

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF WASILLA, ALASKA

June 30, 1999

Sarah Palin
Mayor

Prepared By
Finance Department

Erling P. Nelson
Finance Director

CITY OF WASILLA, ALASKA

Comprehensive Annual Financial Report

Year Ended June 30, 1999

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CITY OF WASILLA, ALASKA

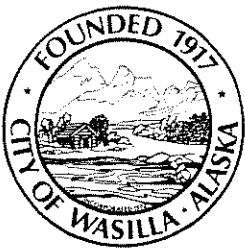
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INTRODUCTORY SECTION



CITY OF WASILLA

290 E Herning Avenue
Wasilla, AK 99654-7091
Phone: (907) 373-9050
Fax: (907) 373-9092

October 31, 1999

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, 1999, 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. Information related to assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in the single audit section of this report.

This report includes all funds and account groups of the City. The City provides a full range of municipal services 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.

ADMINISTRATION Phone: (907) 373-9055 Fax: (907) 373-9096	CLERK'S OFFICE Phone: (907) 373-9090 Fax: (907) 373-9092	FINANCE Phone: (907) 373-9070 Fax: (907) 373-9085	LIBRARY Phone: (907) 376-5913 Fax: (907) 376-2347	MUSEUM Phone: (907) 373-9071 Fax: (907) 373-9072
PARKS AND RECREATION Phone: (907) 373-9053 Fax: (907) 373-9092	PLANNING Phone: (907) 373-9094 Fax: (907) 373-9089	POLICE Phone: (907) 373-9077 Fax: (907) 373-9051	PUBLIC WORKS Phone: (907) 373-9095 Fax: (907) 373-9054	

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 will benefit our economy are the Port development at Pt. McKenzie, the proposed Trans Alaska Gas Pipeline, and the proposed development of an airplane manufacturing plant at our municipal airport.

Major Initiatives for the Year

The most significant action that the City took in FY99 was the initiation of projects to reconstruct and pave major roads and subdivision streets, several of which are included in Local Improvement Districts. Construction is completed on many of these projects, including paving Spruce Ave Phase I, Weber Dr, and the roads within North Country Subdivision. Major improvements in parks and recreation facilities are still underway at Ilditapark. These projects included basketball courts, a concrete skateboard park, two tennis courts, public bathrooms, and installation of water mains. Another major project that was started was the East Wasilla Water Main extension. This extension allows the city to serve the new Wal-Mart store and other current and future business developments along this corridor.

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 \$7,314,516 in FY99, an increase of 10.02 percent over FY98. Sales tax produced 67.43 percent of FY99 General and Special Revenue Funds revenues compared to 70.04 percent in FY98.

<u>General/Special Revenue</u> <u>Revenue Source</u>	<u>Amount</u>	<u>Percent</u> <u>Of Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From FY98</u>
Sales Taxes	\$4,932,494	67.43	\$276,224
Property Taxes	439,901	6.02	(25,593)
Licenses and Permits	33,168	.45	(15,754)
Fines, Forfeitures & Penalties	76,805	1.05	(3,036)
Intergovernmental	879,452	12.02	323,012
Matanuska-Susitna Borough	353,000	4.83	19,410
Asset Forfeiture	118,336	1.62	118,336
Other	<u>481,360</u>	<u>6.58</u>	<u>(26,353)</u>
Total	\$7,314,516	100.00	\$666,246

Assessed valuation for CY99 (Net of Exempt) of \$304,377,400 represented an increase 1.06 percent over CY98. This increase is attributable to an increase in real property valuation, due mainly to new construction.

FY99 tax collections were 117.96 percent of the tax levy as compared to 101.39 percent for FY98. Variation in the collection rate from year to year is normal.

Expenditures for general governmental purposes totaled \$4,702,998 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</u> <u>of Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From FY98</u>
Administration	\$325,074	6.91	\$(2,289)
City Council	289,941	6.17	41,374
Planning	149,955	3.19	(13,014)
Finance	570,338	12.13	25,528
Police	1,441,365	30.65	151,487
Public Works Adm.	114,390	2.43	69,777
Property Maintenance	168,124	3.57	(25,425)
Road Maintenance	445,878	9.48	(47,545)
Museum and Recreation Services	439,771	9.35	(46,985)
Library & Youth Court	696,533	14.81	22,299
Asset Forfeiture	<u>61,619</u>	<u>1.31</u>	<u>61,619</u>
Total	\$4,702,988	100.00	\$236,826

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%. An interest only payment of \$281,341 was made during FY99. Special Assessment Bond Debt of \$1,104,837 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 has shows a small operating profit for FY99.

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

Fiduciary Operations

Full-time, regular 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 FY99 was 10.37%.

The City participates in two deferred compensation programs where the assets and income of the plans are held in trust for the exclusive benefit of participants and their beneficiaries.

The City also maintains an irreducible 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, 1999, the general fixed assets of the City amounted to \$8,683,969. 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, April Kilgore, Rene Richardson Sharon Sinko, Candie Graham and Connie James for their capable help. Also thanks to John Bost, Audit Manager, and the staff of Mikunda-Cottrell 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.

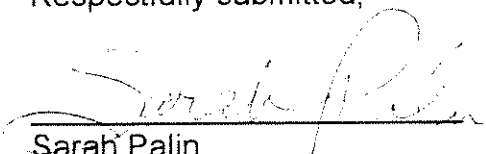
Certificate of Achievement

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, 1998. 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:

Don Bennett
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
Don Shiesl
Kristie VanGorder
Erling P. Nelson
Mary Ellen Emmons
DeWayne Fannon
Ted Leonard

PLANNING COMMISSION

Kevin Baker
Kathy Marshall
William McCain
Ray McCarthy

Howard O'Neil
Verne E. Rupright
John Vinette

PARKS AND RECREATION COMMISSION

Verdie Brown
Denise Loyer
Maureen McCombs

Peter Powell
Deb Remus
Bernadette Rupright

CONSULTANTS

City Attorney
Auditors
Insurance Broker
Insurance Advisor

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

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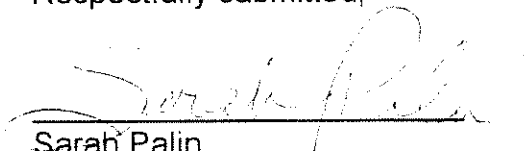
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Respectfully submitted,



Sarah Palin
Mayor



Erling P. Nelson
Finance Director

CITY OF WASILLA, ALASKA

CITY OFFICIALS

CITY COUNCIL

Council Members:

Don Bennett
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
Don Shiesl
Kristie VanGorder
Erling P. Nelson
Mary Ellen Emmons
DeWayne Fannon
Ted Leonard

PLANNING COMMISSION

Kevin Baker
Kathy Marshall
William McCain
Ray McCarthy

Howard O'Neil
Verne E. Rupright
John Vinette

PARKS AND RECREATION COMMISSION

Verdie Brown
Denise Loyer
Maureen McCombs

Peter Powell
Deb Remus
Bernadette Rupright

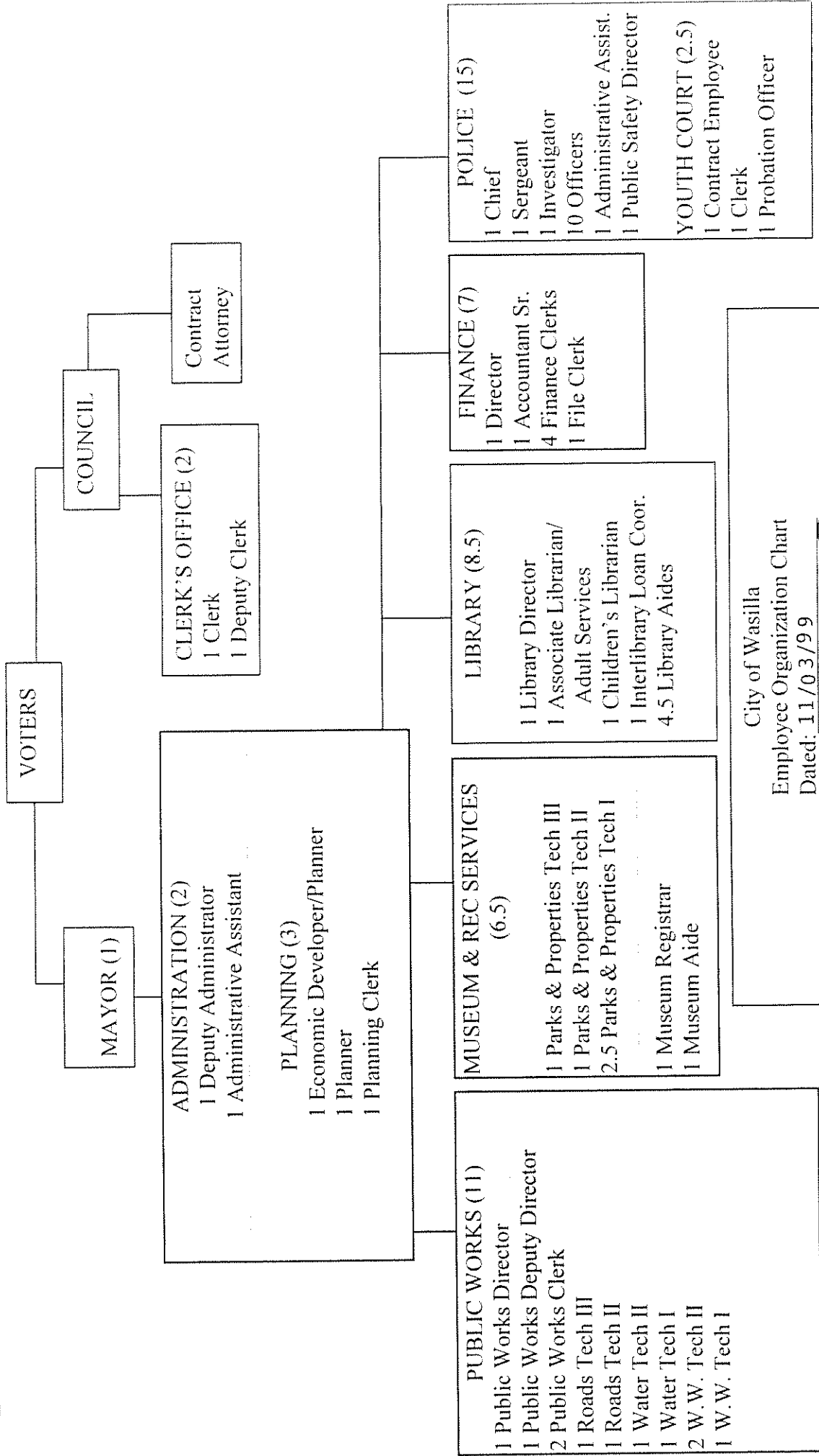
CONSULTANTS

City Attorney
Auditors
Insurance Broker
Insurance Advisor

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

Employee Organization Chart FY99

FY99
Dated 06/30/99



City of Wasilla
Employee Organization Chart
Dated: 11/03/99

Approved: *Sarah F. [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, 1998

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.



Cary Brueck
President

Jeffrey L. Essler
Executive Director

FINANCIAL SECTION

MIKUNDA, COTTRELL & Co.

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

(907) 278-8878, Fax (907) 278-5779

www.mcc-cpa.com

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, 1999. 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, 1999, 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 17, 1999 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 performed for the purpose of forming an opinion on the general purpose financial statements of City of Wasilla, Alaska taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of City of Wasilla, Alaska. The Schedule of Expenditures of Federal Awards is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and 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 our 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.

Honorable Mayor and City Council
City of Wasilla, Alaska

The Schedule of Year 2000 Issues supplementary information is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City of Wasilla is or will become Year 2000 compliant, that the City of Wasilla Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Wasilla does business are or will become Year 2000 compliant.

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.



September 17, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF WASILLA, ALASKA
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999
 (With Comparative Totals for 1998)

	Governmental Fund Types							Proprietary Fund Type			Fiduciary Fund Types			Account Groups			Totals			
	Special Revenue			Debt Service		Capital Project		Enterprise		Trust and Agency		General		Fixed Assets		Long-Term Debt		(Memorandum Only)		
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Trust and Agency	General	Fixed Assets	Long-Term Debt	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	
Cash and investments	\$ 4,240,642	117,104	906,797	5,533,162	2,222,042	115,292	-	-	-	-	-	-	-	-	-	13,135,039	14,239,713			
Receivables (net where applicable, of allowances for doubtful receivables):																				
Taxes	460,228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	460,228	424,268			
Accounts	2,886	-	-	-	76,919	-	-	-	-	-	-	-	-	-	-	79,805	88,818			
Grants	226,397	10,444	-	873,130	20,431	-	-	-	-	-	-	-	-	-	-	1,130,402	166,994			
Accrued interest	46,384	-	1,485	18,765	13,048	1,485	-	-	-	-	-	-	-	-	-	81,167	102,293			
Special assessments	1,826	-	1,099,852	-	-	-	-	-	-	-	-	-	-	-	-	1,101,678	1,031,682			
Other	68,192	80,500	-	-	-	-	-	-	-	-	-	-	-	-	-	148,692	140,268			
Notes receivable	-	-	-	-	65,647	-	-	-	-	-	-	-	-	-	-	65,647	138,804			
Due from other funds	57,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,802	-			
Inventory	-	-	-	-	67,372	-	-	-	-	-	-	-	-	-	-	67,372	117,095			
Advances to other funds	109,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,597	104,032			
Deferred charge	-	-	-	-	15,313	-	-	-	-	-	-	-	-	-	-	15,313	15,694			
Property, plant and equipment, net where applicable of accumulated depreciation	-	-	-	-	24,555,397	-	-	-	-	-	-	-	-	-	-	33,239,366	30,462,097			
Amount available for payment of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	804,347	567,129			
Amount to be provided for payment of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,957,542	5,973,775			
Total assets	\$ 5,213,954	208,048	2,008,134	6,425,057	27,036,169	116,777	8,683,969	6,761,889	56,453,997	53,572,662										

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 (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Trust and Agency	General	Fixed Assets	Long-Term Debt	1999	1998				
												1999	1998		
Liabilities:															
Accounts payable	221,118	15,725	-	666,798	386,416	1,309	-	-	-	-	-	1,291,366	297,356		
Accrued annual and sick leave	131,667	17,760	-	-	21,899	-	-	-	-	-	-	171,326	278,543		
Due to other funds	-	57,802	-	-	-	-	-	-	-	-	-	57,802	-		
Customer deposits	-	-	-	-	41,094	-	-	-	-	-	-	41,094	39,351		
Revenue billed in advance	-	-	-	-	28,849	-	-	-	-	-	-	28,849	28,849		
Deferred revenue	3,781	2,568	1,094,190	10,000	-	-	-	-	-	-	-	1,110,539	1,084,039		
Advances from other funds	-	-	109,597	-	-	-	-	-	-	-	-	109,597	104,032		
Bonds payable	-	-	-	-	-	-	-	6,604,837	-	-	-	6,604,837	6,417,327		
Note payable	-	-	-	-	177,100	-	-	-	-	-	-	177,100	-		
Other liabilities	-	-	-	-	-	-	-	157,052	-	-	-	157,052	123,577		
Total liabilities	<u>356,566</u>	<u>93,855</u>	<u>1,203,787</u>	<u>676,798</u>	<u>655,358</u>	<u>1,309</u>	<u>-</u>	<u>6,761,889</u>	<u>-</u>	<u>-</u>	<u>157,052</u>	<u>9,749,562</u>	<u>8,373,074</u>		
Fund equity:															
Investment in general fixed assets	-	-	-	-	-	-	-	8,683,969	-	-	-	8,683,969	7,438,012		
Contributed capital, net of accumulated amortization	-	-	-	-	25,753,834	-	-	-	-	-	-	25,753,834	24,253,784		
Retained earnings	-	-	-	-	626,977	-	-	-	-	-	-	626,977	593,726		
Fund balances:															
Reserved:															
Encumbrances	27,478	1,953	-	2,223,116	-	5,051	-	-	-	-	-	2,257,598	480,466		
Debt service	-	-	506,746	-	-	-	-	-	-	-	-	506,746	329,171		
Advances to other funds	109,597	-	-	-	-	-	-	-	-	-	-	109,597	104,032		
Investment	-	-	-	-	-	90,346	-	-	-	-	-	90,346	79,505		
Insurance premium increases	25,868	-	-	-	-	-	-	-	-	-	-	25,868	21,175		
Unreserved:															
Designated:															
Subsequent year expenditures	-	-	-	-	-	-	-	-	-	-	-	-	125,516		
Operations	-	112,240	-	-	-	20,071	-	-	-	-	-	132,311	38,609		
Capital improvements	-	-	-	3,525,143	-	-	-	-	-	-	-	3,525,143	-		
Undesignated	4,694,445	-	297,601	-	-	-	-	-	-	-	-	4,992,046	11,735,592		
Total fund equity	<u>4,857,388</u>	<u>114,193</u>	<u>804,347</u>	<u>5,748,259</u>	<u>26,380,811</u>	<u>115,468</u>	<u>-</u>	<u>8,683,969</u>	<u>-</u>	<u>-</u>	<u>46,704,435</u>	<u>45,199,588</u>			
Total liabilities and fund equity	<u>\$ 5,213,954</u>	<u>208,048</u>	<u>2,008,134</u>	<u>6,425,057</u>	<u>27,036,169</u>	<u>116,777</u>	<u>8,683,969</u>	<u>6,761,889</u>	<u>56,453,997</u>	<u>53,572,662</u>					

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, 1999
 (With Comparative Totals for 1998)

	Governmental Fund Types				Totals	
	General	Special Revenue	Debt Service	Capital Project	(Memorandum Only)	
					1999	1998
Revenues:						
Taxes	\$ 5,372,395	-	-	-	5,372,395	5,121,764
Licenses and permits	33,168	-	-	-	33,168	48,922
Fines, forfeitures and penalties	59,725	17,080	-	-	76,805	79,841
Intergovernmental	625,600	253,852	-	995,514	1,874,966	705,189
Matanuska-Susitna Borough	11,000	342,000	-	90,167	443,167	354,819
Special assessments	-	-	349,228	-	349,228	332,234
Investment income	309,518	3,922	32,433	307,822	653,695	490,879
Other	157,815	10,105	81,148	9,047	258,115	299,437
Total revenues	<u>6,569,221</u>	<u>626,959</u>	<u>462,809</u>	<u>1,402,550</u>	<u>9,061,539</u>	<u>7,433,085</u>
Expenditures:						
Current:						
General government	1,775,079	-	-	-	1,775,079	1,770,465
Public safety	1,441,365	61,619	-	-	1,502,984	1,289,878
Public works	728,392	-	-	-	728,392	731,585
Library	-	575,833	-	-	575,833	572,483
Youth court	-	120,700	-	-	120,700	101,751
Pass-through grants	-	13,458	-	-	13,458	-
Debt service	281,341	-	204,957	-	486,298	333,429
Capital outlay	-	-	-	4,382,531	4,382,531	1,805,596
Total expenditures	<u>4,226,177</u>	<u>771,610</u>	<u>204,957</u>	<u>4,382,531</u>	<u>9,585,275</u>	<u>6,605,187</u>
Excess of revenues over (under) expenditures	2,343,044	(144,651)	257,852	(2,979,981)	(523,736)	827,898
Other financing sources (uses):						
Bond proceeds	-	-	-	287,200	287,200	5,500,000
Operating transfers from other funds	-	236,448	-	976,977	1,213,425	1,424,156
Operating transfers to other funds	(1,300,950)	-	(10,317)	-	(1,311,267)	(1,483,012)
Net other financing sources (uses)	<u>(1,300,950)</u>	<u>236,448</u>	<u>(10,317)</u>	<u>1,264,177</u>	<u>189,358</u>	<u>5,441,144</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	1,042,094	91,797	247,535	(1,715,804)	(334,378)	6,269,042
Beginning fund balances	4,822,672	22,396	567,129	7,469,197	12,881,394	7,469,024
Prior period adjustment	-	-	-	-	-	63,561
Residual equity transfers to other funds	(1,007,378)	-	(10,317)	(5,134)	(1,022,829)	(920,233)
Ending fund balances	<u>\$ 4,857,388</u>	<u>114,193</u>	<u>804,347</u>	<u>5,748,259</u>	<u>11,524,187</u>	<u>12,881,394</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, 1999

	General Fund			Special Revenue Funds			Debt Service Funds (With Annual Budgets)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
Revenues:									
Taxes	\$ 4,791,710	5,372,395	580,685	-	-	-	-	-	-
Licenses and permits	29,600	33,168	3,568	-	-	-	-	-	-
Fines, forfeitures and penalties	31,000	59,725	28,725	15,000	17,080	2,080	-	-	-
Intergovernmental	528,177	625,600	97,423	221,190	253,852	32,662	-	-	-
Matanuska-Susitna Borough	11,600	11,000	(600)	342,000	342,000	-	-	-	-
Special assessments	-	-	-	-	-	-	144,580	347,186	202,606
Investment income	231,000	309,518	78,518	-	3,922	3,922	7,824	19,229	11,405
Other	115,877	157,815	41,938	12,492	10,105	(2,387)	-	-	-
Total revenues	<u>5,738,964</u>	<u>6,569,221</u>	<u>830,257</u>	<u>590,682</u>	<u>626,959</u>	<u>36,277</u>	<u>152,404</u>	<u>366,415</u>	<u>214,011</u>
Expenditures:									
General government	2,011,193	1,775,079	236,114	-	-	-	-	-	-
Public safety	1,486,056	1,441,365	44,691	47,579	61,619	(14,040)	-	-	-
Public works	914,837	728,392	186,445	-	-	-	-	-	-
Library	-	-	-	614,886	575,833	39,053	-	-	-
Youth court	-	-	-	154,082	120,700	33,382	-	-	-
Pass-through grants	-	-	-	13,898	13,458	440	-	-	-
Debt service	451,341	281,341	170,000	-	-	-	157,286	157,284	2
Total expenditures	<u>4,863,427</u>	<u>4,226,177</u>	<u>637,250</u>	<u>830,445</u>	<u>771,610</u>	<u>58,835</u>	<u>157,286</u>	<u>157,284</u>	<u>2</u>
Excess of revenues over (under) expenditures	875,537	2,343,044	1,467,507	(239,763)	(144,651)	95,112	(4,882)	209,131	214,013
Other financing sources (uses):									
Operating transfers in	-	-	-	264,298	236,448	(27,850)	-	-	-
Operating transfers out	(1,362,387)	(1,300,950)	61,437	-	-	-	(10,317)	(10,317)	-
Net other financing sources (uses)	<u>(1,362,387)</u>	<u>(1,300,950)</u>	<u>61,437</u>	<u>264,298</u>	<u>236,448</u>	<u>(27,850)</u>	<u>(10,317)</u>	<u>(10,317)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(486,850)	1,042,094	1,528,944	24,535	91,797	67,262	(15,199)	198,814	214,013
Beginning fund balances	4,822,672	4,822,672	-	22,396	22,396	-	393,637	393,637	-
Residual equity transfers to other funds	<u>(1,007,378)</u>	<u>(1,007,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,317)</u>	<u>(10,317)</u>	<u>-</u>
Ending fund balances	\$ <u>3,328,444</u>	<u>4,857,388</u>	<u>1,528,944</u>	<u>46,931</u>	<u>114,193</u>	<u>67,262</u>	<u>368,121</u>	<u>582,134</u>	<u>214,013</u>

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, 1999
 (With Comparative Totals for 1998)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Non- expendable Trust	1999	1998
Operating revenues:				
Sales and user charges	\$ 684,210	14,400	698,610	676,999
Fees and rentals	20,975	-	20,975	16,829
Meters	4,160	-	4,160	3,202
Investment income	-	4,644	4,644	4,481
Other	6,988	-	6,988	1,753
Total operating revenues:	<u>716,333</u>	<u>19,044</u>	<u>735,377</u>	<u>703,264</u>
Operating expenses:				
Salaries	287,596	-	287,596	307,148
Employee benefits	102,075	-	102,075	111,607
Communications	2,501	-	2,501	4,080
Utilities	67,666	-	67,666	77,978
Travel and training	1,406	-	1,406	1,744
Professional services	38,608	1,150	39,758	41,861
Insurance	28,881	-	28,881	27,549
Materials and supplies	23,100	2,409	25,509	19,262
Administration	50,109	-	50,109	40,206
Repairs and maintenance	116,919	-	116,919	78,779
Rent	-	-	-	8,831
Bad debt expense	10,300	-	10,300	-
Other	3,535	-	3,535	7,540
Total operating expenses:	<u>732,696</u>	<u>3,559</u>	<u>736,255</u>	<u>726,585</u>
Operating income (loss) before depreciation	(16,363)	15,485	(878)	(23,321)
Depreciation	<u>717,447</u>	<u>-</u>	<u>717,447</u>	<u>708,035</u>
Operating income (loss)	(733,810)	15,485	(718,325)	(731,356)
Nonoperating revenues (expenses):				
Loss on dry well	(79,761)	-	(79,761)	-
Payments in lieu of assessments	30,522	-	30,522	41,836
Investment income	70,831	-	70,831	67,472
Net nonoperating revenues (expenses)	<u>21,592</u>	<u>-</u>	<u>21,592</u>	<u>109,308</u>
Income (loss) before operating transfers	(712,218)	15,485	(696,733)	(622,048)
Operating transfers:				
Operating transfers in	119,092	3,750	122,842	88,856
Operating transfers out	(25,000)	-	(25,000)	(30,000)
Net operating transfers:	<u>94,092</u>	<u>3,750</u>	<u>97,842</u>	<u>58,856</u>
Net income (loss)	(618,126)	19,235	(598,891)	(563,192)
Amortization of contributed capital	<u>644,348</u>	<u>-</u>	<u>644,348</u>	<u>653,037</u>
Increase in retained earnings/fund balance	26,222	19,235	45,457	89,845
Beginning retained earnings/fund balance	600,755	96,233	696,988	600,114
Prior period adjustment	-	-	-	7,029
Ending retained earnings/fund balance	<u>\$ 626,977</u>	<u>115,468</u>	<u>742,445</u>	<u>696,988</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, 1999
 (With Comparative Totals for 1998)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Non- expendable Trust	1999	1998
Cash flows from operating activities:				
Operating income (loss)	\$ (733,810)	15,485	(718,325)	(731,356)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	717,447	-	717,447	708,035
Amortization	381	-	381	381
Bad debt expense	10,300	-	10,300	-
Investment income	-	(4,644)	(4,644)	(4,481)
(Increase) decrease in assets:				
Accounts receivable	(8,785)	-	(8,785)	(18,350)
Other receivables	-	-	-	14,906
Inventory	49,723	-	49,723	(21,015)
Increase (decrease) in liabilities:				
Accounts payable	363,800	1,309	365,109	(668)
Revenue billed in advance	-	-	-	(662)
Accrued annual and sick leave	(2,314)	-	(2,314)	9,002
Customer deposits	1,743	-	1,743	6,992
Net cash flows from operating activities:	<u>398,485</u>	<u>12,150</u>	<u>410,635</u>	<u>(37,216)</u>
Cash flows from noncapital financing activities:				
Advances paid to central treasury	-	-	-	(187)
Operating transfers in	119,092	3,750	122,842	88,856
Operating transfers out	(25,000)	-	(25,000)	(30,000)
Net cash flows from noncapital financing activities:	<u>94,092</u>	<u>3,750</u>	<u>97,842</u>	<u>58,669</u>
Cash flows from capital and related financing activities				
Proceeds from issuance of note payable	177,100	-	177,100	-
Receipt of special assessments and payment: in lieu of assessments	30,522	-	30,522	41,836
Acquisition and construction of capital assets	(2,248,759)	-	(2,248,759)	(910,619)
Residual equity transfers in as contributed capital	1,022,829	-	1,022,829	920,233
Other contributed capital received	1,151,288	-	1,151,288	243,764
Loss on dry well	(79,761)	-	(79,761)	-
Net cash flows from capital and related financing activities:	<u>53,219</u>	<u>-</u>	<u>53,219</u>	<u>295,214</u>
Cash flows from investing activities:				
Investment income received	71,504	4,723	76,227	67,027
Issuance of notes receivable	-	-	-	(65,449)
Principal payments received on notes receivable	73,157	-	73,157	44,740
Net cash flows from investing activities:	<u>144,661</u>	<u>4,723</u>	<u>149,384</u>	<u>46,318</u>
Net increase in cash and investments	690,457	20,623	711,080	362,985
Cash and investments at beginning of year	<u>1,531,585</u>	<u>94,669</u>	<u>1,626,254</u>	<u>1,263,269</u>
Cash and investments at end of year	\$ <u>2,222,042</u>	<u>115,292</u>	<u>2,337,334</u>	<u>1,626,254</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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements

June 30, 1999

(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 does not reduce earnings or increase losses transferred to retained earnings. Instead it is included in accumulated amortization which offsets contributed capital in the fund equity section of the Enterprise Fund balance sheets..

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

Measurement Focus and Basis of Accounting

Measurement focus refers to which resources are being measured when reporting financial position and performance. Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made regardless of the measurement focus applied.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting, continued

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.

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 following Debt Service Funds: 1988 Overlook Sewer Improvement Bond, Gas Assessments, and Bond Guarantee. The Capital Project Funds have project-length budgets. The budget is submitted to the City Council for review and approval. Legal enactment of the budget is obtained through passage of a City ordinance. Amendments to the budget can occur any time during the fiscal year through City Council action. The 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 function or activity level. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered, except for capital projects.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

Budgets, continued

Annual budgets for the General, Special Revenue and Debt Service Funds, (excluding those mentioned above), 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.

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	\$ 5,644,025	1,589,167	7,233,192
Special Revenue Funds	730,970	99,475	830,445
Debt Service Funds	177,920	(10,317)	167,603

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 in the Enterprise Funds.

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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

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.

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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Summary of Significant Accounting Policies, continued

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 1998 financial statements to make them comparable with the 1999 presentation.

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, 1999, the carrying amount of the City's deposits was \$1,534,989 and the bank balances were \$1,898,941. 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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Cash and Investments, continued

Investments, continued

Investments

The City is authorized to invest in the following:

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

Investments are carried at fair value.

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

	Category			Fair Value
	1	2	3	
Repurchase agreements	\$ 300,000	3,510,135	-	3,810,135
U.S. government securities	<u>1,260,000</u>	<u>-</u>	<u>-</u>	<u>1,260,000</u>
	<u>\$ 1,560,000</u>	<u>3,510,135</u>	<u>-</u>	5,070,135
Alaska Municipal League Investment Pool				<u>6,529,915</u>
Total investments				<u>\$ 11,600,050</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(3) **Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance July 1, <u>1998</u>	Additions/ <u>Transfers In</u>	Deletions/ <u>Transfers Out</u>	Balance June 30, <u>1999</u>
Land	\$ 1,616,931	18,696	-	1,635,627
Buildings	2,566,332	236,142	-	2,802,474
Office furniture and equipment	443,163	51,315	31,233	463,245
Vehicles and equipment	860,777	132,990	10,968	982,799
Library collections	1,849,830	181,641	101,519	1,929,952
Construction in progress	<u>100,979</u>	<u>1,041,360</u>	<u>272,467</u>	<u>869,872</u>
	<u>\$ 7,438,012</u>	<u>1,662,144</u>	<u>416,187</u>	<u>8,683,969</u>

The following is a summary of Enterprise Fund property, plant and equipment at June 30, 1999:

	Sewer <u>Utility</u>	Water <u>Utility</u>	Municipal <u>Airport</u>	<u>Total</u>
Land	\$ 657,810	149,170	1,470,000	2,276,980
Land improvements	-	-	4,097,204	4,097,204
Treatment system Collection/distribution system	4,475,624	-	-	4,475,624
Wells/well house	7,658,842	5,049,591	-	12,708,433
Water tank and fence	-	271,276	-	271,276
Other plant in service	-	2,337,975	-	2,337,975
Equipment	2,828,264	-	-	2,828,264
Construction in progress	1,943,305	72,725	208,154	2,224,184
	<u>422,296</u>	<u>991,007</u>	<u>931,984</u>	<u>2,345,287</u>
	17,986,141	8,871,744	6,707,342	33,565,227
Accumulated depreciation	<u>(5,281,050)</u>	<u>(2,153,666)</u>	<u>(1,575,114)</u>	<u>(9,009,830)</u>
Net property, plant and equipment	<u>\$ 12,705,091</u>	<u>6,718,078</u>	<u>5,132,228</u>	<u>24,555,397</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Fixed Assets, continued

The following is a schedule of general fixed assets by function and activity at June 30, 1999:

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Office Furniture and Equipment</u>	<u>Collections</u>	<u>Work in Progress</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
General government	\$ 586,128	1,941,333	309,178	-	316,013	140,752	3,293,404
Police	-	-	49,984	-	352,592	480,542	883,118
Public works	1,029,499	161,283	61,932	-	201,267	361,505	1,815,486
Library	<u>20,000</u>	<u>699,858</u>	<u>42,151</u>	<u>1,929,952</u>	<u>-</u>	<u>-</u>	<u>2,691,961</u>
	\$ <u>1,635,627</u>	<u>2,802,474</u>	<u>463,245</u>	<u>1,929,952</u>	<u>869,872</u>	<u>982,799</u>	<u>8,683,969</u>

(4) **Interfund Receivables, Payables and Interfund Advances**

Interfund receivable and payable balances at June 30, 1999, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 57,802	-
Library Special Revenue Fund	<u>-</u>	<u>57,802</u>
	\$ <u>57,802</u>	<u>57,802</u>

Interfund advances at June 30, 1999, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 109,597	-
Bond Guarantee Debt Service Fund	<u>-</u>	<u>109,597</u>
	\$ <u>109,597</u>	<u>109,597</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(5) **Operating Transfers**

A summary of operating transfers between funds for the year ended June 30, 1999, follows:

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ -	1,300,950
Special Revenue Funds:		
Library	224,891	-
Youth Court	7,970	-
Asset Forfeiture	3,587	-
1982 Original Water Bond Debt Service Fund	-	10,317
Capital Project Funds:		
Miscellaneous Projects and Road and Street Improvements	846,977	-
Vehicle Replacement	125,000	-
Right-of-Way Acquisition	5,000	-
Enterprise Funds:		
Sewer Utility	79,394	20,000
Water Utility	-	5,000
Municipal Airport	39,698	-
Cemetery Nonexpendable Trust Fund	<u>3,750</u>	<u>-</u>
	\$ <u>1,336,267</u>	<u>1,336,267</u>

(6) **Residual Equity Transfers**

Residual equity transfers between funds for the year ended June 30, 1999 follow:

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ -	1,007,378
1982 Original Water Bond Debt Service Fund	-	10,317
Miscellaneous Projects and Road and Street Improvements Capital Project Fund	-	5,134
Enterprise Funds:		
Sewer Utility	104,639	-
Water Utility	<u>918,190</u>	<u>-</u>
	\$ <u>1,022,829</u>	<u>1,022,829</u>

The residual equity transfers into the Enterprise Funds were recorded in contributed capital.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(7) **Long-Term Debt**

On September 3, 1998, the City entered into an agreement with the State of Alaska Department of Environmental Conservation (ADEC) to help fund the costs of water system improvements. The amount of the loan is \$177,100 and bears interest at 3.68%. Repayment will begin in August, 1999.

Long-term debt consists of the following at June 30, 1999:

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%	\$ 144,002
\$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%	121,100
\$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%	82,786
\$147,370 1993 Glenwood/Naomi/Shadowood Paving Improvement Districts Bond, due in annual installments of \$11,656 through December 22, 2003; interest 5.10%	58,280
\$159,560 1994 Mountain Village/Crestwood Paving Improvement Districts Bond, due in annual installments of \$15,956 through November 29, 2003 with a final installment of \$3,654 due November 29, 2004; interest at 6.05%	83,071
\$261,942 1995 Whispering Woods/Nelson Avenue/Lake View Avenue Paving Improvement Districts Bond, due in annual installments of \$18,194 through July 26, 2005; interest at 6.825%;	127,359
\$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%	201,039
\$287,200 1999 WoodCrest/Patricia/Century Park Paving Improvement Districts Bond, due in annual installments of \$28,720 through November 24, 2008; interest at 5.9%	<u>287,200</u>
Total Special Assessment Bonds	1,104,837

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

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

Loan Payable

\$177,100 Water Utility loan payable, due in annual installments of \$8,855 through August 3, 2018, plus interest at 3.68%, (except the first principal payment due August 3, 1999 will be \$12,644) 177,100

Free Main Allowances

The amount that has been received through June 30, 1999 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. 157,052

Total long-term debt \$ 6,938,989

Special assessment bond debt service requirements to maturity, including \$486,091 of interest, are as follows:

Year Ending <u>June 30,</u>	1986 Southside Water <u>District Bond</u>	1987 Sewer Improvement <u>District Bond</u>	1988 Phase I Paving Improvement <u>District Bond</u>	1993 Glenwood/ Naomi/ Shadowood Paving Improvement <u>Districts Bond</u>
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
2004	11,805	10,738	-	12,250
Thereafter	<u>219,613</u>	<u>191,827</u>	<u>-</u>	<u>-</u>
	281,061	246,922	95,204	67,196
Less amount of interest	<u>137,059</u>	<u>125,822</u>	<u>12,418</u>	<u>8,916</u>
	<u>\$ 144,002</u>	<u>121,100</u>	<u>82,786</u>	<u>58,280</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

Year Ending June 30,	1994 Mountain Village/ Crestwood Paving Improvement Districts Bond	1995 Whispering Woods/ Nelson Ave./ Lake View Ave. Paving Improvement Districts Bond	1997 Westpoint/ Hallea Lane/ Wild Adventure/ Southview Paving Improvement Districts Bond	1999 WoodCrest Patricia/ Century Park Paving Improvement Districts Bond	<u>Total</u>
2000	\$ 20,982	26,886	38,067	45,665	196,966
2001	20,016	25,645	36,450	43,970	188,858
2002	19,051	24,403	34,832	42,276	180,969
2003	18,086	23,161	33,215	40,581	170,643
2004	16,758	21,919	31,598	38,887	143,955
Thereafter	<u>3,874</u>	<u>40,114</u>	<u>85,092</u>	<u>169,017</u>	<u>709,537</u>
	98,767	162,128	259,254	380,396	1,590,928
Less amount of interest	<u>15,696</u>	<u>34,769</u>	<u>58,215</u>	<u>93,196</u>	<u>486,091</u>
	<u>\$ 83,071</u>	<u>127,359</u>	<u>201,039</u>	<u>287,200</u>	<u>1,104,837</u>

General obligation bond debt service requirements to maturity follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2004	205,000	233,026	438,026
Thereafter	<u>4,570,000</u>	<u>1,902,662</u>	<u>6,472,662</u>
Total	<u>\$ 5,500,000</u>	<u>3,177,541</u>	<u>8,677,541</u>

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Long-Term Debt, continued

During the year ended June 30, 1999, the following changes occurred in long-term liabilities:

<u>General Government</u>	Balance July 1, 1998	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 1999
Special Assessment Debt	\$ 917,327	287,200	99,690	1,104,837
General Obligation Bonds	5,500,000	-	-	5,500,000
Free Main Allowances	<u>123,577</u>	<u>81,148</u>	<u>47,673</u>	<u>157,052</u>
	<u>\$ 6,540,904</u>	<u>368,348</u>	<u>147,363</u>	<u>6,761,889</u>
<u>Water Utility</u>				
<u>Enterprise Fund</u>				
ADEC Note Payable	\$ <u>-</u>	<u>177,100</u>	<u>-</u>	<u>177,100</u>

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 provided for 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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(8) **Contributed Capital**

A summary of changes in contributed capital of the Enterprise Funds for the year ended June 30, 1999 follows:

	<u>Balance at</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 1999</u>
Sewer Utility	\$ 17,974,064	167,158	-	18,141,222
Water Utility	7,999,326	1,035,805	-	9,035,131
Municipal Airport	<u>5,765,253</u>	<u>941,435</u>	<u>-</u>	<u>6,706,688</u>
	\$ <u>31,738,643</u>	<u>2,144,398</u>	<u>-</u>	<u>33,883,041</u>

A summary of changes in accumulated amortization of contributed capital follows:

	<u>Balance at</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 1999</u>
Sewer Utility	\$ 4,709,672	318,674	-	5,028,346
Water Utility	1,424,952	101,095	-	1,526,047
Municipal Airport	<u>1,350,235</u>	<u>224,579</u>	<u>-</u>	<u>1,574,814</u>
	\$ <u>7,484,859</u>	<u>644,348</u>	<u>-</u>	<u>8,129,207</u>

(9) **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

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Defined Benefit Pension Plan, continued

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	7.56%
Postemployment healthcare	<u>2.81%</u>
Total contribution rate	<u>10.37%</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.

Annual Pension Cost

For the year ended June 30, 1999, the City's annual pension cost of \$240,119 for PERS was equal to its required and actual contributions.

The required contribution was determined as part of the June 30, 1996 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 6.5% in 1998, trending downward 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.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

Defined Benefit Pension Plan, continued

Three-year trend information for PERS follows:

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
June 30, 1997	\$ 252,621	100%	\$ -
1998	254,311	100%	-
1999	240,119	100%	-

A schedule of funding progress for PERS follows:

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>(Assets in</u> <u>Excess of)</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>Unfunded</u> <u>(Assets in</u> <u>Excess of)</u> <u>Liability as</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
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%)
June 30, 1998:						
Pension	3,320,000	3,277,000	(43,000)	101%	2,179,000	(2%)
Postemployment healthcare	1,233,000	1,217,000	(16,000)	101%	2,179,000	(1%)

(10) **Deferred Compensation Plan**

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

In accordance with the current Internal Revenue Code, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The City does not report these assets and income in the financial statements.

CITY OF WASILLA, ALASKA

Notes to General Purpose Financial Statements, continued

(11) **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, 1999 follows:

		<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Operating revenues	\$	374,171	321,187	20,975	716,333
Depreciation		335,694	157,048	224,705	717,447
Operating loss		395,238	86,936	251,636	733,810
Net loss		300,743	105,785	211,598	618,126
Operating transfers in		79,394	-	39,698	119,092
Operating transfers out		20,000	5,000	-	25,000
Capital contributions		167,158	1,035,805	941,435	2,144,398
Property, plant and equipment additions		285,990	1,021,334	941,435	2,248,759
Net working capital		583,542	1,353,877	12,627	1,950,046
Total assets		13,536,730	8,352,674	5,146,765	27,036,169
Total equity		13,313,144	7,922,812	5,144,855	26,380,811

(12) **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, 1999. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

(13) **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.

(14) **Prior Period Adjustment**

Sick leave balances are available for cash out only up to 25% of the available balance. In prior years, the City had recorded the entire leave balance as a liability. To more accurately reflect the available balance, the City has written the balances down to 25%. This has resulted in a \$63,561 increase to fund balance in the General Fund and a \$7,029 increase to retained earnings in the Enterprise Funds. The adjustments were made as of July 1, 1997.

(15) **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.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

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GENERAL FUND

The General Fund accounts for all transactions not recorded in other funds and receives financial support from such sources as 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, 1999

(With Comparative Amounts for 1998)

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Cash and investments	\$ 4,240,642	4,394,782
Receivables:		
Sales taxes	460,228	424,268
Grants and shared revenues	226,397	113,912
Matanuska-Susitna Borough	2,886	10,384
Accrued interest	46,384	57,693
Assessments	1,826	2,365
Other	68,192	70,055
Total receivables	<u>805,913</u>	<u>678,677</u>
Due from other funds	57,802	-
Advances to other funds	<u>109,597</u>	<u>104,032</u>
Total assets	\$ <u>5,213,954</u>	<u>5,177,491</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	221,118	191,065
Accrued annual and sick leave	131,667	204,660
Deferred revenue	<u>3,781</u>	<u>22,655</u>
Total liabilities	<u>356,566</u>	<u>418,380</u>
Fund balance:		
Reserved:		
Encumbrances	27,478	65,616
Advances to other funds	109,597	104,032
Insurance premium increases	25,868	21,175
Unreserved and undesignated	<u>4,694,445</u>	<u>4,568,288</u>
Total fund balance	<u>4,857,388</u>	<u>4,759,111</u>
Total liabilities and fund balance	\$ <u>5,213,954</u>	<u>5,177,491</u>

CITY OF WASILLA, ALASKA

General Fund

Statement of Revenues, Expenditures
and Changes in Fund Balance

Year Ended June 30, 1999

(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Revenues:		
Taxes	\$ 5,372,395	5,121,764
Licenses and permits	33,168	48,922
Fines, forfeitures and penalties	59,725	63,119
Intergovernmental	625,600	469,032
Matanuska-Susitna Borough	11,000	11,590
Investment income	309,518	295,521
Other	157,815	223,456
Total revenues	<u>6,569,221</u>	<u>6,233,404</u>
Expenditures:		
General government:		
Administration	325,074	327,363
City Council	289,941	248,567
Planning	149,955	162,969
Finance	570,338	544,810
MARS - recreation services	342,985	347,436
MARS - museum	96,786	139,320
Total general government	<u>1,775,079</u>	<u>1,770,465</u>
Public safety	<u>1,441,365</u>	<u>1,289,878</u>
Public works:		
Property maintenance	168,124	193,549
Road maintenance	445,878	493,423
Administration	114,390	44,613
Total public works	<u>728,392</u>	<u>731,585</u>
Debt service	<u>281,341</u>	<u>-</u>
Total expenditures	<u>4,226,177</u>	<u>3,791,928</u>
Excess of revenues over expenditures	2,343,044	2,441,476
Other uses - operating transfers to other funds	<u>(1,300,950)</u>	<u>(1,470,872)</u>
Excess of revenues over expenditures and other uses	1,042,094	970,604
Beginning fund balance	4,822,672	4,638,740
Prior period adjustment	-	63,561
Residual equity transfers to other funds	<u>(1,007,378)</u>	<u>(850,233)</u>
Ending fund balance	<u>\$ 4,857,388</u>	<u>4,822,672</u>

CITY OF WASILLA, ALASKA

General Fund

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

Year Ended June 30, 1999

(With Comparative Amounts for 1998)

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues:				
Taxes:				
Sales tax, including penalty and interest	\$ 4,366,500	4,932,494	565,994	4,656,270
Property and vehicle taxes	425,210	439,901	14,691	465,494
Total taxes	<u>4,791,710</u>	<u>5,372,395</u>	<u>580,685</u>	<u>5,121,764</u>
Licenses and permits:				
City business licenses	13,500	15,170	1,670	29,550
Land use permits	7,500	7,615	115	6,150
Utility permits	7,000	6,823	(177)	9,072
Driveway permits	1,000	1,775	775	2,275
Taxicab permits	500	1,715	1,215	1,690
Animal licenses	100	70	(30)	185
Total licenses and permits	<u>29,600</u>	<u>33,168</u>	<u>3,568</u>	<u>48,922</u>
Fines, forfeitures and penalties	<u>31,000</u>	<u>59,725</u>	<u>28,725</u>	<u>63,119</u>
Intergovernmental:				
Safe communities	180,770	185,684	4,914	190,285
Revenue-sharing	113,024	123,337	10,313	123,065
Electric and telephone co-op tax	131,000	207,282	76,282	83,999
Public safety grants	82,163	88,877	6,714	55,334
Amusement and gaming tax	100	-	(100)	649
Alcoholic beverage tax	19,000	18,600	(400)	15,700
Other	2,120	1,820	(300)	-
Total intergovernmental	<u>528,177</u>	<u>625,600</u>	<u>97,423</u>	<u>469,032</u>
Matanuska-Susitna Borough:				
Solid waste	1,000	1,000	-	1,000
Parks and recreation	10,000	10,000	-	10,000
Snow removal	600	-	(600)	146
Other	-	-	-	444
Total Matanuska-Susitna Borough	<u>11,600</u>	<u>11,000</u>	<u>(600)</u>	<u>11,590</u>
Investment income	<u>231,000</u>	<u>309,518</u>	<u>78,518</u>	<u>295,521</u>
Other:				
Administration fee revenue	70,109	89,725	19,616	146,292
Charges for services	9,700	7,649	(2,051)	7,884
Building rentals	1,050	750	(300)	755
Donations	9,661	11,681	2,020	12,884
Youth litter patrol	5,000	10,500	5,500	6,000
Miscellaneous	20,357	37,510	17,153	49,641
Total other	<u>115,877</u>	<u>157,815</u>	<u>41,938</u>	<u>223,456</u>
Total revenues	<u>5,738,964</u>	<u>6,569,221</u>	<u>830,257</u>	<u>6,233,404</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
Administration:				
Salaries	\$ 161,152	155,271	5,881	146,470
Employee benefits	54,717	52,213	2,504	50,756
Travel and training	6,000	4,189	1,811	5,190
Contingency	5,140	3,044	2,096	2,405
Tourism and economic development	81,035	77,052	3,983	88,185
Supplies	2,941	2,532	409	4,931
Wasilla Area Seniors	14,000	14,000	-	17,000
Lifequest	3,886	2,077	1,809	6,001
Equipment	9,969	9,334	635	1,691
Other	14,600	5,362	9,238	4,734
Total administration	<u>353,440</u>	<u>325,074</u>	<u>28,366</u>	<u>327,363</u>
City Council:				
Salaries	110,480	96,312	14,168	93,722
Employee benefits	31,763	29,307	2,456	29,153
Advertising	12,210	13,070	(860)	9,715
Travel and training	10,800	6,900	3,900	4,710
Accounting and auditing	25,000	19,117	5,883	22,814
Legal and other professional services	48,545	36,754	11,791	24,451
Contingency	7,500	7,006	494	9,496
Tourism and economic development	26,100	26,260	(160)	-
Animal control	26,000	26,000	-	26,000
Supplies	11,520	8,803	2,717	12,874
Equipment	8,829	8,183	646	5,287
Other	19,600	12,229	7,371	10,345
Total City Council	<u>338,347</u>	<u>289,941</u>	<u>48,406</u>	<u>248,567</u>
Planning:				
Salaries	135,024	87,082	47,942	96,974
Employee benefits	46,852	31,822	15,030	34,438
Travel and training	3,500	1,712	1,788	1,668
Communications	6,650	5,029	1,621	6,148
Professional services	4,580	2,035	2,545	2,144
Contingency	12,300	4,595	7,705	7,044
Repairs and maintenance	2,918	2,288	630	2,481
Fuel and oil	792	332	460	233
Supplies	9,902	3,548	6,354	3,537
Vehicle insurance	580	1,177	(597)	504
Equipment	9,700	9,516	184	4,951
Other	1,260	819	441	2,847
Total planning	<u>234,058</u>	<u>149,955</u>	<u>84,103</u>	<u>162,969</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Finance:				
Salaries	\$ 315,814	305,446	10,368	294,145
Employee benefits	91,148	89,824	1,324	92,201
Travel and training	5,495	5,547	(52)	2,810
Communications	32,670	33,098	(428)	21,482
Professional services	10,051	3,400	6,651	7,103
Equipment maintenance	45,505	55,235	(9,730)	12,561
Supplies	21,033	17,671	3,362	27,876
Equipment	12,587	11,458	1,129	10,772
Foreclosure and court costs	9,000	71	8,929	17,210
Insurance and bonding	51,055	46,903	4,152	48,314
Other	2,770	1,685	1,085	10,336
Total finance	<u>597,128</u>	<u>570,338</u>	<u>26,790</u>	<u>544,810</u>
MARS - recreation services:				
Salaries	205,923	197,841	8,082	179,843
Employee benefits	57,338	51,039	6,299	46,147
Travel and training	1,500	598	902	2,888
Utilities	8,657	7,695	962	3,499
Professional services	4,890	7,225	(2,335)	5,819
Insurance	4,628	4,983	(355)	3,496
Contractual services	8,500	4,946	3,554	7,012
Supplies	14,924	11,633	3,291	13,788
Fuel and oil	4,000	3,196	804	3,451
Repairs and maintenance	25,400	25,783	(383)	23,913
Signs	500	571	(71)	6,500
Facility improvements	7,000	4,239	2,761	27,416
Summer recreation program	13,966	11,467	2,499	18,167
Equipment	3,000	8,235	(5,235)	3,190
Other	5,100	3,534	1,566	2,307
Total MARS - recreation services	<u>365,326</u>	<u>342,985</u>	<u>22,341</u>	<u>347,436</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
MARS - museum:				
Salaries	\$ 64,703	45,793	18,910	66,662
Employee benefits	23,674	21,268	2,406	24,992
Travel and training	900	564	336	1,389
Professional services	1,040	919	121	3,029
Advertising	1,270	1,642	(372)	1,124
Utilities	6,575	5,368	1,207	5,845
Supplies	6,704	5,564	1,140	4,792
Insurance	2,200	2,068	132	2,112
Contractual services	8,700	1,250	7,450	19,460
Repairs and maintenance	4,665	9,034	(4,369)	6,070
Equipment	700	436	264	2,957
Other	1,763	2,880	(1,117)	888
Total MARS - museum	<u>122,894</u>	<u>96,786</u>	<u>26,108</u>	<u>139,320</u>
Total general government	<u>2,011,193</u>	<u>1,775,079</u>	<u>236,114</u>	<u>1,770,465</u>
Public safety - police:				
Salaries	764,658	752,648	12,010	662,805
Employee benefits	264,573	251,231	13,342	239,007
Travel and training	12,615	9,620	2,995	9,682
Communications	261,298	257,819	3,479	255,718
Professional services	7,740	3,336	4,404	1,581
Contingency	3,000	205	2,795	3,454
Insurance	55,003	52,812	2,191	46,913
Court fees	9,200	10,609	(1,409)	-
Public relations	2,000	2,238	(238)	1,239
Supplies	19,373	18,118	1,255	23,942
Fuel and oil	22,000	20,352	1,648	26,614
Contractual services	4,200	4,159	41	2,659
Repairs and maintenance	10,750	13,635	(2,885)	4,888
K-9 expenditures	9,661	7,532	2,129	-
Equipment	38,335	35,184	3,151	3,493
Other	1,650	1,867	(217)	7,883
Total public safety - police	<u>1,486,056</u>	<u>1,441,365</u>	<u>44,691</u>	<u>1,289,878</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public works:				
Property maintenance:				
Salaries	\$ 38,303	45,445	(7,142)	63,057
Employee benefits	23,080	22,782	298	20,919
Travel and training	1,650	500	1,150	828
Utilities	30,525	27,141	3,384	32,795
Professional services	7,500	9,839	(2,339)	10,008
Insurance	11,940	12,888	(948)	11,771
Janitorial services	24,000	13,520	10,480	16,287
Supplies	6,508	3,770	2,738	4,830
Building maintenance	31,100	28,837	2,263	16,754
Assessments	3,022	2,456	566	14,716
Other	2,550	946	1,604	1,584
Total property maintenance	<u>180,178</u>	<u>168,124</u>	<u>12,054</u>	<u>193,549</u>
Road maintenance:				
Salaries	147,853	117,895	29,958	125,904
Employee benefits	60,381	47,909	12,472	46,475
Utilities	40,000	34,375	5,625	37,969
Insurance	3,401	2,874	527	2,083
Contractual services	218,000	176,521	41,479	197,393
Vehicle repair and maintenance	14,000	11,489	2,511	12,174
Railroad crossing maintenance	12,900	12,900	-	12,900
Storm drain thawing	12,000	6,209	5,791	6,821
Supplies	2,495	2,754	(259)	1,931
Fuel and oil	7,000	4,195	2,805	3,861
Signs	9,000	2,801	6,199	11,076
Facility and equipment rental	7,000	982	6,018	411
Street lights	16,000	3,342	12,658	9,452
Asphalt and culvert repair	23,000	12,411	10,589	13,635
Equipment	8,225	7,428	797	8,762
Other	3,850	1,793	2,057	2,576
Total road maintenance	<u>585,105</u>	<u>445,878</u>	<u>139,227</u>	<u>493,423</u>

CITY OF WASILLA, ALASKA

General Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Expenditures, continued:				
Public works, continued:				
Administration:				
Salaries	\$ 72,270	52,195	20,075	26,124
Employee benefits	20,537	13,803	6,734	8,426
Travel and training	2,918	1,199	1,719	1,008
Communications	8,306	6,870	1,436	-
Utilities	11,880	11,330	550	-
Contractual services	4,072	6,007	(1,935)	-
Professional services	19,400	14,573	4,827	2,245
Supplies	4,225	2,261	1,964	1,368
Repairs and maintenance	1,596	1,066	530	-
Equipment	3,750	4,762	(1,012)	4,991
Other	600	324	276	451
Total administration	<u>149,554</u>	<u>114,390</u>	<u>35,164</u>	<u>44,613</u>
Total public works	<u>914,837</u>	<u>728,392</u>	<u>186,445</u>	<u>731,585</u>
Debt service:				
Principal payments on general obligation bonds	170,000	-	170,000	-
Interest payments on general obligation bonds	281,341	281,341	-	-
Total debt service	<u>451,341</u>	<u>281,341</u>	<u>170,000</u>	<u>-</u>
Total expenditures	<u>4,863,427</u>	<u>4,226,177</u>	<u>637,250</u>	<u>3,791,928</u>
Excess of revenues over expenditures	875,537	2,343,044	1,467,507	2,441,476
Other uses - operating transfers to other funds:				
Special Revenue Funds	(267,885)	(236,448)	31,437	(231,415)
Capital Project Funds	(971,660)	(941,660)	30,000	(1,150,601)
Enterprise Funds	(119,092)	(119,092)	-	(88,856)
Nonexpendable Trust Fund	(3,750)	(3,750)	-	-
Total other uses	<u>(1,362,387)</u>	<u>(1,300,950)</u>	<u>61,437</u>	<u>(1,470,872)</u>
Excess of revenues over (under) expenditures and other uses	(486,850)	1,042,094	1,528,944	970,604
Beginning fund balance	4,822,672	4,822,672	-	4,638,740
Prior period adjustment	-	-	-	63,561
Residual equity transfers to Enterprise Funds	<u>(1,007,378)</u>	<u>(1,007,378)</u>	<u>-</u>	<u>(850,233)</u>
Ending fund balance	\$ <u>3,328,444</u>	<u>4,857,388</u>	<u>1,528,944</u>	<u>4,822,672</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.

Asset Forfeiture – This fund is used to account for the activities related to federal drug enforcement activities.

Pass-through Grants – This fund is used to account for various grants that are passed through to third parties.

CITY OF WASILLA, ALASKA

Special Revenue Funds

Combining Balance Sheet

June 30, 1999

(With Comparative Totals for 1998)

<u>Assets</u>	<u>Library</u>	<u>Youth Court</u>	<u>Asset Forfeiture</u>	<u>Totals</u>	
				<u>1999</u>	<u>1998</u>
Cash and investments	\$ -	51,525	65,579	117,104	52,658
Receivables:					
Grants	-	10,444	-	10,444	16,784
Matanuska-Susitna Borough	<u>80,500</u>	<u>-</u>	<u>-</u>	<u>80,500</u>	<u>108</u>
 Total assets	 \$ <u>80,500</u>	 <u>61,969</u>	 <u>65,579</u>	 <u>208,048</u>	 <u>69,550</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	6,166	4,284	5,275	15,725	3,174
Accrued annual and sick leave	15,238	2,522	-	17,760	42,641
Due to other funds	57,802	-	-	57,802	-
Deferred revenue	<u>-</u>	<u>2,568</u>	<u>-</u>	<u>2,568</u>	<u>1,339</u>
Total liabilities	<u>79,206</u>	<u>9,374</u>	<u>5,275</u>	<u>93,855</u>	<u>47,154</u>
 Fund balances:					
Reserved for encumbrances	1,294	659	-	1,953	515
Unreserved - designated for operations	<u>-</u>	<u>51,936</u>	<u>60,304</u>	<u>112,240</u>	<u>21,881</u>
Total fund balances	<u>1,294</u>	<u>52,595</u>	<u>60,304</u>	<u>114,193</u>	<u>22,396</u>
 Total liabilities and fund balances	 \$ <u>80,500</u>	 <u>61,969</u>	 <u>65,579</u>	 <u>208,048</u>	 <u>69,550</u>

CITY OF WASILLA, ALASKA
Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 1999
(With Comparative Totals for 1998)

	Library	Youth Court	Asset Forfeiture	Pass- through Grants	Totals	
					1999	1998
Revenues:						
Intergovernmental	\$ 8,040	115,293	117,061	13,458	253,852	112,359
Matanuska-Susitna Borough	322,000	20,000	-	-	342,000	322,000
Library fines	17,080	-	-	-	17,080	16,722
Investment income	1,816	831	1,275	-	3,922	4,390
Other	2,785	7,320	-	-	10,105	6,959
Total revenues	<u>351,721</u>	<u>143,444</u>	<u>118,336</u>	<u>13,458</u>	<u>626,959</u>	<u>462,430</u>
Expenditures:						
Salaries	289,508	66,378	-	-	355,886	358,004
Employee benefits	95,839	23,385	-	-	119,224	111,612
Travel and training	1,528	1,000	664	-	3,192	3,996
Communications	9,699	1,820	-	-	11,519	10,183
Utilities	9,124	-	-	-	9,124	8,277
Contractual services	52,629	9,138	1,310	-	63,077	59,490
Insurance	15,053	2,822	-	-	17,875	16,320
Janitorial services	7,435	-	-	-	7,435	6,720
Equipment maintenance and rental	2,343	-	4,146	-	6,489	1,404
Supplies	11,648	8,442	16,356	-	36,446	12,739
Fuel	1,124	-	-	-	1,124	967
Books, periodicals and audio visual	59,532	-	-	-	59,532	59,880
Administration	8,000	-	-	-	8,000	8,000
Building maintenance	5,400	-	-	-	5,400	5,400
Furniture and equipment	6,971	6,848	39,143	-	52,962	10,692
Other	-	867	-	-	867	-
Pass-through payments	-	-	-	13,458	13,458	550
Total expenditures	<u>575,833</u>	<u>120,700</u>	<u>61,619</u>	<u>13,458</u>	<u>771,610</u>	<u>674,234</u>
Excess of revenues over (under) expenditures	(224,112)	22,744	56,717	-	(144,651)	(211,804)
Other financing sources -						
operating transfers from General Fund	<u>224,891</u>	<u>7,970</u>	<u>3,587</u>	<u>-</u>	<u>236,448</u>	<u>231,415</u>
Excess of revenues and other financing sources over expenditures	779	30,714	60,304	-	91,797	19,611
Beginning fund balances	<u>515</u>	<u>21,881</u>	<u>-</u>	<u>-</u>	<u>22,396</u>	<u>2,785</u>
Ending fund balances	\$ <u>1,294</u>	<u>52,595</u>	<u>60,304</u>	<u>-</u>	<u>114,193</u>	<u>22,396</u>

CITY OF WASILLA, ALASKA
 Library Special Revenue Fund
 Balance Sheet
 June 30, 1999
 (With Comparative Amounts for 1998)

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Cash and investments	\$ -	42,770
Accounts receivable - Matanuska-Susitna Borough	<u>80,500</u>	<u>108</u>
 Total assets	 <u>\$ 80,500</u>	 <u>42,878</u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accounts payable	6,166	2,728
Accrued annual and sick leave	15,238	38,595
Due to other funds	57,802	-
Deferred revenue	<u>-</u>	<u>1,040</u>
Total liabilities	79,206	42,363
 Fund balance - reserved for encumbrances	 <u>1,294</u>	 <u>515</u>
 Total liabilities and fund balance	 <u>\$ 80,500</u>	 <u>42,878</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, 1999
 (With Comparative Amounts for 1998)

	1999		Variance Favorable (Unfavorable)	1998
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental	\$ 8,050	8,040	(10)	7,000
Matanuska-Susitna Borough	322,000	322,000	-	322,000
Library fines	15,000	17,080	2,080	16,722
Investment income	-	1,816	1,816	4,314
Other	<u>3,992</u>	<u>2,785</u>	<u>(1,207)</u>	<u>1,459</u>
Total revenues	<u>349,042</u>	<u>351,721</u>	<u>2,679</u>	<u>351,495</u>
Expenditures:				
Salaries	313,282	289,508	23,774	297,409
Employee benefits	101,760	95,839	5,921	90,137
Travel and training	1,237	1,528	(291)	2,112
Communications	11,524	9,699	1,825	8,799
Utilities	8,356	9,124	(768)	8,277
Contractual services	53,257	52,629	628	52,361
Insurance	15,806	15,053	753	13,728
Janitorial services	6,720	7,435	(715)	6,720
Equipment maintenance and rental	3,080	2,343	737	1,404
Supplies	13,865	11,648	2,217	9,648
Fuel	1,070	1,124	(54)	967
Books, periodicals and audio visual	63,744	59,532	4,212	59,880
Administration	8,000	8,000	-	8,000
Building maintenance	5,400	5,400	-	5,400
Furniture and equipment	<u>7,785</u>	<u>6,971</u>	<u>814</u>	<u>7,641</u>
Total expenditures	<u>614,886</u>	<u>575,833</u>	<u>39,053</u>	<u>572,483</u>
Excess of revenues over (under) expenditures	(265,844)	(224,112)	41,732	(220,988)
Other financing sources -				
operating transfers from General Fund	<u>256,328</u>	<u>224,891</u>	<u>(31,437)</u>	<u>221,503</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>(9,516)</u>	779	<u>10,295</u>	515
Beginning fund balance		<u>515</u>		<u>-</u>
Ending fund balance	\$	<u>1,294</u>		<u>515</u>

CITY OF WASILLA, ALASKA
 Youth Court Special Revenue Fund
 Balance Sheet
 June 30, 1999
 (With Comparative Amounts for 1998)

	<u>Assets</u>	<u>1999</u>	<u>1998</u>
Cash and investments		\$ 51,525	9,888
Receivables:			
Grants		10,444	2,932
Other		<u>-</u>	<u>13,852</u>
Total assets		\$ <u>61,969</u>	<u>26,672</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable		4,284	446
Accrued annual and sick leave		2,522	4,046
Deferred revenue		<u>2,568</u>	<u>299</u>
Total liabilities		<u>9,374</u>	<u>4,791</u>
Fund balance:			
Reserved for encumbrances		659	-
Unreserved - designated for operations		<u>51,936</u>	<u>21,881</u>
		<u>52,595</u>	<u>21,881</u>
Total liabilities and fund balance		\$ <u>61,969</u>	<u>26,672</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, 1999
 (With Comparative Amounts for 1998)

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental	\$ 155,270	115,293	(39,977)	105,359
Matanuska-Susitna Borough	20,000	20,000	-	-
Investment income	-	831	831	76
Other	8,500	7,320	(1,180)	5,500
Total revenues	183,770	143,444	(40,326)	110,935
Expenditures:				
Salaries	79,224	66,378	12,846	60,595
Employee benefits	30,964	23,385	7,579	21,475
Travel and training	700	1,000	(300)	1,884
Communications	1,900	1,820	80	1,384
Contractual services	22,958	9,138	13,820	7,129
Insurance	3,104	2,822	282	2,592
Supplies	6,132	8,442	(2,310)	3,091
Furniture and equipment	7,300	6,848	452	3,051
Other	1,800	867	933	550
Total expenditures	154,082	120,700	33,382	101,751
Excess of revenues over expenditures	29,688	22,744	(6,944)	9,184
Other financing sources - operating transfers from General Fund	7,970	7,970	-	9,912
Excess of revenues and other financing sources over expenditures	\$ 37,658	30,714	(6,944)	19,096
Beginning fund balance		21,881		2,785
Ending fund balance		\$ 52,595		21,881

CITY OF WASILLA, ALASKA
Asset Forfeiture Special Revenue Fund
Balance Sheet
June 30, 1999

<u>Assets</u>	<u>1999</u>
Cash and investments	\$ <u>65,579</u>
 <u>Liabilities and Fund Balance</u>	
Liabilities - accounts payable	5,275
Fund balance - designated for operations	<u>60,304</u>
Total liabilities and fund balance	\$ <u>65,579</u>

CITY OF WASILLA, ALASKA
 Asset Forfeiture Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended June 30, 1999

	1999		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 43,972	117,061	73,089
Investment income	-	1,275	1,275
Total revenues	43,972	118,336	74,364
Expenditures:			
Training	665	664	1
Contractual services	1,311	1,310	1
Equipment maintenance and rental	4,146	4,146	-
Supplies	16,356	16,356	-
Equipment	25,101	39,143	(14,042)
Total expenditures	47,579	61,619	(14,040)
Excess of revenues over (under) expenditures	(3,607)	56,717	60,324
Other financing sources - operating transfers from General Fund	3,587	3,587	-
Excess of revenues and other financing sources over (under) expenditures	\$ (20)	60,304	60,324
Beginning fund balance		-	
Ending fund balance		\$ 60,304	

CITY OF WASILLA, ALASKA
 Pass-through Grants Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended June 30, 1999

	1999		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues - intergovernmental	\$ 13,898	13,458	(440)
Expenditures - pass-through payments to:			
Services for Children and Adults	6,898	6,458	440
Wasilla Chamber of Commerce	7,000	7,000	-
Total expenditures	13,898	13,458	440
Excess of revenues over expenditures	\$ -	-	-
Beginning fund balance		-	
Ending fund balance	\$	-	

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, 1999

(With Comparative Totals for 1998)

Assets	1986		1987		1988		Totals		
	1982 Original Water Bond	Southside Water District Bond	Sewer Improvement District Bond	Paving Bonds	Improvement Bond	Gas Assessments	Bond Guarantee	1999	1998
Cash and investments	\$ 68,241	35,481	95,460	375,805	20,988	173,634	137,188	906,797	661,396
Receivables:									
Special assessments, net	215,329	100,372	151,668	623,946	6,574	1,963	-	1,099,852	1,029,317
Interest and penalty	1,485	-	-	-	-	-	-	1,485	1,564
Other	-	-	-	-	-	-	-	-	1,253
Total assets	\$ 285,055	135,853	247,128	999,751	27,562	175,597	137,188	2,008,134	1,693,530

Liabilities and Fund Balances

Liabilities:									
Advances from other funds	-	-	-	-	-	-	109,597	109,597	104,032
Deferred revenue	209,667	100,372	151,668	623,946	6,574	1,963	-	1,094,190	1,022,369
Total liabilities	209,667	100,372	151,668	623,946	6,574	1,963	109,597	1,203,787	1,126,401
Fund balances:									
Reserved for debt service	-	35,481	95,460	375,805	-	-	-	506,746	329,171
Unreserved:									
Designated for subsequent year expenditures	-	-	-	-	-	-	-	-	25,516
Undesignated	75,388	-	-	-	20,988	173,634	27,591	297,601	212,442
Total fund balances	75,388	35,481	95,460	375,805	20,988	173,634	27,591	804,347	567,129
Total liabilities and fund balances	\$ 285,055	135,853	247,128	999,751	27,562	175,597	137,188	2,008,134	1,693,530

CITY OF WASILLA, ALASKA
 Debt Service Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended June 30, 1999
 (With Comparative Totals for 1998)

		1986	1987	1988								
		1982	Southside Water District Bond	Sewer Improvement District Bond	Paving Bonds	Overlook Sewer Improvement Bond	Gas Assessments	Bond Guarantee	Totals	1999	1998	1998
Revenues:												
Special assessments	\$	33,078	26,240	32,285	255,583	-	2,042	-	349,228	332,234		
Investment income		3,036	920	2,657	12,616	708	5,863	6,633	32,433	30,150		
Free main allowances		-	-	-	-	-	81,148	-	81,148	24,630		
Total revenues		<u>36,114</u>	<u>27,160</u>	<u>34,942</u>	<u>268,199</u>	<u>708</u>	<u>89,053</u>	<u>6,633</u>	<u>462,809</u>	<u>387,014</u>		
Expenditures - debt service:												
Principal		-	3,954	3,400	92,336	-	-	-	99,690	258,689		
Interest		-	9,062	8,093	40,439	-	-	-	57,594	74,740		
Gas LID refund		-	-	-	-	-	47,673	-	47,673	-		
Total expenditures		<u>-</u>	<u>13,016</u>	<u>11,493</u>	<u>132,775</u>	<u>-</u>	<u>47,673</u>	<u>-</u>	<u>204,957</u>	<u>333,429</u>		
Excess of revenues over expenditures		36,114	14,144	23,449	135,424	708	41,380	6,633	257,852	53,585		
Other uses - operating transfers to other funds		<u>(10,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,317)</u>	<u>(12,140)</u>		
Excess of revenues over expenditures and other uses		25,797	14,144	23,449	135,424	708	41,380	6,633	247,535	41,445		
Beginning fund balances		59,908	21,337	72,011	240,381	20,280	132,254	20,958	567,129	595,684		
Residual equity transfer to Water Enterprise Fund		<u>(10,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,317)</u>	<u>(70,000)</u>		
Ending fund balances	\$	<u>75,388</u>	<u>35,481</u>	<u>95,460</u>	<u>375,805</u>	<u>20,988</u>	<u>173,634</u>	<u>27,591</u>	<u>804,347</u>	<u>567,129</u>		

CITY OF WASILLA, ALASKA
 1982 Original Water Bond Debt Service Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 1999
 (With Comparative Amounts for 1998)

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ 18,760	33,078	14,318	17,653
Investment income	<u>1,874</u>	<u>3,036</u>	<u>1,162</u>	<u>4,432</u>
Total revenues	20,634	36,114	15,480	22,085
Other uses - operating transfers to Miscellaneous Projects and Road and Street Improvements Capital Project Fund	<u>(10,317)</u>	<u>(10,317)</u>	<u>-</u>	<u>(12,140)</u>
Excess of revenues over other uses	10,317	25,797	15,480	9,945
Beginning fund balance	59,908	59,908	-	119,963
Residual equity transfer to Water Enterprise Fund	<u>(10,317)</u>	<u>(10,317)</u>	<u>-</u>	<u>(70,000)</u>
Ending fund balance	\$ <u>59,908</u>	<u>75,388</u>	<u>15,480</u>	<u>59,908</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, 1999
 (With Comparative Amounts for 1998)

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues:				
Special assessments	\$ 12,517	26,240	13,723	23,218
Investment income	500	920	420	853
Total revenues	<u>13,017</u>	<u>27,160</u>	<u>14,143</u>	<u>24,071</u>
Expenditures - debt service:				
Principal	3,954	3,954	-	3,954
Interest	9,063	9,062	1	9,304
Total expenditures	<u>13,017</u>	<u>13,016</u>	<u>1</u>	<u>13,258</u>
Excess of revenues over expenditures	-	14,144	14,144	10,813
Beginning fund balance	<u>21,337</u>	<u>21,337</u>	-	<u>10,524</u>
Ending fund balance	\$ <u><u>21,337</u></u>	<u><u>35,481</u></u>	<u><u>14,144</u></u>	<u><u>21,337</u></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, 1999
 (With Comparative Amounts for 1998)

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Special assessments	\$ 10,543	32,285	21,742	39,413
Investment income	950	2,657	1,707	2,231
Total revenues	11,493	34,942	23,449	41,644
Expenditures - debt service:				
Principal	3,400	3,400	-	95,400
Interest	8,093	8,093	-	14,294
Total expenditures	11,493	11,493	-	109,694
Excess of revenues over (under) expenditures	-	23,449	23,449	(68,050)
Beginning fund balance	72,011	72,011	-	140,061
Ending fund balance	\$ 72,011	95,460	23,449	72,011

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, 1999
(With Comparative Amounts for 1998)

	1999		Variance	1998
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Special assessments	\$ 102,760	255,583	152,823	207,828
Investment income	<u>4,500</u>	<u>12,616</u>	<u>8,116</u>	<u>9,548</u>
Total revenues	<u>107,260</u>	<u>268,199</u>	<u>160,939</u>	<u>217,376</u>
Expenditures - debt service:				
Principal	92,343	92,336	7	159,335
Interest	<u>40,433</u>	<u>40,439</u>	<u>(6)</u>	<u>51,142</u>
Total expenditures	<u>132,776</u>	<u>132,775</u>	<u>1</u>	<u>210,477</u>
Excess of revenues over (under) expenditures	(25,516)	135,424	160,940	6,899
Beginning fund balance	<u>240,381</u>	<u>240,381</u>	<u>-</u>	<u>233,482</u>
Ending fund balance	\$ <u>214,865</u>	<u>375,805</u>	<u>160,940</u>	<u>240,381</u>

CITY OF WASILLA, ALASKA
1988 Overlook Sewer Improvement Bond Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance (Deficit)
Year Ended June 30, 1999
(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Revenues:		
Special assessments	\$ -	38,435
Investment income	<u>708</u>	<u>823</u>
Total revenues	708	39,258
Beginning fund balance (deficit)	<u>20,280</u>	<u>(18,978)</u>
Ending fund balance	\$ <u><u>20,988</u></u>	<u><u>20,280</u></u>

CITY OF WASILLA, ALASKA
 Gas Assessments Debt Service Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Year Ended June 30, 1999
 (With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Revenues:		
Special assessments	\$ 2,042	5,687
Investment income	5,863	5,275
Free main allowances	<u>81,148</u>	<u>24,630</u>
Total revenues	89,053	35,592
Expenditures - Gas LID refund	<u>47,673</u>	<u>-</u>
Excess of revenues over expenditures	41,380	35,592
Beginning fund balance	<u>132,254</u>	<u>96,662</u>
Ending fund balance	\$ <u><u>173,634</u></u>	<u><u>132,254</u></u>

CITY OF WASILLA, ALASKA
Bond Guarantee Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 1999
(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Revenues - investment income	\$ 6,633	6,988
Beginning fund balance	<u>20,958</u>	<u>13,970</u>
Ending fund balance	\$ <u>27,591</u>	<u>20,958</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, 1999

(With Comparative Totals for 1998)

<u>Assets</u>	Miscellaneous Projects and Road and Street	Vehicle	Right- of-Way	Totals	
	<u>Improvements</u>	<u>Replacement</u>	<u>Acquisition</u>	<u>1999</u>	<u>1998</u>
Cash and investments	\$ 5,041,952	435,029	56,181	5,533,162	7,504,623
Receivables:					
Grants	873,130	-	-	873,130	-
Matanuska-Susitna Borough	-	-	-	-	20,000
Accrued interest	15,795	2,970	-	18,765	27,751
Other	-	-	-	-	35,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>5,930,877</u>	<u>437,999</u>	<u>56,181</u>	<u>6,425,057</u>	<u>7,587,374</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	666,798	-	-	666,798	80,501
Deferred revenue	10,000	-	-	10,000	37,676
Total liabilities	<u>676,798</u>	<u>-</u>	<u>-</u>	<u>676,798</u>	<u>118,177</u>
Fund balances:					
Reserved for encumbrances	2,223,116	-	-	2,223,116	414,335
Unreserved:					
Designated:					
Subsequent year expenditures	-	-	-	-	100,000
Capital improvements	3,030,963	437,999	56,181	3,525,143	6,954,862
Total fund balances	<u>5,254,079</u>	<u>437,999</u>	<u>56,181</u>	<u>5,748,259</u>	<u>7,469,197</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>5,930,877</u>	<u>437,999</u>	<u>56,181</u>	<u>6,425,057</u>	<u>7,587,374</u>

CITY OF WASILLA, ALASKA
 Capital Project Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended June 30, 1999
 (With Comparative Totals for 1998)

		Miscellaneous Projects and Road and Street			Right- of-Way		Totals	
		<u>Improvements</u>	<u>Vehicle Replacement</u>	<u>Acquisition</u>	<u>1999</u>	<u>1998</u>		
Revenues:								
Intergovernmental	\$	995,514	-	-	995,514		123,798	
Matanuska-Susitna Borough		90,167	-	-	90,167		21,229	
Investment income		286,047	19,823	1,952	307,822		160,818	
Other		9,047	-	-	9,047		44,392	
Total revenues		<u>1,380,775</u>	<u>19,823</u>	<u>1,952</u>	<u>1,402,550</u>		<u>350,237</u>	
Expenditures - capital outlay		<u>4,112,431</u>	<u>270,100</u>	<u>-</u>	<u>4,382,531</u>		<u>1,805,596</u>	
Excess of revenues over (under) expenditures		(2,731,656)	(250,277)	1,952	(2,979,981)		(1,455,359)	
Other financing sources:								
Bond proceeds		287,200	-	-	287,200		5,500,000	
Operating transfers from other funds		<u>846,977</u>	<u>125,000</u>	<u>5,000</u>	<u>976,977</u>		<u>1,192,741</u>	
Total other financing sources		<u>1,134,177</u>	<u>125,000</u>	<u>5,000</u>	<u>1,264,177</u>		<u>6,692,741</u>	
Excess of revenues and other financing sources over (under) expenditures		(1,597,479)	(125,277)	6,952	(1,715,804)		5,237,382	
Beginning fund balances		6,856,692	563,276	49,229	7,469,197		2,231,815	
Residual equity transfer to Sewer Enterprise Fund		<u>(5,134)</u>	<u>-</u>	<u>-</u>	<u>(5,134)</u>		<u>-</u>	
Ending fund balances	\$	<u><u>5,254,079</u></u>	<u><u>437,999</u></u>	<u><u>56,181</u></u>	<u><u>5,748,259</u></u>		<u><u>7,469,197</u></u>	

CITY OF WASILLA, ALASKA
 Miscellaneous Projects and Road and Street
 Improvement Capital Project Fund
 Schedule of Expenditures by Project
 Year Ended June 30, 1999

Expenditures:	
Computer conversion	\$ 66,647
Computer network	10,574
Airport paving	931,334
Y2K renovation	13,528
Church Road	46,319
Land acquisition	352,592
Cold storage building	27,471
City hall modification	182,992
Iditapark development	98,488
Bumpus recreation area	50,000
Skateboard park	175,000
Paving projects:	
Spruce Avenue	796,221
Weber Drive	181,986
North Country	618,690
Susitna Avenue	44,424
Mystery Avenue	131,782
Dana Avenue	10,051
Tallerico Avenue	290,206
Other miscellaneous projects	<u>84,126</u>
Total expenditures	\$ <u><u>4,112,431</u></u>

ENTERPRISE FUNDS

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

CITY OF WASILLA, ALASKA

Enterprise Funds

Combining Balance Sheet

June 30, 1999

(With Comparative Totals for 1998)

Assets	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1999	1998
Current assets:					
Cash and investments	\$ 655,100	1,554,780	12,162	2,222,042	1,531,585
Receivables:					
Accounts	42,784	50,060	2,375	95,219	86,434
Allowance for doubtful accounts	(9,150)	(9,150)	-	(18,300)	(8,000)
Grants	20,431	-	-	20,431	50,150
Accrued interest	3,826	9,222	-	13,048	13,721
Notes receivable, current portion	41,136	-	-	41,136	108,378
Inventory	53,001	14,371	-	67,372	117,095
Total current assets	<u>807,128</u>	<u>1,619,283</u>	<u>14,537</u>	<u>2,440,948</u>	<u>1,899,363</u>
Notes receivable, less current portion	24,511	-	-	24,511	30,426
Property, plant and equipment:					
Land	657,810	149,170	1,470,000	2,276,980	2,276,980
Land improvements	-	-	4,097,204	4,097,204	4,087,753
Treatment system	4,475,624	-	-	4,475,624	4,475,624
Collection/distribution system	7,658,842	5,049,591	-	12,708,433	12,475,746
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	2,828,264	-	-	2,828,264	2,759,160
Equipment	1,943,305	72,725	208,154	2,224,184	2,219,994
Construction in progress	422,296	991,007	931,984	2,345,287	411,960
Total property, plant and equipment	<u>17,986,141</u>	<u>8,871,744</u>	<u>6,707,342</u>	<u>33,565,227</u>	<u>31,316,468</u>
Less accumulated depreciation	<u>(5,281,050)</u>	<u>(2,153,666)</u>	<u>(1,575,114)</u>	<u>(9,009,830)</u>	<u>(8,292,383)</u>
Net property, plant and equipment	<u>12,705,091</u>	<u>6,718,078</u>	<u>5,132,228</u>	<u>24,555,397</u>	<u>23,024,085</u>
Deferred charge	-	15,313	-	15,313	15,694
Total assets	<u>\$ 13,536,730</u>	<u>8,352,674</u>	<u>5,146,765</u>	<u>27,036,169</u>	<u>24,969,568</u>
<u>Liabilities and Fund Equity</u>					
Current liabilities:					
Accounts payable	161,278	224,705	433	386,416	22,616
Revenue billed in advance	28,849	-	-	28,849	28,849
Accrued annual and sick leave	11,088	9,334	1,477	21,899	24,213
Customer deposits	22,371	18,723	-	41,094	39,351
Current portion of note payable	-	12,644	-	12,644	-
Total current liabilities	<u>223,586</u>	<u>265,406</u>	<u>1,910</u>	<u>490,902</u>	<u>115,029</u>
Note payable, net of current portion	-	164,456	-	164,456	-
Total liabilities	<u>223,586</u>	<u>429,862</u>	<u>1,910</u>	<u>655,358</u>	<u>115,029</u>
Fund equity:					
Contributed capital:					
Federal and state grants	16,059,401	4,928,581	6,696,587	27,684,569	26,690,716
Other	<u>2,081,821</u>	<u>4,106,550</u>	<u>10,101</u>	<u>6,198,472</u>	<u>5,047,927</u>
Total contributed capital	<u>18,141,222</u>	<u>9,035,131</u>	<u>6,706,688</u>	<u>33,883,041</u>	<u>31,738,643</u>
Less accumulated amortization	<u>(5,028,346)</u>	<u>(1,526,047)</u>	<u>(1,574,814)</u>	<u>(8,129,207)</u>	<u>(7,484,859)</u>
Net contributed capital	<u>13,112,876</u>	<u>7,509,084</u>	<u>5,131,874</u>	<u>25,753,834</u>	<u>24,253,784</u>
Retained earnings - unreserved	<u>200,268</u>	<u>413,728</u>	<u>12,981</u>	<u>626,977</u>	<u>600,755</u>
Total fund equity	<u>13,313,144</u>	<u>7,922,812</u>	<u>5,144,855</u>	<u>26,380,811</u>	<u>24,854,539</u>
Total liabilities and fund equity	<u>\$ 13,536,730</u>	<u>8,352,674</u>	<u>5,146,765</u>	<u>27,036,169</u>	<u>24,969,568</u>

CITY OF WASILLA, ALASKA
 Enterprise Funds
 Combining Statement of Revenues, Expenses
 and Changes in Retained Earnings
 Year Ended June 30, 1999
 (With Comparative Totals for 1998)

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1999	1998
Operating revenues:					
Sales and user charges	\$ 374,171	310,039	-	684,210	666,699
Fees and rentals	-	-	20,975	20,975	16,829
Meters	-	4,160	-	4,160	3,202
Other	-	6,988	-	6,988	1,753
Total operating revenues	<u>374,171</u>	<u>321,187</u>	<u>20,975</u>	<u>716,333</u>	<u>688,483</u>
Operating expenses:					
Salaries	171,727	99,459	16,410	287,596	307,148
Employee benefits	63,399	35,794	2,882	102,075	111,607
Travel and training	1,406	-	-	1,406	1,744
Communications	885	1,255	361	2,501	4,080
Utilities	36,767	28,257	2,642	67,666	77,978
Professional services	9,317	16,313	12,978	38,608	41,861
Insurance	12,206	7,489	9,186	28,881	27,549
Materials and supplies	17,673	4,269	1,158	23,100	19,262
Administration	21,108	29,001	-	50,109	40,206
Repairs and maintenance	93,014	21,853	2,052	116,919	78,779
Rent	-	-	-	-	8,831
Bad debt expense	5,150	5,150	-	10,300	-
Other	1,063	2,235	237	3,535	7,540
Total operating expenses	<u>433,715</u>	<u>251,075</u>	<u>47,906</u>	<u>732,696</u>	<u>726,585</u>
Operating income (loss) before depreciation	(59,544)	70,112	(26,931)	(16,363)	(38,102)
Depreciation	<u>335,694</u>	<u>157,048</u>	<u>224,705</u>	<u>717,447</u>	<u>708,035</u>
Operating loss	(395,238)	(86,936)	(251,636)	(733,810)	(746,137)
Nonoperating revenues (expenses):					
Loss on dry well	-	(79,761)	-	(79,761)	-
Payments in lieu of assessments	6,584	23,938	-	30,522	41,836
Investment income	28,517	41,974	340	70,831	67,472
Net nonoperating revenues (expenses)	<u>35,101</u>	<u>(13,849)</u>	<u>340</u>	<u>21,592</u>	<u>109,308</u>
Loss before operating transfers	(360,137)	(100,785)	(251,296)	(712,218)	(636,829)
Operating transfers:					
Operating transfers in	79,394	-	39,698	119,092	88,856
Operating transfers out	(20,000)	(5,000)	-	(25,000)	(30,000)
Net operating transfers	<u>59,394</u>	<u>(5,000)</u>	<u>39,698</u>	<u>94,092</u>	<u>58,856</u>
Net loss	(300,743)	(105,785)	(211,598)	(618,126)	(577,973)
Amortization of contributed capital	<u>318,674</u>	<u>101,095</u>	<u>224,579</u>	<u>644,348</u>	<u>653,037</u>
Increase (decrease) in retained earnings	17,931	(4,690)	12,981	26,222	75,064
Beginning retained earnings	182,337	418,418	-	600,755	518,662
Prior period adjustment	-	-	-	-	7,029
Ending retained earnings	<u>\$ 200,268</u>	<u>413,728</u>	<u>12,981</u>	<u>626,977</u>	<u>600,755</u>

CITY OF WASILLA, ALASKA

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 1999

(With Comparative Totals for 1998)

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				1999	1998
Cash flows from operating activities:					
Operating loss	\$ (395,238)	(86,936)	(251,636)	(733,810)	(746,137)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	335,694	157,048	224,705	717,447	708,035
Amortization	-	381	-	381	381
Bad debt expense	5,150	5,150	-	10,300	-
(Increase) decrease in assets:					
Accounts receivable	(534)	(6,836)	(1,415)	(8,785)	(18,350)
Other receivables	-	-	-	-	14,906
Inventory	42,296	7,427	-	49,723	(21,015)
Increase (decrease) in liabilities:					
Accounts payable	146,483	217,214	103	363,800	(668)
Revenue billed in advance	-	-	-	-	(662)
Accrued annual and sick leave	(1,332)	(654)	(328)	(2,314)	9,002
Customer deposits	2,730	(987)	-	1,743	6,992
Net cash flows from operating activities	<u>135,249</u>	<u>291,807</u>	<u>(28,571)</u>	<u>398,485</u>	<u>(47,516)</u>
Cash flows from noncapital financing activities:					
Advances paid to central treasury	-	-	-	-	(187)
Operating transfers in	79,394	-	39,698	119,092	88,856
Operating transfers out	(20,000)	(5,000)	-	(25,000)	(30,000)
Net cash flows from noncapital financing activities	<u>59,394</u>	<u>(5,000)</u>	<u>39,698</u>	<u>94,092</u>	<u>58,669</u>
Cash flows from capital and related financing activities:					
Proceeds from issuance of note payable	-	177,100	-	177,100	-
Receipt of special assessments and payments in lieu of assessments	6,584	23,938	-	30,522	41,836
Acquisition and construction of capital assets	(285,990)	(1,021,334)	(941,435)	(2,248,759)	(910,619)
Residual equity transfers in as contributed capital	104,639	918,190	-	1,022,829	920,233
Other contributed capital received	92,238	117,615	941,435	1,151,288	243,764
Loss on dry well	-	(79,761)	-	(79,761)	-
Net cash flows from capital and related financing activities	<u>(82,529)</u>	<u>135,748</u>	<u>-</u>	<u>53,219</u>	<u>295,214</u>
Cash flows from investing activities:					
Investment income received	28,778	42,386	340	71,504	62,675
Issuance of notes receivable	-	-	-	-	(65,449)
Principal payments received on notes receivable	73,157	-	-	73,157	44,740
Net cash flows from investing activities	<u>101,935</u>	<u>42,386</u>	<u>340</u>	<u>144,661</u>	<u>41,966</u>
Net increase in cash and investments	214,049	464,941	11,467	690,457	348,333
Cash and investments at beginning of year	<u>441,051</u>	<u>1,089,839</u>	<u>695</u>	<u>1,531,585</u>	<u>1,183,252</u>
Cash and investments at end of year	\$ <u>655,100</u>	<u>1,554,780</u>	<u>12,162</u>	<u>2,222,042</u>	<u>1,531,585</u>
<u>Noncash capital and related financing activities</u>					
Equipment contributed by other funds	\$ -	-	-	-	17,679

CITY OF WASILLA, ALASKA
 Sewer Utility Enterprise Fund
 Balance Sheet
 June 30, 1999
 (With Comparative Amounts for 1998)

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Current assets:		
Cash and investments	\$ 655,100	441,051
Receivables:		
Accounts	42,784	42,250
Allowance for doubtful accounts	(9,150)	(4,000)
Grants	20,431	50,150
Accrued interest	3,826	4,087
Notes receivable, current portion	41,136	108,378
Inventory	53,001	95,297
Total current assets	<u>807,128</u>	<u>737,213</u>
Notes receivable, less current portion	<u>24,511</u>	<u>30,426</u>
Property, plant and equipment:		
Land	657,810	657,810
Treatment system	4,475,624	4,475,624
Collection system	7,658,842	7,658,842
Other plant in service	2,828,264	2,759,160
Equipment	1,943,305	1,941,567
Construction in progress	422,296	207,148
Total property, plant and equipment	17,986,141	17,700,151
Less accumulated depreciation	<u>(5,281,050)</u>	<u>(4,945,356)</u>
Net property, plant and equipment	<u>12,705,091</u>	<u>12,754,795</u>
Total assets	\$ <u>13,536,730</u>	<u>13,522,434</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Accounts payable	161,278	14,795
Revenue billed in advance	28,849	28,849
Accrued annual and sick leave	11,088	12,420
Customer deposits	22,371	19,641
Total current liabilities	<u>223,586</u>	<u>75,705</u>
Fund equity:		
Contributed capital:		
Federal and state grants	16,059,401	15,996,882
Other	2,081,821	1,977,182
Total contributed capital	18,141,222	17,974,064
Less accumulated amortization	<u>(5,028,346)</u>	<u>(4,709,672)</u>
Net contributed capital	13,112,876	13,264,392
Retained earnings - unreserved	<u>200,268</u>	<u>182,337</u>
Total fund equity	<u>13,313,144</u>	<u>13,446,729</u>
Total liabilities and fund equity	\$ <u>13,536,730</u>	<u>13,522,434</u>

CITY OF WASILLA, ALASKA
 Sewer Utility Enterprise Fund
 Statement of Revenues, Expenses
 and Changes in Retained Earnings
 Year Ended June 30, 1999
 (With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Operating revenues - sales and user charges	\$ <u>374,171</u>	<u>357,354</u>
Operating expenses:		
Salaries	171,727	161,740
Employee benefits	63,399	60,982
Travel and training	1,406	1,744
Communications	885	1,648
Utilities	36,767	40,651
Professional services	9,317	10,205
Insurance	12,206	11,259
Materials and supplies	17,673	11,490
Administration	21,108	16,082
Repairs and maintenance	93,014	67,975
Rent	-	3,501
Bad debt expense	5,150	-
Other	<u>1,063</u>	<u>1,583</u>
Total operating expenses	<u>433,715</u>	<u>388,860</u>
Operating loss before depreciation	(59,544)	(31,506)
Depreciation	<u>335,694</u>	<u>329,761</u>
Operating loss	(395,238)	(361,267)
Nonoperating revenues:		
Payments in lieu of assessments	6,584	25,362
Investment income	<u>28,517</u>	<u>37,387</u>
Total nonoperating revenues	<u>35,101</u>	<u>62,749</u>
Loss before operating transfers	(360,137)	(298,518)
Operating transfers:		
Operating transfers in	79,394	51,632
Operating transfers out	<u>(20,000)</u>	<u>(20,000)</u>
Net operating transfers	<u>59,394</u>	<u>31,632</u>
Net loss	(300,743)	(266,886)
Amortization of contributed capital	<u>318,674</u>	<u>318,178</u>
Increase in retained earnings	17,931	51,292
Beginning retained earnings	182,337	129,805
Prior period adjustment	<u>-</u>	<u>1,240</u>
Ending retained earnings	\$ <u>200,268</u>	<u>182,337</u>

CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 1999

(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	\$ (395,238)	(361,267)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	335,694	329,761
Bad debt expense	5,150	-
(Increase) decrease in assets:		
Accounts receivable	(534)	(12,295)
Other receivables	-	14,906
Inventory	42,296	(14,278)
Increase (decrease) in liabilities:		
Accounts payable	146,483	10,042
Revenue billed in advance	-	(662)
Accrued annual and sick leave	(1,332)	4,420
Customer deposits	2,730	6,071
Net cash flows from operating activities	<u>135,249</u>	<u>(23,302)</u>
Cash flows from noncapital financing activities:		
Operating transfers in	79,394	51,632
Operating transfers out	<u>(20,000)</u>	<u>(20,000)</u>
Net cash flows from noncapital financing activities	<u>59,394</u>	<u>31,632</u>
Cash flows from capital and related financing activities:		
Receipt of special assessments and payments in lieu of assessments	6,584	25,362
Acquisition and construction of capital assets	(285,990)	(249,042)
Residual equity transfers in as contributed capital	104,639	67,893
Other contributed capital received	<u>92,238</u>	<u>82,062</u>
Net cash flows from capital and related financing activities	<u>(82,529)</u>	<u>(73,725)</u>
Cash flows from investing activities:		
Investment income received	28,778	33,356
Issuance of notes receivable	-	(65,449)
Principal payments received on notes receivable	<u>73,157</u>	<u>44,740</u>
Net cash flows from investing activities	<u>101,935</u>	<u>12,647</u>
Net increase (decrease) in cash and investments	214,049	(52,748)
Cash and investments at beginning of year	<u>441,051</u>	<u>493,799</u>
Cash and investments at end of year	\$ <u>655,100</u>	<u>441,051</u>

CITY OF WASILLA, ALASKA
 Water Utility Enterprise Fund
 Balance Sheet
 June 30, 1999
 (With Comparative Amounts for 1998)

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Current assets:		
Cash and investments	\$ 1,554,780	1,089,839
Receivables:		
Accounts	50,060	43,224
Allowance for doubtful accounts	(9,150)	(4,000)
Accrued interest	9,222	9,634
Inventory	14,371	21,798
Total current assets	<u>1,619,283</u>	<u>1,160,495</u>
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	5,049,591	4,816,904
Water tank and fence	2,337,975	2,337,975
Wells/well house	271,276	271,276
Equipment	72,725	70,273
Construction in progress	991,007	204,812
Total property, plant and equipment	8,871,744	7,850,410
Less accumulated depreciation	(2,153,666)	(1,996,618)
Net property, plant and equipment	<u>6,718,078</u>	<u>5,853,792</u>
Deferred charge	15,313	15,694
Total assets	<u>\$ 8,352,674</u>	<u>7,029,981</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Accounts payable	224,705	7,491
Accrued annual and sick leave	9,334	9,988
Customer deposits	18,723	19,710
Current portion of note payable	12,644	-
Total current liabilities	<u>265,406</u>	<u>37,189</u>
Note payable, net of current portion	164,456	-
Total liabilities	<u>429,862</u>	<u>37,189</u>
Fund equity:		
Contributed capital:		
Federal and state grants	4,928,581	4,928,581
Other	4,106,550	3,070,745
Total contributed capital	9,035,131	7,999,326
Less accumulated amortization	(1,526,047)	(1,424,952)
Net contributed capital	7,509,084	6,574,374
Retained earnings - unreserved	413,728	418,418
Total fund equity	<u>7,922,812</u>	<u>6,992,792</u>
Total liabilities and fund equity	<u>\$ 8,352,674</u>	<u>7,029,981</u>

CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund
Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 1999
(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Metered sales	\$ 310,039	309,345
Meters	4,160	3,202
Other	6,988	1,753
Total operating revenues	<u>321,187</u>	<u>314,300</u>
Operating expenses:		
Salaries	99,459	127,086
Employee benefits	35,794	47,031
Communications	1,255	2,080
Utilities	28,257	34,418
Professional services	16,313	13,383
Insurance	7,489	7,889
Materials and supplies	4,269	6,583
Administration	29,001	24,124
Repairs and maintenance	21,853	8,946
Rent	-	5,330
Bad debt expense	5,150	-
Other	2,235	5,893
Total operating expenses	<u>251,075</u>	<u>282,763</u>
Operating income before depreciation	70,112	31,537
Depreciation	<u>157,048</u>	<u>143,353</u>
Operating loss	(86,936)	(111,816)
Nonoperating revenues (expenses):		
Loss on dry well	(79,761)	-
Payments in lieu of assessments	23,938	16,474
Investment income	41,974	29,176
Net nonoperating revenues (expenses)	<u>(13,849)</u>	<u>45,650</u>
Loss before operating transfers	(100,785)	(66,166)
Operating transfers out	<u>(5,000)</u>	<u>(10,000)</u>
Net loss	(105,785)	(76,166)
Amortization of contributed capital	<u>101,095</u>	<u>99,938</u>
Increase (decrease) in retained earnings	(4,690)	23,772
Beginning retained earnings	418,418	388,857
Prior period adjustment	<u>-</u>	<u>5,789</u>
Ending retained earnings	\$ <u>413,728</u>	<u>418,418</u>

CITY OF WASILLA, ALASKA
 Water Utility Enterprise Fund
 Statement of Cash Flows
 Year Ended June 30, 1999
 (With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	\$ (86,936)	(111,816)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	157,048	143,353
Amortization	381	381
Bad debt expense	5,150	-
(Increase) decrease in assets:		
Accounts receivable	(6,836)	(6,123)
Inventory	7,427	(6,737)
Increase (decrease) in liabilities:		
Accounts payable	217,214	(10,784)
Accrued annual and sick leave	(654)	3,842
Customer deposits	(987)	921
Net cash flows from operating activities	<u>291,807</u>	<u>13,037</u>
 Cash flows from noncapital financing activities - operating transfer out	 <u>(5,000)</u>	 <u>(10,000)</u>
 Cash flows from capital and related financing activities:		
Proceeds from issuance of note payable	177,100	-
Receipt of special assessments and payments in lieu of assessments	23,938	16,474
Acquisition and construction of capital assets	(1,021,334)	(661,577)
Residual equity transfers in as contributed capital	918,190	852,340
Other contributed capital received	117,615	161,702
Loss on dry well	(79,761)	-
Net cash flows from capital and related financing activities	<u>135,748</u>	<u>368,939</u>
 Cash flows from investing activities - investment income received	 <u>42,386</u>	 <u>28,410</u>
 Net increase in cash and investments	 464,941	 400,386
 Cash and investments at beginning of year	 <u>1,089,839</u>	 <u>689,453</u>
 Cash and investments at end of year	 \$ <u>1,554,780</u>	 <u>1,089,839</u>
 <u>Noncash capital and related financing activities</u>		
Equipment contributed by other funds	\$ <u>-</u>	<u>17,679</u>

CITY OF WASILLA, ALASKA

Municipal Airport Enterprise Fund

Balance Sheet

June 30, 1999

(With Comparative Amounts for 1998)

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Current assets:		
Cash and investments	\$ 12,162	695
Accounts receivable	2,375	960
Total current assets	<u>14,537</u>	<u>1,655</u>
Property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	4,097,204	4,087,753
Equipment	208,154	208,154
Construction work in process	931,984	-
Total property, plant and equipment	6,707,342	5,765,907
Less accumulated depreciation	<u>(1,575,114)</u>	<u>(1,350,409)</u>
Net property, plant and equipment	<u>5,132,228</u>	<u>4,415,498</u>
Total assets	\$ <u>5,146,765</u>	<u>4,417,153</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Accounts payable	433	330
Accrued annual and sick leave	1,477	1,805
Total current liabilities	<u>1,910</u>	<u>2,135</u>
Fund equity:		
Contributed capital:		
Federal and state grants	6,696,587	5,765,253
Other	10,101	-
Total contributed capital	6,706,688	5,765,253
Less accumulated amortization	<u>(1,574,814)</u>	<u>(1,350,235)</u>
Net contributed capital	5,131,874	4,415,018
Retained earnings	<u>12,981</u>	<u>-</u>
Total fund equity	<u>5,144,855</u>	<u>4,415,018</u>
Total liabilities and fund equity	\$ <u>5,146,765</u>	<u>4,417,153</u>

CITY OF WASILLA, ALASKA
Municipal Airport Enterprise Fund
Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 1999
(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Operating revenues - fees and rentals	\$ <u>20,975</u>	<u>16,829</u>
Operating expenses:		
Salaries	16,410	18,322
Employee benefits	2,882	3,594
Communications	361	352
Utilities	2,642	2,909
Professional services	12,978	18,273
Insurance	9,186	8,401
Materials and supplies	1,158	1,189
Repairs and maintenance	2,052	1,858
Other	<u>237</u>	<u>64</u>
Total operating expenses	<u>47,906</u>	<u>54,962</u>
Operating loss before depreciation	(26,931)	(38,133)
Depreciation	<u>224,705</u>	<u>234,921</u>
Operating loss	(251,636)	(273,054)
Nonoperating revenues - investment income	<u>340</u>	<u>909</u>
Loss before operating transfers	(251,296)	(272,145)
Operating transfers in	<u>39,698</u>	<u>37,224</u>
Net loss	(211,598)	(234,921)
Amortization of contributed capital	<u>224,579</u>	<u>234,921</u>
Increase in retained earnings	12,981	-
Beginning retained earnings	<u>-</u>	<u>-</u>
Ending retained earnings	\$ <u><u>12,981</u></u>	<u><u>-</u></u>

CITY OF WASILLA, ALASKA
Municipal Airport Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 1999
(With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	\$ (251,636)	(273,054)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	224,705	234,921
(Increase) decrease in accounts receivable	(1,415)	68
Increase (decrease) in liabilities:		
Accounts payable	103	74
Accrued annual and sick leave	<u>(328)</u>	<u>740</u>
Net cash flows from operating activities	<u>(28,571)</u>	<u>(37,251)</u>
 Cash flows from noncapital financing activities:		
Operating transfers in	39,698	37,224
Advances paid to central treasury	<u>-</u>	<u>(187)</u>
Net cash flows from noncapital financing activities	<u>39,698</u>	<u>37,037</u>
 Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(941,435)	-
Contributed capital received	<u>941,435</u>	<u>-</u>
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>
 Cash flows from investing activities - investment income received	<u>340</u>	<u>909</u>
 Net increase in cash and investments	11,467	695
 Cash and investments at beginning of year	<u>695</u>	<u>-</u>
 Cash and investments at end of year	\$ <u><u>12,162</u></u>	<u><u>695</u></u>

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TRUST 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.

CITY OF WASILLA, ALASKA
 Cemetery Nonexpendable Trust Fund
 Balance Sheet
 June 30, 1999
 (With Comparative Amounts for 1998)

	<u>Assets</u>	<u>1999</u>	<u>1998</u>
Cash and investments		\$ 115,292	94,669
Accrued interest receivable		<u>1,485</u>	<u>1,564</u>
Total assets		\$ <u><u>116,777</u></u>	<u><u>96,233</u></u>
<u>Liabilities and Fund Balance</u>			
Liabilities - accounts payable		<u>1,309</u>	<u>-</u>
Fund balance:			
Reserved:			
Investment		90,346	79,505
Encumbrance		5,051	-
Unreserved - designated for operations		<u>20,071</u>	<u>16,728</u>
Total fund balance		<u><u>115,468</u></u>	<u><u>96,233</u></u>
Total liabilities and fund balance		\$ <u><u>116,777</u></u>	<u><u>96,233</u></u>

CITY OF WASILLA, ALASKA
 Cemetery Nonexpendable Trust Fund
 Statement of Revenues, Expenses
 and Changes in Fund Balance
 Year Ended June 30, 1999
 (With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Revenues:		
Lot sales	\$ 14,400	10,300
Investment income	<u>4,644</u>	<u>4,481</u>
Total revenues	<u>19,044</u>	<u>14,781</u>
Expenses:		
Professional services	1,150	-
Materials and supplies	<u>2,409</u>	<u>-</u>
Total expenses	<u>3,559</u>	<u>-</u>
Income before operating transfers	15,485	14,781
Operating transfers in	<u>3,750</u>	<u>-</u>
Net income	19,235	14,781
Beginning fund balance	<u>96,233</u>	<u>81,452</u>
Ending fund balance	\$ <u>115,468</u>	<u>96,233</u>

CITY OF WASILLA, ALASKA
 Cemetery Nonexpendable Trust Fund
 Statement of Cash Flows
 Year Ended June 30, 1999
 (With Comparative Amounts for 1998)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ 15,485	14,781
Adjustments to reconcile operating income to net cash flows from operating activities:		
Investment income	(4,644)	(4,481)
Increase in accounts payable	<u>1,309</u>	<u>-</u>
Net cash flows from operating activities	<u>12,150</u>	<u>10,300</u>
Cash flows from financing activities - operating transfers in	<u>3,750</u>	<u>-</u>
Cash flows from investing activities - investment income received	<u>4,723</u>	<u>4,352</u>
Net increase in cash and investments	20,623	14,652
Cash and investments at beginning of year	<u>94,669</u>	<u>80,017</u>
Cash and investments at end of year	\$ <u>115,292</u>	<u>94,669</u>

CITY OF WASILLA, ALASKA

Schedule of Year 2000 Issues

Year Ended June 30, 1999

A. General Description

The City of Wasilla is currently addressing Year 2000 issues relating to its computer systems and other electronic equipment. The Year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00". Computer programs have to be adjusted to recognize the difference between those two years or the programs will fail or create errors. Also some programs may not be able to recognize that 2000 is a leap year. Further, the Year 2000 issue could affect electronic equipment containing computer chips that have date recognition features.

The City has identified certain computer systems and electronic equipment that are mission-critical and is subjecting those systems and equipment to the following stages of work to address Year 2000 issues:

1. Awareness stage – establishing a budget and project plan for dealing with the Year 2000 issue.
2. Assessment stage – identifying the systems and components for which Year 2000 compliance work is needed.
3. Remediation stage – making changes to the systems and equipment.
4. Validation/testing stage – validating and testing the changes that were made during the remediation stage.

B. Status

The City has taken an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary for conducting City operations. The City's new financial information system has been certified by the vendor as being Year 2000 compliant. Significant external resources have been committed as of June 30, 1999 towards this project.

The City has completed the awareness, assessment and remediation stage for all its mission critical systems and electronic equipment. The City is in the process of completing the validation/testing stage.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the City of Wasilla is or will be Year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be Year 2000 ready.

CITY OF WASILLA
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 1999

Name of Award	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	July 1, 1998 Receivable (Deferred)	Federal Share of Expenditures	Federal Receipts	June 30, 1999 Receivable (Deferred)
DEPARTMENT OF TRANSPORTATION							
* Airport Paving Phase I	3-02-0417--598-98-1	20.106	\$ 140,900	-	140,900	-	140,900
* Airport Paving Phase II	3-02-0417-0699	20.106	992,607	-	731,760	-	731,760
Passed through the State of Alaska							
Department of Public Safety							
Traffic Enforcement	PT-98-05-08	20.600	57,120	10,000	34,558	44,558	-
Bicycle/Pedestrian Safety	PS 98-04-04	20.600	1,500	1,187	-	1,187	-
Bicycle/Pedestrian Safety	PS-99-04-03	20.600	750	-	617	-	617
				11,187	907,835	45,745	873,277
DEPARTMENT OF EDUCATION							
Passed through the State of Alaska							
Department of Education							
Governor's Drug Prevention	DA 99.105.01	84.186	44,240	-	44,081	36,182	7,899
DEPARTMENT OF JUSTICE							
Local Law Enforcement Block Grant	97LBVX3047	16.592	17,670	13,852	3,818	17,670	-
Asset Seizure and Forfeiture Program	N/A	N/A	117,061	-	61,619	117,061	(55,442) **
Passed through the State of Alaska							
Department of Health and Social Services							
Youth Court Program	06-9638	16.546	30,000	-	25,727	27,580	(1,853)
Youth Court Program	06-9640	16.540	29,780	-	25,507	26,221	(714)
Youth Court Program	06-9755	16.523	23,500	-	14,295	11,750	2,545
Youth Court Program	06-8632	16.523	30,920	61	-	61	-
Passed through the State of Alaska							
Department of Public Safety							
MJTFPA	97-023E	16.579	48,067	9,268	-	9,268	-
MJTFPA	98-023E	16.579	56,153	-	53,115	39,942	13,173
Video Grant	AL 99-02-15	N/A	1,716	-	1,716	1,716	-
				23,181	185,797	251,269	(42,291)
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Miller's Reach Fire Library Assistance	PA-170-83080	83.516	1,040	(1,040)	1,040	-	-
DEPARTMENT OF AGRICULTURE							
Economic Recovery Grant	98G-10-038	10.670	7,000	-	7,000	7,000	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$	33,328	1,145,753	340,196	838,885

* Major Programs

** This balance is included in ending fund balance of the Asset Forfeiture Special Revenue Fund.

CITY OF WASILLA, ALASKA
 Schedule of State Financial Assistance
 Year Ended June 30, 1999

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>July 1, 1998 Receivable (Deferred)</u>	<u>State Share of Expenditures</u>	<u>State Receipts</u>	<u>June 30, 1999 Receivable (Deferred)</u>
DEPARTMENT OF ADMINISTRATION						
Sewer Drainfield Replacement	4/94-005	\$ 250,000	150	41,523	21,242	20,431
Sewer Drainfield Replacement	4/92-034	450,500	-	20,995	20,995	-
* Spruce Avenue Paving	99/704-8-001	118,154	-	118,154	118,154	-
Old Knik Landfill/Smith Ball Fields Ground Water	4/99-002	50,000	-	-	10,000	(10,000)
			<u>150</u>	<u>180,672</u>	<u>170,391</u>	<u>10,431</u>
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS						
* Safe Communities	N/A	185,684	-	185,684	185,684	-
* State Revenue Sharing	N/A	123,337	-	123,337	123,337	-
Employment Feasibility Study	2172706	26,335	-	6,458	6,458	-
			<u>-</u>	<u>315,479</u>	<u>315,479</u>	<u>-</u>
DEPARTMENT OF ENVIRONMENTAL CONSERVATION						
Sewer Treatment Plant Upgrade	90507	500,000	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
DEPARTMENT OF EDUCATION						
Public Library Assistance	PLA-99-787-88	7,000	<u>-</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
DEPARTMENT OF REVENUE						
Alcohol and Beverage Tax	FY99	18,600	-	18,600	13,600	5,000
Alcohol and Beverage Tax	FY98	15,700	6,800	-	6,800	-
Amusement and Gaming Tax	FY98	694	694	-	694	-
* Electric and Telephone Co-op Tax	FY99	207,282	-	207,282	-	207,282
Electric and Telephone Co-op Tax	FY98	83,999	83,999	-	83,999	-
			<u>91,493</u>	<u>225,882</u>	<u>105,093</u>	<u>212,282</u>
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES						
Wasilla Airport Paving Design	N/A	4,700	<u>-</u>	<u>4,700</u>	<u>4,230</u>	<u>470</u>
TOTAL STATE FINANCIAL ASSISTANCE		\$	<u><u>141,643</u></u>	<u><u>733,733</u></u>	<u><u>652,193</u></u>	<u><u>223,183</u></u>

* Major Programs

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STATISTICAL SECTION

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

FISCAL YEAR	GENERAL GOVERN- MENT	(2) POLICE	PUBLIC WORKS	(3) (4) LIBRARY, YOUTH COURT & PASS-THRU GRANTS	MUSEUM & RECREA- TION SERVICES	DEBT SERVICE	CAPITAL OUTLAY	TOTAL
1990	\$ 694,277	\$ -	\$292,920	\$ 292,151	\$ 112,466	\$ 357,726	\$ 1,550,606	\$ 3,300,146
1991	703,388	-	380,229	334,837	116,720	329,421	494,980	2,359,575
1992	717,596	-	388,558	342,072	174,940	518,835	379,252	2,521,253
1993	832,358	151,459	420,550	372,372	201,032	207,064	1,145,857	3,330,692
1994	994,402	861,096	484,963	435,082	285,469	336,819	2,556,528	5,954,359
1995	1,353,163	981,124	603,926	436,098	345,626	179,975	1,663,337	5,563,249
1996	1,286,594	1,090,305	587,309	520,367	442,987	390,385	2,309,488	6,627,435
1997	1,319,683	1,280,540	668,716	653,242	477,911	264,826	1,376,179	6,041,097
1998	1,283,709	1,289,878	731,585	674,234	486,756	333,429	1,805,596	6,605,187
1999	1,335,308	1,502,984	728,392	709,991	439,771	486,298	4,382,531	9,585,275

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

(2) Police Department established in Fiscal Year 1993

(3) Library is shown as a Special Revenue Fund as the expenditures are funded partly by the Matanuska-Susitna Borough.

(4) Youth Court established in Fiscal Year 1996.

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
1990	\$ 647,910	\$1,568,414	\$ 708,596	\$9,482	\$ 325,804	\$ 35,909	\$ 302,591	\$120,974	\$ 3,719,680
1991	620,564	772,100	303,571	9,849	259,094	38,307	230,820	142,423	2,376,728
1992	829,773	880,899	332,212	9,951	25,202	31,798	488,635	233,686	2,832,156
1993	2,094,933	1,334,508	280,690	5,520	42,585	37,276	245,685	216,267	4,257,464
1994	3,699,781	2,381,351	131,316	19,450	58,809	39,650	355,433	312,073	6,997,863
1995	4,252,607	955,571	282,216	53,297	107,130	44,251	303,141	388,141	6,386,354
1996	4,626,864	879,473	315,499	53,728	110,929	52,585	407,258	529,828	6,976,164
1997	4,960,321	1,140,947	345,711	58,641	392,417	51,005	407,887	211,959	7,568,888
1998	5,121,764	680,238	379,770	79,841	490,879	48,922	332,234	299,437	7,433,085
1999	5,372,395	671,215	1,646,918	76,805	653,695	33,168	349,228	258,115	9,061,539

(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

<u>FISCAL YEAR</u>	<u>CITY LEVY</u>	<u>AMOUNT COLLECTED</u>	<u>% OF LEVY</u>	<u>AMOUNT OF LEVY UNCOLLECTED</u>	<u>AMOUNT OF LEVY UNCOLLECTED AS A PERCENT OF TOTAL TAXES</u>
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%)
1999	372,930	439,901	117.96%	(66,971)	(17.96%)

- (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.

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

<u>FISCAL YEAR</u>	<u>PROPERTY TAXES</u>	<u>SALES TAXES</u>	<u>TOTAL TAXES</u>
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
1999	439,901	4,932,494	5,372,395

- (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 mills effective for Fiscal Year 1995.
- (3) During Fiscal Year 1995 the City implemented GASB 22.

CITY OF WASILLA, ALASKA
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY (1)	TOTAL ASSESSED VALUE NET OF EXEMPTIONS (1)	ESTIMATED ACTUAL VALUE (1)	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
1989	\$ 223,669,900	\$ 33,245,691	\$ 256,915,591	\$ 287,344,400	89.41%
1990	185,936,900	30,421,620	216,358,520	228,384,700	94.73%
1991	175,382,500	29,714,387	205,096,887	223,597,400	91.73%
1992	182,453,700	31,788,493	214,242,193	229,966,200	93.16%
1993	201,681,900	33,866,234	235,548,134	251,040,200	93.83%
1994	207,793,416	33,866,234	241,659,650	244,474,200	98.85%
1995	222,219,600	34,652,956	246,270,256	269,881,500	91.25%
1996	249,438,500	38,301,293	275,748,993	272,626,900	101.15%
1997	244,837,100	41,981,450	273,538,950	297,377,900	91.98%
1998	268,459,100	46,586,585	299,376,085	305,409,300	98.02%
1999	303,475,800	-	286,868,900	305,214,400	93.99%

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

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

<u>CALENDAR YEAR</u>	<u>MAT-SU BOROUGH</u>	<u>WASILLA FIRE SERVICE AREA</u>	<u>CITY OF WASILLA</u>	<u>TOTAL</u>
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
1999	12.50	1.00	1.20	14.70

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

CITY OF WASILLA, ALASKA
PRINCIPAL TAXPAYERS
 June 30,1999

TAXPAYER	NATURE OF BUSINESS	ASSESSED VALUE (1)	PERCENTAGE OF TOTAL VALUATION
COTTONWOOD CREEK MALL LLC	PROPERTY DEVELOPMENT AND RETAIL MALLS	\$ 11,251,100	3.92%
PEDERSEN FLOYD/CREEKSIDE	PROPERTY DEVELOPMENT AND RETAIL MALLS	8,785,100	3.05%
WASILLA LLC	PROPERTY DEVELOPMENT AND RETAIL MALLS	7,332,100	2.56%
KARABLLNIKOFF/NEWCOMB TR.	FAMILY TRUST	5,957,500	2.08%
SEAGULL ENERGY CORP.	NATURAL GAS TRANSMISSION LINES	4,473,200	1.56%
VALLEY HOSPITAL/ WEST VALLEY MEDICAL	MEDICAL CENTER	3,767,100	1.31%
NYE HAROLD/NYE FORD	AUTOMOBILE DEALERSHIP	3,411,900	1.19%
MARY E. JOHNSON	PROPERTY DEVELOPMENT AND RETAIL MALLS	3,122,900	1.09%
SPENARD BUILDERS SUPPLY	HARDWARE AND BUILDING SUPPLIES	2,238,300	0.78%
MATANUSKA VALLEY FEDERAL CREDIT UNION	BANKING	2,009,000	0.70%

(1) The 1999 assessed values are exclusive of personal property.

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

<u>FISCAL YEAR</u>	<u>(1) SPECIAL ASSESSMENT COLLECTIONS</u>
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
1999	349,228

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

CITY OF WASILLA, ALASKA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1999

No debt limit is mandated by law.

CITY OF WASILLA, ALASKA
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TWO FISCAL YEARS (1)

FISCAL YEAR	POPUL- ATION (2)	ASSESSED VALUE (3)	BONDED LONG-TERM DEBT	DEBT SERVICE MONIES AVAILABLE	NET BONDED LONG-TERM DEBT	NET BONDED LONG-TERM DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1998	5,134	\$ 299,376,085	\$ 5,500,000	-	\$ 5,500,000	1.84%	\$ 1,071
1999	5,213	286,868,900	5,500,000	-	5,500,000	1.92%	1,055

(1) The City of Wasilla issued its first general obligation debt in Fiscal Year 1998.

(2) Source of Data - State Of Alaska

(3) Source of Data - Matanuska-Susitna Bourough Assessment Office.

CITY OF WASILLA, ALASKA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TWO FISCAL YEARS (1)

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST (2)</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES (3)</u>	<u>RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES</u>
1998	\$ -	\$ -	\$ -	\$ 4,799,591	-
1999	-	281,341	281,341	5,189,286	5.42%

- (1) The City of Wasilla issued its first general obligation debt in Fiscal Year 1998.
(2) Excludes bond issuance and other costs.
(3) Includes General, Special Revenue and Debt Service Funds.

CITY OF WASILLA, ALASKA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
 June 30,1999

<u>JURISDICTION</u>	<u>NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO CITY OF WASILLA</u>	<u>AMOUNT APPLICABLE TO CITY OF WASILLA</u>
DIRECT:			
CITY OF WASILLA	\$ 5,500,000	100.00%	5,500,000
OVERLAPPING:			
MATANUSKA-SUSITNA BOROUGH	<u>99,725,573</u> (1)	14.03% (2)	<u>13,991,498</u>
TOTAL	\$ <u>105,225,573</u>		<u>19,491,498</u>

(1) Source: Matanuska-Susitna Borough Finance Department.

(2) Based upon the ratio of the City of Wasilla total assessed value to total assessed value of the Matanuska-Susitna Borough.

**CITY OF WASILLA, ALASKA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	(1) <u>POPULATION</u>
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
1999	5,213

(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 (1)
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PROPERTY VALUE</u>	<u>CONSTRUCTION</u>	<u>BANK DEPOSITS</u>
1990	\$216,358,520	(a)	(a)
1991	205,096,887	(a)	(a)
1992	214,242,193	(a)	(a)
1993	235,548,134	(a)	(a)
1994	241,659,650	(a)	(a)
1995	246,270,256	(a)	(a)
1996	275,748,993	(a)	(a)
1997	273,538,950	(a)	(a)
1998	299,376,085	(a)	(a)
1999	286,868,900	(a)	(a)

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

(a) Not available

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

<u>CALENDAR YEAR</u>	<u>NUMBER ISSUED</u>
1989	31
1990	35
1991	48
1992	47
1993	78
1994	104
1995	140
1996	130
1997	159
1998	144

- (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

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SINGLE AUDIT SECTION

MIKUNDA, COTTRELL & CO.

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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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, 1999, and have issued our report thereon dated September 17, 1999. 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

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of City of Wasilla in a separate letter dated September 17, 1999.

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

Mikunda Cottrell, C.

September 17, 1999

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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 OMB Circular A-133

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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 federal 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 on 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 federal programs for the year ended June 30, 1999.

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 requirements of laws, regulations, contracts and grants applicable to federal 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 federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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 federal 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 City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Handwritten signature of Mikunda Cottrell in cursive script.

September 17, 1999

CITY OF WASILLA, ALASKA

Schedule of Findings and Questioned Costs

Year Ended June 30, 1999

AUDIT RESULT

I. Summary of Auditor's Results:

Financial Statements:

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified?

___yes x no

- Reportable conditions identified that are not considered to be material weaknesses?

___yes x none reported

Noncompliance material to financial statements noted?

___ yes x no

Federal Awards:

Internal control over major programs:

- Material weaknesses identified?

___yes x no

- Reportable conditions identified that are not considered to be material weaknesses?

___yes x none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

___yes x no

Major program:

Agency
Department of Transportation
Direct

CFDA Number

20.106

Program

Airport Improvement Program

Dollar threshold used to distinguish between Type A and B programs

\$300,000

Low-risk auditee

Yes

II. Financial Statement Findings

None noted

III. Federal Awards Findings and Questioned Costs

None noted

CITY OF WASILLA, ALASKA
Summary Schedule of Prior Audit Findings
Year Ended June 30, 1999

There were no prior year audit findings.

CITY OF WASILLA, ALASKA

Corrective Action Plan

Year Ended June 30, 1999

There are no current year findings; therefore no corrective action plan is required.

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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, 1999, and have issued our report thereon dated September 17, 1999. 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

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of City of Wasilla in a separate letter dated September 17, 1999.

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 17, 1999

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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, 1999. 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, 1999.

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.



September 17, 1999

