receivable					332
Accrued interest receivable	56	1,255		1,311	1,614
Notes receivable - current portion	7,261			7,261	6,539
Inventory	15,767	8,837		24,604	4,303
Total current assets	44,300	620,669	901	665,870	599,964
Notes receivable - less current portion	36,893			36,893	34,684
Property, plant and equipment					
Distribution system	7,516,828	4,281,712		11,798,540	11,683,586
Other plant in service	5,745,898	2,549,968		8,295,866	8,272,866
Equipment	1,933,728	40,529	221,289	2,195,546	2,194,831
Land	657,810	149,170	1,470,000	2,276,980	2,276,980
Land improvements			4,073,964	4,073,964	4,073,964
Construction in process	1,087,208			1,087,208	122,071
	16,941,472	7,021,379	5,765,253	29,728,104	28,624,298
Less accumulated depreciation	3,661,893	1,443,168	439,901	5,544,962	4,901,703
Net property, plant and equipment	13,279,579	5,578,211	5,325,352	24,183,142	23,722,595
Deferred charge		17,156		17,156	17,537
Total assets	\$ 13,360,772	\$ 6,216,036	\$ 5,326,253	\$ 24,903,061	\$ 24,374,780

LIABILITIES AND FUND EQUITY	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1994	1993
Current liabilities					
Advance from central treasury	\$ 40,465	\$	\$	\$ 40,465	\$ 22,283
Accounts payable	3,926	12,237	336	16,499	8,506
Due to other funds	6,969			6,969	6,000
Revenue billed in advance	21,772			21,772	19,739
Deferred revenue					332
Accrued annual and sick leave	6,551	6,947	565	14,063	12,982
Customer deposits	9,536			9,536	10,156
Other		700		700	
Total current liabilities	<u>89,219</u>	<u>19,884</u>	<u>901</u>	<u>110,004</u>	<u>79,998</u>
Advances from other funds	<u>15,652</u>			<u>15,652</u>	<u>23,073</u>
Fund equity					
Contributions in aid of construction					
Grants	15,692,419	4,988,894	5,765,253	26,446,566	25,446,091
Less accumulated amortization	<u>3,477,612</u>	<u>1,036,779</u>	<u>439,901</u>	<u>4,954,292</u>	<u>3,462,855</u>
	12,214,807	3,952,115	5,325,352	21,492,274	21,983,236
Other	<u>1,211,471</u>	<u>1,839,209</u>		<u>3,050,680</u>	<u>2,947,349</u>
	13,426,278	5,791,324	5,325,352	24,542,954	24,930,585
Retained earnings (accumulated deficit)	<u>(170,377)</u>	<u>404,828</u>		<u>234,451</u>	<u>(658,876)</u>
Total fund equity	<u>13,255,901</u>	<u>6,196,152</u>	<u>5,325,352</u>	<u>24,777,405</u>	<u>24,271,709</u>
Total liabilities and fund equity	<u>\$ 13,360,772</u>	<u>\$ 6,216,036</u>	<u>\$ 5,326,253</u>	<u>\$ 24,903,061</u>	<u>\$ 24,374,780</u>

CITY OF WASILLA, ALASKA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (ACCUMULATED DEFICIT)

Year Ended June 30, 1994
 With Comparative Totals for June 30, 1993

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1994	1993
Operating revenues	\$ 222,899	\$ 255,876	\$	\$ 478,775	\$ 427,806
Sales and user charges			11,595	11,595	6,447
Fees and rentals	725	1,050		1,775	660
Connections		2,196		2,196	730
Meters	8,234	4,638	38	12,910	13,506
Other					
Total operating revenues	<u>231,858</u>	<u>263,760</u>	<u>11,633</u>	<u>507,251</u>	<u>449,149</u>
Operating expenses				277,466	235,758
Salaries and fringe benefits	139,090	125,380	12,996	3,992	3,411
Operations	3,992			51,681	54,900
Utilities	24,643	23,918	3,120	49,128	44,498
Outside services	8,406	29,697	11,025	16,085	11,935
Insurance	6,283	3,052	6,750	32,380	33,399
Materials and supplies	9,157	21,351	1,872	20,485	15,420
Maintenance	3,752	15,331	1,402	8,833	12,600
Rent	3,502	5,331		5,978	7,867
Transportation	5,978			4,889	2,523
Contingency			4,889	4,889	
Other	36,457	9,180	525	46,162	25,707
Total operating expenses before depreciation	<u>241,260</u>	<u>233,240</u>	<u>42,579</u>	<u>517,079</u>	<u>448,018</u>
Operating income (loss) before depreciation	(9,402)	30,520	(30,946)	(9,828)	1,131
Depreciation	<u>281,690</u>	<u>136,431</u>	<u>225,138</u>	<u>643,259</u>	<u>680,918</u>
Operating loss	<u>(291,092)</u>	<u>(105,911)</u>	<u>(256,084)</u>	<u>(653,087)</u>	<u>(679,787)</u>

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1994	1993
Nonoperating revenues (expenses)					
Operating transfers in (out)	\$	\$	\$ 30,572	\$ 30,572	\$ 28,754
General Fund		332		332	1,582
Special assessments		3,162		3,162	2,467
Payments in lieu of assessments	3,714	16,823	374	20,911	17,901
Interest income					
 Total net nonoperating revenues	<u>3,714</u>	<u>20,317</u>	<u>30,946</u>	<u>54,977</u>	<u>50,704</u>
 Net loss	(287,378)	(85,594)	(225,138)	(598,110)	(629,083)
 Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>272,671</u>	<u>98,739</u>	<u>225,138</u>	<u>596,548</u>	<u>628,903</u>
 Change in retained earnings (accumulated deficit)	<u>(14,707)</u>	<u>13,145</u>		<u>(1,562)</u>	<u>(180)</u>
 Retained earnings (accumulated deficit), July 1 (as previously reported)	(1,001,239)	342,363		(658,876)	(658,696)
 Prior period adjustment	<u>845,569</u>	<u>49,320</u>		<u>894,889</u>	
 Retained earnings (accumulated deficit), July 1 (restated)	<u>(155,670)</u>	<u>391,683</u>		<u>236,013</u>	<u>(658,696)</u>
 Retained earnings (accumulated deficit), June 30	<u>\$ (170,377)</u>	<u>\$ 404,828</u>	<u>\$</u>	<u>\$ 234,451</u>	<u>\$ (658,876)</u>

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CITY OF WASILLA, ALASKA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1994 and 1993

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Balance, June 30, 1992	\$ 13,770,646	\$ 5,923,492	\$ 5,557,753	\$ 25,251,891
Contributions received for 1993	76,259	23,838	207,500	307,597
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(314,362)</u>	<u>(99,778)</u>	<u>(214,763)</u>	<u>(628,903)</u>
Balance, June 30, 1993	13,532,543	5,847,552	5,550,490	24,930,585
Prior period adjustment	(845,569)	(49,320)		(894,889)
Contributions received for 1994	1,011,975	91,831		1,103,806
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(272,671)</u>	<u>(98,739)</u>	<u>(225,138)</u>	<u>(596,548)</u>
Balance, June 30, 1994	<u>\$ 13,426,278</u>	<u>\$ 5,791,324</u>	<u>\$ 5,325,352</u>	<u>\$ 24,542,954</u>

CITY OF WASILLA, ALASKA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 1994
 With Comparative Totals for 1993

Increase (Decrease) in Cash and Cash Equivalents	Sewer	Water	Municipal	Totals	
	Utility	Utility	Airport	1994	1993
Cash flows from operating activities					
Cash received from customers	\$ 222,923	\$ 256,193	\$ 11,595	\$ 490,711	\$ 441,874
Cash payments to suppliers for goods and services	(115,840)	(106,214)	(32,751)	(254,805)	(205,394)
Cash payments to employees for services	(138,280)	(124,712)	(10,128)	(273,120)	(232,178)
Other operating revenues	18,351	4,638	38	23,027	4,639
Net cash provided by (used in) operating activities	<u>(12,846)</u>	<u>29,905</u>	<u>(31,246)</u>	<u>(14,187)</u>	<u>8,941</u>
Cash flows from noncapital financing activities					
Operating transfers in			30,572	30,572	28,754
Net advances received from central treasury	18,182			18,182	3,625
Net cash provided by noncapital financing activities	<u>18,182</u>		<u>30,572</u>	<u>48,754</u>	<u>32,379</u>
Cash flows from capital and related financing activities					
Payment on advances from other funds	(6,452)			(6,452)	(5,973)
Receipts from special assessments and payments in lieu of assessments		3,494		3,494	4,049
Net cash provided by (used in) capital and related financing activities	<u>(6,452)</u>	<u>3,494</u>		<u>(2,958)</u>	<u>(1,924)</u>
Cash flows from investing activities					
Interest on central treasury and cash funds	4,047	9,625	374	14,046	9,942
Issuance of notes receivable	(13,909)			(13,909)	(19,000)
Principal payments received on notes receivable	10,978			10,978	4,524
Net cash provided by (used in) investing activities	<u>1,116</u>	<u>9,625</u>	<u>374</u>	<u>11,115</u>	<u>(4,534)</u>
Net increase (decrease) in cash and cash equivalents		43,024	(300)	42,724	34,862
Cash and cash equivalents					
Beginning of year		300,637	1,201	301,838	266,976
End of year	<u>\$</u>	<u>\$ 343,661</u>	<u>\$ 901</u>	<u>\$ 344,562</u>	<u>\$ 301,838</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet					
Equity in central treasury and cash funds per the balance sheet	\$	\$ 578,263	\$ 901	\$ 579,164	\$ 529,272
Less: Investments not meeting the definition of cash equivalents		234,602		234,602	227,434
Cash and cash equivalents at end of year	<u>\$</u>	<u>\$ 343,661</u>	<u>\$ 901</u>	<u>\$ 344,562</u>	<u>\$ 301,838</u>

Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1994	1993
Operating loss	<u>\$(291,092)</u>	<u>\$(105,911)</u>	<u>\$(256,084)</u>	<u>\$(653,087)</u>	<u>\$(679,787)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities					
Depreciation	281,690	136,431	225,138	643,259	680,918
Amortization		381		381	381
(Increase) decrease in assets					
Accounts receivable - trade	(2,735)	(3,629)		(6,364)	5,878
Accounts receivable - other	10,738			10,738	(9,573)
Prepaid insurance					5,000
Inventory	(15,679)	(4,622)		(20,301)	1,260
Increase (decrease) in liabilities					
Accounts payable	2,009	5,887	97	7,993	225
Revenue billed in advance	2,033			2,033	1,353
Unearned revenue					(1,000)
Accrued annual and sick leave	810	668		1,478	3,580
Customer deposits	(620)		(397)	(1,017)	706
Other		700		700	
Total adjustments	<u>278,246</u>	<u>135,816</u>	<u>224,838</u>	<u>638,900</u>	<u>688,728</u>
Net cash provided by (used in) operating activities	<u>\$ (12,846)</u>	<u>\$ 29,905</u>	<u>\$ (31,246)</u>	<u>\$ (14,187)</u>	<u>\$ 8,941</u>

Noncash Capital and Related Financing Activities

During 1994 and 1993, the City of Wasilla received \$1,000,475 and \$71,259, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$11,500 and \$5,000 in private contributions in 1994 and 1993, respectively. The water utility received \$91,831 and \$23,838 in private contributions in 1994 and 1993, respectively. The utilities recorded the contributions as contributed capital and fixed assets.

On December 1, 1993, the State of Alaska contributed a snowblower to the City of Wasilla Municipal Airport. The contribution was recorded in the Municipal Airport Fund at its estimated fair market value of \$207,500.

CITY OF WASILLA, ALASKA
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
June 30, 1994 and 1993

<u>ASSETS</u>	<u>1994</u>	<u>1993</u>
Current assets		
Accounts receivable		
Trade	\$ 19,586	\$ 16,851
State of Alaska		11,500
Other	1,630	868
Accrued interest receivable	56	389
Notes receivable, current portion	7,261	6,539
Inventory	<u>15,767</u>	<u>88</u>
Total current assets	<u>44,300</u>	<u>36,235</u>
Notes receivable, less current portion	<u>36,893</u>	<u>34,684</u>
Property, plant and equipment		
Distribution system	7,516,828	7,516,828
Other plant in service	5,745,898	5,722,898
Equipment	1,933,728	1,933,728
Land	657,810	657,810
Construction in progress	<u>1,087,208</u>	<u>98,233</u>
	16,941,472	15,929,497
Less accumulated depreciation	<u>3,661,893</u>	<u>3,380,203</u>
Net property, plant and equipment	<u>13,279,579</u>	<u>12,549,294</u>
Total assets	<u>\$ 13,360,772</u>	<u>\$ 12,620,213</u>

<u>LIABILITIES AND FUND EQUITY</u>	<u>1994</u>	<u>1993</u>
Current liabilities		
Advance from central treasury	\$ 40,465	\$ 22,283
Accounts payable	3,926	1,917
Due to other funds	6,969	6,000
Revenue billed in advance	21,772	19,739
Accrued annual and sick leave	6,551	5,741
Customer deposits	9,536	10,156
	<u>89,219</u>	<u>65,836</u>
Total current liabilities		
Advances from other funds	<u>15,652</u>	<u>23,073</u>
Fund equity		
Contributions in aid of construction	15,692,419	14,691,944
Grants	3,477,612	2,359,372
Less accumulated amortization	<u>12,214,807</u>	<u>12,332,572</u>
	1,211,471	1,199,971
Other	<u>13,426,278</u>	<u>13,532,543</u>
Accumulated deficit	<u>(170,377)</u>	<u>(1,001,239)</u>
Total fund equity	<u>13,255,901</u>	<u>12,531,304</u>
Total liabilities and fund equity	<u>\$ 13,360,772</u>	<u>\$ 12,620,213</u>

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT

Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Operating revenues		
Sales and user charges	\$ 222,899	\$ 193,832
Connections	725	300
Other	<u>8,234</u>	<u>6,946</u>
Total operating revenues	<u>231,858</u>	<u>201,078</u>
Operating expenses		
Salaries and fringe benefits	139,090	102,894
Operations	3,992	3,411
Utilities	24,643	19,511
Outside services	8,406	8,193
Insurance	6,283	3,849
Materials and supplies	9,157	4,970
Maintenance	3,752	9,903
Rent	3,502	5,040
Transportation	5,978	7,867
Other	<u>36,457</u>	<u>23,603</u>
Total operating expenses before depreciation	<u>241,260</u>	<u>189,241</u>
Operating income (loss) before depreciation	(9,402)	11,837
Depreciation	<u>281,690</u>	<u>332,166</u>
Operating loss	(291,092)	(320,329)
Nonoperating revenues		
Interest income	<u>3,714</u>	<u>3,350</u>
Net loss	(287,378)	(316,979)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>272,671</u>	<u>314,362</u>
Change in accumulated deficit	<u>(14,707)</u>	<u>(2,617)</u>
Accumulated deficit, July 1 (as previously reported)	(1,001,239)	(998,622)
Prior period adjustment	<u>845,569</u>	<u> </u>
Accumulated deficit, July 1 (as restated)	<u>(155,670)</u>	<u>(998,622)</u>
Accumulated deficit, June 30	<u>\$ (170,377)</u>	<u>\$ (1,001,239)</u>

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1994 and 1993

	<u>Contributed Capital</u>		<u>Total Contributed Capital</u>
	<u>Capital Grants</u>	<u>Other</u>	
Balance, June 30, 1992	\$12,575,675	\$ 1,194,971	\$13,770,646
Contributions received for 1993	71,259	5,000	76,259
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(314,362)</u>	<u> </u>	<u>(314,362)</u>
Balance, June 30, 1993	12,332,572	1,199,971	13,532,543
Prior period adjustment	(845,569)		(845,569)
Contributions received for 1994	1,000,475	11,500	1,011,975
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(272,671)</u>	<u> </u>	<u>(272,671)</u>
Balance, June 30, 1994	<u>\$12,214,807</u>	<u>\$ 1,211,471</u>	<u>\$13,426,278</u>

CITY OF WASILLA, ALASKA
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1994 and 1993

Increase (Decrease) in Cash and Cash Equivalents	<u>1994</u>	<u>1993</u>
Cash flow from operating activities		
Cash received from customers	\$ 222,923	\$ 198,397
Cash payments to suppliers for goods and services	(115,840)	(85,342)
Cash payments to employees for services	(138,280)	(102,153)
Other operating revenues (expenses)	<u>18,351</u>	<u>(1,921)</u>
Net cash provided by (used in) operating activities	<u>(12,846)</u>	<u>8,981</u>
Cash flows from noncapital financing activities		
Net advances received from central treasury	<u>18,182</u>	<u>8,118</u>
Cash flows from capital and related financing activities		
Payment on advances from other funds	<u>(6,452)</u>	<u>(5,973)</u>
Cash flows from investing activities		
Interest on central treasury and cash funds	4,047	3,350
Issuance of notes receivable	(13,909)	(19,000)
Principal payments received on notes receivable	<u>10,978</u>	<u>4,524</u>
Net cash provided by (used in) investing activities	<u>1,116</u>	<u>(11,126)</u>
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents		
Beginning of year	<u> </u>	<u> </u>
End of year	<u>\$ </u>	<u>\$ </u>

Reconciliation of Operating Loss to Net Cash
 Provided by (Used in) Operating Activities

	<u>1994</u>	<u>1993</u>
Operating loss	<u>\$(291,092)</u>	<u>\$(320,329)</u>
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	281,690	332,166
(Increase) decrease in assets		
Accounts receivable - trade	(2,735)	2,912
Accounts receivable - other	10,738	(9,573)
Inventory	(15,679)	1,872
Increase (decrease) in liabilities		
Accounts payable	2,009	(867)
Revenue billed in advance	2,033	1,353
Accrued annual and sick leave	810	741
Customer deposits	<u>(620)</u>	<u>706</u>
Total adjustments	<u>278,246</u>	<u>329,310</u>
Net cash provided by (used in) operating activities	<u>\$ (12,846)</u>	<u>\$ 8,981</u>

Noncash Capital and Related Financing Activities

During 1994 and 1993, the City of Wasilla received \$1,000,475 and \$71,259, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$11,500 and \$5,000 in private contributions in 1994 and 1993, respectively. The utility recorded the contributions as contributed capital and other plant in service.

CITY OF WASILLA, ALASKA
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
June 30, 1994 and 1993

<u>ASSETS</u>	<u>1994</u>	<u>1993</u>
Current assets		
Equity in central treasury and cash funds	\$ 578,263	\$ 528,071
Accounts receivable - trade	32,314	28,685
Special assessments receivable		332
Accrued interest receivable	1,255	1,225
Inventory	<u>8,837</u>	<u>4,215</u>
Total current assets	<u>620,669</u>	<u>562,528</u>
Property, plant and equipment		
Distribution system	4,281,712	4,166,758
Other plant in service	2,549,968	2,549,968
Equipment	40,529	39,814
Land	149,170	149,170
Construction in progress		<u>23,838</u>
	<u>7,021,379</u>	<u>6,929,548</u>
Less accumulated depreciation	<u>1,443,168</u>	<u>1,306,737</u>
Net property, plant and equipment	<u>5,578,211</u>	<u>5,622,811</u>
Deferred charge	<u>17,156</u>	<u>17,537</u>
Total assets	<u>\$ 6,216,036</u>	<u>\$ 6,202,876</u>

<u>LIABILITIES AND FUND EQUITY</u>	<u>1994</u>	<u>1993</u>
Current liabilities	\$ 12,237	\$ 6,350
Accounts payable		332
Deferred revenue	6,947	6,279
Accrued annual and sick leave	700	
Other		
Total current liabilities	<u>19,884</u>	<u>12,961</u>
Fund equity		
Contributions in aid of construction	4,988,894	4,988,894
Grants	<u>1,036,779</u>	<u>888,720</u>
Less accumulated amortization	3,952,115	4,100,174
Other	<u>1,839,209</u>	<u>1,747,378</u>
Retained earnings	5,791,324	5,847,552
Total fund equity	<u>404,828</u>	<u>342,363</u>
Total liabilities and fund equity	<u>6,196,152</u>	<u>6,189,915</u>
	<u>\$ 6,216,036</u>	<u>\$ 6,202,876</u>

CITY OF WASILLA, ALASKA
WATER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Operating revenues		
Metered sales	\$ 255,876	\$ 233,974
Connections	1,050	360
Meters	2,196	730
Other	<u>4,638</u>	<u>5,115</u>
Total operating revenues	<u>263,760</u>	<u>240,179</u>
Operating expenses		
Salaries and fringe benefits	125,380	121,234
Utilities	23,918	32,922
Outside services	29,697	23,365
Insurance	3,052	2,946
Materials and supplies	21,351	27,117
Maintenance	15,331	4,883
Rent	5,331	7,560
Other	<u>9,180</u>	<u>2,104</u>
Total operating expenses	<u>233,240</u>	<u>222,131</u>
Operating income before depreciation	30,520	18,048
Depreciation	<u>136,431</u>	<u>133,989</u>
Operating loss	<u>(105,911)</u>	<u>(115,941)</u>
Nonoperating revenues (expenses)		
Special assessments	332	1,582
Payments in lieu of assessments	3,162	2,467
Interest income	<u>16,823</u>	<u>14,551</u>
Total net nonoperating revenues	<u>20,317</u>	<u>18,600</u>
Net loss	(85,594)	(97,341)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>98,739</u>	<u>99,778</u>
Change in retained earnings	<u>13,145</u>	<u>2,437</u>
Retained earnings, July 1 (as previously reported)	342,363	339,926
Prior period adjustment	<u>49,320</u>	<u> </u>
Retained earnings, July 1 (as restated)	<u>391,683</u>	<u>339,926</u>
Retained earnings, June 30	<u>\$ 404,828</u>	<u>\$ 342,363</u>

CITY OF WASILLA, ALASKA

WATER UTILITY FUND

COMPARATIVE STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1994 and 1993

	<u>Contributed Capital</u>		<u>Total Contributed Capital</u>
	<u>Capital Grants</u>	<u>Other</u>	
Balance, June 30, 1992	\$ 4,199,952	\$ 1,723,540	\$ 5,923,492
Contributions received for 1993		23,838	23,838
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(99,778)</u>	<u> </u>	<u>(99,778)</u>
Balance, June 30, 1993	4,100,174	1,747,378	5,847,552
Prior period adjustment	(49,320)		(49,320)
Contributions received for 1994		91,831	91,831
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(98,739)</u>	<u> </u>	<u>(98,739)</u>
Balance, June 30, 1994	<u>\$ 3,952,115</u>	<u>\$ 1,839,209</u>	<u>\$ 5,791,324</u>

CITY OF WASILLA, ALASKA
WATER UTILITY FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1994 and 1992

Increase (Decrease) in Cash and Cash Equivalents	<u>1994</u>	<u>1993</u>
Cash flows from operating activities		
Cash received from customers	\$ 256,193	\$ 237,030
Cash payments to suppliers for goods and services	(106,214)	(100,021)
Cash payments to employees for services	(124,712)	(119,104)
Other operating revenues	<u>4,638</u>	<u>5,115</u>
Net cash provided by operating activities	<u>29,905</u>	<u>23,020</u>
Cash flows from capital and related financing activities		
Receipts from special assessments and payments in lieu of assessments	<u>3,494</u>	<u>4,049</u>
Cash flows from investing activities		
Interest on central treasury and cash funds	<u>9,625</u>	<u>6,592</u>
Net increase (decrease) in cash and cash equivalents	43,024	33,661
Cash and cash equivalents		
Beginning of year	<u>300,637</u>	<u>266,976</u>
End of year	<u>\$ 343,661</u>	<u>\$ 300,637</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet		
Equity in central treasury and cash funds per the balance sheet	\$ 578,263	\$ 528,071
Less: Investments not meeting the definition of cash equivalents	<u>234,602</u>	<u>227,434</u>
Cash and cash equivalents at end of year	<u>\$ 343,661</u>	<u>\$ 300,637</u>

Reconciliation of Operating Loss to Net Cash
Provided by Operating Activities

	<u>1994</u>	<u>1993</u>
Operating loss	<u>\$(105,911)</u>	<u>\$(115,941)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	136,431	133,989
Amortization	381	381
(Increase) decrease in assets		
Accounts receivable - trade	(3,629)	2,966
Inventory	(4,622)	(612)
Increase (decrease) in liabilities		
Accounts payable	5,887	1,107
Unearned revenue		(1,000)
Accrued annual and sick leave	668	2,130
Other	<u>700</u>	
Total adjustments	<u>135,816</u>	<u>138,961</u>
Net cash provided by operating activities	<u>\$ 29,905</u>	<u>\$ 23,020</u>

Noncash Capital and Related Financing Activities

During 1994, the Water Utility Fund received \$91,831 in property, plant and equipment contributed by customers. The utility recorded the contributions as contributed capital and additions to fixed assets.

During 1993, the Water Utility Fund received \$23,838 in property, plant and equipment, of which \$15,000 was contributed by customers and \$8,838 was contributed by the General Fund. The utility recorded the contributions as contributed capital and construction in progress.

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CITY OF WASILLA, ALASKA
MUNICIPAL AIRPORT FUND
COMPARATIVE BALANCE SHEET
June 30, 1994 and 1993

<u>ASSETS</u>	<u>1994</u>	<u>1993</u>
Current assets		
Equity in central treasury and cash funds	\$ <u>901</u>	\$ <u>1,201</u>
Property, plant and equipment		
Equipment	221,289	221,289
Land	1,470,000	1,470,000
Land improvements	<u>4,073,964</u>	<u>4,073,964</u>
	5,765,253	5,765,253
Less accumulated depreciation	<u>439,901</u>	<u>214,763</u>
Net property, plant and equipment	<u>5,325,352</u>	<u>5,550,490</u>
Total assets	<u>\$ 5,326,253</u>	<u>\$ 5,551,691</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Current liabilities		
Accounts payable	\$ 336	\$ 239
Accrued annual and sick leave	<u>565</u>	<u>962</u>
Total current liabilities	<u>901</u>	<u>1,201</u>
Fund equity		
Contributions in aid of construction	5,765,253	5,765,253
Grants	<u>439,901</u>	<u>214,763</u>
Less amortization	5,325,352	5,550,490
Retained earnings	<u>5,325,352</u>	<u>5,550,490</u>
Total fund equity	<u>5,325,352</u>	<u>5,550,490</u>
Total liabilities and fund equity	<u>\$ 5,326,253</u>	<u>\$ 5,551,691</u>

CITY OF WASILLA, ALASKA

MUNICIPAL AIRPORT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Operating revenues		
Fees and rentals	\$ 11,595	\$ 6,447
Other	38	1,445
	<u>11,633</u>	<u>7,892</u>
Operating expenses		
Salaries and fringe benefits	12,996	11,630
Utilities	3,120	2,467
Outside services	11,025	12,940
Insurance	6,750	5,140
Materials and supplies	1,872	1,312
Contingency	4,889	2,523
Maintenance and repair	1,402	634
Other	525	
	<u>42,579</u>	<u>36,646</u>
Total operating expenses before depreciation		
Operating loss before depreciation	(30,946)	(28,754)
Depreciation	<u>225,138</u>	<u>214,763</u>
Operating loss	<u>(256,084)</u>	<u>(243,517)</u>
Nonoperating revenues		
Transfer in		
General Fund	30,572	28,754
Interest income	374	
	<u>30,946</u>	<u>28,754</u>
Total nonoperating revenues		
Net loss	(225,138)	(214,763)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	225,138	214,763
Retained earnings, July 1	<u> </u>	<u> </u>
Retained earnings, June 30	<u>\$ </u>	<u>\$ </u>

CITY OF WASILLA, ALASKA

MUNICIPAL AIRPORT FUND

COMPARATIVE STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1994 and 1993

	<u>Contributed</u> <u>Capital</u> <u>Capital</u> <u>Grants</u>
Balance, June 30, 1992	\$ 5,557,753
Contributions received for 1993	207,500
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(214,763)</u>
Balance, June 30, 1993	5,550,490
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(225,138)</u>
Balance, June 30, 1994	<u><u>\$ 5,325,352</u></u>

CITY OF WASILLA, ALASKA
MUNICIPAL AIRPORT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1994 and 1993

Increase (Decrease) in Cash and Cash Equivalents	<u>1994</u>	<u>1993</u>
Cash flows from operating activities		
Cash received from customers	\$ 11,595	\$ 6,447
Cash payments to suppliers for goods and services	(32,751)	(20,031)
Cash payments to employees for services	(10,128)	(10,921)
Other operating revenues	<u>38</u>	<u>1,445</u>
Net cash used in operating activities	<u>(31,246)</u>	<u>(23,060)</u>
Cash flows from noncapital financing activities		
Operating transfers in	30,572	28,754
Net advances paid to central treasury		<u>(4,493)</u>
Net cash provided by noncapital financing activities	<u>30,572</u>	<u>24,261</u>
Cash flows from investing activities		
Interest on central treasury and cash funds	<u>374</u>	<u> </u>
Net increase (decrease) in cash and cash equivalents	(300)	1,201
Cash and cash equivalents		
Beginning of year	<u>1,201</u>	<u> </u>
End of year	<u>\$ 901</u>	<u>\$ 1,201</u>

Reconciliation of Operating Loss to Net Cash used in Operating Activities	<u>1994</u>	<u>1993</u>
Operating loss	<u>\$(256,084)</u>	<u>\$(243,517)</u>
Adjustments to reconcile operating loss to Net cash used in operating activities		
Depreciation	225,138	214,763
(Increase) decrease in assets		5,000
Prepaid insurance		
Increase (decrease) in liabilities	97	(15)
Accounts payable	<u>(397)</u>	<u>709</u>
Accrued annual and sick leave		
Total adjustments	<u>224,838</u>	<u>220,457</u>
Net cash used in operating activities	<u>\$(31,246)</u>	<u>\$(23,060)</u>

Noncash Capital and Related Financing Activities

On December 1, 1993, the State of Alaska contributed a snowblower to the City of Wasilla. The contribution was recorded at its estimated fair market value of \$207,500.

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TRUST AND AGENCY FUNDS

Nonexpendable Trust Fund

The Cemetery Fund is utilized by the City of Wasilla in its role as trustee for assets held for other city funds. The Cemetery Fund sets aside proceeds from lot sales in perpetuity to generate investment income to help fund the operating maintenance and capital improvements of the cemetery.

Pass Through Grant Fund

The Pass Through Grant Fund is used to account for grants passed through to secondary recipients.

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CITY OF WASILLA, ALASKA
 TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET

June 30, 1994
 (With Comparative Totals for 1993)

<u>ASSETS</u>	<u>Nonexpendable Trust Cemetery</u>	<u>Agency Pass Through Grant</u>	<u>Totals</u>	
			1994	1993
Equity in central treasury and cash funds	\$ 49,700	\$	\$ 49,700	\$ 44,991
Accrued interest receivable	<u>340</u>	<u> </u>	<u>340</u>	<u>264</u>
Total assets	<u>\$ 50,040</u>	<u>\$</u>	<u>\$ 50,040</u>	<u>\$ 45,255</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Total liabilities	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Fund balance				
Reserved for investment	46,455		46,455	43,055
Unreserved				
Designated for operations	<u>3,585</u>	<u> </u>	<u>3,585</u>	<u>2,200</u>
Total fund balance	<u>50,040</u>	<u> </u>	<u>50,040</u>	<u>45,255</u>
Total liabilities and fund balance	<u>\$ 50,040</u>	<u>\$</u>	<u>\$ 50,040</u>	<u>\$ 45,255</u>

CITY OF WASILLA, ALASKA
 CEMETERY
 NONEXPENDABLE TRUST FUND
 COMPARATIVE BALANCE SHEET
 June 30, 1994 and 1993

<u>ASSETS</u>	<u>1994</u>	<u>1993</u>
Equity in central treasury and cash funds	\$ 49,700	\$ 44,991
Accrued interest receivable	340	264
Total assets	<u>\$ 50,040</u>	<u>\$ 45,255</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Total liabilities	\$ _____	\$ _____
Fund balance		
Reserved for investment	46,455	43,055
Unreserved		
Designated for operations	<u>3,585</u>	<u>2,200</u>
Total fund balance	<u>50,040</u>	<u>45,255</u>
Total liabilities and fund balance	<u>\$ 50,040</u>	<u>\$ 45,255</u>

CITY OF WASILLA, ALASKA

CEMETERY
NONEXPENDABLE TRUST FUNDCOMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE

Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Operating revenues		
Lot sales	<u>\$ 3,400</u>	<u>\$ 4,750</u>
Operating expenses	<u> </u>	<u> </u>
Operating income	3,400	4,750
Nonoperating revenues		
Interest income	<u>1,385</u>	<u>1,207</u>
Net income	4,785	5,957
Fund balance, July 1	<u>45,255</u>	<u>39,298</u>
Fund balance, June 30	<u><u>\$ 50,040</u></u>	<u><u>\$ 45,255</u></u>

CITY OF WASILLA, ALASKA

CEMETERY
NONEXPENDABLE TRUST FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Year Ended June 30, 1994

Increase in Cash and Cash Equivalents	<u>1994</u>	<u>1993</u>
Cash flows from operating activities		
Cash received from customers	<u>\$ 3,400</u>	<u>\$ 4,750</u>
Cash flows from investing activities		
Interest on central treasury and cash funds	<u>488</u>	<u>317</u>
Net increase in cash and cash equivalents	3,888	5,067
Cash and cash equivalents		
Beginning of year	<u>19,036</u>	<u>13,969</u>
End of year	<u>\$ 22,924</u>	<u>\$ 19,036</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet		
Equity in central treasury and cash funds per the balance sheet	\$ 49,700	\$ 44,991
Less: Investments not meeting the definition of cash equivalents	<u>26,776</u>	<u>25,955</u>
Cash and cash equivalents at end of year	<u>\$ 22,924</u>	<u>\$ 19,036</u>
Reconciliation of Operating Income to Cash Provided by Operating Activities		
Operating income	<u>\$ 3,400</u>	<u>\$ 4,750</u>
Adjustments to reconcile operating income to net cash provided by operating activities	<u> </u>	<u> </u>
Net cash provided by operating activities	<u>\$ 3,400</u>	<u>\$ 4,750</u>

CITY OF WASILLA, ALASKA
 PASS THROUGH GRANT AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 1994

<u>ASSETS</u>	<u>Balance July 1, 1993</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1994</u>
Cash	\$ _____	\$ 75,000	\$ 75,000	\$ _____
 <u>LIABILITIES</u>				
Undistributed grant revenue	\$ _____	\$ 75,000	\$ 75,000	\$ _____

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SINGLE AUDIT SECTION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON THE CITY OF WASILLA, ALASKA'S
COMPLIANCE FOR A STATE SINGLE AUDIT

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

We have audited the general purpose financial statements of the City of Wasilla, Alaska as of and for the year ended June 30, 1994, and have issued our report thereon dated August 31, 1994.

As part of obtaining reasonable assurance about whether the financial statements and the major state assistance programs are free of material misstatement, we have applied procedures to test the City of Wasilla, Alaska's compliance with certain provisions of laws and regulations and with the general requirements applicable to its state financial assistance programs and the specific requirements that are applicable to each of its major state financial assistance programs, which are identified in the accompanying Schedule of State Financial Assistance, for the year ended June 30, 1994. The management of the City of Wasilla, Alaska is responsible for the City of Wasilla, Alaska's compliance with those requirements. Our responsibility is to express an opinion on compliance with those provisions and requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the audit guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Wasilla, Alaska's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Wasilla, Alaska complied, in all material respects, with the provisions of laws and regulations and the applicable general requirements governing its state financial assistance programs and with the specific requirements that are applicable to each of its major state financial assistance programs for the year ended June 30, 1994.

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

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This report is intended for the information of management, the City Council, and the appropriate State of Alaska regulatory agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "Bob Hengeman". The signature is written in a cursive style with a long horizontal stroke at the end.

Fairbanks, Alaska
August 31, 1994

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON THE CITY OF WASILLA, ALASKA'S INTERNAL CONTROL STRUCTURE
FOR A STATE SINGLE AUDIT

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

We have audited the general purpose financial statements of the City of Wasilla, Alaska as of and for the year ended June 30, 1994 and have issued our report thereon dated August 31, 1994. We have also audited the City of Wasilla, Alaska's compliance with general requirements and specific requirements applicable to major state financial assistance programs and have issued our report thereon dated August 31, 1994.

We conducted our audits in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the audit guide require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the City of Wasilla, Alaska complied with laws and regulations, noncompliance with which would be material to a major state financial assistance program.

In planning and performing our audits for the year ended June 30, 1994, we considered the internal control structure of the City of Wasilla, Alaska in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the City of Wasilla, Alaska and on its compliance with general requirements and requirements applicable to major state financial assistance programs and not to provide assurance on the internal control structure.

The management of the City of Wasilla, Alaska is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that state financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations

in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering state financial assistance programs into the following categories:

Accounting Controls

- Cash receipts
- Purchasing and receiving
- Cash disbursements
- Payroll
- Property and equipment
- General ledger

Administrative Controls

General Requirements

- Public purpose
- Minimum wages
- Workers' compensation
- Political activity
- Retention and Inspection of records
- Audit requirements
- Civil rights
- Prevailing wages
- Contractors' bonds
- Responsibility for third parties

Specific Requirements

- Types of Services
- Matching, level of effort or earmarking
- Special tests and provisions
- Eligibility
- Reporting

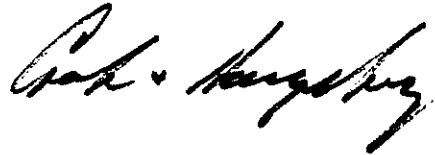
For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure policies and procedures used in administering state financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the

normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Wasilla, Alaska in a separate communication dated August 31, 1994.

This report is intended for the information of management, the City Council, and the appropriate State of Alaska regulatory agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "Paul R. King". The signature is written in a cursive, flowing style.

August 31, 1994

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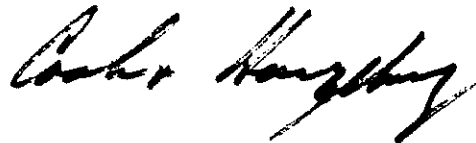
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE

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

We have audited the general purpose financial statements of the City of Wasilla, Alaska as of and for the year ended June 30, 1994, and have issued our report thereon dated August 31, 1994. These financial statements are the responsibility of the City of Wasilla, Alaska's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the City of Wasilla, Alaska taken as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Fairbanks, Alaska
August 31, 1994

CITY OF WASILLA, ALASKA
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 For the Year Ended June 30, 1994

<u>Award</u>	<u>Major Program</u>	<u>State Grant Number</u>
<u>Department of Administration</u>		
Municipal Grant Program		
Storm Drainage		4/86-314
Water and Sewer Extension	X	4/87-475
Peck Street/Feeder Roads		8/92-050
Lakeshore Drive Paving		8/92-051
Paving Arterial Collector		8/92-052
Sewer Drain Field	X	4/92-034
Lucille Non-Motorized Safety Corridor		8/93-044
Wasilla Road Paving Construction and Materials	X	8/93-040
Street Lights Safety Lighting - Phase III		8/93-039
Area Paving	X	8/94-056
Church Road Paving		8/94-006
Sewer Drainfield Replacement	X	4/94-005
Lucille Street Pedestrian/Bike Path		8/94-062
Peck Street Paving		94-704-8-001
Police Startup Equipment**	X	5/94-027
Museum of Alaska Transportation	X	7/94-074
Wasilla Area Athletic Association		9/94-017
Iditarod Trail Headquarters		7/94-073
Jobs Bill Grants		
Area Roads Upgrade		8/90-842
 <u>Department of Community and Regional Affairs</u>		
State Revenue Sharing	X	N/A
Municipal Assistance	X	N/A
 <u>Department of Environmental Conservation</u>		
Sewer Treatment Plant Upgrade	X	90507
Water Quality Planning		90505
Clean Lakes Project*		S000547-01-0

*These funds are federal monies passed through the State of Alaska.

**These funds were fully expended prior to July 1, 1993 in accordance with the grant agreement.

(Continued)

<u>Program or Award Amount</u>	<u>Accrued or (Deferred) Revenue July 1, 1993</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue June 30, 1994</u>
\$ 250,000	\$ (1,690)	\$ 1,690	\$ 1,690	\$
1,090,800	20,026	345,308	345,308	
48,000	319	16,800	16,800	9,911
100,000		2,024	2,024	
182,000	42,555	37,951	37,951	
450,500	(58,570)	134,280	134,280	48,162
25,000	(5,000)	18,448	18,448	3,860
200,000	(659)	160,659	160,659	
50,000	(11,083)	27,054	27,054	237
500,000		314,249	314,249	(908)
200,000				(40,000)
250,000		61,500	61,500	11,500
25,000				(5,000)
159,843				
297,000		297,000	297,000	
65,000		65,000	65,000	
5,000		5,000	5,000	
25,000		5,000	5,000	
<u>75,000</u>	<u> </u>	<u> </u>	<u> </u>	<u>(1,038)</u>
<u>3,998,143</u>	<u>(14,102)</u>	<u>1,491,963</u>	<u>1,491,963</u>	<u>26,724</u>
97,962		97,962	97,962	
<u>269,286</u>	<u> </u>	<u>269,286</u>	<u>269,286</u>	<u> </u>
<u>367,248</u>	<u> </u>	<u>367,248</u>	<u>367,248</u>	<u> </u>
500,000	7,843	459,385	459,385	33,521
90,000	4,500			4,500
<u>39,893</u>	<u>(120)</u>	<u> </u>	<u> </u>	<u> </u>
<u>629,893</u>	<u>12,223</u>	<u>459,385</u>	<u>459,385</u>	<u>38,021</u>

CITY OF WASILLA, ALASKA
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 (Continued)

For the Year Ended June 30, 1994

<u>Award</u>	<u>Major Program</u>	<u>State Grant Number</u>
 <u>Department of Education</u>		
Museum Grant in Aid Public Library Assistance		FY94 GIA PLA-94-787-86
 <u>Department of Natural Resources</u>		
Crusey Street Trees SBA Tree Planting		92-10300418 94-1039419
 <u>Department of Revenue</u>		
Alcohol and Beverage Tax		FY93
Alcohol and Beverage Tax		FY94
Amusement and Gaming Tax		FY93
Amusement and Gaming Tax		FY94
Electric and Telephone Co-op Tax		FY93
Electric and Telephone Co-op Tax	X	FY94
 <u>Department of Public Safety</u>		
Road Marking System		RS 94-07-03A
 Total State Financial Assistance		

<u>Program or Award Amount</u>	<u>Accrued or (Deferred) Revenue July 1, 1993</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue June 30, 1994</u>
\$ 4,919	\$	\$ 4,400	\$ 4,400	\$ (519)
8,033		8,033	8,033	
<u>12,952</u>		<u>12,433</u>	<u>12,433</u>	<u>(519)</u>
5,000	(2,038)	2,038	2,038	
15,000		15,000	15,000	7,500
<u>20,000</u>	<u>(2,038)</u>	<u>17,038</u>	<u>17,038</u>	<u>7,500</u>
2,650	2,650			
24,425		24,425	24,425	9,200
702	702			
684		684	684	684
92,998	92,998			
90,675		90,675	90,675	90,675
<u>212,134</u>	<u>96,350</u>	<u>115,784</u>	<u>115,784</u>	<u>100,559</u>
4,000		4,000	4,000	
<u>\$ 5,244,370</u>	<u>\$ 92,433</u>	<u>\$ 2,467,851</u>	<u>\$ 2,467,851</u>	<u>\$ 172,285</u>

CITY OF WASILLA, ALASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 1994

<u>Program</u>	<u>Findings</u>	<u>Status/ Comment</u>
<u>Prior Year Findings</u>		
None		
<u>Current Year Findings</u>		
Department of Environmental Conservation Grant No. 90507	At June 30, 1994, DEC had not approved change orders 13-18 on the project to which this grant applies. The City of Wasilla incurred expenditures under these change orders which are not eligible for reimbursement until the change orders are approved.	

Questioned
Costs

Response

\$ 28,078

There was some confusion due to the sewer lagoon lawsuit. Following settlement of the lawsuit, the change order forms were sent to the contractor for signature. This matter should be resolved by January 1, 1995.

