

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WASILLA, ALASKA

June 30, 1998

Sarah Palin
Mayor

Prepared By
Finance Department

Erling P. Nelson
Finance Director



CITY OF WASILLA, ALASKA

Comprehensive Annual Financial Report

Year Ended June 30, 1998

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CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091

Area Code (907)

Administration
Ph: 373-9055
Fx: 373-9092

Clerks Office
Ph: 373-9090
Fx: 373-9092

Finance
Ph: 373-9070
Fx: 373-9085

Library
Ph: 373-5913
Fx: 373-2347

Museum
Ph: 373-9071
Fx: 373-9072

Parks &
Recreation
Ph: 373-9053
Fx: 373-9072

Planning
Ph: 373-9094
Fx: 373-9092

Police
Ph: 373-9077
Fx: 373-9051

Public Works
Ph: 373-9095
Fx: 373-9054

Ph: _____
Fx: _____

October 30, 1998

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, 1998, is hereby submitted. The City's Finance Department prepared the report. 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, the combining and individual fund and account group financial statements, and related schedules. This section also includes the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Wasilla is required to undergo an annual single audit in conformity with the provisions of the Federal and State Single Audit Acts when the funding exceeds certain dollar amounts. For the year ended June 30, 1998, the City was not required to have a federal single audit. Information related to findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations for State single audit purposes, 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 authorized 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.

The Reporting Entity

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

Summary of Local Economy

The City of Wasilla is located in the fastest growing area of Alaska and serves as the retail trade center for the Matanuska-Susitna Borough. As measured by increased population and sales tax receipts, the growth of the service oriented economy of the City of Wasilla remains steady. We remain primarily a bedroom community of Anchorage due to a lack of large-scale primary industry. The City of Wasilla offers an attractive lifestyle where the cost of housing is much less than in Anchorage due to an abundance of less expensive land. Many residents in our workforce travel the daily two-hour commute to Anchorage and find the quality of life quite high in our community. As in other communities in South-central Alaska, the City of Wasilla has a number of people who are on some form of public assistance living in the City of Wasilla. Tourism is a growing part of our economy, as it is in all of Alaska.

The Future

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 was somewhat negative last year, new discoveries and new ways of drilling have increased the estimates of recoverable oil. Other resource extraction industries will continue to fuel our economic growth in an indirect way. Other proposed projects that may indirectly benefit our economy are the proposed Port development at Pt. McKenzie, the Trans Alaska Gas Pipeline, and proposed developments at our municipal airport.

Major Initiatives for the Year

The most significant action that the City took in FY98 was the completion of the first General Obligation Bond issue. The funds derived from this issue will be used for road construction and reconstruction, along with paving roads, several of which are inside Local Improvement Districts. Construction has started on paving Spruce Ave Phase I, Weber Dr, and the roads within North Country Subdivision, which were engineered last year. Major improvements in parks and recreation facilities were underway at Iditapark. These projects included a concrete skateboard park, two tennis courts, public bathrooms, and installation of water mains. Another major project that was completed was the Knik Goose Bay Water Main extension. This extension allows the City to serve the Senior Center and three senior housing developments, along with Century Park water system.

Accounting System and Budgetary Control

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 maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the evaluation of the costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City adopts fiscal year budgets for all governmental funds. Budget amendments over \$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.

General Government Functions

Revenues for general governmental functions accounted for in the General and Special Revenue Funds totaled \$6,648,270 in FY98, an increase of 1.03 percent over FY97. Sales tax produced 70.04 percent of FY98 General and Special Revenue Funds revenues compared to 68.13 percent in FY97.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FY97</u>
Sales Taxes	\$ 4,656,270	70.04	\$ 249,911
Property Taxes	465,494	7.00	(88,468)
Licenses and Permits	48,922	.74	(2,083)
Fines, Forfeitures and Penalties	79,841	1.20	35,707
State of Alaska	556,440	8.37	(70,473)
Matanuska-Susitna Borough	333,590	5.02	(12,121)
Other	<u>507,713</u>	<u>7.63</u>	<u>68,292</u>
Total	\$ 6,648,270	100.00	\$ 180,765

Assessed valuation for CY98 (Net of Exempt) of \$286,868,900 represented a decrease 4.18 percent under CY97. This decrease is attributable to an increase in real property valuation, and the elimination of taxes on personal property.

FY98 tax collections were 101.39 percent of the tax levy as compared to 119.13 percent for FY97. Variation in the collection rate from year to year is normal.

Expenditures for general governmental purposes totaled \$4,418,598 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:

<u>Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FY97</u>
Administration	\$ 327,363	7.41	\$ 11,552
City Council	248,567	5.62	(48,953)
Planning	162,969	3.69	(23,119)
Finance	544,810	12.33	24,546
Police	1,289,878	29.19	9,338
Engineering	44,613	1.01	(119)
Property Maintenance	193,549	4.38	3,979
Road Maintenance	493,423	11.17	59,009
Museum and Recreation Services	486,756	11.02	8,845
Adm. fee Allocation-Other Funds	(47,564)	(1.08)	(1,205)
Library and Youth Court	<u>674,234</u>	<u>15.26</u>	<u>20,992</u>
Total	\$ 4,418,598	100.00	\$ 64,865

Debt Administration

During FY98 the City of Wasilla incurred General Obligation Debt of \$5,500,000. The bond issue was done through the Alaska Municipal Bond Bank. Interest rates vary on the annual payments from 4.625% to 6.0%. Special Assessment Bond Debt of \$917,327 is secured by liens levied against the properties specifically benefited by the improvement within each district. The City is obligated to the extent of making timely payments to the bondholders from assessment payments collected and or from the bond guarantee fund.

Cash Management

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

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.

Proprietary Operations

The City of Wasilla operates proprietary funds to provide water and sewer services to parts of the City, and an airport, which serves the general public.

Water Fund

The Water Utility shows a small operating income before depreciation for FY98.

Sewer Fund

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

Airport

The Airport continues to show an operating loss. Lack of paving, fencing and other amenities have slowed growth in revenue while the maintenance costs have remained stable. It is hoped that the completed installation of fuel service, the startup of scheduled commuter air service to Anchorage International Airport, and the planned paving of runways and taxiways will increase utilization of this most important asset.

Fiduciary Operations

Full-time, permanent part-time and seasonal employees participate in the State of Alaska Public Employees' Retirement System (PERS). Council participation is optional. PERS is a defined benefit plan in which policemen contribute 7.5% and other employees are required to contribute 6.75% of their compensation. The City's contribution rate for FY98 was 11.26%.

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, 1998, the general fixed assets of the City amounted to \$7,438,012. 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.

Risk Management

The City of Wasilla is a member in good standing in the Alaska Municipal League Joint Insurance Association, Inc., which is a pooling arrangement of Alaskan cities, boroughs and school districts. The concept of shared risk was originally started to make sure that all municipalities had access to insurance coverage on a long term basis, although not necessarily the least expensive coverage. Claims are covered on an occurrence basis. The JIA provides risk management services, appraisal services and there is also a separate pool for police liability.

Independent Audit

The City Code, Section 6.04.050 requires examination of the City's financial records and statements by a Certified Public Accounting Firm, licensed to perform financial audits in the State of Alaska. The completion of this examination with the Accountants' opinion on the financial statements must be completed by November 30 of each year.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to Ted Leonard, Dean Baugh, April Kilgore, Rene Richardson, Sharon Sinko and Cheryl Tescher for their capable help. Also thanks to John Bost, Audit Partner, and the staff of Mikunda, Cottrell & Co. for their very professional manner, patience, and communication skills.

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

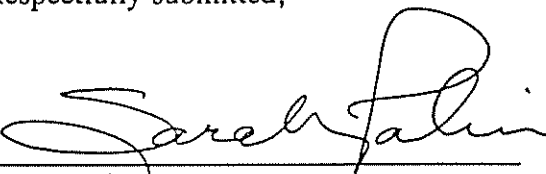
Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasilla for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

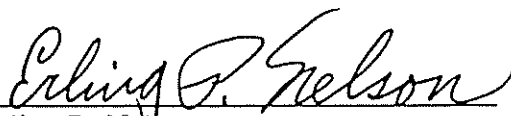
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

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

Respectfully submitted,



Sarah Palin
Mayor



Erling P. Nelson
Finance Director

CITY OF WASILLA, ALASKA

CITY OFFICIALS

CITY COUNCIL

Council Members:

Domonic Carney
David Chappel
Colleen Cottle
Norman Fuller
Dianne Keller
Judy Patrick

STAFF

Mayor
Deputy Administrator
Public Works Director
City Clerk
Finance Director
Library Director
Police Chief
Senior Accountant

Sarah Palin
John Cramer
Cindy Roberts
Kristie VanGorder
Erling P. Nelson
Mary Ellen Emmons
DeWayne Fannon
Dean W. Baugh

PLANNING COMMISSION

Kevin Baker
Don Bennett
Steve Glos
Ray McCarthy

Harold Newcomb
Howard O'Neal
Pandora Willingham

PARKS AND RECREATION COMMISSION

Traighli Hardy
Denise Loyer
Maureen McCombs
Debra Remus

Jim Ressler
Bernadette Rupright
Donald Thomas

CONSULTANTS

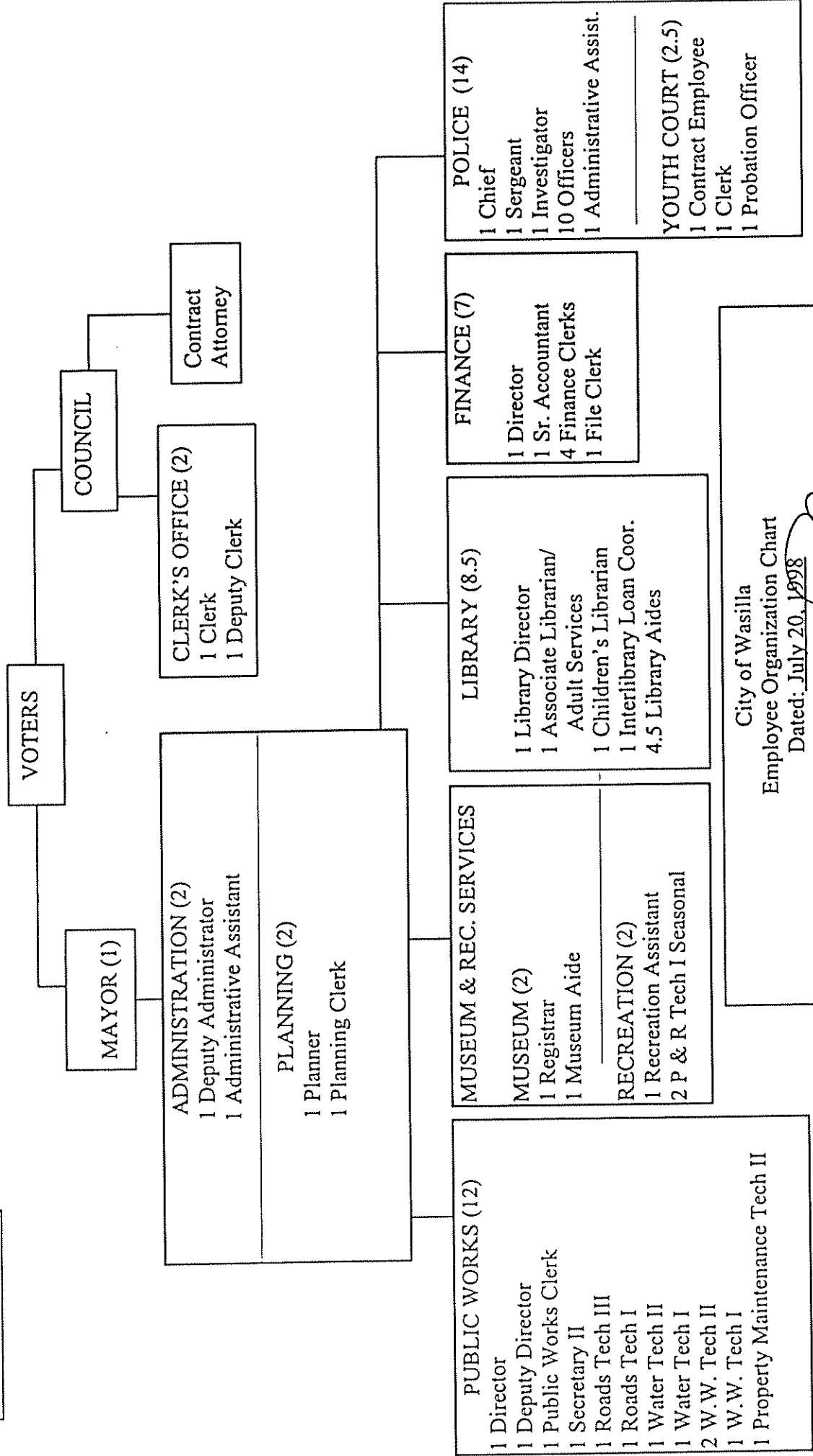
City Attorney
Auditors
Insurance Broker
Insurance Advisor

Ken Jacobus
Mikunda, Cottrell & Co.
Alaska Municipal League
Kirk C. Leadbetter, CIC

City of Wasilla

Employee Organization Chart FY98

Approved FY98
Dated 07/20/98



City of Wasilla
Employee Organization Chart
Dated: July 20, 1998

Approved: *[Signature]*

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wasilla,
Alaska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

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



Douglas R. Ellsworth
President

Jeffrey L. Essler
Executive Director

MIKUNDA, COTTRELL & Co.

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

3601 "C" Street, Suite 600 • Anchorage, Alaska 99503

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Independent Auditor's Report

Honorable Mayor and City Council
City of Wasilla, Alaska

We have audited the accompanying general purpose financial statements of City of Wasilla, Alaska, as of and for the year ended June 30, 1998. These general purpose financial statements are the responsibility of the City'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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of City of Wasilla, Alaska, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 1998 on our consideration of City of Wasilla's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of State Financial Assistance and the combining and individual fund and account group financial statements 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 City of Wasilla, Alaska. The Schedule of State Financial Assistance is required by the State of Alaska Office of Management and Budget, *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Such information has been subjected to the auditing procedures applied in the audit of the 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 audited by us and, accordingly, we express no opinion on such data.

Mikunda, Cottrell & Co.

September 10, 1998

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GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF WASILLA, ALASKA
 Combined Balance Sheet - All Fund Types and Account Groups
 Year Ended June 30, 1998
 (With Comparative Totals for 1997)

Assets	Governmental Fund Types					Proprietary Fund Type			Fiduciary Fund Types		Account Groups			Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Trust and Agency	General	Fixed Assets	Long-Term Debt	1998	1997	1998	1997	Totals	
														1998	1997
Cash and investments	\$ 4,394,782	52,658	661,396	7,504,623	1,531,585	94,669	-	-	-	-	-	14,239,713	8,494,573		
Receivables (net where applicable, of allowances for doubtful receivables):															
Accounts	434,652	-	-	-	78,434	-	-	-	-	-	-	513,086	494,933		
Grants	113,912	2,932	-	-	50,150	-	-	-	-	-	-	166,994	233,677		
Interest and penalty	57,693	-	1,564	27,751	13,721	1,564	-	-	-	-	-	102,293	109,704		
Other	70,055	13,960	1,253	55,000	-	-	-	-	-	-	-	140,268	8,278		
Special assessments	2,365	-	1,029,317	-	-	-	-	-	-	-	-	1,031,682	1,276,211		
Notes receivable	-	-	-	-	138,804	-	-	-	-	-	-	138,804	118,096		
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	18,913		
Inventory	-	-	-	-	117,095	-	-	-	-	-	-	117,095	96,080		
Advances to other funds	104,032	-	-	-	-	-	-	-	-	-	-	104,032	140,270		
Deferred charge	-	-	-	-	15,694	-	-	-	-	-	-	15,694	16,075		
Property, plant and equipment, net where applicable of accumulated depreciation	-	-	-	-	23,024,085	-	7,438,012	-	-	-	-	30,462,097	29,750,635		
Investment in deferred compensation plan	-	-	-	-	-	-	-	-	-	-	-	-	226,824		
Amount available for payment of long-term debt	-	-	-	-	-	-	-	-	567,129	-	-	567,129	595,684		
Amount to be provided for payment of long-term debt	-	-	-	-	-	-	-	-	-	-	-	5,973,775	682,178		
Total assets	\$ 5,177,491	69,550	1,693,530	7,587,374	24,969,568	96,233	7,438,012	6,540,904	53,572,662	42,262,131					

CITY OF WASILLA, ALASKA
 Combined Balance Sheet - All Fund Types and Account Groups, continued

Liabilities and Fund Equity	Governmental Fund Types						Proprietary Fund Types			Fiduciary Fund Types			Account Groups				Totals	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Trust and Agency	General	Fixed Assets	Long-Term Debt	General	1998	1997	(Memorandum Only)					
Liabilities:																		
Advance from central treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,364	
Accounts, contracts and retainage payable	191,065	3,174	-	80,501	22,616	-	-	-	-	-	-	-	-	-	-	-	229,728	
Accrued annual and sick leave	204,660	42,641	-	-	31,242	-	-	-	-	-	-	-	-	-	-	-	241,311	
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,913	
Customer deposits	-	-	-	-	39,351	-	-	-	-	-	-	-	-	-	-	-	39,351	
Revenue billed in advance	-	-	-	-	28,849	-	-	-	-	-	-	-	-	-	-	-	28,849	
Deferred revenue	22,655	1,339	1,022,369	37,676	-	-	-	-	-	-	-	-	-	-	-	-	1,324,082	
Advances from other funds	-	-	104,032	-	-	-	-	-	-	-	-	-	-	-	-	-	104,032	
Bonds payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140,270	
Deferred compensation payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,176,017	
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	226,824	
Total liabilities	418,380	47,154	1,126,401	118,177	122,058	-	-	123,577	-	-	-	-	6,540,904	123,577	8,373,074	3,521,035		
Fund equity:																		
Investment in general fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,438,012	
Contributed capital, net of accumulated amortization	-	-	-	-	24,253,784	-	-	-	-	-	-	-	-	-	-	-	24,253,784	
Retained earnings	-	-	-	-	593,726	-	-	-	-	-	-	-	-	-	-	-	593,726	
Fund balances:																		
Reserved:																		
Encumbrances	65,616	515	-	414,335	-	-	-	-	-	-	-	-	-	-	-	-	480,466	
Debt service	-	-	329,171	-	-	-	-	-	-	-	-	-	-	-	-	-	329,171	
Advances to other funds	104,032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,032	
Investment	-	-	-	-	-	-	-	-	79,505	-	-	-	-	-	-	-	79,505	
Insurance premium increases	21,175	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,175	
Unreserved:																		
Designated:																		
Subsequent year expenditures	-	-	25,516	100,000	-	-	-	-	-	-	-	-	-	-	-	-	125,516	
Operations	-	21,881	-	-	-	-	-	-	16,728	-	-	-	-	-	-	-	38,609	
Undesignated	4,568,288	-	212,442	6,954,862	-	-	-	-	-	-	-	-	-	-	-	-	11,735,592	
Total fund equity	4,759,111	22,396	567,129	7,469,197	24,847,510	96,233	7,438,012	96,233	24,847,510	96,233	7,438,012	96,233	6,540,904	7,438,012	53,572,662	42,262,131		
Total liabilities and fund equity	\$ 5,177,491	69,550	1,693,530	7,587,374	24,969,568	96,233	7,438,012	96,233	24,969,568	96,233	7,438,012	96,233	6,540,904	7,438,012	53,572,662	42,262,131		

See accompanying notes to general purpose financial statements.

CITY OF WASILLA, ALASKA
 Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances - All Governmental Fund Types
 Year Ended June 30, 1998
 With Comparative Totals for 1997

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Project	1998	1997
Revenues:						
Taxes	\$ 5,121,764	-	-	-	5,121,764	4,960,321
Licenses and permits	48,922	-	-	-	48,922	51,005
Fines, forfeitures and penalties	63,119	16,722	-	-	79,841	58,641
State of Alaska	469,032	87,408	-	123,798	680,238	1,140,947
Matanuska-Susitna Borough	11,590	322,000	-	21,229	354,819	345,711
Federal government	-	24,951	-	-	24,951	-
Special assessments	-	-	332,234	-	332,234	407,887
Investment income	295,521	4,390	30,150	160,818	490,879	392,417
Other	175,892	6,959	24,630	44,392	251,873	165,600
Total revenues	<u>6,185,840</u>	<u>462,430</u>	<u>387,014</u>	<u>350,237</u>	<u>7,385,521</u>	<u>7,522,529</u>
Expenditures:						
Current:						
General government	1,770,465	-	-	-	1,770,465	1,797,594
Public safety	1,289,878	-	-	-	1,289,878	1,280,540
Public works	731,585	-	-	-	731,585	668,716
Allocation of administrative expenditures to other funds	(47,564)	-	-	-	(47,564)	(46,359)
Library	-	572,483	-	-	572,483	556,981
Youth court	-	101,751	-	-	101,751	96,261
Debt service	-	-	333,429	-	333,429	264,826
Capital outlay	-	-	-	1,805,596	1,805,596	1,376,179
Total expenditures	<u>3,744,364</u>	<u>674,234</u>	<u>333,429</u>	<u>1,805,596</u>	<u>6,557,623</u>	<u>5,994,738</u>
Excess of revenues over (under) expenditures	2,441,476	(211,804)	53,585	(1,455,359)	827,898	1,527,791
Other financing sources (uses):						
Bond proceeds	-	-	-	5,500,000	5,500,000	278,717
Operating transfers from other funds	-	231,415	-	1,192,741	1,424,156	1,738,162
Operating transfers to other funds	(1,470,872)	-	(12,140)	-	(1,483,012)	(2,279,989)
Net other financing sources (uses)	<u>(1,470,872)</u>	<u>231,415</u>	<u>(12,140)</u>	<u>6,692,741</u>	<u>5,441,144</u>	<u>(263,110)</u>
Excess of revenues and other financing sources over expenditures and other uses	970,604	19,611	41,445	5,237,382	6,269,042	1,264,681
Beginning fund balances	4,638,740	2,785	595,684	2,231,815	7,469,024	6,204,343
Residual equity transfers to other funds	(850,233)	-	(70,000)	-	(920,233)	-
Ending fund balances	<u>\$ 4,759,111</u>	<u>22,396</u>	<u>567,129</u>	<u>7,469,197</u>	<u>12,817,833</u>	<u>7,469,024</u>

See accompanying notes to general purpose financial statements.

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, 1998

	General Fund			Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ 4,416,167	5,121,764	705,597	-	-	-	-	-	-
Licenses and permits	41,850	48,922	7,072	-	-	-	-	-	-
Fines, forfeitures and penalties	20,350	63,119	42,769	-	-	-	-	-	-
State of Alaska	541,947	469,032	(72,915)	102,406	87,408	(14,998)	-	-	-
Matanuska-Susitna Borough	11,600	11,590	(10)	322,000	322,000	-	-	-	-
Federal government	-	-	-	17,670	24,951	7,281	-	-	-
Special assessments	-	-	-	-	-	-	231,144	332,234	101,090
Investment income	242,100	295,521	53,421	-	4,390	4,390	3,410	30,150	26,740
Library fines	-	-	-	14,000	16,722	2,722	-	-	-
Other	50,800	175,892	125,092	7,700	6,959	(741)	-	24,630	24,630
Total revenues	5,324,814	6,185,840	861,026	463,776	462,430	(1,346)	234,554	387,014	152,460
Expenditures:									
General government	1,939,806	1,770,465	169,341	-	-	-	-	-	-
Public safety	1,376,059	1,289,878	86,181	-	-	-	-	-	-
Public works	862,899	731,585	131,314	-	-	-	-	-	-
Allocation of administrative expenditures to other funds	(49,055)	(47,564)	(1,491)	-	-	-	-	-	-
Library	-	-	-	584,929	572,483	12,446	-	-	-
Youth court	-	-	-	146,013	101,751	44,262	-	-	-
Debt service	-	-	-	-	-	-	445,529	333,429	112,100
Total expenditures	4,129,709	3,744,364	385,345	730,942	674,234	56,708	445,529	333,429	112,100
Excess of revenues over (under) expenditures	1,195,105	2,441,476	1,246,371	(267,166)	(211,804)	55,362	(210,975)	53,585	264,560
Other financing sources (uses):									
Operating transfers in	-	-	-	249,171	231,415	(17,756)	-	-	-
Operating transfers out	(1,503,236)	(1,470,872)	32,364	-	-	-	(12,140)	(12,140)	-
Net other financing sources (uses)	(1,503,236)	(1,470,872)	32,364	249,171	231,415	(17,756)	(12,140)	(12,140)	-
Excess of revenues and other financing sources over (under) expenditures and other uses	(308,131)	970,604	1,278,735	(17,995)	19,611	37,606	(223,115)	41,445	264,560
Beginning fund balances	4,638,740	4,638,740	-	2,785	2,785	-	595,684	595,684	-
Residual equity transfers to other funds	(850,233)	(850,233)	-	-	-	-	(70,000)	(70,000)	-
Ending fund balances	\$ 3,480,376	4,759,111	1,278,735	(15,210)	22,396	37,606	302,569	567,129	264,560

See accompanying notes to general purpose financial statements.

CITY OF WASILLA, ALASKA
Combined Statement of Revenues, Expenses and Changes in
Retained Earnings/Fund Balance - Proprietary Fund Type and Nonexpendable Trust Fund
Year Ended June 30, 1998
(With Comparative Totals for 1997)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Non- expendable Trust	1998	1997
Operating revenues:				
Sales and user charges	\$ 666,699	10,300	676,999	614,558
Fees and rentals	16,829	-	16,829	12,455
Meters	3,202	-	3,202	2,438
Investment income	-	4,481	4,481	3,267
Other	1,753	-	1,753	10,629
Total operating revenues	<u>688,483</u>	<u>14,781</u>	<u>703,264</u>	<u>643,347</u>
Operating expenses:				
Salaries	307,148	-	307,148	297,521
Employee benefits	111,607	-	111,607	106,699
Communications	4,080	-	4,080	4,378
Utilities	77,978	-	77,978	69,813
Travel and training	1,744	-	1,744	2,220
Professional services	41,861	-	41,861	37,490
Insurance	27,549	-	27,549	23,222
Materials and supplies	19,262	-	19,262	36,130
Administration	40,206	-	40,206	36,537
Maintenance	78,779	-	78,779	87,684
Rent	8,831	-	8,831	8,831
Other	7,540	-	7,540	71,709
Total operating expenses	<u>726,585</u>	<u>-</u>	<u>726,585</u>	<u>782,234</u>
Operating income (loss) before depreciation	(38,102)	14,781	(23,321)	(138,887)
Depreciation	<u>708,035</u>	<u>-</u>	<u>708,035</u>	<u>701,562</u>
Operating income (loss)	(746,137)	14,781	(731,356)	(840,449)
Nonoperating revenues:				
Accounts payable write-off	-	-	-	343,087
Payments in lieu of assessments	41,836	-	41,836	20,183
Investment income	67,472	-	67,472	64,355
Total nonoperating revenues	<u>109,308</u>	<u>-</u>	<u>109,308</u>	<u>427,625</u>
Income (loss) before operating transfers	(636,829)	14,781	(622,048)	(412,824)
Operating transfers:				
Operating transfers in	88,856	-	88,856	63,692
Operating transfers out	(30,000)	-	(30,000)	-
Net operating transfers	<u>58,856</u>	<u>-</u>	<u>58,856</u>	<u>63,692</u>
Net income (loss)	(577,973)	14,781	(563,192)	(349,132)
Amortization of contributed capital	<u>653,037</u>	<u>-</u>	<u>653,037</u>	<u>644,980</u>
Increase in retained earnings/fund balance	75,064	14,781	89,845	295,848
Beginning retained earnings/fund balance	<u>518,662</u>	<u>81,452</u>	<u>600,114</u>	<u>304,266</u>
Ending retained earnings/fund balance	<u>\$ 593,726</u>	<u>96,233</u>	<u>689,959</u>	<u>600,114</u>

See accompanying notes to general purpose financial statements.

CITY OF WASILLA, ALASKA
 Combined Statement of Cash Flows
 Proprietary Fund Type and Nonexpendable Trust Fund
 Year Ended June 30, 1998
 (With Comparative Totals for 1997)

	Proprietary Fund Type	Fiduciary Fund Type Non- expendable Trust	Totals (Memorandum Only)	
	Enterprise		1998	1997
Cash flows from operating activities:				
Operating income (loss)	\$ (746,137)	14,781	(731,356)	(840,449)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	708,035	-	708,035	701,562
Accounts payable write-off	-	-	-	343,087
Amortization	381	-	381	318
Investment income	-	(4,481)	(4,481)	(3,267)
(Increase) decrease in assets:				
Accounts receivable - trade	(18,350)	-	(18,350)	14,861
Accounts receivable - other	14,906	-	14,906	(5,515)
Inventory	(21,015)	-	(21,015)	(17,528)
Increase (decrease) in liabilities:				
Accounts payable	(668)	-	(668)	20,905
Due to other funds	-	-	-	(4,159)
Revenue billed in advance	(662)	-	(662)	-
Accrued annual and sick leave	9,002	-	9,002	6,762
Customer deposits	6,992	-	6,992	4,037
Other	-	-	-	4,500
Net cash flows from operating activities	<u>(47,516)</u>	<u>10,300</u>	<u>(37,216)</u>	<u>225,114</u>
Cash flows from noncapital financing activities:				
Advances paid to central treasury	(187)	-	(187)	(335,996)
Operating transfers in	58,856	-	58,856	63,692
Net cash flows from noncapital financing activities	<u>58,669</u>	<u>-</u>	<u>58,669</u>	<u>(272,304)</u>
Cash flows from capital and related financing activities:				
Cash received from capital grants	64,307	-	64,307	201,266
Receipts from special assessments and payments in lieu of assessments	41,836	-	41,836	20,183
Acquisition and construction of capital assets	(910,619)	-	(910,619)	(265,858)
Residual equity transfers in	920,233	-	920,233	570,902
Other contributed capital	179,457	-	179,457	-
Net cash flows from capital and related financing activities	<u>295,214</u>	<u>-</u>	<u>295,214</u>	<u>526,493</u>
Cash flows from investing activities:				
Investment income	62,675	4,352	67,027	66,658
Issuance of notes receivable	(65,449)	-	(65,449)	(16,000)
Principal payments received on notes receivable	44,740	-	44,740	33,565
Net cash flows from investing activities	<u>41,966</u>	<u>4,352</u>	<u>46,318</u>	<u>84,223</u>
Net increase in cash and investments	348,333	14,652	362,985	563,526
Cash and investments at beginning of year	<u>1,183,252</u>	<u>80,017</u>	<u>1,263,269</u>	<u>699,743</u>
Cash and investments at end of year	<u>\$ 1,531,585</u>	<u>94,669</u>	<u>1,626,254</u>	<u>1,263,269</u>

See accompanying notes to general purpose financial statements.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements

June 30, 1998

(1) Summary of Significant Accounting Policies

General

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

Reporting Entity

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

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

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, as follows:

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 restricted to expenditures for specified purposes.

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

Capital Project 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).

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Proprietary Funds

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

Fiduciary Funds

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

Fixed Assets and Long-Term Liabilities

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 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. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

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 market value on the date donated.

Long-term liabilities expected to be financed from the governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Fixed Assets and Long-Term Liabilities, continued

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Portions of the property, plant and equipment of the Enterprise Funds have been constructed through the use of contributed capital from State and federal agencies and private sources. Depreciation on all assets has been charged against operations. However, depreciation applicable to the assets acquired with contributed capital has been included in "Increase in retained earnings," and is reflected in the fund equity section of the Enterprise Fund balance sheets as reductions of the "Contributed capital" account.

Depreciation of 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

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 Project 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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Basis of Accounting, continued

Sales taxes and property taxes are recognized as revenue when they are collected or when they become available to finance expenditures of the current period. Sales taxes are considered available if they are collected within 30 days after year end. Property taxes are considered available if they have been collected by the Matanuska-Susitna Borough by the City's year end. Certain grant revenues are dependent upon expenditures and revenues from these grants are recognized when the expenditures are made; revenues from other grants are recognized on the cash basis. Revenues from licenses, permits, fines, forfeitures and penalties are recognized on the cash basis. Interest income is accrued when earned.

The Proprietary Funds and the Nonexpendable Trust Fund are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Proprietary Fund Types and GASB Statement No. 20

Governmental Accounting Standards Board (GASB) Statement No. 20 allows proprietary activities to elect to follow either GASB pronouncements or Financial Accounting Standards Board (FASB) pronouncements which are not in conflict with GASB and have been issued after November 30, 1989. The City has elected to follow only GASB 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, except for the Bond Guarantee Fund and Gas Assessment Districts Bonds Fund which are not budgeted and the Capital Project Funds which have project budgets. The budget is submitted to the City Council for review and approval. Legal enactment of the budget is obtained through passage of a City ordinance. Amendments to the budget can occur any time during the fiscal year through City Council action. The 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.

Annual budgets for the General, Special Revenue and Debt Service Funds, excluding the Bond Guarantee Fund and Gas Assessment Districts Bonds Fund, are legally adopted on the same modified accrual basis used to reflect actual revenues and expenditures.

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

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Budgets, continued

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	\$ 5,268,500	1,214,678	6,483,178
Special Revenue Funds	706,390	24,552	730,942
Debt Service Funds	445,529	82,140	527,669

Central Treasury

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

Cash and Cash Equivalents

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

Inventory

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

Short-Term Interfund Receivables/Payables

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

Advances to Other Funds

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

Accrued Leave

All full-time employees are eligible for paid leave (vacation and sick leave). Employees may accrue a maximum of 480 hours of vacation which may be cashed out upon termination at 100% of value. Sick leave has no limit on the amount that can be accrued and may be cashed out at 25% of the value upon termination. Accrued leave is recorded as an expense in the period it is earned by the employees, with the total liability for accrued leave presented in the related fund balance sheet.

Deferred Grant Revenue

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

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Encumbrances

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

Property Taxes

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

Grants and Other Intergovernmental Revenues

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

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers. The classification of amounts recorded as subsidies, advances, or residual equity transfers is determined by City management.

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.

Pension Plans

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

Reclassifications

Certain reclassifications have been made to the 1997 financial statements to make them comparable with the 1998 presentation.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Comparative Data

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

Total Columns on Combined Statements

Total columns on the Combined Statements 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. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Investments

Deposits

At June 30, 1998, the carrying amount of the City's deposits was \$3,159,419 and the bank balances were \$3,473,184. The bank balances were fully covered by federal depository insurance or by collateral held by the City's agent in the City's name.

In compliance with the current banking services contract with National Bank of Alaska, the City is required to keep a minimum of \$500,000 on deposit with the bank. In consideration of the services provided by the bank under the contract, the City is required to keep a \$78,000 noninterest bearing time certificate of deposit with the bank.

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.

Investments are carried at fair value.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Cash and Investments, continued

Investments, continued

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

	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Repurchase agreements	\$ 2,330,741	1,276,830	-	3,607,571
U.S. government securities	<u>1,258,934</u>	<u>-</u>	<u>-</u>	<u>1,258,934</u>
	<u>\$ 3,589,675</u>	<u>1,276,830</u>	<u>-</u>	4,866,505
Alaska Municipal League Investment Pool				<u>6,213,789</u>
Total investments				<u>\$ 11,080,294</u>

(3) **Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1997</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance June 30, 1998</u>
Land	\$ 1,598,812	18,119	-	1,616,931
Buildings	2,497,875	68,457	-	2,566,332
Office furniture and equipment	407,463	114,434	78,734	443,163
Vehicles and equipment	772,445	99,620	11,288	860,777
Library collections	1,492,027	506,660	148,857	1,849,830
Construction in progress	<u>70,474</u>	<u>330,411</u>	<u>299,906</u>	<u>100,979</u>
	<u>\$ 6,839,096</u>	<u>1,137,701</u>	<u>538,785</u>	<u>7,438,012</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Fixed Assets, continued

The following is a summary of Enterprise Fund property, plant and equipment at June 30, 1998:

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Land	\$ 657,810	149,170	1,470,000	2,276,980
Land improvements	-	-	4,087,753	4,087,753
Treatment system	4,475,624	-	-	4,475,624
Collection/distribution system	7,658,842	4,816,904	-	12,475,746
Wells/well house	-	271,276	-	271,276
Water tank and fence	-	2,337,975	-	2,337,975
Other plant in service	2,759,160	-	-	2,759,160
Equipment	1,941,567	70,273	208,154	2,219,994
Construction in progress	<u>207,148</u>	<u>204,812</u>	<u>-</u>	<u>411,960</u>
	<u>17,700,151</u>	<u>7,850,410</u>	<u>5,765,907</u>	<u>31,316,468</u>
Accumulated depreciation	<u>(4,945,356)</u>	<u>(1,996,618)</u>	<u>(1,350,409)</u>	<u>(8,292,383)</u>
Net property, plant and equipment	<u>\$ 12,754,795</u>	<u>5,853,792</u>	<u>4,415,498</u>	<u>23,024,085</u>

The following is a schedule of general fixed assets by function and activity at June 30, 1998:

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Office Furniture, Equipment, Collections and Work- In-Progress</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
General government	\$ 586,128	1,705,191	308,868	62,990	2,663,177
Police	-	-	38,793	426,733	465,526
Public works	1,010,803	161,283	159,306	371,054	1,702,446
Library	<u>20,000</u>	<u>699,858</u>	<u>1,887,005</u>	<u>-</u>	<u>2,606,863</u>
	<u>\$ 1,616,931</u>	<u>2,566,332</u>	<u>2,393,972</u>	<u>860,777</u>	<u>7,438,012</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(4) **Operating Transfers**

A summary of operating transfers between the funds for the year ended June 30, 1998, follows:

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ -	1,470,872
Special Revenue Funds	231,415	-
Debt Service Funds	-	12,140
Capital Project Funds	1,192,741	-
Enterprise Funds	<u>88,856</u>	<u>30,000</u>
	<u>\$ 1,513,012</u>	<u>1,513,012</u>

(5) **Residual Equity Transfers**

Residual equity transfers between funds for the year ended June 30, 1998 follow:

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ -	850,233
Debt Service Funds	-	70,000
Enterprise Funds	<u>920,233</u>	<u>-</u>
	<u>\$ 920,233</u>	<u>920,233</u>

(6) **Long-Term Debt**

Long-term debt consists of the following at June 30, 1998:

Special Assessment Bonds

\$329,300 1986 Southside Water District Bond, due in annual installments of \$3,954 to \$6,454 through June 30, 2026; interest at 6.125%	\$ 147,956
\$626,000 1987 Sewer Improvement District Bond, due in annual installments of \$3,400 to \$4,900 through August 17, 2027; interest at 6.5%	124,500
\$403,700 1988 Phase I Paving Improvement District Bond, due in annual installments of \$16,400 to \$21,400 through February 12, 2003; interest at 6.125%	104,186

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

\$147,370 1993 Glenwood/Naomi/Shadowood Paving Improvement Districts Bond, due in annual installments of \$11,656 through December 22, 2003; interest 5.10%	69,936
\$159,560 1994 Mountain Village/Crestwood Paving Improvement Districts Bond, due in annual installments of \$3,654 to \$15,956 through November 29, 2004; interest at 6.05%	99,027
\$261,942 1995 Whispering Woods/Nelson Avenue/Lake View Avenue Paving Improvement Districts Bond, due in annual installments of \$18,194 to \$26,194 through July 26, 2005; interest at 6.825%;	145,553
\$251,298 1997 Westpoint/Hallea Lane/Wild Adventure/Southview Paving Improvement Districts Bond, due in annual installments of \$25,130 through March 17, 2007; interest at 6.435%	<u>226,169</u>
Total Special Assessment Bonds	917,327

General Obligation Bonds

\$5,500,000 Street Paving/Street Improvements General Obligation Bonds, due in annual installments of \$170,000 to \$420,000 through October 1, 2018, variable interest from 4.625% to 6.0%	5,500,000
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Free Main Allowances

The amount that has been received through June 30, 1998 from the natural gas provider that is to be rebated to property owners pursuant to an agreement with the City and the natural gas provider.	<u>123,577</u>
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Total long-term debt \$ 6,540,904

During the year ended June 30, 1998, the City made a prepayment on the 1987 Sewer Improvement District Bond of \$ 90,000.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

Special assessment bond debt service requirements to maturity, including \$451,688 of interest, are as follows:

<u>Year Ending June 30,</u>	<u>1986 Southside Water District Bond</u>	<u>1987 Sewer Improvement District Bond</u>	<u>1988 Phase I Paving Improvement District Bond</u>	<u>1993 Glenwood/ Naomi/ Shadowood Paving Improvement Districts Bond</u>
1999	\$ 13,016	11,494	27,781	15,223
2000	12,774	11,493	26,471	14,628
2001	12,532	11,051	25,160	14,034
2002	12,290	10,829	23,849	13,439
2003	12,047	10,984	19,724	12,845
Thereafter	<u>232,628</u>	<u>202,565</u>	<u>-</u>	<u>12,250</u>
	295,287	258,416	122,985	82,419

Less amount
of interest

<u>147,331</u>	<u>133,916</u>	<u>18,799</u>	<u>12,483</u>
<u>\$ 147,956</u>	<u>124,500</u>	<u>104,186</u>	<u>69,936</u>

<u>Year Ending June 30,</u>	<u>1994 Mountain Village/ Crestwood Paving Improvement Districts Bond</u>	<u>1995 Whispering Woods/ Nelson Ave./ Lake View Ave. Paving Improvement Districts Bond</u>	<u>1997 Westpoint/ Hallea Lane/ Wild Adventure/ Southview Paving Improvement Districts Bond</u>	<u>Total</u>
1999	\$ 21,947	28,128	39,684	157,273
2000	20,982	26,886	38,067	151,301
2001	20,016	25,645	36,450	144,888
2002	19,051	24,403	34,832	138,693
2003	18,086	23,161	33,215	130,062
Thereafter	<u>20,632</u>	<u>62,033</u>	<u>116,690</u>	<u>646,798</u>
	120,714	190,256	298,938	1,369,015

Less amount
of interest

<u>21,687</u>	<u>44,703</u>	<u>72,769</u>	<u>451,688</u>
<u>\$ 99,027</u>	<u>145,553</u>	<u>226,169</u>	<u>917,327</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

General Obligation Bond debt service requirements to maturity follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ -	281,341	281,341
2000	170,000	276,241	446,241
2001	175,000	265,891	440,891
2002	185,000	255,323	440,323
2003	195,000	244,398	439,398
Thereafter	<u>4,775,000</u>	<u>2,135,688</u>	<u>6,910,688</u>
Total	<u>\$ 5,500,000</u>	<u>3,458,882</u>	<u>8,958,882</u>

During the year ended June 30, 1998, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1998</u>
Special Assessment Debt	\$ 1,176,017	-	258,690	917,327
General Obligation Bonds	-	5,500,000	-	5,500,000
Free Main Allowances	<u>101,845</u>	<u>21,732</u>	<u>-</u>	<u>123,577</u>
	<u>\$ 1,277,862</u>	<u>5,521,732</u>	<u>258,690</u>	<u>6,540,904</u>

General Obligation Bonds

On October 7, 1997 the voters of the City of Wasilla approved Ordinance 97-48 which authorized the issuance of \$5,500,000 in general obligation bonds for the purpose of providing funds for street paving and other street improvements. The bonds were issued on April 1, 1998. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

Special Assessment Bonds Covenants

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

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

(7) **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	\$ 7,605	56,702	-
Other	<u>142,349</u>	<u>975,018</u>	<u>-</u>
Total additions	149,954	1,031,720	-
Disposal of assets	-	(107,716)	-
Amortization of capital grants	<u>(318,178)</u>	<u>(99,938)</u>	<u>(234,921)</u>
Net increase (decrease) in contributed capital	(168,224)	824,066	(234,921)
Contributed capital at July 1, 1997	<u>13,432,616</u>	<u>5,750,308</u>	<u>4,649,939</u>
Contributed capital at June 30, 1998	<u>\$ 13,264,392</u>	<u>6,574,374</u>	<u>4,415,018</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(8) Defined Benefit Pension Plan

Description of Plan

The City participates in the Alaska Public Employees Retirement System (PERS), an agent multiple employer plan which covers eligible State and local government employees. The plan was established and is administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

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

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

Funding Policy

Under PERS, employees are required to contribute 6.75% (7.5% for peace officers and firefighters) of their annual covered salary. Under the plan, the funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due. The City's current contribution rate for PERS follows:

Pension	5.32%
Postemployment healthcare	<u>2.04%</u>
Total contribution rate	<u>7.36%</u>

Under the plan, employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The plan uses the level dollar method to amortize the unfunded liability over an open, rolling twenty-five year period. Funding surpluses are amortized over five years.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Defined Benefit Pension Plan, continued

Annual Pension Cost

For the year ended June 30, 1998, the City's annual pension cost of \$254,311 for PERS was equal to its required and actual contributions.

The required contribution was determined as part of the June 30, 1995 actuarial valuation. The significant actuarial assumptions used in the valuation of the plan follow:

1. Investment return of 8.25% per annum, compounded annually, net of expenses;
2. Projected salary increases of 5.5% for the first five years of employment and 4.5% per year thereafter;
3. Health cost inflation of 7.5% in 1997, trending downward by 1% per year to 5.5% in 1999 and thereafter;
4. Total inflation, as measured by the Consumer Price Index for urban and clerical workers for Anchorage, is assumed to increase 4% annually; and
5. Asset valuation - assets are valued at fair value; the asset valuation method recognizes 20% of the investment gain or loss in each of the current and preceding four years.

Three-year trend information for PERS follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1996	\$ 244,052	100%	\$ -
1997	252,621	100%	-
1998	254,311	100%	-

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Defined Benefit Pension Plan, continued

A schedule of funding progress for PERS follows:

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Assets in Excess of) Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Assets in Excess of) Liability as Percentage of Covered Payroll</u>
June 30, 1995:							
Pension		\$ 1,965,000	\$ 2,048,000	\$ 83,000	96%	\$ 1,539,000	5%
Postemployment healthcare		738,000	770,000	32,000	96%	1,539,000	2%
June 30, 1996:							
Pension:		2,281,000	2,359,000	78,000	97%	1,848,000	4%
Postemployment healthcare		879,000	909,000	30,000	97%	1,848,000	2%
June 30, 1997:							
Pension		2,949,000	2,730,000	(219,000)	108%	1,946,000	(11%)
Postemployment healthcare		1,099,000	1,018,000	(81,000)	108%	1,946,000	(4%)

(9) **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.

During the current year, the City amended their deferred compensation plan in accordance with changes in the Internal Revenue Code. These new provisions require that all assets and income of the plan be held in trust for the exclusive benefit of participants and their beneficiaries. In accordance with these provisions, the plan assets and related liabilities have been removed from the financial statements for the year ended June 30, 1998.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(10) **Enterprise Fund Segment Information**

The City maintains three enterprise funds which provide sewer, water, and municipal airport services. Segment information as of and for the year ended June 30, 1998 follows:

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Operating revenues	\$ 357,354	314,300	16,829	688,483
Depreciation	329,761	143,353	234,921	708,035
Operating loss	(361,267)	(111,816)	(273,054)	(746,137)
Net loss	(266,886)	(76,166)	(234,921)	(577,973)
Operating transfers in	51,632	-	37,224	88,856
Operating transfers out	(20,000)	(10,000)	-	(30,000)
Capital contributions	149,955	1,031,720	-	1,181,675
Property, plant and equipment additions	249,042	679,256	-	928,298
Net working capital (deficiency)	660,268	1,117,517	(480)	1,777,305
Total assets	13,522,434	7,029,981	4,417,153	24,969,568
Total equity	13,445,489	6,987,003	4,415,018	24,847,510

(11) **Risk Management**

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (3) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs.

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

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Risk Management, continued

The JIA is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 1998. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

(12) Conduit Debt

On April 22, 1996, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Cook Inlet Housing Development Corporation to purchase a facility. The bonds were issued in the amount of \$2,327,532 on October 17, 1996. The bonds do not constitute a general obligation debt or pledge of the full faith and credit of the City and, accordingly the bonds and related assets are not reflected in the accompanying financial statements.

(13) Contingencies

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

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the applicable funds. The City received notice from the U.S. Environmental Protection Agency (EPA) 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. On March 10, 1997 the EPA concluded that the City did not have to make a refund and the \$343,087 previously recorded in accounts payable was reversed off the books as of June 30, 1997.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

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GENERAL FUND

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

CITY OF WASILLA, ALASKA
 General Fund
 Balance Sheet
 June 30, 1998
 (With Comparative Amounts for 1997)

<u>Assets</u>	<u>1998</u>	<u>1997</u>
Cash and investments	\$ <u>4,394,782</u>	<u>4,258,514</u>
Receivables:		
Sales taxes	424,268	379,283
State of Alaska	113,912	148,245
Matanuska-Susitna Borough	10,384	10,124
Accrued interest	57,693	61,586
Assessments	2,365	6,841
Other	<u>70,055</u>	<u>6,632</u>
Total receivables	<u>678,677</u>	<u>612,711</u>
Advances to other funds	<u>104,032</u>	<u>140,270</u>
Total assets	\$ <u>5,177,491</u>	<u>5,011,495</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	191,065	177,945
Accrued annual and sick leave	204,660	181,769
Deferred revenue	<u>22,655</u>	<u>13,041</u>
Total liabilities	<u>418,380</u>	<u>372,755</u>
Fund balance:		
Reserved:		
Encumbrances	65,616	76,084
Advances to other funds	104,032	140,270
Insurance premium increases	21,175	8,000
Unreserved and undesignated	<u>4,568,288</u>	<u>4,414,386</u>
Total fund balance	<u>4,759,111</u>	<u>4,638,740</u>
Total liabilities and fund balance	\$ <u>5,177,491</u>	<u>5,011,495</u>

CITY OF WASILLA, ALASKA

General Fund

Statement of Revenues, Expenditures
and Changes in Fund Balance

Year Ended June 30, 1998

(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Revenues:		
Taxes	\$ 5,121,764	4,960,321
Licenses and permits	48,922	51,005
Fines, forfeitures and penalties	63,119	44,134
State of Alaska	469,032	545,017
Matanuska-Susitna Borough	11,590	11,000
Investment income	295,521	308,993
Other	<u>175,892</u>	<u>114,208</u>
Total revenues	<u>6,185,840</u>	<u>6,034,678</u>
Expenditures:		
General government:		
Administration	327,363	315,811
City Council	248,567	297,520
Planning	162,969	186,088
Finance	544,810	520,264
Recreation services	347,436	299,231
Museum	<u>139,320</u>	<u>178,680</u>
Total general government	<u>1,770,465</u>	<u>1,797,594</u>
Public safety	<u>1,289,878</u>	<u>1,280,540</u>
Public works:		
Property maintenance	193,549	189,570
Road maintenance	493,423	434,414
Engineering	<u>44,613</u>	<u>44,732</u>
Total public works	<u>731,585</u>	<u>668,716</u>
Total expenditures	3,791,928	3,746,850
Allocation of administrative expenditures to other funds	<u>(47,564)</u>	<u>(46,359)</u>
Net expenditures	<u>3,744,364</u>	<u>3,700,491</u>
Excess of revenues over expenditures	2,441,476	2,334,187
Other financing sources (uses):		
Operating transfer from other funds	-	13,077
Operating transfers to other funds	<u>(1,470,872)</u>	<u>(2,069,268)</u>
Net other financing sources (uses)	<u>(1,470,872)</u>	<u>(2,056,191)</u>
Excess of revenues and other financing sources over expenditures and other uses	970,604	277,996
Beginning fund balance	4,638,740	4,360,744
Residual equity transfers to other funds	<u>(850,233)</u>	<u>-</u>
Ending fund balance	\$ <u>4,759,111</u>	<u>4,638,740</u>

CITY OF WASILLA, ALASKA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual

Year Ended June 30, 1998

(With Comparative Amounts for 1997)

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes:				
Sales	\$ 4,012,500	4,656,270	643,770	4,406,359
Property	403,667	465,494	61,827	553,962
Total taxes	<u>4,416,167</u>	<u>5,121,764</u>	<u>705,597</u>	<u>4,960,321</u>
Licenses and permits:				
City business licenses	27,000	29,550	2,550	28,950
Land use permits	7,500	6,150	(1,350)	10,265
Utility permits	6,000	9,072	3,072	8,000
Driveway permits	750	2,275	1,525	1,775
Taxicab permits	500	1,690	1,190	1,835
Animal licenses	100	185	85	180
Total licenses and permits	<u>41,850</u>	<u>48,922</u>	<u>7,072</u>	<u>51,005</u>
Fines, forfeitures and penalties	<u>20,350</u>	<u>63,119</u>	<u>42,769</u>	<u>44,134</u>
State of Alaska:				
Safe communities	183,023	190,285	7,262	199,189
Revenue-sharing	125,175	123,065	(2,110)	139,083
Electric and telephone co-op tax	117,000	83,999	(33,001)	131,063
Amusement and gaming tax	300	649	349	80
Alcoholic beverage tax	19,000	15,700	(3,300)	19,700
Other	97,449	55,334	(42,115)	55,902
Total State of Alaska	<u>541,947</u>	<u>469,032</u>	<u>(72,915)</u>	<u>545,017</u>
Matanuska-Susitna Borough:				
Solid waste	1,000	1,000	-	1,000
Parks and recreation	10,000	10,000	-	10,000
Snow removal	600	146	(454)	-
Other	-	444	444	-
Total Matanuska-Susitna Borough	<u>11,600</u>	<u>11,590</u>	<u>(10)</u>	<u>11,000</u>
Investment income	<u>242,100</u>	<u>295,521</u>	<u>53,421</u>	<u>308,993</u>
Other:				
Charges to other funds	10,100	98,728	88,628	27,707
Charges for services	11,150	7,884	(3,266)	6,733
Building rentals	300	755	455	28,216
Miscellaneous	29,250	68,525	39,275	51,552
Total other	<u>50,800</u>	<u>175,892</u>	<u>125,092</u>	<u>114,208</u>
Total revenues	<u>5,324,814</u>	<u>6,185,840</u>	<u>861,026</u>	<u>6,034,678</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures:				
General government:				
Administration:				
Salaries	\$ 150,083	146,470	3,613	122,543
Employee benefits	48,246	50,756	(2,510)	49,934
Travel and training	6,040	5,190	850	1,635
Contingency	2,475	2,405	70	2,051
Tourism and economic development	96,020	88,185	7,835	85,200
Professional services	60	-	60	4,537
Supplies and capital outlay	6,818	6,622	196	8,106
Wasilla Area Seniors	17,000	17,000	-	25,000
Lifequest	5,828	6,001	(173)	6,475
Other	13,919	4,734	9,185	10,330
Total administration	<u>346,489</u>	<u>327,363</u>	<u>19,126</u>	<u>315,811</u>
City Council:				
Salaries	98,374	93,722	4,652	92,740
Employee benefits	29,269	29,153	116	27,862
Travel and training	5,740	4,710	1,030	3,407
Accounting and auditing	23,145	22,814	331	24,468
Contingency	12,100	9,496	2,604	9,716
Animal control	26,000	26,000	-	26,000
Legal and other professional services	72,120	34,166	37,954	59,990
Supplies and equipment	21,602	18,161	3,441	16,819
Other	16,490	10,345	6,145	36,518
Total City Council	<u>304,840</u>	<u>248,567</u>	<u>56,273</u>	<u>297,520</u>
Planning:				
Salaries	123,865	96,974	26,891	110,609
Employee benefits	46,645	34,438	12,207	38,361
Travel and training	1,550	1,668	(118)	2,512
Equipment	4,322	4,951	(629)	7,387
Professional services	5,075	2,144	2,931	1,787
Repairs and maintenance	2,583	2,481	102	-
Supplies	6,602	3,537	3,065	16,701
Vehicle insurance	620	504	116	-
Contractual	-	-	-	4,059
Contingency	14,505	7,044	7,461	436
Other	11,550	9,228	2,322	4,236
Total planning	<u>217,317</u>	<u>162,969</u>	<u>54,348</u>	<u>186,088</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures, continued:				
General government, continued:				
Finance:				
Salaries	\$ 310,438	294,145	16,293	287,742
Employee benefits	87,425	92,201	(4,776)	86,480
Travel and training	3,596	2,810	786	4,208
Communications	16,734	21,482	(4,748)	30,854
Professional services	12,583	7,103	5,480	8,107
Equipment maintenance	16,178	12,561	3,617	17,740
Supplies	27,612	27,876	(264)	19,902
Equipment	12,032	10,772	1,260	13,484
Insurance and bonding	51,314	48,314	3,000	46,403
Foreclosure and court costs	14,000	17,210	(3,210)	5,001
Other	11,020	10,336	684	343
Total finance	<u>562,932</u>	<u>544,810</u>	<u>18,122</u>	<u>520,264</u>
Recreation services:				
Salaries	182,800	179,843	2,957	158,554
Employee benefits	56,786	46,147	10,639	37,303
Travel and training	3,269	2,888	381	3,163
Professional services	11,649	12,831	(1,182)	10,163
Supplies	13,064	13,788	(724)	11,421
Repairs and maintenance	21,861	23,913	(2,052)	17,264
Utilities	7,175	3,499	3,676	7,989
Equipment	3,000	3,190	(190)	20,274
Insurance	3,988	3,496	492	3,730
Fuel and oil	3,000	3,451	(451)	2,511
Signs	7,000	6,500	500	1,374
Facility improvement	12,212	27,416	(15,204)	9,264
Summer recreation program	24,585	18,167	6,418	10,309
Other	4,150	2,307	1,843	5,912
Total recreation services	<u>354,539</u>	<u>347,436</u>	<u>7,103</u>	<u>299,231</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures, continued:				
General government, continued:				
Museum:				
Salaries	\$ 78,171	66,662	11,509	108,555
Employee benefits	26,465	24,992	1,473	32,248
Travel and training	1,200	1,389	(189)	375
Professional services	22,208	22,489	(281)	12,625
Advertising	1,500	1,124	376	2,388
Supplies	7,008	4,792	2,216	6,458
Repairs and maintenance	3,500	6,070	(2,570)	1,660
Utilities	7,275	5,845	1,430	7,648
Equipment	2,746	2,957	(211)	3,354
Insurance	2,200	2,112	88	1,450
Other	1,416	888	528	1,919
Total museum	<u>153,689</u>	<u>139,320</u>	<u>14,369</u>	<u>178,680</u>
Total general government	<u>1,939,806</u>	<u>1,770,465</u>	<u>169,341</u>	<u>1,797,594</u>
Public safety - police:				
Salaries	721,017	662,805	58,212	608,248
Employee benefits	243,025	239,007	4,018	205,505
Travel and training	14,790	9,682	5,108	12,798
Contingency	7,298	3,454	3,844	11,625
Communications	259,044	255,718	3,326	329,289
Professional services	5,240	1,581	3,659	412
Insurance	47,106	46,913	193	41,889
Supplies	23,638	23,942	(304)	23,501
Equipment	4,209	3,493	716	10,054
Community relations	2,500	1,239	1,261	4,050
Fuel and oil	28,000	26,614	1,386	27,442
Contractual	3,800	2,659	1,141	3,606
Repairs and maintenance	5,350	4,888	462	-
Other	11,042	7,883	3,159	2,121
Total public safety - police	<u>1,376,059</u>	<u>1,289,878</u>	<u>86,181</u>	<u>1,280,540</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures, continued:				
Public works:				
Property maintenance:				
Salaries	\$ 71,945	63,057	8,888	60,828
Employee benefits	24,403	20,919	3,484	19,313
Travel and training	1,883	828	1,055	1,198
Utilities	33,700	32,795	905	31,238
Professional services	26,672	26,762	(90)	21,839
Insurance	11,932	11,771	161	9,939
Janitorial services	20,500	16,287	4,213	21,333
Supplies	5,314	4,830	484	2,144
Assessments	13,090	14,716	(1,626)	19,536
Other	3,511	1,584	1,927	2,202
Total property maintenance	<u>212,950</u>	<u>193,549</u>	<u>19,401</u>	<u>189,570</u>
Road maintenance:				
Salaries	137,492	125,904	11,588	113,539
Employee benefits	47,530	46,475	1,055	41,666
Utilities	41,220	37,969	3,251	38,620
Insurance	2,283	2,083	200	2,362
Contractual services	243,157	197,393	45,764	163,921
Vehicle repair and maintenance	14,000	12,174	1,826	10,155
Railroad crossing maintenance	12,900	12,900	-	12,900
Asphalt and culvert repair	22,900	13,635	9,265	10,295
Storm drain thawing	8,000	6,821	1,179	11,100
Supplies	2,800	1,931	869	2,240
Fuel and oil	6,500	3,861	2,639	4,966
Signs	8,000	11,076	(3,076)	7,783
Facility and equipment rental	9,300	411	8,889	242
Street lights	16,000	9,452	6,548	8,189
Equipment	14,800	8,762	6,038	4,491
Other	5,056	2,576	2,480	1,945
Total road maintenance	<u>591,938</u>	<u>493,423</u>	<u>98,515</u>	<u>434,414</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures, continued:				
Public works, continued:				
Engineering:				
Salaries	\$ 29,495	26,124	3,371	31,201
Employee benefits	8,746	8,426	320	2,060
Travel and training	1,032	1,008	24	948
Professional services	8,070	2,245	5,825	4,088
Supplies	1,900	1,368	532	265
Equipment	7,768	4,991	2,777	5,899
Repairs and maintenance	500	-	500	96
Other	500	451	49	175
Total engineering	<u>58,011</u>	<u>44,613</u>	<u>13,398</u>	<u>44,732</u>
Total public works	<u>862,899</u>	<u>731,585</u>	<u>131,314</u>	<u>668,716</u>
Total expenditures	4,178,764	3,791,928	386,836	3,746,850
Allocation of administrative expenditures to other funds	<u>(49,055)</u>	<u>(47,564)</u>	<u>(1,491)</u>	<u>(46,359)</u>
Net expenditures	<u>4,129,709</u>	<u>3,744,364</u>	<u>385,345</u>	<u>3,700,491</u>
Excess of revenues over expenditures	1,195,105	2,441,476	1,246,371	2,334,187
Other financing sources (uses):				
Operating transfers from Debt Service Funds	-	-	-	13,077
Operating transfers to other funds:				
Special Revenue Funds	(249,171)	(231,415)	17,756	(216,800)
Capital Project Funds	(1,150,602)	(1,150,601)	1	(1,401,397)
Enterprise Funds	<u>(103,463)</u>	<u>(88,856)</u>	<u>14,607</u>	<u>(451,071)</u>
Net other financing sources (uses)	<u>(1,503,236)</u>	<u>(1,470,872)</u>	<u>32,364</u>	<u>(2,056,191)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(308,131)	970,604	1,278,735	277,996
Beginning fund balance	4,638,740	4,638,740	-	4,360,744
Residual equity transfers to Enterprise Funds	<u>(850,233)</u>	<u>(850,233)</u>	<u>-</u>	<u>-</u>
Ending fund balance	\$ <u>3,480,376</u>	<u>4,759,111</u>	<u>1,278,735</u>	<u>4,638,740</u>

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SPECIAL REVENUE FUNDS

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

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

CITY OF WASILLA, ALASKA
Special Revenue Funds
Combining Balance Sheet
June 30, 1998
(With Comparative Totals for 1997)

<u>Assets</u>	<u>Library</u>	<u>Youth Court</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
Cash and investments	\$ 42,770	9,888	52,658	35,333
Receivables:				
State of Alaska	-	2,932	2,932	20,991
Other	<u>108</u>	<u>13,852</u>	<u>13,960</u>	<u>6,837</u>
 Total assets	 \$ <u>42,878</u>	 <u>26,672</u>	 <u>69,550</u>	 <u>63,161</u>
 <u>Liabilities and Fund Balances</u> 				
Liabilities:				
Advance from central treasury	-	-	-	8,112
Accounts payable	2,728	446	3,174	3,864
Deferred revenue	1,040	299	1,339	11,099
Accrued annual and sick leave	<u>38,595</u>	<u>4,046</u>	<u>42,641</u>	<u>37,301</u>
Total liabilities	<u>42,363</u>	<u>4,791</u>	<u>47,154</u>	<u>60,376</u>
 Fund balances:				
Reserved for encumbrances	515	-	515	468
Unreserved:				
Designated for operations	-	21,881	21,881	2,785
Undesignated (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(468)</u>
Total fund balance	<u>515</u>	<u>21,881</u>	<u>22,396</u>	<u>2,785</u>
 Total liabilities and fund balances	 \$ <u>42,878</u>	 <u>26,672</u>	 <u>69,550</u>	 <u>63,161</u>

CITY OF WASILLA, ALASKA
Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 1998
(With Comparative Totals for 1997)

	Library	Youth Court	<u>Totals</u>	
			1998	1997
Revenues:				
State of Alaska	\$ 7,000	80,408	87,408	81,896
Matanuska-Susitna Borough	322,000	-	322,000	334,711
Federal government	-	24,951	24,951	-
Library fines	16,722	-	16,722	14,507
Investment income	4,314	76	4,390	104
Other	1,459	5,500	6,959	1,609
Total revenues	<u>351,495</u>	<u>110,935</u>	<u>462,430</u>	<u>432,827</u>
Expenditures:				
Salaries	297,409	60,595	358,004	367,628
Employee benefits	90,137	21,475	111,612	83,639
Travel and training	2,112	1,884	3,996	1,040
Communications	8,799	1,384	10,183	10,821
Utilities	8,277	-	8,277	7,351
Professional services	52,361	7,129	59,490	50,362
Insurance	13,728	2,592	16,320	12,582
Janitorial	6,720	-	6,720	5,400
Equipment maintenance and rental	1,404	-	1,404	1,645
Supplies	9,648	3,091	12,739	12,146
Fuel	967	-	967	1,333
Books, periodicals and audio visual	59,880	-	59,880	55,565
Administration	8,000	-	8,000	19,669
Building maintenance	5,400	-	5,400	19,876
Furniture and fixtures	7,641	3,051	10,692	2,752
Other	-	550	550	1,433
Total expenditures	<u>572,483</u>	<u>101,751</u>	<u>674,234</u>	<u>653,242</u>
Excess of revenues over (under) expenditures	(220,988)	9,184	(211,804)	(220,415)
Other financing sources -				
operating transfers from General Fund	<u>221,503</u>	<u>9,912</u>	<u>231,415</u>	<u>216,800</u>
Excess of revenues and other financing sources over (under) expenditures	515	19,096	19,611	(3,615)
Beginning fund balance	<u>-</u>	<u>2,785</u>	<u>2,785</u>	<u>6,400</u>
Ending fund balance	\$ <u>515</u>	<u>21,881</u>	<u>22,396</u>	<u>2,785</u>

CITY OF WASILLA, ALASKA
 Library Special Revenue Fund
 Balance Sheet
 June 30, 1998
 (With Comparative Amounts for 1997)

<u>Assets</u>	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 42,770	35,333
Accounts receivable	<u>108</u>	<u>-</u>
 Total assets	 \$ <u>42,878</u>	 <u>35,333</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	2,728	2,032
Deferred revenue	1,040	-
Accrued annual and sick leave	<u>38,595</u>	<u>33,301</u>
Total liabilities	<u>42,363</u>	<u>35,333</u>
Fund balance:		
Reserved for encumbrances	515	468
Unreserved (deficit)	<u>-</u>	<u>(468)</u>
Total fund balance	<u>515</u>	<u>-</u>
 Total liabilities and fund balance	 \$ <u>42,878</u>	 <u>35,333</u>

CITY OF WASILLA, ALASKA
 Library Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended June 30, 1998
 (With Comparative Amounts for 1997)

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
State of Alaska	\$ 7,000	7,000	-	7,000
Matanuska-Susitna Borough	322,000	322,000	-	317,061
Library fines	14,000	16,722	2,722	14,507
Investment income	-	4,314	4,314	104
Other	2,200	1,459	(741)	1,509
Total revenues	<u>345,200</u>	<u>351,495</u>	<u>6,295</u>	<u>340,181</u>
Expenditures:				
Salaries	303,714	297,409	6,305	279,587
Employee benefits	92,517	90,137	2,380	83,639
Travel and training	3,155	2,112	1,043	1,040
Communications	11,332	8,799	2,533	10,821
Utilities	7,495	8,277	(782)	7,351
Contractual services	52,409	52,361	48	50,362
Insurance	14,454	13,728	726	12,582
Janitorial	5,092	6,720	(1,628)	5,400
Equipment maintenance and rental	2,460	1,404	1,056	1,645
Supplies	12,338	9,648	2,690	7,383
Fuel	1,070	967	103	1,333
Books, periodicals and audio visual	59,998	59,880	118	55,565
Administration	8,000	8,000	-	19,669
Building maintenance	5,500	5,400	100	19,876
Furniture and fixtures	5,395	7,641	(2,246)	658
Other	-	-	-	70
Total expenditures	<u>584,929</u>	<u>572,483</u>	<u>12,446</u>	<u>556,981</u>
Excess of revenues over (under) expenditures	(239,729)	(220,988)	18,741	(216,800)
Other financing sources -				
operating transfers from General Fund	<u>239,259</u>	<u>221,503</u>	<u>(17,756)</u>	<u>216,800</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>(470)</u>	515	<u>985</u>	-
Beginning fund balance		<u>-</u>		<u>-</u>
Ending fund balance		\$ <u>515</u>		<u>-</u>

CITY OF WASILLA, ALASKA
 Youth Court Special Revenue Fund
 Balance Sheet
 June 30, 1998
 (With Comparative Amounts for 1997)

	<u>Assets</u>	<u>1998</u>	<u>1997</u>
Cash and investments	\$	9,888	-
Receivables:			
State of Alaska		2,932	20,991
Other		<u>13,852</u>	<u>6,837</u>
Total assets	\$	<u>26,672</u>	<u>27,828</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Advance from central treasury		-	8,112
Accounts payable		446	1,832
Deferred revenue		299	11,099
Accrued annual and sick leave		<u>4,046</u>	<u>4,000</u>
Total liabilities		4,791	25,043
Fund balance - unreserved - designated for operations		<u>21,881</u>	<u>2,785</u>
Total liabilities and fund balance	\$	<u>26,672</u>	<u>27,828</u>

CITY OF WASILLA, ALASKA
 Youth Court Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended June 30, 1998
 (With Comparative Amounts for 1997)

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
State of Alaska	\$ 95,406	80,408	(14,998)	74,896
Matanuska-Susitna Borough	-	-	-	17,650
Federal government	17,670	24,951	7,281	-
Investment income	-	76	76	-
Other	5,500	5,500	-	100
Total revenues	118,576	110,935	(7,641)	92,646
Expenditures:				
Salaries	88,187	60,595	27,592	88,041
Employee benefits	25,596	21,475	4,121	-
Travel and training	1,926	1,884	42	-
Communications	-	1,384	(1,384)	-
Professional services	12,358	7,129	5,229	-
Insurance	2,736	2,592	144	-
Supplies	6,038	3,091	2,947	4,763
Administration	1,951	-	1,951	-
Furniture and fixtures	6,571	3,051	3,520	2,094
Other	650	550	100	1,363
Total expenditures	146,013	101,751	44,262	96,261
Excess of revenues over (under) expenditures	(27,437)	9,184	36,621	(3,615)
Other financing sources -				
operating transfers from General Fund	9,912	9,912	-	-
Excess of revenues and other financing sources over (under) expenditures	\$ (17,525)	19,096	36,621	(3,615)
Beginning fund balance		2,785		6,400
Ending fund balance	\$	21,881		2,785

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DEBT SERVICE FUNDS

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

CITY OF WASILLA, ALASKA
Debt Service Funds
Combining Balance Sheet
June 30, 1998

(With Comparative Totals for 1997)

	1986	1987	1988	1998	1997
Assets	Southside Water District Bond	Sewer Improvement District Bond	Overlook Sewer Improvement Bond	Gas Assessments Guarantee	Bond
	1982 Original Water Bond	Paving Bonds	Total	Total	Total
Cash and investments	\$ 51,396	240,381	20,280	131,001	124,990
Due from other funds	-	-	-	-	-
Receivables:					
Special assessments, net	237,382	487,011	6,574	3,257	-
Interest and penalty	1,564	-	-	-	1,564
Other	-	-	-	1,253	-
Total assets	\$ 290,342	727,392	26,854	135,511	124,990
				1,693,530	2,015,969
Liabilities and Fund Balances					
Liabilities:					
Advance from central treasury	-	-	-	-	65
Due to other funds	-	-	-	-	18,913
Advances from other funds	-	-	-	104,032	140,270
Deferred revenue	230,434	487,011	6,574	3,257	-
Total liabilities	<u>230,434</u>	<u>487,011</u>	<u>6,574</u>	<u>104,032</u>	<u>1,261,037</u>
Fund balances:				<u>1,126,401</u>	<u>1,420,285</u>
Reserved for debt service	-	214,865	-	-	20,958
Unreserved:					
Designated for subsequent year expenditures	-	-	-	-	-
Undesignated (deficit)	59,908	25,516	20,280	132,254	25,516
Total fund balances	<u>59,908</u>	<u>240,381</u>	<u>20,280</u>	<u>132,254</u>	<u>20,958</u>
Total liabilities and fund balances	\$ 290,342	727,392	26,854	135,511	124,990
				1,693,530	2,015,969

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, 1998
(With Comparative Amounts for 1997)

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ 21,970	17,653	(4,317)	54,661
Investment income	<u>2,310</u>	<u>4,432</u>	<u>2,122</u>	<u>5,073</u>
Total revenues	24,280	22,085	(2,195)	59,734
Other uses - operating transfers to other funds	<u>(12,140)</u>	<u>(12,140)</u>	-	<u>(58,242)</u>
Excess of revenues over other uses	\$ <u>12,140</u>	9,945	<u>(2,195)</u>	1,492
Beginning fund balance		119,963		118,471
Residual equity transfer to Water Enterprise Fund		<u>(70,000)</u>		<u>-</u>
Ending fund balance	\$	<u>59,908</u>		<u>119,963</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, 1998
 (With Comparative Amounts for 1997)

	1998		Variance	1997
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Special assessments	\$ 12,733	23,218	10,485	20,594
Investment income	<u>1,000</u>	<u>853</u>	<u>(147)</u>	<u>1,570</u>
Total revenues	<u>13,733</u>	<u>24,071</u>	<u>10,338</u>	<u>22,164</u>
Expenditures - debt service:				
Principal	5,160	3,954	1,206	40,160
Interest	<u>11,448</u>	<u>9,304</u>	<u>2,144</u>	<u>11,764</u>
Total expenditures	<u>16,608</u>	<u>13,258</u>	<u>3,350</u>	<u>51,924</u>
Excess of revenues over (under) expenditures	\$ <u>(2,875)</u>	10,813	<u>13,688</u>	(29,760)
Beginning fund balance		<u>10,524</u>		<u>40,284</u>
Ending fund balance		\$ <u>21,337</u>		<u>10,524</u>

CITY OF WASILLA, ALASKA
1987 Sewer Improvement District Bond Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ 18,040	39,413	21,373	44,396
Investment income	-	2,231	2,231	3,709
Total revenues	18,040	41,644	23,604	48,105
Expenditures - debt service:				
Principal	95,400	95,400	-	5,400
Interest	14,294	14,294	-	14,645
Total expenditures	109,694	109,694	-	20,045
Excess of revenues over (under) expenditures	\$ (91,654)	(68,050)	23,604	28,060
Beginning fund balance		140,061		112,001
Ending fund balance	\$ 72,011			140,061

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, 1998
(With Comparative Amounts for 1997)

	1998		Variance	1997
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Special assessments	\$ 153,436	207,828	54,392	205,046
Investment income	-	9,548	9,548	6,668
Total revenues	<u>153,436</u>	<u>217,376</u>	<u>63,940</u>	<u>211,714</u>
Expenditures - debt service:				
Principal	209,841	159,335	50,506	87,706
Interest	<u>78,617</u>	<u>51,142</u>	<u>27,475</u>	<u>42,737</u>
Total expenditures	<u>288,458</u>	<u>210,477</u>	<u>77,981</u>	<u>130,443</u>
Excess of revenues over (under) expenditures	(135,022)	6,899	141,921	81,271
Other uses - operating transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,440)</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ (135,022)</u>	<u>6,899</u>	<u>141,921</u>	<u>76,831</u>
Beginning fund balance		<u>233,482</u>		<u>156,651</u>
Ending fund balance		<u>\$ 240,381</u>		<u>233,482</u>

CITY OF WASILLA, ALASKA
1988 Overlook Sewer Improvement Bond Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance (Deficit) - Budget and Actual
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	1998			1997
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Special assessments	\$ 24,965	38,435	13,470	66,323
Investment income	<u>100</u>	<u>823</u>	<u>723</u>	<u>1,611</u>
Total revenues	<u>25,065</u>	<u>39,258</u>	<u>14,193</u>	<u>67,934</u>
Expenditures - debt service:				
Principal	29,000	-	29,000	58,000
Interest	<u>1,769</u>	<u>-</u>	<u>1,769</u>	<u>4,414</u>
Total expenditures	<u>30,769</u>	<u>-</u>	<u>30,769</u>	<u>62,414</u>
Excess of revenues over (under) expenditures	\$ <u>(5,704)</u>	39,258	<u>44,962</u>	5,520
Beginning deficit		<u>(18,978)</u>		<u>(24,498)</u>
Ending fund balance (deficit)	\$	<u>20,280</u>		<u>(18,978)</u>

CITY OF WASILLA, ALASKA
 Gas Assessments Debt Service Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 1998
 (With Comparative Amounts for 1997)

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ -	5,687	5,687	16,867
Investment income	-	5,275	5,275	3,338
Free main allowances	-	24,630	24,630	5,028
Total revenues	\$ -	35,592	35,592	25,233
Beginning fund balance		96,662		71,429
Ending fund balance	\$	132,254		96,662

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, 1998
(With Comparative Amounts for 1997)

	1998			1997
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues - investment income	\$ -	6,988	6,988	3,581
Other uses - operating transfers to other funds	-	-	-	(8,637)
Excess of revenues over (under) other uses	\$ -	6,988	6,988	(5,056)
Beginning fund balance		<u>13,970</u>		<u>19,026</u>
Ending fund balance		\$ <u>20,958</u>		<u>13,970</u>

CAPITAL PROJECT FUNDS

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

CITY OF WASILLA, ALASKA
Capital Project Funds
Combining Balance Sheet
June 30, 1998
(With Comparative Totals for 1997)

<u>Assets</u>	Miscellaneous Projects and Road and Street Improvements	Vehicle Replacement	Right- of-Way Acquisition	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
Cash and investments	\$ 6,893,864	561,530	49,229	7,504,623	2,222,499
Receivables:					
State of Alaska	-	-	-	-	7,663
Matanuska-Susitna Borough	20,000	-	-	20,000	-
Accrued interest	23,090	4,661	-	27,751	24,031
Other	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>31,973</u>
 Total assets	 \$ <u>6,971,954</u>	 <u>566,191</u>	 <u>49,229</u>	 <u>7,587,374</u>	 <u>2,286,166</u>
 <u>Liabilities and Fund Balances</u> 					
Liabilities:					
Accounts payable	77,586	2,915	-	80,501	8,604
Retainage payable	-	-	-	-	6,842
Deferred revenue	<u>37,676</u>	<u>-</u>	<u>-</u>	<u>37,676</u>	<u>38,905</u>
Total liabilities	<u>115,262</u>	<u>2,915</u>	<u>-</u>	<u>118,177</u>	<u>54,351</u>
 Fund balances:					
Reserved for encumbrances	274,335	140,000	-	414,335	122,735
Unreserved:					
Designated for subsequent year expenditures	-	100,000	-	100,000	186,361
Undesignated	<u>6,582,357</u>	<u>323,276</u>	<u>49,229</u>	<u>6,954,862</u>	<u>1,922,719</u>
Total fund balances	<u>6,856,692</u>	<u>563,276</u>	<u>49,229</u>	<u>7,469,197</u>	<u>2,231,815</u>
 Total liabilities and fund balances	 \$ <u>6,971,954</u>	 <u>566,191</u>	 <u>49,229</u>	 <u>7,587,374</u>	 <u>2,286,166</u>

CITY OF WASILLA, ALASKA
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 1998
(With Comparative Totals for 1997)

	Miscellaneous Projects and Road and Street Improvements	Vehicle Replacement	Right- of-Way Acquisition	Totals	
				1998	1997
Revenues:					
State of Alaska	\$ 123,798	-	-	123,798	514,034
Matanuska-Susitna Borough	21,229	-	-	21,229	6,894
Investment income	130,336	28,451	2,031	160,818	57,874
Other	36,822	7,570	-	44,392	37,757
Total revenues	312,185	36,021	2,031	350,237	616,559
Expenditures - capital outlay	<u>1,703,167</u>	<u>102,429</u>	<u>-</u>	<u>1,805,596</u>	<u>1,376,179</u>
Excess of revenues over (under) expenditures	(1,390,982)	(66,408)	2,031	(1,455,359)	(759,620)
Other financing sources (uses):					
Bond proceeds	5,500,000	-	-	5,500,000	278,717
Operating transfers from other funds	949,741	238,000	5,000	1,192,741	1,508,285
Operating transfers to other funds	-	-	-	-	(139,402)
Net other financing sources (uses)	<u>6,449,741</u>	<u>238,000</u>	<u>5,000</u>	<u>6,692,741</u>	<u>1,647,600</u>
Excess of revenues and other financing sources over expenditures and other uses	5,058,759	171,592	7,031	5,237,382	887,980
Beginning fund balances	<u>1,797,933</u>	<u>391,684</u>	<u>42,198</u>	<u>2,231,815</u>	<u>1,343,835</u>
Ending fund balances	\$ <u>6,856,692</u>	<u>563,276</u>	<u>49,229</u>	<u>7,469,197</u>	<u>2,231,815</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, 1998

(With Comparative Totals for 1997)

Assets	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1998	1997
Current assets:					
Cash and investments	\$ 441,051	1,089,839	695	1,531,585	1,183,252
Receivables:					
Trade	42,250	43,224	960	86,434	68,084
Allowance for doubtful accounts	(4,000)	(4,000)	-	(8,000)	(8,000)
Grants	50,150	-	-	50,150	56,778
Other	-	-	-	-	8,278
Accrued interest	4,087	9,634	-	13,721	8,924
Notes receivable, current portion	108,378	-	-	108,378	13,072
Inventory	95,297	21,798	-	117,095	96,080
Total current assets	<u>737,213</u>	<u>1,160,495</u>	<u>1,655</u>	<u>1,899,363</u>	<u>1,426,468</u>
Notes receivable, less current portion	<u>30,426</u>	<u>-</u>	<u>-</u>	<u>30,426</u>	<u>105,024</u>
Property, plant and equipment:					
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
Treatment system	4,475,624	-	-	4,475,624	4,475,623
Collection/distribution system	7,658,842	4,816,904	-	12,475,746	12,017,025
Water tank and fence	-	2,337,975	-	2,337,975	2,337,975
Wells/well house	-	271,276	-	271,276	271,276
Other plant in service	2,759,160	-	-	2,759,160	2,598,506
Equipment	1,941,567	70,273	208,154	2,219,994	2,196,614
Construction in progress	207,148	204,812	-	411,960	243,434
Total property, plant and equipment	<u>17,700,151</u>	<u>7,850,410</u>	<u>5,765,907</u>	<u>31,316,468</u>	<u>30,505,186</u>
Less accumulated depreciation	<u>(4,945,356)</u>	<u>(1,996,618)</u>	<u>(1,350,409)</u>	<u>(8,292,383)</u>	<u>(7,593,647)</u>
Net property, plant and equipment	<u>12,754,795</u>	<u>5,853,792</u>	<u>4,415,498</u>	<u>23,024,085</u>	<u>22,911,539</u>
Deferred charge	<u>-</u>	<u>15,694</u>	<u>-</u>	<u>15,694</u>	<u>16,075</u>
Total assets	\$ <u>13,522,434</u>	<u>7,029,981</u>	<u>4,417,153</u>	<u>24,969,568</u>	<u>24,459,106</u>
<u>Liabilities and Fund Equity</u>					
Current liabilities:					
Advance from central treasury	-	-	-	-	187
Accounts payable	14,795	7,491	330	22,616	31,473
Revenue billed in advance	28,849	-	-	28,849	29,511
Accrued annual and sick leave	13,660	15,777	1,805	31,242	22,241
Customer deposits	19,641	19,710	-	39,351	13,570
Other	-	-	-	-	10,600
Total current liabilities	<u>76,945</u>	<u>42,978</u>	<u>2,135</u>	<u>122,058</u>	<u>107,582</u>
Fund equity:					
Contributed capital:					
Federal and state grants	15,996,882	4,928,581	5,765,253	26,690,716	26,743,424
Other	1,977,182	3,070,745	-	5,047,927	3,930,559
Total contributed capital	<u>17,974,064</u>	<u>7,999,326</u>	<u>5,765,253</u>	<u>31,738,643</u>	<u>30,673,983</u>
Less accumulated amortization	<u>(4,709,672)</u>	<u>(1,424,952)</u>	<u>(1,350,235)</u>	<u>(7,484,859)</u>	<u>(6,841,121)</u>
Net contributed capital	<u>13,264,392</u>	<u>6,574,374</u>	<u>4,415,018</u>	<u>24,253,784</u>	<u>23,832,862</u>
Retained earnings - unreserved	<u>181,097</u>	<u>412,629</u>	<u>-</u>	<u>593,726</u>	<u>518,662</u>
Total fund equity	<u>13,445,489</u>	<u>6,987,003</u>	<u>4,415,018</u>	<u>24,847,510</u>	<u>24,351,524</u>
Total liabilities and fund equity	\$ <u>13,522,434</u>	<u>7,029,981</u>	<u>4,417,153</u>	<u>24,969,568</u>	<u>24,459,106</u>

CITY OF WASILLA, ALASKA
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 1998
(With Comparative Totals for 1997)

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1998	1997
Operating revenues:					
Sales and user charges	\$ 357,354	309,345	-	666,699	605,758
Fees and rentals	-	-	16,829	16,829	12,455
Meters	-	3,202	-	3,202	2,438
Other	-	1,753	-	1,753	10,629
Total operating revenues	<u>357,354</u>	<u>314,300</u>	<u>16,829</u>	<u>688,483</u>	<u>631,280</u>
Operating expenses:					
Salaries	161,740	127,086	18,322	307,148	297,521
Employee benefits	60,982	47,031	3,594	111,607	106,699
Travel and training	1,744	-	-	1,744	2,220
Communications	1,648	2,080	352	4,080	4,378
Utilities	40,651	34,418	2,909	77,978	69,813
Professional services	10,205	13,383	18,273	41,861	37,490
Insurance	11,259	7,889	8,401	27,549	23,222
Materials and supplies	11,490	6,583	1,189	19,262	36,130
Administration	16,082	24,124	-	40,206	36,537
Repairs and maintenance	67,975	8,946	1,858	78,779	87,684
Rent	3,501	5,330	-	8,831	8,831
Other	1,583	5,893	64	7,540	71,709
Total operating expenses	<u>388,860</u>	<u>282,763</u>	<u>54,962</u>	<u>726,585</u>	<u>782,234</u>
Operating income (loss) before depreciation	(31,506)	31,537	(38,133)	(38,102)	(150,954)
Depreciation	<u>329,761</u>	<u>143,353</u>	<u>234,921</u>	<u>708,035</u>	<u>701,562</u>
Operating loss	(361,267)	(111,816)	(273,054)	(746,137)	(852,516)
Nonoperating revenues:					
Accounts payable write-off	-	-	-	-	343,087
Payments in lieu of assessments	25,362	16,474	-	41,836	20,183
Investment income	37,387	29,176	909	67,472	64,355
Total nonoperating revenues	<u>62,749</u>	<u>45,650</u>	<u>909</u>	<u>109,308</u>	<u>427,625</u>
Loss before operating transfers	(298,518)	(66,166)	(272,145)	(636,829)	(424,891)
Operating transfers:					
Operating transfers in	51,632	-	37,224	88,856	63,692
Operating transfers out	(20,000)	(10,000)	-	(30,000)	-
Net operating transfers	<u>31,632</u>	<u>(10,000)</u>	<u>37,224</u>	<u>58,856</u>	<u>63,692</u>
Net loss	(266,886)	(76,166)	(234,921)	(577,973)	(361,199)
Amortization of contributed capital	<u>318,178</u>	<u>99,938</u>	<u>234,921</u>	<u>653,037</u>	<u>644,980</u>
Increase in retained earnings	51,292	23,772	-	75,064	283,781
Beginning retained earnings	<u>129,805</u>	<u>388,857</u>	<u>-</u>	<u>518,662</u>	<u>234,881</u>
Ending retained earnings	\$ <u>181,097</u>	<u>412,629</u>	<u>-</u>	<u>593,726</u>	<u>518,662</u>

CITY OF WASILLA, ALASKA
 Enterprise Fund
 Combining Statement of Cash Flows
 Year Ended June 30, 1998
 (With Comparative Totals for 1997)

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1998	1997
Cash flows from operating activities:					
Operating loss	\$ (361,267)	(111,816)	(273,054)	(746,137)	(852,516)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	329,761	143,353	234,921	708,035	701,562
Accounts payable write-off	-	-	-	-	343,087
Amortization	-	381	-	381	318
(Increase) decrease in assets:					
Accounts receivable - trade	(12,295)	(6,123)	68	(18,350)	14,861
Accounts receivable - other	14,906	-	-	14,906	(5,515)
Inventory	(14,278)	(6,737)	-	(21,015)	(17,528)
Increase (decrease) in liabilities:					
Accounts payable	10,042	(10,784)	74	(668)	20,905
Due to other funds	-	-	-	-	(4,159)
Revenue billed in advance	(662)	-	-	(662)	-
Accrued annual and sick leave	4,420	3,842	740	9,002	6,762
Customer deposits	6,071	921	-	6,992	4,037
Other	-	-	-	-	4,500
Net cash flows from operating activities	<u>(23,302)</u>	<u>13,037</u>	<u>(37,251)</u>	<u>(47,516)</u>	<u>216,314</u>
Cash flows from noncapital financing activities:					
Advances paid to central treasury	-	-	(187)	(187)	(335,996)
Net operating transfers in (out)	<u>31,632</u>	<u>(10,000)</u>	<u>37,224</u>	<u>58,856</u>	<u>63,692</u>
Net cash flows from noncapital financing activities	<u>31,632</u>	<u>(10,000)</u>	<u>37,037</u>	<u>58,669</u>	<u>(272,304)</u>
Cash flows from capital and related financing activities:					
Cash received from capital grants	7,605	56,702	-	64,307	201,266
Receipts from special assessments and payments in lieu of assessments	25,362	16,474	-	41,836	20,183
Acquisition and construction of capital assets	(249,042)	(661,577)	-	(910,619)	(265,858)
Residual equity transfers in	67,893	852,340	-	920,233	570,902
Other contributed capital	<u>74,457</u>	<u>105,000</u>	<u>-</u>	<u>179,457</u>	<u>-</u>
Net cash flows from capital and related financing activities	<u>(73,725)</u>	<u>368,939</u>	<u>-</u>	<u>295,214</u>	<u>526,493</u>
Cash flows from investing activities:					
Investment income	33,356	28,410	909	62,675	63,434
Issuance of notes receivable	(65,449)	-	-	(65,449)	(16,000)
Principal payments received on notes receivable	<u>44,740</u>	<u>-</u>	<u>-</u>	<u>44,740</u>	<u>33,565</u>
Net cash flows from investing activities	<u>12,647</u>	<u>28,410</u>	<u>909</u>	<u>41,966</u>	<u>80,999</u>
Net increase (decrease) in cash and investments	(52,748)	400,386	695	348,333	551,502
Cash and investments at beginning of year	<u>493,799</u>	<u>689,453</u>	<u>-</u>	<u>1,183,252</u>	<u>631,750</u>
Cash and investments at end of year	\$ <u>441,051</u>	<u>1,089,839</u>	<u>695</u>	<u>1,531,585</u>	<u>1,183,252</u>
<u>Noncash capital and related financing activities</u>					
Equipment contributed by other funds	\$ -	<u>17,679</u>	<u>-</u>	<u>17,679</u>	<u>16,000</u>

CITY OF WASILLA, ALASKA
 Sewer Utility Enterprise Fund
 Balance Sheet
 June 30, 1998
 (With Comparative Amounts for 1997)

<u>Assets</u>	<u>1998</u>	<u>1997</u>
Current assets:		
Cash and investments	\$ 441,051	493,799
Receivables:		
Trade	42,250	29,955
Allowance for doubtful accounts	(4,000)	(4,000)
Grants	50,150	56,778
Other	-	8,278
Accrued interest	4,087	56
Notes receivable, current portion	108,378	13,072
Inventory	<u>95,297</u>	<u>81,019</u>
Total current assets	<u>737,213</u>	<u>678,957</u>
Notes receivable, less current portion	<u>30,426</u>	<u>105,024</u>
Property, plant and equipment:		
Land	657,810	657,810
Treatment system	4,475,624	4,475,623
Collection system	7,658,842	7,592,407
Other plant in service	2,759,160	2,598,506
Equipment	1,941,567	1,935,865
Construction in progress	<u>207,148</u>	<u>190,898</u>
Total property, plant and equipment	17,700,151	17,451,109
Less accumulated depreciation	<u>(4,945,356)</u>	<u>(4,615,595)</u>
Net property, plant and equipment	<u>12,754,795</u>	<u>12,835,514</u>
Total assets	\$ <u>13,522,434</u>	<u>13,619,495</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Accounts payable	14,795	4,753
Revenue billed in advance	28,849	29,511
Accrued annual and sick leave	13,660	9,240
Customer deposits	<u>19,641</u>	<u>13,570</u>
Total current liabilities	<u>76,945</u>	<u>57,074</u>
Fund equity:		
Contributed capital:		
Federal and state grants	15,996,882	15,989,277
Other	<u>1,977,182</u>	<u>1,834,832</u>
Total contributed capital	17,974,064	17,824,109
Less accumulated amortization	<u>(4,709,672)</u>	<u>(4,391,493)</u>
Net contributed capital	13,264,392	13,432,616
Retained earnings - unreserved	<u>181,097</u>	<u>129,805</u>
Total fund equity	<u>13,445,489</u>	<u>13,562,421</u>
Total liabilities and fund equity	\$ <u>13,522,434</u>	<u>13,619,495</u>

CITY OF WASILLA, ALASKA
Sewer Utility Enterprise Fund
Statement of Revenues, Expenses
and Changes in Retained Earnings (Deficit)
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Sales and user charges	\$ 357,354	312,509
Other	-	4,226
Total operating revenues	<u>357,354</u>	<u>316,735</u>
Operating expenses:		
Salaries	161,740	146,475
Employee benefits	60,982	52,457
Travel and training	1,744	2,220
Communications	1,648	1,818
Utilities	40,651	37,923
Professional services	10,205	10,079
Insurance	11,259	8,870
Materials and supplies	11,490	18,668
Administration	16,082	14,615
Maintenance	67,975	46,732
Rent	3,501	3,501
Other	1,583	45,300
Total operating expenses	<u>388,860</u>	<u>388,658</u>
Operating loss before depreciation	(31,506)	(71,923)
Depreciation	<u>329,761</u>	<u>332,641</u>
Operating loss	(361,267)	(404,564)
Nonoperating revenues:		
Accounts payable write-off	-	343,087
Payment in lieu of assessments	25,362	-
Investment income	37,387	36,623
Total nonoperating revenues	<u>62,749</u>	<u>379,710</u>
Loss before operating transfers	(298,518)	(24,854)
Operating transfers:		
Operating transfers in	51,632	9,057
Operating transfers out	(20,000)	-
Net operating transfers	<u>31,632</u>	<u>9,057</u>
Net loss	(266,886)	(15,797)
Amortization of contributed capital	<u>318,178</u>	<u>320,447</u>
Increase in retained earnings	51,292	304,650
Beginning retained earnings (deficit)	<u>129,805</u>	<u>(174,845)</u>
Ending retained earnings	\$ <u>181,097</u>	<u>129,805</u>

CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 1998

(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:	\$	
Operating loss	(361,267)	(404,564)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	329,761	332,641
Accounts payable write-off	-	343,087
(Increase) decrease in assets:		
Accounts receivable - trade	(12,295)	6,432
Accounts receivable - other	14,906	(5,515)
Inventory	(14,278)	(15,840)
Increase (decrease) in liabilities:		
Accounts payable	10,042	2,331
Revenue billed in advance	(662)	-
Due to other funds	-	(4,159)
Accrued annual and sick leave	4,420	2,219
Customer deposits	<u>6,071</u>	<u>4,037</u>
Net cash flows from operating activities	<u>(23,302)</u>	<u>260,669</u>
Cash flows from noncapital financing activities:		
Advances paid to central treasury	-	(241,494)
Net operating transfers in	<u>31,632</u>	<u>9,057</u>
Net cash flows from noncapital financing activities	<u>31,632</u>	<u>(232,437)</u>
Cash flows from capital and related financing activities:		
Cash received from capital grants	7,605	200,394
Other contributed capital	74,457	-
Receipt of assessments and payments in lieu of assessments	25,362	-
Acquisition and construction of capital assets	(249,042)	(219,417)
Residual equity transfers in	<u>67,893</u>	<u>430,402</u>
Net cash flows from capital and related financing activities	<u>(73,725)</u>	<u>411,379</u>
Cash flows from investing activities:		
Investment income	33,356	36,623
Issuance of notes receivable	(65,449)	(16,000)
Principal payments received on notes receivable	<u>44,740</u>	<u>33,565</u>
Net cash flows from investing activities	<u>12,647</u>	<u>54,188</u>
Net increase (decrease) in cash and investments	(52,748)	493,799
Cash and investments at beginning of year	<u>493,799</u>	<u>-</u>
Cash and investments at end of year	\$ <u>441,051</u>	<u>493,799</u>
Noncash capital and related financing activities		
Equipment contributed by other funds	\$ <u>-</u>	<u>16,000</u>

CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund

Balance Sheet

June 30, 1998

(With Comparative Amounts for 1997)

<u>Assets</u>	<u>1998</u>	<u>1997</u>
Current assets:		
Cash and investments	\$ 1,089,839	689,453
Receivables:		
Trade	43,224	37,101
Allowance for doubtful accounts	(4,000)	(4,000)
Accrued interest	9,634	8,868
Inventory	21,798	15,061
Total current assets	<u>1,160,495</u>	<u>746,483</u>
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	4,816,904	4,424,618
Water tank and fence	2,337,975	2,337,975
Wells/well house	271,276	271,276
Equipment	70,273	52,595
Construction in progress	204,812	52,536
Total property, plant and equipment	7,850,410	7,288,170
Less accumulated depreciation	<u>(1,996,618)</u>	<u>(1,862,564)</u>
Net property, plant and equipment	<u>5,853,792</u>	<u>5,425,606</u>
Deferred charge	<u>15,694</u>	<u>16,075</u>
Total assets	\$ <u>7,029,981</u>	<u>6,188,164</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Accounts payable	7,491	18,275
Accrued annual and sick leave	15,777	11,935
Customer deposits	19,710	18,789
Total current liabilities	<u>42,978</u>	<u>48,999</u>
Fund equity:		
Contributed capital:		
Federal and state grants	4,928,581	4,988,894
Other	3,070,745	2,095,727
Total contributed capital	7,999,326	7,084,621
Less accumulated amortization	<u>(1,424,952)</u>	<u>(1,334,313)</u>
Net contributed capital	6,574,374	5,750,308
Retained earnings - unreserved	<u>412,629</u>	<u>388,857</u>
Total fund equity	<u>6,987,003</u>	<u>6,139,165</u>
Total liabilities and fund equity	\$ <u>7,029,981</u>	<u>6,188,164</u>

CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund
Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Metered sales	\$ 309,345	293,249
Meters	3,202	2,438
Other	<u>1,753</u>	<u>6,403</u>
Total operating revenues	<u>314,300</u>	<u>302,090</u>
Operating expenses:		
Salaries	127,086	136,367
Employee benefits	47,031	50,023
Communications	2,080	2,560
Utilities	34,418	28,621
Professional services	13,383	16,688
Insurance	7,889	6,114
Materials and supplies	6,583	12,888
Administration	24,124	21,922
Maintenance	8,946	24,432
Rent	5,330	5,330
Other	<u>5,893</u>	<u>21,671</u>
Total operating expenses	<u>282,763</u>	<u>326,616</u>
Operating income (loss) before depreciation	31,537	(24,526)
Depreciation	<u>143,353</u>	<u>143,653</u>
Operating loss	(111,816)	(168,179)
Nonoperating revenues:		
Payments in lieu of assessments	16,474	20,183
Investment income	<u>29,176</u>	<u>27,732</u>
Total nonoperating revenues	<u>45,650</u>	<u>47,915</u>
Loss before operating transfers	(66,166)	(120,264)
Operating transfers out	<u>(10,000)</u>	<u>-</u>
Net loss	(76,166)	(120,264)
Amortization of contributed capital	<u>99,938</u>	<u>99,395</u>
Increase (decrease) in retained earnings	23,772	(20,869)
Beginning retained earnings	<u>388,857</u>	<u>409,726</u>
Ending retained earnings	\$ <u>412,629</u>	<u>388,857</u>

CITY OF WASILLA, ALASKA
Water Utility Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 1998
(With Comparative amounts for 1997)

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating loss	\$ (111,816)	(168,179)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	143,353	143,653
Amortization	381	318
(Increase) decrease in assets:		
Accounts receivable - trade	(6,123)	8,169
Inventory	(6,737)	(1,688)
Increase (decrease) in liabilities:		
Accounts payable	(10,784)	18,498
Accrued annual and sick leave	3,842	4,146
Customer deposits	921	-
Other	-	4,500
Net cash flows from operating activities	<u>13,037</u>	<u>9,417</u>
Cash flows from noncapital financing activities:		
Operating transfer out	(10,000)	-
Advances paid to central treasury	-	(93,639)
Net cash flows from noncapital financing activities	<u>(10,000)</u>	<u>(93,639)</u>
Cash flows from capital and related financing activities:		
Cash received from capital grants	56,702	872
Other contributed capital	105,000	-
Receipt of special assessments and payments in lieu of assessments	16,474	20,183
Acquisition and construction of capital assets	(661,577)	(46,441)
Residual equity transfers in	<u>852,340</u>	<u>140,500</u>
Net cash flows from capital and related financing activities	<u>368,939</u>	<u>115,114</u>
Cash flows from investing activities - investment income	<u>28,410</u>	<u>26,811</u>
Net increase in cash and investments	400,386	57,703
Cash and investments at beginning of year	<u>689,453</u>	<u>631,750</u>
Cash and investments at end of year	\$ <u>1,089,839</u>	<u>689,453</u>
<u>Noncash capital and related financing activities</u>		
Equipment contributed by other funds	\$ <u>17,679</u>	<u>-</u>

CITY OF WASILLA, ALASKA

Municipal Airport Enterprise Fund

Balance Sheet

June 30, 1998

(With Comparative Amounts for 1997)

<u>Assets</u>	<u>1998</u>	<u>1997</u>
Current assets:		
Cash and investments	\$ 695	-
Account receivable - trade	960	1,028
Total current assets	<u>1,655</u>	<u>1,028</u>
Property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	4,087,753	4,087,753
Equipment	208,154	208,154
Total property, plant and equipment	5,765,907	5,765,907
Less accumulated depreciation	<u>(1,350,409)</u>	<u>(1,115,488)</u>
Net property, plant and equipment	<u>4,415,498</u>	<u>4,650,419</u>
Total assets	\$ <u>4,417,153</u>	<u>4,651,447</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Advance from central treasury	-	187
Accounts payable	330	256
Accrued annual and sick leave	1,805	1,066
Total current liabilities	<u>2,135</u>	<u>1,509</u>
Fund equity:		
Contributed capital -		
federal and state grants	5,765,253	5,765,253
Less accumulated amortization	<u>(1,350,235)</u>	<u>(1,115,315)</u>
Net contributed capital	4,415,018	4,649,938
Retained earnings	<u>-</u>	<u>-</u>
Total fund equity	<u>4,415,018</u>	<u>4,649,938</u>
Total liabilities and fund equity	\$ <u>4,417,153</u>	<u>4,651,447</u>

CITY OF WASILLA, ALASKA
Municipal Airport Enterprise Fund
Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Operating revenues - fees and rentals	\$ <u>16,829</u>	<u>12,455</u>
Operating expenses:		
Salaries	18,322	14,679
Employee benefits	3,594	4,219
Communications	352	-
Utilities	2,909	3,269
Professional services	18,273	10,723
Insurance	8,401	8,238
Materials and supplies	1,189	4,574
Repairs and maintenance	1,858	16,520
Other	<u>64</u>	<u>4,738</u>
Total operating expenses	<u>54,962</u>	<u>66,960</u>
Operating loss before depreciation	(38,133)	(54,505)
Depreciation	<u>234,921</u>	<u>225,268</u>
Operating loss	(273,054)	(279,773)
Nonoperating revenues - investment income	<u>909</u>	<u>-</u>
Loss before operating transfers	(272,145)	(279,773)
Operating transfers in	<u>37,224</u>	<u>54,635</u>
Net loss	(234,921)	(225,138)
Amortization of contributed capital	<u>234,921</u>	<u>225,138</u>
Increase in retained earnings	-	-
Beginning retained earnings	<u>-</u>	<u>-</u>
Ending retained earnings	\$ <u>-</u>	<u>-</u>

CITY OF WASILLA, ALASKA
Municipal Airport Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating loss	\$ (273,054)	(279,773)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	234,921	225,268
Decrease in accounts receivable - trade	68	260
Increase in liabilities:		
Accounts payable	74	76
Accrued annual and sick leave	<u>740</u>	<u>397</u>
Net cash flows from operating activities	<u>(37,251)</u>	<u>(53,772)</u>
 Cash flows from noncapital financing activities:		
Operating transfers in	37,224	54,635
Advances paid to central treasury	<u>(187)</u>	<u>(863)</u>
Net cash flows from noncapital financing activities	<u>37,037</u>	<u>53,772</u>
 Cash flows from investing activities - investment income	<u>909</u>	<u>-</u>
 Net increase in cash and investments	695	-
 Cash and investments at beginning of year	<u>-</u>	<u>-</u>
 Cash and investments at end of year	\$ <u>695</u>	<u>-</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.

CITY OF WASILLA, ALASKA
Trust and Agency Funds
Combining Balance Sheet
June 30, 1998
(With Comparative Totals for 1997)

<u>Assets</u>	Non- expendable <u>Trust</u> <u>Cemetery</u>	<u>Agency</u> Pass Through Grant	Deferred Compen- sation	<u>Totals</u> 1998 1997	
Cash and investments	\$ 94,669	-	-	94,669	81,017
Investments in deferred compensation plan	-	-	-	-	226,824
Accrued interest receivable	<u>1,564</u>	<u>-</u>	<u>-</u>	<u>1,564</u>	<u>1,435</u>
 Total assets	 <u>\$ 96,233</u>	 <u>-</u>	 <u>-</u>	 <u>96,233</u>	 <u>309,276</u>
 <u>Liabilities and Fund Balance</u> 					
Liabilities:					
Deferred compensation benefits payable	-	-	-	-	226,824
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,824</u>
 Fund balance:					
Reserved for investment	79,505	-	-	79,505	69,205
Unreserved - designated for operations	<u>16,728</u>	<u>-</u>	<u>-</u>	<u>16,728</u>	<u>12,247</u>
Total fund balance	<u>96,233</u>	<u>-</u>	<u>-</u>	<u>96,233</u>	<u>81,452</u>
 Total liabilities and fund balance	 <u>\$ 96,233</u>	 <u>-</u>	 <u>-</u>	 <u>96,233</u>	 <u>309,276</u>

CITY OF WASILLA, ALASKA
 Cemetery Nonexpendable Trust Fund
 Balance Sheet
 June 30, 1998
 (With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
<u>Assets</u>		
Cash and investments	\$ 94,669	80,017
Accrued interest receivable	<u>1,564</u>	<u>1,435</u>
 Total assets	 \$ <u>96,233</u>	 <u>81,452</u>
<u>Fund Balance</u>		
Fund balance:		
Reserved for investment	79,505	69,205
Unreserved - designated for operations	<u>16,728</u>	<u>12,247</u>
 Total fund balance	 \$ <u>96,233</u>	 <u>81,452</u>

CITY OF WASILLA, ALASKA
Cemetery Nonexpendable Trust Fund
Statement of Revenues, Expenses
and Changes in Fund Balance
Year Ended June 30, 1998
(With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Revenues:		
Lot sales	\$ 10,300	8,800
Investment income	<u>4,481</u>	<u>3,267</u>
Total revenues	14,781	12,067
Expenses	<u>-</u>	<u>-</u>
Net income	14,781	12,067
Beginning fund balance	<u>81,452</u>	<u>69,385</u>
Ending fund balance	\$ <u>96,233</u>	<u>81,452</u>

CITY OF WASILLA, ALASKA
 Cemetery Nonexpendable Trust Fund
 Statement of Cash Flows
 Year Ended June 30, 1998
 (With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income	\$ 14,781	12,067
Adjustments to reconcile operating income to net cash flows from operating activities - investment income	<u>(4,481)</u>	<u>(3,267)</u>
Net cash flows from operating activities	10,300	8,800
 Cash flows from investing activities - investment income	 <u>4,352</u>	 <u>3,224</u>
 Net increase in cash and investments	 14,652	 12,024
 Cash and investments at beginning of year	 <u>80,017</u>	 <u>67,993</u>
 Cash and investments at end of year	 \$ <u>94,669</u>	 <u>80,017</u>

CITY OF WASILLA, ALASKA
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1998

<u>Pass Through Grant</u>	Balance			Balance
<u>Assets</u>	July 1, 1997	Additions	Deletions	June 30, 1998
Cash and investments	\$ <u>1,000</u>	<u>19,877</u>	<u>20,877</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>1,000</u>	<u>19,877</u>	<u>20,877</u>	<u>-</u>
<u>Deferred Compensation</u>				
<u>Assets</u>				
Investment in deferred compensation plan	\$ <u>226,824</u>	<u>-</u>	<u>226,824</u>	<u>-</u>
<u>Liabilities</u>				
Deferred compensation payable	\$ <u>226,824</u>	<u>-</u>	<u>226,824</u>	<u>-</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 1,000	19,877	20,877	-
Investment in deferred compensation plan	<u>226,824</u>	<u>-</u>	<u>226,824</u>	<u>-</u>
Total assets	\$ <u>227,824</u>	<u>19,877</u>	<u>247,701</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,000	19,877	20,877	-
Deferred compensation payable	<u>226,824</u>	<u>-</u>	<u>226,824</u>	<u>-</u>
Total liabilities	\$ <u>227,824</u>	<u>19,877</u>	<u>247,701</u>	<u>-</u>

CITY OF WASILLA, ALASKA
 Schedule of State Financial Assistance
 Year Ended June 30, 1998

Name of Award	Grant Number	Total Grant Award	July 1, 1997 Receivable (Deferred)	State Share of Expenditures	State Receipts	June 30, 1998 Receivable (Deferred)
DEPARTMENT OF ADMINISTRATION:						
Municipal Grants Program:						
Sewer Drainfield Replacement	4/92-034	\$ 450,500	2,127	6,090	8,217	-
Sewer Drainfield Replacement	4/94-005	250,000	2,169	1,516	3,535	150
* Spruce Avenue and Peck Street Intersection	98/704-9-001	116,162	-	116,162	116,162	-
Spruce Avenue and Peck Street Intersection Design	8/97-006	40,000	7,663	7,636	15,299	-
* Knik/Goosebay Water Extension	98-704-4-002	56,702	-	56,702	56,702	-
			<u>11,959</u>	<u>188,106</u>	<u>199,915</u>	<u>150</u>
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS:						
* Safe Communities	N/A	190,285	-	190,285	190,285	-
* State Revenue Sharing	N/A	123,065	-	123,065	123,065	-
Employment Feasibility Study (1)	2172706	26,775	-	19,877	19,877	-
			<u>-</u>	<u>333,227</u>	<u>333,227</u>	<u>-</u>
DEPARTMENT OF ENVIRONMENTAL CONSERVATION -						
Sewer Treatment Plant Upgrade	90507	500,000	52,482	-	2,482	50,000
DEPARTMENT OF EDUCATION:						
Public Library Assistance	PLA-98-787-83	7,000	-	7,000	7,000	-
Governor's Drug Prevention (1)	DA 98.105.01	44,892	-	44,892	44,892	-
Governor's Drug Prevention (1)	DA 97.105.01	57,725	15,579	-	15,579	-
			<u>15,579</u>	<u>51,892</u>	<u>67,471</u>	<u>-</u>
DEPARTMENT OF HEALTH AND SOCIAL SERVICES:						
Youth Court Program	06-7615	22,063	5,412	-	5,412	-
Youth Court Program	06-8632	30,920	-	30,621	30,560	61
			<u>5,412</u>	<u>30,621</u>	<u>35,972</u>	<u>61</u>
DEPARTMENT OF REVENUE:						
Alcohol and Beverage Tax	FY97	19,700	1,200	-	1,200	-
Alcohol and Beverage Tax	FY98	15,700	-	15,700	8,900	6,800
Amusement and Gaming Tax	FY97	80	80	-	80	-
Amusement and Gaming Tax	FY98	694	-	694	-	694
Electric and Telephone Co-op Tax	FY97	131,063	131,063	-	131,063	-
* Electric and Telephone Co-op Tax	FY98	83,999	-	83,999	-	83,999
			<u>132,343</u>	<u>100,393</u>	<u>141,243</u>	<u>91,493</u>
DEPARTMENT OF PUBLIC SAFETY:						
Video Grant (1)	AL 98-02-14	4,986	-	4,895	2,323	2,572
MJTFFPA (1)	97-023E	48,067	-	44,147	34,879	9,268
MJTFFPA (1)	96-023E	51,495	15,903	-	15,903	-
Bicycle Safety (1)	PS 98-04-04	1,500	-	1,187	-	1,187
Traffic Enforcement (1)	PT 98-05-08	31,860	-	10,000	-	10,000
			<u>15,903</u>	<u>60,229</u>	<u>53,105</u>	<u>23,027</u>
TOTAL STATE FINANCIAL ASSISTANCE		\$	<u>233,678</u>	<u>764,468</u>	<u>833,415</u>	<u>164,731</u>

* Major Programs

(1) All federal funds passed through the State of Alaska.

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CITY OF WASILLA, ALASKA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	(4) POLICE	PUBLIC WORKS	(2) (3) LIBRARY & YOUTH COURT	MUSEUM AND RECREATION SERVICES	DEBT SERVICE	CAPITAL OUTLAY	ALLOCATION OF ADMINISTRATIVE EXPENDITURES TO OTHER FUNDS	TOTAL
1989	\$ 667,894	\$ -	\$ 271,242	\$ 283,535	\$ 112,089	\$ 695,748	\$ 790,105	\$ (39,325)	\$ 2,781,288
1990	694,277	-	292,920	292,151	112,466	357,726	1,550,606	(56,612)	3,243,534
1991	703,388	-	380,229	334,837	116,720	329,421	494,980	(39,770)	2,319,805
1992	717,596	-	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
1997	1,319,683	1,280,540	668,716	653,242	477,911	264,826	1,376,179	(46,359)	5,994,738
1998	1,283,709	1,289,878	731,585	674,234	486,756	333,429	1,805,596	(47,564)	6,557,623

(1) Includes General, Special Revenue, Debt Service, and Capital Project 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

TABLE 2

CITY OF WASILLA, ALASKA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	(2) TAXES	STATE SHARED REVENUES	OTHER GOVERN- MENTS	PENAL- TIES FINES AND FORFEI- TURES	INVEST- MENT INCOME	FEEs, PERMITS AND OTHER REVENUES	SPECIAL ASSESS- MENTS	OTHER	TOTAL
1989	\$ 467,940	\$ 1,056,806	\$ 333,733	\$ 4,799	\$ 192,163	\$ 36,816	\$ 302,625	\$ 34,825	\$ 2,429,707
1990	647,910	1,568,414	708,596	9,482	325,804	35,909	302,591	64,362	3,663,068
1991	620,564	772,100	303,571	9,849	259,094	38,307	230,820	102,653	2,336,958
1992	829,773	880,899	332,212	9,951	25,202	31,798	488,635	192,110	2,790,580
1993	2,094,933	1,334,508	280,690	5,520	42,585	37,276	245,685	164,297	4,205,494
1994	3,699,781	2,381,351	131,316	19,450	58,809	39,650	355,433	267,778	6,953,568
1995	4,252,607	955,571	282,216	53,297	107,130	44,251	303,141	343,432	6,341,645
1996	4,626,864	879,473	315,499	53,728	110,929	52,585	407,258	484,581	6,930,917
1997	4,960,321	1,140,947	345,711	58,641	392,417	51,005	407,887	165,600	7,522,529
1998	5,121,764	680,238	379,770	79,841	490,879	48,922	332,234	251,873	7,385,521

(1) Includes General, Special Revenue, Debt Service, and Capital Project Funds

(2) A 2% sales tax on retail sales and services was approved by the voters in October 1992, becoming effective January 1, 1993

CITY OF WASILLA, ALASKA
ASSESSED VALUATION, TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR	CITY LEVY	AMOUNT COLLECTED	% OF LEVY	AMOUNT OF LEVY UNCOLLECTED	AMOUNT OF LEVY UNCOLLECTED AS A PERCENT OF TOTAL TAXES
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%
1997	465,016	553,962	119.13%	(88,946)	(19.13%)
1998	449,064	455,322	101.39%	(6,258)	(1.39%)

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

TABLE 4

CITY OF WASILLA, ALASKA
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
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%
1996	244,837,100	41,981,450	273,538,950	297,377,900	91.98%
1997	268,459,100	46,586,585	299,376,085	305,409,300	98.02%

CITY OF WASILLA, ALASKA
PROPERTY TAX RATES-ALL DIRECT AND
OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS

CALENDAR YEAR	MAT-SU BOROUGH	WASILLA FIRE SERVICE AREA	CITY OF WASILLA	TOTAL
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
1997	11.50	1.30	1.50	14.30
1998	11.73	1.00	1.30	14.03

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

**CITY OF WASILLA, ALASKA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>(1) SPECIAL ASSESSMENT COLLECTIONS</u>
1989	302,625
1990	302,591
1991	230,820
1992	488,635
1993	245,685
1994	355,433
1995	303,141
1996	407,258
1997	407,887
1998	332,234

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

**CITY OF WASILLA, ALASKA
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

FISCAL YEAR	PROPERTY TAXES	SALES TAXES	TOTAL TAXES
1989	\$ 467,940	\$ -	\$ 467,940
1990	647,910	-	647,910
1991	620,564	-	620,564
1992	829,773	-	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
1997	553,962	4,406,359	4,960,321
1998	465,494	4,656,270	5,121,764

- (1) A 2% sales tax on retail sales and services was approved by the voters in October 1992, becoming effective January 1, 1993.
- (2) Property taxes were capped at 2 mils effective for FY-94.
- (3) During FY-95 the City implemented GASB 22.

CITY OF WASILLA, ALASKA
LAND USE PERMITS ISSUED
LAST TEN CALENDAR YEARS

CALENDAR YEAR	NUMBER ISSUED
1988	35
1989	31
1990	35
1991	48
1992	47
1993	78
1994	104
1995	140
1996	130
1997	159

- (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, ALASKA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULA- TION (1)</u>
1989	3,977
1990	3,977
1991	3,342
1992	3,818
1993	4,028
1994	4,124
1995	4,381
1996	4,635
1997	4,917
1998	5,134

- (1) 1991 population from 1990 census.
All other numbers are estimates from
Dept of Labor or DCRA

CITY OF WASILLA, ALASKA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN CALENDAR YEARS

<u>CALENDAR YEAR</u>	<u>PROPERTY VALUE</u>	<u>CONSTRUCTION</u>	<u>BANK DEPOSITS</u>
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)
1996	273,538,950	(a)	(a)
1997	299,376,085	(a)	(a)

(a) Not available

CITY OF WASILLA, ALASKA
PRINCIPAL TAXPAYERS
June 30, 1998

<u>TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	1998 ASSESSED VALUE (1)	PERCENTAGE OF TOTAL VALUATION
COTTONWOOD CREEK MALL LLC	PROPERTY DEVELOPMENT AND RETAIL MALLS	\$ 13,971,500	4.67%
PEDERSEN FLOYD/CREEKSIDE	PROPERTY DEVELOPMENT AND RETAIL MALLS	8,447,700	2.82%
LABAR CO.	PROPERTY DEVELOPMENT AND RETAIL MALLS	7,332,100	2.45%
KARABLLNIKOFF/NEWCOMB TR.	FAMILY TRUST	6,779,900	2.26%
SEAGULL ENERGY CORP.	NATURAL GAS TRANSMISSION LINES	4,516,400	1.51%
MARY E. JOHNSON	PROPERTY DEVELOPMENT AND RETAIL MALLS	4,143,500	1.38%
VALLEY HOSPITAL/ WEST VALLEY MEDICAL	MEDICAL CENTER	3,661,800	1.22%
NYE HAROLD/NYE FORD	AUTOMOBILE DEALERSHIP	3,348,100	1.12%
ALASKA USA FEDERAL CREDIT UNION	BANKING	1,908,700	0.64%
SPENARD BUILDERS SUPPLY	HARDWARE AND BUILDING SUPPLIES	1,736,300	0.58%

(1) The 1998 assessed values are exclusive of personal property.

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MIKUNDA, COTTRELL & Co.

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

Honorable Mayor and City Council
City of Wasilla, Alaska

We have audited the financial statements of City of Wasilla as of and for the year ended June 30, 1998, and have issued our report thereon dated September 10, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Wasilla's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Mayor and City Council
City of Wasilla, Alaska

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

Mikunda, Cottrell & Co.

September 10, 1998

MIKUNDA, COTTRELL & Co.

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

Honorable Mayor and City Council
City of Wasilla, Alaska

Compliance

We have audited the compliance of City of Wasilla with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that are applicable to each of its major state programs for the year ended June 30, 1998. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of City of Wasilla's management. Our responsibility is to express an opinion on City of Wasilla's compliance based on our audit.

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

In our opinion, City of Wasilla complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 1998.

Honorable Mayor and City Council
City of Wasilla, Alaska

Internal Control Over Compliance

The management of City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered City of Wasilla's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major state program 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 over compliance and its operation that we consider to be material weaknesses.

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

Mikunda Cottrell, C.

September 10, 1998