

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**CITY OF WASILLA, ALASKA**

June 30, 2002

Sarah Palin  
Mayor

Prepared By  
Finance Department

Ted Leonard  
Finance Director



# CITY OF WASILLA, ALASKA

## Comprehensive Annual Financial Report

Year Ended June 30, 2002

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# CITY OF WASILLA

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October 14, 2002

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, 2002, 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. Included in this report are disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

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.

## **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 continues to increase steadily. The City of Wasilla remains primarily a bedroom community of Anchorage due to a lack of large-scale primary industry. The City of Wasilla offers an attractive lifestyle in which 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 commute to Anchorage and find the quality of life quite high in our community.

## **The Future**

The City continues to look toward growth in the service industries to maintain our position as the trade center of the Matanuska-Susitna Valley. Also, resource extraction industries will continue to fuel our economic growth in an indirect way. Other proposed projects that will benefit our economy are the continued Port development at Pt. McKenzie and the proposed Trans Alaska Gas Pipeline.

The population growth trend in the City of Wasilla and the Matanuska-Susitna Valley continues to show an upward trend. The continuing increase in Wasilla sales tax receipts and Anchorage-Valley vehicle counts are indicators of the continuing population growth occurring in Wasilla and the Valley.

The City of Wasilla voters have approved funding for the construction of a multi-use sports complex. When the project is completed, we anticipate becoming more of a "destination point" in South Central Alaska.

## **Major Initiatives for the Year**

The most significant actions that the City took in FY01 and FY02 were the initiation of projects to improve our infrastructure, including resurfacing of roads and major extensions to our water and sewer system. Three major water main extensions were completed along with one mayor sewer extension in FY02. These extensions will continue to help spur development in the core area of the city. We are also continuing to work with other government agencies to improve the traffic flow in and around our community.

Major improvements in parks and recreation facilities built at Iditapark are progressing. Work is continuing on our Honor Garden/Path of Freedom that will be a fine tribute to citizens who serve our country.

One of the most exciting initiatives for the City, is that the City of Wasilla has started construction of a Multi-use Sports Complex. The voters passed a bond proposition on March 5, 2002 to build a \$14,700,000 Multi-use Sports Complex. It is projected that this complex will be completed by early spring of 2004. Once the Multi-use Sports Complex and the surrounding infrastructure are completed, we believe this facility will be a key component in spurring more economic development in the surrounding area.

### **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. 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, Special Revenue and Debt Service Funds totaled \$8,710,166 in FY02, an increase of 4.85 percent over FY01. Sales tax produced 74.59 percent of FY02 revenues compared to 72.05 percent in FY01.

	Amount	Percent Of Total	Increase (Decrease) From FY01
Taxes			
Sales Taxes	\$6,497,070	74.59	\$ 475,890
Property and Vehicle Taxes	404,632	4.65	(15,884)
Licenses and Permits	35,540	0.41	4,235
Fines, Forfeitures & Penalties	74,642	0.86	(9,979)
Intergovernmental	673,523	7.73	12,868
Matanuska-Susitna Borough	343,000	3.94	10,894
Special Assessments	309,234	3.55	33,743
Investment Income	282,810	3.25	(72,817)
Other	89,715	1.02	(71,933)
Total	<u>\$8,710,166</u>	<u>100.00</u>	<u>\$ 403,528</u>

Assessed valuation for FY02 (Net of Exemptions) of \$360,261,400 represented an increase of 5.38 percent over FY01. This increase is attributable to an increase in real property valuation, due mainly to new construction.

FY02 tax collections were 99.04 percent of the tax levy as compared to 100.13 percent for FY01. Variation in the collection rate from year to year is normal.

Expenditures for general governmental purposes totaled \$6,751,309 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:

	Amount	Percent of Total	Increase (Decrease) From FY01
General Government	\$1,524,348	22.58	\$ 55,949
Public Safety	1,950,183	22.89	197,328
Public Works	1,093,759	16.20	4,357
Nondepartmental	59,238	0.88	(713)
Museum and Recreation Services	458,926	6.80	(60,729)
Library & Youth Court	725,698	10.75	59,085
Debt Service	939,157	13.90	193,511
Total	<u>\$6,751,309</u>	<u>100.00</u>	<u>\$ 448,788</u>

## **Debt Administration**

During FY98 the City of Wasilla issued a General Obligation Bond of \$5,500,000 for road construction and in FY02 the City of Wasilla issued a General Obligation Bond of \$14,700,000 for construction of a Multi-use Sports Complex. Both bond issues were issued through the Alaska Municipal Bond Bank. Interest rates vary on the annual payments from 4.625% to 6.0% for the Road bond and 2.5% to 4.5% for the Multi-use Sports Complex bond. Interest and principal payments of \$440,323 were made during FY02 leaving \$19,670,000 of General Obligation Debt remaining. In FY02, the City of Wasilla voters levied a 0.5% sales tax dedicated to pay off interest and principal payments on the Multi-Sports Complex bond.

Special Assessment Bond Debt of \$1,017,543 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.

The City of Wasilla incurred loans of \$3,963,958 for water and sewer construction in FY02. The total debt for the Enterprise Funds is \$4,112,780.

## **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 Wells Fargo Bank.

All investments are made according to the City's conservative investment and collateralization policy approved by the City Council in 1986 and revised in 2002, Chapter 5.12 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 showed an operating profit before depreciation of \$35,419 for FY02. The operating profit before depreciation was \$94,283 in FY01.

### **Sewer Fund**

The Sewer Utility showed a small operating profit of \$24,971 before depreciation for FY02. In FY01, the Sewer Utility had an operating loss of \$13,727.

### **Airport**

The Airport continues to show an operating loss (\$30,914 in FY02 and \$17,646 in FY01). Based on completion of the planned improvements to the runway and taxiways and to security fencing, it is believed that there will be increased utilization of this most important asset in FY03. Based on this increased utilization of the Airport, administration believes that the operating loss will be reduced in FY03.

## **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 FY02 was 8.19%.

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 in which funds from the sale of cemetery lots are accumulated to pay for maintenance in perpetuity after all the cemetery 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, 2002, the general fixed assets of the City amounted to \$11,013,481. 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 was a member in good standing in the Alaska Municipal League Joint Insurance Association, Inc. in FY02, which is a pooling arrangement of Alaskan cities, boroughs and school districts. The concept of shared risk was originally started to ensure 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.

In FY03, the City of Wasilla joined the Alaska Public Entity Joint Insurance Association due to cost and insurance coverage considerations. The Alaska Public Entity Joint Insurance Association is also a pooling arrangement of Alaskan cities, boroughs and school districts. This association offers all the same services and coverages that are listed above.

## **Independent Audit**

The City Code, Section 5.04.060 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 Susan Colligan, Sally Schug, Sharon Sinko, Candie Graham, Deborah Davis, Connie James, Kathy Healy and Betty Chavers for their capable help. Also, thanks to John Bost, Audit Partner, and the staff of Mikunda, Cottrell & Co. for their very professional manner, patience, and communication skills.

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

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasilla for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

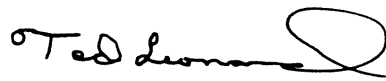
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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



Ted Leonard  
Finance Director

CITY OF WASILLA, ALASKA

CITY OFFICIALS

CITY COUNCIL

Council Members:

Ron Cox  
Dianne Keller  
Noel Lowe  
Howard O'Neil  
Judy Patrick (Deputy Mayor)  
Colleen Sullivan-Leonard

STAFF

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

Sarah Palin  
John Cramer  
Don Shiesl  
Kristie Smithers  
Ted Leonard  
Chester Simton  
Don Savage  
Susan Colligan

PLANNING COMMISSION

Verdie Bowen  
Gregory Koskela  
William McCain  
Ray McCarthy

Sharla Terrill  
Stan Tucker (Chairman)  
John Vinette

PARKS AND RECREATION COMMISSION

Jesse Chandler  
Joan Matthews  
Maureen McCombs

Peter Powell  
Dave Tuttle (Chairman)

CONSULTANTS

City Attorney  
Auditors  
Insurance Broker  
Insurance Advisor

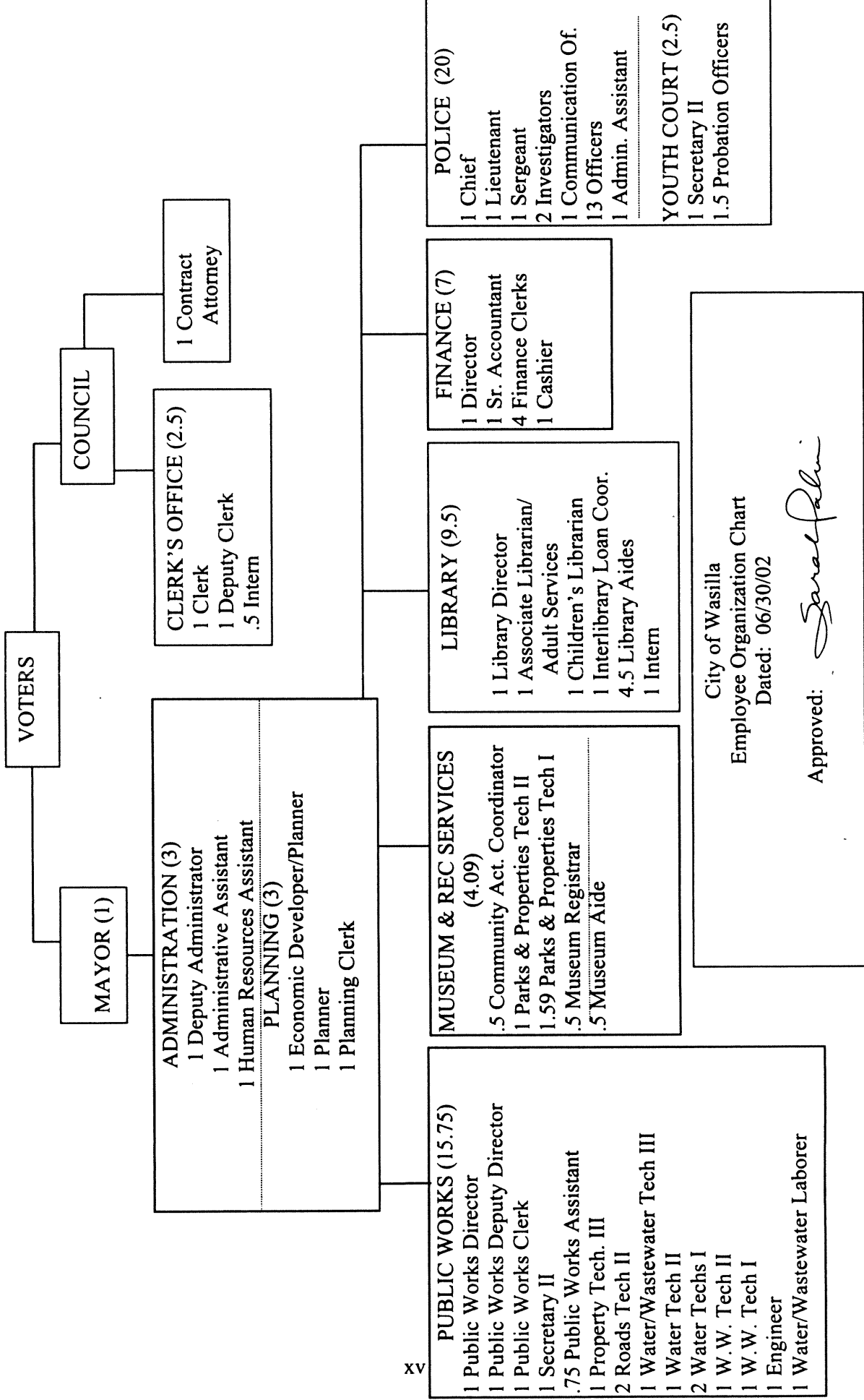
Thomas Klinkner  
Mikunda, Cottrell & Co.  
Alaska Municipal League  
Brandon Allen, Brady & Co.



City of Wasilla

Employee Organization Chart FY02

FY02  
Dated 06/30/02



City of Wasilla  
Employee Organization Chart  
Dated: 06/30/02  
Approved: *Sarah Palm*

# 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, 2001

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.



*Imelda Drew*  
President

*Jeffrey L. Esler*  
Executive Director

# MIKUNDA, COTTRELL & Co.

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## Independent Auditor's Report

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the accompanying general purpose financial statements of City of Wasilla, Alaska, as of and for the year ended June 30, 2002. 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 auditing standards generally accepted in the United States of America 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, 2002, 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 accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2002 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Honorable Mayor and City Council  
City of Wasilla, Alaska

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, individual fund, and account group 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.

The other data included in this report, designated as the "statistical section" in the table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

*Mikunda, Cottrell & Co.*

September 20, 2002

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**CITY OF WASILLA, ALASKA**  
 Combined Balance Sheet - All Fund Types and Account Groups  
 June 30, 2002  
 (With Comparative Totals for 2001)

Assets	Governmental Fund Types						Fiduciary Fund Type		Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Project	Proprietary Fund Type Enterprise	Nonexpendable Trust	General		Long-Term Debt	(Memorandum Only)		2001	2002
							Fixed Assets	Debt					
Cash and investments	\$ 4,124,058	882,866	914,156	1,358,365	1,843,590	117,780	-	-	-	9,240,815	10,191,406		
Receivables (net where applicable, of allowances for doubtful receivables):													
Taxes	573,876	-	-	-	-	-	-	-	-	573,876	557,810		
Accounts	-	-	-	-	113,535	-	-	-	-	113,535	119,103		
Grants and shared revenues	218,528	6,840	-	113,135	411,753	-	-	-	-	750,256	779,878		
Accrued interest	1,742	-	-	-	-	-	-	-	-	1,742	77,910		
Loans	-	-	-	-	223,368	-	-	-	-	223,368	-		
Special assessments	388	-	841,379	-	68,427	-	-	-	-	910,194	1,165,306		
Other	79,309	-	-	-	-	-	-	-	-	79,309	78,469		
Notes	-	-	-	-	19,024	-	-	-	-	19,024	45,214		
Due from other funds	60,440	-	-	-	-	-	-	-	-	60,440	37,000		
Inventory	-	-	-	-	82,336	-	-	-	-	82,336	90,858		
Restricted cash and investments	-	-	-	14,844,160	3,001,536	-	-	-	-	17,845,696	-		
Advances to other funds	-	-	-	-	-	-	-	-	-	52,439	112,879		
Deferred charges, net of accumulated amortization	52,439	-	-	-	14,169	-	-	-	-	14,169	14,550		
Property, plant and equipment (net where applicable of accumulated depreciation)	-	-	-	-	29,984,837	-	-	11,013,481	-	40,998,318	36,824,872		
Amount available for payment of long-term debt	-	-	-	-	-	-	-	-	801,277	801,277	990,494		
Amount to be provided for payment of long-term debt	-	-	-	-	-	-	-	-	19,815,665	19,815,665	5,537,720		
<b>Total assets</b>	<b>\$ 5,110,780</b>	<b>889,706</b>	<b>1,755,535</b>	<b>16,315,660</b>	<b>35,762,575</b>	<b>117,780</b>	<b>11,013,481</b>	<b>20,616,942</b>	<b>91,582,459</b>	<b>56,623,469</b>			

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

	Governmental Fund Types					Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Nonexpendable Trust	General		Long-Term Debt	(Memorandum Only)		2002	2001	
							Assets	Liabilities						
<b>Liabilities and Fund Equity</b>														
Liabilities:														
Accounts payable	167,111	9,057	-	107,552	216,142	-	-	-	-	-	499,862	359,128		
Revenue billed in advance	-	-	-	-	9,854	-	-	-	-	-	9,854	35,406		
Accrued payroll and employee benefits	135,958	20,380	-	2,789	19,474	-	-	-	-	-	178,601	154,668		
Accrued annual and sick leave	199,261	23,310	-	-	25,674	-	-	-	-	-	248,245	210,020		
Due to other funds	-	-	60,440	-	-	-	-	-	-	-	60,440	37,000		
Customer deposits	-	-	-	-	70,106	-	-	-	-	-	70,106	39,481		
Accrued interest	-	-	-	-	25,466	-	-	-	-	-	25,466	3,721		
Deferred revenue	538	-	841,379	11,954	-	-	-	-	-	-	853,871	1,107,679		
Advances from other funds	-	-	52,439	-	-	-	-	-	-	20,611,303	52,439	112,879		
Bonds payable	-	-	-	-	76,240	-	-	-	-	-	20,687,543	6,454,804		
Notes payable	-	-	-	-	4,112,780	-	-	-	-	-	4,112,780	155,581		
Other liabilities	-	-	-	-	-	-	-	-	-	5,639	5,639	158,121		
<b>Total liabilities</b>	<b>502,868</b>	<b>52,747</b>	<b>954,258</b>	<b>122,295</b>	<b>4,555,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,616,942</b>	<b>26,804,846</b>	<b>8,828,488</b>		
Fund equity:														
Investment in general fixed assets	-	-	-	-	-	-	-	-	11,013,481	-	11,013,481	10,362,798		
Contributed capital, net of accumulated amortization	-	-	-	-	29,893,987	-	-	-	-	-	29,893,987	28,070,928		
Retained earnings - unreserved	-	-	-	-	1,312,852	-	-	-	-	-	1,312,852	1,149,830		
<b>Fund balances:</b>														
Reserved:														
Encumbrances	83,398	-	-	564,975	-	-	-	-	-	-	648,373	777,302		
Debt service	-	-	568,802	-	-	-	-	-	-	-	568,802	622,916		
Advances to other funds	52,439	-	-	-	-	-	-	-	-	-	52,439	112,879		
Investment	-	-	-	-	-	117,780	-	-	-	-	117,780	111,380		
Insurance premium increases	54,336	-	-	-	-	-	-	-	-	-	54,336	44,776		
Unreserved:														
Designated:														
Operations	-	836,959	-	-	-	-	-	-	-	-	836,959	26,706		
Capital improvements	-	-	-	15,628,390	-	-	-	-	-	-	15,628,390	1,471,383		
Undesignated	4,417,739	-	232,475	-	-	-	-	-	-	-	4,650,214	5,044,083		
<b>Total fund equity</b>	<b>4,607,912</b>	<b>836,959</b>	<b>801,277</b>	<b>16,193,365</b>	<b>31,206,839</b>	<b>117,780</b>	<b>-</b>	<b>-</b>	<b>11,013,481</b>	<b>-</b>	<b>64,777,613</b>	<b>47,794,981</b>		
<b>Total liabilities and fund equity</b>	<b>\$ 5,110,780</b>	<b>889,706</b>	<b>1,755,535</b>	<b>16,315,660</b>	<b>35,762,575</b>	<b>117,780</b>	<b>11,013,481</b>	<b>20,616,942</b>	<b>91,582,459</b>	<b>56,623,469</b>				

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, 2002  
 (With Comparative Totals for 2001)

	Governmental Fund Types				Totals	
	General	Special Revenue	Debt Service	Capital Project	(Memorandum Only)	
					2002	2001
<b>Revenues:</b>						
Taxes	\$ 6,901,702	-	-	-	6,901,702	6,405,685
Licenses and permits	35,540	-	-	-	35,540	31,305
Fines, forfeitures and penalties	56,358	18,284	-	-	74,642	84,621
Intergovernmental	540,701	132,822	-	306,425	979,948	900,500
Matanuska-Susitna Borough	1,000	342,000	-	94,120	437,120	385,323
Special assessments	-	-	309,234	-	309,234	275,491
Investment income	261,685	3,273	17,852	66,245	349,055	522,855
Other	66,422	22,986	307	54,587	144,302	368,650
Total revenues	<u>7,863,408</u>	<u>519,365</u>	<u>327,393</u>	<u>521,377</u>	<u>9,231,543</u>	<u>8,974,430</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	1,524,348	-	-	-	1,524,348	1,468,399
Public safety	1,921,788	28,395	-	-	1,950,183	1,752,855
Public works	1,093,759	-	-	-	1,093,759	1,089,402
Culture and recreation	458,926	-	-	-	458,926	519,655
Nondepartmental	59,238	-	-	-	59,238	59,951
Library	-	584,355	-	-	584,355	511,964
Youth court	-	141,343	-	-	141,343	154,649
Debt service	440,323	-	498,834	-	939,157	745,646
Capital outlay	-	-	-	2,187,939	2,187,939	3,543,124
Total expenditures	<u>5,498,382</u>	<u>754,093</u>	<u>498,834</u>	<u>2,187,939</u>	<u>8,939,248</u>	<u>9,845,645</u>
Excess of revenues over (under) expenditures	2,365,026	(234,728)	(171,441)	(1,666,562)	292,295	(871,215)
<b>Other financing sources (uses):</b>						
Bond proceeds	-	-	-	14,828,128	14,828,128	216,488
Operating transfers from other funds	37,873	1,212,182	-	853,513	2,103,568	933,431
Operating transfers to other funds	(2,071,957)	(93,090)	(17,776)	(1,700)	(2,184,523)	(1,084,495)
Net other financing sources (uses)	<u>(2,034,084)</u>	<u>1,119,092</u>	<u>(17,776)</u>	<u>15,679,941</u>	<u>14,747,173</u>	<u>65,424</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	330,942	884,364	(189,217)	14,013,379	15,039,468	(805,791)
Beginning fund balances	4,901,970	27,595	990,494	2,179,986	8,100,045	9,676,131
Residual equity transfers from other funds	-	-	-	-	-	46,437
Residual equity transfers to other funds	(625,000)	(75,000)	-	-	(700,000)	(816,732)
Ending fund balances	<u>\$ 4,607,912</u>	<u>836,959</u>	<u>801,277</u>	<u>16,193,365</u>	<u>22,439,513</u>	<u>8,100,045</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, 2002**

	General Fund			Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Taxes	\$ 6,882,254	6,901,702	19,448	-	-	-	-	-	-
Licenses and permits	31,200	35,540	4,340	-	-	-	-	-	-
Fines, forfeitures and penalties	78,500	56,358	(22,142)	16,300	18,284	1,984	-	-	-
Intergovernmental	601,121	540,701	(60,420)	134,182	132,822	(1,360)	-	-	-
Matanuska-Susitna Borough	1,000	1,000	-	342,000	342,000	-	-	-	-
Special assessments	-	-	-	-	-	-	203,394	309,234	105,840
Investment income	226,000	261,685	35,685	4,338	3,273	(1,065)	38,050	17,852	(20,198)
Other	89,798	66,422	(23,376)	22,920	22,986	66	-	307	307
<b>Total revenues</b>	<u>7,909,873</u>	<u>7,863,408</u>	<u>(46,465)</u>	<u>519,740</u>	<u>519,365</u>	<u>(375)</u>	<u>241,444</u>	<u>327,393</u>	<u>85,949</u>
<b>Expenditures:</b>									
General government	1,778,842	1,524,348	254,494	-	-	-	-	-	-
Public safety	1,984,459	1,921,788	62,671	29,211	28,395	816	-	-	-
Public works	1,211,484	1,093,759	117,725	-	-	-	-	-	-
Culture and recreation	464,264	458,926	5,338	-	-	-	-	-	-
Nondepartmental	72,768	59,238	13,530	-	-	-	-	-	-
Library	-	-	-	601,713	584,355	17,358	-	-	-
Youth court	-	-	-	166,366	141,343	25,023	-	-	-
Debt service	440,323	440,323	-	-	-	-	284,936	498,834	(213,898)
<b>Total expenditures</b>	<u>5,952,140</u>	<u>5,498,382</u>	<u>453,758</u>	<u>797,290</u>	<u>754,093</u>	<u>43,197</u>	<u>284,936</u>	<u>498,834</u>	<u>(213,898)</u>
<b>Excess of revenues over (under) expenditures</b>	1,957,733	2,365,026	407,293	(277,550)	(234,728)	42,822	(43,492)	(171,441)	(127,949)
<b>Other financing sources (uses):</b>									
Operating transfers from other funds	40,990	37,873	(3,117)	1,229,566	1,212,182	(17,384)	-	-	-
Operating transfers to other funds	(2,089,341)	(2,071,957)	17,384	(93,090)	(93,090)	-	(17,776)	(17,776)	-
<b>Net other financing sources (uses)</b>	<u>(2,048,351)</u>	<u>(2,034,084)</u>	<u>14,267</u>	<u>1,136,476</u>	<u>1,119,092</u>	<u>(17,384)</u>	<u>(17,776)</u>	<u>(17,776)</u>	<u>-</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	(90,618)	330,942	421,560	858,926	884,364	25,438	(61,268)	(189,217)	(127,949)
<b>Beginning fund balances</b>	4,901,970	4,901,970	-	27,595	27,595	-	990,494	990,494	-
<b>Residual equity transfers to other funds</b>	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending fund balances</b>	<u>\$ 4,186,352</u>	<u>4,607,912</u>	<u>421,560</u>	<u>811,521</u>	<u>836,959</u>	<u>25,438</u>	<u>929,226</u>	<u>801,277</u>	<u>(127,949)</u>

**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, 2002  
 (With Comparative Totals for 2001)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	<u>Enterprise</u>	Non- expendable Trust	<u>2002</u>	<u>2001</u>
Operating revenues:				
Sales and user charges	\$ 937,829	6,400	944,229	839,584
Fees and rentals	31,802	-	31,802	27,665
Meters	9,659	-	9,659	11,775
Investment income	-	1,542	1,542	4,499
Other	7,382	-	7,382	1,421
Total operating revenues	<u>986,672</u>	<u>7,942</u>	<u>994,614</u>	<u>884,944</u>
Operating expenses:				
Salaries	387,000	-	387,000	349,516
Employee benefits	122,677	-	122,677	116,477
Other purchased services	55,471	-	55,471	55,454
Professional and technical services	28,847	-	28,847	16,848
Supplies	210,491	-	210,491	111,370
Administration	54,446	-	54,446	42,535
Property services	97,705	-	97,705	109,116
Equipment	-	-	-	3,075
Bad debt expense	415	-	415	3,869
Other	144	-	144	-
Total operating expenses	<u>957,196</u>	<u>-</u>	<u>957,196</u>	<u>808,260</u>
Operating income before depreciation	29,476	7,942	37,418	76,684
Depreciation	861,490	-	861,490	833,793
Operating income (loss)	(832,014)	7,942	(824,072)	(757,109)
Nonoperating revenues (expenses):				
Line extension fee	100,000	-	100,000	-
Payments in lieu of assessments	58,165	-	58,165	49,525
Sewer hook-up grants	-	-	-	(24,000)
Interest expense	(7,714)	-	(7,714)	(4,473)
Investment income	37,740	-	37,740	89,786
Other	5,387	-	5,387	4,320
Net nonoperating revenues (expenses)	<u>193,578</u>	<u>-</u>	<u>193,578</u>	<u>115,158</u>
Income (loss) before operating transfers	(638,436)	7,942	(630,494)	(641,951)
Operating transfers:				
Operating transfers in	130,738	-	130,738	203,804
Operating transfers out	(48,241)	(1,542)	(49,783)	(52,740)
Net operating transfers	<u>82,497</u>	<u>(1,542)</u>	<u>80,955</u>	<u>151,064</u>
Net income (loss)	(555,939)	6,400	(549,539)	(490,887)
Amortization of contributed capital	718,961	-	718,961	712,019
Increase in retained earnings/fund balance	163,022	6,400	169,422	221,132
Beginning retained earnings/fund balance	1,149,830	111,380	1,261,210	1,040,078
Ending retained earnings/fund balance	<u>\$ 1,312,852</u>	<u>117,780</u>	<u>1,430,632</u>	<u>1,261,210</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, 2002  
 (With Comparative Totals for 2001)

	Proprietary Fund Type	Fiduciary Fund Type Non- expendable Trust	Totals (Memorandum Only)	
	Enterprise	Trust	2002	2001
Cash flows from operating activities:				
Operating income (loss)	\$ (832,014)	7,942	(824,072)	(757,109)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	861,490	-	861,490	833,793
Amortization	381	-	381	381
Other nonoperating income	105,387	-	105,387	4,320
Increase (decrease) in allowance for doubtful accounts	512	-	512	(14,679)
Investment income	-	(1,542)	(1,542)	(4,499)
(Increase) decrease in assets:				
Accounts receivable	5,056	-	5,056	(10,035)
Inventory	8,522	-	8,522	(8,986)
Increase (decrease) in liabilities:				
Accounts payable	161,038	-	161,038	(105,836)
Revenue billed in advance	(25,552)	-	(25,552)	2,324
Accrued payroll and employee benefits	4,389	-	4,389	1,243
Accrued annual and sick leave	5,521	-	5,521	(2,920)
Customer deposits	30,625	-	30,625	(1,854)
Net cash flows from operating activities	<u>325,355</u>	<u>6,400</u>	<u>331,755</u>	<u>(63,857)</u>
Cash flows from noncapital financing activities:				
Operating transfers in	130,738	-	130,738	203,804
Operating transfers out	<u>(48,241)</u>	<u>(1,542)</u>	<u>(49,783)</u>	<u>(52,740)</u>
Net cash flows from noncapital financing activities	<u>82,497</u>	<u>(1,542)</u>	<u>80,955</u>	<u>151,064</u>
Cash flows from capital and related financing activities:				
Principal and interest paid on long-term debt	(23,566)	-	(23,566)	(14,906)
Bond proceeds	-	-	-	84,711
Loan proceeds	3,740,590	-	3,740,590	-
Special assessments received	16,284	-	16,284	-
Receipt of payments in lieu of assessments	58,165	-	58,165	55,173
Acquisition and construction of capital assets	(4,361,885)	-	(4,361,885)	(1,959,787)
Residual equity transfers in as contributed capital	700,000	-	700,000	1,359,153
Residual equity transfers out of contributed capital	-	-	-	(588,858)
Other contributed capital received	1,841,447	-	1,841,447	1,151,789
Sewer hook-up grants	-	-	-	(24,000)
Net cash flows from capital and related financing activities	<u>1,971,035</u>	<u>-</u>	<u>1,971,035</u>	<u>63,275</u>
Cash flows from investing activities:				
Investment income received	49,121	3,331	52,452	97,733
Principal payments received on notes receivable	<u>26,190</u>	<u>-</u>	<u>26,190</u>	<u>12,632</u>
Net cash flows from investing activities	<u>75,311</u>	<u>3,331</u>	<u>78,642</u>	<u>110,365</u>
Net increase in cash and investments	2,454,198	8,189	2,462,387	260,847
Cash and investments at beginning of year	<u>2,390,928</u>	<u>109,591</u>	<u>2,500,519</u>	<u>2,239,672</u>
Cash and investments at end of year	\$ <u>4,845,126</u>	<u>117,780</u>	<u>4,962,906</u>	<u>2,500,519</u>
Reconciliation of cash and investments to balance sheet:				
Cash and investments	1,843,590			
Restricted cash and investments	<u>3,001,536</u>			
	\$ <u>4,845,126</u>			

See accompanying notes to general purpose financial statements.

## **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, 2002

### (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 Funds account for assets held in a trustee capacity for individuals, private organizations and other funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

#### 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.

**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, and Debt Service Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, meaning both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized on the accrual basis, with the exception of principal and interest on general long-term debt, which are reported only when due.

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 or earlier if the measurable and available criteria are met. Revenues from licenses, permits, fines, forfeitures and penalties are recognized on the cash basis. Interest income is accrued when earned.

The Enterprise 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. 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 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 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	\$ 7,351,766	1,314,715	8,666,481
Special Revenue Funds	744,908	220,472	965,380
Debt Service Funds	302,712	-	302,712

#### 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 2001 financial statements to make them comparable with the 2002 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, 2002, the carrying amount of the City's deposits was \$392,303 and the bank balances were \$944,271. The bank balances are categorized as follows:

Amount insured by the FDIC	\$ 278,000
Amount collateralized with securities held by the financial institution's trust department or agent in the City's name	<u>666,271</u>
Total bank balances	\$ <u>944,271</u>

In consideration of the banking services agreement, the City is required to keep a \$106,000 noninterest bearing account with the bank.

# CITY OF WASILLA, ALASKA

## Notes to General Purpose Financial Statements, continued

### **Cash and Investments, continued**

#### **Investments**

The City is authorized to invest in the following:

- Government obligations: shares of SEC registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations of the United States and repurchase agreements backed by those obligations and rated in the highest category by S&P and Moody's.
- Commercial paper: having original maturities of not more than two hundred seventy (270) days and rated at all times "A-1" or better by S&P and "P-1" or better by Moody's, and bearing interest at a rate at least twenty-five basis points (.25%) above the rate of interest on United States Treasury obligations of the same maturity at the time of purchase.
- Interest bearing obligations of a corporation, or of any state of the United States of America or any political subdivision thereof, which obligations at all times are rated at least "AA" by S&P or Moody's; provided, that any such obligation of a corporation shall bear interest at a rate of at least twenty-five basis points (.25%) above the rate of interest on United States Treasury obligations of the same maturity at the time of purchase.
- Certificates of deposit of any rated bank, provided that such certificates of deposit are:
  - Fully insured by an appropriate insuring agency of the United States; and
  - To the extent not so insured, collateralized with government obligations held by a third party custodian, in an amount equal to one hundred-two percent (102%) of the principal and unpaid accrued interest.
- Repurchase agreements with primary dealers or rated banks, collateralized with government obligations held by a third party custodian, in an amount equal to one hundred-two percent (102%) of the principal and unpaid accrued interest.
- The Alaska Municipal League Investment Pool, Inc. (AMLIP).

The AMLIP is an external investment pool which is not SEC registered. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. At June 30, 2002, the share value of investments in the AML pool is approximately equal to fair value.

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

**Cash and Investments, continued**

**Investments, continued**

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

	<u>Category</u>			<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
Repurchase agreements \$	-	950,270	-	950,270
U.S. government securities	<u>19,054,534</u>	-	-	19,054,534
	\$ <u>19,054,534</u>	<u>950,270</u>	-	20,004,804
Alaska Municipal League Investment Pool				<u>6,689,404</u>
Total investments				\$ <u>26,694,208</u>

(3) **Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>July 1,</u> <u>2001</u>	<u>Additions/</u> <u>Transfers In</u>	<u>Deletions/</u> <u>Transfers Out</u>	<u>Balance</u> <u>June 30,</u> <u>2002</u>
Land	\$ 2,393,091	81,305	-	2,474,396
Buildings	3,784,680	45,047	-	3,829,727
Office furniture and equipment	480,887	125,664	19,489	587,062
Vehicles and equipment	1,314,072	118,497	111,822	1,320,747
Library collections	1,989,286	29,362	-	2,018,648
Construction in progress	<u>400,782</u>	<u>382,119</u>	-	<u>782,901</u>
	\$ <u>10,362,798</u>	<u>781,994</u>	<u>131,311</u>	<u>11,013,481</u>

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

**Fixed Assets, continued**

The following is a summary of Enterprise Fund property, plant and equipment at June 30, 2002:

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Totals</u>
Land	\$ 657,810	149,170	1,470,000	2,276,980
Land improvements	-	-	5,330,984	5,330,984
Treatment system	7,859,928	-	-	7,859,928
Collection/distribution system	8,407,734	8,748,004	-	17,155,738
Water tank and fence	-	2,337,975	-	2,337,975
Wells/well house	-	363,405	-	363,405
Other plant in service	2,919,746	-	-	2,919,746
Equipment	2,078,864	109,111	213,954	2,401,929
Construction in progress	<u>85,525</u>	<u>415,183</u>	<u>323,094</u>	<u>823,802</u>
	<u>22,009,607</u>	<u>12,122,848</u>	<u>7,338,032</u>	<u>41,470,487</u>
Accumulated depreciation	<u>(6,345,363)</u>	<u>(2,725,446)</u>	<u>(2,414,841)</u>	<u>(11,485,650)</u>
Net property, plant and equipment	\$ <u>15,664,244</u>	<u>9,397,402</u>	<u>4,923,191</u>	<u>29,984,837</u>

(4) **Operating Transfers**

A summary of operating transfers between funds for the year ended June 30, 2002, follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 37,873	2,071,957
Special Revenue Funds:		
Library	234,129	-
Capital Reserve	978,053	93,090
1982 Original Water Bond Debt Service Fund	-	17,776
Capital Project Funds:		
Miscellaneous Projects and Road and Street Improvements	671,813	1,700
Vehicle Replacement	138,000	-
Right-of-Way Acquisition	5,000	-
Honor Garden	38,700	-
Enterprise Funds:		
Sewer Utility	41,291	26,547
Water Utility	52,093	21,694
Municipal Airport	37,354	-
Cemetery Nonexpendable Trust Fund	<u>-</u>	<u>1,542</u>
	\$ <u>2,234,306</u>	<u>2,234,306</u>

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

(5) **Residual Equity Transfers**

Residual equity transfers between funds for the year ended June 30, 2002 follow:

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ -	625,000
Capital Reserve Special Revenue Fund	-	75,000
Enterprise Funds:		
Sewer Utility	355,000	-
Water Utility	295,000	-
Municipal Airport	<u>50,000</u>	<u>-</u>
	\$ <u>700,000</u>	<u>700,000</u>

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

(6) **Long-Term Debt**

On January 8, 2002 the City entered into loan agreements with the State of Alaska Department of Environmental Conservation (ADEC) to help fund the costs of the water main and sewer improvements. The maximum amount of the water loan is \$905,000. At June 30, 2002, the City had incurred \$701,701 in costs that were eligible to be reimbursed out of the loan proceeds and had drawn \$559,993. The maximum amount of the sewer loan is \$580,000. At June 30, 2002, the City had incurred \$262,257 in costs that were eligible to be reimbursed out of the loan proceeds and had drawn \$180,597. Repayment of both loans will start one year following substantial completion and initiation of operation of the facilities.

On May 1, 2002, the City issued \$14,700,000 in general obligation bonds to provide the financing for the new multi-use sports complex.

On May 9, 2002, the City entered into a loan agreement to provide interim financing for water improvement projects. The loan was for \$3,000,000 and bears interest at 4.6%. This interim loan will be retired in full on May 9, 2004, with the proceeds from a \$3,309,000 loan that has been approved by the United States Department of Agriculture.

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

**Long-Term Debt, continued**

Long-term debt consists of the following at June 30, 2002:

**Special Assessment Bonds**

\$329,300 1986 Southside Water District Bond, due in annual installments of \$3,954 to \$6,454 through June 30, 2026; plus interest at 6.125%	\$ 132,140
\$626,000 1987 Sewer Improvement District Bond, due in annual installments of \$3,775 to \$4,900 through August 17, 2027; plus interest at 6.5%	110,900
\$403,700 1988 Phase I Paving Improvement District Bond, due in final installment of \$18,586 on February 12, 2003; plus interest at 6.125%	18,586
\$147,370 1993 Glenwood/Naomi/Shadowood Paving Improvement Districts Bond, due in annual installments of \$4,256 through December 22, 2003; plus interest 5.10%	8,512
\$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; plus interest at 6.05%	35,203
\$261,942 1995 Whispering Woods/Nelson Avenue/Lake View Avenue Paving Improvement Districts Bond, due in annual installments of \$18,194 through July 26, 2003; plus interest at 6.825%;	37,977
\$251,298 1997 Westpoint/Hallea Lane/Wild Adventure/Southview Paving Improvement Districts Bond, due in annual installments of \$14,090 through March 17, 2007; plus interest at 6.435%	\$ 70,449
\$287,200 2001 WoodCrest/Patricia/Century Park Paving Improvement Districts Bond, due in annual installments of \$28,720 through November 24, 2008; plus interest at 5.9%	201,040
\$189,320 2002 North Country Paving Improvement District Bond, due in annual installments of \$16,732 through April 6, 2010; plus interest at 6.545%	131,656
\$17,400 2001 Susitna Area Paving Improvement District Bond, due in annual installments of \$1,740 through June 28, 2011; plus interest at 4.55%	15,660



# CITY OF WASILLA, ALASKA

## Notes to General Purpose Financial Statements, continued

### Long-Term Debt, continued

#### Special Assessment Bonds, continued

\$199,088 2001 Talerico Paving Improvement District Bond, due in annual installments of \$19,909 through June 28, 2011; plus interest at 4.55%	179,180
\$84,711 2001 Broadview Sewer Improvement District Bond, due in annual installments of \$8,471 through June 28, 2011; plus interest at 4.55%	<u>76,240</u>
Total Special Assessment Bonds	<u>1,017,543</u>

#### General Obligation Bonds

\$5,500,000 1998 Street Paving/Street Improvements General Obligation Bonds, due in annual installments of \$195,000 to \$420,000 through October 1, 2018; plus variable interest from 4.625% to 5.0%	4,970,000
\$14,700,000 2002 Multi-use Sports Complex General Obligation Bonds, due in annual installments of \$840,000 to \$2,180,000 through April 1, 2012; plus variable interest from 2.5% to 4.5%	<u>14,700,000</u>
Total General Obligation Bonds	<u>19,670,000</u>

#### Loans Payable

\$177,100 Water Utility loan payable, due in annual installments of \$8,754 through August 3, 2018, plus interest at 2.5%	\$ 148,822
\$701,701 (\$905,000 maximum) Water Utility loan payable, payment terms have not been established; interest at 2.5%	701,701
\$3,000,000 Water Utility loan payable, interest only payment due May 9, 2003 with final payment due in one installment on May 9, 2004; plus interest at 4.6%	3,000,000
\$262,257 (\$580,000 maximum) Sewer Utility loan payable, payment terms have not been established; interest at 2.5%	<u>262,257</u>
Total loans payable	<u>4,112,780</u>
Total long-term debt	\$ <u>24,800,323</u>

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

**Long-Term Debt, continued**

Special assessment bond debt service requirements to maturity, including \$384,431 of interest, are as follows:

Year Ending June 30,	1986	1987	1988	1993	1994
	Southside Water District Bond	Sewer Improvement District Bond	Phase I Paving Improvement District Bond	Glenwood/ Naomi/ Shadowood Paving Improvement Districts Bond	Mountain Village/ Crestwood Paving Improvement Districts Bond
2003	\$ 12,047	10,984	19,724	4,690	18,086
2004	11,805	10,738	-	4,473	16,758
2005	11,563	10,493	-	-	3,874
2006	11,321	10,247	-	-	-
2007	11,079	10,127	-	-	-
Thereafter	<u>185,650</u>	<u>161,183</u>	-	-	-
	243,465	213,772	19,724	9,163	38,718
Less amount of interest	<u>111,325</u>	<u>102,872</u>	<u>1,138</u>	<u>651</u>	<u>3,515</u>
	\$ <u>132,140</u>	<u>110,900</u>	<u>18,586</u>	<u>8,512</u>	<u>35,203</u>
Year Ending June 30,	1995	1997	1999	2000	2001
	Whispering Woods/ Nelson Ave./ Lake View Ave. Paving Improvement Districts Bond	Westpoint/ Hallea Lane/ Wild Adventure/ Southview Paving Improvement Districts Bond	WoodCrest Patricia/ Century Park Paving Improvement Districts Bond	North Country Paving Improvement District Bond	Susitna Paving Improvement District Bond
2003	\$ 20,786	18,623	40,581	25,349	2,453
2004	21,133	17,717	38,887	24,254	2,373
2005	-	16,810	37,192	23,159	2,294
2006	-	15,903	35,498	22,064	2,215
2007	-	14,996	33,803	20,968	2,136
Thereafter	-	-	<u>62,524</u>	<u>54,134</u>	<u>7,752</u>
	41,919	84,049	248,485	169,928	19,223
Less amount of interest	<u>3,942</u>	<u>13,600</u>	<u>47,445</u>	<u>38,272</u>	<u>3,563</u>
	\$ <u>37,977</u>	<u>70,449</u>	<u>201,040</u>	<u>131,656</u>	<u>15,660</u>

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

**Long-Term Debt, continued**

Year Ending June 30,	2001	2001	<u>Totals</u>
	Tallerico Paving Improvement District Bond	Broadview Sewer Improvement District Bond	
2003	\$ 28,062	11,940	213,325
2004	27,156	11,555	186,849
2005	26,250	11,169	142,804
2006	25,344	10,784	133,376
2007	24,438	10,398	127,945
Thereafter	<u>88,693</u>	<u>37,739</u>	<u>597,675</u>
	219,943	93,585	1,401,974
Less amount of interest	<u>40,763</u>	<u>17,345</u>	<u>384,431</u>
	<u>\$ 179,180</u>	<u>76,240</u>	<u>1,017,543</u>

General obligation bond debt service requirements to maturity are as follows:

Year Ending June 30,	1998 Street Paving/ <u>Street Improvement</u>		2002 Multi-use <u>Sports Complex</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2003	\$ 195,000	244,398	840,000	526,276	1,805,674
2004	205,000	233,026	1,020,000	553,119	2,011,145
2005	215,000	221,348	1,125,000	522,519	2,083,867
2006	225,000	209,810	1,240,000	485,956	2,160,766
2007	235,000	198,310	1,365,000	442,556	2,240,866
Thereafter	<u>3,895,000</u>	<u>1,273,195</u>	<u>9,110,000</u>	<u>1,267,637</u>	<u>15,545,832</u>
Total	<u>\$ 4,970,000</u>	<u>2,380,087</u>	<u>14,700,000</u>	<u>3,798,063</u>	<u>25,848,150</u>

The Water Utility loan debt service requirements to maturity, exclusive of the two loans not yet in repayment status, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2003	\$ 8,754	3,721	12,475
2004	8,754	3,502	12,256
2005	8,754	3,283	12,037
2006	8,754	3,064	11,818
2007	8,754	2,845	11,599
Thereafter	<u>105,052</u>	<u>17,071</u>	<u>122,123</u>
Total	<u>\$ 148,822</u>	<u>33,486</u>	<u>182,308</u>

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

**Long-Term Debt, continued**

During the year ended June 30, 2002, the following changes occurred in long-term liabilities:

<u>General Government</u>	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
Special Assessment Bonds	\$ 1,215,093	-	273,790	941,303
General Obligation Bonds	5,155,000	14,700,000	185,000	19,670,000
Free Main Allowances	<u>158,121</u>	<u>307</u>	<u>152,789</u>	<u>5,639</u>
	<b>\$ <u>6,528,214</u></b>	<b><u>14,700,307</u></b>	<b><u>611,579</u></b>	<b><u>20,616,942</u></b>
 <u>Sewer Utility Enterprise Fund</u>				
Special Assessment Bonds	84,711	-	8,471	76,240
ADEC Loan Payable	<u>-</u>	<u>262,257</u>	<u>-</u>	<u>262,257</u>
	<b>\$ <u>84,711</u></b>	<b><u>262,257</u></b>	<b><u>8,471</u></b>	<b><u>338,497</u></b>
 <u>Water Utility Enterprise Fund</u>				
ADEC Loans Payable	155,581	701,701	6,759	850,523
Interim Construction Loan Payable	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
	<b>\$ <u>155,581</u></b>	<b><u>3,701,701</u></b>	<b><u>6,759</u></b>	<b><u>3,850,523</u></b>

**Special Assessment Bond 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

(7) **Contributed Capital**

A summary of changes in contributed capital of the Enterprise Funds for the year ended June 30, 2002 follows:

	<u>Balance at</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2002</u>
Sewer Utility	\$ 20,957,680	844,683	-	21,802,363
Water Utility	9,577,864	1,383,540	-	10,961,404
Municipal Airport	<u>7,066,868</u>	<u>313,796</u>	<u>-</u>	<u>7,380,664</u>
	\$ <u>37,602,412</u>	<u>2,542,019</u>	<u>-</u>	<u>40,144,431</u>

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

	<u>Balance at</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2002</u>
Sewer Utility	\$ 5,662,830	320,497	-	5,983,327
Water Utility	1,745,196	113,947	-	1,859,143
Municipal Airport	<u>2,123,458</u>	<u>284,516</u>	<u>-</u>	<u>2,407,974</u>
	\$ <u>9,531,484</u>	<u>718,960</u>	<u>-</u>	<u>10,250,444</u>

(8) **Defined Benefit Pension Plan**

**Description of Plan**

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

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

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

# 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	5.81%
Postemployment healthcare	<u>2.38%</u>
Total contribution rate	<u>8.19%</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, 2002, the City's annual pension cost of \$234,922 for PERS was equal to its required and actual contributions.

The required contribution was determined as part of the June 30, 1999 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 9.5% in 1999, trending downward 1% per year through 2003; 5% from 2004 through 2008; and 4.5% 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 – assumes investment return of 8.25% compared to a 5% corridor around the market value of the assets. Any differences are amortized and applied to the employer contribution rate. Valuation assets cannot be outside the range of 80% to 120% of market value of assets.

**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 Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2000	\$ 218,443	100%	\$ -
2001	254,683	100%	-
2002	234,922	100%	-

A schedule of funding progress for PERS for the three most recent actuarial valuations follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Assets in Excess of) Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Assets in Excess of) Liability as Percentage of Covered Payroll</u>
June 30, 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%)
June 30, 1999:						
Pension	3,740,000	3,654,000	(86,000)	102%	2,225,000	(4%)
Postemployment healthcare	1,517,000	1,482,000	(35,000)	102%	2,225,000	(2%)
June 30, 2001:						
Pension	5,190,000	5,239,000	49,000	99%	2,676,000	2%
Postemployment healthcare	2,198,000	2,219,000	21,000	99%	2,676,000	1%

An actuarial valuation was not done for June 30, 2000.

**CITY OF WASILLA, ALASKA**

Notes to General Purpose Financial Statements, continued

(9) **Deferred Compensation Plan**

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

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.

(10) **Enterprise Fund Segment Information**

The City maintains three enterprise funds which provide sewer, water, and municipal airport services. Segment information as of and for the year ended June 30, 2002 follows:

		<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Municipal Airport</u>	<u>Total</u>
Operating revenues	\$	520,677	434,193	31,802	986,672
Depreciation		372,722	201,281	287,487	861,490
Operating loss		(347,751)	(165,862)	(318,401)	(832,014)
Net income (loss)		(296,005)	20,275	(280,209)	(555,939)
Operating transfers in		41,291	52,093	37,354	130,738
Operating transfers out		(26,547)	(21,694)	-	(48,241)
Capital contributions		844,683	1,383,540	313,796	2,542,019
Property, plant and equipment additions		2,005,459	2,090,899	287,895	4,384,253
Net working capital		859,125	1,338,463	108,124	2,305,712
Total assets		16,710,734	13,953,058	5,098,783	35,762,575
Total equity		16,265,723	9,909,801	5,031,315	31,206,839

(11) **Excess of Expenditures Over Appropriations**

Excess of expenditures over appropriations in individual funds for the current year follows:

	<u>Budget</u>	<u>Actual</u>
Debt Service Funds:		
Southside Water Bond	\$ 12,289	12,290
Paving Bonds	207,199	322,925
Gas Assessments	40,162	152,789



(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, (e) 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.

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, 2002. 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 outstanding balance at June 30, 2002 was \$2,082,880.

On November 27, 2000, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Southcentral Foundation to finance the construction of a facility. The bonds were issued in the amount of \$9,800,000. The outstanding balance at June 30, 2002 was \$9,505,038.

Neither of these bonds 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.

# CITY OF WASILLA, ALASKA

## Notes to General Purpose Financial Statements, continued

(14) **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.

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, 2002

(With Comparative Amounts for 2001)

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and investments	\$ <u>4,124,058</u>	<u>4,298,114</u>
Receivables:		
Sales taxes	573,876	557,810
Grants and shared revenues	218,528	242,376
Accrued interest	1,742	32,174
Special assessments	388	913
Other	<u>79,309</u>	<u>74,969</u>
Total receivables	<u>873,843</u>	<u>908,242</u>
Due from other funds:		
Bond Guarantee Debt Service Fund	60,440	-
Honor Garden Capital Project Fund	-	37,000
Advances to Bond Guarantee Debt Service Fund	<u>52,439</u>	<u>112,879</u>
Total assets	\$ <u>5,110,780</u>	<u>5,356,235</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	167,111	168,016
Accrued payroll and employee benefits	135,958	113,113
Accrued annual and sick leave	199,261	172,063
Deferred revenue	<u>538</u>	<u>1,073</u>
Total liabilities	<u>502,868</u>	<u>454,265</u>
Fund balance:		
Reserved:		
Encumbrances	83,398	67,810
Advances to other funds	52,439	112,879
Insurance premium increases	54,336	44,776
Unreserved and undesignated	<u>4,417,739</u>	<u>4,676,505</u>
Total fund balance	<u>4,607,912</u>	<u>4,901,970</u>
Total liabilities and fund balance	\$ <u>5,110,780</u>	<u>5,356,235</u>

## CITY OF WASILLA, ALASKA

## General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2002

(With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Revenues:		
Taxes	\$ 6,901,702	6,405,685
Licenses and permits	35,540	31,305
Fines, forfeitures and penalties	56,358	74,377
Intergovernmental	540,701	522,655
Matanuska-Susitna Borough	1,000	10,106
Investment income	261,685	309,302
Other	<u>66,422</u>	<u>94,809</u>
Total revenues	<u>7,863,408</u>	<u>7,448,239</u>
Expenditures:		
General government:		
City Council	361,566	347,127
Administration	288,367	305,276
General administration services	154,719	113,581
Finance	413,945	395,622
Management information systems	147,430	130,190
Planning	<u>158,321</u>	<u>176,603</u>
Total general government	<u>1,524,348</u>	<u>1,468,399</u>
Public safety	<u>1,921,788</u>	<u>1,730,855</u>
Public works:		
Administration	255,360	202,151
Road maintenance	598,772	609,462
Property maintenance	<u>239,627</u>	<u>277,789</u>
Total public works	<u>1,093,759</u>	<u>1,089,402</u>
Culture and recreation:		
Museum	65,719	102,745
Recreation	<u>393,207</u>	<u>416,910</u>
Total culture and recreation	<u>458,926</u>	<u>519,655</u>
Nondepartmental	<u>59,238</u>	<u>59,951</u>
Debt service	<u>440,323</u>	<u>440,891</u>
Total expenditures	<u>5,498,382</u>	<u>5,309,153</u>
Excess of revenues over expenditures	2,365,026	2,139,086
Other financing sources (uses):		
Operating transfers from other funds	37,873	27,740
Operating transfers to other funds	<u>(2,071,957)</u>	<u>(1,002,455)</u>
Net other financing sources (uses)	<u>(2,034,084)</u>	<u>(974,715)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	330,942	1,164,371
Beginning fund balance	4,901,970	4,492,894
Residual equity transfers to Enterprise Funds	<u>(625,000)</u>	<u>(755,295)</u>
Ending fund balance	\$ <u>4,607,912</u>	<u>4,901,970</u>

## CITY OF WASILLA, ALASKA

## General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance -

## Budget and Actual

Year Ended June 30, 2002

(With Comparative Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Taxes:				
Sales tax, including penalty and interest	\$ 6,450,000	6,497,070	47,070	5,985,169
Property and vehicle taxes	432,254	404,632	(27,622)	420,516
Total taxes	<u>6,882,254</u>	<u>6,901,702</u>	<u>19,448</u>	<u>6,405,685</u>
Licenses and permits:				
City business licenses	12,500	16,567	4,067	13,014
Land use permits	7,000	8,127	1,127	8,125
Utility permits	6,800	6,591	(209)	5,986
Driveway permits	1,800	1,350	(450)	1,375
Taxicab permits	3,000	2,875	(125)	2,775
Animal licenses	100	30	(70)	30
Total licenses and permits	<u>31,200</u>	<u>35,540</u>	<u>4,340</u>	<u>31,305</u>
Fines, forfeitures and penalties	<u>78,500</u>	<u>56,358</u>	<u>(22,142)</u>	<u>74,377</u>
Intergovernmental:				
Safe communities	113,000	127,883	14,883	114,435
Revenue-sharing	68,500	66,679	(1,821)	65,962
Electric and telephone co-op tax	135,000	157,749	22,749	186,189
Public safety grants	264,821	172,297	(92,524)	134,043
Alcoholic beverage tax	19,000	11,000	(8,000)	20,700
Aviation fuel tax revenue sharing	800	3,767	2,967	-
Other	-	1,326	1,326	1,326
Total intergovernmental	<u>601,121</u>	<u>540,701</u>	<u>(60,420)</u>	<u>522,655</u>
Matanuska-Susitna Borough:				
Solid waste	1,000	1,000	-	1,000
Parks and recreation	-	-	-	9,106
Total Matanuska-Susitna Borough	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>10,106</u>
Investment income	<u>226,000</u>	<u>261,685</u>	<u>35,685</u>	<u>309,302</u>
Other:				
Administration fee revenue	16,600	22,338	5,738	9,274
Charges for services	11,066	6,866	(4,200)	3,964
Building rentals	800	100	(700)	1,933
Donations	12,000	2,350	(9,650)	58,443
Youth litter patrol	5,000	3,500	(1,500)	6,172
Miscellaneous	44,332	31,268	(13,064)	15,023
Total other	<u>89,798</u>	<u>66,422</u>	<u>(23,376)</u>	<u>94,809</u>
Total revenues	<u>7,909,873</u>	<u>7,863,408</u>	<u>(46,465)</u>	<u>7,448,239</u>



## CITY OF WASILLA, ALASKA

## General Fund

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

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures:				
General government:				
City Council:				
Salaries	\$ 136,397	119,083	17,314	112,591
Employee benefits	32,234	29,754	2,480	29,035
Professional and technical services	166,471	149,537	16,934	139,474
Property services	8,500	5,892	2,608	4,037
Other purchased services	42,030	39,285	2,745	44,527
Supplies	19,634	18,015	1,619	10,202
Capital expenditures	-	-	-	7,261
Total City Council	<u>405,266</u>	<u>361,566</u>	<u>43,700</u>	<u>347,127</u>
Administration:				
Salaries	176,058	162,209	13,849	179,318
Employee benefits	57,937	51,523	6,414	49,865
Professional and technical services	54,000	45,290	8,710	47,456
Property services	6,000	6,653	(653)	3,106
Other purchased services	16,505	10,642	5,863	19,310
Supplies	10,075	12,050	(1,975)	3,551
Capital expenditures	-	-	-	2,670
Total administration	<u>320,575</u>	<u>288,367</u>	<u>32,208</u>	<u>305,276</u>
General administration services:				
Salaries	21,393	21,366	27	21,997
Employee benefits	9,225	7,384	1,841	7,459
Professional and technical services	50,000	46,755	3,245	679
Property services	3,000	4,010	(1,010)	3,834
Other purchased services	73,188	56,264	16,924	61,310
Supplies	19,846	18,940	906	15,836
Capital expenditures	-	-	-	2,466
Total general administration services	<u>176,652</u>	<u>154,719</u>	<u>21,933</u>	<u>113,581</u>
Finance:				
Salaries	290,152	276,808	13,344	258,044
Employee benefits	95,586	91,046	4,540	92,503
Professional and technical services	20,600	2,188	18,412	9,789
Property services	4,600	2,530	2,070	2,292
Other purchased services	42,760	28,175	14,585	22,734
Supplies	13,725	13,192	533	2,643
Other	-	6	(6)	11
Capital expenditures	-	-	-	7,606
Total finance	<u>467,423</u>	<u>413,945</u>	<u>53,478</u>	<u>395,622</u>
Management information systems:				
Salaries	17,827	17,732	95	15,257
Employee benefits	5,502	5,343	159	3,762
Professional and technical services	16,900	-	16,900	5,865
Property services	102,195	93,068	9,127	84,813
Other purchased services	3,300	2,766	534	1,137
Supplies	17,030	16,869	161	4,062
Capital expenditures	11,731	11,652	79	15,294
Total management information systems	<u>174,485</u>	<u>147,430</u>	<u>27,055</u>	<u>130,190</u>

**CITY OF WASILLA, ALASKA**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual, continued**

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
<b>Expenditures continued:</b>				
<b>Planning:</b>				
Salaries	\$ 150,441	95,666	54,775	106,631
Employee benefits	37,914	25,335	12,579	29,424
Professional and technical services	17,400	15,794	1,606	20,209
Property services	2,750	1,115	1,635	1,442
Other purchased services	13,580	6,667	6,913	10,547
Supplies	8,770	10,124	(1,354)	3,096
Capital expenditures	3,586	3,620	(34)	5,254
Total planning	<u>234,441</u>	<u>158,321</u>	<u>76,120</u>	<u>176,603</u>
<b>Total general government</b>	<u>1,778,842</u>	<u>1,524,348</u>	<u>254,494</u>	<u>1,468,399</u>
<b>Public safety - police:</b>				
Salaries	1,075,800	1,076,217	(417)	965,905
Employee benefits	339,899	336,870	3,029	314,844
Professional and technical services	8,600	11,114	(2,514)	3,176
Property services	41,444	33,215	8,229	19,426
Other purchased services	355,474	349,852	5,622	351,479
Supplies	163,242	114,520	48,722	62,670
Capital expenditures	-	-	-	13,355
Total public safety - police	<u>1,984,459</u>	<u>1,921,788</u>	<u>62,671</u>	<u>1,730,855</u>
<b>Public works:</b>				
<b>Administration:</b>				
Salaries	153,371	160,707	(7,336)	120,348
Employee benefits	46,700	31,199	15,501	25,359
Professional and technical services	-	1,421	(1,421)	4,051
Property services	4,500	2,212	2,288	30,108
Other purchased services	36,956	36,075	881	13,471
Supplies	38,750	23,746	15,004	4,558
Capital expenditures	-	-	-	4,256
Total administration	<u>280,277</u>	<u>255,360</u>	<u>24,917</u>	<u>202,151</u>
<b>Road maintenance:</b>				
Salaries	146,908	153,954	(7,046)	121,448
Employee benefits	55,854	51,476	4,378	43,512
Property services	37,000	29,292	7,708	25,728
Other purchased services	226,847	217,792	9,055	210,490
Supplies	156,866	122,077	34,789	133,147
Capital expenditures	30,000	24,181	5,819	75,137
Total road maintenance	<u>653,475</u>	<u>598,772</u>	<u>54,703</u>	<u>609,462</u>
<b>Property maintenance:</b>				
Salaries	45,165	32,951	12,214	39,127
Employee benefits	14,239	12,472	1,767	12,819
Property services	154,684	107,656	47,028	153,146
Other purchased services	16,440	16,595	(155)	15,543
Supplies	42,000	64,469	(22,469)	52,057
Capital expenditures	-	-	-	4,129
Other	5,204	5,484	(280)	968
Total property maintenance	<u>277,732</u>	<u>239,627</u>	<u>38,105</u>	<u>277,789</u>
<b>Total public works</b>	<u>1,211,484</u>	<u>1,093,759</u>	<u>117,725</u>	<u>1,089,402</u>

## CITY OF WASILLA, ALASKA

## General Fund

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

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures continued:				
Culture and recreation:				
Museum:				
Salaries	\$ 36,598	36,629	(31)	62,530
Employee benefits	10,170	10,409	(239)	18,736
Professional and technical services	1,000	754	246	968
Property services	4,575	3,186	1,389	2,450
Other purchased services	7,315	5,782	1,533	4,707
Supplies	6,650	8,959	(2,309)	7,374
Capital expenditures	-	-	-	5,980
Total museum	<u>66,308</u>	<u>65,719</u>	<u>589</u>	<u>102,745</u>
Recreation:				
Salaries	227,326	216,531	10,795	235,464
Employee benefits	56,319	53,890	2,429	65,987
Professional and technical services	10,700	8,498	2,202	6,484
Property services	43,349	54,325	(10,976)	39,271
Other purchased services	12,962	9,552	3,410	33,206
Supplies	41,300	47,924	(6,624)	28,936
Capital expenditures	6,000	2,487	3,513	7,562
Total recreation	<u>397,956</u>	<u>393,207</u>	<u>4,749</u>	<u>416,910</u>
Total culture and recreation	<u>464,264</u>	<u>458,926</u>	<u>5,338</u>	<u>519,655</u>
Nondepartmental:				
Insurance deductible	10,000	2,132	7,868	66
Foreclosed tax payments	10,000	3,337	6,663	9,348
Animal control	26,000	26,000	-	26,000
Donations to nonprofit organizations	26,768	27,769	(1,001)	24,537
Total nondepartmental	<u>72,768</u>	<u>59,238</u>	<u>13,530</u>	<u>59,951</u>
Debt service:				
Principal payments on general obligation bonds	185,000	185,000	-	175,000
Interest payments on general obligation bonds	255,323	255,323	-	265,891
Total debt service	<u>440,323</u>	<u>440,323</u>	<u>-</u>	<u>440,891</u>
Total expenditures	<u>5,952,140</u>	<u>5,498,382</u>	<u>453,758</u>	<u>5,309,153</u>
Excess of revenues over expenditures	1,957,733	2,365,026	407,293	2,139,086
Other financing sources (uses) -				
operating transfers from (to) other funds:				
Special Revenue Funds	(1,229,566)	(1,212,182)	17,384	(166,159)
Special Revenue Funds	13,090	13,090	-	-
Capital Project Funds	(767,925)	(767,925)	-	(641,012)
Enterprise Funds	(91,850)	(91,850)	-	(195,284)
Enterprise Funds	24,000	23,241	(759)	23,241
Nonexpendable Trust Fund	3,900	1,542	(2,358)	4,499
Net other financing sources (uses)	<u>(2,048,351)</u>	<u>(2,034,084)</u>	<u>14,267</u>	<u>(974,715)</u>
Excess of revenues and other financing sources over(under) expenditures and other uses	(90,618)	330,942	421,560	1,164,371
Beginning fund balance	4,901,970	4,901,970	-	4,492,894
Residual equity transfers to Enterprise Funds	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>	<u>(755,295)</u>
Ending fund balance	\$ <u>4,186,352</u>	<u>4,607,912</u>	<u>421,560</u>	<u>4,901,970</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.

Capital Reserve – This fund is used to accumulate monies for funding of capital projects.

## CITY OF WASILLA, ALASKA

Special Revenue Funds  
Combining Balance Sheet  
June 30, 2002

(With Comparative Totals for 2001)

<u>Assets</u>	<u>Library</u>	<u>Youth Court</u>	<u>Asset Forfeiture</u>	<u>Capital Reserve</u>	<u>Totals</u>	
					<u>2002</u>	<u>2001</u>
Cash and investments	\$ 42,200	27,532	873	812,261	882,866	63,738
Receivables - grants	-	6,840	-	-	6,840	24,897
<b>Total assets</b>	<b>\$ 42,200</b>	<b>34,372</b>	<b>873</b>	<b>812,261</b>	<b>889,706</b>	<b>88,635</b>
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	7,349	1,708	-	-	9,057	11,478
Accrued payroll and employee benefits	15,825	4,555	-	-	20,380	18,434
Accrued annual and sick leave	19,026	4,284	-	-	23,310	17,804
Deferred revenue	-	-	-	-	-	13,324
<b>Total liabilities</b>	<b>42,200</b>	<b>10,547</b>	<b>-</b>	<b>-</b>	<b>52,747</b>	<b>61,040</b>
Fund balances:						
Reserved for encumbrances	-	-	-	-	-	889
Unreserved - designated for operations	-	23,825	873	812,261	836,959	26,706
<b>Total fund balances</b>	<b>-</b>	<b>23,825</b>	<b>873</b>	<b>812,261</b>	<b>836,959</b>	<b>27,595</b>
<b>Total liabilities and fund balances</b>	<b>\$ 42,200</b>	<b>34,372</b>	<b>873</b>	<b>812,261</b>	<b>889,706</b>	<b>88,635</b>

**CITY OF WASILLA, ALASKA**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Year Ended June 30, 2002**  
**(With Comparative Totals for 2001)**

	Library	Youth Court	Asset Forfeiture	Capital Reserve	Totals	
					2002	2001
<b>Revenues:</b>						
Intergovernmental	\$ 6,400	99,026	27,396	-	132,822	138,000
Matanuska-Susitna Borough	322,000	20,000	-	-	342,000	322,000
Library fines	18,284	-	-	-	18,284	10,244
Investment income	463	450	62	2,298	3,273	6,856
Other	2,190	20,796	-	-	22,986	12,301
<b>Total revenues</b>	<b>349,337</b>	<b>140,272</b>	<b>27,458</b>	<b>2,298</b>	<b>519,365</b>	<b>489,401</b>
<b>Expenditures:</b>						
Salaries	348,295	96,255	-	-	444,550	366,811
Employee benefits	93,145	31,114	-	-	124,259	113,084
Professional and technical services	43,488	-	-	-	43,488	42,661
Property services	14,272	600	-	-	14,872	18,903
Other purchased services	24,733	8,496	-	-	33,229	37,589
Supplies	60,422	4,878	16,244	-	81,544	83,448
Capital expenditures	-	-	12,151	-	12,151	26,117
<b>Total expenditures</b>	<b>584,355</b>	<b>141,343</b>	<b>28,395</b>	<b>-</b>	<b>754,093</b>	<b>688,613</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(235,018)</b>	<b>(1,071)</b>	<b>(937)</b>	<b>2,298</b>	<b>(234,728)</b>	<b>(199,212)</b>
<b>Other financing sources (uses):</b>						
Operating transfers from General Fund	234,129	-	-	978,053	1,212,182	166,159
Operating transfers to other funds	-	-	-	(93,090)	(93,090)	-
<b>Net other financing sources (uses)</b>	<b>234,129</b>	<b>-</b>	<b>-</b>	<b>884,963</b>	<b>1,119,092</b>	<b>166,159</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	<b>(889)</b>	<b>(1,071)</b>	<b>(937)</b>	<b>887,261</b>	<b>884,364</b>	<b>(33,053)</b>
<b>Beginning fund balances</b>	<b>889</b>	<b>24,896</b>	<b>1,810</b>	<b>-</b>	<b>27,595</b>	<b>60,648</b>
<b>Residual equity transfers to Enterprise Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>-</b>
<b>Ending fund balances</b>	<b>\$ -</b>	<b>23,825</b>	<b>873</b>	<b>812,261</b>	<b>836,959</b>	<b>27,595</b>

## CITY OF WASILLA, ALASKA

## Library Special Revenue Fund

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

Year Ended June 30, 2002

(With Comparative Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental	\$ 6,400	6,400	-	6,300
Matanuska-Susitna Borough	322,000	322,000	-	322,000
Library fines	16,300	18,284	1,984	10,244
Investment income	3,400	463	(2,937)	4,565
Other	2,100	2,190	90	2,696
Total revenues	<u>350,200</u>	<u>349,337</u>	<u>(863)</u>	<u>345,805</u>
<b>Expenditures:</b>				
Salaries	347,840	348,295	(455)	271,850
Employee benefits	93,554	93,145	409	82,699
Professional and technical services	43,116	43,488	(372)	41,061
Property services	21,298	14,272	7,026	18,303
Other purchased services	25,951	24,733	1,218	25,356
Supplies	69,954	60,422	9,532	71,071
Capital expenditures	-	-	-	1,624
Total expenditures	<u>601,713</u>	<u>584,355</u>	<u>17,358</u>	<u>511,964</u>
Excess of revenues over (under) expenditures	(251,513)	(235,018)	16,495	(166,159)
<b>Other financing sources -</b>				
operating transfers from General Fund	<u>251,513</u>	<u>234,129</u>	<u>(17,384)</u>	<u>166,159</u>
Excess of revenues and other financing sources over (under) expenditures	-	(889)	(889)	-
Beginning fund balance	<u>889</u>	<u>889</u>	<u>-</u>	<u>889</u>
Ending fund balance	\$ <u>889</u>	<u>-</u>	<u>(889)</u>	<u>889</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, 2002**  
**(With Comparative Amounts for 2001)**

	<u>2002</u>		Variance Favorable (Unfavorable)	<u>2001</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental	\$ 100,381	99,026	(1,355)	120,322
Matanuska-Susitna Borough	20,000	20,000	-	-
Investment income	438	450	12	1,818
Other	20,820	20,796	(24)	9,605
<b>Total revenues</b>	<u>141,639</u>	<u>140,272</u>	<u>(1,367)</u>	<u>131,745</u>
<b>Expenditures:</b>				
Salaries	101,699	96,255	5,444	94,961
Employee benefits	32,382	31,114	1,268	30,385
Professional and technical services	-	-	-	1,600
Property services	800	600	200	600
Other purchased services	14,610	8,496	6,114	12,233
Supplies	16,875	4,878	11,997	7,368
Capital expenditures	-	-	-	7,502
<b>Total expenditures</b>	<u>166,366</u>	<u>141,343</u>	<u>25,023</u>	<u>154,649</u>
<b>Excess of revenues over (under) expenditures</b>	(24,727)	(1,071)	23,656	(22,904)
Beginning fund balance	<u>24,896</u>	<u>24,896</u>	<u>-</u>	<u>47,800</u>
Ending fund balance	<u>\$ 169</u>	<u>23,825</u>	<u>23,656</u>	<u>24,896</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, 2002**  
**(With Comparative Amounts for 2001)**

	2002		Variance Favorable (Unfavorable)	2001
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental	\$ 27,401	27,396	(5)	11,378
Investment income	500	62	(438)	473
Total revenues	27,901	27,458	(443)	11,851
<b>Expenditures:</b>				
Supplies	-	16,244	(16,244)	5,009
Capital expenditures	29,211	12,151	17,060	16,991
Total expenditures	29,211	28,395	816	22,000
Excess of revenues over (under) expenditures	(1,310)	(937)	373	(10,149)
Beginning fund balance	1,810	1,810	-	11,959
Ending fund balance	\$ 500	873	373	1,810

**CITY OF WASILLA, ALASKA**  
**Capital Reserve Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues - investment income	\$ <u>-</u>	<u>2,298</u>	<u>2,298</u>
Other financing sources (uses):			
Operating transfers from General Fund	978,053	978,053	-
Operating transfers to other funds	<u>(93,090)</u>	<u>(93,090)</u>	<u>-</u>
Net other financing sources (uses)	<u>884,963</u>	<u>884,963</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other uses	884,963	887,261	2,298
Beginning fund balance	-	-	-
Residual equity transfers to Enterprise Funds	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Ending fund balance	\$ <u><u>809,963</u></u>	<u><u>812,261</u></u>	<u><u>2,298</u></u>

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## DEBT SERVICE FUNDS

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

**CITY OF WASILLA, ALASKA**  
 Debt Service Funds  
 Combining Balance Sheet  
 June 30, 2002  
 (With Comparative Totals for 2001)

Assets	1982	1986	1987	1988	Totals	
	Original Water Bond	Southside Water District Bond	Sewer Improvement District Bond	Overlook Sewer Improvement Bond	2002	2001
Cash and investments	\$ 111,668	62,000	150,518	34,453	158,693	1,103,373
Receivables - special assessments, net	<u>157,945</u>	<u>61,410</u>	<u>101,841</u>	-	-	<u>1,079,682</u>
Total assets	\$ <u>269,613</u>	<u>123,410</u>	<u>252,359</u>	<u>34,453</u>	<u>158,693</u>	<u>2,183,055</u>

Liabilities and Fund Balances

Liabilities:						
Due to General Fund	-	-	-	-	60,440	-
Advances from General Fund	-	-	-	-	52,439	112,879
Deferred revenue	<u>157,945</u>	<u>61,410</u>	<u>101,841</u>	-	-	<u>1,079,682</u>
Total liabilities	<u>157,945</u>	<u>61,410</u>	<u>101,841</u>	-	<u>112,879</u>	<u>1,192,561</u>
Fund balances:						
Reserved for debt service	-	62,000	150,518	-	-	622,916
Unreserved and undesignated	<u>111,668</u>	-	-	34,453	45,814	<u>367,578</u>
Total fund balances	<u>111,668</u>	<u>62,000</u>	<u>150,518</u>	<u>34,453</u>	<u>45,814</u>	<u>990,494</u>
Total liabilities and fund balances	\$ <u>269,613</u>	<u>123,410</u>	<u>252,359</u>	<u>34,453</u>	<u>158,693</u>	<u>2,183,055</u>

**CITY OF WASILLA, ALASKA**

**Debt Service Funds**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended June 30, 2002  
(With Comparative Totals for 2001)

	1982 Original Water Bond	1986		1987		1988		Totals	
		Southside Water District Bond	Water District Bond	Sewer Improvement District Bond	Gas Assessments	Overlook Sewer Improvement Bond	Bond Guarantee	2002	2001
Revenues:									
Special assessments	\$ 24,028	24,282	28,442	232,482	-	-	309,234	275,491	
Investment income	3,232	645	1,558	4,522	1,458	312	6,125	39,469	
Free main allowances	-	-	-	-	307	-	-	307	54,538
Total revenues	<u>27,260</u>	<u>24,927</u>	<u>30,000</u>	<u>237,004</u>	<u>1,765</u>	<u>312</u>	<u>6,125</u>	<u>327,393</u>	<u>369,498</u>
Expenditures - debt service:									
Principal	-	3,954	3,400	266,437	-	-	-	273,791	167,142
Interest	-	8,336	7,430	56,488	-	-	-	72,254	72,845
Gas LID refunds	-	-	-	-	152,789	-	-	152,789	64,768
Total expenditures	<u>-</u>	<u>12,290</u>	<u>10,830</u>	<u>322,925</u>	<u>152,789</u>	<u>-</u>	<u>-</u>	<u>498,834</u>	<u>304,755</u>
Excess of revenues over (under) expenditures	27,260	12,637	19,170	(85,921)	(151,024)	312	6,125	(171,441)	64,743
Other uses - operating transfers to other funds	<u>(17,776)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,776)</u>	<u>(17,040)</u>
Excess of revenues over (under) expenditures and other uses	9,484	12,637	19,170	(85,921)	(151,024)	312	6,125	(189,217)	47,703
Beginning fund balances	102,184	49,363	131,348	442,205	191,564	34,141	39,689	990,494	989,228
Residual equity transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,437)</u>
Ending fund balances	\$ <u>111,668</u>	<u>62,000</u>	<u>150,518</u>	<u>356,284</u>	<u>40,540</u>	<u>34,453</u>	<u>45,814</u>	<u>801,277</u>	<u>990,494</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, 2002  
 (With Comparative Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Special assessments	\$ 19,286	24,028	4,742	36,933
Investment income	<u>3,700</u>	<u>3,232</u>	<u>(468)</u>	<u>2,451</u>
Total revenues	<u>22,986</u>	<u>27,260</u>	<u>4,274</u>	<u>39,384</u>
Other uses - operating transfers to:				
Water Enterprise Fund	(8,888)	(8,888)	-	(8,520)
Miscellaneous Projects and Road and Street Improvements Capital Project Fund	<u>(8,888)</u>	<u>(8,888)</u>	<u>-</u>	<u>(8,520)</u>
Total other uses	<u>(17,776)</u>	<u>(17,776)</u>	<u>-</u>	<u>(17,040)</u>
Excess of revenues over other uses	5,210	9,484	4,274	22,344
Beginning fund balance	<u>102,184</u>	<u>102,184</u>	<u>-</u>	<u>79,840</u>
Ending fund balance	<u>\$ 107,394</u>	<u>111,668</u>	<u>4,274</u>	<u>102,184</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, 2002  
 (With Comparative Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Special assessments	\$ 10,185	24,282	14,097	22,302
Investment income	<u>1,650</u>	<u>645</u>	<u>(1,005)</u>	<u>1,504</u>
Total revenues	<u>11,835</u>	<u>24,927</u>	<u>13,092</u>	<u>23,806</u>
Expenditures - debt service:				
Principal	3,954	3,954	-	3,954
Interest	<u>8,335</u>	<u>8,336</u>	<u>(1)</u>	<u>8,578</u>
Total expenditures	<u>12,289</u>	<u>12,290</u>	<u>(1)</u>	<u>12,532</u>
Excess of revenues over (under) expenditures	(454)	12,637	13,091	11,274
Beginning fund balance	<u>49,363</u>	<u>49,363</u>	-	<u>38,089</u>
Ending fund balance	\$ <u>48,909</u>	<u>62,000</u>	<u>13,091</u>	<u>49,363</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, 2002**  
**(With Comparative Amounts for 2001)**

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
<b>Revenues:</b>				
Special assessments	\$ 28,502	28,442	(60)	16,268
Investment income	<u>4,000</u>	<u>1,558</u>	<u>(2,442)</u>	<u>4,258</u>
Total revenues	<u>32,502</u>	<u>30,000</u>	<u>(2,502)</u>	<u>20,526</u>
<b>Expenditures - debt service:</b>				
1987 Sewer bond:				
Principal	3,400	3,400	-	3,400
Interest	7,429	7,430	(1)	7,651
2001 Broadview sewer bond:				
Principal	9,036	-	9,036	-
Interest	<u>5,421</u>	<u>-</u>	<u>5,421</u>	<u>-</u>
Total expenditures	<u>25,286</u>	<u>10,830</u>	<u>14,456</u>	<u>11,051</u>
Excess of revenues over expenditures	7,216	19,170	11,954	9,475
Beginning fund balance	<u>131,348</u>	<u>131,348</u>	<u>-</u>	<u>121,873</u>
Ending fund balance	\$ <u>138,564</u>	<u>150,518</u>	<u>11,954</u>	<u>131,348</u>

**CITY OF WASILLA, ALASKA**  
Paving Bonds Debt Service Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2002  
(With Comparative Amounts for 2001)

	2002			2001 <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Special assessments	\$ 144,421	232,482	88,061	190,640
Investment income	<u>16,000</u>	<u>4,522</u>	<u>(11,478)</u>	<u>17,968</u>
Total revenues	<u>160,421</u>	<u>237,004</u>	<u>76,583</u>	<u>208,608</u>
Expenditures - debt service:				
Principal	151,243	266,437	(115,194)	159,788
Interest	<u>55,956</u>	<u>56,488</u>	<u>(532)</u>	<u>56,616</u>
Total expenditures	<u>207,199</u>	<u>322,925</u>	<u>(115,726)</u>	<u>216,404</u>
Excess of revenues over (under) expenditures	(46,778)	(85,921)	(39,143)	(7,796)
Beginning fund balance	442,205	442,205	-	496,438
Residual equity transfer to Miscellaneous Projects and Road and Street Improvements Capital Project Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,437)</u>
Ending fund balance	\$ <u>395,427</u>	<u>356,284</u>	<u>(39,143)</u>	<u>442,205</u>

**CITY OF WASILLA, ALASKA**  
**Gas Assessments Debt Service Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2002**  
**(With Comparative Amounts for 2001)**

	2002			2001 <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Investment income	\$ 6,000	1,458	(4,542)	6,692
Free main allowances	-	<u>307</u>	<u>307</u>	<u>54,538</u>
Total revenues	6,000	1,765	(4,235)	61,230
Expenditures - Gas LID refunds	<u>40,162</u>	<u>152,789</u>	<u>(112,627)</u>	<u>64,768</u>
Excess of revenues over (under) expenditures	(34,162)	(151,024)	(116,862)	(3,538)
Beginning fund balance	<u>191,564</u>	<u>191,564</u>	<u>-</u>	<u>195,102</u>
Ending fund balance	\$ <u>157,402</u>	<u>40,540</u>	<u>(116,862)</u>	<u>191,564</u>

**CITY OF WASILLA, ALASKA**  
 1988 Overlook Sewer Improvement Bond Debt Service Fund  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2002  
 (With Comparative Amounts for 2001)

	<u>2002</u>		Variance Favorable (Unfavorable)	2001 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Special assessments	\$ 1,000	-	(1,000)	9,348
Investment income	<u>700</u>	<u>312</u>	<u>(388)</u>	<u>890</u>
Total revenues	1,700	312	(1,388)	10,238
Beginning fund balance	<u>34,141</u>	<u>34,141</u>	<u>-</u>	<u>23,903</u>
Ending fund balance	\$ <u><u>35,841</u></u>	<u><u>34,453</u></u>	<u><u>(1,388)</u></u>	<u><u>34,141</u></u>

**CITY OF WASILLA, ALASKA**  
**Bond Guarantee Debt Service Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2002**  
**(With Comparative Amounts for 2001)**

	2002		Variance	
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	2001 <u>Actual</u>
Revenues - investment income	\$ 6,000	6,125	125	5,706
Beginning fund balance	<u>39,689</u>	<u>39,689</u>	-	<u>33,983</u>
Ending fund balance	\$ <u>45,689</u>	<u>45,814</u>	<u>125</u>	<u>39,689</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, 2002

(With Comparative Totals for 2001)

<u>Assets</u>	Miscellaneous Projects and Road and Street	Vehicle	Right- of-Way	Honor	Totals	
	<u>Improvements</u>	<u>Replacement</u>	<u>Acquisition</u>	<u>Garden</u>	<u>2002</u>	<u>2001</u>
Cash and investments	\$ 938,782	301,462	38,130	79,991	1,358,365	2,225,662
Receivables:						
Grants	113,135	-	-	-	113,135	101,424
Accrued interest	-	-	-	-	-	32,566
Other	-	-	-	-	-	3,500
Restricted cash	<u>14,844,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,844,160</u>	<u>-</u>
 Total assets	 \$ <u>15,896,077</u>	 <u>301,462</u>	 <u>38,130</u>	 <u>79,991</u>	 <u>16,315,660</u>	 <u>2,363,152</u>
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	107,461	-	-	91	107,552	124,530
Accrued payroll and employee benefits	2,789	-	-	-	2,789	8,036
Deferred revenue	11,954	-	-	-	11,954	13,600
Due to General Fund	-	-	-	-	-	37,000
Total liabilities	<u>122,204</u>	<u>-</u>	<u>-</u>	<u>91</u>	<u>122,295</u>	<u>183,166</u>
Fund balances:						
Reserved for encumbrances	527,082	-	-	37,893	564,975	708,603
Unreserved - designated for capital improvements	<u>15,246,791</u>	<u>301,462</u>	<u>38,130</u>	<u>42,007</u>	<u>15,628,390</u>	<u>1,471,383</u>
Total fund balances	<u>15,773,873</u>	<u>301,462</u>	<u>38,130</u>	<u>79,900</u>	<u>16,193,365</u>	<u>2,179,986</u>
 Total liabilities and fund balances	 \$ <u>15,896,077</u>	 <u>301,462</u>	 <u>38,130</u>	 <u>79,991</u>	 <u>16,315,660</u>	 <u>2,363,152</u>



**CITY OF WASILLA, ALASKA**  
**Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Year Ended June 30, 2002**  
**(With Comparative Totals for 2001)**

	Miscellaneous Projects and Road and Street				Totals	
	<u>Improvements</u>	<u>Vehicle Replacement</u>	<u>Right- of-Way Acquisition</u>	<u>Honor Garden</u>	<u>2002</u>	<u>2001</u>
<b>Revenues:</b>						
Intergovernmental	\$ 306,425	-	-	-	306,425	239,845
Matanuska-Susitna Borough	94,120	-	-	-	94,120	53,217
Investment income	56,237	8,526	338	1,144	66,245	167,228
Other	<u>6,247</u>	<u>-</u>	<u>-</u>	<u>48,340</u>	<u>54,587</u>	<u>207,002</u>
Total revenues	463,029	8,526	338	49,484	521,377	667,292
<b>Expenditures - capital outlay</b>	<u>1,965,059</u>	<u>208,799</u>	<u>-</u>	<u>14,081</u>	<u>2,187,939</u>	<u>3,543,124</u>
Excess of revenues over (under) expenditures	(1,502,030)	(200,273)	338	35,403	(1,666,562)	(2,875,832)
<b>Other financing sources (uses):</b>						
Bond proceeds	14,828,128	-	-	-	14,828,128	216,488
Operating transfers from other funds	671,813	138,000	5,000	38,700	853,513	739,532
Operating transfer to other funds	<u>(1,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,700)</u>	<u>(65,000)</u>
Net other financing sources (uses)	<u>15,498,241</u>	<u>138,000</u>	<u>5,000</u>	<u>38,700</u>	<u>15,679,941</u>	<u>891,020</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	13,996,211	(62,273)	5,338	74,103	14,013,379	(1,984,812)
Beginning fund balances	1,777,662	363,735	32,792	5,797	2,179,986	4,133,361
Residual equity transfers from other funds	-	-	-	-	-	46,437
Residual equity transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
Ending fund balances	\$ <u>15,773,873</u>	<u>301,462</u>	<u>38,130</u>	<u>79,900</u>	<u>16,193,365</u>	<u>2,179,986</u>

**CITY OF WASILLA, ALASKA**  
Miscellaneous Projects and Road and Street  
Improvement Capital Project Fund  
Schedule of Expenditures by Project  
Year Ended June 30, 2002

Expenditures:	
Old Knik landfill/ballfield	\$ 35,870
Computer upgrades	22,849
Paving projects:	
GVC/GLL	524,647
Prospect Hills/Wasilla Villa	425,249
Nelson Road	75,750
Paving LID engineering and support	35,314
Road upgrading	100,666
Transportation master plan	19,654
Land acquisition	87,307
Public safety building	28,924
Building modification	9,853
Sports multi-purpose complex	92,469
Recreational trails	22,667
Smith ballfield	28,666
Urban and community forestry project	11,246
Bumpus recreation area	65,174
Iditapark development	82,018
Storm water drainage	272,523
Other miscellaneous projects	<u>24,213</u>
 Total expenditures	 \$ <u>1,965,059</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, 2002  
 (With Comparative Totals for 2001)

Assets	Sewer Utility	Water Utility	Municipal Airport	Totals	
				2002	2001
Current assets:					
Cash and investments	\$ 732,640	1,045,092	65,858	1,843,590	2,390,928
Receivables:					
Accounts	61,146	54,581	4,151	119,878	124,934
Allowance for doubtful accounts	(2,378)	(3,965)	-	(6,343)	(5,831)
Grants	32,286	273,884	105,583	411,753	411,181
Accrued interest	-	-	-	-	11,381
Loans	81,660	141,708	-	223,368	-
Notes, current portion	6,600	-	-	6,600	25,411
Special assessments, current portion	8,471	-	-	8,471	8,471
Inventory	53,685	28,651	-	82,336	90,858
Total current assets	<u>974,110</u>	<u>1,539,951</u>	<u>175,592</u>	<u>2,689,653</u>	<u>3,057,333</u>
Restricted cash and investments	-	3,001,536	-	3,001,536	-
Notes receivable, net of current portion	12,424	-	-	12,424	19,803
Special assessments receivable, net of current portion	59,956	-	-	59,956	76,240
Property, plant and equipment:					
Land	657,810	149,170	1,470,000	2,276,980	2,276,980
Land improvements	-	-	5,330,984	5,330,984	5,330,984
Treatment system	7,859,928	-	-	7,859,928	4,475,624
Collection/distribution system	8,407,734	8,748,004	-	17,155,738	14,639,349
Water tank and fence	-	2,337,975	-	2,337,975	2,337,975
Wells/well house	-	363,405	-	363,405	271,276
Other plant in service	2,919,746	-	-	2,919,746	2,917,494
Equipment	2,078,864	109,111	213,954	2,401,929	2,324,964
Construction in progress	85,525	415,183	323,094	823,802	2,511,588
Total property, plant and equipment	<u>22,009,607</u>	<u>12,122,848</u>	<u>7,338,032</u>	<u>41,470,487</u>	<u>37,086,234</u>
Less accumulated depreciation	<u>(6,345,363)</u>	<u>(2,725,446)</u>	<u>(2,414,841)</u>	<u>(11,485,650)</u>	<u>(10,624,160)</u>
Net property, plant and equipment	<u>15,664,244</u>	<u>9,397,402</u>	<u>4,923,191</u>	<u>29,984,837</u>	<u>26,462,074</u>
Deferred charges, net of accumulated amortization	-	14,169	-	14,169	14,550
Total assets	\$ <u>16,710,734</u>	<u>13,953,058</u>	<u>5,098,783</u>	<u>35,762,575</u>	<u>29,630,000</u>
<b>Liabilities and Fund Equity</b>					
Liabilities:					
Current liabilities:					
Accounts payable	41,103	115,941	59,098	216,142	55,104
Revenue billed in advance	-	3,519	6,335	9,854	35,406
Accrued payroll and employee benefits	9,925	9,091	458	19,474	15,085
Accrued annual and sick leave	15,060	9,037	1,577	25,674	20,153
Customer deposits	40,426	29,680	-	70,106	39,481
Accrued interest	-	25,466	-	25,466	3,721
Current portion of long term debt	8,471	8,754	-	17,225	17,326
Total current liabilities	<u>114,985</u>	<u>201,488</u>	<u>67,468</u>	<u>383,941</u>	<u>186,276</u>
Long-term debt, net of current portion	330,026	3,841,769	-	4,171,795	222,966
Total liabilities	<u>445,011</u>	<u>4,043,257</u>	<u>67,468</u>	<u>4,555,736</u>	<u>409,242</u>
Fund equity:					
Contributed capital:					
Federal and state grants	18,085,910	6,274,107	7,262,091	31,622,108	29,780,089
Other	3,716,453	4,687,297	118,573	8,522,323	7,822,323
Total contributed capital	<u>21,802,363</u>	<u>10,961,404</u>	<u>7,380,664</u>	<u>40,144,431</u>	<u>37,602,412</u>
Less accumulated amortization	<u>(5,983,327)</u>	<u>(1,859,143)</u>	<u>(2,407,974)</u>	<u>(10,250,444)</u>	<u>(9,531,484)</u>
Net contributed capital	<u>15,819,036</u>	<u>9,102,261</u>	<u>4,972,690</u>	<u>29,893,987</u>	<u>28,070,928</u>
Retained earnings - unreserved	446,687	807,540	58,625	1,312,852	1,149,830
Total fund equity	<u>16,265,723</u>	<u>9,909,801</u>	<u>5,031,315</u>	<u>31,206,839</u>	<u>29,220,758</u>
Total liabilities and fund equity	\$ <u>16,710,734</u>	<u>13,953,058</u>	<u>5,098,783</u>	<u>35,762,575</u>	<u>29,630,000</u>

**CITY OF WASILLA, ALASKA**  
 Enterprise Funds  
 Combining Statement of Revenues, Expenses  
 and Changes in Retained Earnings  
 Year Ended June 30, 2002  
 (With Comparative Totals for 2001)

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				2002	2001
Operating revenues:					
Sales and user charges	\$ 520,677	417,152	-	937,829	830,309
Fees and rentals	-	-	31,802	31,802	27,665
Meters	-	9,659	-	9,659	11,775
Other	-	7,382	-	7,382	1,421
Total operating revenues	<u>520,677</u>	<u>434,193</u>	<u>31,802</u>	<u>986,672</u>	<u>871,170</u>
Operating expenses:					
Salaries	212,920	163,921	10,159	387,000	349,516
Employee benefits	70,159	50,020	2,498	122,677	116,477
Other purchased services	30,246	16,808	8,417	55,471	55,454
Professional and technical services	7,464	17,994	3,389	28,847	16,848
Supplies	123,146	80,445	6,900	210,491	111,370
Administration	28,189	26,257	-	54,446	42,535
Property services	23,438	42,914	31,353	97,705	109,116
Equipment	-	-	-	-	3,075
Bad debt expense	-	415	-	415	3,869
Other	144	-	-	144	-
Total operating expenses	<u>495,706</u>	<u>398,774</u>	<u>62,716</u>	<u>957,196</u>	<u>808,260</u>
Operating income (loss) before depreciation	24,971	35,419	(30,914)	29,476	62,910
Depreciation	<u>372,722</u>	<u>201,281</u>	<u>287,487</u>	<u>861,490</u>	<u>833,793</u>
Operating loss	(347,751)	(165,862)	(318,401)	(832,014)	(770,883)
Nonoperating revenues (expenses):					
Line extension fee	-	100,000	-	100,000	-
Payments in lieu of assessments	22,078	36,087	-	58,165	49,525
Sewer hook-up grants	-	-	-	-	(24,000)
Interest expense	(3,854)	(3,860)	-	(7,714)	(4,473)
Investment income	14,831	22,071	838	37,740	89,786
Other	3,947	1,440	-	5,387	4,320
Net nonoperating revenues (expenses)	<u>37,002</u>	<u>155,738</u>	<u>838</u>	<u>193,578</u>	<u>115,158</u>
Loss before operating transfers	(310,749)	(10,124)	(317,563)	(638,436)	(655,725)
Operating transfers:					
Operating transfers in	41,291	52,093	37,354	130,738	203,804
Operating transfers out	<u>(26,547)</u>	<u>(21,694)</u>	<u>-</u>	<u>(48,241)</u>	<u>(48,241)</u>
Net operating transfers	<u>14,744</u>	<u>30,399</u>	<u>37,354</u>	<u>82,497</u>	<u>155,563</u>
Net income (loss)	(296,005)	20,275	(280,209)	(555,939)	(500,162)
Amortization of contributed capital	<u>320,497</u>	<u>113,948</u>	<u>284,516</u>	<u>718,961</u>	<u>712,019</u>
Increase in retained earnings	24,492	134,223	4,307	163,022	211,857
Beginning retained earnings	<u>422,195</u>	<u>673,317</u>	<u>54,318</u>	<u>1,149,830</u>	<u>937,973</u>
Ending retained earnings	\$ <u>446,687</u>	<u>807,540</u>	<u>58,625</u>	<u>1,312,852</u>	<u>1,149,830</u>

## CITY OF WASILLA, ALASKA

Enterprise Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2002  
 (With Comparative Totals for 2001)

	Sewer Utility	Water Utility	Municipal Airport	Totals	
				2002	2001
Cash flows from operating activities:					
Operating loss	\$ (347,751)	(165,862)	(318,401)	(832,014)	(770,883)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	372,722	201,281	287,487	861,490	833,793
Amortization	-	381	-	381	381
Other nonoperating income	3,947	101,440	-	105,387	4,320
Increase (decrease) in allowance for doubtful accounts	98	414	-	512	(14,679)
(Increase) decrease in assets:					
Accounts receivable	(10,942)	(13,331)	29,329	5,056	(10,035)
Inventory	5,337	3,185	-	8,522	(8,986)
Increase (decrease) in liabilities:					
Accounts payable	15,756	95,455	49,827	161,038	(105,836)
Revenue billed in advance	(28,849)	1,804	1,493	(25,552)	2,324
Accrued payroll and employee benefits	762	3,534	93	4,389	1,243
Accrued annual and sick leave	3,025	1,965	531	5,521	(2,920)
Customer deposits	16,755	13,870	-	30,625	(1,854)
Net cash flows from operating activities	<u>30,860</u>	<u>244,136</u>	<u>50,359</u>	<u>325,355</u>	<u>(73,132)</u>
Cash flows from noncapital financing activities:					
Operating transfers in	41,291	52,093	37,354	130,738	203,804
Operating transfers out	(26,547)	(21,694)	-	(48,241)	(48,241)
Net cash flows from noncapital financing activities	<u>14,744</u>	<u>30,399</u>	<u>37,354</u>	<u>82,497</u>	<u>155,563</u>
Cash flows from capital and related financing activities:					
Principal and interest paid on long-term debt	(12,325)	(11,241)	-	(23,566)	(14,906)
Bond proceeds	-	-	-	-	84,711
Loan proceeds	180,597	3,559,993	-	3,740,590	-
Special assessments received	16,284	-	-	16,284	-
Receipt of payments in lieu of assessments	22,078	36,087	-	58,165	55,173
Acquisition and construction of capital assets	(2,005,459)	(2,068,531)	(287,895)	(4,361,885)	(1,959,787)
Residual equity transfers in as contributed capital	355,000	295,000	50,000	700,000	1,359,153
Residual equity transfers out of contributed capital	-	-	-	-	(588,858)
Other contributed capital received	818,446	864,788	158,213	1,841,447	1,151,789
Sewer hook-up grants	-	-	-	-	(24,000)
Net cash flows from capital and related financing activities	<u>(625,379)</u>	<u>2,676,096</u>	<u>(79,682)</u>	<u>1,971,035</u>	<u>63,275</u>
Cash flows from investing activities:					
Investment income received	14,831	33,452	838	49,121	93,402
Principal payments received on notes receivable	26,190	-	-	26,190	12,632
Net cash flows from investing activities	<u>41,021</u>	<u>33,452</u>	<u>838</u>	<u>75,311</u>	<u>106,034</u>
Net increase (decrease) in cash and investments	(538,754)	2,984,083	8,869	2,454,198	251,740
Cash and investments at beginning of year	<u>1,271,394</u>	<u>1,062,545</u>	<u>56,989</u>	<u>2,390,928</u>	<u>2,139,188</u>
Cash and investments at end of year	\$ <u>732,640</u>	<u>4,046,628</u>	<u>65,858</u>	<u>4,845,126</u>	<u>2,390,928</u>
Reconciliation of cash and investments to balance sheet:					
Cash and investments	732,640	1,045,092	65,858	1,843,590	
Restricted cash and investments	-	3,001,536	-	3,001,536	
\$	<u>732,640</u>	<u>4,046,628</u>	<u>65,858</u>	<u>4,845,126</u>	

## CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Balance Sheet

June 30, 2002

(With Comparative Amounts for 2001)

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Current assets:		
Cash and investments	\$ 732,640	1,271,394
Receivables:		
Accounts	61,146	50,204
Allowance for doubtful accounts	(2,378)	(2,280)
Grants	32,286	361,049
Loan	81,660	-
Notes, current portion	6,600	25,411
Special assessments, current portion	8,471	8,471
Inventory	<u>53,685</u>	<u>59,022</u>
Total current assets	<u>974,110</u>	<u>1,773,271</u>
Notes receivable, net of current portion	12,424	19,803
Special assessments receivable, net of current portion	<u>59,956</u>	<u>76,240</u>
Property, plant and equipment:		
Land	657,810	657,810
Treatment system	7,859,928	4,475,624
Collection system	8,407,734	7,987,894
Other plant in service	2,919,746	2,917,494
Equipment	2,078,864	2,026,778
Construction in progress	<u>85,525</u>	<u>1,938,548</u>
Total property, plant and equipment	22,009,607	20,004,148
Less accumulated depreciation	<u>(6,345,363)</u>	<u>(5,972,641)</u>
Net property, plant and equipment	<u>15,664,244</u>	<u>14,031,507</u>
Total assets	\$ <u>16,710,734</u>	<u>15,900,821</u>
<u>Liabilities and Fund Equity</u>		
Liabilities		
Current liabilities:		
Accounts payable	41,103	25,347
Revenue billed in advance	-	28,849
Accrued payroll and employee benefits	9,925	9,163
Accrued annual and sick leave	15,060	12,035
Customer deposits	40,426	23,671
Current portion of bonds payable	<u>8,471</u>	<u>8,471</u>
Total current liabilities	114,985	107,536
Bonds payable, net of current portion	67,769	76,240
Loan payable	<u>262,257</u>	<u>-</u>
Total liabilities	<u>445,011</u>	<u>183,776</u>
Fund equity:		
Contributed capital:		
Federal and state grants	18,085,910	17,596,227
Other	<u>3,716,453</u>	<u>3,361,453</u>
Total contributed capital	21,802,363	20,957,680
Less accumulated amortization	<u>(5,983,327)</u>	<u>(5,662,830)</u>
Net contributed capital	15,819,036	15,294,850
Retained earnings - unreserved	<u>446,687</u>	<u>422,195</u>
Total fund equity	<u>16,265,723</u>	<u>15,717,045</u>
Total liabilities and fund equity	\$ <u>16,710,734</u>	<u>15,900,821</u>

**CITY OF WASILLA, ALASKA**  
 Sewer Utility Enterprise Fund  
 Statement of Revenues, Expenses  
 and Changes in Retained Earnings  
 Year Ended June 30, 2002  
 (With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Operating revenues -user charges	\$ <u>520,677</u>	<u>444,603</u>
Operating expenses:		
Salaries	212,920	201,220
Employee benefits	70,159	66,988
Other purchased services	30,246	21,836
Professional and technical services	7,464	4,869
Supplies	123,146	64,087
Administration	28,189	24,458
Property services	23,438	71,587
Other	144	3,285
Total operating expenses	<u>495,706</u>	<u>458,330</u>
Operating income (loss) before depreciation	24,971	(13,727)
Depreciation	<u>372,722</u>	<u>348,663</u>
Operating loss	(347,751)	(362,390)
Nonoperating revenues (expenses):		
Payments in lieu of assessments	22,078	12,127
Sewer hook-up grants	-	(24,000)
Investment income	14,831	31,109
Interest expense	(3,854)	-
Other	3,947	-
Net nonoperating revenues (expenses)	<u>37,002</u>	<u>19,236</u>
Loss before operating transfers	(310,749)	(343,154)
Operating transfers:		
Operating transfers in	41,291	100,874
Operating transfers out	<u>(26,547)</u>	<u>(26,547)</u>
Net operating transfers	<u>14,744</u>	<u>74,327</u>
Net loss	(296,005)	(268,827)
Amortization of contributed capital	<u>320,497</u>	<u>316,766</u>
Increase in retained earnings	24,492	47,939
Beginning retained earnings	<u>422,195</u>	<u>374,256</u>
Ending retained earnings	\$ <u>446,687</u>	<u>422,195</u>



## CITY OF WASILLA, ALASKA

Sewer Utility Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2002

(With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Operating loss	\$ (347,751)	(362,390)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	372,722	348,663
Other nonoperating income	3,947	-
Increase (decrease) in allowance for doubtful accounts	98	(8,148)
(Increase) decrease in assets:		
Accounts receivable	(10,942)	12,698
Inventory	5,337	(427)
Increase (decrease) in liabilities:		
Accounts payable	15,756	(104,573)
Revenue billed in advance	(28,849)	-
Accrued payroll and employee benefits	762	2,785
Accrued annual and sick leave	3,025	1,274
Customer deposits	<u>16,755</u>	<u>(1,724)</u>
Net cash flows from operating activities	<u>30,860</u>	<u>(111,842)</u>
Cash flows from noncapital financing activities:		
Operating transfers in	41,291	100,874
Operating transfers out	<u>(26,547)</u>	<u>(26,547)</u>
Net cash flows from noncapital financing activities	<u>14,744</u>	<u>74,327</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long-term debt	(12,325)	-
Bond proceeds	-	84,711
Loan proceeds	180,597	-
Special assessments received	16,284	-
Receipt of payments in lieu of assessments	22,078	17,775
Acquisition and construction of capital assets	(2,005,459)	(1,429,314)
Residual equity transfers in as contributed capital	355,000	983,358
Other contributed capital received	818,446	911,936
Sewer hook-up grants	<u>-</u>	<u>(24,000)</u>
Net cash flows from capital and related financing activities	<u>(625,379)</u>	<u>544,466</u>
Cash flows from investing activities:		
Investment income received	14,831	36,005
Principal payments received on notes receivable	<u>26,190</u>	<u>12,632</u>
Net cash flows from investing activities	<u>41,021</u>	<u>48,637</u>
Net increase (decrease) in cash and investments	(538,754)	555,588
Cash and investments at beginning of year	<u>1,271,394</u>	<u>715,806</u>
Cash and investments at end of year	\$ <u>732,640</u>	<u>1,271,394</u>

**CITY OF WASILLA, ALASKA**  
Water Utility Enterprise Fund  
Balance Sheet  
June 30, 2002  
(With Comparative Amounts for 2001)

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Current assets:		
Cash and investments	\$ 1,045,092	1,062,545
Receivables:		
Accounts	54,581	41,250
Allowance for doubtful accounts	(3,965)	(3,551)
Grants	273,884	50,132
Accrued interest	-	11,381
Loan	141,708	-
Inventory	28,651	31,836
Total current assets	<u>1,539,951</u>	<u>1,193,593</u>
Restricted cash and investments	<u>3,001,536</u>	<u>-</u>
Property, plant and equipment:		
Land	149,170	149,170
Collection/distribution system	8,748,004	6,651,455
Water tank and fence	2,337,975	2,337,975
Wells/well house	363,405	271,276
Equipment	109,111	84,232
Construction in progress	415,183	537,841
Total property, plant and equipment	<u>12,122,848</u>	<u>10,031,949</u>
Less accumulated depreciation	<u>(2,725,446)</u>	<u>(2,524,165)</u>
Net property, plant and equipment	<u>9,397,402</u>	<u>7,507,784</u>
Deferred charges, net of accumulated amortization	<u>14,169</u>	<u>14,550</u>
Total assets	<u>\$ 13,953,058</u>	<u>8,715,927</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Current liabilities:		
Accounts payable	115,941	20,486
Revenue billed in advance	3,519	1,715
Accrued payroll and employee benefits	9,091	5,557
Accrued annual and sick leave	9,037	7,072
Customer deposits	29,680	15,810
Accrued interest	25,466	3,721
Current portion of loan payable	8,754	8,855
Total current liabilities	<u>201,488</u>	<u>63,216</u>
Loans payable, net of current portion	<u>3,841,769</u>	<u>146,726</u>
Total liabilities	<u>4,043,257</u>	<u>209,942</u>
Fund equity:		
Contributed capital:		
Federal and state grants	6,274,107	5,185,567
Other	4,687,297	4,392,297
Total contributed capital	<u>10,961,404</u>	<u>9,577,864</u>
Less accumulated amortization	<u>(1,859,143)</u>	<u>(1,745,196)</u>
Net contributed capital	<u>9,102,261</u>	<u>7,832,668</u>
Retained earnings - unreserved	<u>807,540</u>	<u>673,317</u>
Total fund equity	<u>9,909,801</u>	<u>8,505,985</u>
Total liabilities and fund equity	<u>\$ 13,953,058</u>	<u>8,715,927</u>

## CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund  
Statement of Revenues, Expenses  
and Changes in Retained Earnings  
Year Ended June 30, 2002  
(With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Metered sales	\$ 417,152	385,706
Meters	9,659	11,775
Other	<u>7,382</u>	<u>1,421</u>
Total operating revenues	<u>434,193</u>	<u>398,902</u>
Operating expenses:		
Salaries	163,921	138,960
Employee benefits	50,020	47,201
Other purchased services	16,808	13,199
Professional and technical services	17,994	9,034
Supplies	80,445	41,460
Administration	26,257	18,077
Property services	42,914	33,029
Equipment	-	976
Bad debt expense	<u>415</u>	<u>2,683</u>
Total operating expenses	<u>398,774</u>	<u>304,619</u>
Operating income before depreciation	35,419	94,283
Depreciation	<u>201,281</u>	<u>198,329</u>
Operating loss	(165,862)	(104,046)
Nonoperating revenues (expenses):		
Line extension fee	100,000	-
Payments in lieu of assessments	36,087	37,398
Interest expense	(3,860)	(4,473)
Investment income	22,071	57,174
Other	<u>1,440</u>	<u>4,320</u>
Net nonoperating revenues (expenses)	<u>155,738</u>	<u>94,419</u>
Loss before operating transfers	(10,124)	(9,627)
Operating transfers:		
Operating transfers in	52,093	61,523
Operating transfers out	<u>(21,694)</u>	<u>(21,694)</u>
Net operating transfers	<u>30,399</u>	<u>39,829</u>
Net income	20,275	30,202
Amortization of contributed capital	<u>113,948</u>	<u>110,651</u>
Increase in retained earnings	134,223	140,853
Beginning retained earnings	<u>673,317</u>	<u>532,464</u>
Ending retained earnings	\$ <u>807,540</u>	<u>673,317</u>

## CITY OF WASILLA, ALASKA

Water Utility Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2002  
(With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Operating loss	\$ (165,862)	(104,046)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	201,281	198,329
Amortization	381	381
Other non-operating income	101,440	4,320
Increase (decrease) in allowance for doubtful accounts	414	(6,531)
(Increase) decrease in assets:		
Accounts receivable	(13,331)	10,233
Inventory	3,185	(8,559)
Increase (decrease) in liabilities:		
Accounts payable	95,455	(10,033)
Revenue billed in advance	1,804	636
Accrued payroll and employee benefits	3,534	(1,291)
Accrued annual and sick leave	1,965	(3,804)
Customer deposits	13,870	(130)
Net cash flows from operating activities	<u>244,136</u>	<u>79,505</u>
Cash flows from noncapital financing activities:		
Operating transfers in	52,093	61,523
Operating transfers out	(21,694)	(21,694)
Net cash flows from noncapital financing activities	<u>30,399</u>	<u>39,829</u>
Cash flows from capital and related financing activities:		
Principal and interest paid on long term debt	(11,241)	(14,906)
Loan proceeds	3,559,993	-
Receipt of payments in lieu of assessments	36,087	37,398
Acquisition and construction of capital assets	(2,068,531)	(493,834)
Residual equity transfers in as contributed capital	295,000	347,670
Residual equity transfers out of contributed capital	-	(588,858)
Other contributed capital received	864,788	206,854
Net cash flows from capital and related financing activities	<u>2,676,096</u>	<u>(505,676)</u>
Cash flows from investing activities-		
investment income received	<u>33,452</u>	<u>55,894</u>
Net increase (decrease) in cash and investments	2,984,083	(330,448)
Cash and investments at beginning of year	<u>1,062,545</u>	<u>1,392,993</u>
Cash and investments at end of year	\$ <u>4,046,628</u>	<u>1,062,545</u>
Reconciliation of cash and investments to balance sheet:		
Cash and investments	1,045,092	1,062,545
Restricted cash and investments	<u>3,001,536</u>	-
	\$ <u>4,046,628</u>	<u>1,062,545</u>

## CITY OF WASILLA, ALASKA

Municipal Airport Enterprise Fund

Balance Sheet

June 30, 2002

(With Comparative Amounts for 2001)

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Current assets:		
Cash and investments	\$ 65,858	56,989
Accounts receivable	4,151	33,480
Grants receivable	105,583	-
Total current assets	<u>175,592</u>	<u>90,469</u>
Property, plant and equipment:		
Land	1,470,000	1,470,000
Land improvements	5,330,984	5,330,984
Equipment	213,954	213,954
Construction work in process	323,094	35,199
Total property, plant and equipment	7,338,032	7,050,137
Less accumulated depreciation	<u>(2,414,841)</u>	<u>(2,127,354)</u>
Net property, plant and equipment	<u>4,923,191</u>	<u>4,922,783</u>
Total assets	\$ <u>5,098,783</u>	<u>5,013,252</u>
<u>Liabilities and Fund Equity</u>		
Current liabilities:		
Accounts payable	59,098	9,271
Revenue billed in advance	6,335	4,842
Accrued payroll and employee benefits	458	365
Accrued annual and sick leave	1,577	1,046
Total current liabilities	<u>67,468</u>	<u>15,524</u>
Fund equity:		
Contributed capital:		
Federal and state grants	7,262,091	6,998,295
Other	118,573	68,573
Total contributed capital	7,380,664	7,066,868
Less accumulated amortization	<u>(2,407,974)</u>	<u>(2,123,458)</u>
Net contributed capital	4,972,690	4,943,410
Retained earnings - unreserved	58,625	54,318
Total fund equity	<u>5,031,315</u>	<u>4,997,728</u>
Total liabilities and fund equity	\$ <u>5,098,783</u>	<u>5,013,252</u>

**CITY OF WASILLA, ALASKA**  
Municipal Airport Enterprise Fund  
Statement of Revenues, Expenses  
and Changes in Retained Earnings  
Year Ended June 30, 2002  
(With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Operating revenues - fees and rentals	\$ <u>31,802</u>	<u>27,665</u>
Operating expenses:		
Salaries	10,159	9,336
Employee benefits	2,498	2,288
Other purchased services	8,417	20,419
Professional and technical services	3,389	2,945
Supplies	6,900	5,823
Property services	<u>31,353</u>	<u>4,500</u>
Total operating expenses	<u>62,716</u>	<u>45,311</u>
Operating loss before depreciation	(30,914)	(17,646)
Depreciation	<u>287,487</u>	<u>286,801</u>
Operating loss	(318,401)	(304,447)
Nonoperating revenues - investment income	<u>838</u>	<u>1,503</u>
Loss before operating transfers	(317,563)	(302,944)
Operating transfers in	<u>37,354</u>	<u>41,407</u>
Net loss	(280,209)	(261,537)
Amortization of contributed capital	<u>284,516</u>	<u>284,602</u>
Increase in retained earnings	4,307	23,065
Beginning retained earnings	<u>54,318</u>	<u>31,253</u>
Ending retained earnings	\$ <u>58,625</u>	<u>54,318</u>

**CITY OF WASILLA, ALASKA**Exhibit J-12

Municipal Airport Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2002  
(With Comparative Amounts for 2001)

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Operating loss	\$ (318,401)	(304,447)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	287,487	286,801
(Increase) decrease in accounts receivable	29,329	(32,966)
Increase (decrease) in liabilities:		
Accounts payable	49,827	8,770
Revenue billed in advance	1,493	1,688
Accrued payroll and employee benefits	93	(251)
Accrued annual and sick leave	<u>531</u>	<u>(390)</u>
Net cash flows from operating activities	<u>50,359</u>	<u>(40,795)</u>
 Cash flows from noncapital financing activities - operating transfers in	 <u>37,354</u>	 <u>41,407</u>
 Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(287,895)	(36,639)
Residual equity transfers in as contributed capital	50,000	28,125
Other contributed capital received	<u>158,213</u>	<u>32,999</u>
Net cash flows from capital and related financing activities	<u>(79,682)</u>	<u>24,485</u>
 Cash flows from investing activities - investment income received	 <u>838</u>	 <u>1,503</u>
 Net increase in cash and investments	 8,869	 26,600
 Cash and investments at beginning of year	 <u>56,989</u>	 <u>30,389</u>
 Cash and investments at end of year	 \$ <u>65,858</u>	 <u>56,989</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, 2002  
(With Comparative Amounts for 2001)

	<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and investments		\$ 117,780	109,591
Accrued interest receivable		<u>-</u>	<u>1,789</u>
Total assets		\$ <u>117,780</u>	<u>111,380</u>
 <u>Fund Balance</u>			
Fund balance - reserved for investment		\$ <u>117,780</u>	<u>111,380</u>

**CITY OF WASILLA, ALASKA**  
**Cemetery Nonexpendable Trust Fund**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Balance**  
**Year Ended June 30, 2002**  
**(With Comparative Amounts for 2001)**

	<u>2002</u>	<u>2001</u>
<b>Revenues:</b>		
Lot sales	\$ 6,400	9,275
Investment income	<u>1,542</u>	<u>4,499</u>
Total revenues	7,942	13,774
Operating transfers out	<u>(1,542)</u>	<u>(4,499)</u>
Net income	6,400	9,275
Beginning fund balance	<u>111,380</u>	<u>102,105</u>
Ending fund balance	\$ <u>117,780</u>	<u>111,380</u>

**CITY OF WASILLA, ALASKA**  
**Cemetery Nonexpendable Trust Fund**  
**Statement of Cash Flows**  
**Year Ended June 30, 2002**  
**(With Comparative Amounts for 2001)**

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Operating income	\$ 7,942	13,774
Adjustments to reconcile operating income to net cash flows from operating activities - investment income	<u>(1,542)</u>	<u>(4,499)</u>
Net cash flows from operating activities	<u>6,400</u>	<u>9,275</u>
Cash flows from noncapital financing activities - operating transfers out	<u>(1,542)</u>	<u>(4,499)</u>
Cash flows from investing activities - investment income received	<u>3,331</u>	<u>4,331</u>
Net increase in cash and investments	8,189	9,107
Cash and investments at beginning of year	<u>109,591</u>	<u>100,484</u>
Cash and investments at end of year	\$ <u>117,780</u>	<u>109,591</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is a self-balancing group of accounts used to account for the fixed assets of the City of Wasilla. These are tangible assets of significant value having a life which extends beyond one year other than those recorded in the Enterprise Funds.

**CITY OF WASILLA, ALASKA**  
 General Fixed Assets Account Group  
 Schedule of General Fixed Assets by Source  
 June 30, 2002  
 (With Comparative Amounts for 2001)

Exhibit L-1

	<u>2002</u>	<u>2001</u>
General fixed assets:		
Land	\$ 2,474,396	2,393,091
Buildings	3,829,727	3,784,680
Office furniture and equipment	587,062	480,887
Vehicles and equipment	1,320,747	1,314,072
Library collections	2,018,648	1,989,286
Construction in progress	<u>782,901</u>	<u>400,782</u>
Total general fixed assets	\$ <u>11,013,481</u>	<u>10,362,798</u>
Investment in general fixed assets:		
Prior years - unidentified sources	7,476,095	7,476,095
General funds	3,191,658	2,707,879
Grants from other governments	<u>345,728</u>	<u>178,824</u>
Total investment in general fixed assets	\$ <u>11,013,481</u>	<u>10,362,798</u>

**CITY OF WASILLA, ALASKA**

Exhibit L-2

General Fixed Assets Account Group

Schedule of General Fixed Assets by Function and Activity

June 30, 2002

	<u>Land</u>	<u>Buildings</u>	<u>Office Furniture and Equipment</u>	<u>Vehicles and Equipment</u>	<u>Library Collections</u>	<u>Total</u>
General government						
City Council	\$ -	-	30,475	-	-	30,475
Planning	-	-	5,861	26,301	-	32,162
Finance	-	-	291,218	-	-	291,218
Museum	90,650	97,986	-	-	-	188,636
Recreation services	783,068	304,812	-	55,781	-	1,143,661
Nondepartmental	<u>904,373</u>	<u>1,795,071</u>	<u>10,573</u>	<u>-</u>	<u>-</u>	<u>2,710,017</u>
Total general government	1,778,091	2,197,869	338,127	82,082	-	4,396,169
Police	600,000	691,640	112,607	742,715	-	2,146,962
Public works	81,305	234,293	115,057	495,950	-	926,605
Library	<u>15,000</u>	<u>705,925</u>	<u>21,271</u>	<u>-</u>	<u>2,018,648</u>	<u>2,760,844</u>
Total general fixed assets allocated to functions	\$ <u>2,474,396</u>	<u>3,829,727</u>	<u>587,062</u>	<u>1,320,747</u>	<u>2,018,648</u>	10,230,580
Construction in progress						<u>782,901</u>
						\$ <u>11,013,481</u>

**CITY OF WASILLA, ALASKA**

Exhibit L-3

**General Fixed Assets Account Group**

**Schedule of Changes in General Fixed Assets by Function and Activity  
Year Ended June 30, 2002**

	General Fixed Assets July 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	General Fixed Assets June 30, <u>2002</u>
General government				
City Council	\$ 30,475	-	-	30,475
Planning	32,162	-	-	32,162
Finance	287,205	17,607	13,594	291,218
Museum	188,636	-	-	188,636
Recreation services	1,169,963	-	26,302	1,143,661
Nondepartmental	<u>2,693,894</u>	<u>16,123</u>	<u>-</u>	<u>2,710,017</u>
Total general government	4,402,335	33,730	39,896	4,396,169
Police	2,105,309	98,254	56,601	2,146,962
Public works	722,890	238,529	34,814	926,605
Library	2,731,482	29,362	-	2,760,844
Construction in progress	<u>400,782</u>	<u>382,119</u>	<u>-</u>	<u>782,901</u>
 Total general fixed assets	 \$ <u>10,362,798</u>	 <u>781,994</u>	 <u>131,311</u>	 <u>11,013,481</u>



**CITY OF WASILLA, ALASKA**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2002

Name of Award	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	July 1, 2001 Receivable (Deferred)	Federal Share of Expenditures	Federal Receipts	June 30, 2002 Receivable (Deferred)
<b>DEPARTMENT OF TRANSPORTATION</b>							
Airport Master Plan Study Passed through the State of Alaska:	AIP3-02-0417-0701	20.106	\$ 421,875	32,999	263,796	191,212	105,583
Department of Natural Resources:							
Winter Recreation Staging	10795161	20.219	10,844	10,724	-	10,724	-
Trail Marker Install	10795220	20.219	30,000	-	21,180	11,028	10,152
Department of Transportation and Public Facilities:							
Bicycle/Pedestrian Safety	PS 00-04-03	20.600	750	-	750	-	750
Highway Safety Video	AL-01-02-04	20.600	6,850	6,075	-	6,075	-
Minor Consuming Diversion	ALQN020204	20.600	5,513	-	4,158	2,768	1,390
				<u>49,798</u>	<u>289,884</u>	<u>221,807</u>	<u>117,875</u>
<b>DEPARTMENT OF EDUCATION</b>							
Passed through the State of Alaska							
Department of Education and Early Development:							
Governor's Drug Prevention	DA 01.157.01	84.186	34,909	9,420	-	9,420	-
Governor's Drug Prevention	DA 02.057.01	84.186	30,000	-	30,000	26,050	3,950
				<u>9,420</u>	<u>30,000</u>	<u>35,470</u>	<u>3,950</u>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>							
Septage Facility Phase A & B Passed through the State of Alaska							
Department of Environmental Conservation:							
* Water Main Improvement Loan (82% federal)	905021	66.468	742,100	-	575,395	458,690	116,705
Sewer Main Improvement Loan (83% federal)	905031	66.458	483,333	-	218,547	150,497	68,050
				<u>174,849</u>	<u>793,942</u>	<u>784,036</u>	<u>184,755</u>
<b>DEPARTMENT OF JUSTICE</b>							
Local Law Enforcement Block Grant	1999LBVX7003	16.592	20,030	(2,828)	2,828	-	-
Local Law Enforcement Block Grant	2000LBXX0782	16.592	17,885	(10,496)	10,496	-	-
Local Law Enforcement Block Grant	2001LBXX2192	16.592	21,545	-	21,545	21,545	-
COPS Universal Hiring Grant	98UMWX1538	16.710	150,000	4,802	44,472	37,802	11,472
Asset Seizure and Forfeiture Program	N/A	16.xxx	27,396	-	27,396	27,396	-
Bulletproof Vest Program Year 2000	N/A	16.607	6,201	-	3,442	3,442	-
Passed through the State of Alaska:							
Department of Health and Social Services:							
Juvenile Justice FY01	06-1708	16.523	26,260	959	-	959	-
Juvenile Justice FY02	06-2738	16.523	30,000	-	30,000	28,500	1,500
Local Delinquency Prevention FY01	06-1724	16.523	40,000	8,443	-	8,443	-
Department of Public Safety:							
MJTFFA	00-023E	16.579	56,883	10,063	-	10,063	-
MJTFFA	01-023E	16.579	57,375	-	55,598	41,940	13,658
Multi-Jurisdictional SAM Investigator	01-006	16.579	114,262	-	21,042	7,314	13,728
Public Safety Equipment Technology	2001CKWX0008	16.710	63,879	-	11,295	-	11,295
				<u>10,943</u>	<u>228,114</u>	<u>187,404</u>	<u>51,653</u>
<b>DEPARTMENT OF AGRICULTURE</b>							
Wasilla Action Plan Passed through the State of Alaska	00DG11100000213	10.670	3,500	1,326	1,326	1,326	1,326
Department of Natural Resources - Urban and Community Forestry							
	N/A	10.664	15,000	(3,600)	11,246	9,000	(1,354)
				<u>(2,274)</u>	<u>12,572</u>	<u>10,326</u>	<u>(28)</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
Passed through the State of Alaska							
Department of Community and Economic Development-							
Lucille Street Water and Sewer	820747	14.228	200,000	-	200,000	200,000	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$</b>	<b>242,736</b>	<b>1,554,512</b>	<b>1,439,043</b>	<b>358,205</b>

\* Major Program

**CITY OF WASILLA, ALASKA**  
**Schedule of State Financial Assistance**  
**Year Ended June 30, 2002**

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>July 1, 2001 Receivable (Deferred)</u>	<u>State Share of Expenditures</u>	<u>State Receipts</u>	<u>June 30, 2002 Receivable (Deferred)</u>
<b>DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT</b>						
* Revenue Sharing	N/A	\$ 66,679	-	66,679	66,679	-
* Safe Communities	N/A	127,883	-	127,883	127,883	-
Nelson Avenue Pedestrian Upgrades	02-DC-41	53,000	-	-	10,600	(10,600)
Iditapark Site Improvements	01-MG-164	107,487	31,434	22,282	53,716	-
Old Knik Landfill/Smith Ball Fields Ground Water	4/99-002	50,000	(10,000)	35,870	25,365	505
* Public Facilities Improvements	02-MG-143	106,677	-	59,980	45,416	14,564
			<u>21,434</u>	<u>312,694</u>	<u>329,659</u>	<u>4,469</u>
<b>DEPARTMENT OF ENVIRONMENTAL CONSERVATION</b>						
Downtown Stormwater Intertie	90511	45,000	288	4,009	2,047	2,250
* Storm Water Pumping and Treatment Facility	90510	1,264,300	58,133	150,743	124,327	84,549
* Septage Facility	90513	430,000	182,506	199,071	381,577	-
* Sewer Lagoon Upgrade	90514	309,400	3,476	287,563	260,099	30,940
Wastewater Outfall Study and Preliminary Design	90515	45,000	219	3,050	1,922	1,347
Emergency Water Source/Wastewater Treatment	90509	300,000	40,000	18,130	52,849	5,281
* Parks Hwy West Water Main Extension	90512	862,800	10,132	600,351	459,773	150,710
* Water Main Improvement Program	90516	449,700	-	270,059	152,166	117,893
			<u>294,754</u>	<u>1,532,976</u>	<u>1,434,760</u>	<u>392,970</u>
<b>DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT</b>						
Public Library Assistance Grant	PLA-02-787-85	6,400	-	6,400	6,400	-
<b>DEPARTMENT OF REVENUE</b>						
Alcohol and Beverage Tax FY00	N/A	2,503	2,503	-	2,503	-
Alcohol and Beverage Tax FY01	N/A	20,700	6,600	-	6,600	-
Alcohol and Beverage Tax FY02	N/A	11,000	-	11,000	11,000	-
Electric and Telephone Co-op Tax FY01	N/A	186,189	186,189	-	186,189	-
* Electric and Telephone Co-op Tax FY02	N/A	157,749	-	157,749	-	157,749
Vehicle Taxes FY01	N/A	83,520	19,549	-	19,549	-
Vehicle Taxes FY02	N/A	83,520	-	83,520	83,520	-
Aviation Fuel Tax	N/A	3,767	-	3,767	1,781	1,986
			<u>214,841</u>	<u>256,036</u>	<u>311,142</u>	<u>159,735</u>
<b>DEPARTMENT OF NATURAL RESOURCES</b>						
Winter Trail Grooming	10790209	10,500	845	1,116	845	1,116
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Highway Safety - Seatbelt Enforcement	DTNH2200G09051	35,000	-	34,722	29,121	5,601
Marijuana Eradication 01-02	N/A	-	-	976	321	655
Marijuana Eradication 2000	N/A	5,239	2,832	-	2,832	-
			<u>2,832</u>	<u>35,698</u>	<u>32,274</u>	<u>6,256</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<b>\$</b>	<b><u>534,706</u></b>	<b><u>2,144,920</u></b>	<b><u>2,115,080</u></b>	<b><u>564,546</u></b>

\* Major Programs

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

FISCAL YEAR	(2) GENERAL GOVERN- MENT	(3) POLICE	PUBLIC WORKS	(4) (5) LIBRARY & YOUTH COURT	MUSEUM & RECREA- TION SERVICES	DEBT SERVICE	(6) CAPITAL OUTLAY	TOTAL
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
2000	1,425,757	1,632,413	754,122	669,743	480,528	642,999	4,840,525	10,446,087
2001	1,528,350	1,752,855	1,089,402	666,613	519,655	745,646	-	6,302,521
2002	1,583,586	1,950,183	1,093,759	725,698	458,926	939,157	-	6,751,309

- (1) Includes General, Special Revenue, Debt Service, and Capital Project Funds.  
(2) Includes Administration, City Council, General Administrative Services, Planning, Finance, Management Information Systems and Nondepartmental.  
(3) Police Department established in FY93.  
(4) Library is shown as a Special Revenue Fund as the expenditures are funded partly by the Matanuska-Susitna Borough.  
(5) Youth Court established in FY96.  
(6) Starting with Fiscal Year 2001, expenditures associated with Capital Outlays will not be included in total General Governmental Expenditures.

**CITY OF WASILLA, ALASKA  
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) (3)  
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>(2) TAXES</u>	<u>STATE SHARED REVENUES</u>	<u>OTHER GOVERN- MENTS</u>	<u>PENAL- TIES FINES AND FORFEI- TURES</u>	<u>INVEST- MENT INCOME</u>	<u>FEEES, PERMITS AND OTHER REVENUES</u>	<u>SPECIAL ASSESS- MENTS</u>	<u>OTHER</u>	<u>TOTAL</u>
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
2000	5,950,156	685,834	977,443	71,191	528,552	33,630	345,511	598,680	9,190,997
2001	6,405,685	394,769	597,992	84,621	355,627	31,305	275,491	161,648	8,307,138
2002	6,901,702	367,078	649,445	74,642	282,810	35,540	309,234	89,715	8,710,166

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) A 2% sales tax on retail sales and services was approved by the voters in October 1992, becoming effective January 1, 1993.
- (3) Starting with Fiscal Year 2001, revenue associated with Capital Outlays will not be included in General Governmental Revenues by Source.

**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>
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	371,302	99.56%	1,628	0.44%
2000	365,253	363,867	99.62%	1,386	0.38%
2001	341,867	342,320	100.13%	(453)	(0.13%)
2002	324,235	321,112	99.04%	3,123	0.96%

- (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>
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	455,322	4,656,270	5,111,592
1999	371,302	4,932,494	5,303,796
2000	363,867	5,509,279	5,873,146
2001	342,320	5,985,169	6,327,489
2002	321,112	6,497,070	6,818,182

- (1) A 2% sales tax on retail sales and services was approved by the voters in October 1992, becoming effective January 1, 1993.
- (2) Property taxes were capped at 2 mils effective for FY 94.
- (3) During FY95 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
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%
2000	322,482,900	-	304,377,400	342,576,700	88.85%
2001	361,413,900	-	341,866,700	360,629,100	94.80%
2002	381,258,900	-	360,261,400	377,912,600	95.33%

(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 FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>MAT-SU BOROUGH</u>	<u>WASILLA FIRE SERVICE AREA</u>	<u>CITY OF WASILLA</u>	<u>TOTAL</u>
1993	13.00	0.90	4.20	18.10
1994	15.78	0.90	2.00	18.68
1995	15.78	1.30	1.70	18.78
1996	13.75	1.30	1.70	16.75
1997	12.25	1.30	2.00	15.55
1998	11.50	1.30	1.50	14.30
1999	11.73	1.00	1.30	14.03
2000	12.50	1.00	1.20	14.70
2001	11.94	1.00	1.00	13.94
2002	13.13	1.00	0.90	15.03

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



**CITY OF WASILLA, ALASKA  
PRINCIPAL TAXPAYERS  
June 30, 2002**

<u>TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	<u>ASSESSED VALUE (1)</u>	<u>PERCENTAGE OF TOTAL VALUATION</u>
WILLMINGTON TRUST CO TRE	RETAIL	\$ 13,838,900	3.84%
COTTONWOOD CREEK MALL LLC	PROPERTY DEVELOPMENT AND RETAIL MALLS	11,521,500	3.20%
WASILLA LLC	PROPERTY DEVELOPMENT AND RETAIL MALLS	8,331,000	2.31%
WAL MART STORES INC.	RETAIL	8,167,800	2.27%
KARABLLNIKOFF/NEWCOMB TR	FAMILY TRUST	6,659,300	1.85%
PEDERSEN FLOYD/CREEKSIDE	PROPERTY DEVELOPMENT AND RETAIL MALLS	5,550,100	1.54%
SEAGULL ENERGY CORP.	NATURAL GAS TRANSMISSION LINES	4,707,900	1.31%
VALLEY HOSPITAL ASSOCIATION INC	MEDICAL CENTER	4,057,300	1.13%
NYE FRONTIER FORD (HAROLD NYE)	AUTOMOBILE DEALERSHIP	3,551,900	0.99%
SPENARD BUILDERS	RETAIL	2,488,900	0.69%

(1) The 2001 assessed values are exclusive of personal property.

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

<u>FISCAL YEAR</u>	(1) <u>SPECIAL ASSESSMENT COLLECTIONS</u>
1993	\$245,685
1994	355,433
1995	303,141
1996	407,258
1997	407,887
1998	332,234
1999	349,228
2000	345,511
2001	275,491
2002	309,234

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

**CITY OF WASILLA, ALASKA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
June 30, 2002

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 FIVE FISCAL YEARS (1)**

<u>FISCAL YEAR</u>	<u>Population (2)</u>	<u>ASSESSED VALUE (3)</u>	<u>BONDED LONG-TERM DEBT</u>	<u>DEBT SERVICE MONIES AVAILABLE</u>	<u>NET BONDED LONG-TERM DEBT</u>	<u>NET BONDED LONG-TERM DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
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
2000	5,469	304,377,400	5,330,000	-	5,330,000	1.75%	975
2001	5,568	341,866,700	5,155,000	-	5,155,000	1.51%	926
2002	5,817	360,261,400	19,670,000	-	19,670,000	5.46%	3,381

(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 FIVE FISCAL YEARS (1)**

FISCAL YEAR	PRINCIPAL	INTEREST (2)	TOTAL DEBT SERVICE	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (3)	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1998	\$ -	\$ -	\$ -	\$4,799,591	0.00%
1999	-	281,341	281,341	5,189,286	5.42%
2000	170,000.00	276,241	446,241	5,605,562	7.96%
2001	175,000.00	265,891	440,891	6,302,521	7.00%
2002	185,000.00	255,323	440,323	6,751,309	6.52%

- (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, 2002

<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	\$ 19,670,000	100.00%	\$ 19,670,000
OVERLAPING:			
MATANUSKA-SUSITNA BOROUGH	<u>112,143,955</u> (1)	11.67% (2)	<u>13,091,568</u>
TOTAL	<u>\$ 131,813,955</u>		<u>\$ 32,761,568</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>	<u>POPULATION</u>
1993	4,028
1994	4,124
1995	4,381
1996	4,635
1997	4,917
1998	5,134
1999	5,213
2000	5,469
2001	5,568
2002	5,817

(1) The number is based on adjusting the 2000 census number by the average population trend growth rate.

**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>
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)
2000	304,377,400	(a)	(a)
2001	341,866,700	(a)	(a)
2002	360,261,400	(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>
1992	47
1993	78
1994	104
1995	140
1996	130
1997	159
1998	144
1999	100
2000	110
2001	109

- (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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# MIKUNDA, COTTRELL & Co.

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

Honorable Mayor and City Council  
City of Wasilla, Alaska

We have audited the financial statements of City of Wasilla, as of and for the year ended June 30, 2002, and have issued our report thereon dated September 20, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

Honorable Mayor and City Council  
City of Wasilla, Alaska

This report is intended solely for the information of City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

September 20, 2002

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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, 2002. 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 auditing standards generally accepted in the United States of America; 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, 2002.

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 solely for the information of City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

September 20, 2002

**CITY OF WASILLA, ALASKA**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2002

**AUDIT COMPONENT**

**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  no

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

yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards:**

Internal control over major programs:

- Material weaknesses identified?

yes  no

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

yes  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  no

Major program:

Agency  
Department of Environmental  
Protection Agency Passed  
Through State of Alaska

CFDA Number

66.468

Program

Water Main Improvement Loan

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, 2002**

There were no prior year audit findings.



**CITY OF WASILLA, ALASKA**

**Corrective Action Plan**

**Year Ended June 30, 2002**

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, 2002, and have issued our report thereon dated September 20, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

Honorable Mayor and City Council  
City of Wasilla, Alaska

This report is intended solely for the information of City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

September 20, 2002

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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, 2002. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with laws, regulations, contracts and grants, general requirements, and specific requirements 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 auditing standards generally accepted in the United States of America; 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, 2002.

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 solely for the information of City of Wasilla's management, Honorable Mayor and City Council, and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

September 20, 2002

