

ANNUAL FINANCIAL REPORT

OF THE

CITY OF WASILLA
ALASKA

FISCAL YEAR JULY 1, 1994 - JUNE 30, 1995

CITY OF WASILLA, ALASKA

ANNUAL FINANCIAL REPORT

Year Ended June 30, 1995

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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, 1995. 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 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 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.

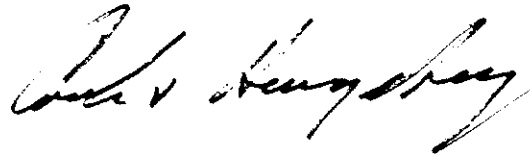
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Wasilla, Alaska as of June 30, 1995, and the results of its operations and cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 1, 1995 on our consideration of the City of Wasilla's internal control structure and a report dated September 1, 1995 on its compliance with laws and regulations.

As discussed in the restatement note to the general purpose financial statements, effective July 1, 1994, the City of Wasilla, Alaska adopted the provisions of the Governmental Accounting Standards Board's Statement No. 22, *Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds*.

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

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.

A handwritten signature in black ink, appearing to read "Paul King". The signature is written in a cursive style with a large, sweeping initial "P".

September 1, 1995

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENTS - OVERVIEW

CITY OF WASILLA, ALASKA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1995
With Comparative Totals for 1994

| <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 | \$ 3,082,034 | \$ 41,006 | \$ 622,348 | \$ 2,119,338 |
| Investments | | | | |
| Accounts receivable | 382,306 | | | |
| Grants receivable | 128,233 | | | 92,585 |
| Special assessments receivable, net | 11,512 | | 1,617,063 | |
| Notes receivable | | | | |
| Due from other funds | 34,941 | | 45,550 | |
| Interest and penalty receivable | 41,444 | | 12,856 | 17,800 |
| Inventory | | | | |
| Advances to other funds | 173,453 | | | |
| 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>\$ 3,853,923</u> | <u>\$ 41,006</u> | <u>\$ 2,297,817</u> | <u>\$ 2,229,723</u> |

(Continued)

| Proprietary Fund Type | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|--------------------------|------------------------|----------------------------|------------------------------|-----------------------------|----------------------|
| | | General Fixed Assets | General Long-Term Debt | 1995 | 1994 |
| Enterprise | Trust and Agency | | | | |
| \$ 608,325 | \$ 56,505 | \$ | \$ | \$ 6,529,556 | \$ 5,437,530 |
| | 86,356 | | | 86,356 | |
| 70,176 | | | | 452,482 | 81,077 |
| | 13,500 | | | 234,318 | 259,122 |
| | | | | 1,628,575 | 1,383,038 |
| 45,264 | | | | 45,264 | 44,154 |
| | | | | 80,491 | 73,536 |
| 5,214 | 562 | | | 77,876 | 43,934 |
| 53,973 | | | | 53,973 | 24,604 |
| | | | | 173,453 | 138,944 |
| 16,837 | | | | 16,837 | 17,156 |
| 23,676,078 | | 6,372,540 | | 30,048,618 | 30,524,850 |
| | | | 473,609 | 473,609 | 355,218 |
| | | | 694,390 | 694,390 | 759,555 |
| <u>\$ 24,475,867</u> | <u>\$ 156,923</u> | <u>\$ 6,372,540</u> | <u>\$ 1,167,999</u> | <u>\$ 40,595,798</u> | <u>\$ 39,142,718</u> |

CITY OF WASILLA, ALASKA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1995
With Comparative Totals for 1994

| LIABILITIES, EQUITY AND OTHER CREDITS | Governmental Fund Types | | | |
|---|-------------------------|--------------------|---------------------|---------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| Liabilities | | | | |
| Advance from central treasury | \$ | \$ | \$ | \$ |
| Accounts, contracts and retainages payable | 196,680 | 17,356 | | 461,929 |
| Deferred compensation payable | | | | |
| Accrued annual and sick leave | 152,860 | 23,650 | | |
| Due to other funds | | | 46,183 | 25,357 |
| Claims and judgments payable | | | | |
| Customer deposits | | | | |
| Revenue billed in advance | | | | |
| Deferred revenue | 16,731 | | 1,608,730 | 40,519 |
| Advances from other funds | | | 169,295 | |
| Bonds payable | | | | |
| Other | | | | |
| Total liabilities | <u>366,271</u> | <u>41,006</u> | <u>1,824,208</u> | <u>527,805</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 | 15,863 | 18,380 | | 29,478 |
| Reserved for debt service | | | 473,609 | |
| Reserved for advances | 173,453 | | | |
| Reserved for investment | | | | |
| Unreserved | | | | |
| Undesignated | 3,298,336 | (18,380) | | 454,964 |
| Designated for operations | | | | 1,217,476 |
| Total equity and other credits | <u>3,487,652</u> | | <u>473,609</u> | <u>1,701,918</u> |
| Total liabilities, equity and other credits | <u>\$ 3,853,923</u> | <u>\$ 41,006</u> | <u>\$ 2,297,817</u> | <u>\$ 2,229,723</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 | 1995 | 1994 |
| Enterprise | Trust and Agency | | | | |
| \$ 98,447 | \$ 6,750 | \$ | \$ | \$ 105,197 | \$ 41,173 |
| 31,157 | 6,750 | | | 713,872 | 543,922 |
| 14,562 | 86,356 | | | 86,356 | |
| 8,951 | | | | 191,072 | 152,959 |
| | | | | 80,491 | 73,536 |
| 8,198 | | | | | 50,000 |
| 27,082 | | | | 8,198 | 9,536 |
| | | | | 27,082 | 21,772 |
| 4,158 | | | | 1,665,980 | 1,463,107 |
| | | | | 173,453 | 138,944 |
| 5,150 | | | 1,167,999 | 1,167,999 | 1,114,773 |
| | | | | 5,150 | 700 |
| <u>197,705</u> | <u>99,856</u> | | <u>1,167,999</u> | <u>4,224,850</u> | <u>3,610,422</u> |
| | | 6,372,540 | | 6,372,540 | 6,341,708 |
| 24,078,339 | | | | 24,078,339 | 24,542,954 |
| 199,823 | | | | 199,823 | 234,451 |
| | | | | 63,721 | 20,632 |
| | | | | 473,609 | 355,218 |
| | | | | 173,453 | 138,944 |
| | 50,805 | | | 50,805 | 46,455 |
| | | | | 3,734,920 | 3,848,349 |
| | 6,262 | | | 1,223,738 | 3,585 |
| <u>24,278,162</u> | <u>57,067</u> | <u>6,372,540</u> | | <u>36,370,948</u> | <u>35,532,296</u> |
| <u>\$ 24,475,867</u> | <u>\$ 156,923</u> | <u>\$ 6,372,540</u> | <u>\$ 1,167,999</u> | <u>\$ 40,595,798</u> | <u>\$ 39,142,718</u> |

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1995
With Comparative Totals for 1994

| | Governmental | |
|--|------------------|------------------|
| | General | Special Revenue |
| Revenues | | |
| Sales taxes | \$ 3,825,041 | \$ |
| Property taxes | 427,566 | |
| Licenses and permits | 44,251 | |
| Fines, forfeitures and penalties | 46,243 | |
| State of Alaska | 541,608 | 7,862 |
| Matanuska-Susitna Borough | 12,090 | 270,126 |
| Special assessments | | |
| Interest | | |
| Free main allowances | | 7,054 |
| Library fines | | 3,264 |
| Other | 308,370 | |
| Total revenues | <u>5,205,169</u> | <u>288,306</u> |
| Expenditures | | |
| Administration | 330,405 | |
| City Council | 341,310 | |
| Municipal services | 122,135 | |
| Planning | 117,551 | |
| Finance | 441,762 | |
| Police | 981,124 | |
| Property maintenance | 196,434 | |
| Road maintenance | 407,492 | |
| Recreational services | 140,037 | |
| Museum | 205,589 | |
| Allocation of administrative expenditures to other funds | (44,709) | 436,098 |
| Library | | |
| Capital projects | | |
| Debt service | | |
| Total expenditures | <u>3,239,130</u> | <u>436,098</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,966,039</u> | <u>(147,792)</u> |

(Continued)

| Fund Types | | Totals (Memorandum Only) | |
|-----------------|---------------------|-----------------------------|------------------|
| Debt Service | Capital Projects | 1995 | 1994 |
| \$ | \$ | \$ 3,825,041 | \$ 3,219,602 |
| | | 427,566 | 480,179 |
| | | 44,251 | 39,650 |
| | | 46,243 | 13,514 |
| | 406,101 | 955,571 | 2,381,351 |
| | | 282,216 | 131,316 |
| 303,141 | | 303,141 | 355,433 |
| 26,395 | 80,735 | 107,130 | 58,809 |
| 2,708 | | 2,708 | 5,911 |
| | | 7,054 | 5,936 |
| | 29,090 | 340,724 | 261,867 |
| <u>332,244</u> | <u>515,926</u> | <u>6,341,645</u> | <u>6,953,568</u> |
| | | 330,405 | 173,985 |
| | | 341,310 | 124,154 |
| | | 122,135 | 285,768 |
| | | 117,551 | 41,026 |
| | | 441,762 | 369,469 |
| | | 981,124 | 861,096 |
| | | 196,434 | 149,615 |
| | | 407,492 | 335,348 |
| | | 140,037 | 81,957 |
| | | 205,589 | 203,512 |
| | | (44,709) | (44,295) |
| | | 436,098 | 435,082 |
| | 1,663,337 | 1,663,337 | 2,556,528 |
| <u>179,975</u> | <u>1,663,337</u> | <u>179,975</u> | <u>336,819</u> |
| <u>179,975</u> | <u>1,663,337</u> | <u>5,518,540</u> | <u>5,910,064</u> |
| <u>152,269</u> | <u>(1,147,411)</u> | <u>823,105</u> | <u>1,043,504</u> |

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1995
With Comparative Totals for 1994

| | Governmental | |
|---|---------------------|--------------------|
| | General | Special Revenue |
| Other financing sources (uses) | | |
| Bond proceeds | \$ | \$ |
| Operating transfers in | | 147,792 |
| Operating transfers out | (1,437,166) | |
| Proceeds from sale of general fixed assets | | |
| Net other financing sources (uses) | <u>(1,437,166)</u> | <u>147,792</u> |
| Excess of revenues over expendi- tures and net other financing sources (uses) | <u>528,873</u> | |
| Fund balances, July 1 | 2,612,106 | |
| Cumulative effect of change in accounting (see restatement note) | <u>344,422</u> | |
| Fund balances, July 1 (restated) | 2,956,528 | |
| Residual equity transfer | <u>2,251</u> | |
| Fund balances, June 30 | <u>\$ 3,487,652</u> | <u>\$</u> |

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

| Fund Types | | Totals (Memorandum Only) | |
|-------------------|---------------------|-----------------------------|---------------------|
| Debt Service | Capital Projects | 1995 | 1994 |
| \$ | \$ 159,560 | \$ 159,560 | \$ 147,370 |
| | 1,293,950 | 1,441,742 | 1,342,050 |
| (31,627) | | (1,468,793) | (1,372,622) |
| | | | 21,987 |
| (31,627) | 1,453,510 | 132,509 | 138,785 |
| 120,642 | 306,099 | 955,614 | 1,182,289 |
| 355,218 | 1,395,819 | 4,363,143 | 3,180,854 |
| | | 344,422 | |
| 355,218 | 1,395,819 | 4,707,565 | 3,180,854 |
| (2,251) | | | |
| <u>\$ 473,609</u> | <u>\$ 1,701,918</u> | <u>\$ 5,663,179</u> | <u>\$ 4,363,143</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, 1995

| | Budget | Actual | General Fund Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|---|---------------------------------|--|
| Revenues | | | | | |
| Sales taxes | \$ 3,640,000 | \$ 3,825,041 | \$ | \$ 3,825,041 | \$ 185,041 |
| Property taxes | 372,607 | 427,566 | | 427,566 | 54,959 |
| Licenses and permits | 35,550 | 44,251 | | 44,251 | 8,701 |
| Fines, forfeitures and penalties | 8,050 | 46,243 | | 46,243 | 38,193 |
| State of Alaska | 464,329 | 541,608 | | 541,608 | 77,279 |
| Matanuska-Susitna Borough | 11,600 | 12,090 | | 12,090 | 490 |
| Special assessments | | | | | |
| Interest | | | | | |
| Library fines | | | | | |
| Other | 135,850 | 308,370 | | 308,370 | 172,520 |
| | <u>4,667,986</u> | <u>5,205,169</u> | | <u>5,205,169</u> | <u>537,183</u> |
| Expenditures | | | | | |
| Administration | 338,334 | 330,405 | (678) | 329,727 | 8,607 |
| City Council | 597,510 | 341,310 | (80) | 341,230 | 256,280 |
| Municipal services | 133,651 | 122,135 | (186) | 121,949 | 11,702 |
| Planning | 125,926 | 117,551 | | 117,551 | 8,375 |
| Finance | 485,567 | 441,762 | 86 | 441,848 | 43,719 |
| Police | 1,045,610 | 981,124 | 1,840 | 982,964 | 62,646 |
| Property maintenance | 202,296 | 196,434 | (1,308) | 195,126 | 7,170 |
| Road maintenance | 427,103 | 407,492 | 11,423 | 418,915 | 8,188 |
| Recreational services | 157,735 | 140,037 | 1,887 | 141,924 | 15,811 |
| Museum | 218,478 | 205,589 | (1,300) | 204,289 | 14,189 |
| Allocation of administrative expenditures to other funds | (43,917) | (44,709) | | (44,709) | 792 |
| Library | | | | | |
| Debt service | | | | | |
| | <u>3,688,293</u> | <u>3,239,130</u> | <u>11,684</u> | <u>3,250,814</u> | <u>437,479</u> |
| Excess (deficiency) of revenues over expenditures | <u>979,693</u> | <u>1,966,039</u> | <u>(11,684)</u> | <u>1,954,355</u> | <u>974,662</u> |
| Other financing sources (uses) | | | | | |
| Operating transfers in | | | | | |
| Operating transfers out | (1,491,000) | (1,437,166) | | (1,437,166) | 53,834 |
| | <u>(1,491,000)</u> | <u>(1,437,166)</u> | | <u>(1,437,166)</u> | <u>53,834</u> |
| Excess (deficiency) of revenues over expenditures and net other financing sources (uses) | <u>\$ (511,307)</u> | <u>528,873</u> | <u>(11,684)</u> | <u>517,189</u> | <u>\$ 1,028,496</u> |
| Fund balances, July 1 | | 2,612,106 | 20,944 | 2,633,050 | |
| Cumulative effect of change in accounting (see restatement note) | | 344,422 | | 344,422 | |
| Fund balances, July 1 (restated) | | 2,956,528 | 20,944 | 2,977,472 | |
| Residual equity transfer | | 2,251 | | 2,251 | |
| Fund balances, June 30 | | <u>\$ 3,487,652</u> | <u>\$ 9,260</u> | <u>\$ 3,496,912</u> | |

| Special Revenue Fund | | | | |
|----------------------|------------------|-------------------------------------|---------------------------------|--|
| Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
| \$ | \$ | \$ | \$ | \$ |
| 7,862 | 7,862 | | 7,862 | |
| 271,827 | 270,126 | | 270,126 | (1,701) |
| 4,800 | 7,054 | | 7,054 | 2,254 |
| 4,200 | 3,264 | | 3,264 | (936) |
| <u>288,689</u> | <u>288,306</u> | | <u>288,306</u> | <u>(383)</u> |
| 469,907 | 436,098 | 8,252 | 444,350 | 25,557 |
| <u>469,907</u> | <u>436,098</u> | <u>8,252</u> | <u>444,350</u> | <u>25,557</u> |
| <u>(181,218)</u> | <u>(147,792)</u> | <u>(8,252)</u> | <u>(156,044)</u> | <u>25,174</u> |
| 181,218 | 147,792 | | 147,792 | (33,426) |
| <u>181,218</u> | <u>147,792</u> | | <u>147,792</u> | <u>(33,426)</u> |
| <u>\$</u> | | <u>(8,252)</u> | <u>(8,252)</u> | <u>\$ (8,252)</u> |
| | | 10,940 | 10,940 | |
| | | 10,940 | 10,940 | |
| | | | | |
| | <u>\$</u> | <u>\$ 2,688</u> | <u>\$ 2,688</u> | |

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

Year Ended June 30, 1995

| | 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 | 197,170 | 303,141 | | 303,141 | 105,971 |
| Interest | 3,050 | 26,395 | | 26,395 | 23,345 |
| Library fines | | | | | |
| Other | | 2,708 | | 2,708 | 2,708 |
| | <u>200,220</u> | <u>332,244</u> | | <u>332,244</u> | <u>132,024</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 | 209,067 | 179,975 | | 179,975 | 29,092 |
| | <u>209,067</u> | <u>179,975</u> | | <u>179,975</u> | <u>29,092</u> |
| Excess (deficiency) of revenues over expenditures | <u>(8,847)</u> | <u>152,269</u> | | <u>152,269</u> | <u>161,116</u> |
| Other financing sources (uses) | | | | | |
| Operating transfers in | | | | | |
| Operating transfers out | | (31,627) | | (31,627) | (31,627) |
| | | <u>(31,627)</u> | | <u>(31,627)</u> | <u>(31,627)</u> |
| Excess (deficiency) of revenues over expenditures and net other financing sources (uses) | <u>\$ (8,847)</u> | <u>120,642</u> | | <u>120,642</u> | <u>\$ 129,489</u> |
| Fund balances, July 1 | | 355,218 | | 355,218 | |
| Cumulative effect of change in accounting (see restatement note) | | | | | |
| Fund balances, July 1 (restated) | | 355,218 | | 355,218 | |
| Residual equity transfer | | (2,251) | | (2,251) | |
| Fund balances, June 30 | | <u>\$ 473,609</u> | <u>\$</u> | <u>\$ 473,609</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, 1995
With Comparative Totals for 1994

| | Proprietary | Fiduciary | Totals | |
|--|------------------|----------------------|-------------------|------------------|
| | Fund Type | Fund Type | (Memorandum Only) | |
| | Enterprise | Non-Expendable Trust | 1995 | 1994 |
| Operating revenues | | | | |
| Sales and user charges | \$ 537,436 | \$ | \$ 537,436 | \$ 478,775 |
| Fees and rentals | 17,302 | | 17,302 | 11,595 |
| Connections | 359 | | 359 | 1,775 |
| Meters | 1,504 | | 1,504 | 2,196 |
| Other | 24,920 | 4,350 | 29,270 | 16,310 |
| | <u>581,521</u> | <u>4,350</u> | <u>585,871</u> | <u>510,651</u> |
| Operating expenses | | | | |
| Salaries and benefits | 342,121 | | 342,121 | 277,466 |
| Operations | 9,758 | | 9,758 | 3,992 |
| Utilities | 64,289 | | 64,289 | 51,681 |
| Outside services | 54,607 | | 54,607 | 49,128 |
| Insurance | 17,479 | | 17,479 | 16,085 |
| Materials and supplies | 43,198 | | 43,198 | 32,380 |
| Maintenance | 25,808 | | 25,808 | 20,485 |
| Rent | 8,831 | | 8,831 | 8,833 |
| Transportation | 15,370 | | 15,370 | 5,978 |
| Contingency | 4,885 | | 4,885 | 4,889 |
| Other | 52,704 | | 52,704 | 46,162 |
| | <u>639,050</u> | <u>4,350</u> | <u>639,050</u> | <u>517,079</u> |
| Operating income (loss) before depreciation | (57,529) | 4,350 | (53,179) | (6,428) |
| Depreciation | <u>649,208</u> | | <u>649,208</u> | <u>643,259</u> |
| Operating income (loss) | <u>(706,737)</u> | <u>4,350</u> | <u>(702,387)</u> | <u>(649,687)</u> |

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

| | Proprietary | Fiduciary | Totals | |
|---|-------------------|----------------------|-------------------|-------------------|
| | Fund Type | Fund Type | (Memorandum Only) | |
| | Enterprise | Non-Expendable Trust | 1995 | 1994 |
| Nonoperating revenues | | | | |
| Transfers in | | | | |
| General Fund | \$ 27,051 | \$ | \$ 27,051 | \$ 30,572 |
| Special assessments | | | | 332 |
| Payments in lieu of assessments | 16,517 | | 16,517 | 3,162 |
| Interest income | 33,334 | 2,677 | 36,011 | 22,296 |
| | <u>76,902</u> | <u>2,677</u> | <u>79,579</u> | <u>56,362</u> |
| Total net nonoperating revenues | | | | |
| Net income (loss) | (629,835) | 7,027 | (622,808) | (593,325) |
| Depreciation on plant assets acquired by grants restricted for capital acquisition and construction | 595,207 | | 595,207 | 596,548 |
| Change in retained earnings/fund balance and accumulated deficit | (34,628) | 7,027 | (27,601) | 3,223 |
| Retained earnings/fund balance (accumulated deficit), July 1 (as previously reported) | 234,451 | 50,040 | 284,491 | (613,621) |
| Prior period adjustment | | | | 894,889 |
| Retained earnings/fund balance July 1 (as restated) | 234,451 | 50,040 | 284,491 | 281,268 |
| Retained earnings/fund balance balance, June 30 | \$ <u>199,823</u> | \$ <u>57,067</u> | \$ <u>256,890</u> | \$ <u>284,491</u> |

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1995
 With Comparative Totals for 1994

| Increase (Decrease) in Cash and Cash Equivalents | Proprietary | Fiduciary | Totals | |
|---|-------------------|----------------------|-------------------|-------------------|
| | Fund Type | Fund Type | (Memorandum Only) | |
| | Enterprise | Non-Expendable Trust | 1995 | 1994 |
| Cash flows from operating activities | | | | |
| Cash received from customers | \$ 552,448 | \$ 4,350 | \$ 556,798 | \$ 505,817 |
| Cash payments to suppliers for goods and services | (313,493) | | (313,493) | (254,805) |
| Cash payments to employees for services | (338,697) | | (338,697) | (273,120) |
| Other operating revenues | 24,169 | | 24,169 | 12,910 |
| Net cash provided by (used in) operating activities | <u>(75,573)</u> | <u>4,350</u> | <u>(71,223)</u> | <u>(9,198)</u> |
| Cash flows from noncapital financing activities | | | | |
| Operating transfers in | 27,051 | | 27,051 | 30,572 |
| Net advances received from central treasury | 57,982 | | 57,982 | 18,182 |
| Net cash provided by noncapital financing activities | <u>85,033</u> | <u></u> | <u>85,033</u> | <u>48,754</u> |
| Cash flows from capital and related financing activities | | | | |
| Payments on advances from funds | (11,494) | | (11,494) | (7,421) |
| Receipts from special assessments and payments in lieu of assessments | 16,517 | | 16,517 | 3,494 |
| Acquisition and construction of capital assets | (12,305) | | (12,305) | |
| Net cash used in capital and related financing activities | <u>(7,282)</u> | <u></u> | <u>(7,282)</u> | <u>(3,927)</u> |
| Cash flows from investing activities | | | | |
| Interest on central treasury and cash funds | 21,494 | 1,299 | 22,793 | 14,534 |
| Issuance of notes receivable | (8,000) | | (8,000) | (13,909) |
| Principal payments on notes receivable | 6,890 | | 6,890 | 10,978 |
| Decrease in customer deposits | (1,338) | | (1,338) | (620) |
| Net cash provided by (used in) investing activities | <u>19,046</u> | <u>1,299</u> | <u>20,345</u> | <u>10,983</u> |
| Net increase in cash and cash equivalents | 21,224 | 5,649 | 26,873 | 46,612 |
| Cash and cash equivalents | | | | |
| Beginning of year | <u>344,562</u> | <u>22,924</u> | <u>367,486</u> | <u>320,874</u> |
| End of year | <u>\$ 365,786</u> | <u>\$ 28,573</u> | <u>\$ 394,359</u> | <u>\$ 367,486</u> |
| Reconciliation of Cash and Cash Equivalents to the Balance Sheet | | | | |
| Equity in central treasury and cash funds per the balance sheet | \$ 608,325 | \$ 56,505 | \$ 664,830 | \$ 628,864 |
| Less: Investments not meeting the definition of cash equivalents | <u>242,539</u> | <u>27,932</u> | <u>270,471</u> | <u>261,378</u> |
| Cash and cash equivalents at end of year | <u>\$ 365,786</u> | <u>\$ 28,573</u> | <u>\$ 394,359</u> | <u>\$ 367,486</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 | 1995 | 1994 |
| Operating income (loss) | <u>\$(706,737)</u> | <u>\$ 4,350</u> | <u>\$(702,387)</u> | <u>\$(649,687)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation | 649,208 | | 649,208 | 643,259 |
| Noncash operating expense | 753 | | 753 | |
| Amortization | 319 | | 319 | 381 |
| (Increase) decrease in assets | | | | |
| Accounts receivable - trade | (16,131) | | (16,131) | (6,364) |
| Accounts receivable - other | (515) | | (515) | 10,738 |
| Inventory | (29,369) | | (29,369) | (20,301) |
| Increase (decrease) in liabilities | | | | |
| Accounts payable | 14,658 | | 14,658 | 7,993 |
| Due to other funds | 1,982 | | 1,982 | 969 |
| Revenue billed in advance | 5,310 | | 5,310 | 2,033 |
| Accrued annual and sick leave | 499 | | 499 | 1,081 |
| Other | 4,450 | | 4,450 | 700 |
| Total adjustments | <u>631,164</u> | | <u>631,164</u> | <u>640,489</u> |
| Net cash provided by (used in) operating activities | <u>\$ (75,573)</u> | <u>\$ 4,350</u> | <u>\$(71,223)</u> | <u>\$(9,198)</u> |

Noncash Capital and Related Financing Activities

During 1995 and 1994, the City of Wasilla received \$55,343 and \$1,000,475, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$49,187 and \$11,500 in private and general government contributions in 1995 and 1994, respectively. The water utility received \$26,062 and \$91,831 in private and general government contributions in 1994 and 1993, respectively. The utilities recorded the contributions as contributed capital and fixed assets.

CITY OF WASILLA, ALASKA
NOTES TO FINANCIAL STATEMENTS

June 30, 1995

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. 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.

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).

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

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 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.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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, Special Revenue 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.

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.

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

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, 1994 financial statements to conform them to current classifications.

RESTATEMENT

The City has chosen early implementation of Governmental Accounting Standards Board Statement No. 22 (GASB 22), "*Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds*." Previously, the City accounted for taxpayer assessed tax revenues such as sales taxes on the cash basis. Beginning as of July 1, 1994, the City recognizes revenue from such taxes when they become measurable and available.

The City has elected to present the cumulative affect of applying GASB 22 as a restatement of beginning General Fund fund balance. The effect of applying GASB 22 resulted in an increase in the beginning General Fund undesignated fund balance at January 1, 1994 of \$344,422.

CASH AND INVESTMENTS

Deposits

At June 30, 1995, the carrying amount of the City's net bank balances including certificates of deposit totaled \$1,357,811 and the bank deposits including certificates of deposit totaled \$1,530,573. Of the bank deposits, \$669,246 were covered by federal depository insurance or by collateral held by the City's agent in the City's name and \$861,327 were uninsured and uncollateralized.

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.

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

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.

| | <u>1</u> | <u>Category 2</u> | <u>3</u> | <u>Carrying Amount</u> | <u>Market Value</u> |
|--|-------------------|-----------------------|-----------------------------|----------------------------|-------------------------|
| Repurchase agreements | \$ | \$ 1,765,444 | \$ 1,507,746 | \$ 3,273,190 | \$ 3,273,190 |
| U.S. government securities | <u>760,000</u> | <u>489,429</u> | <u> </u> | <u>1,249,429</u> | <u>1,249,429</u> |
| Categorized investments | <u>\$ 760,000</u> | <u>\$ 2,254,873</u> | <u>\$ 1,507,746</u> | 4,522,619 | 4,522,619 |
| Investments in deferred compensation plans | | | | 86,356 | 86,356 |
| AML pool | | | | <u>545,957</u> | <u>545,957</u> |
| Total investments | | | | <u>\$ 5,154,932</u> | <u>\$ 5,154,932</u> |

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

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value of proprietary fund financial instruments were as follows as of June 30, 1995:

| | Carrying Amount | Fair Value |
|---|--------------------|---------------|
| Equity in central treasury and cash funds | \$ 608,325 | \$ 608,325 |
| Accrued interest receivable | 5,214 | 5,214 |
| Notes receivable | 45,264 | 45,264 |

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Equity in central treasury and cash funds and accrued interest receivable - The carrying amount approximates fair value because of the short maturity of these instruments.

Notes receivable - The carrying amount approximates fair value based on current market rates.

FIXED ASSETS

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

| | Balance July 1, 1994 | Additions/ Transfers In | Deletions/ Transfers Out | Balance June 30, 1995 |
|--------------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Land | \$ 1,457,982 | \$ 70,935 | \$ 5,260 | \$ 1,523,657 |
| Buildings | 2,346,563 | 90,705 | 50,000 | 2,387,268 |
| Office furniture and equipment | 356,007 | 46,666 | | 402,673 |
| Vehicles and equipment | 565,907 | 30,909 | 90,785 | 506,031 |
| Library collections | 1,517,814 | 45,600 | 39,840 | 1,523,574 |
| Construction in progress | 97,435 | 22,607 | 90,705 | 29,337 |
| | \$ 6,341,708 | \$ 307,422 | \$ 276,590 | \$ 6,372,540 |

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

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, 1995:

| | <u>Sewer Utility</u> | <u>Water Utility</u> | <u>Municipal Airport</u> | <u>Total</u> |
|-----------------------------------|--------------------------|--------------------------|------------------------------|----------------------|
| Treatment system | \$ 4,475,623 | \$ | \$ | \$ 4,475,623 |
| Collection/distribution system | 7,538,250 | 4,242,405 | | 11,780,655 |
| Wells/well house | | 271,276 | | 271,276 |
| Water tank and fence | | 2,337,975 | | 2,337,975 |
| Other plant in service | 2,416,271 | | | 2,416,271 |
| Equipment | 1,933,728 | 41,552 | 207,500 | 2,182,780 |
| Land | 657,810 | 149,170 | 1,470,000 | 2,276,980 |
| Land improvements | | | 4,087,753 | 4,087,753 |
| Construction in progress | <u>24,307</u> | <u>16,628</u> | | <u>40,935</u> |
| | 17,045,989 | 7,059,006 | 5,765,253 | 29,870,248 |
| Accumulated depreciation | <u>3,949,473</u> | <u>1,579,658</u> | <u>665,039</u> | <u>6,194,170</u> |
| Net property, plant and equipment | <u>\$ 13,096,516</u> | <u>\$ 5,479,348</u> | <u>\$ 5,100,214</u> | <u>\$ 23,676,078</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, 1995:

| | <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 | \$ 197,220 |
| \$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 | 230,700 |
| \$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 | 149,640 |
| \$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 | 192,400 |
| \$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 | 87,000 |
| \$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 | 12,250 |
| \$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 | 6,596 |
| \$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 | 132,633 |
| \$159,560 Mountain Village/Crestwood Paving Improvement Districts bond due in annual principal installments of \$15,956 beginning on November 29, 1995 through December 29, 2004; interest at 6.05 percent | <u>159,560</u> |
| Total | <u><u>\$ 1,167,999</u></u> |

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Special assessment bond debt service requirements to maturity, including \$680,822 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 |
|------------------------------|------------------------------------|--------------------------------------|---|---|---|
| 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 | |
| 2000 | 15,976 | 19,926 | 25,622 | 32,258 | |
| Thereafter | 325,639 | 398,829 | 69,304 | 87,455 | |
| | 408,679 | 499,230 | 193,182 | 247,769 | 100,014 |
| Less amount of interest | 211,459 | 268,530 | 43,542 | 55,369 | 13,014 |
| | <u>\$ 197,220</u> | <u>\$ 230,700</u> | <u>\$ 149,640</u> | <u>\$ 192,400</u> | <u>\$ 87,000</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 | 1994 Mountain Village/Crestwood Paving Improvement Districts Bond | Total |
|------------------------------|---|---|---|---|---------------------|
| 1996 | \$ 13,353 | \$ 3,890 | \$ 21,501 | \$ 25,609 | \$ 194,924 |
| 1997 | | 3,596 | 20,750 | 24,644 | 174,491 |
| 1998 | | | 19,998 | 23,679 | 164,108 |
| 1999 | | | 19,247 | 22,713 | 139,322 |
| 2000 | | | 18,495 | 21,748 | 134,025 |
| Thereafter | | | 66,464 | 94,260 | 1,041,951 |
| | 13,353 | 7,486 | 166,455 | 212,653 | 1,848,821 |
| Less amount of interest | 1,103 | 890 | 33,822 | 53,093 | 680,822 |
| | <u>\$ 12,250</u> | <u>\$ 6,596</u> | <u>\$ 132,633</u> | <u>\$ 159,560</u> | <u>\$ 1,167,999</u> |

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

During the fiscal year ended June 30, 1995, the following changes occurred in liabilities reported in the general long-term debt account group:

| | <u>Balance</u> <u>July 1, 1994</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 1995</u> |
|-------------------------|---------------------------------------|-------------------|-------------------|--|
| Special Assessment Debt | <u>\$ 1,114,773</u> | <u>\$ 159,560</u> | <u>\$ 106,334</u> | <u>\$ 1,167,999</u> |

On July 26, 1995 the City issued a 1994 Whispering Woods/Nelson Avenue/Lakeview Avenue Paving Improvement Districts Bond for \$261,942. The bond is due in annual principal installments of \$26,194 beginning on July 26, 1996 through July 26, 2005 plus interest at 6.825 percent.

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, 1995 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 | \$ 272,584 | \$ 291,635 | \$ 17,302 | \$ 581,521 |
| Depreciation | 287,580 | 136,490 | 225,138 | 649,208 |
| Operating loss | (311,591) | (142,652) | (252,494) | (706,737) |
| Net loss | (308,231) | (96,466) | (225,138) | (629,835) |
| Contributions in aid of construction | | | | |
| Additions | 13,426,278 | 5,718,587 | 5,765,253 | 24,910,118 |
| Amortization | 104,530 | 26,062 | | 130,592 |
| Transfers in | 271,270 | 98,799 | 225,138 | 595,207 |
| Property, plant and equipment additions | 1,197,477 | 37,627 | | 1,235,104 |
| Net working capital | (75,763) | 629,563 | | 553,800 |
| Total assets | 13,218,106 | 6,153,804 | 5,103,957 | 24,475,867 |
| Total equity | 13,052,200 | 6,125,748 | | 19,177,948 |

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 | \$ 55,343 | \$ 26,062 | \$ |
| Customers | 49,187 | 26,062 | |
| Total additions | 104,530 | 26,062 | |
| Amortization of capital grants | (271,270) | (98,799) | (225,138) |
| Net decrease in contributed capital | (166,740) | (72,737) | (225,138) |
| Contributed capital July 1, 1994 | <u>13,426,278</u> | <u>5,791,324</u> | <u>5,325,352</u> |
| June 30, 1995 | <u>\$ 13,259,538</u> | <u>\$ 5,718,587</u> | <u>\$ 5,100,214</u> |

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

RETIREMENT COMMITMENTS

As of June 30, 1995 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 11.63 percent in fiscal year 1995 and 11.03 percent in 1994.

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

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

recipients who are at least age 60 but under 65 or who have been receiving 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, 1994, 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.

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

| | <u>Amount</u> |
|--|-----------------|
| Pension benefit obligation | |
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | \$ 619 |
| Current employees | |
| Accumulated contributions including allocated investment earnings | 488 |
| Employer financed, vested | 975 |
| Employer financed, nonvested | <u>150</u> |
| Total pension benefit obligation | 2,232 |
| Net assets available for benefits as of June 30, 1994 at market (actuarial value was \$2,038) | <u>1,944</u> |
| Unfunded pension benefit obligation | <u>\$ (288)</u> |
| Assets as a percent of pension benefit obligation | <u>87.1%</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, 1995 was \$1,591,228 out of a total payroll of \$1,866,874.

The contribution to PERS for 1995 of \$297,447 was made in accordance with actuarially determined requirements computed through actuarial valuations performed as of June 30, 1992. The contribution consisted of (a) \$285,831 normal costs (17.14 percent of current covered payroll) plus (b) \$11,616 amortization of the unfunded actuarial accrued liability (.73 percent of current covered payroll). The City contributed \$185,060 (11.63 percent of current covered payroll); employees contributed \$112,387 (7.06 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 | 97.6% |
| 1992 | 95.5% |
| 1993 | 87.1% |
| 1994 | |
| Unfunded pension benefit obligation as a percentage of annual covered payroll | (4.9)% |
| 1992 | (9.3)% |
| 1993 | (21.7)% |
| 1994 | |
| Contributions, which were made in accordance with actuarially determined requirements as a percentage of annual covered payroll | 7.78% |
| 1992 | 10.89% |
| 1993 | 11.03% |
| 1994 | |

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

Eight year historical trend information is presented on page 41.

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the participant or beneficiary) solely the property of the City subject only to the claims of the City's general creditors. Participant rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

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

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

LEASES

The Enterprise Funds lease a shop building from the General Fund for which they paid \$8,831 in 1995.

The City leases a portion of the Wasilla Elementary School building to a tenant payable in monthly installments in varying amounts for which it received \$18,985 and \$17,680 in 1995 and 1994, respectively.

INTERFUND ASSETS/LIABILITIES

| <u>Due To/From Other Funds</u> | <u>Receivable</u> | <u>Payable</u> |
|---|-------------------|-------------------|
| Assessment Districts Bonds Debt Service Funds | \$ 45,550 | \$ 46,183 |
| Miscellaneous Projects and Road and Street Improvement Fund | | 25,357 |
| General Fund | 34,941 | |
| Sewer Utility Fund | | 8,951 |
| | <u>\$ 80,491</u> | <u>\$ 80,491</u> |
| <u>Interfund Advances</u> | | |
| General Fund | \$ 173,453 | \$ |
| Bond Guarantee Debt Service Fund | | 169,295 |
| Sewer Utility Fund | | 4,158 |
| | <u>\$ 173,453</u> | <u>\$ 173,453</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 \$8,951 and is included in Due To/From Other Funds.

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

Deficit Fund Balances of Individual Funds

The \$35,697 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 \$208,289 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.

Interfund Transfers

A summary of interfund transfers during 1995 is as follows:

| | Operating Transfers In | Operating Transfers Out |
|------------------------|------------------------------|-------------------------------|
| General Fund | \$ 147,792 | \$ 1,437,166 |
| Special Revenue Fund | | 31,627 |
| Debt Service Funds | 1,293,950 | |
| Capital Projects Funds | 27,051 | |
| Enterprise Funds | | |
| | \$ 1,468,793 | \$ 1,468,793 |

RISK MANAGEMENT

The City's Finance department and City Clerk's Office coordinate and administer workers compensation, property, general liability, and health, vision and dental insurance programs for all its activities and operations. The City has purchased commercial insurance to cover all of its insurable risks.

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.

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

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 \$343,087 is included in accounts payable of the Capital Projects Funds at June 30, 1995. 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WASILLA, ALASKA
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF PERS FUNDING PROGRESS
 June 30, 1995
 (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)% |
| 1994 | 1,944 | 2,232 | 87.1% | (288) | 1,326 | (21.7)% |

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund accounts for all transactions not recorded in other funds and receives financial support from such sources as 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.

CITY OF WASILLA, ALASKA
 GENERAL FUND
 COMPARATIVE BALANCE SHEET
 June 30, 1995 and 1994

| <u>ASSETS</u> | <u>1995</u> | <u>1994</u> |
|---|-------------------------|-------------------------|
| Equity in central treasury and cash funds | \$ 3,082,034 | \$ 2,494,830 |
| Accounts and grants receivable | | |
| State of Alaska | 128,233 | 100,559 |
| Sales tax receivable | 368,821 | |
| Matanuska-Susitna Borough | 13,314 | 22,400 |
| Other | 171 | 4,847 |
| Accrued interest receivable | 41,444 | 19,565 |
| Assessments receivable | 11,512 | 12,574 |
| | <u>563,495</u> | <u>159,945</u> |
| Due from other funds | 34,941 | 52,407 |
| Advances to other funds | 173,453 | 138,944 |
| | <u>208,394</u> | <u>191,351</u> |
| Total assets | <u>\$ 3,853,923</u> | <u>\$ 2,846,126</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities | | |
| Accounts payable | \$ 196,680 | \$ 105,294 |
| Accrued liabilities | | |
| Annual and sick leave | 152,860 | 113,714 |
| Deferred revenue | 16,731 | 15,012 |
| | <u>366,271</u> | <u>234,020</u> |
| Fund balance | | |
| Reserved for encumbrances | 15,863 | 6,534 |
| Reserved for advances to other funds | 173,453 | 138,944 |
| Unreserved | | |
| Undesignated | 3,298,336 | 2,466,628 |
| | <u>3,487,652</u> | <u>2,612,106</u> |
| Total fund balance | <u>3,487,652</u> | <u>2,612,106</u> |
| Total liabilities and fund balance | <u>\$ 3,853,923</u> | <u>\$ 2,846,126</u> |

CITY OF WASILLA, ALASKA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 1995 and 1994

| | <u>1995</u> | <u>1994</u> |
|----------------------------------|------------------|------------------|
| Revenues | \$ 3,825,041 | \$ 3,219,602 |
| Sales taxes | | |
| Property taxes | <u>427,566</u> | <u>480,179</u> |
| Licenses and permits | | |
| City business licenses | 28,754 | 27,450 |
| Land use permits | 7,100 | 4,015 |
| Utility permits | 5,285 | 5,031 |
| Driveway permits | 1,350 | 275 |
| Taxicab permits | 75 | 360 |
| Animal licenses | <u>1,687</u> | <u>2,519</u> |
| Total licenses and permits | <u>44,251</u> | <u>39,650</u> |
| Fines, forfeitures and penalties | <u>46,243</u> | <u>13,514</u> |
| State of Alaska | | |
| Municipal assistance | 234,488 | 269,286 |
| State shared revenue | | |
| Road maintenance | 107,502 | 58,645 |
| Health facilities | 7,552 | 3,221 |
| Other | 57,982 | 36,096 |
| Electric and telephone co-op tax | 106,036 | 90,675 |
| Amusement and gaming tax | 384 | 684 |
| Alcoholic beverage tax | 18,900 | 24,425 |
| Other | <u>8,764</u> | <u>4,000</u> |
| Total State of Alaska | <u>541,608</u> | <u>487,032</u> |
| Matanuska-Susitna Borough | | |
| Solid waste | 1,000 | 1,000 |
| Parks and recreation | 10,000 | 10,000 |
| Snow removal | <u>1,090</u> | <u>190</u> |
| Total Matanuska-Susitna Borough | <u>12,090</u> | <u>11,190</u> |
| Other | | |
| Charges to other funds | 65,435 | 74,196 |
| Charges for services | 7,039 | 13,174 |
| Interest | 182,251 | 109,513 |
| Building rentals | 28,022 | 27,834 |
| Miscellaneous | <u>25,623</u> | <u>14,492</u> |
| Total other | <u>308,370</u> | <u>239,209</u> |
| Total revenues | <u>5,205,169</u> | <u>4,490,376</u> |

| | <u>1995</u> | <u>1994</u> |
|--|---------------------|-----------------------------|
| Expenditures | | |
| General Government | | |
| Administration | \$ 330,405 | \$ 173,985 |
| City Council | 341,310 | 124,154 |
| Municipal services | 122,135 | 285,768 |
| Planning | 117,551 | 41,026 |
| Finance | 441,762 | 369,469 |
| Police | 981,124 | 861,096 |
| Property maintenance | 196,434 | 149,615 |
| Road maintenance | 407,492 | 335,348 |
| Recreational services | 140,037 | 81,957 |
| Museum | <u>205,589</u> | <u>203,512</u> |
| Total expenditures before allocation of administrative expenditures to other funds | 3,283,839 | 2,625,930 |
| Allocation of administrative expenditures to other funds | <u>(44,709)</u> | <u>(44,295)</u> |
| Total expenditures | <u>3,239,130</u> | <u>2,581,635</u> |
| Excess of revenues over expenditures | <u>1,966,039</u> | <u>1,908,741</u> |
| Other financing sources (uses) | | |
| Operating transfers out | | |
| Library Special Revenue Fund | (147,792) | (298,059) |
| Capital Projects Funds | (1,262,323) | (1,011,351) |
| Enterprise Funds | (27,051) | (30,572) |
| Proceeds from sale of fixed assets | | <u>21,987</u> |
| Net other financing uses | <u>(1,437,166)</u> | <u>(1,317,995)</u> |
| Excess of revenues over expenditures and other financing uses | <u>528,873</u> | <u>590,746</u> |
| Fund balance, July 1 | 2,612,106 | 2,021,360 |
| Cumulative effect of change in accounting (see restatement note) | <u>344,422</u> | <u> </u> |
| Fund balance, July 1 (restated) | 2,956,528 | 2,021,360 |
| Residual equity transfer in | <u>2,251</u> | <u> </u> |
| Fund balance, June 30 | <u>\$ 3,487,652</u> | <u>\$ 2,612,106</u> |

CITY OF WASILLA, ALASKA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

Year Ended June 30, 1995

| | <u>Budget</u> | <u>Actual</u> | <u>Adjustment to Budgetary Basis</u> | <u>Actual on Budgetary Basis</u> | <u>Variance Favorable (Unfavorable)</u> |
|----------------------------------|---------------|---------------|--|--|---|
| Revenues | | | | | |
| Sales taxes | \$ 3,640,000 | \$ 3,825,041 | \$ | \$ 3,825,041 | \$ 185,041 |
| Property taxes | 372,607 | 427,566 | | 427,566 | 54,959 |
| Licenses and permits | | | | | |
| City business licenses | 25,000 | 28,754 | | 28,754 | 3,754 |
| Land use permits | 2,500 | 7,100 | | 7,100 | 4,600 |
| Utility permits | 5,500 | 5,285 | | 5,285 | (215) |
| Driveway permits | 150 | 1,350 | | 1,350 | 1,200 |
| Taxicab permits | 150 | 75 | | 75 | (75) |
| Animal licenses | 2,250 | 1,687 | | 1,687 | (563) |
| Total licenses and permits | 35,550 | 44,251 | | 44,251 | 8,701 |
| Fines, forfeitures and penalties | 8,050 | 46,243 | | 46,243 | 38,193 |
| State of Alaska | | | | | |
| Municipal assistance | 188,628 | 234,488 | | 234,488 | 45,860 |
| State shared revenue | | | | | |
| Road maintenance | 117,676 | 107,502 | | 107,502 | (10,174) |
| Health facilities | 2,502 | 7,552 | | 7,552 | 5,050 |
| Other | 23,540 | 57,982 | | 57,982 | 34,442 |
| Electric and telephone co-op tax | 105,000 | 106,036 | | 106,036 | 1,036 |
| Amusement and gaming tax | 200 | 384 | | 384 | 184 |
| Alcoholic beverage tax | 15,225 | 18,900 | | 18,900 | 3,675 |
| Other | 11,558 | 8,764 | | 8,764 | (2,794) |
| Total State of Alaska | 464,329 | 541,608 | | 541,608 | 77,279 |
| Matanuska-Susitna Borough | | | | | |
| Solid waste | 1,000 | 1,000 | | 1,000 | |
| Parks and recreation | 10,000 | 10,000 | | 10,000 | |
| Snow removal | 600 | 1,090 | | 1,090 | 490 |
| Total Matanuska-Susitna Borough | 11,600 | 12,090 | | 12,090 | 490 |
| Other | | | | | |
| Charges to other funds | 6,400 | 65,435 | | 65,435 | 59,035 |
| Charges for services | 5,950 | 7,039 | | 7,039 | 1,089 |
| Interest | 76,200 | 182,251 | | 182,251 | 106,051 |
| Building rentals | 33,350 | 28,022 | | 28,022 | (5,328) |
| Miscellaneous | 13,950 | 25,623 | | 25,623 | 11,673 |
| Total other | 135,850 | 308,370 | | 308,370 | 172,520 |
| Total revenues | 4,667,986 | 5,205,169 | | 5,205,169 | 537,183 |

| Expenditures | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
|---------------------------------------|------------|------------|-------------------------------------|---------------------------------|--|
| Administration | | | | | |
| Salaries | \$ 130,950 | \$ 126,946 | \$ | \$ 126,946 | \$ 4,004 |
| Employee benefits | 38,649 | 37,380 | | 37,380 | 1,269 |
| Travel | 5,900 | 3,412 | | 3,412 | 2,488 |
| Contingency | 2,500 | 937 | | 937 | 1,563 |
| Tourism and economic development | 128,600 | 135,350 | | 135,350 | (6,750) |
| Professional services | | 1,021 | | 1,021 | (1,021) |
| Supplies and capital outlay | 3,250 | 3,910 | (678) | 3,232 | 18 |
| City engineer | 11,500 | 5,857 | | 5,857 | 5,643 |
| Other | 16,985 | 15,592 | | 15,592 | 1,393 |
| Total administration | 338,334 | 330,405 | (678) | 329,727 | 8,607 |
| City Council | | | | | |
| Travel and conferences | 3,160 | 3,122 | | 3,122 | 38 |
| Accounting and auditing | 17,550 | 18,348 | | 18,348 | (798) |
| Contingency | 408,708 | 146,571 | | 146,571 | 262,137 |
| Animal control | 24,000 | 24,000 | | 24,000 | |
| Insurance | 25,400 | 17,394 | (80) | 17,314 | 8,086 |
| Mat-Su Alcohol Council | 1,251 | 7,552 | | 7,552 | (6,301) |
| Salaries and benefits | 8,590 | 7,151 | | 7,151 | 1,439 |
| Legal and other professional services | 79,000 | 92,853 | | 92,853 | (13,853) |
| Wasilla area seniors | 20,000 | 20,000 | | 20,000 | |
| Other | 9,851 | 4,319 | | 4,319 | 5,532 |
| Total City Council | 597,510 | 341,310 | (80) | 341,230 | 256,280 |
| Municipal services | | | | | |
| Salaries | 80,379 | 78,224 | | 78,224 | 2,155 |
| Employee benefits | 26,697 | 23,937 | | 23,937 | 2,760 |
| Travel and conferences | 5,065 | 4,136 | | 4,136 | 929 |
| Supplies | 2,860 | 2,164 | | 2,164 | 696 |
| Equipment | 7,850 | 7,853 | (186) | 7,667 | 183 |
| Advertising | 10,000 | 5,596 | | 5,596 | 4,404 |
| Other | 800 | 225 | | 225 | 575 |
| Total municipal services | 133,651 | 122,135 | (186) | 121,949 | 11,702 |

(Continued)

CITY OF WASILLA, ALASKA

GENERAL FUND

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

Year Ended June 30, 1995

| Expenditures - Continued | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
|--------------------------|-----------|-----------|-------------------------------------|---------------------------------|--|
| Planning | | | | | |
| Salaries | \$ 74,975 | \$ 74,610 | \$ | \$ 74,610 | \$ 365 |
| Employee benefits | 19,926 | 19,892 | | 19,892 | 34 |
| Equipment | 10,500 | 8,304 | | 8,304 | 2,196 |
| Professional services | 5,900 | 2,715 | | 2,715 | 3,185 |
| Supplies | 7,002 | 5,455 | | 5,455 | 1,547 |
| Contractual | 1,100 | 20 | | 20 | 1,080 |
| Contingency | 1,450 | 1,217 | | 1,217 | 233 |
| Travel and training | 3,498 | 3,498 | | 3,498 | |
| Other | 1,575 | 1,840 | | 1,840 | (265) |
| Total planning | 125,926 | 117,551 | | 117,551 | 8,375 |
| Finance | | | | | |
| Salaries | 245,886 | 234,230 | | 234,230 | 11,656 |
| Employee benefits | 71,796 | 65,412 | | 65,412 | 6,384 |
| Communications | 31,255 | 29,967 | | 29,967 | 1,288 |
| Travel and conferences | 6,118 | 5,209 | | 5,209 | 909 |
| Contractual services | 6,000 | 2,016 | | 2,016 | 3,984 |
| Equipment maintenance | 22,967 | 23,451 | | 23,451 | (484) |
| Supplies | 20,014 | 17,516 | | 17,516 | 2,498 |
| Equipment | 30,306 | 21,983 | 86 | 22,069 | 8,237 |
| Insurance and bonding | 33,325 | 35,138 | | 35,138 | (1,813) |
| Foreclosure costs | 12,900 | 6,416 | | 6,416 | 6,484 |
| Other | 5,000 | 424 | | 424 | 4,576 |
| Total finance | 485,567 | 441,762 | 86 | 441,848 | 43,719 |
| Police | | | | | |
| Salaries | 557,486 | 525,697 | | 525,697 | 31,789 |
| Employee benefits | 187,950 | 168,284 | | 168,284 | 19,666 |
| Travel and training | 7,000 | 5,909 | 1,840 | 7,749 | (749) |
| Contingency | 5,000 | 5,731 | | 5,731 | (731) |
| Communications | 142,051 | 157,540 | | 157,540 | (15,489) |
| Professional services | 20,000 | 1,727 | | 1,727 | 18,273 |
| Insurance | 38,490 | 38,148 | | 38,148 | 342 |
| Supplies | 40,505 | 37,163 | | 37,163 | 3,342 |
| Capital outlay | 21,978 | 13,655 | | 13,655 | 8,323 |
| Community relations | 2,500 | 4,492 | | 4,492 | (1,992) |
| Fuel and oil | 17,000 | 18,599 | | 18,599 | (1,599) |
| Contractual | 2,500 | 2,578 | | 2,578 | (78) |
| Other | 3,150 | 1,601 | | 1,601 | 1,549 |
| Total police | 1,045,610 | 981,124 | 1,840 | 982,964 | 62,646 |

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
|--|----------------|----------------|-------------------------------------|---------------------------------|--|
| Property maintenance | | | | | |
| Salaries | \$ 69,425 | \$ 63,481 | \$ | \$ 63,481 | \$ 5,944 |
| Employee benefits | 26,961 | 17,832 | | 17,832 | 9,129 |
| Travel and conferences | 1,500 | 2,088 | | 2,088 | (588) |
| Utilities | 36,940 | 34,324 | | 34,324 | 2,616 |
| Contractual services | 28,515 | 40,398 | (1,340) | 39,058 | (10,543) |
| Insurance | 12,400 | 10,329 | | 10,329 | 2,071 |
| Janitorial services | 15,000 | 15,211 | | 15,211 | (211) |
| Supplies | 3,500 | 5,200 | 32 | 5,232 | (1,732) |
| Assessments | 4,605 | 5,960 | | 5,960 | (1,355) |
| Other | 3,450 | 1,611 | | 1,611 | 1,839 |
| Total property maintenance | 202,296 | 196,434 | (1,308) | 195,126 | 7,170 |
| Road maintenance | | | | | |
| Salaries | 100,728 | 98,837 | | 98,837 | 1,891 |
| Employee benefits | 38,100 | 32,636 | | 32,636 | 5,464 |
| Utilities | 33,000 | 33,994 | | 33,994 | (994) |
| Insurance | 3,133 | 1,460 | | 1,460 | 1,673 |
| Contractual services | 177,000 | 169,524 | 11,365 | 180,889 | (3,889) |
| Vehicle and equipment maintenance and acquisition | 13,000 | 12,802 | 58 | 12,860 | 140 |
| Railroad crossing maintenance | 12,900 | 12,900 | | 12,900 | |
| Asphalt and culvert repair | 8,000 | 7,449 | | 7,449 | 551 |
| Storm drain thawing | 6,000 | 8,104 | | 8,104 | (2,104) |
| Supplies | 3,900 | 9,426 | | 9,426 | (5,526) |
| Fuel and oil | 6,000 | 4,899 | | 4,899 | 1,101 |
| Signs | 5,000 | 4,582 | | 4,582 | 418 |
| Facility and equipment rental | 8,100 | 1,519 | | 1,519 | 6,581 |
| Street lights | 9,892 | 9,090 | | 9,090 | 802 |
| Other | 2,350 | 270 | | 270 | 2,080 |
| Total road maintenance | 427,103 | 407,492 | 11,423 | 418,915 | 8,188 |

(Continued)

CITY OF WASILLA, ALASKA

GENERAL FUND

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

Year Ended June 30, 1995

| | <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 | \$ 80,204 | \$ 73,244 | \$ | \$ 73,244 | \$ 6,960 |
| Employee benefits | 17,906 | 13,601 | | 13,601 | 4,305 |
| Contractual services | 8,000 | 5,634 | | 5,634 | 2,366 |
| Repairs and maintenance | 13,750 | 18,269 | 1,887 | 20,156 | (6,406) |
| Supplies | 4,900 | 3,274 | | 3,274 | 1,626 |
| Fuel and oil | 5,000 | 1,570 | | 1,570 | 3,430 |
| Training and travel | 2,400 | 591 | | 591 | 1,809 |
| Other | 25,575 | 23,854 | | 23,854 | 1,721 |
| Total recreational services | <u>157,735</u> | <u>140,037</u> | <u>1,887</u> | <u>141,924</u> | <u>15,811</u> |
| Museum | | | | | |
| Salaries | 141,342 | 132,699 | | 132,699 | 8,643 |
| Employee benefits | 38,583 | 36,320 | | 36,320 | 2,263 |
| Contractual services | 6,790 | 5,646 | | 5,646 | 1,144 |
| Advertising | 2,050 | 2,169 | | 2,169 | (119) |
| Supplies | 3,770 | 4,858 | (1,300) | 3,558 | 212 |
| Repairs and maintenance | 4,922 | 4,333 | | 4,333 | 589 |
| Utilities | 5,832 | 5,662 | | 5,662 | 170 |
| Capital outlay | 9,174 | 7,830 | | 7,830 | 1,344 |
| Insurance | 1,675 | 1,674 | | 1,674 | 1 |
| Other | 4,340 | 4,398 | | 4,398 | (58) |
| Total museum | <u>218,478</u> | <u>205,589</u> | <u>(1,300)</u> | <u>204,289</u> | <u>14,189</u> |
| Total expenditures before allocation of administrative expenditures to other funds | 3,732,210 | 3,283,839 | 11,684 | 3,295,523 | 436,687 |
| Allocation of administrative expenditures to other funds | <u>(43,917)</u> | <u>(44,709)</u> | | <u>(44,709)</u> | <u>792</u> |
| Total expenditures | <u>3,688,293</u> | <u>3,239,130</u> | <u>11,684</u> | <u>3,250,814</u> | <u>437,479</u> |

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|-------------------------------------|---------------------------------|--|
| Excess of revenues over expenditures | \$ 979,693 | \$ 1,966,039 | \$ (11,684) | \$ 1,954,355 | \$ 974,662 |
| Other financing sources (uses) | | | | | |
| Operating transfers out | | | | | |
| Library Special Revenue Fund | (181,218) | (147,792) | | (147,792) | 33,426 |
| Capital Projects Funds | (1,262,323) | (1,262,323) | | (1,262,323) | |
| Enterprise Funds | (38,859) | (27,051) | | (27,051) | 11,808 |
| Debt Service Funds | (8,600) | _____ | _____ | _____ | 8,600 |
| Net other financing uses | <u>(1,491,000)</u> | <u>(1,437,166)</u> | _____ | <u>(1,437,166)</u> | <u>53,834</u> |
| Excess (deficiency) of revenues over expenditures and net other financing uses | <u>\$ (511,307)</u> | <u>528,873</u> | <u>(11,684)</u> | <u>517,189</u> | <u>\$ 1,028,496</u> |
| Fund balance, July 1 | | 2,612,106 | 20,944 | 2,633,050 | |
| Cumulative effect of change in accounting (see restatement note) | | <u>344,422</u> | _____ | <u>344,422</u> | |
| Fund balance, July 1 (restated) | | 2,956,528 | 20,944 | 2,977,472 | |
| Residual equity transfer in | | <u>2,251</u> | _____ | <u>2,251</u> | |
| Fund balance, June 30 | | <u>\$ 3,487,652</u> | <u>\$ 9,260</u> | <u>\$ 3,496,912</u> | |

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.

CITY OF WASILLA, ALASKA
LIBRARY FUND
COMPARATIVE BALANCE SHEET
June 30, 1995 and 1994

| <u>ASSETS</u> | <u>1995</u> | <u>1994</u> |
|---|-------------------|-------------------|
| Equity in central treasury and cash funds | \$ 41,006 | \$ 34,475 |
| Accounts receivable | | 300 |
| Total assets | <u>\$ 41,006</u> | <u>\$ 34,775</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities | | |
| Accounts payable | \$ 17,356 | \$ 9,593 |
| Accrued annual and sick leave | 23,650 | 25,182 |
| Total liabilities | <u>41,006</u> | <u>34,775</u> |
| Fund balance | | |
| Reserved for encumbrances | 18,380 | 10,168 |
| Unreserved | <u>(18,380)</u> | <u>(10,168)</u> |
| Total fund balance | <u> </u> | <u> </u> |
| Total liabilities and fund balance | <u>\$ 41,006</u> | <u>\$ 34,775</u> |

CITY OF WASILLA, ALASKA

LIBRARY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Years Ended June 30, 1995 and 1994

| | <u>1995</u> | <u>1994</u> |
|--|---------------------|---------------------|
| Revenues | | |
| State of Alaska | \$ 7,862 | \$ 8,033 |
| Matanuska-Susitna Borough | 270,126 | 120,126 |
| Library fines | 7,054 | 5,936 |
| Other | <u>3,264</u> | <u>2,928</u> |
| Total revenues | <u>288,306</u> | <u>137,023</u> |
| Expenditures | | |
| Salaries | 233,355 | 207,636 |
| Employee benefits | 84,305 | 81,720 |
| Communications | 7,855 | 7,686 |
| Utilities | 6,961 | 6,708 |
| Travel and continuing education | 1,538 | 878 |
| Contractual services | 9,966 | 9,235 |
| Insurance | 6,194 | 5,343 |
| Janitorial | 5,453 | 5,400 |
| Equipment maintenance and rental | 181 | 409 |
| Supplies | 9,452 | 11,530 |
| Fuel | 1,071 | 986 |
| Books, periodicals and audio visual | 51,882 | 58,810 |
| Administration | 8,000 | 8,000 |
| Building maintenance | 5,400 | 20,584 |
| Furniture and fixtures | 4,450 | 10,104 |
| Other | <u>35</u> | <u>53</u> |
| Total expenditures | <u>436,098</u> | <u>435,082</u> |
| Deficiency of revenues over expenditures | (147,792) | (298,059) |
| Other financing sources | | |
| Operating transfer in General fund | <u>147,792</u> | <u>298,059</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, 1995

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance Favorable (Unfavorable) |
|---|----------------|----------------|-------------------------------------|---------------------------------|--|
| Revenues | | | | | |
| State of Alaska | \$ 7,862 | \$ 7,862 | \$ | \$ 7,862 | \$ |
| Matanuska-Susitna Borough | 271,827 | 270,126 | | 270,126 | (1,701) |
| Library fines | 4,800 | 7,054 | | 7,054 | 2,254 |
| Other | 4,200 | 3,264 | | 3,264 | (936) |
| Total revenues | <u>288,689</u> | <u>288,306</u> | | <u>288,306</u> | <u>(383)</u> |
| Expenditures | | | | | |
| Salaries | 242,346 | 233,355 | | 233,355 | 8,991 |
| Employee benefits | 90,414 | 84,305 | | 84,305 | 6,109 |
| Communications | 8,486 | 7,855 | | 7,855 | 631 |
| Utilities | 6,254 | 6,961 | | 6,961 | (707) |
| Travel and continuing education | 1,600 | 1,538 | | 1,538 | 62 |
| Contractual services | 10,194 | 9,966 | | 9,966 | 228 |
| Insurance | 7,952 | 6,194 | | 6,194 | 1,758 |
| Janitorial | 5,600 | 5,453 | | 5,453 | 147 |
| Equipment maintenance and rental | 1,200 | 181 | | 181 | 1,019 |
| Supplies | 10,975 | 9,452 | (1,359) | 8,093 | 2,882 |
| Fuel | 1,365 | 1,071 | | 1,071 | 294 |
| Books, periodicals and audio visual | 59,284 | 51,882 | 3,318 | 55,200 | 4,084 |
| Administration | 10,425 | 8,000 | | 8,000 | 2,425 |
| Building maintenance | 5,400 | 5,400 | | 5,400 | |
| Furniture and fixtures | 8,312 | 4,450 | 6,293 | 10,743 | (2,431) |
| Other | 100 | 35 | | 35 | 65 |
| Total expenditures | <u>469,907</u> | <u>436,098</u> | <u>8,252</u> | <u>444,350</u> | <u>25,557</u> |
| Excess (deficiency) of revenues over expenditures | (181,218) | (147,792) | (8,252) | (156,044) | 25,174 |
| Other financing sources | | | | | |
| Operating transfer in General Fund | <u>181,218</u> | <u>147,792</u> | | <u>147,792</u> | <u>(33,426)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures | <u>\$</u> | | (8,252) | (8,252) | <u>\$ (8,252)</u> |
| Fund balance, July 1 | | | 10,940 | 10,940 | |
| Fund balance June 30 | | <u>\$</u> | <u>\$ 2,688</u> | <u>\$ 2,688</u> | |

CITY OF WASILLA, ALASKA

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

June 30, 1995
With Comparative Totals for 1994

| <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 | \$ 100,592 | \$ 34,766 | \$ 93,437 |
| Due from other funds | | | |
| Special assessments receivable, net | 303,134 | 157,691 | 247,767 |
| Interest and penalty receivable | <u>12,856</u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 416,582</u> | <u>\$ 192,457</u> | <u>\$ 341,204</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| Liabilities | \$ | \$ | \$ |
| Advance from central treasury | | | |
| Due to other funds | | | |
| Advances from other funds | <u>294,801</u> | <u>157,691</u> | <u>247,767</u> |
| Deferred revenue | | | |
| Total liabilities | 294,801 | 157,691 | 247,767 |
| Fund balances (deficit) | | | |
| Reserved for debt service | <u>121,781</u> | <u>34,766</u> | <u>93,437</u> |
| Total liabilities and fund balances | <u>\$ 416,582</u> | <u>\$ 192,457</u> | <u>\$ 341,204</u> |

| Paving Bonds | 1988 Overlook Sewer Improvement Bond | Gas Assessment Districts Bonds | Bond Guarantee Fund | Totals | |
|-------------------|--|---|---------------------------|---------------------|---------------------|
| | | | | June 30, | |
| | | | | 1995 | 1994 |
| \$ 187,210 | \$ | \$ 47,471 | \$ 158,872 | \$ 622,348 | \$ 463,530 |
| | | 9,853 | 35,697 | 45,550 | 21,129 |
| 787,344 | 76,997 | 44,130 | | 1,617,063 | 1,370,464 |
| | | | | 12,856 | 12,634 |
| <u>\$ 974,554</u> | <u>\$ 76,997</u> | <u>\$ 101,454</u> | <u>\$ 194,569</u> | <u>\$ 2,297,817</u> | <u>\$ 1,867,757</u> |
| | | | | | \$ 708 |
| | 35,697 | 633 | 9,853 | 46,183 | 26,409 |
| 787,344 | 76,997 | 44,130 | 169,295 | 169,295 | 123,292 |
| | | | | 1,608,730 | 1,362,130 |
| 787,344 | 112,694 | 44,763 | 179,148 | 1,824,208 | 1,512,539 |
| 187,210 | (35,697) | 56,691 | 15,421 | 473,609 | 355,218 |
| <u>\$ 974,554</u> | <u>\$ 76,997</u> | <u>\$ 101,454</u> | <u>\$ 194,569</u> | <u>\$ 2,297,817</u> | <u>\$ 1,867,757</u> |

CITY OF WASILLA, ALASKA

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICIT)Year Ended June 30, 1995
With Comparative Totals for 1994

| | 1982 Original Water Bond | 1986 Southside Water District Bond | 1987 Sewer Improvement Bond |
|--|-----------------------------------|--|--------------------------------------|
| Revenues | | | |
| Special assessments | \$ 46,768 | \$ 23,353 | \$ 38,086 |
| Central treasury and cash funds interest | 5,493 | 1,583 | 3,668 |
| Free main allowances | | | |
| Total revenues | <u>52,261</u> | <u>24,936</u> | <u>41,754</u> |
| Expenditures | | | |
| Debt service | | | |
| Principal | | 5,160 | 5,400 |
| Interest | | <u>12,406</u> | <u>15,421</u> |
| Total expenditures | | <u>17,566</u> | <u>20,821</u> |
| Excess (deficiency) of revenues over expenditures | <u>52,261</u> | <u>7,370</u> | <u>20,933</u> |
| Other financing uses | | | |
| Operating transfers out | <u>(31,627)</u> | | |
| Excess (deficiency) of revenues over expenditures and other financing uses | 20,634 | 7,370 | 20,933 |
| Fund balances (deficit), July 1 | 101,147 | 27,396 | 72,504 |
| Residual equity transfer out | | | |
| Fund balances (deficit), June 30 | <u>\$ 121,781</u> | <u>\$ 34,766</u> | <u>\$ 93,437</u> |

| Paving Bonds | 1988 Overlook Sewer Improvement Bond | Gas Assessment Districts Bonds | Bond Guarantee Fund | Totals | |
|-------------------|--|---|---------------------------|-------------------|-------------------|
| | | | | June 30, 1995 | 1994 |
| \$ 141,731 | \$ 16,128 | \$ 37,075 | \$ | \$ 303,141 | \$ 355,433 |
| 9,294 | 166 | 2,506 | 3,685 | 26,395 | 14,782 |
| | | 2,708 | | 2,708 | 5,911 |
| <u>151,025</u> | <u>16,294</u> | <u>42,289</u> | <u>3,685</u> | <u>332,244</u> | <u>376,126</u> |
| 51,217 | 29,000 | 18,846 | | 109,623 | 250,343 |
| 30,700 | 8,724 | 3,101 | | 70,352 | 86,476 |
| <u>81,917</u> | <u>37,724</u> | <u>21,947</u> | | <u>179,975</u> | <u>336,819</u> |
| <u>69,108</u> | <u>(21,430)</u> | <u>20,342</u> | <u>3,685</u> | <u>152,269</u> | <u>39,307</u> |
| | | | | <u>(31,627)</u> | <u>(32,640)</u> |
| 69,108 | (21,430) | 20,342 | 3,685 | 120,642 | 6,667 |
| 118,102 | (14,267) | 38,600 | 11,736 | 355,218 | 348,551 |
| | | (2,251) | | (2,251) | |
| <u>\$ 187,210</u> | <u>\$ (35,697)</u> | <u>\$ 56,691</u> | <u>\$ 15,421</u> | <u>\$ 473,609</u> | <u>\$ 355,218</u> |

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, 1995
With Comparative Totals for 1994

| <u>ASSETS</u> | <u>Miscellaneous Projects and Road and Street Improvements</u> | <u>Vehicle Replacement</u> |
|---|--|--------------------------------|
| Equity in central treasury and cash funds | \$ 1,408,602 | \$ 225,379 |
| Grants receivable | 9,329 | |
| Accrued interest receivable | <u>7,247</u> | <u>1,124</u> |
| Total assets | <u>\$ 1,425,178</u> | <u>\$ 226,503</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| Liabilities | | |
| Accounts payable | \$ 36,254 | 28,579 |
| Retainages payable | 26,139 | |
| Due to other funds | 25,357 | |
| Claims and judgments payable | | |
| Deferred revenue | <u>40,519</u> | <u> </u> |
| Total liabilities | <u>128,269</u> | <u>28,579</u> |
| Fund balances | | |
| Reserved for encumbrances | 3,871 | 25,607 |
| Unreserved | | |
| Designated | 321,964 | 70,000 |
| Undesignated | <u>971,074</u> | <u>102,317</u> |
| Total fund balances | <u>1,296,909</u> | <u>197,924</u> |
| Total liabilities and fund balances | <u>\$ 1,425,178</u> | <u>\$ 226,503</u> |

| <u>Water Plant Construction</u> | <u>Right-of-Way Acquisition</u> | <u>Sewer Plant Construction</u> | <u>Totals</u> | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|--|
| | | | <u>1995</u> | <u>1994</u> |
| \$ 63,785 871 | \$ 45,007 | \$ 376,565 82,385 9,429 | \$ 2,119,338 92,585 17,800 | \$ 1,815,831 158,563 10,084 |
| <u>\$ 64,656</u> | <u>\$ 45,007</u> | <u>\$ 468,379</u> | <u>\$ 2,229,723</u> | <u>\$ 1,984,478</u> |
| | | | | |
| \$ 2,512 | \$ | \$ 352,184 16,261 | \$ 419,529 42,400 25,357 40,519 | \$ 375,080 37,456 40,158 50,000 85,965 |
| <u>2,512</u> | | <u>368,445</u> | <u>527,805</u> | <u>588,659</u> |
| | | | 29,478 | 3,930 |
| 38,800 23,344 | 24,200 20,807 | 99,934 | 454,964 1,217,476 | 1,391,889 |
| <u>62,144</u> | <u>45,007</u> | <u>99,934</u> | <u>1,701,918</u> | <u>1,395,819</u> |
| <u>\$ 64,656</u> | <u>\$ 45,007</u> | <u>\$ 468,379</u> | <u>\$ 2,229,723</u> | <u>\$ 1,984,478</u> |

CITY OF WASILLA, ALASKA

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 1995
With Comparative Totals for the Year Ended 1994

| | Miscellaneous Projects and Road and Street Improvements | Vehicle Replacement |
|--|---|------------------------|
| Revenues | | |
| State of Alaska | \$ 362,758 | \$ |
| Interest | 41,850 | 9,766 |
| Other | 18,800 | 10,000 |
| | <u>423,408</u> | <u>19,766</u> |
| Expenditures | | |
| Capital project expenditures | <u>1,513,910</u> | <u>29,254</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,090,502)</u> | <u>(9,488)</u> |
| Other financing sources (uses) | | |
| Bond proceeds | 159,560 | |
| Operating transfers in | <u>1,161,649</u> | <u>85,000</u> |
| Net other financing sources (uses) | <u>1,321,209</u> | <u>85,000</u> |
| Excess of revenues over expenditures and other financing sources (uses) | 230,707 | 75,512 |
| Fund balances, July 1 | <u>1,066,202</u> | <u>122,412</u> |
| Fund balances June 30 | <u>\$ 1,296,909</u> | <u>\$ 197,924</u> |

| Water Plant Construction | Right-of-Way Acquisition | Sewer Plant Construction | Totals | |
|-----------------------------|-----------------------------|-----------------------------|---------------------|---------------------|
| | | | 1995 | 1994 |
| \$ | \$ | \$ | \$ | \$ |
| 3,877 | 1,916 | 43,343 | 406,101 | 1,886,286 |
| 290 | | 23,326 | 80,735 | 44,027 |
| | | | 29,090 | 19,730 |
| <u>4,167</u> | <u>1,916</u> | <u>66,669</u> | <u>515,926</u> | <u>1,950,043</u> |
| <u>26,062</u> | <u>19,131</u> | <u>74,980</u> | <u>1,663,337</u> | <u>2,556,528</u> |
| <u>(21,895)</u> | <u>(17,215)</u> | <u>(8,311)</u> | <u>(1,147,411)</u> | <u>(606,485)</u> |
| <u>15,814</u> | <u>31,487</u> | | 159,560 | 147,370 |
| | | | <u>1,293,950</u> | <u>1,043,991</u> |
| <u>15,814</u> | <u>31,487</u> | | <u>1,453,510</u> | <u>1,191,361</u> |
| (6,081) | 14,272 | (8,311) | 306,099 | 584,876 |
| <u>68,225</u> | <u>30,735</u> | <u>108,245</u> | <u>1,395,819</u> | <u>810,943</u> |
| <u>\$ 62,144</u> | <u>\$ 45,007</u> | <u>\$ 99,934</u> | <u>\$ 1,701,918</u> | <u>\$ 1,395,819</u> |

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, 1995
With Comparative Totals for June 30, 1994

| ASSETS | Sewer | Water | Municipal | Totals | |
|--|---------------|--------------|--------------|---------------|---------------|
| | Utility | Utility | Airport | 1995 | 1994 |
| Current assets | | | | | |
| Equity in central treasury and cash funds | \$ | \$ 605,406 | \$ 2,919 | \$ 608,325 | \$ 579,164 |
| Accounts receivable | | | | | |
| Trade | 28,895 | 38,312 | 824 | 68,031 | 51,900 |
| Other | 2,145 | | | 2,145 | 1,630 |
| Accrued interest receivable | 56 | 5,158 | | 5,214 | 1,311 |
| Notes receivable - current portion | 9,659 | | | 9,659 | 7,261 |
| Inventory | 45,230 | 8,743 | | 53,973 | 24,604 |
| Total current assets | 85,985 | 657,619 | 3,743 | 747,347 | 665,870 |
| Notes receivable - less current portion | 35,605 | | | 35,605 | 36,893 |
| Property, plant and equipment | | | | | |
| Treatment system | 4,475,623 | | | 4,475,623 | 3,374,923 |
| Collection/distribution system | 7,538,250 | 4,242,405 | | 11,780,655 | 11,798,540 |
| Wells/well house | | 271,276 | | 271,276 | 271,276 |
| Water tank and fence | | 2,337,975 | | 2,337,975 | 2,337,975 |
| Other plant in service | 2,416,271 | | | 2,416,271 | 2,311,692 |
| Equipment | 1,933,728 | 41,552 | 207,500 | 2,182,780 | 2,195,546 |
| Land | 657,810 | 149,170 | 1,470,000 | 2,276,980 | 2,276,980 |
| Land improvements | | | 4,087,753 | 4,087,753 | 4,073,964 |
| Construction in process | 24,307 | 16,628 | | 40,935 | 1,087,208 |
| | 17,045,989 | 7,059,006 | 5,765,253 | 29,870,248 | 29,728,104 |
| Less accumulated depreciation | 3,949,473 | 1,579,658 | 665,039 | 6,194,170 | 5,544,962 |
| Net property, plant and equipment | 13,096,516 | 5,479,348 | 5,100,214 | 23,676,078 | 24,183,142 |
| Deferred charge | | 16,837 | | 16,837 | 17,156 |
| Total assets | \$ 13,218,106 | \$ 6,153,804 | \$ 5,103,957 | \$ 24,475,867 | \$ 24,903,061 |

| LIABILITIES AND FUND EQUITY | Sewer | Water | Municipal | Totals | |
|---|----------------------|---------------------|---------------------|----------------------|----------------------|
| | Utility | Utility | Airport | 1995 | 1994 |
| Current liabilities | | | | | |
| Advance from treasury | \$ 98,447 | \$ | \$ | \$ 98,447 | \$ 40,465 |
| Accounts payable | 12,796 | 15,484 | 2,877 | 31,157 | 16,499 |
| Due to other funds | 8,951 | | | 8,951 | 6,969 |
| Revenue billed in advance | 27,082 | | | 27,082 | 21,772 |
| Accrued annual and sick leave | 6,274 | 7,422 | 866 | 14,562 | 14,063 |
| Customer deposits | 8,198 | | | 8,198 | 9,536 |
| Other | | 5,150 | | 5,150 | 700 |
| Total current liabilities | <u>161,748</u> | <u>28,056</u> | <u>3,743</u> | <u>193,547</u> | <u>110,004</u> |
| Advances from other funds | <u>4,158</u> | | | <u>4,158</u> | <u>15,652</u> |
| Fund equity | | | | | |
| Contributions in aid of construction | | | | | |
| Grants | 15,747,762 | 4,988,894 | 5,765,253 | 26,501,909 | 26,446,566 |
| Less accumulated amortization | <u>3,748,882</u> | <u>1,135,578</u> | <u>665,039</u> | <u>5,549,499</u> | <u>4,954,292</u> |
| | 11,998,880 | 3,853,316 | 5,100,214 | 20,952,410 | 21,492,274 |
| Other | <u>1,260,658</u> | <u>1,865,271</u> | | <u>3,125,929</u> | <u>3,050,680</u> |
| | 13,259,538 | 5,718,587 | 5,100,214 | 24,078,339 | 24,542,954 |
| Retained earnings (accumulated deficit) | <u>(207,338)</u> | <u>407,161</u> | | <u>199,823</u> | <u>234,451</u> |
| Total fund equity | <u>13,052,200</u> | <u>6,125,748</u> | <u>5,100,214</u> | <u>24,278,162</u> | <u>24,777,405</u> |
| Total liabilities and fund equity | <u>\$ 13,218,106</u> | <u>\$ 6,153,804</u> | <u>\$ 5,103,957</u> | <u>\$ 24,475,867</u> | <u>\$ 24,903,061</u> |

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1995
 With Comparative Totals for June 30, 1994

| | Sewer Utility | Water Utility | Municipal Airport | Totals | |
|---|------------------|------------------|----------------------|----------------|----------------|
| | | | | 1995 | 1994 |
| Operating revenues | | | | \$ 537,436 | \$ 478,775 |
| Sales and user charges | \$ 255,862 | \$ 281,574 | \$ | 17,302 | 11,595 |
| Fees and rentals | | | | | |
| Connections | | 359 | | 359 | 1,775 |
| Meters | | 1,504 | | 1,504 | 2,196 |
| Other | 16,722 | 8,198 | | 24,920 | 12,910 |
| | <u>272,584</u> | <u>291,635</u> | <u>17,302</u> | <u>581,521</u> | <u>507,251</u> |
| Total operating revenues | | | | | |
| Operating expenses | | | | 342,121 | 277,466 |
| Salaries and fringe benefits | 167,174 | 163,478 | 11,469 | 9,758 | 3,992 |
| Operations | 9,758 | | | 64,289 | 51,681 |
| Utilities | 32,973 | 27,954 | 3,362 | 54,607 | 49,128 |
| Outside services | 7,291 | 33,857 | 13,459 | 17,479 | 16,085 |
| Insurance | 7,460 | 3,199 | 6,820 | 43,198 | 32,380 |
| Materials and supplies | 7,429 | 33,667 | 2,102 | 25,808 | 20,485 |
| Maintenance and repair | 9,398 | 15,751 | 659 | 8,831 | 8,833 |
| Rent | 3,501 | 5,330 | | 15,370 | 5,978 |
| Transportation | 15,370 | | | 4,885 | 4,889 |
| Contingency | | | 4,885 | 52,704 | 46,162 |
| Other | 36,241 | 14,561 | 1,902 | | |
| | <u>296,595</u> | <u>297,797</u> | <u>44,658</u> | <u>639,050</u> | <u>517,079</u> |
| Total operating expenses before depreciation | | | | | |
| Operating loss before depreciation | (24,011) | (6,162) | (27,356) | (57,529) | (9,828) |
| Depreciation | 287,580 | 136,490 | 225,138 | 649,208 | 643,259 |
| Operating loss | (311,591) | (142,652) | (252,494) | (706,737) | (653,087) |

| | Sewer Utility | Water Utility | Municipal Airport | Totals | |
|---|------------------|------------------|----------------------|------------|------------|
| | | | | 1995 | 1994 |
| Nonoperating revenues | | | | | |
| Operating transfers in | | | | | |
| General Fund | \$ | \$ | \$ 27,051 | \$ 27,051 | \$ 30,572 |
| Special assessments | | | | | 332 |
| Payments in lieu of assessments | | 16,517 | | 16,517 | 3,162 |
| Interest income | 3,360 | 29,669 | 305 | 33,334 | 20,911 |
| Total nonoperating revenues | 3,360 | 46,186 | 27,356 | 76,902 | 54,977 |
| Net loss | (308,231) | (96,466) | (225,138) | (629,835) | (598,110) |
| Depreciation on plant assets acquired by grants restricted for capital acquisition and construction | 271,270 | 98,799 | 225,138 | 595,207 | 596,548 |
| Change in retained earnings (accumulated deficit) | (36,961) | 2,333 | | (34,628) | (1,562) |
| Retained earnings (accumulated deficit), July 1 (as previously reported) | (170,377) | 404,828 | | 234,451 | (658,876) |
| Prior period adjustment | | | | | 894,889 |
| Retained earnings (accumulated deficit), July 1 (restated) | (170,377) | 404,828 | | 234,451 | 236,013 |
| Retained earnings (accumulated deficit), June 30 | \$ (207,338) | \$ 407,161 | \$ | \$ 199,823 | \$ 234,451 |

CITY OF WASILLA, ALASKA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1995 and 1994

| | <u>Sewer Utility</u> | <u>Water Utility</u> | <u>Municipal Airport</u> | <u>Total</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 | 13,426,278 | 5,791,324 | 5,325,352 | 24,542,954 |
| Contributions received for 1995 | 104,530 | 26,062 | | 130,592 |
| Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction | <u>(271,270)</u> | <u>(98,799)</u> | <u>(225,138)</u> | <u>(595,207)</u> |
| Balance, June 30, 1995 | <u>\$ 13,259,538</u> | <u>\$ 5,718,587</u> | <u>\$ 5,100,214</u> | <u>\$ 24,078,339</u> |

CITY OF WASILLA, ALASKA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 1995
With Comparative Totals for 1994

| Increase (Decrease) in Cash and Cash Equivalents | Sewer Utility | Water Utility | Municipal Airport | Totals | |
|---|------------------|------------------|----------------------|------------|------------|
| | | | | 1995 | 1994 |
| Cash flows from operating activities | | | | | |
| Cash received from customers | \$ 254,081 | \$ 281,889 | \$ 16,478 | \$ 552,448 | \$ 502,417 |
| Cash payments to suppliers for goods and services | (149,261) | (130,659) | (33,573) | (313,493) | (254,805) |
| Cash payments to employees for services | (167,451) | (163,003) | (8,243) | (338,697) | (273,120) |
| Other operating revenues | 15,971 | 8,198 | | 24,169 | 12,910 |
| Net cash used in operating activities | (46,660) | (3,575) | (25,338) | (75,573) | (12,598) |
| Cash flows from noncapital financing activities | | | | | |
| Operating transfers in | | | 27,051 | 27,051 | 30,572 |
| Net advances received from central treasury | 57,982 | | | 57,982 | 18,182 |
| Net cash provided by noncapital financing activities | 57,982 | | 27,051 | 85,033 | 48,754 |
| Cash flows from capital and related financing activities | | | | | |
| Payment on advances from other funds | (11,494) | | | (11,494) | (7,421) |
| Receipts from special assessments and payments in lieu of assessments | | 16,517 | | 16,517 | 3,494 |
| Acquisition and construction of capital assets | (740) | (11,565) | | (12,305) | |
| Net cash provided by (used in) capital and related financing activities | (12,234) | 4,952 | | (7,282) | (3,927) |
| Cash flows from investing activities | | | | | |
| Interest on central treasury and cash funds | 3,360 | 17,829 | 305 | 21,494 | 14,046 |
| Issuance of notes receivable | (8,000) | | | (8,000) | (13,909) |
| Principal payments received on notes receivable | 6,890 | | | 6,890 | 10,978 |
| Decrease in customer deposits | (1,338) | | | (1,338) | (620) |
| Net cash provided by investing activities | 912 | 17,829 | 305 | 19,046 | 10,495 |
| Net increase in cash and cash equivalents | | 19,206 | 2,018 | 21,224 | 42,724 |
| Cash and cash equivalents | | | | | |
| Beginning of year | | 343,661 | 901 | 344,562 | 301,838 |
| End of year | \$ | \$ 362,867 | \$ 2,919 | \$ 365,786 | \$ 344,562 |
| Reconciliation of Cash and Cash Equivalents to the Balance Sheet | | | | | |
| Equity in central treasury and cash funds per the balance sheet | \$ | \$ 605,406 | \$ 2,919 | \$ 608,325 | \$ 579,164 |
| Less: Investments not meeting the definition of cash equivalents | | 242,539 | | 242,539 | 234,602 |
| Cash and cash equivalents at end of year | \$ | \$ 362,867 | \$ 2,919 | \$ 365,786 | \$ 344,562 |

| Reconciliation of Operating Loss to Net Cash Used in Operating Activities | Sewer | Water | Municipal | Totals | |
|--|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| | Utility | Utility | Airport | 1995 | 1994 |
| Operating loss | <u>\$(311,591)</u> | <u>\$(142,652)</u> | <u>\$(252,494)</u> | <u>\$(706,737)</u> | <u>\$(653,087)</u> |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | | | | |
| Depreciation | 287,580 | 136,490 | 225,138 | 649,208 | 643,259 |
| Noncash operating expense | 753 | | | 753 | |
| Amortization | | 319 | | 319 | 381 |
| (Increase) decrease in assets | | | | | |
| Accounts receivable - trade | (9,309) | (5,998) | (824) | (16,131) | (6,364) |
| Accounts receivable - other | (515) | | | (515) | 10,738 |
| Inventory | (29,463) | 94 | | (29,369) | (20,301) |
| Increase (decrease) in liabilities | | | | | |
| Accounts payable | 8,870 | 3,247 | 2,541 | 14,658 | 7,993 |
| Due to other funds | 1,982 | | | 1,982 | 969 |
| Revenue billed in advance | 5,310 | | | 5,310 | 2,033 |
| Accrued annual and sick leave | (277) | 475 | 301 | 499 | 1,081 |
| Other | | 4,450 | | 4,450 | 700 |
| Total adjustments | <u>264,931</u> | <u>139,077</u> | <u>227,156</u> | <u>631,164</u> | <u>640,489</u> |
| Net cash used in operating activities | <u><u>\$(46,660)</u></u> | <u><u>\$(3,575)</u></u> | <u><u>\$(25,338)</u></u> | <u><u>\$(75,573)</u></u> | <u><u>\$(12,598)</u></u> |

Noncash Capital and Related Financing Activities

During 1995 and 1994, the City of Wasilla received \$55,343 and \$1,000,475, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$49,187 and \$11,500 in private and general government contributions in 1995 and 1994, respectively. The water utility received \$26,062 and \$91,831 in private and general government contributions in 1995 and 1994, respectively. The utilities recorded the contributions as contributed capital and fixed assets.

CITY OF WASILLA, ALASKA
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
June 30, 1995 and 1994

| <u>ASSETS</u> | <u>1995</u> | <u>1994</u> |
|--|----------------------|----------------------|
| Current assets | | |
| Accounts receivable | \$ 28,895 | \$ 19,586 |
| Trade | 2,145 | 1,630 |
| Other | 56 | 56 |
| Accrued interest receivable | 9,659 | 7,261 |
| Notes receivable, current portion | 45,230 | 15,767 |
| Inventory | <u>85,985</u> | <u>44,300</u> |
| Total current assets | | |
| | <u>35,605</u> | <u>36,893</u> |
| Notes receivable, less current portion | | |
| Property, plant and equipment | 4,475,623 | 3,374,923 |
| Treatment system | 7,538,250 | 7,516,828 |
| Collection system | 2,416,271 | 2,370,975 |
| Other plant in service | 1,933,728 | 1,933,728 |
| Equipment | 657,810 | 657,810 |
| Land | 24,307 | 1,087,208 |
| Construction in progress | <u>17,045,989</u> | <u>16,941,472</u> |
| | | |
| Less accumulated depreciation | <u>3,949,473</u> | <u>3,661,893</u> |
| Net property, plant and equipment | <u>13,096,516</u> | <u>13,279,579</u> |
| Total assets | <u>\$ 13,218,106</u> | <u>\$ 13,360,772</u> |

| <u>LIABILITIES AND FUND EQUITY</u> | <u>1995</u> | <u>1994</u> |
|--------------------------------------|----------------------|----------------------|
| Current liabilities | | |
| Advance from central treasury | \$ 98,447 | \$ 40,465 |
| Accounts payable | 12,796 | 3,926 |
| Due to other funds | 8,951 | 6,969 |
| Revenue billed in advance | 27,082 | 21,772 |
| Accrued annual and sick leave | 6,274 | 6,551 |
| Customer deposits | 8,198 | 9,536 |
| | <u>161,748</u> | <u>89,219</u> |
| Total current liabilities | | |
| Advances from other funds | <u>4,158</u> | <u>15,652</u> |
| Fund equity | | |
| Contributions in aid of construction | | |
| Grants | 15,747,762 | 15,692,419 |
| Less accumulated amortization | <u>3,748,882</u> | <u>3,477,612</u> |
| | 11,998,880 | 12,214,807 |
| Other | <u>1,260,658</u> | <u>1,211,471</u> |
| | 13,259,538 | 13,426,278 |
| Accumulated deficit | <u>(207,338)</u> | <u>(170,377)</u> |
| Total fund equity | <u>13,052,200</u> | <u>13,255,901</u> |
| Total liabilities and fund equity | <u>\$ 13,218,106</u> | <u>\$ 13,360,772</u> |

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT

Years Ended June 30, 1995 and 1994

| | <u>1995</u> | <u>1994</u> |
|---|---------------------|---------------------|
| Operating revenues | | |
| Sales and user charges | \$ 255,862 | \$ 222,899 |
| Connections | | 725 |
| Other | <u>16,722</u> | <u>8,234</u> |
| Total operating revenues | <u>272,584</u> | <u>231,858</u> |
| Operating expenses | | |
| Salaries and fringe benefits | 167,174 | 139,090 |
| Operations | 9,758 | 3,992 |
| Utilities | 32,973 | 24,643 |
| Outside services | 7,291 | 8,406 |
| Insurance | 7,460 | 6,283 |
| Materials and supplies | 7,429 | 9,157 |
| Maintenance | 9,398 | 3,752 |
| Rent | 3,501 | 3,502 |
| Transportation | 15,370 | 5,978 |
| Other | <u>36,241</u> | <u>36,457</u> |
| Total operating expenses before depreciation | <u>296,595</u> | <u>241,260</u> |
| Operating loss before depreciation | (24,011) | (9,402) |
| Depreciation | <u>287,580</u> | <u>281,690</u> |
| Operating loss | (311,591) | (291,092) |
| Nonoperating revenues | | |
| Interest income | <u>3,360</u> | <u>3,714</u> |
| Net loss | (308,231) | (287,378) |
| Depreciation on plant assets acquired by grants restricted for capital acquisition and construction | <u>271,270</u> | <u>272,671</u> |
| Change in accumulated deficit | <u>(36,961)</u> | <u>(14,707)</u> |
| Accumulated deficit, July 1 (as previously reported) | (170,377) | (1,001,239) |
| Prior period adjustment | | <u>845,569</u> |
| Accumulated deficit, July 1 (as restated) | <u>(170,377)</u> | <u>(155,670)</u> |
| Accumulated deficit, June 30 | <u>\$ (207,338)</u> | <u>\$ (170,377)</u> |

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1995 and 1994

| | <u>Contributed Capital</u> | | <u>Total Contributed Capital</u> |
|--|----------------------------|-----------------------------|--|
| | <u>Capital Grants</u> | <u>Other</u> | |
| Balance, June 30, 1993 | \$12,332,572 | \$ 1,199,971 | \$13,532,543 |
| Contributions received for 1994 | 1,000,475 | 11,500 | 1,011,975 |
| Prior period adjustment | (845,569) | | (845,569) |
| 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 | 12,214,807 | 1,211,471 | 13,426,278 |
| Contributions received for 1995 | 55,343 | 49,187 | 104,530 |
| Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction | <u>(271,270)</u> | <u> </u> | <u>(271,270)</u> |
| Balance, June 30, 1995 | <u>\$11,998,880</u> | <u>\$ 1,260,658</u> | <u>\$13,259,538</u> |

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Years Ended June 30, 1995 and 1994

| Increase (Decrease) in Cash and Cash Equivalents | <u>1995</u> | <u>1994</u> |
|---|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Cash received from customers | \$ 254,081 | \$ 234,629 |
| Cash payments to suppliers for goods and services | (149,261) | (115,840) |
| Cash payments to employees for services | (167,451) | (138,280) |
| Other operating revenues | <u>15,971</u> | <u>8,234</u> |
| Net cash used in operating activities | <u>(46,660)</u> | <u>(11,257)</u> |
| Cash flows from noncapital financing activities | | |
| Net advances received from central treasury | <u>57,982</u> | <u>18,182</u> |
| Cash flows from capital and related financing activities | | |
| Payment on advances from other funds | (11,494) | (7,421) |
| Acquisition and construction of capital assets | <u>(740)</u> | <u> </u> |
| Net cash used in capital and related financing activities | <u>(12,234)</u> | <u>(7,421)</u> |
| Cash flows from investing activities | | |
| Interest on central treasury and cash funds | 3,360 | 4,047 |
| Issuance of notes receivable | (8,000) | (13,909) |
| Principal payments received on notes receivable | 6,890 | 10,978 |
| Decrease in customer deposits | <u>(1,338)</u> | <u>(620)</u> |
| Net cash provided by investing activities | <u>912</u> | <u>496</u> |
| Net increase in cash and cash equivalents | | |
| Cash and cash equivalents | | |
| Beginning of year | <u> </u> | <u> </u> |
| End of year | <u>\$ <u> </u></u> | <u>\$ <u> </u></u> |

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

| | <u>1995</u> | <u>1994</u> |
|---|---------------------------|---------------------------|
| Operating loss | <u>\$(311,591)</u> | <u>\$(291,092)</u> |
| Adjustments to reconcile operating loss to net cash used in operating activities | | |
| Depreciation | 287,580 | 281,690 |
| Noncash operating expense | 753 | |
| (Increase) decrease in assets | | |
| Accounts receivable - trade | (9,309) | (2,735) |
| Accounts receivable - other | (515) | 10,738 |
| Inventory | (29,463) | (15,679) |
| Increase (decrease) in liabilities | | |
| Accounts payable | 8,870 | 2,009 |
| Due to other funds | 1,982 | 969 |
| Revenue billed in advance | 5,310 | 2,033 |
| Accrued annual and sick leave | <u>(277)</u> | <u>810</u> |
| Total adjustments | <u>264,931</u> | <u>279,835</u> |
| Net cash used in operating activities | <u><u>\$ (46,660)</u></u> | <u><u>\$ (11,257)</u></u> |

Noncash Capital and Related Financing Activities

During 1995 and 1994, the City of Wasilla received \$55,343 and \$1,000,475, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$49,187 and \$11,500 in private and general government contributions in 1995 and 1994, respectively. The utility recorded the contributions as contributed capital and fixed assets.

CITY OF WASILLA, ALASKA
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
June 30, 1995 and 1994

| <u>ASSETS</u> | <u>1995</u> | <u>1994</u> |
|---|---------------------|---------------------|
| Current assets | | |
| Equity in central treasury and cash funds | \$ 605,406 | \$ 578,263 |
| Accounts receivable - trade | 38,312 | 32,314 |
| Accrued interest receivable | 5,158 | 1,255 |
| Inventory | 8,743 | 8,837 |
| Total current assets | <u>657,619</u> | <u>620,669</u> |
| Property, plant and equipment | | |
| Collection/distribution system | 4,242,405 | 4,222,429 |
| Water tank and fence | 2,337,975 | 2,337,975 |
| Wells/well house | 271,276 | 271,276 |
| Equipment | 41,552 | 40,529 |
| Land | 149,170 | 149,170 |
| Construction in progress | 16,628 | |
| | <u>7,059,006</u> | <u>7,021,379</u> |
| Less accumulated depreciation | <u>1,579,658</u> | <u>1,443,168</u> |
| Net property, plant and equipment | <u>5,479,348</u> | <u>5,578,211</u> |
| Deferred charge | <u>16,837</u> | <u>17,156</u> |
| Total assets | <u>\$ 6,153,804</u> | <u>\$ 6,216,036</u> |

| <u>LIABILITIES AND FUND EQUITY</u> | <u>1995</u> | <u>1994</u> |
|--------------------------------------|---------------------|---------------------|
| Current liabilities | | |
| Accounts payable | \$ 15,484 | \$ 12,237 |
| Accrued annual and sick leave | 7,422 | 6,947 |
| Other | <u>5,150</u> | <u>700</u> |
| Total current liabilities | <u>28,056</u> | <u>19,884</u> |
| Fund equity | | |
| Contributions in aid of construction | | |
| Grants | 4,988,894 | 4,988,894 |
| Less accumulated amortization | <u>1,135,578</u> | <u>1,036,779</u> |
| | 3,853,316 | 3,952,115 |
| Other | <u>1,865,271</u> | <u>1,839,209</u> |
| | 5,718,587 | 5,791,324 |
| Retained earnings | <u>407,161</u> | <u>404,828</u> |
| Total fund equity | <u>6,125,748</u> | <u>6,196,152</u> |
| Total liabilities and fund equity | <u>\$ 6,153,804</u> | <u>\$ 6,216,036</u> |

CITY OF WASILLA, ALASKA
WATER UTILITY FUND

Exhibit G -2

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1995 and 1994

| | <u>1995</u> | <u>1994</u> |
|---|-------------------|-------------------|
| Operating revenues | | |
| Metered sales | \$ 281,574 | \$ 255,876 |
| Connections | 359 | 1,050 |
| Meters | 1,504 | 2,196 |
| Other | <u>8,198</u> | <u>4,638</u> |
| Total operating revenues | <u>291,635</u> | <u>263,760</u> |
| Operating expenses | | |
| Salaries and fringe benefits | 163,478 | 125,380 |
| Utilities | 27,954 | 23,918 |
| Outside services | 33,857 | 29,697 |
| Insurance | 3,199 | 3,052 |
| Materials and supplies | 33,667 | 21,351 |
| Maintenance | 15,751 | 15,331 |
| Rent | 5,330 | 5,331 |
| Other | <u>14,561</u> | <u>9,180</u> |
| Total operating expenses | <u>297,797</u> | <u>233,240</u> |
| Operating income (loss) before depreciation | (6,162) | 30,520 |
| Depreciation | <u>136,490</u> | <u>136,431</u> |
| Operating loss | <u>(142,652)</u> | <u>(105,911)</u> |
| Nonoperating revenues | | |
| Special assessments | | 332 |
| Payments in lieu of assessments | 16,517 | 3,162 |
| Interest income | <u>29,669</u> | <u>16,823</u> |
| Total nonoperating revenues | <u>46,186</u> | <u>20,317</u> |
| Net loss | (96,466) | (85,594) |
| Depreciation on plant assets acquired by grants restricted for capital acquisition and construction | <u>98,799</u> | <u>98,739</u> |
| Change in retained earnings | <u>2,333</u> | <u>13,145</u> |
| Retained earnings, July 1 (as previously reported) | 404,828 | 342,363 |
| Prior period adjustment | | <u>49,320</u> |
| Retained earnings, July 1 (as restated) | <u>404,828</u> | <u>391,683</u> |
| Retained earnings, June 30 | <u>\$ 407,161</u> | <u>\$ 404,828</u> |

CITY OF WASILLA, ALASKA

WATER UTILITY FUND

COMPARATIVE STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1995 and 1994

| | <u>Contributed Capital</u> | | <u>Total Contributed Capital</u> |
|--|----------------------------|-----------------------------|--|
| | <u>Capital Grants</u> | <u>Other</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 | 3,952,115 | 1,839,209 | 5,791,324 |
| Contributions received for 1995 | | 26,062 | 26,062 |
| Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction | <u>(98,799)</u> | <u> </u> | <u>(98,799)</u> |
| Balance, June 30, 1995 | <u>\$ 3,853,316</u> | <u>\$ 1,865,271</u> | <u>\$ 5,718,587</u> |

CITY OF WASILLA, ALASKA
WATER UTILITY FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1995 and 1992

| Increase (Decrease) in Cash and Cash Equivalents | <u>1995</u> | <u>1994</u> |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Cash received from customers | \$ 281,889 | \$ 256,193 |
| Cash payments to suppliers for goods and services | (130,659) | (106,214) |
| Cash payments to employees for services | (163,003) | (124,712) |
| Other operating revenues | <u>8,198</u> | <u>4,638</u> |
| Net cash provided by (used in) operating activities | <u>(3,575)</u> | <u>29,905</u> |
| Cash flows from capital and related financing activities | | |
| Receipts from special assessments and payments in lieu of assessments | 16,517 | 3,494 |
| Acquisition and construction of capital assets | <u>(11,565)</u> | <u> </u> |
| Net cash provided by capital and related financing activities | <u>4,952</u> | <u>3,494</u> |
| Cash flows from investing activities | | |
| Interest on central treasury and cash funds | <u>17,829</u> | <u>9,625</u> |
| Net increase in cash and cash equivalents | 19,206 | 43,024 |
| Cash and cash equivalents | | |
| Beginning of year | <u>343,661</u> | <u>300,637</u> |
| End of year | <u>\$ 362,867</u> | <u>\$ 343,661</u> |
| Reconciliation of Cash and Cash Equivalents to the Balance Sheet | | |
| Equity in central treasury and cash funds per the balance sheet | \$ 605,406 | \$ 578,263 |
| Less: Investments not meeting the definition of cash equivalents | <u>242,539</u> | <u>234,602</u> |
| Cash and cash equivalents at end of year | <u>\$ 362,867</u> | <u>\$ 343,661</u> |

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

| | <u>1995</u> | <u>1994</u> |
|--|--------------------|--------------------|
| Operating loss | <u>\$(142,652)</u> | <u>\$(105,911)</u> |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | |
| Depreciation | 136,490 | 136,431 |
| Amortization | 319 | 381 |
| (Increase) decrease in assets | | |
| Accounts receivable - trade | (5,998) | (3,629) |
| Inventory | 94 | (4,622) |
| Increase (decrease) in liabilities | | |
| Accounts payable | 3,247 | 5,887 |
| Accrued annual and sick leave | 475 | 668 |
| Other | <u>4,450</u> | <u>700</u> |
| Total adjustments | <u>139,077</u> | <u>135,816</u> |
| Net cash provided by (used in) operating activities | <u>\$ (3,575)</u> | <u>\$ 29,905</u> |

Noncash Capital and Related Financing Activities

During 1995, the Water Utility Fund received \$26,062 in property, plant and equipment contributed by the general government. The Utility recorded the contribution as contributed capital and additions to fixed assets.

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.

CITY OF WASILLA, ALASKA
MUNICIPAL AIRPORT FUND
COMPARATIVE BALANCE SHEET
June 30, 1995 and 1994

| <u>ASSETS</u> | <u>1995</u> | <u>1994</u> |
|---|---------------------|---------------------|
| Current assets | | |
| Equity in central treasury and cash funds | \$ 2,919 | \$ 901 |
| Accounts receivable, trade | 824 | |
| Total current assets | <u>3,743</u> | <u>901</u> |
| Property, plant and equipment | | |
| Equipment | 207,500 | 221,289 |
| Land | 1,470,000 | 1,470,000 |
| Land improvements | 4,087,753 | 4,073,964 |
| | 5,765,253 | 5,765,253 |
| Less accumulated depreciation | <u>665,039</u> | <u>439,901</u> |
| Net property, plant and equipment | <u>5,100,214</u> | <u>5,325,352</u> |
| Total assets | <u>\$ 5,103,957</u> | <u>\$ 5,326,253</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | |
| Current liabilities | | |
| Accounts payable | \$ 2,877 | \$ 336 |
| Accrued annual and sick leave | 866 | 565 |
| Total current liabilities | <u>3,743</u> | <u>901</u> |
| Fund equity | | |
| Contributions in aid of construction | | |
| Grants | 5,765,253 | 5,765,253 |
| Less amortization | 665,039 | 439,901 |
| Retained earnings | | |
| Total fund equity | <u>5,100,214</u> | <u>5,325,352</u> |
| Total liabilities and fund equity | <u>\$ 5,103,957</u> | <u>\$ 5,326,253</u> |

CITY OF WASILLA, ALASKA

MUNICIPAL AIRPORT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1995 and 1994

| | <u>1995</u> | <u>1994</u> |
|---|---------------------|---------------------|
| Operating revenues | | |
| Fees and rentals | \$ 17,302 | \$ 11,595 |
| Other | | 38 |
| | <u>17,302</u> | <u>11,633</u> |
| Total operating revenues | <u>17,302</u> | <u>11,633</u> |
| Operating expenses | | |
| Salaries and fringe benefits | 11,469 | 12,996 |
| Utilities | 3,362 | 3,120 |
| Outside services | 13,459 | 11,025 |
| Insurance | 6,820 | 6,750 |
| Materials and supplies | 2,102 | 1,872 |
| Contingency | 4,885 | 4,889 |
| Maintenance and repair | 659 | 1,402 |
| Other | 1,902 | 525 |
| | <u>44,658</u> | <u>42,579</u> |
| Total operating expenses before depreciation | <u>44,658</u> | <u>42,579</u> |
| Operating loss before depreciation | (27,356) | (30,946) |
| Depreciation | <u>225,138</u> | <u>225,138</u> |
| Operating loss | <u>(252,494)</u> | <u>(256,084)</u> |
| Nonoperating revenues | | |
| Transfer in | | |
| General Fund | 27,051 | 30,572 |
| Interest income | 305 | 374 |
| | <u>27,356</u> | <u>30,946</u> |
| Total nonoperating revenues | <u>27,356</u> | <u>30,946</u> |
| Net loss | (225,138) | (225,138) |
| Depreciation on plant assets acquired by grants restricted for capital acquisition and construction | 225,138 | 225,138 |
| 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, 1995 and 1994

| | Contributed Capital <u>Capital</u> <u>Grants</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 | 5,325,352 |
| Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction | <u>(225,138)</u> |
| Balance, June 30, 1995 | <u>\$ 5,100,214</u> |

CITY OF WASILLA, ALASKA
MUNICIPAL AIRPORT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1995 and 1994

| Increase (Decrease) in Cash and Cash Equivalents | <u>1995</u> | <u>1994</u> |
|--|-----------------|-----------------|
| Cash flows from operating activities | | |
| Cash received from customers | \$ 16,478 | \$ 11,595 |
| Cash payments to suppliers for goods and services | (33,573) | (32,751) |
| Cash payments to employees for services | (8,243) | (10,128) |
| Other operating revenues | | 38 |
| | <u>(25,338)</u> | <u>(31,246)</u> |
| Cash flows from noncapital financing activities | | |
| Operating transfers in | <u>27,051</u> | <u>30,572</u> |
| Cash flows from investing activities | | |
| Interest on central treasury and cash funds | <u>305</u> | <u>374</u> |
| Net increase (decrease) in cash and cash equivalents | 2,018 | (300) |
| Cash and cash equivalents | | |
| Beginning of year | <u>901</u> | <u>1,201</u> |
| End of year | <u>\$ 2,919</u> | <u>\$ 901</u> |

| Reconciliation of Operating Loss to Net Cash used in Operating Activities | <u>1995</u> | <u>1994</u> |
|---|---------------------------|---------------------------|
| Operating loss | <u>\$(252,494)</u> | <u>\$(256,084)</u> |
| Adjustments to reconcile operating loss to Net cash used in operating activities | | |
| Depreciation | 225,138 | 225,138 |
| (Increase) decrease in assets | | |
| Accounts receivable, trade | (824) | |
| Increase (decrease) in liabilities | | |
| Accounts payable | 2,541 | 97 |
| Accrued annual and sick leave | <u>301</u> | <u>(397)</u> |
| Total adjustments | <u>227,156</u> | <u>224,838</u> |
| Net cash used in operating activities | <u><u>\$ (25,338)</u></u> | <u><u>\$ (31,246)</u></u> |

TRUST AND AGENCY FUNDS

Nonexpendable Trust Fund

The Cemetery Fund is used to account for cemetery funds received and related investment income. 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.

Deferred Compensation Fund

The Deferred Compensation Fund is used to account for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

CITY OF WASILLA, ALASKA

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 1995
(With Comparative Totals for 1994)

| <u>ASSETS</u> | Nonexpendable | Agency | | Totals | |
|--|---------------------------|-------------------------------|----------------------------------|-------------------|------------------|
| | <u>Trust Cemetery</u> | <u>Pass Through Grant</u> | <u>Deferred Compensation</u> | 1995 | 1994 |
| Equity in central treasury and cash funds | \$ 56,505 | \$ | \$ | \$ 56,505 | 49,700 |
| Investments | | | 86,356 | 86,356 | \$ |
| Accrued interest receivable | 562 | | | 562 | 340 |
| Grants receivable | | 13,500 | | 13,500 | |
| Total assets | <u>\$ 57,067</u> | <u>\$ 13,500</u> | <u>\$ 86,356</u> | <u>\$ 156,923</u> | <u>\$ 50,040</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | | | |
| Deferred compensation benefits payable | \$ | \$ | \$ 86,356 | \$ 86,356 | \$ |
| Accounts payable | | 6,750 | | 6,750 | |
| Advance from central treasury | | 6,750 | | 6,750 | |
| Total liabilities | | 13,500 | 86,356 | 99,856 | |
| Fund balance | | | | | |
| Reserved for investment | 50,805 | | | 50,805 | 46,455 |
| Unreserved | | | | | |
| Designated for operations | 6,262 | | | 6,262 | 3,585 |
| Total fund balance | <u>57,067</u> | | | <u>57,067</u> | <u>50,040</u> |
| Total liabilities and fund balance | <u>\$ 57,067</u> | <u>\$ 13,500</u> | <u>\$ 86,356</u> | <u>\$ 156,923</u> | <u>50,040</u> |

CITY OF WASILLA, ALASKA
 CEMETERY
 NONEXPENDABLE TRUST FUND
 COMPARATIVE BALANCE SHEET
 June 30, 1995 and 1994

| <u>ASSETS</u> | <u>1995</u> | <u>1994</u> |
|---|------------------|------------------|
| Equity in central treasury and cash funds | \$ 56,505 | \$ 49,700 |
| Accrued interest receivable | 562 | 340 |
| Total assets | <u>\$ 57,067</u> | <u>\$ 50,040</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Total liabilities | \$ _____ | \$ _____ |
| Fund balance | | |
| Reserved for investment | 50,805 | 46,455 |
| Unreserved | | |
| Designated for operations | <u>6,262</u> | <u>3,585</u> |
| Total fund balance | <u>57,067</u> | <u>50,040</u> |
| Total liabilities and fund balance | <u>\$ 57,067</u> | <u>\$ 50,040</u> |

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

Years Ended June 30, 1995 and 1994

| | <u>1995</u> | <u>1994</u> |
|-----------------------|------------------|------------------|
| Operating revenues | | |
| Lot sales | \$ 4,350 | \$ 3,400 |
| Operating expenses | | |
| Operating income | 4,350 | 3,400 |
| Nonoperating revenues | | |
| Interest income | <u>2,677</u> | <u>1,385</u> |
| Net income | 7,027 | 4,785 |
| Fund balance, July 1 | <u>50,040</u> | <u>45,255</u> |
| Fund balance, June 30 | <u>\$ 57,067</u> | <u>\$ 50,040</u> |

CITY OF WASILLA, ALASKA

CEMETERY
NONEXPENDABLE TRUST FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Year Ended June 30, 1995

| | | |
|---|-------------------|-------------------|
| Increase in Cash and Cash Equivalents | | |
| | <u>1995</u> | <u>1994</u> |
| Cash flows from operating activities | | |
| Cash received from customers | \$ <u>4,350</u> | \$ <u>3,400</u> |
| Cash flows from investing activities | | |
| Interest on central treasury and cash funds | <u>1,299</u> | <u>488</u> |
| Net increase in cash and cash equivalents | 5,649 | 3,888 |
| Cash and cash equivalents | | |
| Beginning of year | <u>22,924</u> | <u>19,036</u> |
| End of year | <u>\$ 28,573</u> | <u>\$ 22,924</u> |
| Reconciliation of Cash and Cash Equivalents to the Balance Sheet | | |
| Equity in central treasury and cash funds per the balance sheet | \$ 56,505 | \$ 49,700 |
| Less: Investments not meeting the definition of cash equivalents | <u>27,932</u> | <u>26,776</u> |
| Cash and cash equivalents at end of year | <u>\$ 28,573</u> | <u>\$ 22,924</u> |
| Reconciliation of Operating Income to Cash Provided by Operating Activities | | |
| Operating income | <u>\$ 4,350</u> | <u>\$ 3,400</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities | <u> </u> | <u> </u> |
| Net cash provided by operating activities | <u>\$ 4,350</u> | <u>\$ 3,400</u> |

CITY OF WASILLA, ALASKA
 PASS THROUGH GRANT AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 1995

| <u>ASSETS</u> | Balance July 1, 1994 | <u>Additions</u> | <u>Deletions</u> | Balance June 30, 1995 |
|----------------------------------|----------------------------|------------------|------------------|-----------------------------|
| Grants receivable | \$ | \$ 18,676 | \$ 5,176 | \$ 13,500 |
| | | | | |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ | \$ 13,500 | \$ 6,750 | \$ 6,750 |
| Undistributed grant revenue | | 5,176 | 5,176 | |
| Advance from central treasury | | 6,750 | | 6,750 |
| | \$ | \$ 25,426 | \$ 11,926 | \$ 13,500 |

DEFERRED COMPENSATION AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1995

| <u>ASSETS</u> | Balance July 1, 1994 | <u>Additions</u> | <u>Deletions</u> | Balance June 30, 1995 |
|-------------------------------|----------------------------|------------------|-------------------|-----------------------------|
| Cash and investments | \$ <u> </u> | \$ <u>86,358</u> | \$ <u> 2</u> | \$ <u>86,356</u> |
| <u>LIABILITIES</u> | | | | |
| Deferred compensation payable | \$ <u> </u> | \$ <u>86,358</u> | \$ <u> 2</u> | \$ <u>86,356</u> |

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

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, 1995, and have issued our report thereon dated September 1, 1995.

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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Wasilla, Alaska is the responsibility of the City of Wasilla, Alaska's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City of Wasilla, Alaska's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management, the City Council, and the appropriate federal and state regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



Fairbanks, Alaska
September 1, 1995

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE INTERNAL CONTROL STRUCTURE
OF THE CITY OF WASILLA, ALASKA AS AN ENTITY

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, 1995, and have issued our report thereon dated September 1, 1995.

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 general purpose financial statements are free of material misstatement.

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 and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities 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.

In planning and performing our audit of the general purpose financial statements of the City of Wasilla, Alaska for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be 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 and irregularities in amounts that would be material in relation to the general purpose 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 operations 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 letter dated September 1, 1995.

This report is intended for the information of management, the City Council, and the appropriate federal and state regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



Fairbanks, Alaska
September 1, 1995

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE INTERNAL CONTROL STRUCTURE
OF THE CITY OF WASILLA, ALASKA OVER ITS
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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, 1995 and have issued our report thereon dated September 1, 1995. We have also audited the compliance of the City of Wasilla, Alaska with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 1, 1995.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Wasilla, Alaska complied with laws and regulations, non-compliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1995, 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 general purpose financial statements of the City of Wasilla, Alaska and on the compliance of the City of Wasilla, Alaska with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated September 1, 1995.

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 general purpose financial statements in accordance with generally accepted accounting principles, and federal 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 federal financial assistance programs into the following categories:

Accounting Controls

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

Administrative Controls

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services
- Eligibility
- Matching, level of effort,
or earmarking
- Reporting
- Cost allocation
- Special requirements, if any
- Monitoring subrecipients

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

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.

During the year ended June 30, 1995, the City of Wasilla, Alaska expended 87 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the major federal financial assistance programs of the City of Wasilla, Alaska, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal 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 noncompliance with laws and regulations that would be material to a federal financial assistance program 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 operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operations that we have reported to the management of the City of Wasilla, Alaska in a separate letter dated September 1, 1995.

This report is intended for the information of management, the City Council, and the appropriate federal regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



Fairbanks, Alaska
September 1, 1995

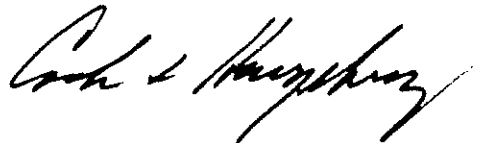
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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, 1995, and have issued our report thereon dated September 1, 1995. 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 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 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 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 general purpose financial statements of the City of Wasilla, Alaska taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule 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.



Fairbanks, Alaska
September 1, 1995

CITY OF WASILLA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Year Ended June 30, 1995

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass- Through Grantors Number | Program or Award Amount |
|---|---------------------------|--|-------------------------------|
| <u>National Highway Traffic Safety Administration - DOT</u> | | | |
| Passed through the State of Alaska | | | |
| Department of Public Safety | | | |
| DWI Enforcement | 20.600 | PT-95-04-05 | \$ 53,333 |
| DWI Enforcement | 20.600 | PT-95-04-11 | <u>20,770</u> |
| | | | <u>74,103</u> |
| <u>U.S. Department of Justice</u> | | | |
| Passed through the State of Alaska | | | |
| Department of Public Safety | | | |
| Drug Awareness Education (DARE) | 16.579 | 94-012 | <u>11,558</u> |
| Total Federal Financial Assistance | | | <u>\$ 85,661</u> |

| <u>Accrued Revenue at July 1, 1994</u> | <u>Revenue Recognized</u> | <u>Expenditures</u> | <u>Accrued Revenue at June 30, 1994</u> |
|--|-------------------------------|---------------------|---|
| \$ | \$ 35,934 20,607 | \$ 35,934 20,607 | \$ 17,186 |
| | <u>56,541</u> | <u>56,541</u> | <u>17,186</u> |
| | <u>8,623</u> | <u>8,623</u> | <u>1,326</u> |
| <u>\$</u> | <u>\$ 65,164</u> | <u>\$ 65,164</u> | <u>\$ 18,512</u> |

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE CITY OF WASILLA, ALASKA'S COMPLIANCE WITH
GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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, 1995, and have issued our report thereon dated September 1, 1995.

We have applied procedures to test the City of Wasilla, Alaska's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1995:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements
- Davis-Bacon Act

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Wasilla, Alaska's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Wasilla, Alaska had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

Honorable Mayor and
Members of the City Council
Wasilla, Alaska

Page 2

This report is intended for the information of management, the City Council and the appropriate federal regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "C. H. ...". The signature is written in a cursive style with a long, sweeping underline.

Fairbanks, Alaska
September 1, 1995

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE CITY OF WASILLA, ALASKA'S COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

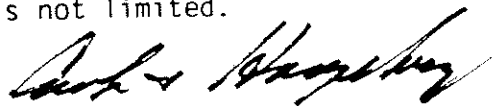
We have audited the general purpose financial statements of the City of Wasilla, Alaska as of and for the year ended June 30, 1995, and have issued our report thereon dated September 1, 1995.

We have also audited the City of Wasilla, Alaska's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1995. 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 requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about 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.

In our opinion, the City of Wasilla, Alaska complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; reporting; special tests and provisions; claims for advances or reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1995.

This report is intended for the information of management, the City Council, and the appropriate federal regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



Fairbanks, Alaska
September 1, 1995

CITY OF WASILLA, ALASKA
 FEDERAL FINANCIAL ASSISTANCE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 1995

| <u>Program</u> | <u>Findings/NonCompliance</u> | <u>Status/Comment</u> |
|---|---|-----------------------|
| <u>Current Year Findings</u> | <u>National Highway Traffic Safety Administration - DOT</u> | |
| DWI Enforcement Grant | The City of Wasilla has some procedures in place to ensure a drug-free workplace. However, it does not fully comply with the Drug-Free Workplace General Requirement. Employees engaged in the performance of the grant are to receive a copy of the required drug-free workplace statement. Those employees engaged in the performance of the grant had not received the required statement. | |
| Total Federal Financial Assistance Questioned costs | | |

Questioned
Costs

City of Wasilla, Alaska
Response

National Highway Traffic Safety Administration - DOT

With the City policy requiring a drug screen prior to employment and the City policy of ensuring a drug-free workplace, the City was of the opinion that it was in compliance with the grant requirements. The City will make it a requirement that each employee engaged in the performance of a federal grant be given a copy of the drug-free workplace policy statement and will notify employees in the policy statement that as a condition of employment, employees will abide by the terms of the statement and will notify the City in writing of any criminal drug statute convictions for violations occurring in the workplace.

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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, 1995, and have issued our report thereon dated September 1, 1995.

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, 1995. 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, 1995.

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

Page 2

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 "Carl R. Hennrich". The signature is written in a cursive, flowing style.

Fairbanks, Alaska
September 1, 1995

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, 1995 and have issued our report thereon dated September 1, 1995. 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 September 1, 1995.

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.

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.

In planning and performing our audit of the financial statements of the City of Wasilla, Alaska for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and on compliance with general requirements and requirements applicable to major state financial assistance programs and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 or noncompliance with laws and regulations that would be material to the state programs 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 letter dated September 1, 1995.

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.



Fairbanks, Alaska
September 1, 1995

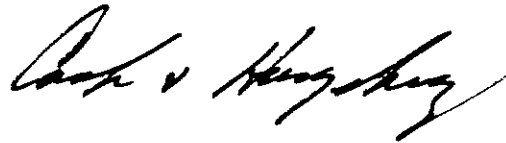
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE

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, 1995, and have issued our report thereon dated September 1, 1995. 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
September 1, 1995

CITY OF WASILLA, ALASKA

SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 1995

| <u>Award</u> | <u>Major Program</u> | <u>State Grant Number</u> |
|--|----------------------|---------------------------|
| Department of Administration | | |
| Municipal Grant Program | X | |
| Peck Street/Feeder Roads | | 8/92-050 |
| Sewer Drain Field | | 4/92-034 |
| Lucille Non-Motorized Safety Corridor | | 8/93-044 |
| Street Lights Safety Lighting - Phase III | | 8/93-039 |
| Area Paving | | 8/94-056 |
| Church Road Paving | | 8/94-006 |
| Sewer Drainfield Replacement | | 4/94-005 |
| Lucille Street Pedestrian/Bike Path | | 8/94-062 |
| Peck Street Paving | | 94-704-8-001 |
| Iditarod Trail Headquarters | | 7/94-073 |
| Glenwood Street Paving | | 95-704-8-001 |
| Jobs Bill Grants | | |
| Area Roads Upgrade | | 8/90-842 |
| Department of Community and Regional Affairs | | |
| State Revenue Sharing | X | N/A |
| Municipal Assistance | X | N/A |
| Department of Environmental Conservation | | |
| Sewer Treatment Plant Upgrade | | 90507 |
| Water Quality Planning | | 90505 |
| Department of Education | | |
| Museum Grant in Aid | | FY94 GIA |
| Public Library Assistance | | PLA-95-787-86 |
| Department of Natural Resources | | |
| SBA Tree Planting | | 94-1039419 |
| Department of Revenue | | |
| Alcohol and Beverage Tax | | FY94 |
| Alcohol and Beverage Tax | | FY95 |
| Amusement and Gaming Tax | | FY94 |
| Amusement and Gaming Tax | | FY95 |
| Electric and Telephone Co-op Tax | | FY94 |
| Electric and Telephone Co-op Tax | X | FY95 |
| Total State Financial Assistance | | |

| <u>Program or Award Amount</u> | <u>Accrued or (Deferred) Revenue July 1, 1994</u> | <u>Revenue Recognized</u> | <u>Expenditures</u> | <u>Accrued or (Deferred) Revenue June 30, 1995</u> |
|--|---|-------------------------------|---------------------|--|
| \$ 48,000 | \$ 9,911 | \$ 14,357 | \$ 14,357 | \$ |
| 450,500 | 48,162 | 30,130 | 30,130 | 33,875 |
| 25,000 | 3,860 | 6,552 | 6,552 | |
| 50,000 | 237 | | | |
| 500,000 | (908) | 185,751 | 185,751 | |
| 200,000 | (40,000) | | | (40,000) |
| 250,000 | 11,500 | 14,724 | 14,724 | |
| 25,000 | (5,000) | 25,000 | 25,000 | |
| 159,843 | | 87,790 | 87,790 | 5,456 |
| 25,000 | | 13,676 | 13,676 | 13,500 |
| 165,435 | | 36,922 | 36,922 | 3,842 |
| <u>75,000</u> | <u>(1,038)</u> | <u>6,386</u> | <u>6,386</u> | |
| <u>1,973,778</u> | <u>26,724</u> | <u>421,288</u> | <u>421,288</u> | <u>16,673</u> |
| 116,495 | | 116,495 | 116,495 | |
| 234,488 | | 234,488 | 234,488 | |
| <u>350,983</u> | | <u>350,983</u> | <u>350,983</u> | |
| 500,000 | 33,521 | 10,489 | 10,489 | 44,010 |
| 90,000 | 4,500 | | | 4,500 |
| <u>590,000</u> | <u>38,021</u> | <u>10,489</u> | <u>10,489</u> | <u>48,510</u> |
| 4,919 | (519) | | | (519) |
| 7,862 | | 7,862 | 7,862 | |
| <u>12,781</u> | <u>(519)</u> | <u>7,862</u> | <u>7,862</u> | <u>(519)</u> |
| <u>15,000</u> | <u>7,500</u> | | | |
| 24,425 | 9,200 | | | |
| 18,900 | | 18,900 | 18,900 | 3,300 |
| 684 | 684 | | | |
| 384 | | 384 | 384 | 384 |
| 90,675 | 90,675 | | | |
| <u>106,036</u> | | <u>106,036</u> | <u>106,036</u> | <u>106,036</u> |
| <u>241,104</u> | <u>100,559</u> | <u>125,320</u> | <u>125,320</u> | <u>109,720</u> |
| <u>\$ 3,183,646</u> | <u>\$ 172,285</u> | <u>\$ 915,942</u> | <u>\$ 915,942</u> | <u>\$ 174,384</u> |

CITY OF WASILLA, ALASKA
 STATE FINANCIAL ASSISTANCE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 1995

| Status/ Comment | Findings | Program |
|--------------------|----------|---------|
|--------------------|----------|---------|

Prior Year Findings

Department of Environ-
 mental Conservation
 Grant No. 90507

At June 30, 1994, the contractor had not approved change orders 13 to 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.

Current Year Findings

Department of Admin-
 istration
 Grant Nos. 8/94-056
 and 94-704-8-001

The City of Wasilla submitted six of twenty-four grant reports after the 30 day reporting period expired. Five other reports were not dated which made it impossible to determine if the reports were filed in a timely manner.

Grant No. 4/92-034

The City of Wasilla has not reported \$8,130.33 in grant expen-
 ditures to the State of Alaska. The amount represents the retainage payable to a contractor upon completion of the sewer drain field project.

Questioned
Costs

Response

\$ 28,078

Change orders were approved by the contractor on December 15, 1994.

Every attempt is made to submit grant reports in a timely manner. Due to year end closing and audit preparations, the reports for July and August are submitted late each year to ensure the most accurate reporting. Review procedures are in place to ensure that all reports will be dated in the future.

The grant reporting procedures for showing the retainage expense on a grant report before the retainage was paid to the contractor were changed by the State of Alaska in FY95. The balance of the retainage owed to the contractor will be shown on the September 1995 grant report.