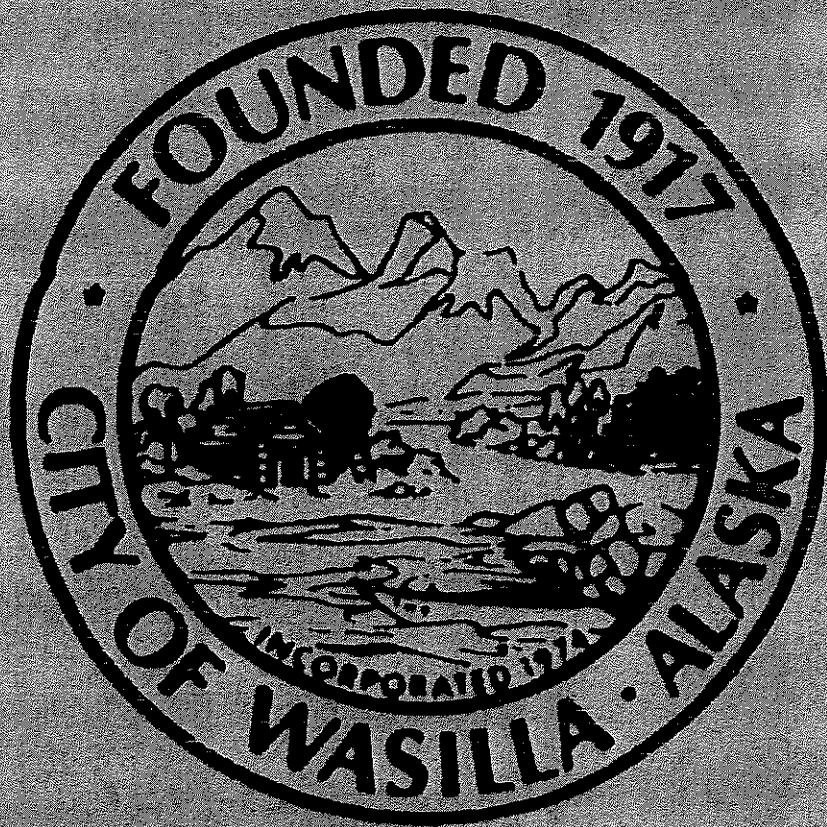
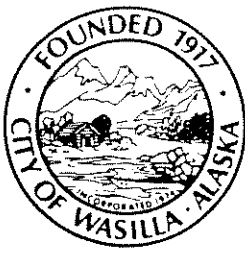


COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Year July 1, 1995 - June 30, 1996



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-9085

November 12, 1996

To the Citizens of The City of Wasilla:

The comprehensive annual financial report of the City of Wasilla for the fiscal year ended June 30, 1996, is hereby submitted. The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the city. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

This report includes all funds and account groups of the City. The City provides a full range of municipal services contemplated by state statute and city code. This includes police, planning and land use control, animal control, sewer, water, road maintenance, parks and recreation, museums, library and other cultural services. In addition to general governmental activities, the City provides financial support to certain community service organizations which promote education, health care, recreation, arts and economic stability for the citizens of the community.

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The City continues to look toward growth in the tourism and service industries to maintain our position as trade center for the Matanuska-Susitna Valley. Although the outlook for the oil industry is negative, other resource extraction industries will continue to fuel our economic growth.

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The City's financial statement for governmental funds has been prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Revenues on this basis are recognized when measurable and available to finance current expenditures; expenditures are recognized when goods and services are received and liabilities are due and payable at year end.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition and 2) the reliability of financial records for preparing the financial statements and maintain accountability for assets. The concept

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The City adopts fiscal year budgets for all governmental funds. Budget amendments over \$5,000 within funds and transfers between funds require approval of the city council. All budgets are controlled on a line item basis. The City's policy is that estimated purchase order amounts are encumbered prior to the release of the order to the vendor. When an encumbrance exceeds the available appropriation authority, policy is that the order is delayed until the budget is amended. Operating budgets lapse at year end. Any outstanding operating encumbrances are charged against the new year's budget. Capital budget funds remaining are reappropriated in the new year's budget.

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Revenues for general governmental functions accounted for in the General and Special Revenue Funds totaled \$6,070,806 in FY96, an increase of 10.45 percent over FY95. Sales tax produced 68.84 percent of FY96 General and Special Revenue Funds revenues compared to 69.25 percent in FY95.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FY95</u>
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Matanuska-Susitna Borough	315,499	5.20	33,283
Other	<u>443,639</u>	<u>7.31</u>	<u>124,951</u>
Total	\$6,070,806	100.00	\$577,331

Assessed valuation for CY95 (Net of Exempt) of \$275,748,993 represented an increase of ten percent over CY94. This increase is attributable mainly to an increase in real property valuation.

Current tax collections were 95.47 percent of the tax levy as compared to 102.13 percent for FY95. Variation in the collection rate from year to year is normal.

Expenditures for general governmental purposes totaled \$3,882,315 not including transfers to other funds. Increase (decrease) in levels of expenditures for major functions of the City over the preceding year are shown in the following tabulation:

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Cash Management

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All investments are made according to the City's conservative investment and collateralization policy approved by the City Council in 1986, Chapter 6.30 of the Wasilla Municipal Code.

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The Water Utility has shown a small operating loss the past two years.

Sewer Fund

The Sewer Utility continues to show an operating loss as it has since operations began.

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The Airport continues to show an operating loss. Lack of fuel facilities and other amenities have slowed growth in revenue and the maintenance costs are fixed.

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Full-time, permanent part time and seasonal employees participate in the State of Alaska Public Employee's Retirement System (PERS). Council participation is optional. PERS is a defined benefit plan in which policemen and firemen contribute 7.5% and other employees are required to contribute 6.75% of their compensation. The City's contribution rate for FY96 was 12.51%.

The City participates in two deferred compensation programs where the assets involved are still considered assets of the city until the employee is paid, although we don't have custody of those funds.

The City also maintains a fund for the cemetery where funds are being accumulated to pay for maintenance in perpetuity after all the lots are sold.

General Fixed Assets

The general fixed assets of the City are those assets such as buildings, land and equipment that are used in the performance of general governmental functions and exclude certain improvements, such as streets, drainage systems etc. which are considered infrastructure. As of June 30, 1996, the general fixed assets of the City amounted to \$6,623,975. This amount represents the original cost, or fair market value at date of gift of the assets and may be less than their replacement cost. Depreciation of general fixed assets is not recognized in the City's accounting system.

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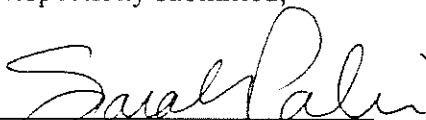
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Respectfully submitted,

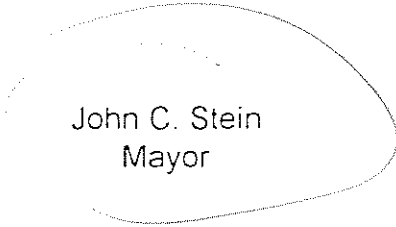


Sarah H. Palin
Mayor



Erling P. Nelson
Finance Director

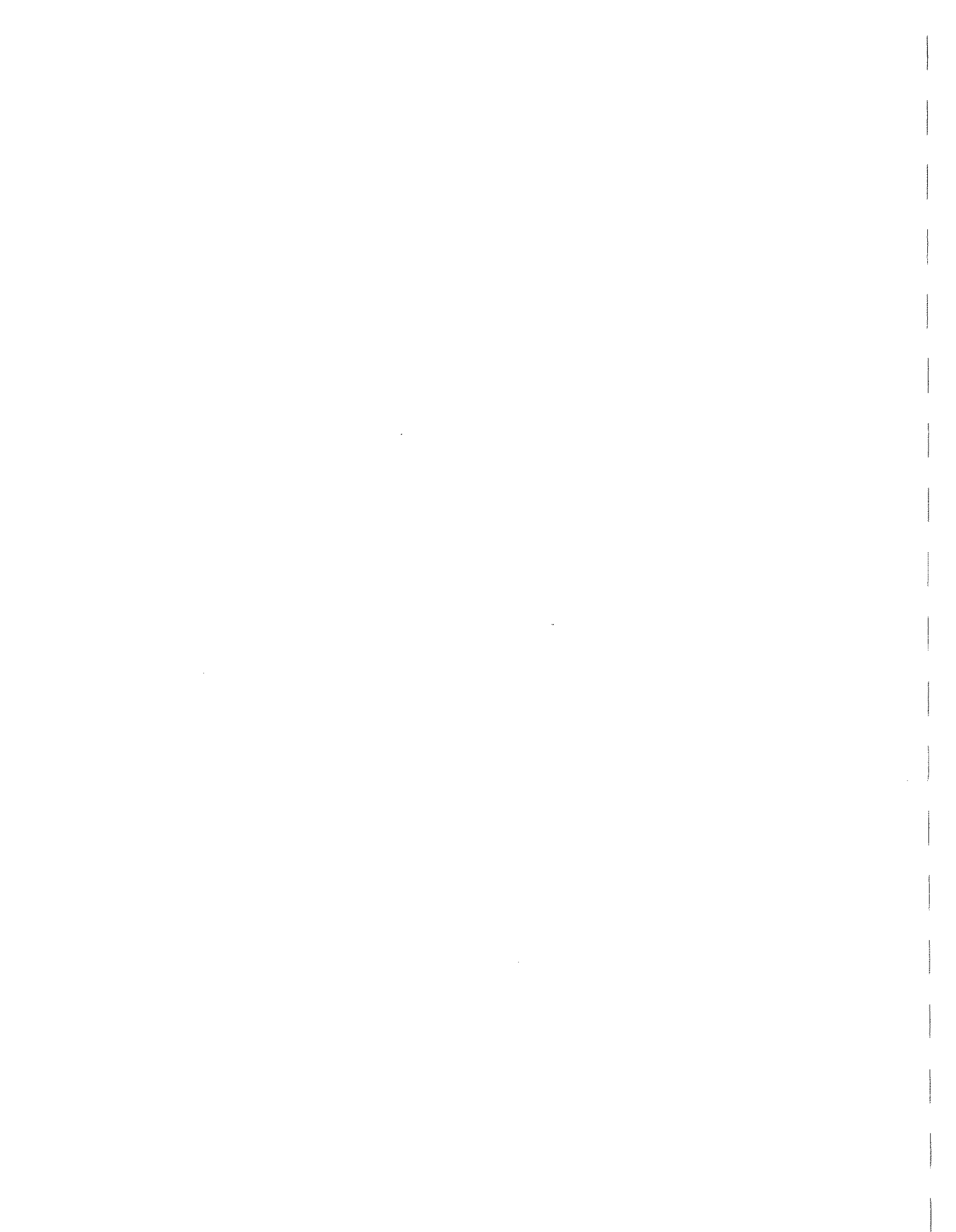
COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WASILLA, ALASKA
FISCAL YEAR JULY 1, 1995 - JUNE 30, 1996



John C. Stein
Mayor

Prepared by
Finance Department

Erling P. Nelson
Finance Director



CITY OF WASILLA, ALASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 1996

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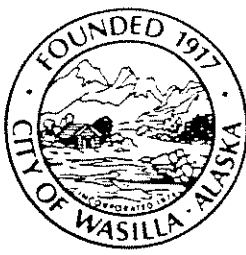
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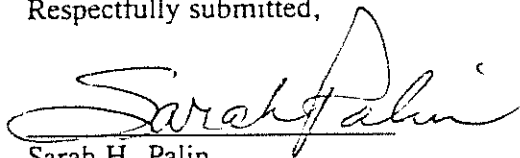
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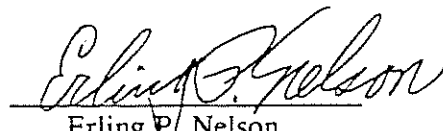
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We would also like to thank the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



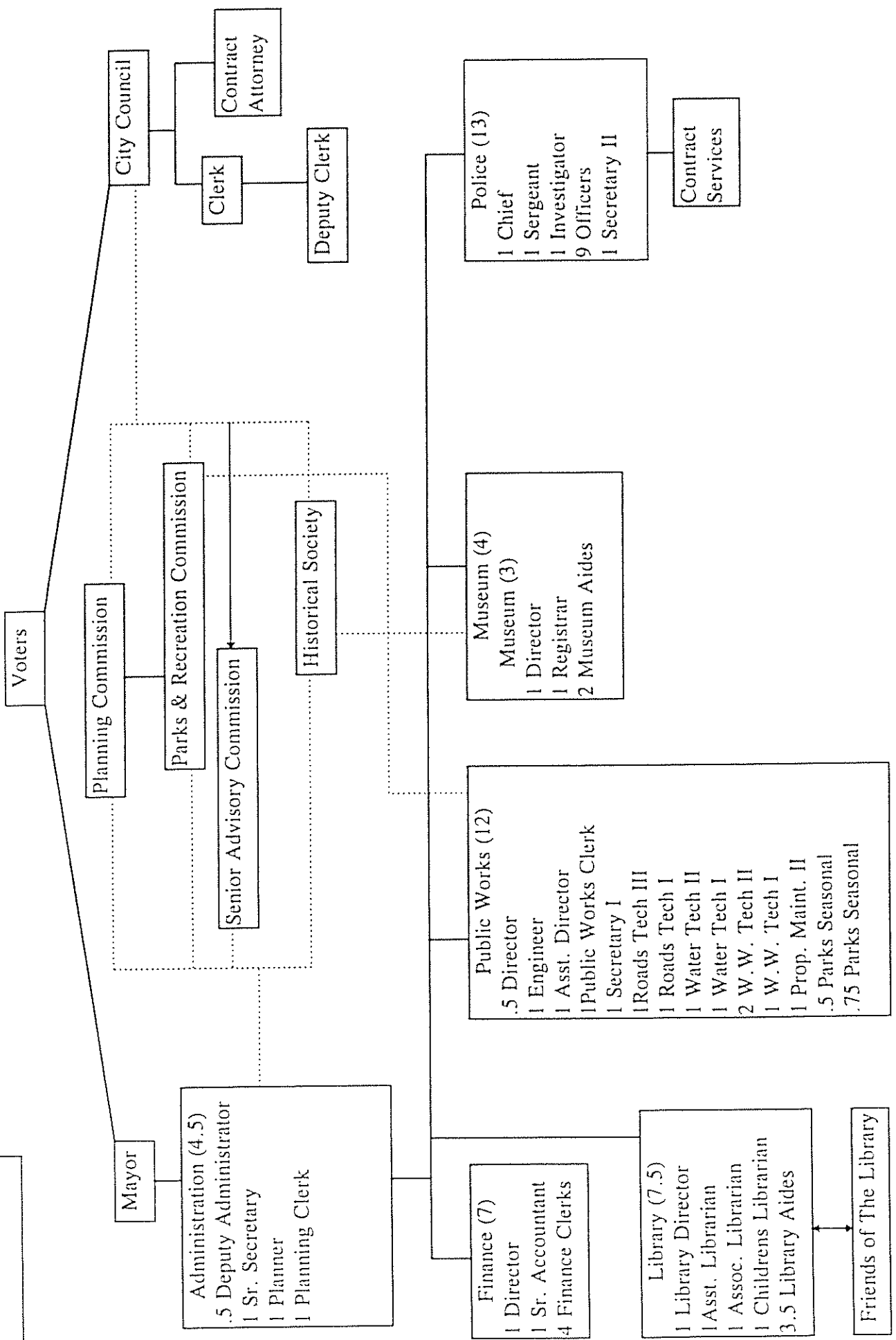
Sarah H. Palin
Mayor



Erling P. Nelson
Finance Director

City of Wasilla Employee Organization Chart

Approved FY -96
Dated 05/24/95



CITY OF WASILLA, ALASKA

CITY OFFICIALS

CITY COUNCIL

Council Members:

Dominic Carney
David Chappel
John Hartrick
Pat Hjellen
Philip Lockwood
Sarah Palin

STAFF

Mayor
Public Works Director
City Clerk
Finance Director
Library Director
Museum Director
Police Chief

John C. Stein
John T. Felton
Marjorie D. Harris
Erling P. Nelson
Mary Ellen Emmons
John P. Cooper
Irl Stambaugh

PLANNING COMMISSION

Don Bennett
John Cannon
Steve Glos
Dan Kelly
Dorothy Smith
Jim Tapscott

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, 1996. 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, 1996, 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 November 12, 1996 on our consideration of the City of Wasilla's internal control structure and a report dated November 12, 1996 on its compliance with laws and regulations.

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.

The other data included in this report, designated as the "Statistical Section" in the table of contents, has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

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

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENTS - OVERVIEW

CITY OF WASILLA, ALASKA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1996

With Comparative Totals for 1995

<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	\$ 3,820,783	\$ 29,013	\$ 662,532	\$ 1,754,624
Investments				
Accounts receivable, less allowance for doubtful accounts 1996, \$8,000	396,602	13,498		
Grants receivable	183,522	3,885		107,262
Special assessments receivable, net	7,559		1,305,629	
Notes receivable				
Due from other funds	4,159		24,432	
Interest and penalty receivable	54,198		13,685	24,928
Inventory				
Advances to other funds	191,120			
Deferred charge				
Property, plant and equipment, net of accumulated depreciation, where applicable				
Amount available for payment of long-term debt				
Amount to be provided for payment of long-term debt				
Total assets	<u>\$ 4,657,943</u>	<u>\$ 46,396</u>	<u>\$ 2,006,278</u>	<u>\$ 1,886,814</u>

(Continued)

Exhibit 1

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1996</u>	<u>1995</u>
<u>Enterprise</u>	<u>Trust and Agency</u>				
\$ 631,750	\$ 67,993	\$	\$	\$ 6,966,695	\$ 6,529,556
	136,361			136,361	86,356
77,708				487,808	452,482
	5,264			299,933	234,318
				1,313,188	1,628,575
135,661				135,661	45,264
				28,591	80,491
8,003	1,392			102,206	77,876
78,552				78,552	53,973
				191,120	173,453
16,393				16,393	16,837
23,331,243		6,623,973		29,955,216	30,048,618
			493,365	493,365	473,609
			622,620	622,620	694,390
<u>\$24,279,310</u>	<u>\$ 211,010</u>	<u>\$6,623,973</u>	<u>\$1,115,985</u>	<u>\$ 40,827,709</u>	<u>\$40,595,798</u>

CITY OF WASILLA, ALASKA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1996
With Comparative Totals for 1995

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities				
Advance from central treasury	\$	\$ 10,527	\$ 66	\$ 93,639
Accounts, contracts and retainages payable	121,967	1,491		416,821
Deferred compensation payable				
Accrued annual and sick leave	162,463	27,978		
Due to other funds			24,432	
Customer deposits				
Revenue billed in advance				
Deferred revenue	12,769		1,297,296	32,519
Advances from other funds			191,120	
Bonds payable				
Other				
Total liabilities	<u>297,199</u>	<u>39,996</u>	<u>1,512,914</u>	<u>542,979</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	38,148			144,129
Reserved for debt service			517,862	
Reserved for advances	191,120			
Reserved for investment				
Unreserved				
Undesignated	4,058,014		(24,498)	1,054,206
Designated for subsequent years' expenditures	<u>73,462</u>	<u>6,400</u>		<u>145,500</u>
Total equity and other credits	<u>4,360,744</u>	<u>6,400</u>	<u>493,364</u>	<u>1,343,835</u>
Total liabilities, equity and other credits	<u>\$ 4,657,943</u>	<u>\$ 46,396</u>	<u>\$ 2,006,278</u>	<u>\$ 1,886,814</u>

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

Exhibit 1
(Continued)

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1996	1995
Enterprise	Trust and Agency				
\$ 186,263	\$ 5,264	\$	\$	\$ 295,759	\$ 105,197
10,568				550,847	713,872
	136,361			136,361	86,356
15,479				205,920	191,072
4,159				28,591	80,491
9,533				9,533	8,198
29,511				29,511	27,082
				1,342,584	1,665,980
				191,120	173,453
			1,115,985	1,115,985	1,167,999
6,100				6,100	5,150
<u>261,613</u>	<u>141,625</u>		<u>1,115,985</u>	<u>3,912,311</u>	<u>4,224,850</u>
		6,623,973		6,623,973	6,372,540
23,782,816				23,782,816	24,078,339
234,881				234,881	199,823
				182,277	63,721
				517,862	473,609
				191,120	173,453
	60,405			60,405	50,805
				5,087,722	4,497,432
	8,980			234,342	461,226
<u>24,017,697</u>	<u>69,385</u>	<u>6,623,973</u>		<u>36,915,398</u>	<u>36,370,948</u>
<u>\$24,279,310</u>	<u>\$ 211,010</u>	<u>\$ 6,623,973</u>	<u>\$ 1,115,985</u>	<u>\$ 40,827,709</u>	<u>\$ 40,595,798</u>

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1996
With Comparative Totals for 1995

	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
Revenues		
Sales taxes	\$ 4,179,316	\$
Property taxes	447,548	
Licenses and permits	52,585	
Fines, forfeitures and penalties	46,877	
State of Alaska	574,567	10,775
Matanuska-Susitna Borough	11,000	304,499
Special assessments		
Interest		
Free main allowances		
Library fines		6,851
Other	<u>429,163</u>	<u>7,625</u>
Total revenues	<u>5,741,056</u>	<u>329,750</u>
Expenditures		
Current		
General Government	1,286,594	
Police	1,090,305	
Public Works	587,309	
Recreation services		
Museum and recreation services	442,987	
Allocation of administrative expenditures to other funds	(45,247)	
Library and youth court		520,367
Capital outlay		
Debt service		
Total expenditures	<u>3,361,948</u>	<u>520,367</u>
Excess (deficiency) of revenues over expenditures	<u>2,379,108</u>	<u>(190,617)</u>

(Continued)

Exhibit 2
(Continued)

<u>Fund Types</u>		<u>(Memorandum Only)</u>	
<u>Debt</u>	<u>Capital</u>		
<u>Service</u>	<u>Projects</u>	<u>1996</u>	<u>1995</u>
\$	\$	\$ 4,179,316	\$ 3,825,041
		447,548	427,566
		52,585	44,251
		46,877	46,243
	294,131	879,473	955,571
		315,499	282,216
407,258		407,258	303,141
27,494	83,435	110,929	107,130
3,525		3,525	2,708
		6,851	7,054
	<u>44,268</u>	<u>481,056</u>	<u>340,724</u>
<u>438,277</u>	<u>421,834</u>	<u>6,930,917</u>	<u>6,341,645</u>
		1,286,594	1,353,163
		1,090,305	981,124
		587,309	603,926
			140,037
		442,987	
		(45,247)	(44,709)
		520,367	641,687
	2,309,488	2,309,488	1,663,337
<u>390,385</u>	<u> </u>	<u>390,385</u>	<u>179,975</u>
<u>390,385</u>	<u>2,309,488</u>	<u>6,582,188</u>	<u>5,518,540</u>
<u>47,892</u>	<u>(1,887,654)</u>	<u>348,729</u>	<u>823,105</u>

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1996
With Comparative Totals for 1995

	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
Other financing sources (uses)		
Bond proceeds	\$	\$
Operating transfers in	7,250	197,017
Operating transfers out	<u>(1,513,266)</u>	<u> </u>
Net other financing sources (uses)	<u>(1,506,016)</u>	<u>197,017</u>
Excess of revenues over expendi- tures and net other financing sources (uses)	<u>873,092</u>	<u>6,400</u>
Fund balances, July 1	3,487,652	
Cumulative effect of change in accounting (See restatement note)	<u> </u>	<u> </u>
Fund balances, July 1 (restated)	<u>3,487,652</u>	<u> </u>
Fund balances, June 30	<u>\$ 4,360,744</u>	<u>\$ 6,400</u>

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

Exhibit 2
(Continued)

Fund Types		Totals (Memorandum Only)	
Debt Service	Capital Projects	1996	1995
\$ 4,155 <u>(32,292)</u> <u>(28,137)</u>	\$ 261,942 1,279,034 <u>(11,405)</u> <u>1,529,571</u>	\$ 261,942 1,487,456 <u>(1,556,963)</u> <u>192,435</u>	\$ 159,560 1,441,742 <u>(1,468,793)</u> <u>132,509</u>
<u>19,755</u>	<u>(358,083)</u>	<u>541,164</u>	<u>955,614</u>
473,609	1,701,918	5,663,179	4,363,143
<u>473,609</u>	<u>1,701,918</u>	<u>5,663,179</u>	<u>344,422</u> <u>4,707,565</u>
<u>\$ 493,364</u>	<u>\$ 1,343,835</u>	<u>\$ 6,204,343</u>	<u>\$ 5,663,179</u>

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1996

	General Fund				
	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues					
Sales taxes	\$ 3,683,000	\$ 4,179,316	\$	\$ 4,179,316	\$ 496,316
Property taxes	417,208	447,548		447,548	30,340
Licenses and permits	39,050	52,585		52,585	13,535
Fines, forfeitures and penalties	8,064	46,877		46,877	38,813
State of Alaska	547,393	574,567		574,567	27,174
Matanuska-Susitna Borough	11,600	11,000		11,000	(600)
Special assessments					
Interest					
Library fines					
Other	169,815	429,163		429,163	259,348
	<u>4,876,130</u>	<u>5,741,056</u>		<u>5,741,056</u>	<u>864,926</u>
Expenditures					
Current					
General Government	1,426,309	1,286,594	19,342	1,305,936	120,373
Police	1,258,780	1,090,305	233	1,090,538	168,242
Public Works	652,519	587,309	(7,721)	579,588	72,931
Museum and Recreational services	488,457	442,987	10,649	453,636	34,821
Allocation of administrative expenditures to other funds	(43,917)	(45,247)		(45,247)	1,330
Library					
Youth court					
Debt service					
	<u>3,782,148</u>	<u>3,361,948</u>	<u>22,503</u>	<u>3,384,451</u>	<u>397,697</u>
Excess (deficiency) of revenues over expenditures	<u>1,093,982</u>	<u>2,379,108</u>	<u>(22,503)</u>	<u>2,356,605</u>	<u>1,262,623</u>
Other financing sources (uses)					
Operating transfers in	7,250	7,250		7,250	
Operating transfers out	(1,509,727)	(1,513,266)		(1,513,266)	(3,539)
	<u>(1,502,477)</u>	<u>(1,506,016)</u>		<u>(1,506,016)</u>	<u>(3,539)</u>
Excess (deficiency) of revenues over expenditures and net other financing sources (uses)	<u>\$ (408,495)</u>	<u>873,092</u>	<u>(22,503)</u>	<u>850,589</u>	<u>\$ 1,259,084</u>
Fund balances, July 1		<u>3,487,652</u>	<u>9,260</u>	<u>3,496,912</u>	
Fund balances, June 30		<u>\$ 4,360,744</u>	<u>\$ (13,243)</u>	<u>\$ 4,347,501</u>	

Exhibit 3

Special Revenue Funds				
<u>Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
\$	\$	\$	\$	\$
39,142	10,775		10,775	(28,367)
322,905	304,499		304,499	(18,406)
6,000	6,851		6,851	851
<u>7,636</u>	<u>7,625</u>		<u>7,625</u>	<u>(11)</u>
<u>375,683</u>	<u>329,750</u>		<u>329,750</u>	<u>(45,933)</u>
507,065	506,088	(6,082)	500,006	7,059
68,288	14,279		14,279	54,009
<u>575,353</u>	<u>520,367</u>	<u>(6,082)</u>	<u>514,285</u>	<u>61,068</u>
<u>(199,670)</u>	<u>(190,617)</u>	<u>6,082</u>	<u>(184,535)</u>	<u>15,135</u>
199,670	197,017		197,017	(2,653)
<u>199,670</u>	<u>197,017</u>		<u>197,017</u>	<u>(2,653)</u>
\$	\$ 6,400	\$ 6,082	\$ 12,482	\$ 12,482
		2,688	2,688	
	\$ 6,400	\$ 8,770	\$ 15,170	

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CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1996

	<u>Debt Service Funds</u>		
	<u>Budget</u>	<u>Actual and Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales taxes	\$	\$	\$
Property taxes			
Licenses and permits			
Fines, forfeitures and penalties			
State of Alaska			
Matanuska-Susitna Borough			
Special assessments	206,629	407,258	200,629
Interest	11,900	27,494	15,594
Library fines		3,525	3,525
Other			
	<u>218,529</u>	<u>438,277</u>	<u>219,748</u>
Expenditures			
Current			
General Government			
Police			
Public Works			
Road maintenance			
Museum and Recreational services			
Allocation of administrative expenditures to other funds			
Library			
Youth Court			
Debt service	<u>389,135</u>	<u>390,385</u>	<u>(1,250)</u>
	<u>389,135</u>	<u>390,385</u>	<u>(1,250)</u>
Excess (deficiency) of revenues over expenditures	<u>(170,606)</u>	<u>47,892</u>	<u>218,498</u>
Other financing sources (uses)			
Operating transfers in		4,155	4,155
Operating transfers out	<u>(31,492)</u>	<u>(32,292)</u>	<u>(800)</u>
	<u>(31,492)</u>	<u>(28,137)</u>	<u>3,355</u>
Excess (deficiency) of revenues over expenditures and net other financing sources (uses)	<u>\$ (202,098)</u>	<u>19,755</u>	<u>\$ 221,853</u>
Fund balances, July 1		<u>473,609</u>	
Fund balances, June 30		<u>\$ 493,364</u>	

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, 1996
With Comparative Totals for 1995

	Proprietary	Fiduciary	Totals	
	Fund Type	Fund Type	(Memorandum Only)	
	Enterprise	Non- Expendable Trust	1996	1995
Operating revenues				
Sales and user charges	\$ 611,729	\$	\$ 611,729	\$ 537,436
Fees and rentals	14,517		14,517	17,302
Conncections	1,909		1,909	359
Meters	2,503		2,503	1,504
Interest income		2,718	2,718	2,677
Other	15,340	9,600	24,940	29,270
	<u>645,998</u>	<u>12,318</u>	<u>658,316</u>	<u>588,548</u>
Operating expenses				
Salaries and benefits	328,650		328,650	342,121
Operations	8,924		8,924	9,758
Utilities	61,912		61,912	64,289
Outside services	43,151		43,151	54,607
Insurance	19,629		19,629	17,479
Materials and supplies	39,022		39,022	43,198
Maintenance	37,516		37,516	25,808
Rent	8,831		8,831	8,831
Transportation	5,190		5,190	15,370
Contingency	4,501		4,501	4,885
Other	132,719		132,719	52,704
	<u>690,045</u>		<u>690,045</u>	<u>639,050</u>
Operating income (loss) before depreciation	(44,047)	12,318	(31,729)	(50,502)
Depreciation	<u>697,915</u>		<u>697,915</u>	<u>649,208</u>
Operating income (loss)	<u>(741,962)</u>	<u>12,318</u>	<u>(729,644)</u>	<u>(699,710)</u>

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>	
	<u>Enterprise</u>	<u>Non- Expendable Trust</u>	<u>1996</u>	<u>1995</u>
Nonoperating revenues				
Payments in lieu of assessments	\$ 27,136	\$	\$ 27,136	\$ 16,517
Interest income	<u>33,735</u>	<u> </u>	<u>33,735</u>	<u>33,334</u>
Total net nonoperating revenues	<u>60,871</u>	<u> </u>	<u>60,871</u>	<u>49,851</u>
Income (loss) before operating transfers	(681,091)	12,318	(668,773)	(649,859)
Operating transfers in General fund	<u>69,507</u>	<u> </u>	<u>69,507</u>	<u>27,051</u>
Net income (loss)	(611,584)	12,318	(599,266)	(622,808)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>646,642</u>	<u> </u>	<u>646,642</u>	<u>595,207</u>
Change in retained earnings/fund balance and accumulated deficit	35,058	12,318	47,376	(27,601)
Retained earnings/fund balance, July 1	<u>199,823</u>	<u>57,067</u>	<u>256,890</u>	<u>284,491</u>
Retained earnings/fund balance, June 30	<u>\$ 234,881</u>	<u>\$ 69,385</u>	<u>\$ 304,266</u>	<u>\$ 256,890</u>

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1996
 With Comparative Totals for 1995

Increase (Decrease) in Cash and Cash Equivalents	Proprietary	Fiduciary	Totals	
	<u>Fund Type</u>	<u>Fund Type</u>	<u>(Memorandum Only)</u>	
	<u>Enterprise</u>	<u>Non-Expendable Trust</u>	<u>1996</u>	<u>1995</u>
Cash flows from operating activities				
Cash received from customers	\$ 623,048	\$ 9,600	\$ 632,648	\$ 555,460
Cash payments to suppliers for goods and services	(406,119)		(406,119)	(313,493)
Cash payments to employees for services	(327,733)		(327,733)	(338,697)
Other operating revenues	15,340		15,340	24,169
Interest on central treasury and cash funds		1,041	1,041	1,299
Net cash provided by (used in) operating activities	<u>(95,464)</u>	<u>10,641</u>	<u>(84,823)</u>	<u>(71,262)</u>
Cash flows from noncapital financing activities				
Operating transfers in	69,507		69,507	27,051
Net advances received from central treasury	87,816		87,816	57,982
Payments on advances from funds	<u>(4,158)</u>		<u>(4,158)</u>	<u>(11,494)</u>
Net cash provided by noncapital financing activities	<u>153,165</u>		<u>153,155</u>	<u>73,539</u>
Cash flows from capital and related financing activities				
Receipts from special assessments and payments in lieu of assessments	27,136		27,136	16,517
Acquisition and construction of capital assets	<u>(1,961)</u>		<u>(1,961)</u>	<u>(12,305)</u>
Net cash provided by capital and related financing activities	<u>25,175</u>		<u>25,175</u>	<u>4,212</u>

	Proprietary	Fiduciary	Totals	
	<u>Fund Type</u>	<u>Fund Type</u>	<u>(Memorandum Only)</u>	
	Enterprise	Non- Expendable Trust	1996	1995
Cash flows from investing activities				
Interest on central treasury and cash funds	19,370		19,370	21,494
Issuance of notes receivable	(97,625)		(97,625)	(8,000)
Principal payments on notes receivable	<u>7,228</u>		<u>7,228</u>	<u>6,890</u>
Net cash provided by (used in) investing activities	<u>(71,027)</u>		<u>(71,027)</u>	<u>20,384</u>
Net increase in cash and cash equivalents	11,849	10,641	22,490	26,873
Cash and cash equivalents				
Beginning of year	<u>365,786</u>	<u>28,573</u>	<u>394,359</u>	<u>367,486</u>
End of year	<u>\$ 377,635</u>	<u>\$ 39,214</u>	<u>\$ 416,849</u>	<u>\$ 394,359</u>
Reconciliation of Cash and Equivalents to the Balance Sheet				
Equity in central treasury and cash funds per the balance sheet	\$ 631,750	\$ 67,993	\$ 699,743	\$ 664,830
Less: Investments not meeting the definition of cash equivalents	<u>254,115</u>	<u>28,779</u>	<u>282,894</u>	<u>270,471</u>
Cash and equivalents at end of year	<u>\$ 377,635</u>	<u>\$ 39,214</u>	<u>\$ 416,849</u>	<u>\$ 394,359</u>

CITY OF WASILLA, ALASKA

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

Year Ended June 30, 1996
With Comparative Totals for 1995

	Proprietary	Fiduciary	Totals	
	<u>Fund Type</u>	<u>Fund Type</u>	<u>(Memorandum Only)</u>	
		Non- Expendable	1996	1995
	<u>Enterprise</u>	<u>Trust</u>		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (741,962)	\$ 12,318	\$ (729,644)	\$ (699,710)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	697,915		697,915	649,208
Noncash operating expense				753
Amortization	444		444	319
Interest received on investments not meeting the definition of cash equivalents		(1,677)	(1,677)	(1,378)
(Increase) decrease in assets				
Accounts receivable - trade	(6,914)		(6,914)	(16,131)
Accounts receivable - other	(618)		(618)	(515)
Inventory	(24,579)		(24,579)	(29,369)
Increase (decrease) in liabilities				
Accounts payable	(20,589)		(20,589)	14,658
Due to other funds	(4,792)		(4,792)	1,982
Revenue billed in advance	2,429		2,429	5,310
Accrued annual and sick leave	917		917	499
Customer deposits	1,335		1,335	(1,338)
Other	950		950	4,450
Total adjustments	<u>646,498</u>	<u>(1,677)</u>	<u>644,821</u>	<u>628,448</u>
Net cash provided by (used in) operating activities	\$ (95,464)	\$ 10,641	\$ (84,823)	\$ (71,262)

Noncash Capital and Related Financing Activities

During 1996 and 1995, The City of Wasilla received \$66,564 and \$55,343, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$101,832 and \$49,187 in private and general government contributions in 1996 and 1995, respectively. The water utility received \$182,773 and \$26,062 in private and general government contributions in 1996 and 1995, respectively. The utilities recorded the contributions as contributed capital and fixed assets.

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

CITY OF WASILLA, ALASKA
NOTES TO FINANCIAL STATEMENTS

June 30, 1996

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.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Proprietary Funds

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

Fiduciary Funds

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

Account Groups

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

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

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

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

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

The modified accrual basis of accounting is utilized in the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Agency 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.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Statement Number 20 of the Government Accounting Standards Board (GASB), Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, requires that proprietary activities follow GASB pronouncements. It also allows proprietary activities to elect either to follow, or not to follow, Financial Accounting Standards Board (FASB) Statements and Interpretations which are not in conflict with GASB pronouncements and have been issued after November 30, 1989. All of the City's funds, which use proprietary fund accounting, have elected to follow the FASB pronouncements subsequent to November 30, 1989.

Budgets - The annual City operating budget is prepared by management in the spring preceding the fiscal year to which it relates. All funds are budgeted on an annual basis encompassing a fiscal year. The 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 within any department, function, or activity up to \$5,000 per line item. The legal level of budgetary control for all funds is at the same level for which the funds are originally appropriated. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered, except for capital projects.

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

A summary of legal appropriations for governmental fund - types at the fund level follows:

	<u>Original</u>	<u>Revisions</u>	<u>Revised</u>
General Fund	\$4,555,812	\$ 779,980	\$5,335,792
Special Revenue Funds	500,175	75,178	575,353
Debt Service Funds	225,219	195,408	420,627

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Estimates - In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

Investments - Investments are recorded at cost, or amortized cost, plus accrued interest which approximates market. Investments in the deferred compensation plans are recorded at market value.

Inventory - Inventory is valued at the lower of average cost or market.

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

enforceable lien is attached on all taxable property as of January 1. The Matanuska-Susitna Borough bills and collects all property taxes for the City.

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

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

Reclassifications - Certain reclassifications, which have no effect on fund equity, have been made to the June 30, 1995 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, 1996, the carrying amount of the City's deposits was \$587,369 and the bank balances were \$934,457. Of the bank balances, \$929,846 were covered by federal depository insurance or by collateral held by the City's agent in the City's name and \$4,611 were uninsured and uncollateralized.

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

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

Investments

The City is authorized to invest in the following:

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

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Category</u>		<u>Carrying</u> <u>3</u>	<u>Market</u> <u>Amount</u>	<u>Value</u>
	<u>1</u>	<u>2</u>			
Repurchase agreements	\$	\$ 2,574,946	\$ 922,448	\$ 3,497,394	\$ 3,497,394
U.S. government securities	<u>2,010,000</u>			<u>2,010,000</u>	<u>2,010,000</u>
Categorized investments	<u>\$2,010,000</u>	<u>\$ 2,574,946</u>	<u>\$ 922,448</u>	5,507,394	5,507,394
Investments in deferred compensation plans				136,361	136,361
AML pool				<u>576,173</u>	<u>576,173</u>
Total investments				<u>\$ 6,219,928</u>	<u>\$ 6,219,928</u>

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value of proprietary fund financial instruments were as follows as of June 30, 1996:

	<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Equity in central treasury and cash funds	\$ 445,487	\$ 445,487
Accrued interest receivable	8,003	8,003
Notes receivable	136,661	136,661

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.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

FIXED ASSETS

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

	Balance July 1, 1995	Additions/ Transfers In	Deletions/ Transfers Out	Balance June 30, 1996
Land	\$ 1,523,657	\$ 33,773	\$	\$ 1,557,430
Buildings	2,387,268	11,320		2,398,588
Office furniture and equipment	296,131	46,318		342,449
Vehicles and equipment	612,573	102,218		714,791
Library collections	1,523,574	64,538	55,236	1,532,876
Construction in progress	<u>29,337</u>	<u>65,043</u>	<u>16,541</u>	<u>77,839</u>
	<u>\$ 6,372,540</u>	<u>\$ 323,210</u>	<u>\$ 71,777</u>	<u>\$ 6,623,973</u>

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

The following is a summary of enterprise fund type fixed assets at June 30, 1996:

	Sewer Utility	Water Utility	Municipal Airport	Total
Treatment system	\$ 4,475,623	\$	\$	\$ 4,475,623
Collection/distribution system	7,566,466	4,424,420		11,990,886
Wells/well house		271,276		271,276
Water tank and fence		2,337,975		2,337,975
Other plant in service	2,546,506			2,546,506
Equipment	1,935,536	52,595	208,154	2,196,285
Land	657,810	149,170	1,470,000	2,276,980
Land improvements			4,087,753	4,087,753
Construction in progress	<u>35,003</u>	<u>6,293</u>		<u>41,296</u>
	17,216,944	7,241,729	5,765,907	30,224,580
Accumulated depreciation	<u>4,282,954</u>	<u>1,718,911</u>	<u>890,220</u>	<u>6,892,085</u>
Net property, plant and equipment	<u>\$ 12,933,990</u>	<u>\$ 5,522,818</u>	<u>\$ 4,875,687</u>	<u>\$ 23,332,495</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, 1996:

	<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	\$ 192,070
\$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	225,300
\$403,700 1988 Phase I Paving Improvement District Bond due in annual principal installments of \$9,086 to \$25,900 through February 12, 2003; interest at 6.125 percent	154,486
\$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	58,000
\$147,370 1993 Glenwood/Naomi/Shadowood Paving Improvement Districts Bond due in annual principal installments of \$11,656 through December 22, 2003; interest at 5.10 percent	93,248
\$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	130,939
Whispering Woods/Nelson Avenue/Lake View Avenue Paving Improvement Districts Bond due in annual principal installments of \$26,194 beginning on July 26, 1996 through July 26, 2005; interest at 6.825 percent	261,942
Total	<u>\$1,115,985</u>

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

In May, 1996 the City made the following prepayments on bonds:

Phase I Paving Improvement District Bond	\$ 17,014
Glenwood/Naomi/Shadowood Paving Improvement Districts Bond	24,648
Mountain Village/Crestwood Paving Improvement Districts Bond	<u>12,665</u>
	<u>\$ 54,327</u>

In May, 1996 the City made the following prepayments to retire bonds:

Mission Hills Paving Improvement District Bond	\$ 134,060
Creekside Estates/Southway Gas Assessment Districts Bond	<u>3,299</u>
	<u>\$ 137,359</u>

Special assessment bond debt service requirements to maturity, including \$653,994 of interest, are as follows:

Fiscal Period Ending June 30	1986 Southside Water District District Bond	1987 Sewer Improvement District District Bond	1988 Phase I Paving Improvement District District Bond	1988 Overlook Sewer Improvement District District Bond
1997	\$ 16,924	\$ 20,044	\$ 30,362	\$ 33,338
1998	16,608	19,693	29,082	31,169
1999	16,292	20,343	32,802	
2000	15,976	19,926	31,216	
2001	15,660	19,511	29,629	
Thereafter	<u>309,979</u>	<u>379,318</u>	<u>37,686</u>	<u> </u>
	391,439	478,835	190,777	64,507
Less amount of interest	<u>199,369</u>	<u>253,535</u>	<u>36,291</u>	<u>6,507</u>
	<u>\$ 192,070</u>	<u>\$ 225,300</u>	<u>\$ 154,486</u>	<u>\$ 58,000</u>

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

Fiscal Period Ending June 30	1993	1994	1995	<u>Total</u>
	Glenwood/ Naomi/ Shadowood Paving Improvement Districts <u>District Bond</u>	Mountain Village/ Crestwood Paving Improvement Districts <u>District Bonds</u>	Whispering Woods Nelson Ave/ Lake View Ave. Paving Improvement Districts <u>District Bonds</u>	
1997	\$ 17,669	\$ 24,644	\$ 44,072	\$ 187,053
1998	15,817	22,912	42,284	177,565
1999	15,223	21,947	40,496	147,103
2000	14,628	20,982	38,709	141,437
2001	14,034	20,016	36,921	135,771
Thereafter	<u>38,534</u>	<u>57,747</u>	<u>157,786</u>	<u>981,050</u>
	115,905	168,248	360,268	1,769,979
Less amount of interest	<u>22,657</u>	<u>37,309</u>	<u>98,326</u>	<u>653,994</u>
	<u>\$ 93,248</u>	<u>\$ 130,939</u>	<u>\$ 261,942</u>	<u>\$1,115,985</u>

During the fiscal year ended June 30, 1996, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance <u>July 1, 1995</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 1996</u>
Special Assessment Debt	<u>\$ 1,167,999</u>	<u>\$ 261,942</u>	<u>\$ 313,956</u>	<u>\$ 1,115,985</u>

On April 22, 1996 the City Council authorized the issuance of nonrecourse revenue bonds not to exceed \$2,327,532 for the purpose of providing funds to loan to the Cook Inlet Housing Development Corporation to purchase a facility. The bonds were not issued as of November 12, 1996.

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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 benefited 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, 1996 for the sewer and water utilities and airport are as follows:

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Operating revenues	\$ 325,086	\$ 306,395	\$ 14,517	\$ 645,998
Depreciation	333,481	139,253	225,181	697,915
Operating loss	(341,193)	(153,807)	(246,962)	(741,962)
Net loss	(289,671)	(96,775)	(225,138)	(611,584)
Contributions in aid of construction				
Additions	167,144	182,723		349,867
Amortization	322,164	99,340	225,138	646,642
Operating transfers in	48,000		21,507	69,507
Property, plant and equipment additions	159,007	193,058		352,065
Net working capital	(57,438)	672,485	(641)	614,406
Total assets	13,168,784	6,233,551	4,876,975	24,279,310
Total equity	12,930,925	6,211,696	4,875,076	24,017,697

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ 66,564	\$	\$
General government	<u>101,832</u>	<u>182,723</u>	<u> </u>
Total additions	168,396	182,723	
Amortization of capital grants	<u>(322,164)</u>	<u>(99,340)</u>	<u>(225,138)</u>
Net decrease in contributed capital	(153,768)	83,383	(225,138)
Contributed capital			
July 1, 1995	<u>13,259,538</u>	<u>5,718,587</u>	<u>5,100,214</u>
June 30, 1996	<u>\$13,105,770</u>	<u>\$5,801,970</u>	<u>\$ 4,875,076</u>

RETIREMENT COMMITMENTS

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS (Continued)

each employer's unfunded past service liability. The City's combined contribution rate was 12.51 percent in fiscal year 1996 and 11.63 percent in 1995.

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, 2¼ percent for the second 10 years of service, and 2½ percent for the third 10 years of service. All service earned prior to July 1, 1986 is calculated using the 2 percent multiplier. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan also provides for both occupational and non-occupational disability and death benefits.

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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

The pension benefit obligation of PERS was computed as part of an actuarial valuation performed as of June 30, 1995, 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:

	<u>Amount</u>
Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 739
Current employees	
Accumulated contributions including allocated investment earnings	650
Employer financed, vested	1,216
Employer financed, nonvested	<u>212</u>
 Total pension benefit obligation	 2,817
Net assets available for benefits as of June 30, 1995 at market (actuarial value was \$2,703)	 <u>2,749</u>
 Unfunded pension benefit obligation	 <u>(68)</u>
 Assets as a percent of pension benefit obligation	 <u>97.6%</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

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 1996 was \$1,950,852 out of a total payroll of \$2,075,556.

The contribution to PERS for 1996 of \$378,958 was made in accordance with actuarially determined requirements computed through actuarial valuations performed as of June 30, 1993. The contribution consisted of (a) \$355,158 normal costs (18.21 percent of current covered payroll) plus (b) \$23,800 amortization of the unfunded actuarial accrued liability (1.22 percent of current covered payroll). The City contributed \$244,052 (12.51 percent of current covered payroll); employees contributed \$134,906 (6.92 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

1993	95.5%
1994	87.1%
1995	97.6%

Unfunded pension benefit obligation
as a percentage of annual covered
payroll

1993	(9.3)%
1994	(21.7)%
1995	(4.3)%

Contributions, which were made in
accordance with actuarially determined
requirements as a percentage of annual
covered payroll

1993	10.89%
1994	11.03%
1995	11.63%

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

Nine year historical trend information is presented on page 45.

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.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 1996 and 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 \$20,266 and \$18,985 in 1996 and 1995, respectively.

INTERFUND ASSETS/LIABILITIES

<u>Due To/From Other Funds</u>	<u>Receivable</u>	<u>Payable</u>
Bond Guarantee Fund	\$ 24,432	\$
1988 Overlook Lower Improvement Bond Debt		24,432
Service Fund		
General Fund	4,159	
Sewer Utility Fund	<u> </u>	<u>4,159</u>
	<u>\$ 28,591</u>	<u>\$ 28,591</u>
<u>Interfund Advances</u>		
General Fund	\$ 191,120	\$
Bond Guarantee Debt Service Fund		155,469
Paving Bonds Debt Service Fund	<u> </u>	<u>35,651</u>
	<u>\$ 191,120</u>	<u>\$ 191,120</u>

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$4,159 and is included in Due To/From Other Funds.

Deficit Fund Balances of Individual Funds

The \$24,498 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 \$173,593 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 1996 is as follows:

	Operating Transfers <u>In</u>	Operating Transfers <u>Out</u>
General Fund	\$ 7,250	\$ 1,513,266
Special Revenue Funds	197,017	
Debt Service Funds	4,155	32,292
Capital Projects Funds	1,279,034	11,405
Enterprise Funds	<u>69,507</u>	<u> </u>
	<u>\$ 1,556,963</u>	<u>\$ 1,556,963</u>

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.

CITY OF WASILLA, ALASKA

NOTES TO FINANCIAL STATEMENTS
(Continued)

CONTINGENCIES

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

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. The City of Wasilla received notice from the U.S. Environmental Protection Agency that an audit conducted on two construction grants awarded to the City for the period of April 11, 1977 through September 4, 1990 recommended that the EPA recover \$343,087 of federal funds paid in excess of the amounts accepted in the audit. The \$343,087 is included in accounts payable of the Capital Projects Funds at June 30, 1996. Any other disallowed claims, including amounts already collected, would become a liability of the general or other applicable funds. Other disallowances, if any, cannot be determined at this time; but, in the City's opinion, any such disallowances would be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION

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

June 30, 1996

(In Thousands)

<u>Year Ended June 30</u>	<u>Net Assets Available</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Assets in Excess of (Unfunded) Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Assets in Excess of (Unfunded) Pension Benefit Obligation as a Percentage of Covered Payroll</u>
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)%
1995	2,749	2,817	97.6%	(68)	1,591	(4.3)%

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

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

See notes to financial statements.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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GENERAL FUND

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

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CITY OF WASILLA, ALASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Equity in central treasury and cash funds	\$ 3,820,783	\$ 3,082,034
Accounts and grants receivable		
State of Alaska	183,522	128,233
Sales taxes receivable	386,879	368,821
Matanuska-Susitna Borough	3,194	13,314
Other	6,529	171
Accrued interest receivable	54,198	41,444
Assessments receivable	7,559	11,512
	<u>641,881</u>	<u>563,495</u>
Due from other funds	4,159	34,941
Advances to other funds	191,120	173,453
	<u>195,279</u>	<u>208,394</u>
Total assets	<u>\$ 4,657,943</u>	<u>\$ 3,853,923</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	\$ 121,967	\$ 196,680
Accrued liabilities		
Annual and sick leave	162,463	152,860
Deferred revenue	12,769	16,731
Total liabilities	<u>297,199</u>	<u>366,271</u>
Fund balance		
Reserved for encumbrances	38,148	15,863
Reserved for advances to other funds	191,120	173,453
Unreserved		
Undesignated	4,058,014	3,298,336
Designated for subsequent years' expenditures	73,462	_____
Total fund balance	<u>4,360,744</u>	<u>3,487,652</u>
Total liabilities and fund balance	<u>\$ 4,657,943</u>	<u>\$ 3,853,923</u>

CITY OF WASILLA, ALASKA

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues		
Sales taxes	\$ 4,179,316	\$ 3,825,041
Property taxes	<u>447,548</u>	<u>427,566</u>
Licenses		
City business licenses	29,900	28,754
Land use permits	13,367	7,100
Utility permits	6,483	5,285
Driveway permits	1,225	1,350
Taxicab permits	1,455	75
Animal licenses	<u>155</u>	<u>1,687</u>
Total licenses and permits	<u>52,585</u>	<u>44,251</u>
Fines, forfeitures and penalties	<u>46,877</u>	<u>46,243</u>
State of Alaska		
Municipal assistance	214,062	234,488
State shared revenue		
Road maintenance	47,863	50,961
Health facilities	7,093	7,552
Other	74,546	57,982
Electric and telephone co-op tax	117,218	106,036
Amusement and gaming tax	273	384
Alcoholic beverage tax	14,500	18,900
Other	<u>99,012</u>	<u>65,305</u>
Total State of Alaska	<u>574,567</u>	<u>541,608</u>
Matanuska -Susitna Borough		
Solid waste	1,000	1,000
Parks and recreation	10,000	10,000
Snow removal	<u> </u>	<u>1,090</u>
Total Matanuska-Susitna Borough	<u>11,000</u>	<u>12,090</u>
Other		
Charges to other funds	112,177	65,435
Charges for services	4,968	7,039
Interest	245,951	182,251
Building rentals	29,292	28,022
Miscellaneous	<u>36,775</u>	<u>25,623</u>
Total other	<u>429,163</u>	<u>308,370</u>
52 Total revenues	<u>5,741,056</u>	<u>5,205,169</u>

(Continued)

	<u>1996</u>	<u>1995</u>
Expenditures		
General Government		
Administration	\$ 346,919	\$ 330,405
City Council	302,662	341,310
Municipal services		122,135
Planning	166,554	117,551
Finance	<u>470,459</u>	<u>441,762</u>
	<u>1,286,594</u>	<u>1,353,163</u>
Police	<u>1,090,305</u>	<u>981,124</u>
Public Works		
Property maintenance	175,601	196,434
Road maintenance	<u>411,708</u>	<u>407,492</u>
	<u>587,309</u>	<u>603,926</u>
Recreation services		140,037
Museum		205,589
Museum and recreation services	<u>442,987</u>	<u> </u>
	<u>442,987</u>	<u>345,626</u>
Total expenditures before allocation of administrative expenditures to other funds	3,407,195	3,283,839
Allocation of administrative expenditures to other funds	<u>(45,247)</u>	<u>(44,709)</u>
Total expenditures	<u>3,361,948</u>	<u>3,239,130</u>
Excess of revenues over expenditures	<u>2,379,108</u>	<u>1,966,039</u>
Other financing sources (uses)		
Operating transfer in		
Capital Projects Funds	7,250	
Operating transfers out		
Special Revenue Funds	(197,017)	(147,792)
Capital Projects Funds	(1,294,742)	(1,262,323)
Enterprise Funds	<u>(21,507)</u>	<u>(27,051)</u>
Net other financing uses	<u>(1,506,016)</u>	<u>(1,437,166)</u>
Excess of revenues over expenditures and other financing uses	<u>873,092</u>	<u>528,873</u>
Fund balance, July 1	3,487,652	2,612,106
Cumulative effect of change in accounting (see restatement note)	<u> </u>	<u>344,422</u>

CITY OF WASILLA, ALASKA

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Fund balance, July 1 (restated)	\$ 3,487,652	\$ 2,956,528
Residual equity transfer in	<u> </u>	<u> 2,251</u>
Fund balance, June 30	<u>\$ 4,360,744</u>	<u>\$ 3,487,652</u>

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CITY OF WASILLA, ALASKA

GENERAL FUND

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

Year Ended June 30, 1996

	<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	\$ 3,683,000	\$ 4,179,316	\$	\$ 4,179,316	\$ 496,316
Property taxes	417,208	447,548		447,548	30,340
Licenses and permits					
City business licenses	25,000	29,900		29,900	4,900
Land use permits	6,000	13,367		13,367	7,367
Utility permits	5,500	6,483		6,483	983
Driveway permits	150	1,225		1,225	1,075
Taxicab permits	150	1,455		1,455	1,305
Animal licenses	2,250	155		155	(2,095)
Total licenses and permits	39,050	52,585		52,585	13,535
Fines, forfeitures and penalties	8,064	46,877		46,877	38,813
State of Alaska					
Municipal assistance	210,000	214,062		214,062	4,062
Road maintenance	43,573	47,863		47,863	4,290
Health facilities	2,502	7,093		7,093	4,591
Other	50,000	74,546		74,546	24,546
Electric and telephone co-op tax	105,000	117,218		117,218	12,218
Amusement and gaming tax	200	273		273	73
Alcoholic beverage tax	15,225	14,500		14,500	(725)
Other	120,893	99,012		99,012	(21,881)
Total State of Alaska	547,393	574,567		574,567	27,174
Matanuska-Susitna Borough					
Solid waste	1,000	1,000		1,000	
Parks and recreation	10,000	10,000		10,000	
Snow removal	600				(600)
Total Matanuska-Susitna Borough	11,600	11,000		11,000	(600)
Other					
Charges to other funds	6,400	112,177		112,177	105,777
Charges for services	20,950	4,968		4,968	(15,982)
Interest	87,302	245,951		245,951	158,649
Building rentals	27,181	29,292		29,292	2,111
Miscellaneous	27,982	36,775		36,775	8,793
Total other	169,815	429,163		429,163	259,348
Total revenues	4,876,130	5,741,056		5,741,056	864,926

	<u>Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures					
Administration					
Salaries	\$ 181,428	\$ 156,910	\$	\$ 156,910	\$ 24,518
Employee benefits	57,383	47,208		47,208	10,175
Travel	6,000	2,556		2,556	3,444
Contingency	3,500	4,826	500	5,326	(1,826)
Tourism and economic development	95,000	96,520	5,575	102,095	(7,095)
Professional services	22,500	14,590		14,590	7,910
Supplies and capital outlay	11,315	11,555		11,555	(240)
Other	21,570	12,754	90	12,844	8,726
Total administration	<u>398,696</u>	<u>346,919</u>	<u>6,165</u>	<u>353,084</u>	<u>45,612</u>
City Council					
Travel and conferences	10,472	7,040		7,040	3,432
Accounting and auditing	22,030	16,369		16,369	5,661
Contingency	19,465	15,448	950	16,398	3,067
Animal control	24,000	24,000		24,000	
Insurance	24,800	18,843		18,843	5,957
Mat-su Alcohol Council	7,175	7,093		7,093	82
Salaries and benefits	121,266	114,545		114,545	6,721
Legal and other professional services	33,500	49,118		49,118	(15,618)
Wasilla area seniors	20,000	20,000		20,000	
Other	47,194	30,206	3,674	33,880	13,314
Total City Council	<u>329,902</u>	<u>302,662</u>	<u>4,624</u>	<u>307,286</u>	<u>22,616</u>
Planning					
Salaries	97,022	93,682		93,682	3,340
Employee benefits	31,565	30,011		30,011	1,554
Equipment	6,675	5,544		5,544	1,131
Professional services	7,500	9,242		9,242	(1,742)
Supplies	9,001	4,756	660	5,416	3,585
Contractual	26,600	16,114	4,690	20,804	5,796
Contingency	2,000	1,188		1,188	812
Travel and training	3,200	2,578	221	2,799	401
Other	3,575	3,439	210	3,649	(74)
Total planning	<u>187,138</u>	<u>166,554</u>	<u>5,781</u>	<u>172,335</u>	<u>14,803</u>

(Continued)

CITY OF WASILLA, ALASKA

GENERAL FUND

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

Year ended June 30, 1996

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Expenditures - Continued					
Finance					
Salaries	251,730	244,835		244,835	6,895
Employee benefits	77,167	77,008		77,008	159
Communications	33,614	30,356		30,356	3,258
Travel and conferences	6,187	3,880	1,290	5,170	1,017
Contractual services	8,000	4,191		4,191	3,809
Equipment maintenance	17,661	17,358	1,214	18,572	(911)
Supplies	37,180	23,856		23,856	13,324
Equipment	22,018	17,280	300	17,580	4,438
Insurance and bonding	44,400	40,328		40,328	4,072
Foreclosure costs	11,616	11,128		11,128	488
Other	1,000	239		239	761
Total finance	510,573	470,459	2,804	473,263	37,310
Police					
Salaries	618,469	593,742		593,742	24,727
Employee benefits	229,169	203,540		203,540	25,629
Travel and training	26,300	20,309	(450)	19,859	6,441
Contingency	5,000	6,130		6,130	(1,130)
Communications	173,208	104,508		104,508	68,700
Professional services	20,000	482		482	19,518
Insurance	58,792	35,768		35,768	23,024
Supplies	20,830	24,282	683	24,965	(4,135)
Capital outlay	73,662	69,248		69,248	4,414
Community relations	5,000	6,598		6,598	(1,598)
Fuel and oil	23,000	22,411		22,411	589
Contractual	2,500	1,365		1,365	1,135
Other	2,850	1,922		1,922	928
Total police	1,258,780	1,090,305	233	1,090,538	168,242
Property maintenance					
Salaries	\$ 57,461	\$ 52,035		\$ 52,035	\$ 5,426
Employee benefits	21,287	17,135		17,135	4,152
Travel and conferences	2,100	1,205		1,205	895
Utilities	32,495	29,444		29,444	3,051
Contractual services	31,377	31,028		31,028	349
Insurance	12,400	11,561		11,561	839
Janitorial services	25,440	19,615		19,615	5,825
Supplies	2,300	2,085	(32)	2,053	247
Assessments	4,460	5,501		5,501	(1,041)
Other	9,400	5,992		5,992	3,408
Total property maintenance	198,720	175,601	(32)	175,569	23,151

	<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					
Road maintenance					
Salaries	110,238	100,964		100,964	9,274
Employee benefits	44,749	39,095		39,095	5,654
Utilities	37,670	35,391		35,391	2,279
Insurance	2,500	1,399		1,399	1,101
Contractual services	159,500	147,199	(7,960)	139,239	20,261
Vehicle and equipment maintenance and acquisition	16,500	12,308	239	12,547	3,953
Railroad crossing maintenance	12,900	24,461		24,461	(11,561)
Asphalt and culvert repair	16,422	12,652		12,652	3,770
Storm drain thawing	6,000	3,533		3,533	2,467
Supplies	8,650	5,930		5,930	2,720
Fuel and oil	5,000	4,101		4,101	899
Signs	6,000	7,142		7,142	(1,142)
Facility and equipment rental	9,300	1,432		1,432	7,868
Street lights	16,000	14,948		14,948	1,052
Other	2,370	1,153		1,153	1,217
Total road maintenance	453,799	411,708	(7,721)	403,987	49,812
Museum and Recreation Services					
Salaries	\$ 267,792	\$ 245,218		\$ 245,218	\$ 22,574
Employee benefits	75,675	57,757		57,757	17,918
Contractual services	22,210	22,697	300	22,997	(787)
Advertising	2,240	1,127		1,127	1,113
Supplies	16,402	14,251	1,424	15,675	727
Repairs and maintenance	36,814	41,856		41,856	(5,042)
Utilities	5,000	4,906		4,906	94
Capital outlay	8,847	7,827		7,827	1,020
Insurance	1,843	1,674		1,674	169
Fuel and oil	3,045	4,610		4,610	(1,565)
Training and travel	1,516	1,900		1,900	(384)
Other	47,073	39,164	8,925	48,089	(1,016)
Total museum and recreation services	488,457	442,987	10,649	453,636	34,821

CITY OF WASILLA, ALASKA

GENERAL FUND

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

Year ended June 30, 1996

	<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					
Total expenditures before allocation of adminis- trative expenditures to other funds	3,826,065	3,407,195	22,503	3,429,698	396,367
Allocation of administrative expenditures to other funds	<u>(43,917)</u>	<u>(45,247)</u>		<u>(45,247)</u>	<u>1,330</u>
Total expenditures	<u>3,782,148</u>	<u>3,361,948</u>	<u>22,503</u>	<u>3,384,451</u>	<u>397,697</u>
Excess of revenues over expenditures	<u>\$ 1,093,982</u>	<u>\$ 2,379,108</u>	<u>\$ (22,503)</u>	<u>\$ 2,356,605</u>	<u>\$ 1,262,623</u>
Other financing sources (uses)					
Operating transfers in					
Capital Projects Funds	7,250	7,250		7,250	
Operating transfers out					
Special Revenue Funds	(196,070)	(197,017)		(197,017)	(947)
Capital Projects Funds	(1,270,786)	(1,294,742)		(1,294,742)	(23,956)
Enterprise Funds	<u>(42,871)</u>	<u>(21,507)</u>		<u>(21,507)</u>	<u>21,364</u>
Net other financing uses	<u>(1,502,477)</u>	<u>(1,506,016)</u>		<u>(1,506,016)</u>	<u>(3,539)</u>
Excess (deficiency) of revenues over expenditures and net other financing uses	<u>\$ (408,495)</u>	<u>873,092</u>	<u>(22,503)</u>	<u>850,589</u>	<u>\$ 1,259,084</u>
Fund balance, July 1		<u>3,487,652</u>	<u>9,260</u>	<u>3,496,912</u>	
Fund balance, June 30		<u>\$ 4,360,744</u>	<u>\$ (13,243)</u>	<u>\$ 4,347,501</u>	

SPECIAL REVENUE FUNDS

Library Fund - This fund is used to account for the activities of the City of Wasilla Library.

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

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CITY OF WASILLA, ALASKA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 1996
With Comparative Totals for June 30, 1995

	<u>Library</u>	<u>Youth Court</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
<u>ASSETS</u>				
Equity in central treasury and cash funds	\$ 29,013	\$	\$ 29,013	\$ 41,006
Accounts and grants receivable				
State of Alaska		3,885	3,885	
Matanuska-Susitna Borough		10,394	10,394	
Other	304	2,800	3,104	
	<u>29,317</u>	<u>17,079</u>	<u>46,396</u>	<u>41,006</u>
Total assets	<u>\$ 29,317</u>	<u>\$ 17,079</u>	<u>\$ 46,396</u>	<u>\$ 41,006</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Advance from central treasury	\$	\$ 10,527	\$ 10,527	\$
Accounts payable	1,339	152	1,491	17,356
Accrued annual and sick leave	27,978		27,978	23,650
	<u>29,317</u>	<u>10,679</u>	<u>39,996</u>	<u>41,006</u>
Total liabilities	<u>29,317</u>	<u>10,679</u>	<u>39,996</u>	<u>41,006</u>
 Fund Balance				
Reserved for encumbrances	\$ 10,126	\$	\$ 10,126	\$ 18,380
Unreserved				
Designated for operations		6,400	6,400	
Undesignated	(10,126)		(10,126)	(18,380)
	<u>6,400</u>	<u>6,400</u>	<u>6,400</u>	<u>6,400</u>
Total fund balance	<u>6,400</u>	<u>6,400</u>	<u>6,400</u>	<u>6,400</u>
Total liabilities and fund balance	<u>\$ 29,317</u>	<u>\$ 17,079</u>	<u>\$ 46,396</u>	<u>\$ 41,006</u>

CITY OF WASILLA, ALASKA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCESYear ended June 30, 1996
With Comparative Totals for Year Ended June 30, 1995

	Library	Youth Court	Totals	
			1996	1995
Revenues				
State of Alaska	\$ 6,890	\$ 3,885	\$ 10,775	\$ 7,862
Matanuska-Susitna Borough	294,105	10,394	304,499	270,126
Library Fines	6,851		6,851	7,054
Other	4,825	2,800	7,625	3,264
Total revenues	312,671	17,079	329,750	288,306
Expenditures				
Salaries	247,798	10,614	258,412	233,355
Employees benefits	85,538		85,538	84,305
Communications	8,857		8,857	7,855
Utilities	6,736		6,736	6,961
Travel and continuing education	1,082	472	1,554	1,538
Contractual services	34,010		34,010	9,966
Insurance	9,787		9,787	6,194
Janitorial	5,400		5,400	5,453
Equipment maintenance and rental	1,399		1,399	181
Supplies	9,732	894	10,626	9,452
Fuel	1,048		1,048	1,071
Books, periodicals and audio visual	65,570		65,570	51,882
Administration	8,000		8,000	8,000
Building maintenance	5,400		5,400	5,400
Furniture and fixtures	15,696	2,299	17,995	4,450
Other	35		35	35
Total Expenditures	506,088	14,279	520,367	436,098
Excess (deficiency) of revenues over expenditures	(193,417)	2,800	(190,617)	(147,792)
Other financing sources				
Operating transfer in General Fund	193,417	3,600	197,017	147,792
Excess (deficiency) of revenues and other financing sources over expenditures		6,400	6,400	
Fund balances, July 1				
Fund balances, June 30	\$	\$ 6,400	\$ 6,400	\$

CITY OF WASILLA, ALASKA

LIBRARY FUND

COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Equity in central treasury and cash funds	\$ 29,013	\$ 41,006
Accounts receivable	<u>304</u>	<u> </u>
Total assets	<u>\$ 29,317</u>	<u>\$ 41,006</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	\$ 1,339	\$ 17,356
Accrued annual and sick leave	<u>27,978</u>	<u>23,650</u>
Total liabilities	<u>29,317</u>	<u>41,006</u>
Fund balance		
Reserved for encumbrances	10,126	18,380
Unreserved		
Undesignated	<u>(10,126)</u>	<u>(18,380)</u>
Total fund balance	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 29,317</u>	<u>\$ 41,006</u>

CITY OF WASILLA, ALASKA

LIBRARY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues		
State of Alaska	\$ 6,890	\$ 7,862
Matanuska-Susitna Borough	294,105	270,126
Library fines	6,851	7,054
Other	<u>4,825</u>	<u>3,264</u>
Total revenues	<u>312,671</u>	<u>288,306</u>
Expenditures		
Salaries	247,798	233,355
Employee benefits	85,538	84,305
Communications	8,857	7,855
Utilities	6,736	6,961
Travel and continuing education	1,082	1,538
Contractual services	34,010	9,966
Insurance	9,787	6,194
Janitorial	5,400	5,453
Equipment maintenance and rental	1,399	181
Supplies	9,732	9,452
Fuel	1,048	1,071
Books, periodicals and audio visual	65,570	51,882
Administration	8,000	8,000
Building maintenance	5,400	5,400
Furniture and fixtures	15,696	4,450
Other	<u>35</u>	<u>35</u>
Total expenditures	<u>506,088</u>	<u>436,098</u>
Deficiency of revenues over expenditures	(193,417)	(147,792)
Other financing sources		
Operating transfer in General fund	<u>193,417</u>	<u>147,792</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, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
State of Alaska	\$ 6,890	\$ 6,890	\$	\$ 6,890	\$
Matanuska-Susitna Borough	294,105	294,105		294,105	
Library fines	6,000	6,851		6,851	851
Other	4,000	4,825		4,825	825
Total revenues	<u>310,995</u>	<u>312,671</u>		<u>312,671</u>	<u>1,676</u>
Expenditures					
Salaries	243,938	247,798		247,798	(3,860)
Employee benefits	89,665	85,538		85,538	4,127
Communications	12,397	8,857		8,857	3,540
Utilities	6,526	6,736		6,736	(210)
Travel and continuing education	1,250	1,082		1,082	168
Contractual services	30,692	34,010		34,010	(3,318)
Insurance	10,673	9,787		9,787	886
Janitorial	6,160	5,400		5,400	760
Equipment maintenance and rental	1,200	1,399		1,399	(199)
Supplies	10,268	9,732		9,732	536
Fuel	1,000	1,048		1,048	(48)
Books, periodicals and audio visual	61,404	65,570	(8,004)	57,566	3,838
Administration	8,000	8,000		8,000	
Building maintenance	13,400	5,400	8,500	13,900	(500)
Furniture and fixtures	10,392	15,696	(6,578)	9,118	1,274
Other	100	35		35	65
Total Expenditures	<u>507,065</u>	<u>506,088</u>	<u>(6,082)</u>	<u>500,006</u>	<u>7,059</u>
Excess of (deficiency) revenues over expenditures	<u>(196,070)</u>	<u>(193,417)</u>	<u>6,082</u>	<u>(187,335)</u>	<u>8,735</u>
Other financing sources					
Operating transfer in General Fund	<u>196,070</u>	<u>193,417</u>		<u>193,417</u>	<u>(2,653)</u>
Excess of revenues and other financing over expenditures	<u>\$</u>		<u>6,082</u>	<u>6,082</u>	<u>\$ 6,082</u>
Fund balance, July			<u>2,688</u>	<u>2,688</u>	
Fund balance, June 30		<u>\$</u>	<u>\$ 8,770</u>	<u>\$ 8,770</u>	

CITY OF WASILLA, ALASKA
 YOUTH COURT
 COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Accounts and grants receivable		
State of Alaska	\$ 3,885	\$
Matanuska-Susitna Borough	10,394	
Other	<u>2,800</u>	
 Total assets	 <u>\$ 17,079</u>	 <u>\$</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Advance from central treasury	10,527	
Accounts payable	<u>152</u>	
 Total liabilities	 <u>10,679</u>	 <u></u>
Fund balance		
Unreserved		
Designated for operations	<u>6,400</u>	
 Total fund balance	 <u>6,400</u>	 <u></u>
 Total liabilities and fund balance	 <u>\$ 17,079</u>	 <u>\$</u>

CITY OF WASILLA, ALASKA

YOUTH COURT

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues		
State of Alaska	\$ 3,885	\$
Matanuska-Susitna Borough	10,394	
Other	<u>2,800</u>	<u> </u>
Total revenues	<u>17,079</u>	<u> </u>
Expenditures		
Salaries	10,614	
Travel	472	
Supplies	894	
Furniture and fixtures	<u>2,299</u>	<u> </u>
Total expenditures	<u>14,279</u>	<u> </u>
Excess of revenues over expenditures	2,800	
Other financing sources		
Operating transfer in		
General fund	<u>3,600</u>	<u> </u>
Excess of revenues and other financing sources over expenditures	6,400	
Fund balance, July 1	<u> </u>	<u> </u>
Fund balance, June 30	<u>\$ 6,400</u>	<u>\$</u>

CITY OF WASILLA, ALASKA

YOUTH COURT

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
State of Alaska	\$ 32,252	\$ 3,885	\$ (28,367)
Matanuska-Susitna Borough	28,800	10,394	(18,406)
Other	<u>3,636</u>	<u>2,800</u>	<u>(836)</u>
 Total revenues	 <u>\$ 64,688</u>	 <u>\$ 17,079</u>	 <u>\$ (47,609)</u>
Expenditures			
Salaries	51,948	10,614	41,334
Travel	1,850	472	1,378
Supplies	9,065	894	8,171
Furniture and fixtures	<u>5,425</u>	<u>2,299</u>	<u>3,126</u>
 Total expenditures	 <u>68,288</u>	 <u>14,279</u>	 <u>54,009</u>
 Excess (deficiency) of revenues over expenditures	 (3,600)	 2,800	 6,400
Other financing sources			
Operating transfer in General fund	<u>3,600</u>	<u>3,600</u>	<u> </u>
 Excess of revenues and other financing sources over expenditures	 <u>\$</u>	 <u>\$ 6,400</u>	 <u>\$ 6,400</u>
 Fund balance, July 1		<u> </u>	
 Fund balance, June 30		<u>\$ 6,400</u>	

DEBT SERVICE FUNDS

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

CITY OF WASILLA

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

June 30, 1996

With Comparative Totals for 1995

<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	\$ 96,453	\$ 40,284	\$ 112,001
Due from other funds			
Special assessments receivable, net	293,730	145,678	229,430
Interest and penalty receivable	<u>13,685</u>	<u> </u>	<u> </u>
Total assets	<u>\$ 403,868</u>	<u>\$ 185,962</u>	<u>\$ 341,431</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Advance from central treasury	\$	\$	\$
Due to other funds			
Advances from other funds			
Deferred revenue	<u>285,397</u>	<u>145,678</u>	<u>229,430</u>
Total liabilities	<u>285,397</u>	<u>145,678</u>	<u>229,430</u>
Fund balances (deficit)			
Reserved for debt service	118,471	40,284	112,001
Unreserved	<u> </u>	<u> </u>	<u> </u>
Total fund balance (deficit)	<u>118,471</u>	<u>40,284</u>	<u>112,001</u>
Total liabilities and fund balances	<u>\$ 403,868</u>	<u>\$ 185,962</u>	<u>\$ 341,431</u>

Exhibit C-1

Paving Bonds	1988 Overlook Sewer Improvement Bond	Gas Assessment Districts Bonds	Bond Guarantee Fund	Totals (Memorandum Only)	
				1996	1995
\$ 192,302	\$	\$ 71,429	\$ 150,063	\$ 662,532	\$ 622,348
			24,432	24,432	45,550
560,372	51,259	25,160		1,305,629	1,617,063
				13,685	12,856
<u>\$ 752,674</u>	<u>\$ 51,259</u>	<u>\$ 96,589</u>	<u>\$ 174,495</u>	<u>\$ 2,006,278</u>	<u>\$ 2,297,817</u>
\$	\$ 66	\$	\$	\$ 66	\$
	24,432			24,432	46,183
35,651			155,469	191,120	169,295
560,372	51,259	25,160		1,297,296	1,608,730
<u>596,023</u>	<u>75,757</u>	<u>25,160</u>	<u>155,469</u>	<u>1,512,914</u>	<u>1,824,208</u>
156,651		71,429	19,026	517,862	509,306
	(24,498)			(24,498)	(35,697)
<u>156,651</u>	<u>(24,498)</u>	<u>71,429</u>	<u>19,026</u>	<u>493,364</u>	<u>473,609</u>
<u>\$ 752,674</u>	<u>\$ 51,259</u>	<u>\$ 96,589</u>	<u>\$ 174,495</u>	<u>\$ 2,006,278</u>	<u>\$ 2,297,817</u>

CITY OF WASILLA, ALASKA

DEBT SERVICE FUNDS

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

Year Ended June 30, 1996
With Comparative Totals for 1996

	1982 Original Water Bond	1986 Southside Water District Bond	1987 Sewer Improvement Bond
Revenues			
Special assessments	\$ 23,712	\$ 21,354	\$ 35,302
Central treasury and cash interest	4,470	1,394	3,658
Free main allowances	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 28,182</u>	<u>\$ 22,748</u>	<u>\$ 38,960</u>
Expenditures			
Debit service			
Principal		5,160	5,400
Interest		<u>12,070</u>	<u>14,996</u>
Total expenditures		<u>17,230</u>	<u>20,396</u>
Excess (deficiency) of revenues over expenditures	<u>28,182</u>	<u>5,518</u>	<u>18,564</u>
Other financing sources (uses)			
Operating transfers in			
Operating transfers out	<u>(31,492)</u>	<u> </u>	<u> </u>
Net other financing sources (uses)	<u>(31,492)</u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures and other financing uses	(3,310)	5,518	18,564
Fund balances (deficit), July 1	121,781	34,766	93,437
Residual equity transfer out	<u> </u>	<u> </u>	<u> </u>
Fund balances (deficit), June 30	<u>\$ 118,471</u>	<u>\$ 40,284</u>	<u>\$ 112,001</u>

Paving Bonds	1988 Overlook Sewer Improvement Bond	Gas Assessment Districts Bonds	Bond Guarantee Fund	Totals (Memorandum Only)	
				1996	1995
\$ 251,110	\$ 46,166	\$ 29,614	\$	\$ 407,258	\$ 303,141
11,548	599	2,220	3,605	27,494	26,395
		3,525		3,525	2,708
<u>\$ 262,658</u>	<u>\$ 46,765</u>	<u>\$ 35,359</u>	<u>\$ 3,605</u>	<u>\$ 438,277</u>	<u>\$ 332,244</u>
255,560	29,000	18,845		313,965	109,623
41,012	6,566	1,776		76,420	70,352
<u>296,572</u>	<u>35,566</u>	<u>20,621</u>		<u>390,385</u>	<u>179,975</u>
(33,914)	11,199	14,738	3,605	47,892	152,269
4,155				4,155	
(800)				(32,292)	(31,627)
<u>3,355</u>				<u>(28,137)</u>	<u>(31,627)</u>
(30,559)	11,199	14,738	3,605	19,755	120,642
187,210	(35,697)	56,691	15,421	473,609	355,218
					(2,251)
<u>\$ 156,651</u>	<u>\$ (24,498)</u>	<u>\$ 71,429</u>	<u>\$ 19,026</u>	<u>\$ 493,364</u>	<u>\$ 473,609</u>

CITY OF WASILLA, ALASKA

1982 ORIGINAL WATER BOND DEBT SERVICE FUND

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special assessments	\$ 28,242	\$ 23,712	\$ (4,530)
Central treasury and cash funds interest	<u>3,250</u>	<u>4,470</u>	<u>1,220</u>
Total revenues	31,492	28,182	(3,310)
Expenditures			
Excess of revenues over expenditures	31,492	28,182	(3,310)
Other financing uses			
Operating transfers out	<u>(31,492)</u>	<u>(31,492)</u>	
Deficiency of revenues over expenditures and other financing uses	<u>\$</u>	(3,310)	<u>\$ (3,310)</u>
Fund balance, July 1		<u>121,781</u>	
Fund balance, June 30		<u>\$ 118,471</u>	

CITY OF WASILLA, ALASKA

1986 SOUTHSIDE WATER DISTRICT BOND DEBT SERVICE FUND

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Special assessments	\$ 15,989	\$ 21,354	\$ 5,365
Central treasury and cash funds interest	<u>700</u>	<u>1,394</u>	<u>694</u>
Total revenues	<u>16,689</u>	<u>22,748</u>	<u>6,059</u>
Expenditures			
Debt service			
Principle	5,160	5,160	
Interest	<u>12,080</u>	<u>12,070</u>	<u>10</u>
Total expenditures	<u>17,240</u>	<u>17,230</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (551)</u>	5,518	<u>\$ 6,069</u>
Fund balance, July 1		<u>34,766</u>	
Fund balance, June 30		<u>\$ 40,284</u>	

CITY OF WASILLA, ALASKA

1987 SEWER IMPROVEMENT BOND DEBT SERVICE FUND

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special assessments	\$ 19,446	\$ 35,302	\$ 15,856
Central treasury and cash funds interest	<u>950</u>	<u>3,658</u>	<u>2,708</u>
Total revenues	<u>20,396</u>	<u>38,960</u>	<u>18,564</u>
Expenditures			
Debt service			
Principle	5,400	5,400	
Interest	<u>14,996</u>	<u>14,996</u>	
Total expenditures	<u>20,396</u>	<u>20,396</u>	
Excess of revenues over expenditures	<u>\$</u>	18,564	<u>\$ 18,564</u>
Fund balance, July 1		<u>93,437</u>	
Fund balance, June 30		<u>\$ 112,001</u>	

CITY OF WASILLA, ALASKA

PAVING BONDS DEBT SERVICE FUND

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Special assessments	\$ 95,560	\$ 251,110	\$ 155,550
Central treasury and cash funds interest	<u>5,700</u>	<u>11,548</u>	<u>5,848</u>
Total revenues	<u>101,260</u>	<u>262,658</u>	<u>161,398</u>
Expenditures			
Debt service			
Principle	255,560	255,560	
Interest	<u>41,034</u>	<u>41,012</u>	<u>22</u>
Total expenditures	<u>296,594</u>	<u>296,572</u>	<u>22</u>
Deficiency of revenues over expenditures	<u>(195,334)</u>	<u>(33,914)</u>	<u>161,420</u>
Other financing sources (uses)			
Operating transfers in		4,155	4,155
Operating transfers out		<u>(800)</u>	<u>(800)</u>
Net other financing sources		<u>3,355</u>	<u>3,355</u>
Deficiency of revenues over expenditures and other financing sources	<u>\$ (195,334)</u>	<u>(30,559)</u>	<u>\$ 164,775</u>
Fund balance, July 1		<u>187,210</u>	
Fund balance, June 30		<u>\$ 156,651</u>	

CITY OF WASILLA, ALASKA

1988 OVERLOOK SEWER IMPROVEMENT BOND DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND DEFICIT -
BUDGET AND ACTUAL

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special assessments	\$ 27,719	\$ 46,166	\$ 18,447
Central treasury and cash funds interest	<u>100</u>	<u>599</u>	<u>499</u>
Total revenues	<u>27,819</u>	<u>46,765</u>	<u>18,946</u>
Expenditures			
Debt service			
Principle	29,000	29,000	
Interest	<u>5,307</u>	<u>6,566</u>	<u>(1,259)</u>
Total expenditures	<u>34,307</u>	<u>35,566</u>	<u>(1,259)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (6,488)</u>	11,199	<u>\$ 17,687</u>
Fund deficit, July 1		<u>(35,697)</u>	
Fund deficit, June 30		<u>\$ (24,498)</u>	

CITY OF WASILLA, ALASKA

GAS ASSESSMENT DISTRICTS BONDS DEBT SERVICE FUND

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Special assessments	\$ 19,873	\$ 29,614	\$ 9,741
Central treasury and cash funds interest	1,200	2,220	1,020
Free main allowances		<u>3,525</u>	<u>3,525</u>
Total revenues	<u>21,073</u>	<u>35,359</u>	<u>14,286</u>
Expenditures			
Debt service			
Principle	18,845	18,845	
Interest	<u>1,753</u>	<u>1,776</u>	<u>(23)</u>
Total expenditures	<u>20,598</u>	<u>20,621</u>	<u>(23)</u>
Excess of revenues over expenditures	<u>\$ 475</u>	14,738	<u>\$ 14,263</u>
Fund balance, July 1		<u>56,691</u>	
Fund balance, June 30		<u>\$ 71,429</u>	

CITY OF WASILLA, ALASKA

BOND GUARANTEE DEBT SERVICE FUND

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

Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Special assessments	\$ _____	\$ 3,605	\$ 3,605
Total revenues		3,605	3,605
Expenditures	_____	_____	_____
Excess of revenues over expenditures	\$ _____	3,605	\$ 3,605
Fund balance, July 1		<u>15,421</u>	
Fund balance, June 30		<u>\$ 19,026</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 1995

<u>ASSETS</u>	Miscellaneous Projects and Road and Street <u>Improvements</u>	Vehicle <u>Replacement</u>
Equity in central treasury and cash funds	\$ 1,034,662	\$ 264,386
Grants receivable	50,109	
Accrued interest	<u>14,046</u>	<u>2,784</u>
 Total assets	 <u>\$ 1,098,817</u>	 <u>\$ 267,170</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Advance from central treasury	\$	\$
Accounts payable	17,447	
Retainages payable	54,787	
Due to other funds		
Deferred revenue	<u>32,519</u>	<u> </u>
 Total liabilities	 <u>104,753</u>	 <u> </u>
 Fund balances		
Reserved for encumbrances	144,129	
Unreserved		
Designated for subsequent years' expenditures		145,500
Undesignated	<u>849,935</u>	<u>121,670</u>
 Total fund balances	 <u>994,064</u>	 <u>267,170</u>
 Total liabilities and fund balances	 <u>\$ 1,098,817</u>	 <u>\$ 267,170</u>

Water Plant Construction	Right-of-Way Acquisition	Sewer Plant Construction	Totals (Memorandum Only)	
			1996	1995
\$ 872	\$ 35,966	\$ 419,610	\$ 1,754,624	\$ 2,119,338
		\$ 56,281	\$ 107,262	\$ 92,585
		8,098	24,928	17,800
<u>\$ 872</u>	<u>\$ 35,966</u>	<u>\$ 483,989</u>	<u>\$ 1,886,814</u>	<u>\$ 2,229,723</u>
\$ 93,639	\$	\$ 344,587	\$ 93,639	\$ 419,529
			362,034	42,400
			54,787	25,357
			32,519	40,519
<u>93,639</u>		<u>344,587</u>	<u>542,979</u>	<u>527,805</u>
			144,129	29,478
			145,500	454,964
<u>(92,767)</u>	<u>35,966</u>	<u>139,402</u>	<u>1,054,206</u>	<u>1,217,476</u>
<u>(92,767)</u>	<u>35,966</u>	<u>139,402</u>	<u>1,343,835</u>	<u>1,701,918</u>
<u>\$ 872</u>	<u>\$ 35,966</u>	<u>\$ 483,989</u>	<u>\$ 1,886,814</u>	<u>\$ 2,229,723</u>

CITY OF WASILLA, ALASKA

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 1996
With Comparative Totals for 1995

	Miscellaneous Projects and Road and Street <u>Improvements</u>	Vehicle <u>Replacement</u>
Revenues		
State of Alaska	\$ 219,095	\$
Interest	41,529	11,969
Other	<u>24,268</u>	<u>20,000</u>
	<u>284,892</u>	<u>31,969</u>
Expenditures		
Capital project expenditures	<u>1,979,137</u>	<u>73,473</u>
Excess (deficiency) of revenues over expenditures	<u>(1,694,245)</u>	<u>(41,504)</u>
Other financing sources (uses)		
Bond proceeds	261,942	
Operating transfers in	1,133,613	118,000
Operating transfers out	<u>(4,155)</u>	<u>(7,250)</u>
Net other financing sources (uses)	<u>1,391,400</u>	<u>110,750</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(302,845)	69,246
Fund balances, July 1	<u>1,296,909</u>	<u>197,924</u>
Fund balances (deficit), June 30	<u>\$ 994,064</u>	<u>\$ 267,170</u>

Water Plant Construction	Right-of-Way Acquisition	Sewer Plant Construction	Totals (Memorandum Only)	
			1996	1995
\$ 1,022	\$ 1,196	\$ 75,036 27,719	\$ 294,131 83,435 44,268	\$ 406,101 80,735 29,090
<u>1,022</u>	<u>1,196</u>	<u>102,755</u>	<u>421,834</u>	<u>515,926</u>
<u>171,679</u>	<u>15,237</u>	<u>69,962</u>	<u>2,309,488</u>	<u>1,663,337</u>
<u>(170,657)</u>	<u>(14,041)</u>	<u>32,793</u>	<u>(1,887,654)</u>	<u>(1,147,411)</u>
15,746	5,000	6,675	261,942 1,279,034 (11,405)	159,560 1,293,950
<u>15,746</u>	<u>5,000</u>	<u>6,675</u>	<u>1,529,571</u>	<u>1,453,510</u>
(154,911)	(9,041)	39,468	(358,083)	306,099
<u>62,144</u>	<u>45,007</u>	<u>99,934</u>	<u>1,701,918</u>	<u>1,395,819</u>
<u>\$ (92,767)</u>	<u>\$ 35,966</u>	<u>\$ 139,402</u>	<u>\$ 1,343,835</u>	<u>\$ 1,701,918</u>

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ENTERPRISE FUNDS

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

CITY OF WASILLA, ALASKA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET

June 30, 1996

With Comparative Totals for June 30, 1995

ASSETS	Sewer -	Water	Municipal	Totals (Memorandum Only)	
	Utility	Utility	Airport	1996	1995
Current assets					
Equity in central treasury and cash funds	\$	\$ 631,750		\$ 631,750	\$ 608,325
Accounts receivable					
Trade, less allowance for doubtful accounts 1996, \$8,000	32,387	41,270	1,288	74,945	68,031
Other	2,763			2,763	2,145
Accrued interest receivable	56	7,947		8,003	5,214
Notes receivable - current portion	80,036			80,036	9,659
Inventory	65,179	13,373		78,552	53,973
 Total current assets	 180,421	 694,340	 1,288	 876,049	 747,347
Notes receivable - less current portion	55,625			55,625	35,605
Property, plant and equipment					
Treatment system	4,475,623			4,475,623	4,475,623
Collection/distribution system	7,566,466	4,424,420		11,990,886	11,780,655
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	2,546,506			2,546,506	2,416,271
Equipment	1,934,284	52,595	208,154	2,195,033	2,182,780
Land	657,810	149,170	1,470,000	2,276,980	2,276,980
Land improvements			4,087,753	4,087,753	4,087,753
Construction in process	35,003	6,293		41,296	40,935
	17,215,692	7,241,729	5,765,907	30,223,328	29,870,248
Less accumulated depreciation	4,282,954	1,718,911	890,220	6,892,085	6,194,170
 Net property, plant and equipment	 12,932,738	 5,522,818	 4,875,687	 23,331,243	 23,676,078
Deferred charge		16,393		16,393	16,837
 Total assets	 \$ 13,168,784	 \$ 6,233,551	 \$ 4,876,975	 \$ 24,279,310	 \$ 24,475,867

LIABILITIES AND FUND EQUITY	Sewer	Water	Municipal	Totals	
	Utility	Utility	Airport	(Memorandum Only)	
				1996	1995
Current liabilities					
Advance from treasury	\$ 185,213		\$ 1,050	\$ 186,263	\$ 98,447
Accounts payable	2,422	7,966	180	10,568	31,157
Due to other funds	4,159			4,159	8,951
Revenue billed in advance	29,511			29,511	27,082
Accrued annual and sick leave	7,021	7,789	669	15,479	14,562
Customer deposits	9,533			9,533	8,198
Other		6,100		6,100	5,150
Total current liabilities	237,859	21,855	1,899	261,613	193,547
Advances from other funds					4,158
Fund equity					
Contributions in aid of construction					
Grants	15,814,326	4,988,894	5,765,253	26,568,473	26,501,909
Less accumulated amortization	4,071,046	1,234,918	890,177	6,196,141	5,549,499
	11,743,280	3,753,976	4,875,076	20,372,332	20,952,410
Other	1,362,490	2,047,994		3,410,484	3,125,929
	13,105,770	5,801,970	4,875,076	23,782,816	24,078,339
Retained earnings (accumulated deficit)	(174,845)	409,726		234,881	199,823
Total fund equity	12,930,925	6,211,696	4,875,076	24,017,697	24,278,162
Total liabilities and fund equity	\$ 13,168,784	\$ 6,233,551	\$ 4,876,975	\$ 24,279,310	\$ 24,475,867

CITY OF WASILLA, ALASKA

ENTERPRISE FUNDS

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

Year Ended June 30, 1996
With Comparative Totals for June 30, 1995

	Sewer Utility	Water Utility	Municipal Airport	Totals (Memorandum Only)	
				1996	1995
Operating revenues					
Sales and user charges	\$ 316,809	\$ 294,920	\$	\$ 611,729	\$ 537,436
Fees and rentals			14,517	14,517	17,302
Connections	1,073	836		1,909	359
Meters		2,503		2,503	1,504
Other	7,204	8,136		15,340	24,920
Total operating revenues	325,086	306,395	14,517	645,998	581,521
Operating expenses					
Salaries and fringe benefits	161,920	158,557	8,173	328,650	342,121
Operations	8,924			8,924	9,758
Utilities	32,538	25,774	3,600	61,912	64,289
Outside services	6,348	29,143	7,660	43,151	54,607
Insurance	8,255	3,549	7,825	19,629	17,479
Materials and supplies	18,459	19,776	787	39,022	43,198
Maintenance and repair	2,729	32,970	1,817	37,516	25,808
Rent	3,501	5,330		8,831	8,831
Transportation	5,190			5,190	15,370
Contingency			4,501	4,501	4,885
Other	84,934	45,850	1,935	132,719	52,704
Total operating expenses before depreciation	332,798	320,949	36,298	690,045	639,050
Operating loss before depreciation	(7,712)	(14,554)	(21,781)	(44,047)	(57,529)
Depreciation	333,481	139,253	225,181	697,915	649,208
Operating loss	(341,193)	(153,807)	(246,962)	(741,962)	(706,737)

	Sewer Utility	Water Utility	Municipal Airport	Totals (Memorandum Only)	
				1996	1995
Nonoperating revenues					
Payments in lieu of assessments	\$	\$ 27,136	\$	\$ 27,136	\$ 16,517
Interest income	<u>3,522</u>	<u>29,896</u>	<u>317</u>	<u>33,735</u>	<u>33,334</u>
Total nonoperating revenues	<u>3,522</u>	<u>57,032</u>	<u>317</u>	<u>60,871</u>	<u>49,851</u>
Net loss before operating transfers	(337,671)	(96,775)	(246,645)	(681,091)	(656,886)
Operating transfers in					
General fund	<u>48,000</u>		<u>21,507</u>	<u>69,507</u>	<u>27,051</u>
Net loss	(289,671)	(96,775)	(225,138)	(611,584)	(629,835)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>322,164</u>	<u>99,340</u>	<u>225,138</u>	<u>646,642</u>	<u>595,207</u>
Change in retained earnings (accumulated deficit)	32,493	2,565		35,058	(34,628)
Retained earnings (accumulated deficit), July 1	<u>(207,338)</u>	<u>407,161</u>		<u>199,823</u>	<u>234,451</u>
Retained earnings (accumulated deficit), June 30	\$ <u>(174,845)</u>	\$ <u>409,726</u>	\$	\$ <u>234,881</u>	\$ <u>199,823</u>

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CITY OF WASILLA, ALASKA

ENTERPRISE FUNDS

COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended June 30, 1996 and 1995

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</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 acquisitions and construction	<u>(271,270)</u>	<u>(98,799)</u>	<u>(225,138)</u>	<u>(595,207)</u>
Balance, June 30, 1995	13,259,538	5,718,587	5,100,214	24,078,339
Contributions received for 1996	168,396	182,723		351,119
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(322,164)</u>	<u>(99,340)</u>	<u>(225,138)</u>	<u>(646,642)</u>
Balance, June 30, 1996	<u>\$ 13,105,770</u>	<u>\$ 5,801,970</u>	<u>\$ 4,875,076</u>	<u>\$ 23,782,816</u>

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

Year Ended June 30, 1996
 With Comparative Totals for 1995

Increase (Decrease) in Cash and Equivalents	Sewer Utility	Water Utility	Municipal Airport	Totals (Memorandum Only)	
				1996	1995
Cash flows from operating activities					
Cash received from customers	\$ 312,744	\$ 296,251	\$ 14,053	\$ 623,048	\$ 551,110
Cash payments to suppliers for goods and services	(201,201)	(174,096)	(30,822)	(406,119)	(313,493)
Cash payments to employees for services	(161,173)	(158,190)	(8,370)	(327,733)	(338,697)
Other operating revenues	7,204	8,136		15,340	24,169
Net cash used in operating activities	(42,426)	(27,899)	(25,139)	(95,464)	(76,911)
Cash flows from noncapital financing activities					
Operating transfers in	48,000		21,507	69,507	27,051
Net advances received from central treasury	86,766		1,050	87,816	57,982
Payment on advances from other funds	(4,158)			(4,158)	(11,494)
Net cash provided by noncapital financing activities	130,608		22,557	153,165	73,539
Cash flows from capital and related financing activities					
Receipts from special assessments and payments in lieu of assessments		27,136		27,136	16,517
Acquisition and construction of capital assets	(1,307)		(654)	(1,961)	(12,305)
Net cash provided by (used in) capital and related financing activities	(1,307)	27,136	(654)	25,175	4,212
Cash flows from investing activities					
Interest on central treasury and cash funds	3,522	15,531	317	19,370	21,494
Issuance of notes receivable	(97,625)			(97,625)	(8,000)
Principal payments received on notes receivable	7,228			7,228	6,890
Net cash provided by (used in) investing activities	(86,875)	15,531	317	(71,027)	20,384
Net increase (decrease) in cash and cash equivalents		14,768	(2,919)	11,849	21,224
Cash and cash equivalents					
Beginning of year		362,867	2,919	365,786	344,562
End of year	\$	\$ 377,635	\$	\$ 377,635	\$ 365,786
Reconciliation of Cash and Cash Equivalents to the Balance Sheet					
Equity in central treasury and cash funds per the balance sheet	\$	\$ 631,750	\$	\$ 631,750	\$ 608,325
Less: Investments not meeting the definition of cash equivalents		254,115		254,115	242,539
Cash and cash equivalents at end of year	\$	\$ 377,635	\$	\$ 377,635	\$ 365,786

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	Sewer Utility	Water Utility	Municipal Airport	Totals	
				(Memorandum Only)	
				1996	1995
Operating loss	\$ (341,193)	\$ (153,807)	\$ (246,962)	\$ (741,962)	\$ (706,737)
Adjustments to reconcile operating loss to net cash used in operating activities					
Depreciation	333,481	139,253	225,181	697,915	649,208
Noncash operating expense					753
Amortization		444		444	319
(Increase) decrease in assets					
Accounts receivable - trade	(3,492)	(2,958)	(464)	(6,914)	(16,131)
Accounts receivable - other	(618)			(618)	(515)
Inventory	(19,949)	(4,630)		(24,579)	(29,369)
Increase (decrease) in liabilities					
Accounts payable	(10,374)	(7,518)	(2,697)	(20,589)	14,658
Due to other funds	(4,792)			(4,792)	1,982
Revenue billed in advance	2,429			2,429	5,310
Accrued annual and sick leave	747	367	(197)	917	499
Customer deposits	1,335			1,335	(1,338)
Other		950		950	4,450
Total adjustments	298,767	125,908	221,823	646,498	629,825
Net cash used in operating activities	\$ (42,425)	\$ (27,899)	\$ (25,139)	\$ (95,464)	\$ (76,911)

Noncash Capital and Related Financing Activities

During 1996 and 1995, the City of Wasilla received \$66,564 and \$55,343, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$101,832 and \$49,187 in private and general government contributions in 1996 and 1995, respectively. The water utility received \$182,723 and \$26,062 in private and general government contributions in 1996 and 1995, respectively. The utilities recorded the contributions as contributed capital and fixed assets.

CITY OF WASILLA, ALASKA
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Current assets		
Accounts receivable		
Trade, less allowance for doubtful accounts 1996, \$4,000	\$ 32,387	\$ 28,895
Other	2,763	2,145
Accrued interest receivable	56	56
Notes receivable, current portion	80,036	9,659
Inventory	<u>65,179</u>	<u>45,230</u>
Total current assets	<u>180,421</u>	<u>85,985</u>
Notes receivable, less current portion	<u>55,625</u>	<u>35,605</u>
Property, plant and equipment		
Treatment system	4,475,623	4,475,623
Collection system	7,566,466	7,538,250
Other plant in service	2,546,506	2,416,271
Equipment	1,934,284	1,933,728
Land	657,810	657,810
Construction	<u>35,003</u>	<u>24,307</u>
	17,215,692	17,045,989
Less accumulated depreciation	<u>4,282,954</u>	<u>3,949,473</u>
Net property, plant and equipment	<u>12,932,738</u>	<u>13,096,516</u>
Total assets	<u>\$ 13,168,784</u>	<u>\$ 13,218,106</u>

<u>LIABILITIES AND FUND EQUITY</u>	<u>1996</u>	<u>1995</u>
Current liabilities		
Advance from central treasury	\$ 185,213	\$ 98,447
Accounts payable	2,422	12,796
Due to other funds	4,159	8,951
Revenue billed in advance	29,511	27,082
Accrued annual and sick leave	7,021	6,274
Customer deposits	<u>9,533</u>	<u>8,198</u>
 Total current liabilities	 <u>237,859</u>	 <u>161,748</u>
 Advances from other funds	 <u> </u>	 <u>4,158</u>
 Fund equity		
Contributions in aid of construction		
Grants	15,814,326	15,747,762
Less accumulated amortization	<u>4,071,046</u>	<u>3,748,882</u>
	11,743,280	11,998,880
 Other	 <u>1,362,490</u>	 <u>1,260,658</u>
	13,105,770	13,259,538
 Accumulated deficit	 <u>(174,845)</u>	 <u>(207,338)</u>
 Total fund equity	 <u>12,930,925</u>	 <u>13,052,200</u>
 Total liabilities and fund equity	 <u>\$ 13,168,784</u>	 <u>\$ 13,218,106</u>

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues		
Sales and user charges	\$ 316,809	\$ 255,862
Connections	1,073	
Other	<u>7,204</u>	<u>16,722</u>
Total operating revenues	<u>325,086</u>	<u>272,584</u>
Operating expenses		
Salaries and fringe benefits	161,920	167,174
Operations	8,924	9,758
Utilities	32,538	32,973
Outside services	6,348	7,291
Insurance	8,255	7,460
Materials and supplies	18,459	7,429
Maintenance	2,729	9,398
Rent	3,501	3,501
Transportation	5,190	15,370
Other	<u>84,934</u>	<u>36,241</u>
Total operating expenses before depreciation	<u>332,798</u>	<u>296,595</u>
Operating loss before depreciation	(7,712)	(24,011)
Depreciation	<u>333,481</u>	<u>287,580</u>
Operating loss	(341,193)	(311,591)
Nonoperating revenues		
Interest income	<u>3,522</u>	<u>3,360</u>
Net loss before operating transfers	(337,671)	(308,231)
Operating transfers in		
General fund	<u>48,000</u>	<u> </u>
Net loss	(289,671)	(308,231)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>322,164</u>	<u>271,270</u>
Change in accumulated deficit	32,493	(36,961)
Accumulated deficit, July 1	<u>(207,338)</u>	<u>(170,377)</u>
Accumulated deficit, June 30	<u>\$ (174,845)</u>	<u>\$ (207,338)</u>

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL

Year Ended June 30, 1996 and 1995

	<u>Contributed Capital</u>		<u>Total Contributed Capital</u>
	<u>Capital Grants</u>	<u>Other</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	11,998,880	1,260,658	13,259,538
Contributions received for 1996	66,564	101,832	168,396
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(322,164)</u>	<u> </u>	<u>(322,164)</u>
Balance, June 30, 1996	<u>\$ 11,743,280</u>	<u>\$ 1,362,490</u>	<u>\$ 13,105,770</u>

CITY OF WASILLA, ALASKA

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Increase in Cash and Cash Equivalents		
Cash flows from operating activities		
Cash received from customers	\$ 312,744	\$ 252,743
Cash payments to suppliers for goods and services	(201,201)	(149,261)
Cash payments to employees for services	(161,173)	(167,451)
Other operating revenues	<u>7,204</u>	<u>15,971</u>
Net cash used in operating activities	<u>(42,426)</u>	<u>(47,998)</u>
Cash flows from noncapital financing activities		
Net advances received from central treasury	86,766	57,982
Payment on advances from other funds	(4,158)	(11,494)
Operating transfers in	<u>48,000</u>	<u> </u>
Net cash provided by noncapital financing activities	<u>130,608</u>	<u>46,488</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	<u>(1,307)</u>	<u>(740)</u>
Cash flows from investing activities		
Interest on central treasury and cash funds	3,522	3,360
Issuance of notes receivable	(97,625)	(8,000)
Principal payments received on notes receivable	<u>7,228</u>	<u>6,890</u>
Net cash provided by (used in) investing activities	<u>(86,875)</u>	<u>2,250</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>

Reconciliation of Operating Loss to Net Cash
Used in Operating Activities

	<u>1996</u>	<u>1995</u>
Operating loss	\$ (341,193)	\$ (311,591)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	333,481	287,580
Noncash operating expense		753
(Increase) decrease in assets		
Accounts receivable - trade	(3,492)	(9,309)
Accounts receivable - other	(618)	(515)
Inventory	(19,949)	(29,463)
Increase (decrease) in liabilities		
Accounts payable	(10,374)	8,870
Due to other funds	(4,792)	1,982
Revenue billed in advance	2,429	5,310
Accrued annual and sick leave	747	(277)
Customer deposits	1,335	(1,338)
Total adjustments	<u>298,767</u>	<u>263,593</u>
Net cash used in operating activities	<u>\$ (42,426)</u>	<u>\$ (47,998)</u>

Noncash Capital and Related Financing Activities

During 1996 and 1995, the City of Wasilla received \$66,564 and \$55,343, respectively, of capital grants which were contributed to the sewer utility. The sewer utility received \$101,832 and \$49,187 in private and general government contributions in 1996 and 1995, respectively. The utility recorded the contributions as contributed capital and fixed assets.

CITY OF WASILLA, ALASKA
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Current assets		
Equity in central treasury and cash funds	\$ 631,750	\$ 605,406
Accounts receivable - trade, less allowance for doubtful accounts 1996, \$4,000	41,270	38,312
Accrued interest receivable	7,947	5,158
Inventory	<u>13,373</u>	<u>8,743</u>
 Total current assets	 <u>694,340</u>	 <u>657,619</u>
 Property, plant and equipment		
Collection/distribution	4,424,420	4,242,405
Water tank and fence	2,337,975	2,337,975
Wells/well house	271,276	271,276
Equipment	52,595	41,552
Land	149,170	149,170
Construction in progress	<u>6,293</u>	<u>16,628</u>
	7,241,729	7,059,006
 Less accumulated depreciation	 <u>1,718,911</u>	 <u>1,579,658</u>
 Net property, plant and equipment	 <u>5,522,818</u>	 <u>5,479,348</u>
 Deferred charge	 <u>16,393</u>	 <u>16,837</u>
 Total assets	 <u>\$ 6,233,551</u>	 <u>\$ 6,153,804</u>

<u>LIABILITIES AND FUND EQUITY</u>	<u>1996</u>	<u>1995</u>
Current liabilities		
Accounts payable	\$ 7,966	\$ 15,484
Accrued annual and sick leave	7,789	7,422
Other	<u>6,100</u>	<u>5,150</u>
Total current liabilities	<u>21,855</u>	<u>28,056</u>
Fund equity		
Contributions in aid of construction		
Grants	4,988,894	4,988,894
Less accumulated amortization	<u>1,234,918</u>	<u>1,135,578</u>
	3,753,976	3,853,316
Other	<u>2,047,994</u>	<u>1,865,271</u>
	5,801,970	5,718,587
Retained earnings	<u>409,726</u>	<u>407,161</u>
Total fund equity	<u>6,211,696</u>	<u>6,125,748</u>
Total liabilities and fund equity	<u>\$ 6,233,551</u>	<u>\$ 6,153,804</u>

CITY OF WASILLA, ALASKA

WATER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues		
Metered sales	\$ 294,920	\$ 281,574
Connections	836	359
Meters	2,503	1,504
Other	<u>8,136</u>	<u>8,198</u>
Total operating revenues	<u>306,395</u>	<u>291,635</u>
Operating expenses		
Salaries and fringe benefits	158,557	163,478
Utilities	25,774	27,954
Outside services	29,143	33,857
Insurance	3,549	3,199
Materials and supplies	19,776	33,667
Maintenance	32,970	15,751
Rent	5,330	5,330
Other	<u>45,850</u>	<u>14,561</u>
Total operating expenses	<u>320,949</u>	<u>297,797</u>
Operating income (loss) before depreciation	(14,554)	(6,162)
Depreciation	<u>139,253</u>	<u>136,490</u>
Operating loss	<u>(153,807)</u>	<u>(142,652)</u>
Nonoperating Revenues		
Payments in lieu of assessments	27,136	16,517
Interest income	<u>29,896</u>	<u>29,669</u>
Total nonoperating revenues	<u>57,032</u>	<u>46,186</u>
Net loss	(96,775)	(96,466)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>99,340</u>	<u>98,799</u>
Change in retained earnings	2,565	2,333
Retained earnings, July 1	<u>407,161</u>	<u>404,828</u>
Retained earnings, June 30	<u>\$ 409,726</u>	<u>\$ 407,161</u>

CITY OF WASILLA, ALASKA

WATER UTILITY FUND

COMPARATIVE SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL

Year Ended June 30, 1996 and 1995

	<u>Contributed Capital</u>		<u>Total Contributed Capital</u>
	<u>Capital Grants</u>	<u>Other</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	3,853,316	1,865,271	5,718,587
Contributions received for 1996		182,723	182,723
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(99,340)</u>	<u> </u>	<u>(99,340)</u>
Balance, June 30, 1996	<u>\$ 3,753,976</u>	<u>\$ 2,047,994</u>	<u>\$ 5,801,970</u>

CITY OF WASILLA, ALASKA

WATER UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash flow from operating activities		
Cash received from customers	\$ 296,251	\$ 281,889
Cash payments to suppliers for goods and services	(174,096)	(130,659)
Cash payments to employees for services	(158,190)	(163,003)
Other operating revenues	<u>8,136</u>	<u>8,198</u>
Net cash used in operating activities	<u>(27,899)</u>	<u>(3,575)</u>
Cash flows from capital and related financing activities		
Receipt from special assessments and payments in lieu of assessments	27,136	16,517
Acquisition and construction of capital assets		<u>(11,565)</u>
Net cash provided by capital and related financing activities	<u>27,136</u>	<u>4,952</u>
Cash flows from investing activities		
Interest on central treasury and cash funds	<u>15,531</u>	<u>17,829</u>
Net increase in cash and cash equivalents	14,768	19,206
Cash and cash equivalents		
Beginning of year	<u>362,867</u>	<u>343,661</u>
End of year	<u>\$ 377,635</u>	<u>\$ 362,867</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet		
Equity in central treasury and cash funds per the balance sheet	\$ 631,750	\$ 605,406
Less: Investments not meeting the definition of cash equivalents	<u>254,115</u>	<u>242,539</u>
Cash and cash equivalents at end of year	<u>\$ 377,635</u>	<u>\$ 362,867</u>

Reconciliation of Operating Loss to Net Cash
Used in Operating Activities

	<u>1996</u>	<u>1995</u>
Operating loss	\$ (153,807)	\$ (142,652)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	139,253	136,490
Amortization	444	319
(Increase) decrease in assets		
Accounts receivable - trade	(2,958)	(5,998)
Inventory	(4,630)	94
Increase (decrease) in liabilities		
Accounts payable	(7,518)	3,247
Accrued annual and sick leave	367	475
Other	950	4,450
Total adjustments	<u>125,908</u>	<u>139,077</u>
Net cash used in operating activities	<u>\$ (27,899)</u>	<u>\$ (3,575)</u>

Noncash Capital and Related Financing Activities

During 1996, the Water Utility Fund received \$182,723 in property, plant and equipment contributed by the general government. The Utility recorded the contribution as contributed capital and additions to fixed assets.

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.

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CITY OF WASILLA, ALASKA
MUNICIPAL AIRPORT FUND
COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Current assets		
Equity in central treasury and cash funds	\$	\$ 2,919
Accounts receivable - trade	1,288	824
	<u>1,288</u>	<u>3,743</u>
Total current assets		
Property, plant and equipment		
Equipment	208,154	207,500
Land	1,470,000	1,470,000
Land improvements	4,087,753	4,087,753
	5,765,907	5,765,253
Less accumulated depreciation	890,220	665,039
	<u>4,875,687</u>	<u>5,100,214</u>
Net property, plant and equipment		
	<u>4,875,687</u>	<u>5,100,214</u>
Total assets	\$ 4,876,975	\$ 5,103,957
<u>LIABILITIES AND FUND EQUITY</u>		
Current liabilities		
Advance from central treasury	\$ 1,050	\$
Accounts payable	180	2,877
Accrued annual and sick leave	669	866
	<u>1,899</u>	<u>3,743</u>
Total current liabilities		
	<u>1,899</u>	<u>3,743</u>
Fund equity		
Contributions in aid of construction		
Grants	5,765,253	5,765,253
Less accumulated amortization	890,177	665,039
	4,875,076	5,100,214
Retained earnings		
	<u>4,875,076</u>	<u>5,100,214</u>
Total fund equity		
	<u>4,875,076</u>	<u>5,100,214</u>
Total liabilities and fund equity	\$ 4,876,975	\$ 5,103,957

CITY OF WASILLA, ALASKA

MUNICIPAL AIRPORT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues		
Fees and rentals	\$ 14,517	\$ 17,302
Total operating revenues	<u>14,517</u>	<u>17,302</u>
Operating expenses		
Salaries and fringe benefits	8,173	11,469
Utilities	3,600	3,362
Outside services	7,660	13,459
Insurance	7,825	6,820
Materials and supplies	787	2,102
Contingency	4,501	4,885
Maintenance and repair	1,817	659
Other	<u>1,935</u>	<u>1,902</u>
Total operating expenses before depreciation	<u>36,298</u>	<u>44,658</u>
Operating loss before depreciation	(21,781)	(27,356)
Depreciation	<u>225,181</u>	<u>225,138</u>
Operating loss	<u>(246,962)</u>	<u>(252,494)</u>
Nonoperating revenues		
Interest income	<u>317</u>	<u>305</u>
Total nonoperating revenues	<u>317</u>	<u>305</u>
Net loss before operating transfers	(246,645)	(252,189)
Operating transfer in		
General fund	<u>21,507</u>	<u>27,051</u>
Net loss	(225,138)	(225,138)
Depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>225,138</u>	<u>225,138</u>
Retained earnings, July 1	<u> </u>	<u> </u>
Retained earnings, June 30	\$ <u> </u>	\$ <u> </u>

CITY OF WASILLA, ALASKA

MUNICIPAL AIRPORT FUND

COMPARATIVE SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL

Year Ended June 30, 1996 and 1995

	Contributed Capital
	<u>Capital</u>
	<u>Grants</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	5,100,214
Less, depreciation on plant assets acquired by grants restricted for capital acquisition and construction	<u>(225,138)</u>
Balance, June 30, 1996	<u>\$ 4,875,076</u>

CITY OF WASILLA, ALASKA

MUNICIPAL AIRPORT FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Cash received from customers	\$ 14,053	\$ 16,478
Cash payments to suppliers for goods and services	(30,822)	(33,573)
Cash payments to employees for services	(8,370)	(8,243)
Other operating revenues	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(25,139)</u>	<u>(25,338)</u>
Cash flows from noncapital financing activities		
Operating transfers in	21,507	27,051
Net advances received from central treasury	<u>1,050</u>	<u> </u>
Net cash provided by noncapital financing activities	<u>22,557</u>	<u>27,051</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	<u>(654)</u>	<u> </u>
Cash flows from investing activities		
Interest on central treasury and cash funds	<u>317</u>	<u>305</u>
Net increase (decrease) in cash and cash equivalents	(2,919)	2,018
Cash and cash equivalents		
Beginning of year	<u>2,919</u>	<u>901</u>
End of year	<u>\$ </u>	<u>\$ 2,919</u>

Reconciliation of Operating Loss to Net
Cash Used in Operating Activities

	<u>1996</u>	<u>1995</u>
Operating loss	<u>\$ (246,962)</u>	<u>\$ (252,494)</u>
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	225,181	225,138
(Increase) decrease in assets		
Accounts receivable - trade	(464)	(824)
Increase (decrease) in liabilities		
Accounts payable	(2,697)	2,541
Accrued annual and sick leave	<u>(197)</u>	<u>301</u>
Total adjustments	<u>221,823</u>	<u>227,156</u>
Net cash used in operating activities	<u>\$ (25,139)</u>	<u>\$ (25,338)</u>

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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 operations, 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.

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CITY OF WASILLA, ALASKA
 TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET
 Year Ended June 30, 1996
 With Comparative Totals for 1995

	Nonexpendable		Agency		Totals (Memorandum Only)					
	Trust	Cemetery	Pass Through	Deferred	1996	1995				
			Grant	Compensation						
<u>ASSETS</u>										
Equity in central treasury and cash funds	\$	67,993	\$		\$	67,993	\$	56,505		
Investments				136,361		136,361		86,356		
Accrued interest receivable		1,392				1,392		562		
Grants receivable				5,264		5,264		13,500		
Total assets	\$	69,385	\$	5,264	\$	136,361	\$	211,010	\$	156,923
<u>LIABILITIES AND FUND BALANCE</u>										
Deferred compensation benefits payable	\$		\$		\$	136,361	\$	136,361	\$	86,356
Accounts payable								6,750		
Advance from central treasury				5,264		5,264		6,750		
Total liabilities				5,264		136,361		141,625		99,856
Fund balance										
Reserved for investment		60,405				60,405		50,805		
Unreserved										
Designated for operations		8,980				8,980		6,262		
Total fund balance		69,385				69,385		57,067		
Total liabilities and fund balance	\$	69,385	\$	5,264	\$	136,361	\$	211,010	\$	156,923

CITY OF WASILLA, ALASKA
 CEMETERY
 NONEXPENDABLE TRUST FUND
 COMPARATIVE BALANCE SHEET

June 30, 1996 and 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Equity in central treasury and cash funds	\$ 67,993	\$ 56,505
Accrued interest receivable	<u>1,392</u>	<u>562</u>
 Total assets	 <u>\$ 69,385</u>	 <u>\$ 57,067</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Total liabilities	<u>\$</u>	<u>\$</u>
Fund balance		
Reserved for investment	60,405	50,805
Unreserved		
Designated for operations	<u>8,980</u>	<u>6,262</u>
 Total fund balance	 <u>69,385</u>	 <u>57,067</u>
 Total liabilities and fund balance	 <u>\$ 69,385</u>	 <u>\$ 57,067</u>

CITY OF WASILLA, ALASKA

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

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues		
Lot sales	\$ 9,600	\$ 4,350
Interest income	<u>2,718</u>	<u>2,677</u>
Total operating revenues	<u>12,318</u>	<u>7,027</u>
Expenses		
Net income	12,318	7,027
Fund balance, July 1	<u>57,067</u>	<u>50,040</u>
Fund balance, June 30	<u>\$ 69,385</u>	<u>\$ 57,067</u>

CITY OF WASILLA, ALASKA

CEMETERY
NONEXPENDABLE TRUST FUND

COMPARATIVE STATEMENT OF CASH FLOWS

Years Ended June 30, 1996 and 1995

Increase in Cash and Cash Equivalents	<u>1996</u>	<u>1995</u>
Cash flows from operating activities		
Cash received from customers	\$ 9,600	\$ 4,350
Interest on central treasury and cash funds	<u>1,041</u>	<u>1,299</u>
Cash provided by operating activities	<u>10,641</u>	<u>5,649</u>
Net increase in cash and cash equivalents	10,641	5,649
Cash and cash equivalents		
Beginning of year	<u>28,573</u>	<u>22,924</u>
End of year	<u>\$ 39,214</u>	<u>\$ 28,573</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet		
Equity in central treasury and cash funds per the balance sheet	\$ 67,993	\$ 56,505
Less: Investments not meeting the definition of cash equivalents	<u>28,779</u>	<u>27,932</u>
Cash and cash equivalents at end of year	<u>\$ 39,214</u>	<u>\$ 28,573</u>
Reconciliation of Operating Income to Cash Provided by Operating Activities		
Operating income	<u>\$ 12,318</u>	<u>\$ 7,027</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Interest received on investments not meeting the definition of cash equivalents	<u>1,677</u>	<u>1,378</u>
Net cash provided by operating activities	<u>\$ 10,641</u>	<u>\$ 5,649</u>

CITY OF WASILLA, ALASKA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

Year Ended June 30, 1996

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1996</u>
<u>ASSETS</u>				
Cash and investments	\$ 86,356	\$ 50,005	\$	\$ 136,361
Grants receivable	<u>13,500</u>	<u>6,324</u>	<u>14,560</u>	<u>5,264</u>
Total assets	<u>\$ 99,856</u>	<u>\$ 56,329</u>	<u>\$ 14,560</u>	<u>\$ 141,625</u>
<u>LIABILITIES</u>				
Advance from central treasury	\$ 6,750	\$ 6,324	\$ 7,810	\$ 5,264
Accounts payable	6,750	6,324	13,074	
Deferred compensation payable	<u>86,356</u>	<u>50,005</u>	<u></u>	<u>136,361</u>
Total liabilities	<u>\$ 99,856</u>	<u>\$ 62,653</u>	<u>\$ 20,884</u>	<u>\$ 141,625</u>

CITY OF WASILLA, ALASKA

PASS THROUGH GRANT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1996

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1996</u>
<u>ASSETS</u>				
Grants Receivable	\$ 13,500	\$ 6,324	\$ 14,560	\$ 5,264
 <u>LIABILITIES</u>				
Accounts payable	\$ 6,750	\$ 6,324	\$ 13,074	\$
Advance from central treasury	<u>6,750</u>	<u>6,324</u>	<u>7,810</u>	<u>5,264</u>
	<u>\$ 13,500</u>	<u>\$ 12,648</u>	<u>\$ 20,884</u>	<u>\$ 5,264</u>

CITY OF WASILLA, ALASKA

DEFERRED COMPENSATION AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
<u>ASSETS</u>				
Cash and investments	\$ 86,356	\$ 50,005	\$	\$ 136,361
 <u>LIABILITIES</u>				
Deferred compensation payable	\$ 86,356	\$ 50,005	\$	\$ 136,361

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STATISTICAL SECTION

CITY OF WASILLA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

FY	GENERAL GOVERNMENT	(4) POLICE	PUBLIC WORKS	(2) (3)			DEBT SERVICE	CAPITAL OUTLAY	ALLOCATION OF ADMINISTRATIVE EXPENDITURES TO OTHER FUNDS	TOTAL
				LIBRARY & YOUTH COURT	MUSEUM & RECREATION SERVICES					
1987	\$661,497	\$0	\$231,955	\$305,919	\$134,257	\$0	\$1,086,311	(\$292,481)	\$2,127,458	
1988	\$762,152	\$0	\$271,782	\$273,557	\$115,231	\$2,030,593	\$1,412,558	(\$40,723)	\$4,825,150	
1989	\$667,894	\$0	\$271,242	\$283,535	\$112,089	\$695,748	\$790,105	(\$39,325)	\$2,781,288	
1990	\$694,277	\$0	\$292,920	\$292,151	\$112,466	\$357,726	\$1,550,606	(\$56,612)	\$3,243,534	
1991	\$703,388	\$0	\$380,229	\$334,837	\$116,720	\$329,421	\$494,980	(\$39,770)	\$2,319,805	
1992	\$717,596	\$0	\$388,558	\$342,072	\$174,940	\$518,835	\$379,252	(\$41,576)	\$2,479,677	
1993	\$832,358	\$151,459	\$420,550	\$372,372	\$201,032	\$207,064	\$1,145,857	(\$51,970)	\$3,278,722	
1994	\$994,402	\$861,096	\$484,963	\$435,082	\$285,469	\$336,819	\$2,556,528	(\$44,295)	\$5,910,064	
1995	\$1,353,163	\$981,124	\$603,926	\$436,098	\$345,626	\$179,975	\$1,663,337	(\$44,709)	\$5,518,540	
1996	\$1,286,594	\$1,090,305	\$587,309	\$520,367	\$442,987	\$390,385	\$2,309,488	(\$45,247)	\$6,582,188	

(1) Includes all General, Capital Projects, Special Revenue and Debt Service Funds.

(2) Library is shown as a Special Revenue Fund as the expenditures are funded partly by the Mat-Su Borough

(3) Youth Court established in FY96

(4) Police Department established in FY93

CITY OF WASILLA
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

<u>FY</u>	<u>(2)</u> <u>TAXES</u>	<u>STATE</u> <u>SHARED</u> <u>REVENUES</u>	<u>OTHER</u> <u>GOVERNMENT</u> <u>FORFEITURES</u>	<u>PENALTIES</u> <u>FINES AND</u> <u>INTEREST</u>	<u>FEEs, PERMITS</u> <u>AND OTHER</u> <u>REVENUES</u>	<u>SPECIAL</u> <u>ASSESSMENTS</u>	<u>OTHER</u>	<u>TOTAL</u>
1987	\$244,776	\$4,197,740	\$3,353,769	\$3,737	\$138,742	\$126,686	\$9,456	\$8,111,328
1988	\$240,912	\$695,506	\$125,994	\$4,134	\$263,932	\$245,417	\$29,651	\$1,639,389
1989	\$467,940	\$1,056,806	\$333,733	\$4,799	\$192,163	\$302,625	\$34,825	\$2,429,707
1990	\$647,910	\$1,568,414	\$708,596	\$9,482	\$325,804	\$302,591	\$64,362	\$3,663,068
1991	\$620,564	\$772,100	\$303,571	\$9,849	\$259,094	\$230,820	\$102,653	\$2,336,958
1992	\$829,773	\$880,899	\$332,212	\$9,951	\$25,202	\$488,635	\$192,110	\$2,790,580
1993	\$2,094,933	\$1,334,508	\$280,690	\$5,520	\$42,585	\$245,685	\$164,297	\$4,205,494
1994	\$3,699,781	\$2,381,351	\$131,316	\$19,450	\$58,809	\$355,433	\$267,778	\$6,953,568
1995	\$4,252,607	\$955,571	\$282,216	\$53,297	\$107,130	\$303,141	\$343,432	\$6,341,645
1996	\$4,626,864	\$879,473	\$315,499	\$53,728	\$110,929	\$407,258	\$484,581	\$6,930,917

(1) Includes all General, Capital Projects, Special Revenue and Debt Service Funds.

(2) A 2% Sales Tax on Retail Sales & Services was approved by the voters in October of 1992, becoming effective January 1, 1993

CITY OF WASILLA
 ASSESSED VALUATION, TAX LEVIES AND COLLECTIONS

FY YR	CITY LEVY	AMOUNT COLLECTED	% OF LEVY	AMOUNT OF		AMOUNT OF LEVY UNCOLLECTED AS A PERCENT OF TOTAL TAXES
				LEVY COLLECTED	LEVY UNCOLLECTED	
1987	\$271,943	\$244,776	90.01 %	\$27,167	9.99 %	
1988	\$274,608	\$240,912	87.73 %	\$33,696	12.27 %	
1989	\$513,831	\$467,940	91.07 %	\$45,891	8.93 %	
1990	\$713,983	\$647,910	90.75 %	\$66,073	9.25 %	
1991	\$738,349	\$620,564	84.05 %	\$117,785	15.95 %	
1992	\$856,969	\$829,773	96.83 %	\$27,196	3.17 %	
1993	\$989,302	\$971,184	98.17 %	\$18,118	1.83 %	
1994	\$483,319	\$480,179	99.35 %	\$3,140	0.65 %	
1995	\$418,659	\$427,566	102.13 %	(\$8,907)	-2.13 %	
1996	\$468,773	\$447,548	95.47 %	\$21,225	4.53 %	

- (1) The Matanuska-Susitna Borough (MSB) does all of the assessment, collection & foreclosure regarding property taxes for the City of Wasilla.
 No breakdown is furnished re. delinquent taxes. Taxes are periodically forwarded to the city.

CITY OF WASILLA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN CALENDAR YEARS

CALENDAR YEAR	REAL PROPERTY	PERSONAL PROPERTY	TOTAL ASSESSED VALUE NET OF EXEMPTIONS	ESTIMATED ACTUAL VALUE	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
1986	\$ 333,586,900	\$ 33,904,118	\$ 367,491,018	\$ 382,507,000	96.07%
1987	330,810,900	35,332,921	366,143,821	407,490,900	89.85%
1988	223,669,900	33,245,691	256,915,591	287,344,400	89.41%
1989	185,936,900	30,421,620	216,358,520	228,384,700	94.73%
1990	175,382,500	29,714,387	205,096,887	223,597,400	91.73%
1991	182,453,700	31,788,493	214,242,193	229,966,200	93.16%
1992	201,681,900	33,866,234	235,548,134	251,040,200	93.83%
1993	207,793,416	33,866,234	241,659,650	244,474,200	98.85%
1994	222,219,600	34,652,956	246,270,256	269,881,500	91.25%
1995	249,438,500	38,301,293	275,748,993	272,626,900	101.15%

CITY OF WASILLA
 PROPERTY TAX RATES-ALL OVERLAPPING GOVERNMENTS
 LAST TEN CALENDAR YEARS

CALENDAR YEAR	MAT-SU BOROUGH	WASILLA FIRE SERVICE AREA	CITY OF WASILLA	TOTAL
1987	5.30	0.70	0.75	6.75
1988	6.87	0.70	2.00	9.57
1989	9.20	0.70	3.30	13.20
1990	11.00	0.70	3.60	15.30
1991	13.00	0.90	4.00	17.90
1992	13.00	0.90	4.20	18.10
1993	15.78	0.90	2.00	18.68
1994	15.78	1.30	1.70	18.78
1995	13.75	1.30	1.70	16.75
1996	12.25	1.30	2.00	15.55

CITY OF WASILLA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR	(1) SPECIAL ASSESSMENT COLLECTIONS
1987	\$ 126,686
1988	245,417
1989	302,625
1990	302,591
1991	230,820
1992	488,635
1993	245,685
1994	355,433
1995	303,141
1996	407,258

(1) Includes prepayment, foreclosure, current and delinquent payments

CITY OF WASILLA

TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

FY	PROPERTY	SALES	TOTAL
	<u>TAXES</u>	<u>TAXES</u>	<u>TAXES</u>
1987	\$244,776	\$0	\$244,776
1988	\$240,912	\$0	\$240,912
1989	\$467,940	\$0	\$467,940
1990	\$647,910	\$0	\$647,910
1991	\$620,564	\$0	\$620,564
1992	\$829,773	\$0	\$829,773
1993	\$971,184	\$1,123,749	\$2,094,933
1994	\$480,179	\$3,219,602	\$3,699,781
1995	\$427,566	\$3,825,041	\$4,252,607
1996	\$447,548	\$4,179,316	\$4,626,864

- (1) A 2% Sales Tax on Retail Sales & Services was approved by the voters in October of 1992, becoming effective January 1, 1993.
- (2) Property Taxes were capped at 2 mills effective for FY-94.
- (3) During FY-95 the city implemented GASB 22.

CITY OF WASILLA
 LAND USE PERMITS ISSUED
 LAST TEN CALENDAR YEARS

<u>CALENDAR YEAR</u>	<u>NUMBER ISSUED</u>
1986	30
1987	20
1988	35
1989	31
1990	35
1991	48
1992	47
1993	78
1994	104
1995	140

- (1) THE CITY OF WASILLA DOES NOT ISSUE BUILDING PERMITS.
- (2) NO VALUE IS ASSIGNED TO THE LAND USE PERMITS.
- (3) SOURCE: WASILLA PLANNING OFFICE

CITY OF WASILLA

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION
1987	3977
1988	3977
1989	3977
1990	3977
1991	3342
1992	3818
1993	4028
1994	4124
1995	4381
1996	4635

(1) 1991 POPULATION FROM 1990 CENSUS.
 ALL OTHER NUMBER'S ARE ESTIMATES FROM
 DEPT OF LABOR OR DCRA.

CITY OF WASILLA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN CALENDAR YEARS

CALENDAR YEAR	PROPERTY VALUE	CONSTRUCTION	BANK DEPOSITS
1986	\$ 367,491,018	(a)	(a)
1987	366,143,821	(a)	(a)
1988	256,915,591	(a)	(a)
1989	216,358,520	(a)	(a)
1990	205,096,887	(a)	(a)
1991	214,242,193	(a)	(a)
1992	235,548,134	(a)	(a)
1993	241,659,650	(a)	(a)
1994	246,270,256	(a)	(a)
1995	275,748,993	(a)	(a)

(a) Not available

CITY OF WASILLA

PRINCIPLE TAXPAYERS

<u>TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	1996 ASSESSED VALUE	PERCENTAGE OF TOTAL VALUATION
COTTONWOOD CREEK MALL LLC	PROPERTY DEVELOPMENT AND RETAIL MALLS	\$ 11,899,600	21.91%
LABAR CO.	PROPERTY DEVELOPMENT AND RETAIL MALLS	\$ 11,138,274	20.50%
WALMART STORES INC.	RETAIL STORE	\$ 6,615,022	12.18%
KARABLLNIKOFF/NEWCOMB TR.	FAMILY TRUST	\$ 5,503,300	10.13%
SEAGULL ENERGY CORP.	NATURAL GAS TRANSMISSION LINES	\$ 4,325,400	7.96%
NYE HAROLD/NYE FORD	AUTOMOBILE DEALERSHIP	\$ 3,717,355	6.84%
SPENARD BUILDERS SUPPLY	HARDWARE AND BUILDING SUPPLIES	\$ 3,548,012	6.53%
VALLEY HOSPITAL/ WEST VALLEY MEDICAL	MEDICAL CENTER	\$ 2,811,257	5.18%
PEDERSEN FLOYD/CREEKSIDE	PROPERTY DEVELOPMENT AND RETAIL MALLS	\$ 2,805,856	5.17%
AVANTI CORP	PROPERTY DEVELOPMENT AND RETAIL MALLS	\$ 1,959,300	3.61%
TOTAL		\$ 54,323,376	100.00%

SINGLE AUDIT SECTION

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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, 1996, and have issued our report thereon dated November 12, 1996.

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.

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 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 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
November 12, 1996

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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, 1996, and have issued our report thereon dated November 12, 1996.

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, 1996, 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

Honorable Mayor and
Members of the City Council
Wasilla, Alaska

Page 2

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 November 12, 1996.

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
November 12, 1996

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, 1996 and have issued our report thereon dated November 12, 1996.

We conducted our audit 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 audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audits for the year ended June 30, 1996, 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 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 November 12, 1996.

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 Honorable 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, 1996, the City of Wasilla, Alaska had no major federal financial assistance programs and expended 94.4 percent of its total federal financial

assistance under the following nonmajor federal financial assistance programs: Department of Transportation State and Highway Safety program and Department of Justice, Public Safety and Community Policing program.

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 the aforementioned nonmajor programs. 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 November 12, 1996.

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.



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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, 1996, and have issued our report thereon dated November 12, 1996. 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
November 12, 1996

CITY OF WASILLA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Year Ended June 30, 1996

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Program or Award Amount</u>
<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	20,770
Accident Investigation	20.600	PT-96-04-05	55,360
Engineering Study	20.600	FTE-96-07-03	<u>33,480</u>
			<u>162,943</u>
 <u>U.S. Department of Justice</u>			
Passed through the State of Alaska			
Department of Public Safety			
MJTFFPA	16.579	95-023E	49,784
Drug Awareness Education (DARE)	16.579	94-012	11,558
Museum Assessment Program I	45.301	95-CM-WX-003	1,975
COPS MORE	16.710	IM-50218-95	<u>15,699</u>
			<u>79,016</u>
 Total Federal Financial Assistance			 <u>\$241,959</u>

<u>Accrued Revenue at July 1, 1995</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued Revenue at June 30, 1996</u>
\$ 17,186	\$ 17,399 42,422	\$ 17,399 42,422	\$ 42,422
<u>17,186</u>	<u>59,821</u>	<u>59,821</u>	<u>42,422</u>
1,326	23,492 1,975 <u>15,699</u>	23,492 1,975 <u>15,699</u>	5,209
<u>1,326</u>	<u>41,166</u>	<u>41,166</u>	<u>5,209</u>
<u>\$ 18,512</u>	<u>\$ 100,987</u>	<u>\$ 100,987</u>	<u>\$ 47,631</u>

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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, 1996, and have issued our report thereon dated November 12, 1996.

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, 1996:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements
- Davis-Bacon Act
- Relocation Assistance and Real Property Acquisition

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

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

Page 2

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.

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 "Paul H. Hargrave". The signature is written in a cursive, flowing style with a large initial "P".

Fairbanks, Alaska
November 12, 1996

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CITY OF WASILLA, ALASKA
 FEDERAL FINANCIAL ASSISTANCE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 1996

<u>Program</u>	<u>Findings/NonCompliance</u>	<u>Status/Comment</u>
<u>Prior 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.	
<u>Current Year Findings</u>	<u>Department of Public Safety Pass-Through</u>	
MJTFFPA Grant #95-023-E	The City of Wasilla reported FY97 expenditures on FY96 grant reports.	
Total Federal Financial Assistance Questioned costs		

Questioned
Costs

City of Wasilla, Alaska
Response

S

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.

Department of Public Safety Pass-Through

The City was advised by the state grant administrator that it had unexpended grant funds and that these purchases would be approved even though they were incurred shortly after year end.

9,995

\$ 9,995

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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, 1996, and have issued our report thereon dated November 12, 1996.

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, 1996. 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 provisions and 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, 1996.

In connection with our audit of the 1996 general purpose financial statements of the City of Wasilla, Alaska and with our study and evaluation of the City of Wasilla, Alaska's internal control structure used to administer state financial assistance programs we selected certain transactions applicable to certain nonmajor state financial assistance programs for the year ended June 30, 1996.

As required by the *State of Alaska Guide and Compliance Supplement for State Single Audits*, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and other tests and provisions that are applicable to those transactions. 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 these requirements. 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 preceding paragraph. 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.

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.



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, 1996 and have issued our report thereon dated November 12, 1996. 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 November 12, 1996.

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 audit 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.

Honorable Mayor and
Members of the City Council
Wasilla, Alaska

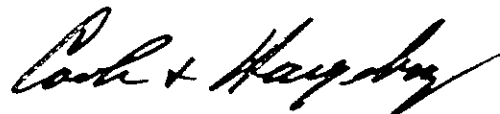
Page 2

In planning and performing our audit of the financial statements of the City of Wasilla, Alaska for the year ended June 30, 1996, 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 November 12, 1996.

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
November 12, 1996

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, 1996, and have issued our report thereon dated November 12, 1996. 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 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 state 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
November 12, 1996

CITY OF WASILLA, ALASKA

SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 1996

<u>Award</u>	<u>Major Program</u>	<u>State Grant Number</u>
Department of Administration		
Municipal Grant Program	X	
Sewer Drain Field		4/92-034
Church Road Paving		8/94-006
Sewer Drainfield Replacement		4/94-005
Peck Street Paving		94-704-8-001
Iditarod Trail Headquarters		7/94-073
Glenwood Street Paving		95-704-8-001
Glenwood Street Paving - Phase II		96-704-8-001
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-96-787-86
Governor's Drug Prevention		84.186
Department of Natural Resources		
SBA Tree Planting		94-1039419
Department of Revenue		
Alcohol and Beverage Tax		FY95
Alcohol and Beverage Tax		FY96
Amusement and Gaming Tax		FY95
Amusement and Gaming Tax		FY96
Electric and Telephone Co-op Tax		FY95
Electric and Telephone Co-op Tax	X	FY96
Total State Financial Assistance		

<u>Program or Award Amount</u>	<u>Accrued or (Deferred) Revenue July 1, 1995</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue June 30, 1996</u>
\$ 450,500	\$ 33,875	\$ 15,996	\$ 15,996	\$ 3,800
200,000	(40,000)	111,493	111,493	29,602
250,000		59,040	59,040	
159,843	5,456	72,053	72,053	
25,000	13,500	6,324	6,324	5,264
165,435	3,842	35,549	35,549	20,507
<u>160,000</u>	<u> </u>	<u> </u>	<u> </u>	<u>(32,000)</u>
<u>2,085,778</u>	<u>16,673</u>	<u>300,455</u>	<u>300,455</u>	<u>27,173</u>
116,495		129,502	129,502	
<u>234,488</u>	<u> </u>	<u>214,062</u>	<u>214,062</u>	<u> </u>
<u>350,983</u>	<u> </u>	<u>343,564</u>	<u>343,564</u>	<u> </u>
500,000	44,010			44,010
<u>90,000</u>	<u>4,500</u>	<u> </u>	<u> </u>	<u> </u>
<u>590,000</u>	<u>48,510</u>	<u> </u>	<u> </u>	<u>44,010</u>
4,919	(519)		(519)	
6,890		6,890	6,890	
<u>32,252</u>	<u> </u>	<u>3,885</u>	<u>3,885</u>	<u>3,885</u>
<u>44,061</u>	<u>(519)</u>	<u>10,775</u>	<u>10,775</u>	<u>3,366</u>
<u>15,000</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
18,900	3,300			
14,500		14,500	14,500	2,700
384	384			
273		273	273	
106,036	106,036			
<u>117,218</u>	<u> </u>	<u>117,218</u>	<u>117,218</u>	<u> </u>
<u>257,311</u>	<u>109,720</u>	<u>131,991</u>	<u>131,991</u>	<u>2,700</u>
<u>\$3,343,133</u>	<u>\$ 174,384</u>	<u>\$ 786,785</u>	<u>\$ 786,785</u>	<u>\$ 77,249</u>

CITY OF WASILLA, ALASKA
STATE FINANCIAL ASSISTANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1996

<u>Program</u>	<u>Findings</u>	<u>Status/ Comment</u>
<u>Prior Year Findings</u>		
Department of Administration 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 expenditures to the State of Alaska. The amount represents the retainage payable to a contractor upon completion of the sewer drain field project.	
<u>Current Year Findings</u>		
Department of Administration Grant Nos. 8194-006 and 94/704-8-001	The City of Wasilla submitted three of twenty-four grant reports after the 30 day reporting period expired. Two reports were not submitted for the period expenditures were made. Instead, the expenditures were combined with expenditures reported in the following period.	

Questioned
Costs

Response

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.

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.

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