CITY OF WASILLA

ALASKA

Federal and State of Alaska Single Audit Reports

And Supplementary Information

June 30, 2015

City of Wasilla, Alaska

Federal and State Single Audit Reports

Year Ended June 30, 2015

City of Wasilla, Alaska

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3601 C Street, Suite 600
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Wasilla, Alaska

Report on the Financial Statements

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla, Alaska (City of Wasilla) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Wasilla's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wasilla's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wasilla's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wasilla's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
December 15, 2015

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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Honorable Mayor and City Council
City of Wasilla, Alaska

Report on Compliance for Each Major Federal Program

We have audited City of Wasilla, Alaska's (City of Wasilla) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Wasilla's major federal programs for the year ended June 30, 2015. City of Wasilla's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wasilla's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Wasilla's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City of Wasilla complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Wasilla's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Wasilla's basic financial statements. We issued our report thereon dated December 15, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A- 133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
December 15, 2015

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Anchorage, AK 99503

Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and City Council
City of Wasilla, Alaska

Report on Compliance for Each Major State Program

We have audited the City of Wasilla, Alaska's (City of Wasilla) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City of Wasilla's major state programs for the year ended June 30, 2015. City of Wasilla's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wasilla's major state programs based on our audit of the types of compliance requirements referred to above. 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 the 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 on compliance for each major state program. However, our audit does not provide a legal determination of City of Wasilla's compliance.

Opinion on Each Major State Program

In our opinion, the City of Wasilla complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

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Report on Internal Control over Compliance

Management of the City of Wasilla is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Wasilla's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with *the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Wasilla's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasilla as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City of Wasilla's basic financial statements. We issued our report thereon dated December 15, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
December 15, 2015

City of Wasilla, Alaska

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grant Title	Grant Number	CFDA Number	Total Grant Award	Federal Share of Expenditures
U.S. Department of Justice				
COPS Hiring Program	2011UMWX0004	16.710	$ 315,384	$ 79,469
U.S. Department of Transportation				
Airport Master Plan & Lateral Precision with Vertical Guidance Survey	3-02-0417-015-2009	20.106	475,000	7,830
Security Equipment and Perimeter Fencing	3-02-0417-020-2014	20.106	598,432	519,855
Total CFDA 20.106				527,685
Passed through the State of Alaska Department of of Transportation and Public Facilities:				
ASTEP CIOT Overtime Enforcement	402PT-15-06-00E-11	20.600	10,634	7,044
ASTEP DUI Overtime Enforcement	164AL-15-01-00(A)-10	20.608	14,232	2,003
ASTEP DUI Overtime Enforcement	154AL-14-01-00(A)-10	20.607	10,253	9,359
Total U.S. Department of Transportation				546,091
Institute of Museums and Library Services				
Passed through the State of Alaska Department of Education and Early Development - Continuing Education	CED-15-787-01	45.310	1,000	1,000
Total Expenditures of Federal Awards				$ 626,560

See accompanying notes to the Schedule of Expenditures of Federal Awards.

City of Wasilla, Alaska

Schedule of State Financial Assistance
Year Ended June 30, 2015

State Grant Title	Grant Number	Total Grant Award	State Share of Expenditures
Department of Education and Early Development			
Public Library Assistance Grant	PLA-15-787-81	$ 6,650	$ 6,650
Department of Revenue			
State Liquor License	FY15	27,200	27,200
State Liquor License	FY14	27,500	600
Aviation Fuel Tax	FY15	1,033	1,033
* Electric & Telephone Coop Tax	FY15	221,051	221,051
Total Department of Revenue			249,884
Department of Military and Veteran's Affairs			
SECC Afterhours Answering Point	GF2015001	48,240	48,240
Department of Health and Social Services			
Youth Courts/Community Panels	609-239-1503	55,300	55,300
Department of Commerce, Community, and Economic Development			
* FY15 Community Revenue Sharing	FY15	494,246	494,246
Water Wells and Pumphouse	15-RR-015	898,680	17,272
* Downtown Water Station	12-RR-011	550,939	385,780
* Sewage Treatment Plant Improvements	14-DC-144	3,000,000	124,777
Sports Complex Emergency Generator & Kitchen	11-RR-021	19,974	4,200
Lake Lucille Improvements	11-DC-366	125,000	32,160
Lake Lucille Boardwalk and Dock	13-DC-137	100,000	10,163
Lake Lucille Park Upgrades	15-DC-154	100,000	23,009
Regional Transportation Planning	13-DC-208	150,000	35,414
New Wasilla Public Library	13-DC-243	175,000	180
* New Public Library	15-DC-156	1,700,000	1,700,000
Purchase of Weed Harvester	15-RR-016	174,823	29,020
* Extension of South Mack Drive	14-RR-017	2,394,135	523,600
* Gravel Road Paving	14-DC-143	1,500,000	1,083,666
Street and Road Improvements	12-RR-014	567,465	48,179
Youth Court Operations	15-RR-013	74,018	66,672
* Sexual Assault Response Team	15-DC-158	100,000	100,000
* Upgrades to Dispatch System	15-RR-014	883,370	482,058
* Police Station Dispatch Upgrades	15-DC-157	150,000	150,000
Airport Access Road	12-DC-433	3,100,000	27,370
Total Department of Commerce, Community, and Economic Development			5,337,766
Department of Transportation and Public Facilities			
Wasilla Police Work Plan	FY15	300,000	24,444
Airport Master Plan & LPV Survey	52580	12,500	206
Total Department of Transportation and Public Facilities			24,650

City of Wasilla, Alaska

Schedule of State Financial Assistance, continued
Year Ended June 30, 2015

State Grant Title	Grant Number	Total Grant Award	State Share of Expenditures
Department of Public Safety			
Alaska Police Standards Council Training	FY15	$ 5,455	$ 5,455
FY15 State Asset Forfeiture	FY15	25,417	12,930
Total Department of Public Safety			18,385
Department of Administration			
* PERS On-behalf	FY15	3,202,105	3,202,105
Total State Financial Assistance			$ 8,942,980

* Major program

See accompanying notes to the Schedule of State Financial Assistance.

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance (the "Schedules") include the federal and state grant activity of the City of Wasilla, Alaska under programs of the federal and state governments for the year ended June 30, 2015. The information in those Schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedules present only a selected portion of the operations of City of Wasilla, Alaska, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Wasilla, Alaska.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting.

Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. PERS On-behalf

The City has recorded $3,202,105 in PERS On-behalf payments in the Schedule of State Financial Assistance. This represents the PERS relief payments appropriated and transferred into the plan during FY2015.

In the governmental fund financial statements, on-behalf revenue and expenditures have been recognized commensurate with the proportional share of on-behalf payments in the year appropriated and transferred to the plan. However, in the full accrual financial statements, GASB 68 provisions prescribe that on-behalf pension contributions in a special funding situation may only be recognized during the measurement period in which the plan recognizes the contributions, effectively creating a one-year timing difference between the cash contribution and revenue and expense/expenditures recognition by the City.

As a result of these perspective and timing differences, amounts reported on the financial statements do not agree to the amount reported on the Schedule of State Financial Assistance.

City of Wasilla, Alaska

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___yes	_X_no
Significant deficiency(ies) identified?	___yes	_X_(none reported)
Noncompliance material to financial statements noted?	___yes	_X_no

Federal Financial Awards

Internal control over major federal programs:		
Material weakness(es) identified?	___yes	_X_no
Significant deficiency(ies) identified?	___yes	_X_(none reported)
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	___yes	_X_no

Identification of major federal programs:

CFDA Number	*Name of Federal Program or Cluster*	*Agency*
20.106	Airport Improvement Program	Department of Transportation

Dollar threshold used to distinguish between a type A and type B program:	$300,000	
Auditee qualified as low-risk auditee?	___yes	_X_no
Internal control over major state programs:		
Material weakness(es) identified?	___yes	_X_no
Significant deficiency(ies) identified?	___yes	_X_(none reported)

State Financial Assistance

Internal control over major state programs:		
Material weakness(es) identified?	___yes	_X_no
Significant deficiency(ies) identified?	___yes	_X_(none reported)
Type of auditor's report issued on compliance for major state programs:	Unmodified	
Dollar threshold used to distinguish a state major program	$ 75,000	

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in section .510(a) of the Circular) that are required to be reported.

Section IV – State Financial Assistance Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.

City of Wasilla, Alaska

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Federal Award Findings and Questioned Costs

There was no federal single audit in the prior year.

State Award Findings and Questioned Costs

There were no prior year audit findings.

CITY OF WASILLA

ALASKA

Comprehensive Annual Financial Report

For The Fiscal Year Ended

June 30, 2015

City of Wasilla, Alaska

Comprehensive Annual Financial Report
Year Ended June 30, 2015

Bert Cottle
Mayor

Prepared by
Finance Department

Troy Tankersley
Finance Director

City of Wasilla, Alaska

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City of Wasilla, Alaska

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City of Wasilla, Alaska

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City of Wasilla, Alaska

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CITY OF WASILLA

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Wasilla, Alaska 99654-7091
Phone (907) 373-9080 Fax (907) 373-9085

December 15, 2015

To the Members of the City Council and Citizens of the City of Wasilla:

State of Alaska statutes and local charter provisions require that all general purpose local governments publish a complete set of audited financial statements. This report is published to fulfill those requirements for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BDO LLP, a firm of licensed certified public accountants, has issued an unmodified (clean) opinion on the City of Wasilla's financial statements for the year ended June 30, 2015. The independent auditors report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City of Wasilla was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state awards. These reports are available in the City of Wasilla's separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Wasilla (the City) is located in the south central part of the state and is approximately 42 miles north of Anchorage. Two beautiful lakes canvas the city limits – Wasilla Lake and Lake Lucile. The lakes were once connected by water flow until construction of the Alaska Railroad line and road development effectively separated the watersheds. The City is a First Class city incorporated in 1974 under Title 29 of the Alaska State Statutes and City code establishes a June 30 fiscal year end. The City currently occupies a land area of approximately 13.60 square miles within the Matanuska-Susitna (Mat-Su) Borough. It serves the resident population of an estimated 8,275 in addition to the remaining 89,788 Mat-Su Borough residents, for a total of 98,063, who patronize the Wasilla businesses. The City is empowered to levy a property tax on both real and personal property located within its boundaries, however at this time the City levies no said tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate. The last annexation occurred in FY2014 which extended the City's western boundary; encompassing largely undeveloped, commercial-zoned property along the Parks Highway and a portion of Jacobson Lake. No additional annexations are in progress.

The City of Wasilla is operated under a strong mayoral system with six city council members. The mayor and council members are all elected at-large. The mayor is elected to serve a three year term and is responsible for appointing department directors and managing the day to day governmental activities. The council members are elected to serve three-year, staggered terms, and are responsible for approving ordinances, municipal contracts, budgets, and certain appointments.

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, museum, library, and cultural services. Funding for the City's operations is primarily supported by a 2% sales tax, charges for services, grants, state revenue sharing and other sources. Note that the current sales tax rate is 3% with 1% dedicated to a capital project discussed in the Long-Term Financial Planning and Major Initiatives section below.

The annual budget serves as the foundation for the City of Wasilla's financial planning and control. The council is required to hold public hearings on the proposed budget and a final budget must be approved by council on or before June 30th of each year. The budget is prepared by fund, function (e.g. public safety) and department (e.g. patrol). All transfers between funds, departments, and functions require council approval. The Mayor may transfer up to $10,000 per fiscal year between departments and functions without council approval.

Local Economy

The City of Wasilla is located in what continues to be one of the fastest growing regions of Alaska and serves as the retail center for the Matanuska-Susitna Borough. The City remains primarily a bedroom community of Anchorage due to a lack of large-scale, primary industry. The City offers an attractive lifestyle and a competitive housing market which is why an estimated 30% of its residents in the workforce commute to Anchorage and another 15% commute to the North Slope.

The service-oriented economy of the City continues to remain relatively stable but far from the growth during 2003 to 2009 when the City enjoyed an average of 7% increases in sales tax receipts year over year. For that same period the unemployment rate averaged 7.6%, approximately 2.3% higher than the national average. In 2009, the City's unemployment rate peaked to 9.4% in conjunction with the economic recession commencing throughout the country and remained relatively consistent or lesser than the national average until 2012. The current local unemployment rate is 8.3% with the national average at 5.1%.

The City continues to look toward growth in the service industries to maintain our position as the trade center of the Matanuska-Susitna Valley. In addition to the service industries, petroleum exploration and extraction continue to fuel our economy both directly and indirectly. South of the City, projects benefitting our economy include continued development of and new lessees for the Port MacKenzie which is America's northernmost deep draft dock; allowing heavy industrial and bulk materials to move through Alaska and beyond. The MacKenzie Rail Extension began construction in 2012 and includes construction of 32 miles of new rail line to Port MacKenzie. Approximately 60% of the required funding has been secured through state grants but an additional $120M is required to complete the project. Conditional upon receiving additional funding, the project completion is expected in late 2017. The new rail line will effectively connect the Port to Alaska's interior providing transportation options for large-scale industry. Just north of the City at Hatchers Pass, 7.5 km of designed trails and completion of a 4,000 square foot Chalet/Adventure Center has created a regional venue for Nordic skiing and tourism. Additionally, the Mat-Su Borough continues to fund unprecedented levels of road construction which supports the local economy today and land development in the future.

During the past ten years, the City has spent approximately $31M in state financial assistance primarily for capital improvement projects and some operating or non-specific purposes. The State of Alaska's budget is highly dependent on taxes generated from the production of oil. The significant decline in oil prices over the last year has created remarkable budgetary deficits curbing the State's ability to provide funding to local governments. The FY2016 legislative session provided nominal new grant awards to the City and re-appropriation requests of certain existing awards were declined.

Long-Term Financial Planning and Major Initiatives

The City of Wasilla's strategic development is guided by several tools. City council and management establish goals and objectives for the upcoming five years. These initiatives may include both capital projects and quality of life issues; and are revisited on an annual basis.

The City's Comprehensive Plan (the Plan) which was revised and adopted in FY2012 also provides a flexible, forward-thinking road map to address important community elements. The Plan focuses on matters of transportation, land use, development of its downtown, use of community assets and economic vitality; to channel our progress into the next decade. It also provides alignment and consistency with other adopted plans of the City; such as, the 'Downtown Area Plan' which was adopted by Wasilla City Council and Matanuska Susitna Borough Assembly in FY2014 and focuses specifically on the development and re-development of the historical downtown district. An overlay district of the core downtown is in progress which will require design guidelines and other conditions. Lastly, a regional transportation plan is also in progress to control congestion, safety and connectivity on the major corridors into the City.

Major initiatives impacting the community include revision of its Main Street to form a one-way couplet. Main Street is a state-owned road so the Alaska Department of Transportation (DOT) is ultimately responsible for the administration and funding of this project. The City plays a governing role to ensure the community needs are met and was awarded five million dollars ($5,000,000) in state legislative funding in FY2012 to assist in the acceleration and enhancement of this project – through right-of-way purchase, design work, etc. This project targets traffic flow but plays an almost equally critical role in defining the community's downtown by re-shaping the core area, providing sidewalks, on-street parking, beautification, lighting, and streetscape design opportunities. Three main issues addressed this year involve changes to the preliminary design work, relocation of the train stop, and ownership of road maintenance following construction. In FY2016, the City began using its grants funds to purchase land for relocation of the train stop and right-of-way for connector roads. DOT's design work continues and is estimated to be 30% complete at year end. Approximately $5.8M in federal and state match funding has been secured. The project entails a two-year construction period with completion now estimated in 2019.

The City continues its efforts toward construction of its new library. Its current library was built in 1978 and as the third busiest library in the state, no longer meets the needs of the community at large. A forward-funded approach to this project was approved by taxpayers in October 2013 whereby approving a ballot initiative to increase the City sales tax by one percent (1%). The tax increase became effective January 1, 2014 and is expected to sunset December 31, 2015 at which time the required $15M for construction would be reached through a combination of funding sources. At year end, $7,417,694 of fund balance has been restricted for new library construction. The library is expected to be completed July 2016.

In FY2013, the City completed the replacement of a wooden dam structure at the western outlet of Lake Lucile. Replacement ensured that the waterline would not drop to its pre-'60s level posing much concern for the property owners who had built docks and waterfront landscaping based on the modern shoreline. In the current year, the City purchased an aquatic weed harvester to improve the lake's water quality. Harvesting is expected to begin the summer of 2016. Installation of the steel dam and purchase of the aquatic harvester demonstrate the City's commitment to sustaining the property values and vitality of one of its core neighborhoods.

From FY2008 to FY2011, the City's health insurance costs increased approximately $579,000, a 56% overall increase or a 14% average annual increase over the four year period. Effective July 1, 2011, the City opted out of a traditional health insurance plan to a partially self-insured program that provides for aggregate and individual stop loss coverage and no significant changes to employee benefits. The insurance expense in FY2015 and FY2014 was approximately $2,221,000 and $2,461,000 respectively, or an approximate 9.7% decrease. Since inception of the self-insured plan, health insurance expense has increased 43.2% highlighting the City's continued struggle in managing these benefit costs.

Relevant Financial Policies

The City of Wasilla has a comprehensive set of financial policies of which two are particularly relevant during the current year.

One, it is the policy of the City to maintain the fund balances and net position of the various City operating funds at levels sufficient to maintain the City's creditworthiness, and to provide financial resources for unforeseeable emergencies. As such, the general fund and the enterprise funds' unrestricted net position (as defined by the policy) must not fall below the prescribed minimum or exceed the prescribed maximum. At the end of FY2015, the unrestricted net position of the general fund exceeded the calculated maximum by approximately $5,075,895, requiring an increase of $1,034,055 be committed for capital improvements. This amount was committed through legislation for capital projects and referenced as "capital improvements" in the governmental fund balance sheet as per policy.

The City provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The system consists of three defined benefit (DB) Tiers, and one defined contribution (DC) Tier. This City has no obligations in connection with employee benefits offered through these plans beyond its annual required payments to the plans. The City pays its annual required contribution rates timely. The annual contribution rates have been capped at 22% of covered payroll for both DB and DC plans based on legislative action committing the State of Alaska to cover costs exceeding 22%. The legislature's cap on local government contribution rates brings stability to Wasilla's retirement rates although it is important to note that a future State legislature can eliminate its contributions. The transition from a single-agent, multiple-employer plan, to a cost-sharing plan as of July 1, 2008, provided a single rate for all participating PERS employers, eliminating the previous methodology of assessing each employer its own rate. The City now shares in the pooled liability of the PERS plan. Governmental Accounting Standards Board (GASB) issued Statement No. 68 effective for fiscal years beginning after June 15, 2014 and requires the City to recognize its proportionate share of the cost sharing plan's net pension liability. The City's total portion of the liability at June 30, 2015 is $7,621,647. For additional detail, reference footnote 7 in the basic financial statements.

Awards and Acknowledgements

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, 2014. This was the nineteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The government also received the GFOA's Distinguished Budget Presentation Award for its biennial budget document for the period beginning July 1, 2014. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance department and Administration. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wasilla's finances.

Respectfully submitted,

Bert Cottle
Mayor

Troy Tankersley
Finance Director

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City of Wasilla, Alaska

City Officials
Year Ended June 30, 2015

Elected Officials

Mayor	Bert Cottle
City Council – Seat A	David Wilson
City Council – Seat B	Clark Buswell (Deputy Mayor)
City Council – Seat C	Stu Graham
City Council – Seat D	Colleen Sullivan-Leonard
City Council – Seat E	Gretchen O'Barr
City Council – Seat F	Brandon Wall

Appointed Officials

Staff

Public Works Director	Archie Giddings
City Clerk	Kristi Smithers
Finance Director	Troy Tankersley
Culture and Recreation Manager	Joan Klapperich
Police Chief	Gene Belden (Temporary)
Deputy Administrator	Lyn Carden

Planning Commission

Claudia Fonseca Farias Pinard	Loren Means III
Debra Barrett	Glenda Ledford (Chair)
Jessica Dean	

Parks and Recreation Commission

Mary Shampine	Joan Matthews (Co-chair)
Dave Tuttle (Chair)	Mary Kay (Randy) Robinson
Debbie Martin	

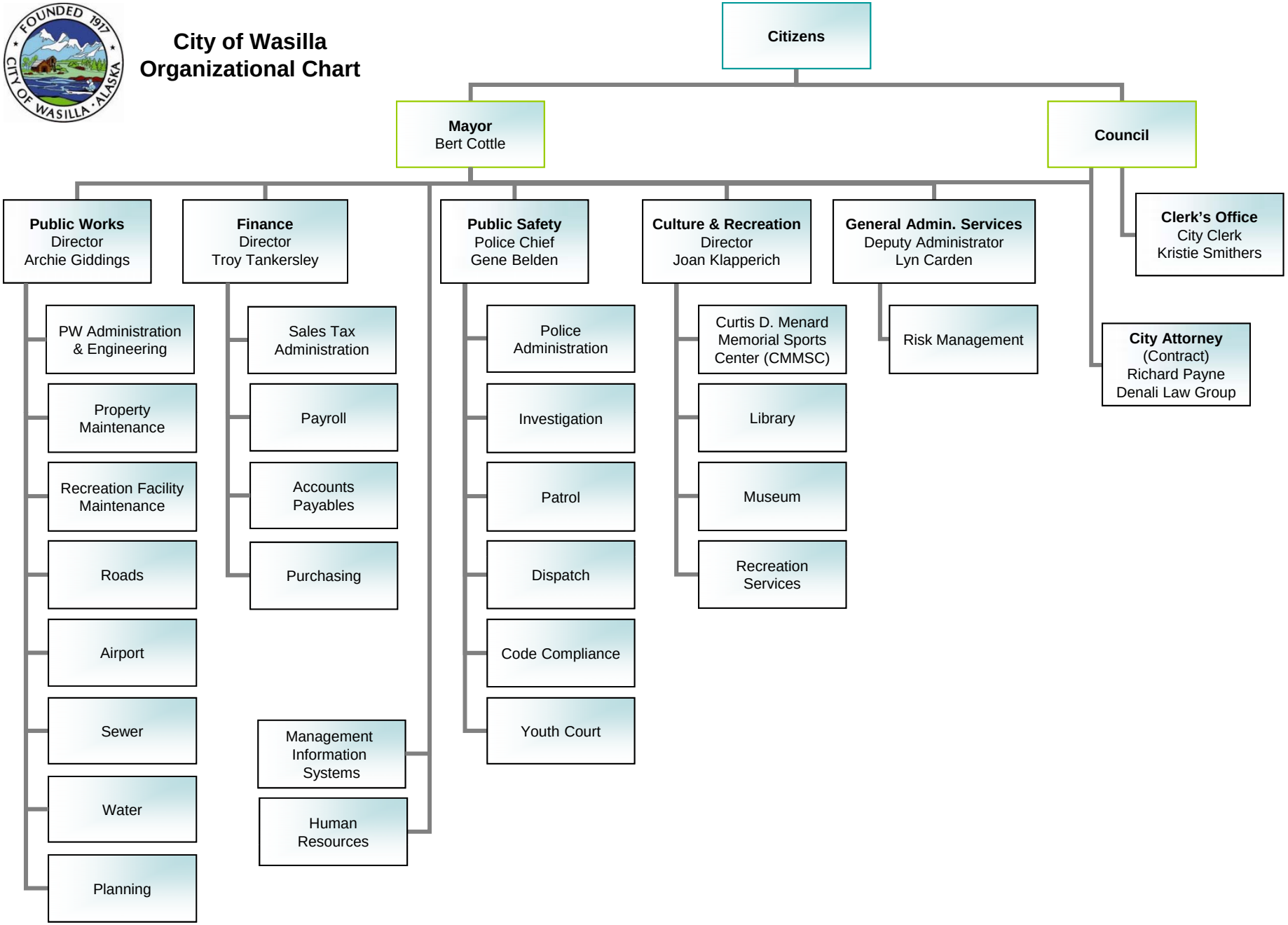
Airport Commission

Brian Roberts (Chair)	John Popecki (Vice Chair)
Littleton C. Billingsley, Jr.	Raymond J. Block
Andrea Larson	Cameron Sharick
Adam Paulick	Michael Lucas

Consultants

City Attorney	Landye Bennett Blumstein, LLP
City Auditors	BDO USA, LLP
Insurance Pool	Alaska Public Entity Joint Insurance Agency
Insurance Broker	Combs Insurance Agency, Inc.

City of Wasilla Organizational Chart



Government Finance Officers Association

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, 2014

Jeffrey R. Emer

Executive Director/CEO

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Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wasilla, Alaska (the City), as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wasilla, as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2015 City of Wasilla adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions.* Our opinion is not modified with the respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 15, the budgetary comparison information on page 59, and the Schedules of Net Pension Liability and Pension Contributions on pages 60 and 61, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ended June 30, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

City of Wasilla's basic financial statements for the year ended June 30, 2014 (not presented herein), were audited by other auditors whose report thereon dated November 7, 2014, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated November 7, 2014 stated that the individual fund financial statements and schedules for the year ended June 30, 2014 were subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, were fairly stated in all material respects in relation to the basic financial statements as whole for the year ended June 30, 2014.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wasilla's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
December 15, 2015

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Management's Discussion and Analysis

As management of the City of Wasilla, (the City) we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most current fiscal year by $132,094,712 (total net position). Of this amount, $18,631,457 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of business of the current fiscal year, the City's governmental funds reported combined ending fund balances of $25,704,415. Of this total, $8,366,493 is unassigned and available for spending at the government's discretion.
- The City's total outstanding debt decreased by $638,575 to a year-end balance of $3,517,721. The City's long-term debt information can be found on pages 43-45 of the notes to the basic financial statements.
- The City adopted provisions of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions.* In relation to the adoption of GASB 68, the City recorded a net pension liability of $7,621,647, deferred outflows related to pensions of $696,515, and deferred inflows related to pensions of $895,345. The City's retirement plan information can be found on pages 46-54 of the notes to the basic financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water, sewer, airport, and operation of the Curtis D. Menard Memorial Sports Center (sports center).

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Miscellaneous Capital Projects Fund, and the Road Capital Projects Fund, which are considered to be major funds. The other 7 governmental funds are combined and shown as nonmajor governmental funds on the governmental funds balance sheet and governmental statement of revenues, expenditures, and changes in fund balances. Individual fund information for the 7 nonmajor funds is presented in combining balance sheets for nonmajor governmental funds and combining statement of revenues, expenditures, and changes in fund balances for nonmajor funds, by fund type.

The City adopts annual appropriated budgets for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary Funds. The City maintains enterprise funds, a type of proprietary fund, to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, airport, and sports center operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, sports center, and airport, all of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 24-28 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-57 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparison schedule for the General Fund and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 59-63 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $132,094,712 at the close of the most recent fiscal year.

The largest portion of the City's net position (80%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to satisfy these liabilities.

City of Wasilla's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 28,035,936	$ 19,725,315	$ 9,710,252	$ 8,571,334	$ 37,746,188	$ 28,296,649
Capital assets, net of depreciation	40,685,298	33,862,372	68,541,617	69,644,429	109,226,915	103,506,801
Total assets	68,721,234	53,587,687	78,251,869	78,215,763	146,973,103	131,803,450
Total deferred outflows of resources	625,684	42,506	104,837	-	730,521	42,506
Long-term liabilities	8,680,559	2,574,645	3,195,811	2,210,631	11,876,370	4,785,276
Other liabilities	2,337,819	1,488,522	499,378	598,141	2,837,197	2,086,663
Total liabilities	11,018,378	4,063,167	3,695,189	2,808,772	14,713,567	6,871,939
Total deferred inflows of resources	760,582	-	134,763	-	895,345	-
Net position:						
Net investment in capital assets	39,126,772	31,959,213	66,616,428	67,433,798	105,743,200	99,393,011
Restricted for permanent fund principal	289,215	285,734	-	-	289,215	285,734
Restricted for federal and state drug enforcement	13,146	13,146	-	-	13,146	13,146
Restricted for new library construction	7,417,694	2,957,767	-	-	7,417,694	2,957,767
Unrestricted	10,721,131	14,351,166	7,910,326	7,973,193	18,631,457	22,324,359
Total Net Position	$ 57,567,958	$ 49,567,026	$ 74,526,754	$75,406,991	$ 132,094,712	$ 124,974,017

The remaining balance of unrestricted net position of $18,631,457 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

During the current fiscal year, the government's net position increased by $15,101,576. The change consists of approximately $6.5M increased sales tax due to the 1% tax increase dedicated to fund construction of a new library. The additional increase relates to capital contributions from state grantor agencies of approximately $4M for the new library, road paving, weed harvester, and road maintenance equipment. The remaining increase is attributable to donated infrastructure, primarily roads, from private developers and another governmental entity.

Governmental Activities

During fiscal year 2015, the City's net position increased by $14,780,563 for governmental activities. Highlights of governmental activities net position changes are as follows:

- Sales tax revenue of approximately $6.5M dedicated to funding construction of the new library.
- Contributions from state grantor agencies for the new library, road paving, weed harvester, and road maintenance equipment.
- Donated infrastructure, primarily roads and right-of-way, from private developers and the Matanuska Susitna Borough.

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Fees, fines, and charges for services	$ 2,169,475	$ 2,055,157	$ 4,165,427	$ 4,058,191	$ 6,334,902	$ 6,113,348
Operating grants and contributions	1,295,063	594,799	83,258	181,441	1,378,321	776,240
Capital grants and contributions	7,974,785	4,577,040	1,396,465	2,284,514	9,371,250	6,861,554
General revenues:						
Sales taxes	19,579,568	15,481,431	-	-	19,579,568	15,481,431
Vehicle taxes	58,550	57,441	-	-	58,550	57,441
Grants and entitlements not restricted to a specific purpose	744,130	1,745,300	-	-	744,130	1,745,300
Investment income	103,799	83,197	3,453	3,479	107,252	86,676
Other	105,843	92,719	77,265	230,732	183,108	323,451
Total revenues	$ 32,031,213	$ 24,687,084	$ 5,725,868	$ 6,758,357	$ 37,757,081	$ 31,445,441

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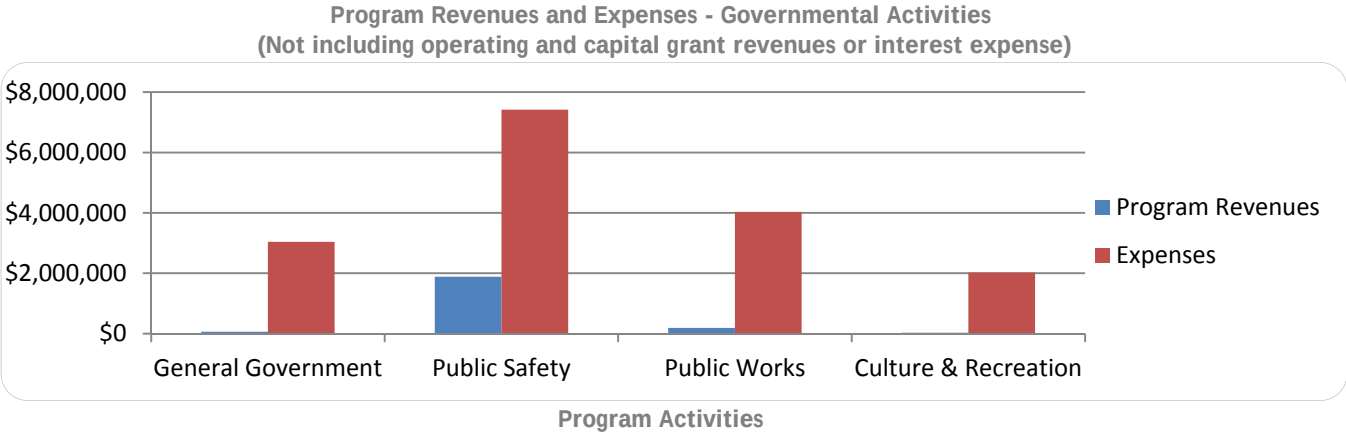
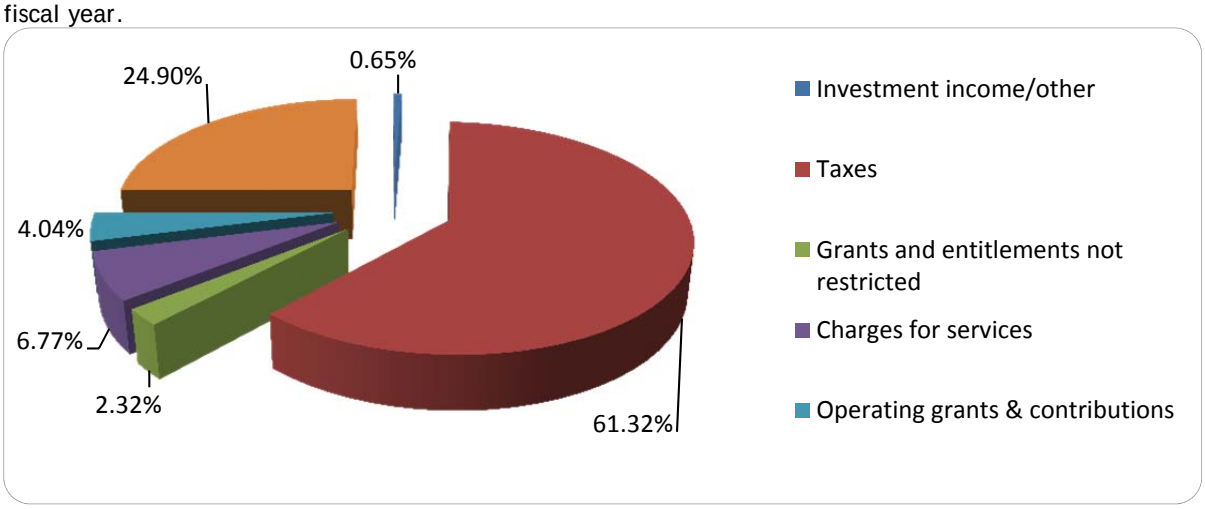
	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Expenses						
General government	$ 3,038,869	$ 3,340,921	$ -	$ -	$ 3,038,869	$ 3,340,921
Public safety	7,418,375	7,075,807	-	-	7,418,375	7,075,807
Public works	4,033,097	4,431,710	-	-	4,033,097	4,431,710
Culture and recreation	2,021,445	2,043,477	-	-	2,021,445	2,043,477
Interest on long-term debt	76,516	85,651	-	-	76,516	85,651
Water utility	-	-	1,628,907	1,601,031	1,628,907	1,601,031
Sewer utility	-	-	1,635,212	1,557,178	1,635,212	1,557,178
Municipal airport	-	-	1,103,297	859,904	1,103,297	859,904
Curtis D. Menard Memorial Sports Center	-	-	1,699,787	1,716,810	1,699,787	1,716,810
Total expenses	$ 16,588,302	$16,977,566	$ 6,067,203	$ 5,734,923	$ 22,655,505	$ 22,712,489
Increase (decrease) in net position before transfers	$15,442,911	$ 7,709,518	$ (341,335)	$ 1,023,434	$ 15,101,576	$ 8,732,952
Transfers	(662,348)	1,229,599	662,348	(1,229,599)	-	-
Increase (decrease) in net position	14,780,563	8,939,117	321,013	(206,165)	15,101,576	8,732,952
Net position- beginning, as restated	42,787,395	40,627,909	74,205,741	75,613,156	116,993,136	116,241,065
Net Position- Ending	$57,567,958	$49,567,026	$74,526,754	$75,406,991	$132,094,712	$124,974,017

The following graph displays program revenues, not including operating and capital grants, and expenses dedicated to governmental activities. This shows the amount of revenues generated from these activities. Other revenues also support governmental activities, but are general in nature and apply to all categories. These include sales taxes, grants and entitlements not restricted for a specific purpose, investment income, and other general revenues.



The following graph shows the percentages of all revenue sources for governmental activities. Taxes are the largest revenue source for the City, followed in order by capital grants and contributions, charges for services, nonrestricted grants and entitlements, operating grants and contributions, and investment/other income. Tax revenue for governmental activities increased from 2014 to 2015 by $4,099,246, or 26.4%. The increase is largely due to the 1% sales tax increase that became effective January 1, 2014 and is dedicated to construction of a new library. Expenses for governmental activities decreased by $389,264, or 2.3%, from prior fiscal year.



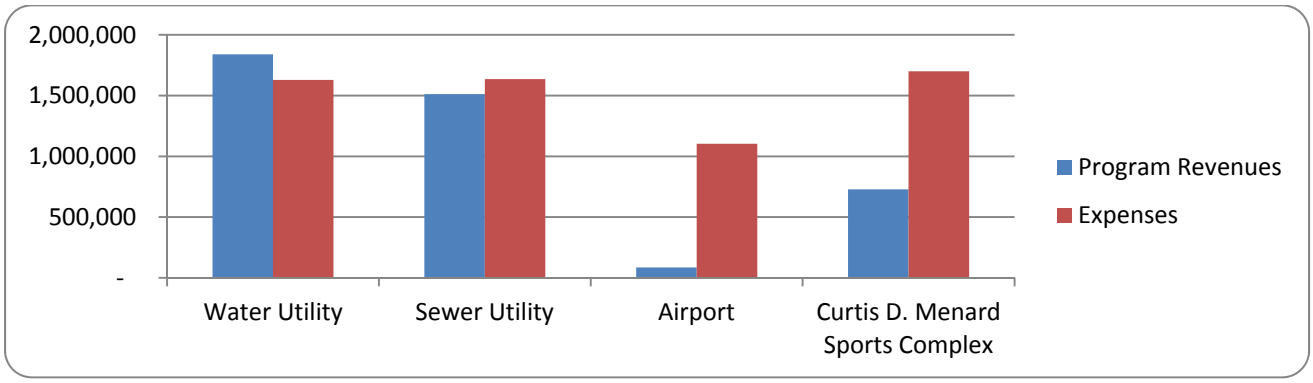
Revenues by Source - Governmental Activities

Business-type Activities

Business-type activities increased the City's net position by $321,013. The increase in the water and sewer funds of $971,994 and $84,374, respectively, and net transfers in of $662,348 was offset by losses in the airport and sports center funds of $(460,096) and $(937,607), respectively. Increase in the water fund was largely due to contributed capital from state grant funding for infrastructure and donated water main extensions by developers. Both the airport fund's and sports complex fund's decrease to net position is due to depreciation and insufficient user fees and charges to cover operating costs.

The following graph illustrates program revenues and expenses for all business-type activities. Not included in the revenues are taxes, capital grants and contributions, investment earnings, transfers, and other miscellaneous revenues. As reflected in the graph, all of the business-type activities reported revenues below expenses with the exception of the water fund.

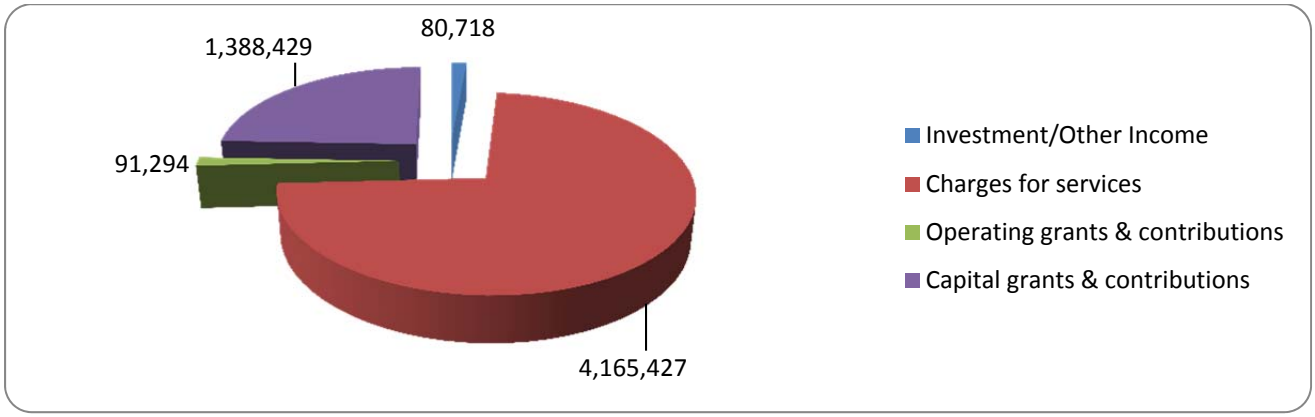
Program Revenues and Expenses – Business-Type Activities
(Not including operating and capital grant revenue or interest expense)



This is the fourth consecutive year in which the water fund reported program revenue in excess of expenses. This is attributed primarily to the annual, five-year rate increase that was approved and made effective in FY 2010. Sewer services also received a similar five-year rate increase; however, this fund has a smaller customer base to infrastructure ratio resulting in continued operating losses. The airport fund continues to fall short primarily due to the depreciation expense on infrastructure obtained through capital grants. The shortfall in revenue to expense for the Curtis D. Menard Memorial Sports Center includes depreciation, high minimum operating costs, and low user fees.

The following graph depicts the percentages of all revenue sources for business-type activities. Charges for services are the largest revenue source for the City, followed in order by capital grants and contributions, operating grants and contributions, and other revenue and investment income.

Revenues by Source – Business-Type Activities



Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2015, the City's governmental funds reported combined ending fund balances of $25,704,415, an increase of $7,460,210 in comparison with the prior year. The City's total fund balance is made up of the following components:

The first component is nonspendable, which indicates it is not in spendable form, or is legally or contractually required to remain intact. The nonspendable portion is 1.34% ($343,742) of the total fund balance. The restricted classification includes amounts for which constraints have been placed by external parties (creditors, grantors, etc.) or enabling legislation. Restricted fund balance is 28.91% ($7,430,840) of total fund balance. The committed classification can only be used for specific purposes by formal action of the City Council. The committed portion is 19.75% ($5,075,895) of the total fund balance. The next component is assigned fund balance that includes amounts that are intended to be used for a specific purpose and have been expressly assigned by the person with designated authority. The assigned portion is 17.46% ($4,487,445) of the total fund balance. Unassigned fund balance is the residual fund balance available for use for any purpose. The unassigned fund balance portion is 32.54% ($8,366,493) of the total fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $8,366,493 while total fund balance was $15,111,561. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the year. Unassigned fund balance represents 52.94% of total General Fund expenditures, while total fund balance represents 95.62% of that same amount.

Fund balance of the City's General Fund increased by $2,169,543 and $993,456 during the current and prior fiscal year, respectively. In the current year, revenues increased by $2,552,462 or 15.1% over prior year and expenditures increased $1,826,296 or 13.1% over prior year. Additional impact to the fund resulted from a decrease in transfers out of $467,779.

The Miscellaneous Capital Projects Fund has a total fund balance of $8,996,593. This total amount is designated for future capital project construction expenditures. Fund balance increased by $5,322,404 over the prior year resulting primarily from the one percent (1%) dedicated sales tax in place to generate construction monies for the new library. Offsetting the revenues were expenditures of $4,211,875 for construction of the new public library and other various projects.

The Road Capital Projects Fund has a total fund balance of $53,647. This total amount is designated for future road projects. Total expenditures of $1,699,763 primarily supported paving of various roads with revenues derived from state financial assistance.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

The water utility's unrestricted net position is $3,784,786. Unrestricted net position has increased by $136,759 in comparison with the prior year. This increase is due to contributed revenue from a state grant to construct a new bulk water station and from private developers for water main extensions donated to the City.

The sewer utility's unrestricted net position is $2,725,961. Unrestricted net position increased by $72,202 over prior year resulting primarily from contributed capital of $130,555 offsetting operating net losses. Contributed capital consisted primarily of a state grant for expansion of the sewer treatment plant.

The airport's unrestricted net position is $342,538, a decrease of $106,197 from prior year. The airport operations continue to generate losses even before depreciation. The City receives significant federal and state grant funding annually to construct infrastructure necessary to allow for commercial use and development in the future. As such, the City will continue to offset operating losses with transfers from the General Fund in an effort to support development of the airport and the economic opportunities it may bring to the community in the future.

The Curtis D. Menard Memorial Sports Center's unrestricted net position is $1,057,041, a decrease of $165,631 over prior year. The sports center continues to generate operating losses before depreciation and operations are supported by routine transfers from the General Fund. In the current year, the transfers in were $704,348. The City will continue to offset operating losses with transfers from the General Fund in an effort to support development of the sports center, the service it provides to the community, and the economic opportunities it may bring to the community in the future.

General Fund Budgetary Highlights

The difference between the original and final amended budget was a decrease to fund balance of $319,726. The majority of this difference relates to greater than anticipated expenditures for the City's public safety and public works departments.

The difference in fund balance between the final amended budget and the actual results is a positive variance of $2,861,764. The major components of the difference are as follows:

- A positive variance in revenues attributed to increased sales tax of $286,009.
- A positive variance in expenditures of $975,000 for health insurance of which $410,000 related to premium refunds necessary to reduce the incurred but not reported (IBNR) reserve at year end. The remainder of the variance is due to lesser than expected premium increases.
- A positive variance in salaries expenditures of $577,000 largely related to unfilled positions in public safety investigations and dispatch.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to $109,226,915 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Completing design work and beginning construction of the new public library
- Continued construction of the new maintenance shop
- Paving approximately 2.2 miles of roads
- Geotechnical engineering and evaluation to expand sewage treatment facility
- Upgrades to airport security and perimeter fencing
- Purchase of a loader mounted snow blower
- Enhancements made to Machen Road (paving, sidewalks, etc.) - donated asset from the Matanuska Susitna Borough
- Completed land swap for development of Cottonwood Creek Park

City of Wasilla's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Land	$ 9,864,622	$ 9,049,591	$ 4,429,707	$ 4,420,137	$ 14,294,329	$ 13,469,728
Buildings	6,395,383	6,100,446	13,625,696	14,091,359	20,021,079	20,191,805
Land improvements	-	-	8,384,324	9,104,760	8,384,324	9,104,760
Infrastructure	18,703,442	15,513,958	38,311,539	37,617,217	57,014,981	53,131,175
Furniture and equipment	209,710	307,065	-	-	209,710	307,065
Vehicles and equipment	1,949,624	1,868,818	2,908,794	2,631,378	4,858,418	4,500,196
Construction in progress	3,562,517	1,022,494	881,557	1,779,578	4,444,074	2,802,072
Total Capital Assets	$ 40,685,298	$ 33,862,372	$ 68,541,617	$ 69,644,429	$109,226,915	$103,506,801

Additional information on the City's capital assets can be found in note 4 on pages 40-42 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total long-term debt outstanding of $3,517,721. Of this amount, $1,592,532 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds and loans secured solely by specified revenue sources (i.e., special assessments levied against properties specifically benefited) in the amount of $1,925,189.

City of Wasilla's
General Obligation Bonds, Loans and Other Long-term Debt

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
General obligation	$1,592,532	$ 1,945,665	$ -	$ -	$ 1,592,532	$ 1,945,665
Long-term loans	-	-	1,925,189	2,210,631	1,925,189	2,210,631
Total Long-term Debt	$1,592,532	$ 1,945,665	$ 1,925,189	$ 2,210,631	$ 3,517,721	$ 4,156,296

The City's total debt decreased by $638,575, or 15.4%, during the current fiscal year. The decrease is attributed to the City meeting its required debt payments and not issuing new debt.

State statutes do not impose debt limits on the City; however, its Municipal Code 5.02.040 requires that annual general obligation debt service not exceed twenty percent (20%) of annual general fund revenue. Additional information on the City's long-term debt can be found on pages 43-46 of this report.

Economic Forecast and Rates for Next Fiscal Year

In setting the budget for fiscal year 2016, the City considered a number of issues with citywide impact. Among them are the following:

- In FY 2015, actual sales tax revenues were approximately 2% over budgeted sales tax revenues. In FY 2016, sales tax revenues are projected to increase 3.5% over budgeted sales tax revenue for FY2015 due to continued commercial development, population growth, inflation, and no annexations.

- User fees and charges in the business-type activities are expected to remain flat with the exception of added service connections due to land development. FY 2014 was the final year of rate increases spanning a five-year period. The rate increase was intended to strengthen fund balance for necessary infrastructure replacement. Rates are continually reviewed internally to ensure an equitable and adequate rate structure.

- The City continues to rely largely on state grant assistance to fund general, large-scale capital projects and federal funding for expansion of its airport. New grant awards are expected to decline significantly given the budget constraints at the State level. Intergovernmental revenues will continue strong into FY16 as the City spends down reimbursement grants previously awarded. Budgeted transfers to capital project funds from the General Fund in FY 2016 are $806,043.

- On the expenditure side, personnel assumptions provide a wage increase of 2.33% - 4.83% in FY2016 largely related to employment contracts with three unions. Health care premiums are expected to increase a minimum of 10% due to rising cost of services.

With the above considerations, the fiscal year 2016 budget included setting the City's property tax at an approved rate of 0.0 mills and maintaining a sales tax rate at 3 .0%, with 2% for ongoing operations and 1% dedicated to construction of the new public library.

Financial Information Contact

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Wasilla, Attn: Finance Director, 290 E. Heming Ave. Wasilla, Alaska 99654.

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Basic Financial Statements

City of Wasilla, Alaska

Statement of Net Position

June 30, 2015	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Cash and investments	$ 23,826,489	$ 8,900,553	$ 32,727,042
Receivables, net of allowance for uncollectible amounts:			
Accounts	31,502	470,671	502,173
Sales taxes	1,777,408	-	1,777,408
Grants	2,307,116	167,430	2,474,546
Shared revenues	38,319	-	38,319
Assessments	575	72,150	72,725
Prepaid items	54,527	22,159	76,686
Inventories	-	77,289	77,289
Capital assets not being depreciated	13,427,139	5,311,264	18,738,403
Other capital assets, net of accumulated depreciation	27,258,159	63,230,353	90,488,512
Total Assets	68,721,234	78,251,869	146,973,103
Deferred Outflows			
Deferred outflows related to pensions	591,678	104,837	696,515
Unamortized loss on refunding	34,006	-	34,006
Total Deferred Outflows	625,684	104,837	730,521
Total Assets and Deferred Outflows	$ 69,346,918	$ 78,356,706	$ 147,703,624
Liabilities, Deferred Inflows and Net Position			
Accounts payable	$ 1,341,292	$ 94,765	$ 1,436,057
Accrued payroll and employee benefits	563,825	107,025	670,850
Customer deposits	13,632	86,907	100,539
Health claims payable	321,389	-	321,389
Unearned revenue	91,383	199,359	290,742
Accrued interest	6,298	11,322	17,620
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	368,133	219,728	587,861
Accrued compensated absences	613,560	123,442	737,002
Due in more than one year:			
Bonds and notes payable, including unamortized premium	1,224,399	1,705,461	2,929,860
Net pension liability	6,474,467	1,147,180	7,621,647
Total Liabilities	11,018,378	3,695,189	14,713,567
Deferred Inflows related to pensions	760,582	134,763	895,345
Net Position			
Net investment in capital assets	39,126,772	66,616,428	105,743,200
Restricted:			
Permanent Fund - Cemetery	289,215	-	289,215
Federal and state drug enforcement	13,146	-	13,146
New library construction	7,417,694	-	7,417,694
Unrestricted	10,721,131	7,910,326	18,631,457
Total Net Position	57,567,958	74,526,754	132,094,712
Total Liabilities, Deferred Inflows and Net Position	$ 69,346,918	$ 78,356,706	$ 147,703,624

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Statement of Activities

Year Ended June 30, 2015	Expenses	Program Revenues: Fees, Fines & Charges for Services	Program Revenues: Operating Grants & Contri-butions	Program Revenues: Capital Grants & Contri-butions	Net (Expense) Revenue and Changes in Net Position: Govern-mental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
General government	$ 3,038,869	$ 65,334	$ 319,038	$ -	$ (2,654,497)	$ -	$ (2,654,497)
Public safety	7,418,375	1,883,808	797,341	632,058	(4,105,168)	-	(4,105,168)
Public works	4,033,097	190,078	100,263	5,548,195	1,805,439	-	1,805,439
Culture and recreation	2,021,445	30,255	78,421	1,794,532	(118,237)	-	(118,237)
Interest on long-term debt	76,516	-	-	-	(76,516)	-	(76,516)
Total Governmental Activities	16,588,302	2,169,475	1,295,063	7,974,785	(5,148,979)	-	(5,148,979)
Business-Type Activities							
Water utility	1,628,907	1,839,517	22,777	706,449	-	939,836	939,836
Sewer utility	1,635,212	1,511,553	32,371	130,555	-	39,267	39,267
Municipal airport	1,103,297	85,669	10,307	547,225	-	(460,096)	(460,096)
Sports center	1,699,787	728,688	25,839	4,200	-	(941,060)	(941,060)
Total Business-Type Activities	6,067,203	4,165,427	91,294	1,388,429	-	(422,053)	(422,053)
Totals	$ 22,655,505	$ 6,334,902	$ 1,386,357	$ 9,363,214	(5,148,979)	(422,053)	(5,571,032)
General Revenues							
Sales taxes					$ 19,579,568	-	19,579,568
Vehicle taxes					58,550	-	58,550
Grants and entitlements not restricted to a specific purpose					744,130	-	744,130
Investment income					103,799	3,453	107,252
Other					105,843	77,265	183,108
Transfers					(662,348)	662,348	-
Total General Revenues and Transfers					19,929,542	743,066	20,671,618
Change in Net Position					14,780,563	321,013	15,101,576
Net Position, beginning, as restated (Note 2)					42,787,395	74,205,741	116,993,136
Net Position, ending					$ 57,567,958	$ 74,526,754	$ 132,094,712

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Governmental Funds
Balance Sheet

June 30, 2015	Major Funds: General	Major Funds: Miscellaneous Capital Projects	Major Funds: Road Capital Projects	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	$ 14,795,082	$ 7,449,515	$ -	$ 1,581,892	$ 23,826,489
Receivables, net of allowance for uncollectibles:					
Accounts	31,502	-	-	-	31,502
Sales and property taxes	1,186,476	590,932	-	-	1,777,408
Grants	40,666	1,846,891	375,144	44,415	2,307,116
Shared revenues	38,319	-	-	-	38,319
Special assessments	575	-	-	-	575
Prepaid items	54,514	-	-	13	54,527
Due from other funds	42,841	-	-	-	42,841
Total Assets	$ 16,189,975	$ 9,887,338	$ 375,144	$ 1,626,320	$ 28,078,777
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 171,195	$ 890,745	$ 278,656	$ 696	$ 1,341,292
Accrued payroll and employee benefits	552,055	-	-	11,770	563,825
Customer deposits	13,632	-	-	-	13,632
Health claims payable	321,389	-	-	-	321,389
Unearned revenue	20,143	-	-	71,240	91,383
Due to other funds	-	-	42,841	-	42,841
Total Liabilities	1,078,414	890,745	321,497	83,706	2,374,362
Fund Balances					
Nonspendable:					
Prepaid items	54,514	-	-	13	54,527
Permanent Fund - Cemetery	-	-	-	289,215	289,215
Restricted:					
Federal and state drug enforcement	-	-	-	13,146	13,146
New library construction		7,417,694	-	-	7,417,694
Committed:					
Capital improvements	5,075,895	-	-	-	5,075,895
Assigned:					
Land bank	162,000	-	-	-	162,000
Capital improvements	-	1,578,899	-	-	1,578,899
Compensated absences	613,560	-	-	-	613,560
Self-insurance	750,000				750,000
Youth court	-	-	-	65,551	65,551
Vehicle replacement	-	-	-	582,757	582,757
Right-of-way acquisition	-	-	-	137,576	137,576
Road improvements	-	-	53,647	-	53,647
Technology replacement	-	-	-	454,356	454,356
Other purposes	89,099	-	-	-	89,099
Unassigned	8,366,493	-	-	-	8,366,493
Total Fund Balances	15,111,561	8,996,593	53,647	1,542,614	25,704,415
Total Liabilities and Fund Balances	$ 16,189,975	$ 9,887,338	$ 375,144	$ 1,626,320	$ 28,078,777

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position

June 30, 2015

Total fund balances for governmental funds		$ 25,704,415
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (shown here, net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		40,685,298
Deferred amounts related to bond premiums and losses on refundings for governmental activities are not financial resources and therefore are not reported in the funds:		
Issuance premiums	(52,532)	
Loss on refunding	34,006	
Total deferred amounts		(18,526)
Long-term liabilities, including bonds payable, net pension liability, and compensated absences are not due and payable in the current period and therefore, are not reported in the funds:		
General obligation bonds payable	(1,540,000)	
Net pension liability	(6,474,467)	
Compensated absences	(613,560)	
Accrued interest on bonds	(6,298)	
Total long-term liabilities		(8,634,325)
Certain changes in net pesnion liaiblities are deferred rather than recognized immediately. These items are amortized over time.		
Deferred outflows related to pensions	591,678	
Deferred inflows related to pensions	(760,582)	
Total deferred pension items		(168,904)
Total Net Position of Governmental Activities		$ 57,567,958

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

	Major Funds				
Year Ended June 30, 2015	General	Miscellaneous Capital Projects	Road Capital Projects	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	$ 13,122,826	$ 6,515,292	$ -	$ -	$ 19,638,118
Licenses and permits	36,164	-	-	-	36,164
Fines and forfeitures	303,944	-	-	4,420	308,364
Intergovernmental	3,961,046	2,562,004	1,655,444	227,960	8,406,454
Charges for services	1,822,432	-	-	-	1,822,432
Investment income	102,322	1,477	-	-	103,799
Other	105,843	-	-	2,946	108,789
Total Revenues	19,454,577	9,078,773	1,655,444	235,326	30,424,120
Expenditures					
Current:					
General government	3,148,955	-	-	-	3,148,955
Public safety	7,531,076	-	-	217,417	7,748,493
Public works	2,418,483	-	-	-	2,418,483
Culture and recreation	2,186,076	-	-	-	2,186,076
Nondepartmental	97,983	-	-	-	97,983
Debt service:					
Principal	340,000	-	-	-	340,000
Interest	82,263	-	-	-	82,263
Capital outlay	-	4,211,875	1,699,763	406,308	6,317,946
Total Expenditures	15,804,836	4,211,875	1,699,763	623,725	22,340,199
Excess of Revenues Over (Under) Expenditures	3,649,741	4,866,898	(44,319)	(388,399)	8,083,921
Other Financing Sources (Uses)					
Proceeds from sale of assets	38,637	-	-	-	38,637
Transfers in	-	458,987	-	400,981	859,968
Transfers out	(1,518,835)	(3,481)	-	-	(1,522,316)
Net Other Financing Sources (Uses)	(1,480,198)	455,506	-	400,981	(623,711)
Net Change in Fund Balances	2,169,543	5,322,404	(44,319)	12,582	7,460,210
Fund Balances, beginning	12,942,018	3,674,189	97,966	1,530,032	18,244,205
Fund Balances, ending	$ 15,111,561	$ 8,996,593	$ 53,647	$ 1,542,614	$ 25,704,415

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Reconciliation of the Change in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2015

Net change in fund balances - total governmental funds	$ 7,460,210
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays ($4,953,354) and donated capital assets ($3,828,049) exceeded depreciation expense ($1,950,525) and other capital asset transactions ($7,952).	6,822,926
Interest on long-term debt is not recognized under the modifed accrual basis of accounting until due, rather than as it accrues. This is the amount of the decrease in accrued interest payable.	1,114
The repayment of the principal of long-term debt ($340,000) consumes current financial resources in governmental funds. Also, governmental funds report the effect of bond premiums and similar items when the debt is first issued, whereas these items are deferred and amortized ($4,633) in the statement of activities. This is the net effect of these differences.	344,633
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Decrease in compensated absences	15,420
Decrease in net pension liability and related deferred outflows and inflows	136,260
Change in Net Position of Governmental Activities	$ 14,780,563

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Enterprise Funds
Statement of Net Position

June 30, 2015	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Assets and Deferred Outflows					
Current Assets					
Cash and investments	$ 3,997,315	$ 3,023,836	$ 321,673	$ 1,557,729	$ 8,900,553
Receivables:					
Accounts	332,089	163,950	1,223	18,535	515,797
Allowance for doubtful accounts	(27,118)	(18,008)	-	-	(45,126)
Special assessments	20,746	51,404	-	-	72,150
Grants	10,167	85,077	72,186	-	167,430
Prepaid expenses	5,157	4,001	1,254	2,534	12,946
Inventory	34,239	43,050	-	-	77,289
Total Current Assets	4,372,595	3,353,310	396,336	1,578,798	9,701,039
Noncurrent Assets					
Prepaid expenses	9,213	-	-	-	9,213
Capital assets, net	28,156,205	13,956,050	11,553,667	14,875,695	68,541,617
Total Noncurrent Assets	28,165,418	13,956,050	11,553,667	14,875,695	68,550,830
Total Assets	32,538,013	17,309,360	11,950,003	16,454,493	78,251,869
Deferred Outflows related to pensions	28,680	40,761	2,860	32,536	104,837
Total Assets and Deferred Outflows	$ 32,566,693	$ 17,350,121	$11,952,863	$ 16,487,029	$ 78,356,706

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Enterprise Funds
Statement of Net Position, continued

June 30, 2015	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Liabilities, Deferred Inflows and Net Position					
Current Liabilities					
Accounts payable	$ 28,696	$ 43,622	$ 2,720	$ 19,727	$ 94,765
Accrued payroll and employee benefits	28,586	38,299	2,496	37,644	107,025
Accrued annual and sick leave	22,129	75,367	9,286	16,660	123,442
Customer deposits	68,276	11,281	-	7,350	86,907
Accrued interest	10,199	1,123	-	-	11,322
Unearned revenue	117,107	-	7,185	75,067	199,359
Current portion of notes payable	204,675	15,053	-	-	219,728
Total Current Liabilities	479,668	184,745	21,687	156,448	842,548
Noncurrent Liabilities					
Notes payable, net of current portion	1,600,087	105,374	-	-	1,705,461
Net pension liability	313,841	446,022	31,295	356,022	1,147,180
Total Noncurrent Liabilities	1,913,928	551,396	31,295	356,022	2,852,641
Total Liabilities	2,393,596	736,141	52,982	512,470	3,695,189
Deferred Inflows related to pensions	36,868	52,396	3,676	41,823	134,763
Net Position					
Net investment in capital assets	26,351,443	13,835,623	11,553,667	14,875,695	66,616,428
Unrestricted	3,784,786	2,725,961	342,538	1,057,041	7,910,326
Total Net Position	30,136,229	16,561,584	11,896,205	15,932,736	74,526,754
Total Liabilities, Deferred Inflows and Net Position	$ 32,566,693	$17,350,121	$11,952,863	$ 16,487,029	$ 78,356,706

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Enterprise Funds
Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2015	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Operating Revenues	$ 1,839,517	$ 1,511,553	$ 85,669	$ 728,688	$ 4,165,427
Operating Expenses					
Salaries and employee benefits	502,766	693,031	48,710	680,693	1,925,200
Other operating expenses	316,060	419,307	111,951	509,670	1,356,988
Depreciation	781,910	464,157	778,059	509,424	2,533,550
Total Operating Expenses	1,600,736	1,576,495	938,720	1,699,787	5,815,738
Operating income (loss)	238,781	(64,942)	(853,051)	(971,099)	(1,650,311)
Nonoperating Revenues (Expenses)					
Payments in lieu of assessments	30,739	38,294	-	-	69,033
Interest expense	(29,080)	(1,975)	-	-	(31,055)
Investment income	-	-	-	597	597
Debt service assessments	1,419	4,342	-	-	5,761
Plans and studies	-	-	(8,242)	-	(8,242)
Nonoperating grants	-	-	8,036	-	8,036
State PERS relief	22,777	32,371	2,271	25,839	83,258
Loss on disposal of capital assets	-	(56,742)	(156,335)	-	(213,077)
Other income	909	2,471	-	2,856	6,236
Net Nonoperating Revenues (Expenses)	26,764	18,761	(154,270)	29,292	(79,453)
Income (loss) before contributions and transfers	265,545	(46,181)	(1,007,321)	(941,807)	(1,729,764)
Capital contributions	706,449	130,555	547,225	4,200	1,388,429
Capital assets transfer to other Enterprise Fund	1,451,444	(5,778)	(1,445,666)	-	-
Transfers in	-	-	-	704,348	704,348
Transfers out	(14,500)	(17,500)	(500)	(9,500)	(42,000)
Change in net position	2,408,938	61,096	(1,906,262)	(242,759)	321,013
Net Position, beginning, as restated (Note 2)	27,727,291	16,500,488	13,802,467	16,175,495	74,205,741
Net Position, ending	$ 30,136,229	$ 16,561,584	$ 11,896,205	$ 15,932,736	$ 74,526,754

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Enterprise Funds
Statement of Cash Flows

Year Ended June 30, 2015	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Cash Flows from (for) Operating Activities					
Cash receipts from customers and users	$ 1,792,190	$ 1,495,297	$ 81,757	$ 741,104	$ 4,110,348
Payments to suppliers	(303,366)	(391,647)	(149,174)	(506,060)	(1,350,247)
Payments to employees	(484,861)	(664,402)	(46,894)	(667,523)	(1,863,680)
Net cash flows from (for) operating activities	1,003,963	439,248	(114,311)	(432,479)	896,421
Cash Flows from (for) Noncapital Financing Activities					
Transfers in	-	-	-	704,348	704,348
Transfers out	(14,500)	(17,500)	(500)	(9,500)	(42,000)
Nonoperating grants received	-	-	8,036	-	8,036
Net cash flows from (for) noncapital financing activities	(14,500)	(17,500)	7,536	694,848	670,384
Cash Flows from (for) Capital and Related Financing Activities					
Principal paid on notes payable	(248,470)	(36,972)	-	-	(285,442)
Interest paid on notes payable	(30,797)	(2,362)	-	-	(33,159)
Special assessments received	9,237	4,342	-	-	13,579
Payments in lieu of assessments received	30,739	52,351	-	-	83,090
Acquisition and construction of capital assets	(868,297)	(11,555)	(547,225)	(59,494)	(1,486,571)
Capital contributions received	566,020	45,478	878,288	4,307	1,494,093
Net cash flows from (for) capital and related financing activities	(541,568)	51,282	331,063	(55,187)	(214,410)
Cash Flows from Investing Activities					
Investment income received	-	-	-	597	597
Net Increase in Cash and Investments	447,895	473,030	224,288	207,779	1,352,992
Cash and Investments, beginning	3,549,420	2,550,806	97,385	1,349,950	7,547,561
Cash and Investments, ending	$ 3,997,315	$ 3,023,836	$ 321,673	$ 1,557,729	$ 8,900,553

See accompanying notes to basic financial statements.

City of Wasilla, Alaska

Enterprise Funds
Statement of Cash Flows, continued

Year Ended June 30, 2015	Water Utility	Sewer Utility	Municipal Airport	Curtis D. Menard Memorial Sports Center	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash from (for) Operating Activities					
Operating income (loss)	$ 238,781	$ (64,942)	$ (853,051)	$ (971,099)	$ (1,650,311)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:					
Depreciation	781,910	464,157	778,059	509,424	2,533,550
State of Alaska on-behalf payments - PERS relief	22,777	32,371	2,271	25,839	83,258
Nonoperating revenues	-	2,471	(8,242)	2,856	(2,915)
Changes in operating assets and liabilities that provided (used) cash:					-
Accounts receivable and related allowance	(46,851)	(23,237)	(213)	6,757	(63,544)
Inventory	1,183	(5,114)	-	-	(3,931)
Prepaid expenses	(902)	(115)	(36)	(1,272)	(2,325)
Deferred outflows related to pensions	(2,880)	(4,094)	(287)	(3,268)	(10,529)
Accounts payable	12,413	32,889	(28,945)	4,882	21,239
Accrued payroll and employee benefits	1,793	2,704	280	1,162	5,939
Accrued annual and sick leave	(60)	2,941	(76)	(6,338)	(3,533)
Customer deposits	(4,342)	4,510		3,550	3,718
Unearned revenue	3,866	-	(3,699)	(747)	(580)
Net pension liability	(40,593)	(57,689)	(3,232)	(36,761)	(138,275)
Deferred inflows related to pensions	36,868	52,396	2,860	32,536	124,660
Net Cash from (for) Operating Activities	$ 1,003,963	$ 439,248	$ (114,311)	$ (432,479)	$ 896,421
Noncash Noncapital Financing and Capital and Related Financing Activities:					
State of Alaska on-behalf payments - PERS relief	$ 22,777	$ 32,371	$ 2,271	$ 25,839	$ 83,258
Capital assets transferred from other funds	$ 1,451,444	$ -	$ -	$ -	$ 1,451,444
Capital assets transferred to other funds	$ -	$ (5,778)	$ (1,445,666)	$ -	$ (1,451,444)
Water extensions contributed by developers	$ 293,827	$ -	$ -	$ -	$ -

See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

(a) General

The accompanying financial statements include all activities of the City of Wasilla (the City), 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.

(b) Reporting Entity

As defined by U.S. generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(2) Fiscal dependency on the primary government.

Based upon the application of these criteria, there are no component units for which the City 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 GAAP as applicable to governments. The following is a summary of the more significant policies:

(c) Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.
- The Miscellaneous Capital Projects Fund accounts for various capital project activities of the City.
- The Road Capital Projects Fund accounts for various road projects of the City.

The City reports the following major proprietary funds:

- The Water Utility Enterprise Fund is used to account for the operations of the City water system.
- The Sewer Utility Enterprise Fund is used to account for the operations of the wastewater utility.
- The Municipal Airport Enterprise Fund is used to account for the operations of Wasilla Municipal Airport.
- The Curtis D. Menard Memorial Sports Center Enterprise Fund is used to account for the operations of the recreational sports complex facility.

(d) Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues except reimbursement grants to be available if they are collected within 60 days after year-end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term liabilities, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when received by the government.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(e) 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, with the exception of the Cemetery Permanent Fund, for which no budget is prepared. 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.

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, GAAP do not require the adoption of budgets for Enterprise Funds, and budgetary comparisons are not included for these funds since the measurement focus is on determination of net income and financial position.

(f) Assets and Liabilities

Deposits and Investments

The City utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "Cash and investments," or is included in "Due to other funds," if negative.

The cash transactions of the City's funds are handled primarily in a single central treasury account. Investment earnings, when applicable, are allocated among the funds based on their respective equity in the central treasury.

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.

Investments are reported at fair value, except for money market funds, which are reported at amortized cost. Fair value is determined based on quoted market prices.

The City is authorized to invest in, and with maturities up to, the following:

- U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value and are insured or guaranteed by the United States or agencies or instrumentalities of the United States – 5 years. Securities in these asset classes with maturities longer than five years would be permitted if they have coupon rates that adjust periodically.

- Repurchase agreements that are documented by a written agreement, and are fully collateralized by delivery of government-related obligations, to an independent third-party custodian, which meet a margin requirement of one hundred two percent (102%) of the principal and unpaid accrued interest - 2 years.

- Certificates of deposit and other deposits at banks and savings and loan associations collateralized between 100% and 107%, depending on collateralized type -3 years.

- Uncollateralized deposits at banks and savings and loan associations, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation-3 years.

- Bonds and notes which are issued by any state or political subdivision thereof, and which are rated A or higher by a nationally recognized statistical rating organization-5 years.

- Prime commercial paper graded A1 or higher by Moody's Investor's Service, Inc., and P1 or higher by Standard and Poor's Corporation, or equivalent by a nationally recognized statistical rating organization -270 days.

- Prime bankers' acceptances offered by the fifty (50) largest banks - 180 days.

- U.S. dollar denominated corporate obligations issued by corporations organized and operated within the United States - 5 years.

Corporate obligations shall be rated as follows:

a) 1 year or less A rated by two major nationally recognized statistical rating agencies;

b) 1-2 years AA rated by at least one major nationally recognized statistical rating agency;

c) 2-4 years AA rated by two major nationally recognized statistical rating agencies; and
d) 4-5 years AAA rated by two major nationally recognized statistical rating agencies.

- Money market mutual funds that adhere to SEC rule 2a-7.

- The Alaska Municipal League Investment Pool (AMLIP), Inc., made in accordance with the terms of that pool's "Common Investment Agreement."

- Special assessments of the City authorized by Chapter 5.20. Total principal investment is not to exceed two hundred fifty thousand dollars ($250,000) at the end of any fiscal year. The rate the City shall receive when investing in special assessments is the prime rate plus two percent on the date the ordinance confirming the assessment roll is enacted by the council.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." All amounts due to/from other funds are short term in nature.

Trade receivables for the Water and Sewer Funds are shown along with an allowance for doubtful accounts. Trade accounts receivables in excess of 90 days outstanding are determined to be uncollectible and are included in the allowance for doubtful accounts.

Inventories and Prepaid Items

Inventories in the enterprise funds consist of supplies and materials. All inventories are valued using the average cost method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The prepaid assets do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as nonspendable in the fund financial statements. Prepaid items and expenses are based on the consumption method.

Capital Assets

Capital assets, which includes, property, plant, equipment, system infrastructure (e.g., roads, streets, lighting, etc.), and sewer and water infrastructure (e.g., treatment centers, pipes, tanks, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in 2015.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15-50 years
System infrastructure	20-50 years
Sewer and water infrastructure and equipment	50-60 years
Machinery and equipment	5-10 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Unearned Grant Revenue

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

Bond Premiums, Discounts, and Issuance Costs

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the fund statements and as expenses in the government-wide and proprietary fund statements.

(g) Pension items

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(h) Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Generally, the City reports deferred charges on bond refundings and pension related items as deferred outflows. These items are amortized to expense over time.

In addition to the liabilities, the financial statements may also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until later. The City reports certain pension related items as deferred inflows. These items are amortized as a reduction of expense over varying periods of time based on their nature.

(i) Equity

Fund Balance Components

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Nonspendable

Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This would include inventory, prepaid items, corpus of endowment, and long-term loans and notes receivable.

Restricted

Reflects the same definition as restricted net position: constraints placed on the use of amounts are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds and debt service funds.

Committed

Includes amounts that are committed for specific purposes by approval of the City Council through ordinances. Amounts classified as committed are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the Council rescinds or changes the limitation by approval through ordinance.

Included in committed are amounts in excess of stabilization of funds that are formally set aside by City ordinance for use in capital projects. The amounts in excess of stabilization of funds amount is determined based on the amount in the General Fund balance in excess of the maximum unassigned fund balance for the succeeding fiscal year, as defined.

Assigned

Amounts that are intended by the City to be used for specific purposes, but are neither restricted nor limited, are reported as assigned fund balance. The finance director is given authority by Municipal Code to make the determination of assigned fund balances, including removal and modification of assigned amounts. This would include any activity reported in a fund other than the General Fund that is not otherwise restricted more narrowly by the above definitions.

Unassigned

Includes any remaining amounts after applying the above definitions. Planned spending in the subsequent year's budget would be included here.

Spending Policy

The City's spending policy is to spend restricted fund balance first, followed by committed, assigned, and unassigned fund balance.

(j) Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets

This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted

This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted

This consists of net position that does not meet the definition of restricted or net investment in capital assets.

(k) Revenues, Expenditures, and Expenses

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. The property tax for the fiscal years ended June 30, 2015 and 2014, held a zero mill rate.

Grants and Other Intergovernmental Revenues

Grants and other intergovernmental revenues are recognized as revenue as soon as all eligibility requirements have been met.

2. Change in Accounting Principle

As discussed in Note 7 to the financial statements, the City participates in the Alaska Public Retirement System (PERS) plan. In 2015, the City adopted the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which, among other accounting and reporting criteria, requires the City to recognize its proportional share of the Net Pension Liability (and related deferred inflow/outflow accounts), as of the beginning of the City's fiscal year. As a result of the implementation of this statement, the City has recorded an opening balance adjustment to reflect opening balance pension liabilities and related accounts and to decrease opening net position as follows:

	Opening net position, as originally presented	Change in accounting principle adjustment	Opening net position, as restated
Governmental Activities	$ 49,567,026	$ (6,779,631)	$ 42,787,395
Business-type Activities	75,406,991	(1,201,250)	74,205,741
Water Utility Enterprise Fund	28,055,925	(328,634)	27,727,291
Sewer Utility Enterprise Fund	16,967,532	(467,044)	16,500,488
Municipal Airport Enterprise Fund	13,835,237	(32,770)	13,802,467
Curtis D. Menard Memorial Sports Center Enterprise Fund	16,548,297	(372,802)	16,175,495

3. Deposits and Investments

(a) Investments

As of June 30, 2015, the City had the following investments:

		Investment Maturities		
Investment type	Fair value	Less than 1 year	1-5 Years	More than 5 years
Money market funds	$ 2,532,281	$ 2,532,281	$ -	$ -
Certificates of deposit	1,995,849	1,995,849	-	-
U.S. government agencies	13,241,595	-	5,329,609	7,911,986
Corporate bonds	2,704,232	2,704,232	-	-
AMLIP pooled investments	141,846	141,846	-	-
Total Subject to Interest Rate Risk	$ 20,615,803	$ 7,374,208	$ 5,329,609	$ 7,911,986

(b) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal policy relating to interest rate risk.

(c) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Alaska State law does not have specific investment limitations. The City's policy does limit investments to specified ratings based on instrument type as defined in note 1(f).

At June 30, 2015, the City's corporate bond investments were rated as follows:

Investment	Standard and Poor's	Moody's Investor Service
Corporate bonds	AAA to AA-	Aa3 to A1

The AMLIP is an external investment pool, which is rated AAAm for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2015, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of pool shares.

(d) Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has no investments from any one issuer that represents 5% or more of total investments other than U.S. government securities.

(e) Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk is to collateralize its primary demand deposit account for 102% of the uninsured balance. As of June 30, 2015, the City's bank account balances were not exposed to custodial credit risk as they were either insured or collateralized.

(f) Custodial Credit Risk - Investments

For an investment, this is a risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no debt securities exposed to custodial credit risk at June 30, 2015 because the investments were held by a custodian in the name of the City.

(g) Reconciliation to the Statement of Net Position

Deposits and investments are reported as follows on the statement of net position, as of June 30, 2015:

Cash and investments	$	32,727,042

Deposits and investments are comprised of the following as of June 30, 2015:

Carrying value of bank deposits	$	12,107,869
Petty cash accounts		3,370
Investments		20,615,803
Total Cash and Investments	$	32,727,042

4. Capital Assets

Capital asset activity for the year ended June 30, 2015 is as follows:

Governmental Activities	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	$ 9,049,591	$ 851,424	$ (36,393)	$ 9,864,622
Construction in progress	1,022,494	4,953,354	(2,413,331)	3,562,517
Total capital assets not being depreciated	10,072,085	5,804,778	(2,449,724)	13,427,139
Capital assets being depreciated:				
Buildings	8,635,317	520,925	(13,735)	9,142,507
Office furniture and equipment	3,564,480	47,940	-	3,612,420
Vehicles and equipment	4,720,941	558,088	(209,894)	5,069,135
Infrastructure	28,560,877	4,282,457	-	32,843,334
Total capital assets being depreciated	45,481,615	5,409,410	(223,629)	50,667,396
Less accumulated depreciation for:				
Buildings	2,534,871	214,817	(2,564)	2,747,124
Office furniture and equipment	3,257,415	145,295	-	3,402,710
Vehicles and equipment	2,852,123	497,440	(230,052)	3,119,511
Infrastructure	13,046,919	1,092,973	-	14,139,892
Total accumulated depreciation	21,691,328	1,950,525	(232,616)	23,409,237
Total capital assets being depreciated, net	23,790,287	3,458,885	8,987	27,258,159
Governmental Activity Capital Assets, Net	$ 33,862,372	$ 9,263,663	$ (2,440,737)	$ 40,685,298

Business-type Activities	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	$ 4,420,137	$ 9,570	$ -	$ 4,429,707
Construction in progress	1,779,579	1,334,641	(2,232,663)	881,557
Total capital assets not being depreciated	6,199,716	1,344,211	(2,232,663)	5,311,264
Capital assets being depreciated:				
Land improvements	16,672,422	-	(289,191)	16,383,231
Buildings	17,652,478	-	-	17,652,478
Treatment system	8,111,871	-	-	8,111,871
Collection/distribution	40,458,616	1,834,644	(149,204)	42,144,056
Water tank and fence	6,847,577	-	-	6,847,577
Wells/well house	368,659	-	-	368,659
Vehicles and equipment	7,492,616	691,846	(486,031)	7,698,431
Total capital assets being depreciated	97,604,239	2,526,490	(924,426)	99,206,303
Less accumulated depreciation for:				
Land improvements	7,567,662	564,101	(132,856)	7,998,907
Buildings	3,561,119	465,663	-	4,026,782
Treatment system	3,288,204	162,652	-	3,450,856
Collection/distribution	12,505,445	834,060	(149,204)	13,190,301
Water tank and fence	2,147,938	137,297	-	2,285,235
Wells/well house	227,921	6,311	-	234,232
Vehicles and equipment	4,861,237	363,466	(435,066)	4,789,637
Total accumulated depreciation	34,159,526	2,533,550	(717,126)	35,975,950
Total capital assets being depreciated, net	63,444,713	(7,060)	(207,300)	63,230,353
Business-type Activities Capital Assets, Net	$ 69,644,429	$ 1,337,151	$ (2,439,963)	$ 68,541,617

Depreciation expense was charged to the functions as follows for the year ended June 30, 2015:

Governmental Activities	
General government	$ 132,555
Public safety	367,796
Public works	1,342,275
Culture and recreation	107,899
Total Depreciation Expense - Governmental Activities	$ 1,950,525

Business-type Activities	
Water utility	$ 781,910
Sewer utility	464,157
Municipal airport	778,059
Curtis D. Menard Memorial Sports Center	509,424
Total Depreciation Expense - Business-type Activities	$ 2,533,550

5. Interfund Receivables, Payables, and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2015, follows:

Due From Other Funds	
Due to the General Fund for short-term operating advances from the Road Capital Projects Fund	$ 42,841

Transfers	
From the General Fund to:	
Sports Center Fund to subsidize operations	$ 704,348
Nonmajor governmental funds for vehicle and technology replacement	355,500
Miscellaneous Capital Projects Fund for purchase of new road equipment and property improvements	458,987
From the Miscellaneous Capital Projects Fund to nonmajor governmental funds to subsidize operations	3,481
From the Water Utility Fund to nonmajor governmental funds for vehicle and technology replacement	14,500
From the Sewer Utility Fund to:	
Nonmajor governmental funds vehicle and technology replacement	17,500
Water Utility Fund for capital assets	5,778
From the Airport Fund to:	
Nonmajor governmental funds for technology replacement	500
Water Utility Fund for capital assets	1,445,666
From the Sports Center Fund to nonmajor governmental funds for technology replacement	9,500
Total Transfers To Other Funds	$ 3,015,760

6. Long-Term Liabilities

(a) General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 10-year serial bonds with amounts of principal maturing in varying increments. General obligation bonds currently outstanding are as follows:

	Bond Principal
$3,380,000 1998 Series A for street paving and other road improvements, due in annual installments of $355,000 to $415,000 through December 1, 2018, plus interest rates from 3.875% to 5.5%	$ 1,540,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 355,000	$ 65,819	$ 420,819
2017	375,000	46,681	421,681
2018	395,000	28,241	423,241
2019	415,000	9,588	424,588
	$ 1,540,000	$ 150,329	$ 1,690,329

(b) ADEC Loans

The City participates in the Alaska Clean Water Fund, a federally sponsored loan program administered by the Alaska Department of Environmental Conservation (ADEC). The City borrowed under this program for various water and sewer projects, as follows:

	Bond Principal
$745,938 Water loan payable, due in annual installments of $37,294 through November 15, 2022, plus interest at 1.5%	$ 298,350
$301,066 Sewer loan payable, due in annual installments of $15,053 through November 15, 2022, plus interest at 1.5%	120,427
$39,049 Water loan payable, due in annual installments of $1,931 through September 30, 2023, plus interest at 1.5%	17,362
$3,309,000 Water loan payable, due in annual installments of $165,450 through March 4, 2024, plus interest at 1.5%	1,489,050
Total ADEC Notes Payable	$ 1,925,189

Annual debt service requirements to maturity for the ADEC loans are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 219,728	$ 28,878	$ 248,606
2017	219,728	25,582	245,310
2018	219,728	22,285	242,013
2019	219,728	18,989	238,717
2020	219,728	15,693	235,421
2021-2024	826,549	29,809	856,358
	$ 1,925,189	$ 141,236	$ 2,066,425

(c) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

Governmental Activities	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Bonds payable:					
General obligation bonds	$ 1,880,000	$ -	$ (340,000)	$ 1,540,000	$ 355,000
Issuance premiums	65,665	-	(13,133)	52,532	13,133
Total bonds payable	1,945,665	-	(353,133)	1,592,532	368,133
Health claims payable	688,661	3,316,189	(3,683,461)	321,389	321,389
Compensated absences	628,980	713,548	(728,968)	613,560	613,560
Total Governmental Activities	$ 3,263,306	$ 4,029,737	$ (4,765,562)	$ 2,527,481	$ 1,303,082
Business-type Activities					
ADEC loans	$ 2,210,631	$ -	$ (285,442)	$ 1,925,189	$ 219,728
Compensated absences	126,976	107,319	(110,853)	123,442	123,442
Total Business-type Activities	$ 2,337,607	$ 107,319	$ (396,295)	$ 2,048,631	$ 343,170

For governmental activities, compensated absences are generally liquidated by the General Fund.

(d) Conduit Revenue Bonds

On April 22, 1996, the City Council authorized the issuance of nonrecourse revenue bonds for the purpose of providing funds to loan to the Cook Inlet Housing Development Corporation to purchase a facility. The bonds were issued in the amount of $2,327,532. The outstanding balance at June 30, 2015 was $1,034,500.

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, 2015 was $4,181,656.

On October 27, 2014, 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 authorized in the amount of $9,500,000 and as of June 30, 2015, bonds have been issued in the amount of $6,895,861. The outstanding balance at June 30, 2015 was $6,895,861.

7. Retirement Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

The City participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. 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. That report is available via the internet at http://doa.alaska.gov/drb/pers. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective June 30, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against *all* PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes.

Alaska Statute 39.35.255 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Management Retirement Board.

Although current statutes call for the State of Alaska to contribute to the Plan, the Alaska Department of Law has determined that the statute does not create a legal obligation to assume the liabilities of the Plan; rather it establishes a contribution mechanism to provide employer relief against the rising contribution rates. This relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State has determined that the Plan is *not* in a special funding situation.

Management of the City strongly disagrees with the State's position and believes that AS 39.35.255 constitutes a special funding situation under GASB 68 rules and has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis, pending a final legal determination, as may be required to settle the matter.

The City records the on-behalf contributions as revenue and expense/expenditures in the fund financial statements. However, the expenditures are adjusted to deferred outflows in the enterprise funds and government-wide financial statements.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (Police and firefighters are required to contribute 7.5% of their annual covered salary. Non-Teacher School District employees are required to contribute 9.6% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on *all* PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years.

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. However, in 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of $1 billion. As a result, the On-behalf Contribution Rate for 2015 significantly exceeds the statutory amount. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. On the enterprise fund and government-wide financial statements, the on-behalf amounts are included in revenue, but are recorded as deferred outflows, rather than pension expense.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY15, the rate uses an 8.00% pension discount rate and a 4.90% healthcare discount rate.

The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2015 were determined in the June 30, 2012 actuarial valuation and are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	12.54%	25.09%	42.41%	33.05%
Postemployment healthcare (see Note 7(c))	9.46%	18.94%	- %	55.07%
Total Contribution Rate	22.00%	44.03%	42.41%	88.12%

In 2015, the City was credited with the following contributions to the pension plan.

Measurement Period,	City FY14	City FY15
Employer contributions (including DBUL)	$ 626,562	$ 696,515
Nonemployer contributions (on-behalf)	553,151	3,202,105
Total Contributions	$ 1,179,713	$ 3,898,620

In addition, employee contributions to the Plan totaled $281,489 during the City's fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

	2015
City proportionate share of NPL	$ 7,621,647
State's proportionate share of NPL associated with the City	6,726,524
Total Net Pension Liability	$ 14,348,171

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At June 30, 2014, the City's proportion was 0.163409540 percent, which was a decrease of 0.00049810 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of $1,088,555 and on-behalf revenue of $553,151 for support provided by the State. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	880,560
Changes in proportion and differences between City contributions and proportionate share of contributions	-	14,785
City contributions subsequent to the measurement date	696,515	-
Total Deferred Outflows and Deferred Inflows Related to Pensions	$ 696,515	$ 895,345

The $696,515 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	$ 231,513
2017	223,552
2018	220,140
2019	220,140

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2014. The actuarial valuation for the year ended June 30, 2014 (latest available) was prepared by Buck Consultants. The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2005 to June 30, 2009, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Inflation	3.12%
Salary Increases	Graded by service, from 6.36% to 4.12% for Peace Officers/Firefighters. Graded by age and service, from 9.6% to 3.62% for all others.
Investment Return / Discount Rate	8.00% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and real rate of return over 4.88%.
Mortality	Rates based on the 1994 Group Annuity Mortality Table, sex distinct, 1994 Base year without margin projected to 2013 using Projection Scale AA, 80% of the male table and 60% of the female table for pre-termination mortality for Peace officers/fire fighters. 75% for male and 55% for female for pre-termination for all others; and 100% for males and 1-year set-forward for females for post-termination.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.77%
International equity	7.50%
Private equity	10.86%
Fixed income	2.05%
Real estate	3.63%
Absolute return	4.80%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the Retirement System's net pension liability and the City's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
System Net Pension Liability	100.0%	$ 6,115,581,980	$ 4,664,148,458	$ 3,441,888,494
City's proportionate share of the net pension liability	0.163409540%	$ 9,993,444	$ 7,621,647	$ 5,624,374

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. http://doa.alaska.gov/drb/pers.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the City contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2015, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2015 were $146,213 and $233,941, respectively. The City contribution amount was recognized as pension expense/expenditures.

(c) Other Post-Employment Benefits (OPEB) Plans

Defined Benefit OPEB Plan

As part of its participation in the PERS DB Plan (Tiers I, II, III), the City participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier level. The Plan is administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan described earlier in these notes.

Employer Contribution Rate

The City is required to contribute 9.46% of covered payroll into the OPEB plan. Employees do not contribute.

Annual Postemployment Healthcare Cost

Actual contributions into the Plan for the last three years were as follows. The amounts reported here include only the employer required contributions and do not include any amounts attributed to the on-behalf contributions by the State. In 2015, there were no on-behalf contributions into the OPEB Plan; however, on-behalf contributions to the OPEB Plan in 2014 and 2013 were $424,504 and $459,938, respectively.

Year ended June 30,	Annual OPEB Costs	City Contributions	% of Costs Contributed
2015	$ 525,455	$ 525,455	100 %
2014	615,735	615,735	100 %
2013	720,678	720,678	100 %

Defined Contribution OPEB Plan

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment health care benefits.

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended June 30, 2015 were as follows:

	Other Tier IV	Police/Fire Tier IV
Retiree medical plan	1.66%	1.66%
Occupational death and disability benefits	0.22%	1.06%
Total Contribution Rates	1.88%	2.72%

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2014, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates $1,961 per year for each full-time employee, and $1.26 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In 2015, the City contributed $162,938 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

(d) 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 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. The City believes that the Plan does not meet the reporting criteria for inclusion as a fiduciary fund.

8. Risk Management

The City faces various 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 Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI 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.

APEI is a public entity risk pool organized to share risks among its members. APEI'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. APEI made no supplemental assessments during the year ended June 30, 2015. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

In an effort to decrease health insurance costs, the City of Wasilla became self-insured for employee health insurance claims with a stop loss of $50,000 beginning July 1, 2011. The stop-loss of $50,000 remains in effect through June 30, 2015. The health plan is administered by Meritain Health. An estimate for claims incurred but not reported (IBNR) has been reported based on claims lag reports provided from the plan administrator. Changes in the balances for claims liabilities for the years ended June 30, 2015 and June 30, 2014 are as follows:

	2015	2014
Health claims payable, beginning	$ 688,661	$ 488,431
Incurred claims	3,316,189	2,416,346
Claims payments	(3,683,461)	(2,216,116)
Health Claims Payable, ending	$ 321,389	$ 688,661

9. Commitments and Contingencies

(a) Commitments

Encumbrances outstanding at year-end, including purchase orders, contracts and other commitments for the expenditure of moneys, are reported as assigned fund balances in the governmental funds. Outstanding encumbrances at June 30, 2015 were as follows:

Governmental funds:	
General Fund	$ 89,099
Miscellaneous Capital Projects Fund	3,927,559
Roads Capital Project Fund	1,086,093
Other nonmajor governmental funds	61,700
Total Governmental Funds	$ 5,164,451

Proprietary funds:		
Water utility	$	150,778
Sewer utility		440,176
Municipal Airport		67,636
Curtis D. Menard Memorial Sports Center		2,634
Total Proprietary Funds	$	661,224

(b) Litigation

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.

(c) Grants

The City receives numerous grants, which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, would not be material.

(d) Arbitration

Subsequent to year end, grievances were filed against the City by two separate unions related to changes made to the City sponsored healthcare plan for fiscal year 2016. Arbitration on one grievance has been resolved and the other has reached tentative agreement. The disposition of these matters is not expected to have a material impact the City's financial statements.

10. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 75 will result in the biggest reporting change. However, actual impacts have not yet been determined.

GASB 72 – *Fair Value Measurement and Application* – Effective for year-end June 30, 2016 – This statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This statement is expected to primarily affect investment disclosures.

GASB 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – This statement contains certain clarifications and amendments to GASB 67 and 68 as well as establishing requirements for both defined benefit and defined contribution pensions not within the scope of GASB 68. Effective for fiscal - year end June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for year ending June 30, 2017.

GASB 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* – Effective for year-end June 30, 2017, with earlier application encouraged – This statement contains financial reporting guidelines for Postemployment Benefit Plans. This is the Plan side requirements applicable to OPEB benefits and generally brings the OPEB reporting rules into alignment with the new GASB 67 Pension rules.
GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – Effective for year-end June 30, 2018, with earlier application encouraged – This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

GASB 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – Effective for year-end June 30, 2016, with earlier application encouraged – This statement clarifies the hierarchy of generally accepted accounting principles to be used in the preparation of state and local government financial statements. This statement supersedes the previous hierarchy established in GASB 55.

GASB 77 – *Tax Abatement Disclosures* – Effective for year-end June 30, 2017, with earlier application encouraged – This statement requires local governments to provide financial disclosures relating to tax abatements affecting the government. This includes information about abatement agreements entered into directly by the government, including conditions and criteria under which taxes can be abated, and the type and dollar amount of the tax. In addition, the statement requires disclosure of tax abatements issued by other governments that affect the local government's revenue recognition and reporting.

11. Subsequent Events

On November 23, 2015, the City purchased 11.1 acres of land to be used for relocation of the City's train stop as required for development of the downtown couplet. The purchase price of the land was $1,500,000, and was funded through a State of Alaska legislative grant.

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City of Wasilla, Alaska

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

Year Ended June 30, 2015	Budget Original	Budget Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 12,837,430	$ 12,837,430	$ 13,122,826	$ 285,396
Licenses and permits	35,125	35,125	36,164	1,039
Fines and forfeitures	205,000	205,000	303,944	98,944
Intergovernmental	1,393,432	1,330,260	3,961,046	2,630,786
Charges for services	1,782,320	1,792,520	1,822,432	29,912
Investment income	120,000	120,000	102,322	(17,678)
Other	30,650	44,450	105,843	61,393
Total Revenues	16,403,957	16,364,785	19,454,577	3,089,792
Expenditures				
Current:				
General government	3,167,058	3,171,102	3,148,955	22,147
Public safety	7,071,398	7,218,843	7,531,076	(312,233)
Public works	2,453,086	2,501,987	2,418,483	83,504
Culture and recreation	2,087,956	2,106,476	2,186,076	(79,600)
Nondepartmental	142,500	142,500	97,983	44,517
Debt service:				
Principal	340,000	340,000	340,000	-
Interest	82,263	82,263	82,263	-
Total Expenditures	15,344,261	15,563,171	15,804,836	(241,665)
Excess of Revenues Over Expenditures	1,059,696	801,614	3,649,741	2,848,127
Other Financing Sources (Uses)				
Proceeds from sale of assets	25,000	25,000	38,637	13,637
Transfers out	(1,457,191)	(1,518,835)	(1,518,835)	-
Net Other Financing Sources (Uses)	(1,432,191)	(1,493,835)	(1,480,198)	13,637
Net Change in Fund Balance	$ (372,495)	$ (692,221)	2,169,543	$ 2,861,764
Fund Balance, beginning			12,942,018	
Fund Balance, ending			$ 15,111,561	

See accompanying notes to Required Supplementary Information

City of Wasilla, Alaska

Public Employees Retirement System
Schedule of the City's Information on the Net Pension Liability

Year Ended June 30,	2015
City's proportion of the net pension liability	0.16340954%
City's proportionate share of the net pension liability	$ 7,621,647
State of Alaska proportionate share of the net pension liability	$ 6,726,524
Total net pension liability	$ 14,348,171
City's covered-employee payroll	$ 4,222,264
City's proportionate share of the net pension liability as a percentage of covered-employee payroll	181%
Plan fiduciary net position as a percentage of the total pension liability	62.37%

See accompanying notes to Required Supplementary Information.

City of Wasilla, Alaska

Public Employees Retirement System
Schedule of City Contributions

Year Ended June 30,	2015
Contractually required contribution	$ 696,515
Contributions in relation to the contractually required contribution	696,515
Contribution deficiency (excess)	$ -
City's covered-employee payroll	$ 4,033,953
Contributions as a percentage of covered-employee payroll	17.266%

See accompanying notes to Required Supplementary Information.

1. Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

The City follows these procedures in establishing the budgetary data reflected in the fund financial statements:

- The financial director must submit to the City Council by May 30 a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted by the City Council to obtain citizen comments.

- By June 30, the budget is legally enacted through passage of an ordinance by City Council action.

- Amendments to the budget can occur anytime during the fiscal year through action by the City Council or administration. Generally, the following actions are required at the level of the particular change:

  - ✓ All new appropriations are authorized by an appropriating ordinance that amends the annual budget.

  - ✓ A resolution of the City Council is required to move (appropriate) amounts between funds, departments, and projects within the same funds.

  - ✓ The administration is authorized to transfer funds within a department without Council action.

  - ✓ The Mayor, is authorized to make a transfer between departments or funds up to the amount of $10,000 within one fiscal year.

- Expenditures may not legally exceed appropriations at the following levels: Capital Projects Funds - project level, all other funds- activity level.

- All funds, except the Cemetery Permanent -Fund, are budgeted on an annual basis encompassing a fiscal year. The Capital Projects Funds have project-length budgets, which generally is greater than one year.

- Appropriations lapse at year end to the extent that they. have not been expended for all funds, except Capital Projects Funds, which lapse at the lesser of project completion or years.

- Budgets adopted by the City Council 'are in accordance with accounting principles generally accepted in the United States of America.

- The City publishes a separate 2015 budget document. That document may be obtained from the City of Wasilla, Director of Finance, 290 E.Herning Avenue, Wasilla, Alaska 99654.

2. Schedule of the City's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2015, the Plan measurement date is June 30, 2014.

3. Schedule of City Contributions – Public Employees Retirement System

This table is based on the City's contributions during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2015 basic financial statements.

4. Other Information on the Pension Schedules

Both pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

There were no benefit changes in benefit terms from the prior measurement period.

There were no changes in assumptions from the prior measurement period.

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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, public safety, property and road maintenance, museum, library, parks, and other recreational services.

City of Wasilla, Alaska

General Fund
Balance Sheet

June 30,		2015		2014
Assets				
Cash and investments	$	14,795,082	$	12,473,935
Receivables:				
Accounts		31,502		27,062
Sales taxes		1,186,476		1,145,454
Grants		40,666		39,566
Shared revenues		38,319		258,334
Special assessments		575		1,170
Total receivables		1,297,538		1,471,586
Prepaid items		54,514		88,911
Due from other funds		42,841		233,125
Total Assets	$	16,189,975	$	14,267,557
Liabilities				
Accounts payable	$	171,195	$	106,008
Accrued payroll and employee benefits		552,055		500,772
Customer deposits		13,632		10,117
Health claims payable		321,389		688,661
Unearned revenue		20,143		19,981
Total Liabilities		1,078,414		1,325,539
Fund Balance				
Nonspendable - prepaid items		54,514		88,911
Committed - capital improvements		5,075,895		4,041,840
Assigned:				
Land bank		162,000		112,000
Compensated absences		613,560		628,980
Self insurance		750,000		-
Other purposes		89,099		6,199
Unassigned		8,366,493		8,064,088
Total Fund Balance		15,111,561		12,942,018
Total Liabilities and Fund Balance	$	16,189,975	$	14,267,557

City of Wasilla, Alaska

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

Years Ended June 30,	2015	2014
Revenues		
Taxes	$ 13,122,826	$ 12,581,105
Licenses and permits	36,164	40,390
Fines and forfeitures	303,944	120,231
Intergovernmental	3,961,046	2,176,314
Charges for services	1,822,432	1,825,996
Investment income	102,322	83,102
Other	105,843	74,977
Total Revenues	19,454,577	16,902,115
Expenditures		
General government:		
City clerk	394,053	457,099
City council	115,352	119,005
Administration	338,231	342,022
General administration services	762,177	666,602
Finance	1,307,612	1,098,423
Management information systems	231,530	229,917
Total general government:	3,148,955	2,913,068
Public safety:		
Police	694,174	585,756
General investigation	330,139	333,661
Police patrol	3,449,603	2,721,590
COPS - school resource officer grant	196,423	188,942
Dispatch center	2,698,978	2,318,453
Code compliance	161,759	153,750
Total public safety	7,531,076	6,302,152

City of Wasilla, Alaska

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance, continued

Years Ended June 30,	2015	2014
Expenditures, continued:		
Public works:		
Administration	$ 574,913	$ 514,684
Roads	1,143,570	1,030,323
Property maintenance	700,000	665,511
Total public works	2,418,483	2,210,518
Culture and recreation:		
Museum	217,342	188,785
Parks maintenance	688,153	624,999
Library	1,208,873	1,054,280
Recreation services	71,708	61,429
Total culture and recreation	2,186,076	1,929,493
Debt service:		
Principal	340,000	320,000
Interest	82,263	97,744
Total debt service	422,263	417,744
Nondepartmental	97,983	205,565
Total Expenditures	15,804,836	13,978,540
Excess of Revenues Over Expenditures	3,649,741	2,923,575
Other Financing Sources (Uses)		
Proceeds from sale of assets	38,637	56,495
Transfers out	(1,518,835)	(1,986,614)
Net Other Financing Sources (Uses)	(1,480,198)	(1,930,119)
Net Change in Fund Balance	2,169,543	993,456
Fund Balance, beginning	12,942,018	11,948,562
Fund Balance, ending	$ 15,111,561	$ 12,942,018

City of Wasilla, Alaska

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

Years Ended June 30,	2015 Budget	2015 Actual	Variance	2014 Actual
Revenues				
Taxes:				
Sales taxes, including penalty and interest	$ 12,778,267	$ 13,064,276	$ 286,009	$ 12,523,664
Property and vehicle taxes	59,163	58,550	(613)	57,441
Total taxes	12,837,430	13,122,826	285,396	12,581,105
Licenses and permits:				
City business licenses	25,000	24,750	(250)	25,400
Land use permits	8,500	8,000	(500)	12,900
Other licenses and permits	1,625	3,414	1,789	2,090
Total licenses and permits	35,125	36,164	1,039	40,390
Fines and forfeitures	205,000	303,944	98,944	120,231
Intergovernmental:				
Electric and telephone co-op tax	230,000	221,051	(8,949)	222,226
Public safety grants	251,902	223,164	(28,738)	223,993
Library grants	7,650	7,650	-	13,761
Alcoholic beverage tax	30,000	27,800	(2,200)	26,900
Aviation fuel tax revenue sharing	1,500	1,033	(467)	1,667
Matanuska-Susitna Borough- AK Family Services	90,000	90,000	-	190,565
Matanuska-Susitna Borough- School resource officer	137,462	123,672	(13,790)	128,260
Matanuska-Susitna Borough- Block grant	52,500	52,500	-	65,000
Fisheries tax	-	-	-	49
State revenue sharing	494,246	494,246	-	487,104
State PERS relief	-	2,677,080	2,677,080	816,789
Transportation grants	35,000	42,850	7,850	-
Total Intergovernmental	1,330,260	3,961,046	2,630,786	2,176,314
Charges for services:				
Police dispatch services	1,567,720	1,603,184	35,464	1,649,729
Building rentals	186,600	182,078	(4,522)	148,489
Other charges for services	38,200	37,170	(1,030)	27,778
Total charges for services	1,792,520	1,822,432	29,912	1,825,996
Investment income	120,000	102,322	(17,678)	83,102
Other:				
Administration fee revenue	200	110	(90)	1,056
Special assessments	-	884	884	(728)
Donations	12,500	16,001	3,501	10,358
Miscellaneous	31,750	88,848	57,098	64,291
Total other	44,450	105,843	61,393	74,977
Total Revenues	16,364,785	19,454,577	3,089,792	16,902,115

City of Wasilla, Alaska

General Fund

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

Years Ended June 30,	2015 Budget	2015 Actual	2015 Variance	2014 Actual
Expenditures				
General government:				
City clerk:				
Salaries	$ 216,900	$ 181,741	$ 35,159	$ 207,762
Employee benefits	125,028	177,955	(52,927)	162,200
Professional and technical services	35,800	4,305	31,495	53,822
Property services	11,124	3,386	7,738	3,451
Other purchased services	47,547	25,106	22,441	26,937
Supplies	4,800	1,560	3,240	2,927
Total city clerk	441,199	394,053	47,146	457,099
City Council:				
Salaries	31,050	22,050	9,000	22,950
Employee benefits	4,900	6,740	(1,840)	4,422
Professional and technical services	72,827	53,568	19,259	68,809
Property services	11,476	10,355	1,121	2,325
Other purchased services	27,967	20,587	7,380	19,158
Supplies	2,635	2,052	583	1,341
Total City Council	150,855	115,352	35,503	119,005
Administration:				
Salaries	202,486	200,725	1,761	177,227
Employee benefits	122,472	105,092	17,380	127,308
Professional and technical services	19,000	15,418	3,582	16,959
Property services	2,233	2,139	94	1,881
Other purchased services	16,367	11,456	4,911	16,288
Supplies	4,597	3,401	1,196	2,359
Total administration	367,155	338,231	28,924	342,022
General administration services:				
Salaries	384,599	349,572	35,027	359,243
Employee benefits	240,279	333,047	(92,768)	211,529
Professional and technical services	59,059	14,644	44,415	33,064
Property services	10,092	8,590	1,502	8,266
Other purchased services	57,647	44,183	13,464	44,041
Supplies	17,695	12,141	5,554	10,459
Total general administration services	769,371	762,177	7,194	666,602
Finance:				
Salaries	591,423	573,163	18,260	536,465
Employee benefits	445,753	636,181	(190,428)	462,475
Professional and technical services	54,482	48,784	5,698	40,742
Property services	21,444	12,346	9,098	16,847
Other purchased services	42,040	28,766	13,274	37,068
Supplies	11,700	8,372	3,328	4,826
Total finance	1,166,842	1,307,612	(140,770)	1,098,423

City of Wasilla, Alaska

General Fund

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

Years Ended June 30,	2015 Budget	2015 Actual	2015 Variance	2014 Actual
General government, continued:				
Management information systems:				
Salaries	$ 63,786	$ 61,158	$ 2,628	$ 59,850
Employee benefits	36,048	61,388	(25,340)	40,751
Professional and technical services	39,650	11,800	27,850	24,975
Property services	87,747	60,028	27,719	66,700
Other purchased services	32,949	25,000	7,949	25,720
Supplies	15,500	12,156	3,344	11,921
Total management information systems	275,680	231,530	44,150	229,917
Total general government	3,171,102	3,148,955	22,147	2,913,068
Public safety:				
Police:				
Salaries	259,551	252,652	6,899	249,993
Employee benefits	126,056	194,256	(68,200)	133,634
Professional and technical services	124,588	105,409	19,179	70,469
Property services	43,214	34,237	8,977	35,441
Other purchased services	42,532	37,205	5,327	38,734
Supplies	83,568	70,415	13,153	57,485
Total police	679,509	694,174	(14,665)	585,756
General investigation:				
Salaries	285,070	134,419	150,651	179,036
Employee benefits	214,647	170,336	44,311	141,561
Professional and technical services	22,000	12,396	9,604	829
Property services	964	712	252	972
Other purchased services	10,942	7,877	3,065	5,801
Supplies	6,104	4,399	1,705	5,462
Total general investigation	539,727	330,139	209,588	333,661
Police patrol:				
Salaries	1,644,433	1,552,625	91,808	1,345,635
Employee benefits	1,097,186	1,609,452	(512,266)	1,073,273
Professional and technical services	11,000	6,609	4,391	10,295
Property services	41,650	26,571	15,079	35,345
Other purchased services	110,618	82,205	28,413	63,309
Supplies	225,205	172,141	53,064	184,907
Capital purchases	-	-	-	8,826
Total police patrol	3,130,092	3,449,603	(319,511)	2,721,590
School resource officer grant:				
Salaries	98,054	97,159	895	98,546
Employee benefits	73,579	92,494	(18,915)	81,396
Professional and technical services	350	124	226	250
Other purchased services	7,191	3,512	3,679	5,526
Supplies	4,109	3,134	975	3,224
Total school resource officer grant	183,283	196,423	(13,140)	188,942

City of Wasilla, Alaska

General Fund

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

Years Ended June 30,	2015 Budget	2015 Actual	2015 Variance	2014 Actual
Public safety, continued:				
Dispatch center:				
Salaries	$ 1,355,108	$ 1,227,869	$ 127,239	$ 1,196,065
Employee benefits	1,016,877	1,318,179	(301,302)	958,429
Professional and technical services	1,800	40	1,760	63
Property services	102,799	100,411	2,388	101,332
Other purchased services	47,180	42,173	5,007	53,527
Supplies	12,929	10,306	2,623	9,037
Total dispatch center	2,536,693	2,698,978	(162,285)	2,318,453
Code compliance:				
Salaries	79,423	72,915	6,508	83,625
Employee benefits	44,079	68,655	(24,576)	49,372
Property services	750	157	593	914
Other purchased services	18,567	16,102	2,465	14,838
Supplies	6,720	3,930	2,790	5,001
Total code compliance	149,539	161,759	(12,220)	153,750
Total public safety:	7,218,843	7,531,076	(312,233)	6,302,152
Public works:				
Administration:				
Salaries	312,920	281,621	31,299	276,097
Employee benefits	187,899	274,575	(86,676)	199,124
Professional and technical services	7,198	606	6,592	9,603
Property services	13,669	7,825	5,844	6,389
Other purchased services	16,931	7,672	9,259	19,534
Supplies	5,350	2,614	2,736	3,937
Total administration	543,967	574,913	(30,946)	514,684
Road maintenance:				
Salaries	345,481	311,871	33,610	306,495
Employee benefits	260,658	337,413	(76,755)	260,936
Property services	243,039	191,765	51,274	163,823
Other purchased services	43,451	38,563	4,888	20,239
Supplies	303,332	263,028	40,304	273,918
Capital purchases	5,000	930	4,070	4,912
Total road maintenance	1,200,961	1,143,570	57,391	1,030,323
Property maintenance:				
Salaries	178,688	169,664	9,024	166,331
Employee benefits	158,031	200,220	(42,189)	157,423
Professional and technical services	10,950	4,000	6,950	833
Property services	163,028	129,566	33,462	126,585
Other purchased services	39,461	29,180	10,281	31,885
Supplies	185,142	145,611	39,531	159,677
Other expenditures	21,759	21,759	-	22,777
Total property maintenance	757,059	700,000	57,059	665,511
Total public works	2,501,987	2,418,483	83,504	2,210,518

City of Wasilla, Alaska

General Fund

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

Years Ended June 30,	2015 Budget	2015 Actual	2015 Variance	2014 Actual
Culture and recreation:				
Museum:				
Salaries	$ 88,676	$ 86,806	$ 1,870	$ 85,012
Employee benefits	40,704	70,284	(29,580)	48,118
Professional and technical services	263	263	-	3,811
Property services	11,792	9,831	1,961	9,603
Other purchased services	23,558	21,713	1,845	20,562
Supplies	24,691	22,445	2,246	21,679
Capital purchases	6,000	6,000	-	-
Total museum	195,684	217,342	(21,658)	188,785
Parks maintenance:				
Salaries	357,293	292,193	65,100	269,101
Employee benefits	197,862	232,107	(34,245)	180,091
Property services	43,502	33,255	10,247	34,524
Other purchased services	15,265	12,507	2,758	12,733
Supplies	114,618	112,241	2,377	117,595
Capital purchases	5,850	5,850	-	10,955
Total parks maintenance	734,390	688,153	46,237	624,999
Library:				
Salaries	501,329	486,136	15,193	473,136
Employee benefits	375,982	528,530	(152,548)	394,893
Professional and technical services	44,193	35,280	8,913	29,238
Property services	34,876	31,230	3,646	28,275
Other purchased services	28,352	24,692	3,660	28,461
Supplies	118,687	103,005	15,682	100,277
Total library	1,103,419	1,208,873	(105,454)	1,054,280
Recreation services:				
Salaries	33,836	31,706	2,130	25,963
Employee benefits	17,281	24,087	(6,806)	15,040
Other purchased services	18,916	15,904	3,012	20,042
Supplies	2,950	11	2,939	384
Total recreation services	72,983	71,708	1,275	61,429
Total culture and recreation	2,106,476	2,186,076	(79,600)	1,929,493

City of Wasilla, Alaska

General Fund

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

	2015			2014
Years Ended June 30,	Budget	Actual	Variance	Actual
Debt service:				
Principal	$ 340,000	$ 340,000	$ -	$ 320,000
Interest	82,263	82,263	-	97,744
Total debt service	422,263	422,263	-	417,744
Nondepartmental:				
Insurance deductible	20,000	600	19,400	-
Foreclosed tax payments	7,500	653	6,847	-
Settlements	25,000	6,730	18,270	-
Other agreements	90,000	90,000	-	205,565
Total nondepartmental	142,500	97,983	44,517	205,565
Total Expenditures	15,563,171	15,804,836	(241,665)	13,978,540
Excess of Revenues Over Expenditures	801,614	3,649,741	2,848,127	2,923,575
Other Financing Sources (Uses)				
Proceeds from sale of assets	25,000	38,637	13,637	56,495
Transfers out	(1,518,835)	(1,518,835)	-	(1,986,614)
Net Other Financing Sources (Uses)	(1,493,835)	(1,480,198)	13,637	(1,930,119)
Net Change in Fund Balance	$ (692,221)	2,169,543	$ 2,861,764	993,456
Fund Balance, beginning		12,942,018		11,948,562
Fund Balance, ending		$ 15,111,561		$ 12,942,018

Special Revenue Funds

Youth Court Fund – This fund is used to account for a diversion program focused on first-time juvenile offenders who have committed misdemeanors. The program is called Mat-Su Youth Court and serves the community at large.

Federal Asset Forfeiture Fund – This fund accounts for assets which have been seized by federal law enforcement and distributed to local agencies under the Department of Justice's equitable sharing program. Assets received are recorded into this fund and used for public safety purposes in accordance with the program guidelines.

State Asset Forfeiture Fund – This fund accounts for assets which have been seized by State and local law enforcement agencies. Assets received are recorded into this fund and used for public safety purposes in accordance with the program guidelines.

City of Wasilla, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2015	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	$ 117,418	$ 1,175,259	$ 289,215	$ 1,581,892
Receivables - grants	44,415	-	-	44,415
Prepaid items	13	-	-	13
Total Assets	$ 161,846	$ 1,175,259	$ 289,215	$ 1,626,320
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 126	$ 570	$ -	$ 696
Accrued payroll and employee benefits	11,770	-	-	11,770
Unearned revenue	71,240	-	-	71,240
Total Liabilities	83,136	570	-	83,706
Fund Balances				
Nonspendable:				
Prepaid items	13	-	-	13
Permanent Fund principal	-	-	289,215	289,215
Restricted - Federal and State drug enforcement	13,146	-	-	13,146
Assigned:				
Youth court	65,551	-	-	65,551
Vehicle replacement	-	582,757	-	582,757
Right-of-way acquisition	-	137,576	-	137,576
Technology replacement	-	454,356	-	454,356
Total Fund Balances	78,710	1,174,689	289,215	1,542,614
Total Liabilities and Fund Balances	$ 161,846	$ 1,175,259	$ 289,215	$ 1,626,320

City of Wasilla, Alaska

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2015	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Fines and charges	$ 4,420	$ -	$ -	$ 4,420
Intergovernmental	227,960	-	-	227,960
Other	2,946	-	-	2,946
Total Revenues	235,326	-	-	235,326
Expenditures:				
Public safety	217,417	-	-	217,417
Capital outlay	12,930	393,378	-	406,308
Total Expenditures	230,347	393,378	-	623,725
Excess of revenues over (under) expenditures	4,979	(393,378)	-	(388,399)
Other Financing Sources				
Transfers in	-	397,500	3,481	400,981
Net change in fund balances	4,979	4,122	3,481	12,582
Fund Balances, beginning	73,731	1,170,567	285,734	1,530,032
Fund Balances, ending	$ 78,710	$ 1,174,689	$ 289,215	$ 1,542,614

City of Wasilla, Alaska

Nonmajor Special Revenue Funds
Combining Balance Sheet

June 30, 2015	Youth Court	Federal Asset Forfeiture	State Asset Forfeiture	Totals
Assets				
Cash and investments	$ 42,271	$ 52,383	$ 22,764	$ 117,418
Receivables - grants	44,415	-	-	44,415
Prepaid items	13	-	-	13
Total Assets	$ 86,699	$ 52,383	$ 22,764	$ 161,846
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 126	$ -	$ -	$ 126
Accrued payroll and employee benefits	11,770	-	-	11,770
Unearned revenue	9,239	49,515	12,486	71,240
Total Liabilities	21,135	49,515	12,486	83,136
Fund Balances				
Nonspendable - prepaid items	13	-	-	13
Restricted - federal and state enforcement	-	2,868	10,278	13,146
Assigned - youth court	65,551	-	-	65,551
Total Fund Balances	65,564	2,868	10,278	78,710
Total Liabilities and Fund Balances	$ 86,699	$ 52,383	$ 22,764	$ 161,846

City of Wasilla, Alaska

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2015	Youth Court	Federal Asset Forfeiture	State Asset Forfeiture	Totals
Revenues				
Fines and charges	$ 4,420	$ -	$ -	$ 4,420
Intergovernmental	215,030	-	12,930	227,960
Other	2,946	-	-	2,946
Total Revenues	222,396	-	12,930	235,326
Expenditures				
Salaries	93,880	-	-	93,880
Employee benefits	111,021	-	-	111,021
Professional and technical services	490	-	-	490
Other purchased services	9,560	-	-	9,560
Supplies	2,466	-	-	2,466
Capital outlay	-	-	12,930	12,930
Total Expenditures	217,417	-	12,930	230,347
Net change in fund balances	4,979	-	-	4,979
Fund Balances, beginning	60,585	2,868	10,278	73,731
Fund Balances, ending	$ 65,564	$ 2,868	$ 10,278	$ 78,710

City of Wasilla, Alaska

Youth Court Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Years Ended June 30,	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Fines and charges	$ 7,000	$ 4,420	$ (2,580)	$ 5,345
Intergovernmental	205,300	215,030	9,730	142,155
Other	9,239	2,946	(6,293)	9,622
Total Revenues	221,539	222,396	857	157,122
Expenditures				
Salaries	99,141	93,880	5,261	90,447
Employee benefits	90,070	111,021	(20,951)	90,399
Professional and technical services	490	490	-	214
Other purchased services	14,624	9,560	5,064	8,235
Supplies	4,824	2,466	2,358	816
Total Expenditures	209,149	217,417	(8,268)	190,111
Net change in fund balance	$ 12,390	4,979	$ (7,411)	(32,989)
Fund Balance, beginning		60,585		93,574
Fund Balance, ending		$ 65,564		$ 60,585

City of Wasilla, Alaska

Federal Asset Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

Years Ended June 30,	2015			2014
	Budget	Actual	Variance	Actual
Revenues - intergovernmental	$ -	$ -	$ -	$ 1,650
Expenditures - capital outlay	-	-	-	1,650
Net change in fund balance	$ -	-	$ -	-
Fund Balance, beginning		2,868		2,868
Fund Balance, ending		$ 2,868		$ 2,868

City of Wasilla, Alaska

State Asset Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

Years Ended June 30,	2015			2014
	Budget	Actual	Variance	Actual
Revenues - intergovernmental	$ 13,000	$ 12,930	$ (70)	$ -
Expenditures - capital outlay	13,000	12,930	70	-
Net change in fund balance	$ -	-	$ -	-
Fund Balance, beginning		10,278		10,278
Fund Balance, ending		$ 10,278		$ 10,278

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

Nonmajor Capital Project Funds
Combining Balance Sheet

June 30, 2015	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
Assets				
Cash and investments	$ 582,757	$ 137,576	$ 454,926	$ 1,175,259
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ 570	$ 570
Fund Balances - Assigned	582,757	137,576	454,356	1,174,689
Total Liabilities and Fund Balances	$ 582,757	$ 137,576	$ 454,926	$ 1,175,259

City of Wasilla, Alaska

Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2015	Vehicle Replacement	Right-of-way Acquisition	Technology Replacement	Totals
Revenues - intergovernmental	$ -	$ -	$ -	$ -
Expenditures - capital outlay	198,095	18,076	177,207	393,378
Excess of revenues over (under) expenditures	(198,095)	(18,076)	(177,207)	(393,378)
Other Financing Sources - transfers in	235,000	25,000	137,500	397,500
Net change in fund balances	36,905	6,924	(39,707)	4,122
Fund Balances, beginning	545,852	130,652	494,063	1,170,567
Fund Balances, ending	$ 582,757	$ 137,576	$ 454,356	$ 1,174,689

City of Wasilla, Alaska

Miscellaneous Capital Project Fund
Schedule of Expenditures by Project

Year Ended June 30, 2015

Expenditures		
New library design and construction	$	2,883,992
Cemetery improvements		16,354
Lake water quality weed harvester		61,180
Road maintenance equipment		238,987
Public safety software upgrade		632,058
New maintenance shop		133,371
Master plans and studies		41,851
Park improvements		66,700
General property improvements		37,382
Sexual assualt response team (SART)		100,000
Total Expenditures	$	4,211,875

Permanent Fund

Cemetery - This fund is used to account for the lot sales at the cemetery.

Exhibit J-1

City of Wasilla, Alaska

Cemetery Permanent Fund
Balance Sheet

June 30,	2015	2014
Assets		
Cash and investments	$ 289,215	$ 285,734
Fund Balance		
Nonspendable - Permanent Fund principal	$ 289,215	$ 285,734

City of Wasilla, Alaska

Cemetery Permanent Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Years Ended June 30,		2015		2014
Revenues - lot sales	$	-	$	34,800
Expenditures - capital outlay		-		3,481
Excess of revenues over expenditures		-		31,319
Other Financing Sources - transfers in		3,481		670
Net change in fund balance		3,481		31,989
Fund Balance, beginning		285,734		253,745
Fund Balance, ending	$	289,215	$	285,734

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Enterprise Funds

Water Utility Fund – This fund is used to account for the provision of water services to the residents of the City.

Sewer Utility Fund – This fund is used to account for sewer services for local residents.

Municipal Airport Fund – This fund is used to account for the operations of the Wasilla Municipal Airport.

Curtis D. Menard Memorial Sports Center – This fund accounts for the operations of the recreational sports complex facility.

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

Water Utility Enterprise Fund
Statement of Net Position

June 30,	2015	2014
Assets and Deferred Outflows		
Current Assets		
Cash and investments	$ 3,997,315	$ 3,549,420
Receivables:		
Accounts	332,089	281,061
Allowance for doubtful accounts	(27,118)	(22,941)
Special assessments	20,746	28,564
Grants	10,167	26,073
Prepaid expenses	5,157	3,873
Inventory	34,239	35,422
Total Current Assets	4,372,595	3,901,472
Noncurrent Assets		
Prepaid expenses	9,213	9,595
Capital assets:		
Land	178,740	169,170
Collection/distribution system	30,569,938	28,884,499
Water tank and fence	6,847,577	6,847,577
Wells/well house	368,659	368,659
Equipment	374,082	344,096
Construction in progress	881,557	278,771
Total capital assets	39,220,553	36,892,772
Less accumulated depreciation	(11,064,348)	(10,431,642)
Net capital assets	28,156,205	26,470,725
Total Noncurrent Assets	28,165,418	26,470,725
Total Assets	32,538,013	30,372,197
Deferred Outflows related to pensions	28,680	-
Total Assets and Deferred Outflows	$32,566,693	$30,372,197

City of Wasilla, Alaska

Water Utility Enterprise Fund
Statement of Net Position, continued

June 30,	2015	2014
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 28,696	$ 16,283
Accrued payroll and employee benefits	28,586	26,793
Accrued annual and sick leave	22,129	22,189
Customer deposits	68,276	72,618
Accrued interest	10,199	11,916
Unearned revenue	117,107	113,241
Current portion notes payable	204,675	213,429
Total Current Liabilities	479,668	476,469
Noncurrent Liabilities		
Notes payable, net of current portion	1,600,087	1,839,803
Net pension liability	313,841	-
Total Noncurrent Liabilities	1,913,928	1,839,803
Total Liabilities	2,393,596	2,316,272
Deferred Inflows related to pensions	36,868	-
Net Position		
Net investment in capital assets	26,351,443	24,407,898
Unrestricted	3,784,786	3,648,027
Total Net Position	30,136,229	28,055,925
Total Liabilities, Deferred Inflows and Net Position	$ 32,566,693	$ 30,372,197

City of Wasilla, Alaska

Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2015	2014
Operating Revenues		
Sales and user charges	$ 1,819,965	$ 1,780,967
Water meters	19,552	24,409
Total Operating Revenues	1,839,517	1,805,376
Operating Expenses		
Salaries	284,108	271,520
Employee benefits	218,658	247,259
Professional and technical services	24,994	26,998
Repair and maintenance	74,666	90,482
Other purchased services	50,588	48,961
Supplies	165,812	143,872
Total Operating Expenses	818,826	829,092
Operating income before depreciation	1,020,691	976,284
Depreciation	781,910	739,220
Operating income	238,781	237,064
Nonoperating Revenues (Expenses)		
Payments in lieu of assessments	30,739	114,051
Interest expense	(29,080)	(32,719)
Other income	909	-
Debt service assessments	1,419	2,971
State PERS relief	22,777	38,242
Net Nonoperating Revenues (Expenses)	26,764	122,545
Income before transfers and contributions	265,545	359,609
Capital assets transferred in from Airport Enterprise Fund	1,445,666	-
Capital assets transferred in from Sewer Enterprise Fund	5,778	-
Transfers out	(14,500)	(14,500)
Capital contributions	706,449	360,206
Change in net position	2,408,938	705,315
Net Position, beginning, as restated (Note 2)	27,727,291	27,350,610
Net Position, ending	$ 30,136,229	$ 28,055,925

City of Wasilla, Alaska

Water Utility Enterprise Fund
Statement of Cash Flows

Year Ended June 30,	2015	2014
Cash Flows from Operating Activities		
Cash receipts from customers and users	$1,792,190	$ 1,842,474
Cash payments to suppliers for goods and services	(303,366)	(350,107)
Cash payments to employees for services	(484,861)	(481,431)
Net cash flows from operating activities	1,003,963	1,010,936
Cash Flows for Noncapital Financing Activities		
Transfers out	(14,500)	(14,500)
Cash Flows for Capital and Related Financing Activities		
Principal paid on notes payable	(248,470)	(213,430)
Interest paid on notes payable	(30,797)	(34,000)
Special assessments received	9,237	8,657
Payments in lieu of assessments received	30,739	114,051
Acquisition and construction of capital assets	(868,297)	(66,259)
Capital contributions received	566,020	136,376
Net cash flows for capital and related financing activities	(541,568)	(54,605)
Net Increase in Cash and Investments	447,895	941,831
Cash and Investments, beginning	3,549,420	2,607,589
Cash and Investments, ending	$3,997,315	$ 3,549,420
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	$ 238,781	$ 237,064
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	781,910	739,220
State of Alaska on-behalf payments - PERS relief	22,777	38,242
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	(46,851)	16,744
Inventory	1,183	4,634
Prepaid expenses	(902)	760
Deferred outflows related to pensions	(2,880)	-
Accounts payable	12,413	(48,052)
Accrued payroll and employee benefits	1,793	2,352
Accrued annual and sick leave	(60)	(3,246)
Customer deposits	(4,342)	35,359
Unearned revenue	3,866	(12,141)
Net pension liability	(40,593)	-
Deferred inflows related to pensions	36,868	-
Net Cash from Operating Activities	$1,003,963	$ 1,010,936
Noncash Noncapital Financing and Capital and Related Financing Activities		
State of Alaska on-behalf payments - PERS relief	$ 22,777	$ 38,242
Capital assets transferred from Municipal Airport Enterprise Fund	$1,445,666	$ -
Capital assets transferred from Sewer Enterprise Fund	$ 5,778	$ -
Water extensions contributed by developers	$ 293,827	$ 293,547

City of Wasilla, Alaska

Sewer Utility Enterprise Fund
Statement of Net Position

June 30,	2015	2014
Assets and Deferred Outflows		
Current Assets		
Cash and investments	$ 3,023,836	$ 2,550,806
Receivables:		
Accounts	163,950	138,368
Allowance for doubtful accounts	(18,008)	(15,663)
Special assessments	51,404	65,461
Grants	85,077	-
Prepaid expenses	4,001	3,886
Inventory	43,050	37,936
Total Current Assets	3,353,310	2,780,794
Noncurrent Assets - capital assets		
Land	1,008,977	1,008,977
Building	143,456	143,456
Treatment system	8,111,871	8,127,617
Collection/distribution system	11,589,862	11,574,117
Equipment	5,175,228	5,251,197
Total capital assets	26,029,394	26,105,364
Less accumulated depreciation	(12,073,344)	(11,634,192)
Total Noncurrent Assets	13,956,050	14,471,172
Total Assets	17,309,360	17,251,966
Deferred Outflows related to pensions	40,761	-
Total Assets and Deferred Outflows	$ 17,350,121	$ 17,251,966

City of Wasilla, Alaska

Sewer Utility Enterprise Fund
Statement of Net Position, continued

June 30,	2015	2014
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 43,622	$ 10,733
Accrued payroll and employee benefits	38,299	35,595
Accrued annual and sick leave	75,367	72,426
Customer deposits	11,281	6,771
Accrued interest	1,123	1,510
Current portion of note payable	15,053	17,245
Total Current Liabilities	184,745	144,280
Noncurrent Liabilities		
Note payable, net of current portion	105,374	140,154
Net pension liability	446,022	-
Total Noncurrent Liabilities	551,396	140,154
Total Liabilities	736,141	284,434
Deferred Inflows related to pensions	52,396	-
Net Position		
Net investment in capital assets	13,835,623	14,313,773
Unrestricted	2,725,961	2,653,759
Total Net Position	16,561,584	16,967,532
Total Liabilities, Deferred Inflows and Net Position	$ 17,350,121	$ 17,251,966

City of Wasilla, Alaska

Sewer Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2015	2014
Operating Revenues - sales and user charges	$ 1,511,553	$ 1,447,990
Operating Expenses		
Salaries	407,155	396,238
Employee benefits	285,876	331,002
Professional and technical services	10,614	11,370
Repair and maintenance	165,274	114,540
Other purchased services	32,626	32,597
Supplies	210,793	203,348
Total Operating Expenses	1,112,338	1,089,095
Operating income before depreciation	399,215	358,895
Depreciation	464,157	465,628
Operating loss	(64,942)	(106,733)
Nonoperating Revenues (Expenses)		
Payments in lieu of assessments	38,294	111,563
Interest expense	(1,975)	(2,455)
Other income	2,471	3
Loss on disposal of capital assets	(56,742)	-
Debt service assessments	4,342	1,858
State PERS relief	32,371	56,248
Net Nonoperating Revenues (Expenses)	18,761	167,217
Income (loss) before transfers and contributions	(46,181)	60,484
Transfers out	(17,500)	(16,500)
Capital assets transferred to the Water Enterprise Fund	(5,778)	-
Capital contributions	130,555	417,576
Change in net position	61,096	461,560
Net Position, beginning, as restated (Note 2)	16,500,488	16,505,972
Net Position, ending	$ 16,561,584	$ 16,967,532

City of Wasilla, Alaska

Sewer Utility Enterprise Fund
Statement of Cash Flows

Year Ended June 30,	2015	2014
Cash Flows from Operating Activities		
Cash receipts from customers and users	$ 1,495,297	$ 1,452,422
Cash payments to suppliers for goods and services	(391,647)	(372,828)
Cash payments to employees for services	(664,402)	(661,642)
Net cash flows from operating activities	439,248	417,952
Cash Flows for Noncapital Financing Activities		
Transfers out	(17,500)	(16,500)
Non operating grants received	-	3
Net cash flows from noncapital financing activities	(17,500)	(16,497)
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes payable	(36,972)	(17,245)
Interest paid on notes payable	(2,362)	(2,620)
Special assessments received	4,342	1,858
Payments in lieu of assessments received	52,351	55,675
Acquisition and construction of capital assets	(11,555)	(359,859)
Capital contributions received	45,478	351,167
Net cash flows from capital and related financing activities	51,282	28,976
Net Increase in Cash and Investments	473,030	430,431
Cash and Investments, beginning	2,550,806	2,120,375
Cash and Investments, ending	$ 3,023,836	$ 2,550,806
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (64,942)	$ (106,733)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	464,157	465,628
State of Alaska on-behalf payments - PERS relief	32,371	56,248
Nonoperating revenues	2,471	-
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable and related allowance	(23,237)	3,780
Inventory	(5,114)	(1,579)
Prepaid expenses	(115)	380
Deferred outflows related to pensions	(4,094)	-
Accounts payable	32,889	(10,120)
Accrued payroll and employee benefits	2,704	5,271
Accrued annual and sick leave	2,941	4,079
Customer deposits	4,510	998
Net pension liability	(57,689)	-
Deferred inflows related to pensions	52,396	-
Net Cash from Operating Activities	$ 439,248	$ 417,952
Noncash Noncapital Financing and Capital and Related Financing Activities		
State of Alaska on-behalf payments - PERS relief	$ 32,371	$ 56,248
Capital assets transferred to Water Enterprise fund	$ (5,778)	$ -
Sewer extensions contributed by developers	$ -	$ 66,409
Increase in special assessments receivable	$ -	$ 90,929

City of Wasilla, Alaska

Municipal Airport Enterprise Fund
Statement of Net Position

June 30,	2015	2014
Assets and Deferred Outflows		
Current Assets		
Cash and investments	$ 321,673	$ 97,385
Receivables:		
Accounts	1,223	1,010
Grants	72,186	403,249
Prepaid expenses	1,254	1,218
Total Current Assets	396,336	502,862
Noncurrent Assets - capital assets		
Land	1,470,000	1,470,000
Land improvements	16,133,231	16,422,422
Buildings	993,282	993,282
Equipment	1,470,118	1,278,575
Construction in progress	-	1,500,046
Total capital assets	20,066,631	21,664,325
Less accumulated depreciation	(8,512,964)	(8,277,823)
Total Noncurrent Assets	11,553,667	13,386,502
Total Assets	11,950,003	13,889,364
Deferred Outflows related to pensions	2,860	-
Total Assets and Deferred Outflows	$ 11,952,863	$ 13,889,364
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 2,720	$ 31,665
Accrued payroll and employee benefits	2,496	2,216
Accrued annual and sick leave	9,286	9,362
Unearned revenue	7,185	10,884
Total Current Liabilities	21,687	54,127
Noncurrent Liabilities - Net pension liability	31,295	-
Total Liabilities	52,982	54,127
Deferred Inflows related to pensions	3,676	-
Net Position		
Net investment in capital assets	11,553,667	13,386,502
Unrestricted	342,538	448,735
Total Net Position	11,896,205	13,835,237
Total Liabilities, Deferred Inflows and Net Position	$ 11,952,863	$ 13,889,364

City of Wasilla, Alaska

Municipal Airport Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2015	2014
Operating Revenues - fees and rentals	$ 85,669	$ 72,121
Operating Expenses		
Salaries	29,392	29,601
Employee benefits	19,318	21,310
Professional and technical services	4,027	4,504
Repair and maintenance	37,076	29,692
Other purchased services	25,236	30,631
Supplies	45,612	38,368
Total Operating Expenses	160,661	154,106
Operating loss before depreciation	(74,992)	(81,985)
Depreciation	778,059	672,169
Operating loss	(853,051)	(754,154)
Nonoperating Revenues (Expenses)		
State PERS relief	2,271	4,078
Plans and studies	(8,242)	(33,629)
Nonoperating grants	8,036	33,629
Loss on disposal of capital assets	(156,335)	-
Net Nonoperating Revenues (Expenses)	(154,270)	4,078
Loss before contributions and transfers	(1,007,321)	(750,076)
Transfers in	-	258,560
Transfers out	(500)	(500)
Capital assets transferred to governmental funds	-	(2,070,159)
Capital assets transferred to Water Enterprise Fund	(1,445,666)	-
Capital contributions	547,225	1,482,066
Change in net position	(1,906,262)	(1,080,109)
Net Position, beginning, as restated (Note 2)	13,802,467	14,915,346
Net Position, ending	$ 11,896,205	$ 13,835,237

City of Wasilla, Alaska

Municipal Airport Enterprise Fund
Statement of Cash Flows

Year Ended June 30,	2015	2014
Cash Flows for Operating Activities		
Cash receipts from customers and users	$ 81,757	$ 72,997
Payments to suppliers for goods and services	(149,174)	(136,859)
Payments to employees for services	(46,894)	(45,715)
Net cash flows for operating activities	(114,311)	(109,577)
Cash Flows from (for) Noncapital Financing Activities		
Transfers in from other funds	-	258,560
Transfers out to other funds	(500)	(500)
Nonoperating grants received	8,036	33,629
Net cash flows from (for) noncapital financing activities	7,536	291,689
Cash Flows from (for) Capital and Related Financing Activities		
Acquisition and construction of capital assets	(547,225)	(2,037,759)
Capital contributions received	878,288	1,790,153
Net cash flows from (for) capital and related financing activities	331,063	(247,606)
Net Increase (Decrease) in Cash and Investments	224,288	(65,494)
Cash and Investments, beginning	97,385	162,879
Cash and Investments, ending	$ 321,673	$ 97,385
Reconciliation of Operating Loss to Net Cash for Operating Activities		
Operating loss	$ (853,051)	$ (754,154)
Adjustments to reconcile operating loss to net cash for operating activities:		
Depreciation	778,059	672,169
State of Alaska on-behalf payments - PERS relief	2,271	4,078
Nonoperating expenses for plans and studies	(8,242)	(33,629)
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(213)	209
Accounts payable	(28,945)	-
Prepaid expenses	(36)	(35)
Deferred outflows related to pensions	(287)	-
Accrued payroll and employee benefits	280	542
Accrued annual and sick leave	(76)	576
Unearned revenue	(3,699)	667
Net pension liability	(3,232)	-
Deferred inflows related to pensions	2,860	-
Net Cash for Operating Activities	$ (114,311)	$ (109,577)
Noncash Noncapital Financing and Capital and Related Financing Activities		
State of Alaska on-behalf payments- PERS relief	$ 2,271	$ 4,078
Capital assets transferred to Water Enterprise fund	$ (1,445,666)	$ -
Transfer of roads to governmental activities	$ -	$ 2,070,159

City of Wasilla, Alaska

Curtis D. Menard Memorial Sports Center Enterprise Fund
Statement of Net Position

June 30,	2015	2014
Assets and Deferred Outflows		
Current Assets		
Cash and investments	$ 1,557,729	$ 1,349,950
Receivables:		
Grants	-	107
Accounts	18,535	25,292
Prepaid expenses	2,534	1,262
Total Current Assets	1,578,798	1,376,611
Noncurrent Assets - capital assets		
Land	1,771,990	1,771,990
Land Improvements	250,000	250,000
Buildings	16,515,740	16,516,500
Equipment	663,256	603,002
Total capital assets	19,200,986	19,141,492
Less accumulated depreciation	(4,325,291)	(3,815,867)
Total Noncurrent Assets	14,875,695	15,325,625
Total Assets	16,454,493	16,702,236
Deferred Outflows related to pensions	32,536	-
Total Assets and Deferred Outflows	$ 16,487,029	$ 16,702,236
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 19,727	$ 14,845
Accrued payroll and employee benefits	37,644	36,482
Accrued annual and sick leave	16,660	22,998
Customer deposits	7,350	3,800
Unearned revenue	75,067	75,814
Total Current Liabilities	156,448	153,939
Noncurrent Liabilities - Net pension liability	356,022	-
Total Liabilities	512,470	153,939
Deferred Inflows related to pensions	41,823	-
Net Position		
Net investment in capital assets	14,875,695	15,325,625
Unrestricted	1,057,041	1,222,672
Total Net Position	15,932,736	16,548,297
Total Liabilities, Deferred Inflows and Net Position	$ 16,487,029	$ 16,702,236

City of Wasilla, Alaska

Curtis D. Menard Memorial Sports Center Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2015	2014
Operating Revenues - fees and rentals	$ 728,688	$ 732,704
Operating Expenses		
Salaries	401,755	409,626
Employee benefits	278,938	338,993
Professional and technical services	16,987	19,654
Repair and maintenance	142,949	141,145
Other purchased services	73,278	61,828
Supplies	276,456	245,216
Total Operating Expenses	1,190,363	1,216,462
Operating loss before depreciation	(461,675)	(483,758)
Depreciation	509,424	500,348
Operating Loss	(971,099)	(984,106)
Nonoperating Revenues		
Investment income	597	3,479
Other income	2,856	286
State PERS relief	25,839	49,244
Total Nonoperating Revenues	29,292	53,009
Loss before contributions and transfers	(941,807)	(931,097)
Transfers in	704,348	623,000
Transfers out	(9,500)	(9,500)
Capital contributions	4,200	24,666
Change in net position	(242,759)	(292,931)
Net Position, beginning, as restated (Note 2)	16,175,495	16,841,228
Net Position, ending	$ 15,932,736	$ 16,548,297

City of Wasilla, Alaska

Curtis D. Menard Memorial Sports Center Enterprise Fund
Statement of Cash Flows

Year Ended June 30,	2015	2014
Cash Flows for Operating Activities		
Cash receipts from customers and users	$ 741,104	$ 757,109
Cash payments to suppliers for goods and services	(506,060)	(492,030)
Cash payments to employees for services	(667,523)	(692,711)
Net cash flows for operating activities	(432,479)	(427,632)
Cash Flows from Noncapital Financing Activities		
Transfers in	704,348	623,000
Transfers out	(9,500)	(9,500)
Other nonoperating receipts	-	286
Net cash flows for noncapital financing activities	694,848	613,786
Cash Flows for Capital and Related Financing Activities		
Acquisition and construction of capital assets	(59,494)	(77,893)
Capital contributions received	4,307	30,226
Net cash flows for capital and related financing activities	(55,187)	(47,667)
Cash Flows from Investing Activities - investment income received	597	3,479
Net Increase in Cash and Investments	207,779	141,966
Cash and Investments, beginning	1,349,950	1,207,984
Cash and Investments, ending	$ 1,557,729	$ 1,349,950
Reconciliation of Operating Loss to Net Cash for Operating Activities		
Operating loss	$ (971,099)	$ (984,106)
Adjustments to reconcile operating loss to net cash for operating activities:		
Depreciation	509,424	500,348
State of Alaska on-behalf payments - PERS relief	25,839	49,244
Nonoperating revenues	2,856	286
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	6,757	7,541
Prepaid expenses	(1,272)	(36)
Deferred outflows related to pensions	(3,268)	-
Accounts payable	4,882	(24,151)
Accrued payroll and employee benefits	1,162	2,497
Accrued annual and sick leave	(6,338)	4,167
Customer deposits	3,550	15,814
Unearned revenue	(747)	1,050
Net pension liability	(36,761)	-
Deferred inflows related to pensions	32,536	-
Net Cash for Operating Activities	$ (432,479)	$ (427,346)
Noncash Noncapital Financing Activities		
State of Alaska on-behalf payments - PERS relief	$ 25,839	$ 49,244

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City of Wasilla, Alaska

This part of the City of Wasilla's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Context		Page
Financial Trends		
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.		
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Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

City of Wasilla, Alaska

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net Investment in capital assets	$23,130,317	$ 24,224,874	$ 25,066,933	$ 24,398,858	$ 26,352,274	$ 27,061,059	$ 27,866,382	$ 27,146,916	$ 31,959,213	$ 39,126,772
Restricted	-	-	-	-	210,573	222,722	248,818	266,891	3,256,647	7,720,055
Unrestricted	8,728,564	8,892,421	8,643,361	9,971,248	9,178,588	10,583,663	11,650,704	13,214,102	14,351,166	10,721,131
Total governmental activities net assets	31,858,881	33,117,295	33,710,294	34,370,106	35,741,435	37,867,444	39,765,904	40,627,909	49,567,026	57,567,958
Business-type activities:										
Invested in capital assets, net of related debt	40,517,807	47,010,053	50,098,545	58,196,431	59,488,483	61,667,398	68,715,514	69,269,258	67,433,798	66,616,428
Restricted	1,549,126	2,178,513	2,914,497	1,477,737	2,071,844	-	-	-	-	-
Unrestricted	3,150,604	2,196,833	2,946,178	2,711,915	3,674,997	4,775,904	5,326,572	6,343,898	7,973,193	7,910,326
Total business-type activities net assets	45,217,537	51,385,399	55,959,220	62,386,083	65,235,324	66,443,302	74,042,086	75,613,156	75,406,991	74,526,754
Total activities:										
Invested in capital assets, net of related debt	63,648,124	71,234,927	75,165,478	82,595,289	85,840,757	88,728,457	89,540,999	96,416,174	99,393,011	105,743,200
Restricted	1,549,126	2,178,513	2,914,497	1,477,737	2,071,844	222,722	248,818	266,891	3,256,647	7,720,055
Unrestricted	11,879,168	11,089,254	11,589,539	12,683,163	12,853,585	15,339,567	16,977,276	19,558,000	22,324,359	18,631,457
Total Net Assets	$77,076,418	$ 84,502,694	$ 89,669,514	$ 96,756,189	$ 100,766,186	$ 104,290,746	$ 106,767,093	$ 116,241,065	$ 124,974,017	$ 132,094,712

City of Wasilla, Alaska

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 2,053,904	$ 2,631,085	$ 2,818,033	$ 2,808,593	$ 2,949,299	$ 2,678,667	$ 2,994,569	$ 3,215,470	$ 3,340,921	$ 3,038,869
Public safety	4,483,195	5,142,112	5,761,075	6,290,577	6,469,113	6,585,810	6,920,691	7,108,991	7,075,807	7,418,375
Public works	2,746,502	2,682,130	2,925,326	3,609,023	3,473,727	3,949,216	3,852,249	4,029,730	4,431,710	4,033,097
Cultural and recreation	1,387,867	1,529,659	1,621,844	1,846,153	1,908,613	1,734,297	1,907,136	2,086,325	2,043,477	2,021,445
Interest on long-term debt	232,958	154,562	186,416	162,172	169,873	113,014	125,108	113,071	85,651	76,516
Total governmental activities expenses	10,904,426	12,139,548	13,312,694	14,716,518	14,970,625	15,061,004	15,799,753	16,553,587	16,977,566	16,588,302
Business-type activities:										
Water Utility	948,453	1,087,748	1,096,799	1,160,186	1,354,805	1,347,403	1,364,302	1,522,151	1,601,031	1,628,907
Sewer Utility	986,383	1,075,369	1,043,618	1,398,732	1,248,782	1,254,787	1,424,799	1,490,873	1,557,178	1,635,212
Municipal Airport	456,878	490,437	481,477	819,103	1,081,269	1,046,550	1,647,280	833,245	859,904	1,103,297
Curtis D. Menard Memorial Sports Center	1,613,022	1,659,328	2,162,833	1,717,698	1,622,562	1,491,371	1,584,802	1,725,391	1,716,810	1,699,787
Total business-type activities expenses	4,004,736	4,312,882	4,784,727	5,095,719	5,307,418	5,140,111	6,021,183	5,571,660	5,734,923	6,067,203
Total expenses	14,909,162	16,452,430	18,097,421	19,812,237	20,278,043	20,201,115	21,820,936	22,125,247	22,712,489	22,655,505
Program Revenues										
Governmental activities:										
Fees, fines & charges for services:										
General government	52,967	34,274	36,778	36,509	38,397	33,588	32,842	31,055	39,781	65,334
Public safety	1,394,672	1,557,226	1,697,437	1,583,265	1,564,989	1,544,398	1,722,970	1,710,651	1,779,073	1,883,808
Public works	100	-	19,145	328	141,022	191,833	210,329	221,723	148,579	190,078
Cultural and recreation	416,794	12,776	338,462	62,522	76,145	54,340	63,691	64,789	87,724	30,255
Operating grants and contributions	293,038	747,346	513,374	970,880	901,746	633,479	691,402	731,335	594,799	1,295,063
Capital grants and contribtuions	2,053,199	730,639	1,382,910	323,666	1,724,791	2,650,118	1,779,393	1,034,593	4,577,040	7,974,785
Total governmental activities program revenues	4,210,770	3,082,261	3,988,106	2,977,170	4,447,090	5,107,756	4,500,627	3,794,146	7,226,996	11,439,323
Business-type activities:										
Water Utility	764,216	769,376	793,491	818,318	1,148,297	1,312,070	1,476,682	1,537,994	1,805,376	1,839,517
Sewer Utility	656,759	673,985	678,897	694,702	1,024,400	1,159,179	1,235,814	1,308,737	1,447,990	1,511,553
Municipal Airport	66,225	67,902	70,293	58,178	67,221	64,082	65,849	69,522	72,121	85,669
Curtis D. Menard Memorial Sports Center	642,091	728,117	688,958	698,333	735,723	544,627	585,634	651,344	732,704	728,688
Operating grants and contributions	-	-	-	-	216,869	320,593	395,857	160,748	181,441	91,294
Capital grants and contributions	1,906,555	4,828,574	2,599,391	5,426,008	1,231,514	1,893,891	2,254,264	2,641,162	2,284,514	1,388,429
Total business-type activities program revenues	4,035,846	7,067,954	4,831,030	7,695,539	4,424,024	5,294,442	6,014,100	6,369,507	6,524,146	5,645,150
Total primary government program revenues	8,246,616	10,150,215	8,819,136	10,672,709	8,871,114	10,402,198	10,514,727	10,163,653	13,751,142	17,084,473
Net (expenses)/revenue:										
Governmental activities	(6,693,656)	(9,057,287)	(9,324,588)	(11,739,348)	(10,523,535)	(9,953,248)	(11,299,126)	(12,759,441)	(9,750,570)	(5,148,979)
Business-type activities	31,110	2,755,072	46,303	2,599,820	(883,394)	154,331	(7,083)	797,847	789,223	(422,053)
Total primary government net expenses	$ (6,662,546)	$ (6,302,215)	$ (9,278,285)	$ (9,139,528)	$ (11,406,929)	$ (9,798,917)	$ (11,306,209)	$ (11,961,594)	$ (8,961,347)	$ (5,571,032)

City of Wasilla, Alaska

Changes in Net Position
Last Seven Fiscal Years
(accrual basis of accounting)
continued

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Sales taxes	$ 8,976,284	$ 9,658,193	$ 10,386,206	$ 11,070,859	$ 11,185,917	$ 11,681,721	$ 11,911,716	$ 12,346,152	$ 15,481,431	$ 19,579,568
Property taxes	194,627	2,722	300	289	92	-	2	-	-	-
Vehicle taxes	91,630	96,190	101,620	105,419	107,640	108,670	117,460	120,969	57,441	58,550
Grants and entitlements not restricted to a specific purpose	376,984	773,246	654,011	1,359,374	1,220,956	1,158,757	1,564,089	1,798,256	1,745,300	744,130
Investment earnings	181,753	457,286	507,334	373,798	235,941	121,725	67,015	85,725	83,197	103,799
Other	25,213	90,005	23,105	13,654	57,143	31,540	81,304	35,261	92,719	105,843
Transfers	(675,289)	(761,941)	(1,754,989)	(845,500)	(912,825)	(1,023,156)	(544,000)	(741,215)	1,229,599	(662,348)
Special item - write off NPO/OPEB	-	-	-	321,267	-	-	-	-	-	-
Total governmental activities	9,171,202	10,315,701	9,917,587	12,399,160	11,894,864	12,079,257	13,197,586	13,645,148	18,689,687	19,929,542
Business-type activities:										
Taxes	2,244,071	2,414,673	2,597,929	2,776,152	2,813,929	-	-	-	-	-
Grants and entitlements not restricted to a specific purpose	25,628	28,037	-	100,518	-	-	-	-	-	-
Investment earnings	143,066	205,401	165,956	36,052	5,881	2,836	4,574	6,542	3,479	3,453
Other	-	2,738	8,644	2,518	-	7,655	36,396	25,466	230,732	77,265
Transfers	675,289	761,941	1,754,989	845,500	912,825	1,023,156	544,000	741,215	(1,229,599)	662,348
Special item - write off NPO/OPEB	-	-	-	66,303	-	-	-	-	-	-
Total business-type activities	3,088,054	3,412,790	4,527,518	3,827,043	3,732,635	1,033,647	584,970	773,223	(995,388)	743,066
Total primary government	12,259,256	13,728,491	14,445,105	16,226,203	15,627,499	13,112,904	13,782,556	14,418,371	17,694,299	20,672,608
Changes in Net Assets										
Governmental activities	2,477,546	1,258,414	592,999	659,812	1,371,329	2,126,009	1,898,460	885,707	8,939,117	14,780,563
Business-type activities	3,119,164	6,167,862	4,573,821	6,426,863	2,849,241	1,187,978	577,887	1,571,070	(206,165)	321,013
Total Primary Government	$ 5,596,710	$ 7,426,276	$ 5,166,820	$ 7,086,675	$ 4,220,570	$ 3,313,987	$ 2,476,347	$ 2,456,777	$ 8,732,952	$ 15,101,576

City of Wasilla, Alaska

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Nonspendable	$ 65,286	$ 65,057	$ 67,600	$ 70,125	$ 74,596	$ 78,953	$ 118,443	$ 96,268	$ 88,911	$ 54,514
Committed	386,276	-	259,046	1,332,106	-	1,001,579	2,502,183	3,636,891	4,041,840	5,075,895
Assigned	192,093	94,967	37,110	92,771	129,694	312,990	639,840	675,829	747,179	1,614,659
Unassigned	5,217,815	6,007,895	5,666,711	5,639,118	6,273,841	7,293,632	7,149,076	7,539,574	8,064,088	8,366,493
Total General Fund	5,861,470	6,167,919	6,030,467	7,134,120	6,478,131	8,687,154	10,409,542	11,948,562	12,942,018	15,111,561
All Other Governmental Funds:										
Nonspendable:										
Permanent fund	175,705	187,105	201,501	204,055	210,573	222,722	235,672	253,745	285,734	289,215
Special revenue funds	-	138	-	-	-	-	14	14	13	13
Capital projects funds	-	7,125	-	-	-	-	12,845	5,819	-	-
Restricted for:										
Debt service funds	355,381	339,156	323,689	306,327	227,968	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	13,146	13,146	13,146	13,146
New library construction	-	-	-	-	-	-	-	-	2,957,767	7,417,694
Assigned to:										
Special revenue funds	396,505	142,020	162,662	176,949	302,982	48,078	43,025	93,560	60,572	65,551
Debt service funds	382,730	423,639	429,865	373,904	354,460	-	-	-	-	-
Capital projects funds	2,004,431	2,189,860	2,129,129	2,140,726	2,190,737	2,278,206	1,640,295	1,750,832	1,984,955	2,807,235
Total all other governmental funds	$ 3,314,752	$ 3,289,043	$ 3,246,846	$ 3,201,961	$ 3,286,720	$ 2,549,006	$ 1,944,997	$ 2,117,116	$ 5,302,187	$ 10,592,854

City of Wasilla, Alaska

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Sales taxes	$ 8,976,284	$ 9,658,193	$ 10,386,206	$ 11,070,858	$ 11,185,917	$ 11,681,721	$ 11,911,716	$ 12,346,152	$ 15,481,431	$ 19,579,568
Property and vehicle taxes	286,257	98,912	101,920	105,709	107,732	108,670	117,462	120,969	57,441	58,550
Intergovernmental	3,016,976	2,320,519	2,998,131	2,629,049	3,876,409	2,702,239	3,664,535	3,556,911	4,184,465	8,406,454
Investment earnings	181,753	457,286	507,334	373,798	235,941	121,725	67,015	85,725	83,197	103,799
Other revenues	1,751,403	1,719,860	1,710,709	1,758,514	1,870,786	1,897,065	2,089,290	2,114,907	2,147,361	2,275,749
Total Revenues	$ 14,212,673	$ 14,254,770	$ 15,704,300	$ 15,937,928	$ 17,276,785	$ 16,511,420	$ 17,850,018	$ 18,224,664	$ 21,953,895	$ 30,424,120
Expenditures										
Current:										
General government	$ 1,880,357	$ 2,395,634	$ 2,648,361	$ 2,667,010	$ 2,672,437	$ 2,554,172	$ 2,790,919	$ 2,815,187	$ 2,913,068	$ 3,148,955
Public safety	3,950,162	4,622,369	5,092,492	5,726,540	5,619,041	5,772,067	6,161,011	6,292,968	6,303,802	7,531,076
Public works	1,905,214	1,871,951	1,947,844	2,145,522	2,163,887	2,064,098	2,171,962	2,208,004	2,241,846	2,418,483
Culture and recreation	1,319,595	1,436,864	1,542,290	1,728,673	1,681,948	1,670,474	1,834,867	1,917,983	1,929,493	2,186,076
Non-departmental	32,987	30,528	24,346	22,500	102,000	54,486	64,567	139,725	205,565	97,983
Youth court	134,999	150,649	134,933	152,415	146,501	148,540	161,932	173,429	190,111	217,417
Capital outlay	3,232,681	2,193,371	2,235,245	1,102,536	4,087,063	1,349,794	2,608,221	1,805,060	2,789,674	6,317,946
Debt service:										
Principal	326,264	329,196	315,573	317,210	400,080	349,659	325,197	320,505	320,000	340,000
Interest	235,771	186,483	187,876	171,254	158,780	136,863	124,844	112,744	97,744	82,263
Other debt service costs	-	40,632	-	-	-	-	-	-	-	-
Total Expenditures	13,018,030	13,257,677	14,128,960	14,033,660	17,031,737	14,100,153	16,243,520	15,785,605	16,991,303	22,340,199
Excess of revenues over (under) expenditures	1,194,643	997,093	1,575,340	1,904,268	245,048	2,411,267	1,606,498	2,439,059	4,962,592	8,083,921
Other financing sources (uses):										
Bond proceeds	-	45,588	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	8,035	4,279	55,881	13,295	56,495	38,637
Transfers in	2,940,076	2,430,840	1,754,246	2,234,437	5,275,203	728,932	655,084	947,273	1,146,054	859,968
Transfers out	(3,615,365)	(3,192,781)	(3,509,235)	(3,079,937)	(6,188,028)	(1,673,169)	(1,199,084)	(1,688,488)	(1,986,617)	(1,522,316)
Proceeds from capital lease	-	-	-	-	88,512	-	-	-	-	-
Net other financing sources (uses)	(675,289)	(716,353)	(1,754,989)	(845,500)	(816,278)	(939,958)	(488,119)	(727,920)	(784,068)	(623,711)
Net change in fund balances	519,354	280,740	(179,649)	1,058,768	(571,230)	1,471,309	1,118,379	1,711,139	4,178,524	7,460,210
Debt service as a percentage of noncapital expenditures	5.74%	5.03%	4.23%	3.60%	4.09%	2.57%	3.17%	2.94%	2.94%	2.43%
Total non-capital expenditures	$ 9,785,349	$ 11,064,306	$ 11,893,715	$ 13,555,405	$ 13,652,773	$ 13,609,341	$ 14,211,961	$ 14,715,904	$ 15,370,471	$ 17,386,845

City of Wasilla, Alaska

Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ended June 30	Total Taxes	Property Taxes	Sales Taxes	Vehicle Taxes
2006	$ 9,262,541	$ 194,627	$ 8,976,284	$ 91,630
2007	9,757,105	2,722	9,658,193	96,190
2008	10,488,126	300	10,386,206	101,620
2009	11,176,567	289	11,070,859	105,419
2010	11,293,649	92	11,185,917	107,640
2011	11,790,391	-	11,681,721	108,670
2012	12,029,178	2	11,911,716	117,460
2013	12,467,121	-	12,346,152	120,969
2014	15,538,872	-	15,481,431	57,441
2015	19,638,118	-	19,579,568	58,550

Source: City of Wasilla Finance Department

(1) A dedicated .5% sales tax on retails sales and services was approved by the voters in October 2006, becoming effective July 1, 2007. The dedicated sales tax was used to retire the Curtis D. Menard Memorial Sports Center general obligation bonds. As of June 30, 2015, sufficient sales tax had been collected to retire this debt and the .5% sales tax was removed effective July 1, 2015.

(2) Property taxes were reduced to 0.00 Mills July 1, 2006 and have remained at this rate.

City of Wasilla, Alaska

General Government Sales Tax Revenue By Category

June 30, 2015

Category	2015 Total Sales Tax Revenue	2015 Percentage of Total	2006 Total Sales Tax Revenue	2006 Percentage of Total
Trade Retail & Wholesale	$ 14,581,620	74.47%	$ 4,736,585	52.76%
Entertainment, Recreation & Food Service	2,405,664	12.29%	422,339	4.71%
Utilities & Information	1,003,266	5.12%	359,486	4.00%
Real Estate, Rental, Leasing & Transportation	316,816	1.62%		
Manufacturing (primarily construction related)	155,826	0.80%	1,355,939	15.11%
All Other Services	1,116,376	5.70%	2,101,935	23.42%
	$ 19,579,568	100.00%	$ 8,976,284	100.00%

Source: City of Wasilla Finance Department

(1) Wasilla Municipal Code restricts the publication of sales tax collection information identifable to a particular seller. Sales tax revenue by category is presented in lieu of disclosing principal sales tax revenue payers.

City of Wasilla, Alaska

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real	Total Assessed Value Net of Exemptions	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2006	$ 681,562,200	$ 649,749,673	12.680	$ 843,508,500	77.03%
2007	818,127,000	788,757,000	11.064	879,854,800	89.65%
2008	883,096,000	845,977,500	11.104	922,533,500	91.70%
2009	904,686,770	854,448,324	11.886	912,805,200	93.61%
2010	929,324,350	879,403,919	11.700	951,043,600	92.47%
2011	926,268,940	875,447,170	11.790	956,288,200	91.55%
2012	946,059,121	921,197,041	11.970	1,002,502,500	91.89%
2013	941,218,804	921,926,220	11.661	1,100,867,900	83.75%
2014	989,035,598	969,563,489	11.842	1,011,551,400	95.85%
2015	1,014,495,688	995,023,579	12.000	1,048,765,200	94.88%

Source: Matanuska-Susitna Borough and State of Alaska, Assessors Office

(1) Effective with Fiscal Year 2004, Personal Property was exempted from property tax.

City of Wasilla, Alaska

Sales and Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	Sales Tax	Property Tax			
	City of Wasilla	Mat-Su Borough	Wasilla Fire Service Area	City of Wasilla	Total
2006	2.50 %	10.880 %	1.50 %	0.30 %	12.680 %
2007	2.50	9.640	1.42	0.00	11.060
2008	2.50	9.640	1.46	0.00	11.100
2009	2.50	10.330	1.56	0.00	11.890
2010	2.00	9.980	1.72	0.00	11.700
2011	2.00	9.980	1.83	0.00	11.810
2012	2.00	10.050	1.92	0.00	11.970
2013	2.00	9.691	1.97	0.00	11.661
2014	3.00	9.852	1.99	0.00	11.842
2015	3.00	9.662	1.99	0.00	11.652

Source: Matanuska-Susitna Borough

(1) Sales tax rate may be increased to three percent (3%) by City Council through ordinances as established by voter approval at the time of the City's incorporation. Increases in excess of three percent (3%) would require approval by referendum in accordance with Alaska State Statute Title 29. The current three percent (3%) sales tax rate is conditioned on the city property tax levy being limited to a maximum of two mills and 1% being dedicated to construction of a new library.

(2) Property tax millage rate is $1,000 per assessed value. Millage rate is approved by City Council through ordinance.

City of Wasilla, Alaska

Principal Property Taxpayers
June 30, 2015

Taxpayer	Nature of Business	2015 Taxable assessed Value (1)	2015 Rank	2015 Percentage of total taxable assessed value	2006 Taxable assessed Value (1)	2006 Rank	2006 Percentage of total taxable assessed value
Wal-Mart Stores Inc.	Retail Store	$ 20,036,200	1	1.97%	$ 18,171,296	3	2.67%
Fred Meyer Stores	Retail Store	19,242,900	2	1.90%	26,005,921	1	3.82%
DBC LLC	Property Development and Retail Mall	18,357,600	3	1.81%	17,034,000	4	2.50%
BDC Wasilla LP	Real Estate Rental and Leasing	13,739,600	4	1.35%			
Gary Lundgren	Individual	13,479,300	5	1.33%	14,232,400	6	2.08%
Wasilla LLC	Property Development and Retail Mall	12,973,500	6	1.28%	12,568,800	8	1.84%
Lowe's HIW Inc.	Retail Store	11,744,500	7	1.16%	23,676,099	2	3.47%
Wasilla Retirement LLC	Retirement Facility	11,300,400	8	1.11%			
Mat-Su Valley Medical Center	Medical Facilities	11,160,800	9	1.10%	13,375,400	7	1.96%
Global Finance & Investment Co.	Real Estate Rental and Leasing	10,982,200	10	1.08%	9,397,300	9	1.37%
Home Depot USA, Inc.	Retail Store				14,739,920	5	2.16%
Newcomb Family Trust	Family Trust				8,395,100	10	1.23%
Total		$ 143,017,000		14.09%	$ 157,596,236		23.10%

Source: Matanuska-Susitna Borough, property tax assessment roll.

(1) Assessed values are only for property owned inside the city limits of Wasilla.

City of Wasilla, Alaska

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	City Levy	Amount Collected	Percentage of Levy	Amount of Levy Uncollected	Amount of Levy Uncollected as Percentage of Total Taxes
2006	$ 194,924	$ 194,627	99.85%	$ 297	0.15%
2007	-	2,722	0.00%	(2,722)	0.00%
2008	-	300	0.00%	(300)	0.00%
2009	-	289	0.00%	(289)	0.00%
2010	-	92	0.00%	(92)	0.00%
2011	-	-	0.00%	-	0.00%
2012	-	2	0.00%	(2)	0.00%
2013	-	-	0.00%	-	0.00%
2014	-	-	0.00%	-	0.00%
2015	-	-	0.00%	-	0.00%

Source: City of Wasilla Finance Department

(1) The Matanuska-Susitna Borough administers the assessment, collection, and foreclosure regarding property taxes for the City of Wasilla. Collected amounts are periodically forwarded to the City but do not include detail as to the year levied.

(2) Property taxes were reduced to 0.00 Mills July 1, 2006 and have remained at this rate.

City of Wasilla, Alaska

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities: General Obligation Bonds	Governmental Activities: Retired Principal	Governmental Activities: Total	Business-Type Activities: General Obligation Bonds	Business-Type Activities: Retired Principal	Business-Type Activities: Total	Total General Obligation Bonds	Percentage of Personal Income (2)	Percentage of Assessed Value (3)	Per Capita (2)
2006	$ 4,355,000	$ 225,000	$ 4,130,000	$ 11,715,000	$ 1,173,686	$ 10,541,314	$14,671,314	0.23%	2.25%	$ 1,600
2007	4,130,000	189,412	3,940,588	10,541,314	1,374,474	9,166,840	13,107,428	0.28%	1.65%	1,329
2008	3,940,588	254,632	3,685,956	9,166,840	1,504,473	7,662,367	11,348,323	0.35%	1.33%	1,150
2009	3,685,956	269,632	3,416,324	7,662,367	3,840,789	3,821,578	7,237,902	0.53%	0.79%	1,009
2010	3,416,324	279,633	3,136,691	3,821,578	1,820,789	2,000,789	5,137,480	0.79%	0.55%	716
2011	3,136,691	294,633	2,842,058	2,000,789	2,000,789	-	2,842,058	1.47%	0.30%	363
2012	2,842,058	299,633	2,542,425	-	-	-	2,542,425	1.65%	0.27%	315
2013	2,542,425	263,627	2,278,798	-	-	-	2,278,798	1.88%	0.24%	271
2014	2,278,798	333,133	1,945,665	-	-	-	1,945,665	2.33%	0.19%	233
2015	1,945,665	353,133	1,592,532	-	-	-	1,592,532	2.88%	0.16%	193

(1) The City of Wasilla issued its first general obligation debt in Fiscal Year 2003.
(2) Population and personal income data can be found in Table 13.
(3) Property value data can be found in Table 7.

City of Wasilla, Alaska

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Percentage of Assessed Value (3)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Capital Lease	General Obligation Bonds	Special Assessment Bonds	Loans Payable				
2006	$4,130,000	$ 348,966	$ -	$ 10,541,314	$ 32,525	$ 4,056,961	$ 19,109,766	0.14%	2.80%	$ 2,953
2007	3,940,588	254,640	-	9,166,840	24,054	3,826,233	17,212,355	0.17%	2.10%	2,490
2008	3,685,956	189,068	-	7,662,367	15,583	3,595,530	15,148,504	0.19%	1.72%	2,111
2009	3,416,324	136,851	88,512	3,821,578	7,111	3,364,353	10,834,729	0.27%	1.20%	1,510
2010	3,136,691	29,387	70,898	2,000,789	-	3,218,743	8,456,508	0.37%	0.91%	1,178
2011	2,842,058	-	40,701	-	-	-	2,882,759	1.15%	0.31%	368
2012	2,542,425	-	10,504	-	-	-	2,552,929	1.35%	0.27%	317
2013	2,278,798	-	-	-	-	-	2,278,798	1.57%	0.24%	318
2014	1,945,665	-	-	-	-	-	1,945,665	1.83%	0.20%	271
2015	1,592,532	-	-	-	-	1,925,189	3,517,721	1.30%	0.35%	425

(1) Details regarding the City of Wasilla's outstanding debt can be found in the notes to the financial statements.
(2) Population and personal income data can be found in Schedule 13.
(3) Property value data can be found in Table 7.

City of Wasilla, Alaska

Computation of Direct and Overlapping General Obligation Debt
June 30, 2015

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	City of Wasilla's Share of Debt
City of Wasilla	$ 1,592,532	100.00%	$ 1,592,532
Matanuska Susitna Borough	335,920,000	10.74%	36,077,808
Total Direct and Overlapping	$ 337,512,532		$37,670,340

Source: Matanuska-Susitna Borough

(1) There is no debt limit mandated by law. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Matanuska-Susitna Borough's taxable assessed value that is within the City of Wasilla's boundaries and dividing it by the Matanuska-Susitna Borough's total taxable assessed value.

City of Wasilla, Alaska

Demographic and Economic Statistics
Last Ten Fiscal Years

	City of Wasilla		Matanuska Susitna Borough				
Fiscal Year	Population	School Enrollment	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (Annual %)
2006	6,471	3,903	80,480	$33,033	34.0	15,949	6.9
2007	6,912	4,079	82,669	36,212	33.6	16,115	6.9
2008	7,176	4,101	85,458	39,534	33.2	16,285	7.5
2009	7,176	4,194	85,319	38,508	34.4	16,468	9.4
2010	7,176	4,208	85,319	40,656	34.7	16,653	8.6
2011	7,831	4,218	88,995	41,905	34.7	17,079	9.0
2012	8,064	4,366	91,697	41,905	34.7	17,338	8.9
2013	8,207	4,418	93,801	41,905	35.0	17,247	7.2
2014	8,365	4,417	96,074	45,333	35.0	17,843	7.4
2015	8,275	4,458	98,063	46,149	35.0	18,037	8.3
Source	(2) State of Alaska and US Census	(3) State of Alaska Dept of Education	(2) State of Alaska and US Census	(1) Bureau of Economic Analysis	(1) State of Alaska	(3) State of Alaska Dept of Education	(1) State of Alaska

(1) If information is not available from source or alternate source, the most recent year's data is used as an estimate. Previous years' numbers are revised as information becomes available.

(2) Population is first sourced from the U.S. Census when current data is available. The alternate source for population data includes estimates from the Alaska Division of Regional Affairs for those years between censuses.

(3) Preliminary enrollment numbers were obtained from the State of Alaska, Department of Education. Prior year numbers were revised to reflect final certified enrollment.

City of Wasilla, Alaska

Full-Time Equivalent Employees By Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
General Admin Services	1.00	1.00	1.00	2.00	6.00	6.00	6.00	6.00	5.00	5.00
Finance/MIS	7.75	8.00	9.00	9.00	11.00	11.00	11.00	10.00	10.00	10.00
Community & Econ Development	4.00	4.00	4.00	4.00	-	-	-	-	-	-
Police	47.00	50.00	50.00	50.00	50.00	48.00	48.00	49.00	49.00	49.00
Youth Court	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Public Works	21.00	23.00	22.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00
Museum	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Recreation Facilities Maintenance	2.55	2.55	2.55	2.55	2.55	3.00	3.00	3.00	3.00	3.00
Sports Center/Recreation Services	11.89	12.35	8.66	8.66	10.66	9.50	8.00	7.00	7.00	7.00
Library	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Total	111.69	117.40	113.71	115.71	119.71	117.00	115.50	115.50	114.50	113.50

Source: City of Wasilla Finance Department

(1) This schedule reflects the number of full-time equivalent positions that are authorized, not necessarily funded or filled.

City of Wasilla, Alaska

Operating Indicators by Function
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
Public Safety:										
Police Services:										
Police requests for service	6,730	11,175	16,537	17,821	16,658	19,800	20,526	20,856	24,374	26,758
Criminal arrests	729	605	838	751	712	847	883	1,006	1,315	1,484
Water and Wastewater:										
Water production average gallons per day average July readings	715,069	846,575	967,123	819,178	813,377	724,687	615,959	779,454	909,806	758,613
Wastewater treatment avg. gallons per day average July readings	287,671	323,288	328,767	358,904	361,648	381,229	327,194	324,100	445,483	375,767

Source: Various City of Wasilla Departments

(1) Public safety is reported on a calendar year as the data is available in that format. Water and wastewater are reported on a fiscal year.

City of Wasilla, Alaska

Capital Asset Statistics By Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Miles of streets	63.62	63.62	64.75	66.37	66.37	69.82	70.24	70.24	71.28	73.29
Miles of water lines	37.62	39.28	41.08	41.34	41.50	41.67	42.35	43.64	44.93	46.50
Miles of sewer lines	25.65	26.13	26.22	26.22	26.36	26.53	26.57	26.78	26.89	26.89
Police protection -										
Number of stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation:										
Number of facilities:										
Parks	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Ball fields	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fitness trails	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Soccer fields	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-purpose facility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Various City of Wasilla Departments