



# Matanuska-Susitna Borough ALASKA



# Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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# INTRODUCTORY SECTION

Annual Comprehensive Financial Report  
Matanuska-Susitna Borough

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## MATANUSKA-SUSITNA BOROUGH

### Department of Finance

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May 25, 2023

To the Honorable Mayor,

Members of the Assembly and

Citizens of the Matanuska-Susitna Borough:

### Transmittal of the ACFR

In accordance with Section 29.35.1 20 of Alaska Statutes, the Annual Comprehensive Financial Report (ACFR) of the Matanuska-Susitna Borough for the fiscal year ended June 30, 2022, is hereby submitted. The financial statements were prepared in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the MatanuskaSusitna Borough ("Borough"). Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the Borough has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Borough's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Borough's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Borough's financial statements have been audited by BDO USA LLP, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Borough for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Borough's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the basic financial statements of this report. The independent audit of the financial statements of the Borough was part of a broader, Federally mandated "Single Audit" designed to meet the special needs of Federal and State of Alaska (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 certain legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are included within the ACFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Borough's MD&A can be found immediately following the report of the independent auditors.

## Profile of the Matanuska-Susitna Borough

The Matanuska-Susitna Borough was incorporated January 1, 1964 as a second-class Borough in the heart of South Central Alaska. It includes part of the Alaska Range, Chugach Mountains, and the Talkeetna and Clearwater Ranges. There are currently three incorporated cities within the Borough; Palmer (population-5,932), Wasilla (population-9,227) and Houston (population-1,989). The core area, the area surrounding Palmer and Wasilla, is where the majority of the population lives. As of the 2020 Census the population for the Borough was 107,829, the estimated 2021 population was 107,305 and the estimated 2022 population was 108,805. The Borough is empowered to levy a property tax on both real and personal properties located within its boundaries. State of Alaska ("State") law mandates that second-class Boroughs provide certain services on an areawide basis to all taxpayers.

The Borough exercises the following areawide powers: general administration, education, property assessment and collection of taxes, planning and zoning, parks and recreation, ports, emergency medical services and historic preservation. The Borough also exercises the following non-areawide powers: solid waste, port, libraries, septage disposal, animal care and regulation and economic development. Additionally, following voter approval, the Borough is now responsible for 36 active service areas for water, sewer, flood, water erosion, fire, and/or roads. Service area boards of supervisors are appointed by the Assembly to advise the affairs of each service area. This report includes the financial data for these service areas.

The Borough operates under an Assembly-Manager form of government. Policy-making and legislative authority are vested in a governing assembly consisting of a mayor and seven assembly members. The Assembly is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Borough Manager, Attorney and Clerk. The Borough Manager is responsible for carrying out the policies and ordinances of the Borough, for overseeing the day-to-day operations of the Borough and for appointing the heads of the various departments. The Assembly and Mayor are elected on a non-partisan basis. Assembly members are elected by district. They serve three-year staggered terms, with two or three members elected each year. The Mayor is elected at large and also serves a three-year term.

The Matanuska-Susitna Borough is financially accountable for a legally separate school district which is reported separately within the Matanuska-Susitna Borough's financial statements. Additional information on this legally separate entity can be found in Note (1) in the Notes to the Basic Financial Statements.

The annual budget serves as the foundation for the Borough's financial planning and control. All departments and service areas submit budgets to the Manager on or about February 15th. The Manager uses these requests for developing a proposed budget. The Manager submits his/her proposed budget to the Assembly on the third Tuesday of April. The Assembly is required to hold public hearings on the proposed budget. The Assembly is required by Borough Code to adopt the budget by May 31st. The budget is appropriated by fund (Areawide), department (Emergency Services), and division (Rescue Units). The Manager is authorized to make transfers within a department within any fund. Assembly action is required to transfer between funds or departments within a fund. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund, this comparison is presented on pages 83 through 86. For governmental funds, other than the General Fund, these comparisons start on page 95.

## Economic Condition of the Matanuska-Susitna Borough

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Matanuska Susitna Borough operates.

The Borough's economy began experiencing growth in the early 1990s. In looking back over the last 20 years, the population of the Borough has almost doubled. Whereas the population of the State only grew 14%. Just during the last decade, no other area of the State came close to the Borough's track record of population and employment growth.

The communities of the Borough were historically established to support farming and still continue to be the largest agricultural producer in the State. However, farming is now overshadowed by other economic players. There are a number of factors driving the Borough's dynamic economy. Health care is our local economy's major driver. Several new medical facilities have been and are being built over the past five years.

The past few years have been a challenge due to numerous unexpected events. The Borough experienced a cyber-attack in July 2018; an earthquake in November 2018 and is still facilitating repairs; the Sockeye Fire in 2019, the McKinley Fire in 2020, COVID-19 since 2020 and in January 2022 a severe windstorm. The Borough was a recipient of approximately \$38 million in Federal Coronavirus Relief Funds. This grant funding was used predominately in fiscal year 2021 to provide funding for community safety and positioning the Borough to be able to effectively respond to the virus. Additional funds of \$21,171,600 from the American Rescue Plan Act were awarded to the Borough in 2021. The first half of this funding was used for revenue

replacement and various projects within the Borough such as school water system replacements. It is anticipated that the balance of this funding will be used to improve solid waste facilities and water/sewer distribution and system resiliency within the core area. The Borough experienced reductions in bed tax and Talkeetna sewer and water sales tax in calendar year 2020. Those revenues have rebounded to pre-COVID levels. Through all of these events, the Borough staff and communities have proved to be resilient and resourceful in their response.

An ever growing sector in the Borough is the businesses in the Borough that provide expanded services to Borough residents as well as the rest of the State. New industry, professional businesses and a variety of new commercial buildings have moved into or expanded in the Borough including several new significant retail developments and office buildings. The new entities serve the growing number of people choosing to reside in the Borough while working elsewhere. Approximately 38% of the workforce commutes to work outside of the Borough.

In addition to new construction of commercial buildings, the construction of new residences throughout the Borough has continued to increase year after year. 58 new commercial structures were completed this past year as well as 616 single-family residences, and 43 multi-family residences.

To further economic development, the Borough is executing and, in some cases, has already completed numerous infrastructure projects. The Borough is keying on internal collector road connections while coordinating with State Department of Transportation projects to enhance connectivity while relieving congestion and improving safety. In the past three years, the Borough solely invested over \$79 million in improving this key economic facilitator.

Cash from all Borough funds as well as the operating cash of the School District are held in a central treasury and managed by the Borough. Interest income on investments is allocated to participating funds based on its average cash balance. The Investment Policy approved by the Borough Assembly authorizes cash temporarily idle during the year to be invested in the United States Treasury, its agencies and instrumentalities, repurchase agreements, fully collateralized certificates of deposit, bank or credit union accounts, provided the accounts are insured, money market mutual funds, provided they are comprised entirely of United States Treasury, its agencies or instrumentalities, taxable general obligation bonds of a Borough/County or State which has two ratings AA or higher and the Alaska Municipal League Investment Pool. The maturities at June 30, 2022 of the investments range from three months to five years, with an average maturity of 32.16 months. The average yield this fiscal year was 0.71%. The GASB 34 adjustment to investments recognized an unrealized loss of \$15,706,759 which resulted in a loss in investment income of \$13,717,965. This loss is based on the market value of investment at June 30, 2022 compared to the par value. The Borough holds all investments to maturity, thus a loss is never realized.

In accordance with the Borough Code, the Borough has a self-insurance program for property and casualty coverage. This program is administered by a risk management committee. As part of this program, resources are accumulated in an internal service fund to meet potential claims and associated costs. In addition, the Borough employs a loss control specialist and a safety officer to prevent risk of accidental losses or claims. The Borough has third party coverage subject to the self-insured retentions, which is more fully described in Note (15) in the Notes to the Basic Financial Statements.

The Borough provides pension and other postemployment 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. The Borough pays its annual required contribution rates timely. The annual contribution rates have been capped at 22% of the covered payroll for both DB and DC plans based on State legislative action committee which covers costs exceeding 22%. The State's cap on local government contribution rates brings stability to the Borough's retirement rates although it is important to note that a future State legislature can eliminate its contributions. The transition from an agent multiple-employer plan, to a cost sharing multiple-employer plan as of July 1, 2008, provided a single rate for a participating PERS employers, eliminating the previous methodology of assessing each employer its own rate. The Borough now shares in the pooled liability of the PERS plan.

Governmental Accounting Standards Board (GASB) Statement No. 68 required the Borough to recognize its proportionate share of the cost sharing plan's net pension liability. The Borough's total portion of the liability was \$46,473,629 in fiscal year 2021 and \$37,507,945 for the year ending June 30, 2022, an decrease of \$8,965,684. This does not change the actual contributions by the employers, as those are based on Alaska Statutes. For additional detail, reference footnote 12 beginning on page 56 in the basic financial statements.

GASB Statement No. 75 required the Borough to recognize its proportionate share of the cost sharing plan's net liability for other postemployment benefits (OPEB). The Borough's total portion of the net other postemployment benefits liability was \$95,736 in fiscal year 2021 and \$0 for the year ending June 30, 2022, a decrease of \$95,736. The Borough's total portion of the net other postemployment benefits asset was \$3,902,514 in fiscal year 2021 and \$27,283,422 for the year ending June 30, 2022, an increase of \$23,380,908. For additional detail, reference footnote 12 in the basic financial statements.

The Matanuska-Susitna Borough School District provides pension and other postemployment benefits for all eligible employees through PERS and the Teachers' Retirement System (TRS). See the District's financial statements for a discussion of pension and other postemployment amounts.

### Relevant Financial Policies

The Borough has established a number of funds for a variety of purposes. The balances are reported as committed fund balance within this report. Details of these reserves are as follows.

The major amount of committed fund balance in the General Fund is for fund balance stabilization. This is equal to a minimum of 22.2% of all operating budgeted expenditures of the approved budget excluding the budgeted operating expenditures of the School District or \$25,000,000, whichever is less. This would provide funds to protect essential Borough programs if there is ever a significant shortfall in projected revenues or a catastrophic uncovered loss. Also, it has been reported by the bond rating agencies as one of the reasons for maintaining or increasing our bond rating. It assists in maintaining our credit worthiness.

Another fund balance commitment has been established for emergency response. This too is within the General Fund to cover unanticipated expenditures resulting from natural or human caused disasters including disaster response expenditures. The said funds can only be expended after the issuance of the formal declaration of emergency.

Also within the General Fund is a commitment for capital. This committed fund balance will cover one-time capital expenditures or site acquisition costs. Expenditure of these funds requires Assembly approval. Additionally, there is a committed fund balance for major repair and renovation. This too is included within the General Fund. The expenditure of these funds also requires Assembly approval.

### Long-Term Financial Planning

The Borough received voter approval in October 2011 to issue \$214,495,000 in General Obligation Bonds for schools and \$32,165,000 in General Obligation Transportation System Bonds. Between March 2012 and March 2014 the Borough issued \$212,030,000 in General Obligation Bonds for schools when combined with premium. These funds were utilized for the acquisition, design, construction, major renovation and renewal of school capital improvement projects and are all complete.

The transportation bonds were used to finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities, and could only be issued if a matching grant was received from the State of Alaska. That grant was received on July 1, 2012. The transportation bonds were issued in fiscal year 2013 and 2014. In total with the grant, \$64,330,000 was available for transportation projects. They were completed in summer 2020.

The Borough also received authorization from the voters in October 2013 to issue \$16,215,000 in General Obligation Transportation System Bonds to also finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. The issuance was also dependent on receipt of a matching grant. In fiscal year 2015, a grant was received for \$1,600,000. In March 2015, bonds were issued for \$1,600,000 providing \$3,200,000 for projects that are now complete.

In October 2013, Certificates of Participation were issued to design and construct a new Public Safety Building. This \$8,000,000, 23,000 square foot facility was completed in fiscal year 2015. It is sited near Mat-Su Regional Medical Center. In December 2016, Certificates of Participation were issued in the amount of \$13,000,000. These provide funding for a fleet maintenance facility addition to a Public Safety Building and training facility.

In October 2016, the voters of the Borough authorized the issuance of \$22,160,000 in General Obligation Park & Recreation Bonds to finance improvements to the Ice Arena, Palmer and Wasilla Pools, trails and various parks. These bonds were issued March 15, 2017. The Ice Arena and main Wasilla Pool projects were completed in fiscal year 2019 and the Palmer Pool was completed in fiscal year 2020. There are still some smaller projects being completed with the financing. These include the Wasilla Pool roof replacement and some trails projects. Approved in the capital/grant budget for fiscal year 2021 was \$2,577,420 and \$650,000 in fiscal year 2022 for matching numerous grants. These funds will not lapse. The funds will be used to leverage future grant funds for the Borough. Almost all grants now require a monetary match.

On October 2, 2018 voters approved \$23,845,000 in Transportation Bonds. This bond package requires a 50% match for projects to move forward. The State approved funding four of the projects in this transportation project thus meeting the match requirement. In July 2022, \$12,000,000 in taxable bonds were issued. The State of Alaska is doing the construction and they control the timeframe for completion.

The Borough also received authorization from the voters in November 2021 to issue \$61,135,000 in General Obligation Transportation System Bonds to also finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. The Borough has fully funded this transportation package with a combination of State grants and the utilization of Borough local funds without taking on additional debt service obligations.

Lastly, over \$8,700,000 was budgeted for various small projects throughout the Borough. These funds will be utilized to upgrade various recreational facilities, emergency service facilities and other facilities as well as roads. By so funding, future deferred maintenance costs of buildings will be significantly reduced. Also, maintenance costs will be reduced once the roads are upgraded. In addition, it will also be utilized to upgrade or replace certain equipment.

A significant measure of the Borough's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The Assembly takes the responsibility of being stewards of the public's funds very seriously and has adopted the following General Fund reserve policy which was previously discussed: reserve funds shall not be used to fund recurring expenditures. Fund balances should be maintained at fiscally sound levels in all funds. The Borough has adopted financial policies that will ensure that the Borough maintains an appropriate fund balance in line with recommended best practices. The General Fund's committed amount of \$25 million is 48% of the budgeted General Fund operating expenditures excluding transfers and 15% of total budgeted operating expenditures, including capital, transfers and education. This leaves the Borough in a solid financial position to adequately prepare for the expected reductions in revenues caused by the changes in property tax laws and the economic environment.

### 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 Borough for its ACFR for the fiscal year ended June 30, 2021. This was the 32nd consecutive year that the Borough has received this prestigious award. In order to be awarded a Certificate of Achievement, the Borough published an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the ACFR was made possible by the dedicated service of the entire staff of the Accounting Division. We wish to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report with special thanks to Liesel Weiland, Merissa Carrell, Jennah King, Alina Frey, Jeff Krueger, Sara Clemons, Tonya Loyer, Kirstie Starr-Watson, Cheyenne Chandler, Nikki Bridgman, Kimberly Kays, Carrie Walters, Lesley Norris, Lyndsey Brisard, Angelina Blanchard, and Layla Lesley. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

We also wish to thank the Mayor and the members of the Borough Assembly for their interest and support in maintaining the highest standards of professionalism in the management of the Matanuska-Susitna Borough finances.

Respectfully Submitted,



Michael Brown  
Borough Manager



Cheyenne Heindel  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Matanuska-Susitna Borough  
Alaska**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## Principal Officials



Mayor  
**Edna DeVries**



District 1  
**Tim Hale**



District 2  
**Stephanie Nowers**



District 3  
**Dee McKee**



District 4  
**Rob Yundt**



District 5  
**Mokie Tew**

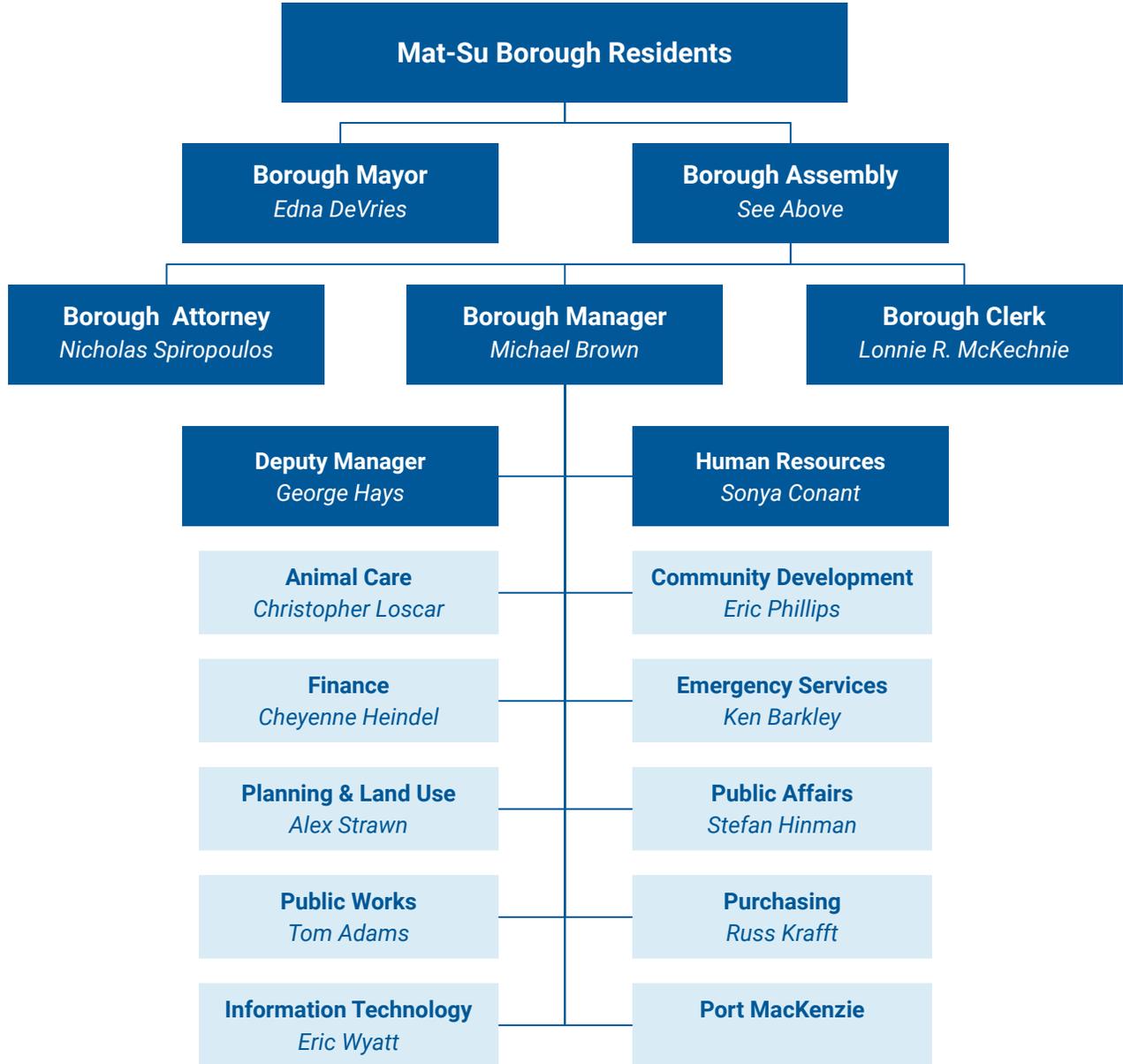


District 6  
**Jesse Sumner**



District 7  
**Ron Bernier**

Organization Chart



# FINANCIAL SECTION

Annual Comprehensive Financial Report  
Matanuska-Susitna Borough



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**INDEPENDENT  
AUDITOR'S REPORT**



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3601 C Street, Suite 600  
Anchorage, AK 99503

## **Independent Auditor's Report**

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough  
Palmer, Alaska

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough, Alaska (the Borough), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 19 to the financial statements, in 2022 the Borough adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of the Borough's proportionate share of the net pension and net OPEB liability or asset and Borough contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of State Financial Assistance as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and State of Alaska Department of Health and Social Services Schedules of Revenues and Expenditures - Budget to Actual, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. 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 combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance and State of Alaska Department of Health and Social Services Schedules of Revenues and Expenditures - Budget to Actual, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Borough as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated February 25, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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, 2021.

#### ***Other Information***

Management is responsible for other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical, and component unit sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023 on our consideration of the Borough'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 solely 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 the effectiveness of the Borough's 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 Borough's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
May 25, 2023



# MANAGEMENT'S DISCUSSION AND ANALYSIS



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As management of the Matanuska-Susitna Borough, we offer readers of the Borough's financial statements this narrative overview and analysis of the Borough's financial activities for the fiscal year ended June 30, 2022. 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 beginning on page IX of this report.

## Financial Highlights

- The assets and deferred outflows of resources of the Matanuska-Susitna Borough exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$1,011,710,863. Of this amount, \$198,187,534 (unrestricted net position) is legally unreserved and may therefore be used to meet the Borough's ongoing obligations to citizens and creditors. Much of this amount has been previously designated by the Borough Assembly for specific purposes and is discussed in more detail on pages 12-14.
- At the end of the current fiscal year, spendable fund balance for the General Fund was \$57,598,318. Of this amount, \$26,757,399 was unassigned. The unassigned fund balance for the General Fund represented 16.21% of total General Fund expenditures and transfers out.
- The Borough's total net position increased by \$27,172,130. Of this amount, \$24,355,812 was attributable to the governmental activities and \$2,816,318 was attributable to the business-type activities.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined fund balances of \$205,262,076, a decrease of \$10,532,193 in comparison with the prior year.
- The Borough's total outstanding debt (not including Net Pension/OPEB liability) decreased by \$21,524,167 to a year-end balance of \$298,808,429. The Borough's long-term debt tables are on pages 51-56 of the Notes to the Basic Financial Statements.

## Overview of the Financial Statements

The management discussion and analysis serves as an introduction to the Borough's basic financial statements. The Borough's basic financial statements consist of 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 report information about the overall finances of the Borough similar to a private-sector business. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations. The government-wide financial statements can be found on pages 21-23 of this report.

The government-wide financial statements are divided into the following three categories:

- Governmental activities – These are functions of the Borough that are financed primarily by taxes, intergovernmental revenues, and charges for services. The Borough's governmental activities include general government, public works, emergency services, public services, education, and debt service.
- Business-type activities – These are functions of the Borough in which customer user fees and charges are used to help cover all or most of the cost of services they provide. The Borough's business-type activities include sanitary landfill and Port MacKenzie operations.
- Component unit – The Borough also includes the Matanuska-Susitna Borough School District in its report as it is financially accountable for this "component unit". Financial information for the School District is reported separately from the financial information presented for the primary government itself.

The Statement of Net Position presents financial information on all of the Borough's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Borough is improving or deteriorating.

The Statement of Activities presents information which shows how the Borough's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

## 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 Borough, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the Borough can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 funds financial statements focus on the short-term view of the Borough's operations. 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 the governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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 Borough maintains individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, American Rescue Plan Act Recovery Funding Special Revenue Fund, CARES Act Funding Special Revenue Fund, the School Buildings Debt Service Fund, Fronteras School Debt Service Fund, and the School Projects Capital Project Fund, and the Road Service Area Repairs Capital Projects Fund. The other governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Fund Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the nonmajor funds is presented in the Combining Balance Sheet for Nonmajor Governmental Funds and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The basic governmental fund financial statements can be found on pages 24-29 of this report. Budgetary comparison statement for the General Fund with annual budgets are provided on pages 84-86 to demonstrate compliance with these budgets. The special revenue funds with annual budgets are provided on pages 97-139.

### Proprietary funds

The Borough maintains two different types of proprietary funds, enterprise funds and internal service funds.

Enterprise funds are used to account for activities for which a fee is charged to external users for goods and services. The Borough uses enterprise funds to account for activities relating to operations of the Borough's sanitary landfill and the operations of Port MacKenzie. Individual fund data for each of the enterprise funds is provided on pages 159-164.

The Borough has eight internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Borough's various functions. The Borough uses internal service funds to account for its self-insurance program. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 167-175.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 30-33 of this report.

### Fiduciary funds

Fiduciary funds account for assets held by the Borough in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the Borough's own programs. The accounting for fiduciary funds is much like that used in proprietary funds.

The Borough's fiduciary fund includes the Road, Gas Line and Community Water Custodial Fund. This fund reports resources held by the Borough in a custodial capacity for individuals, private organizations and other governments.

The basic fiduciary fund financial statement can be found on page 34-35 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 37-69 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information can be found on pages 72-76. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 79-80. Individual governmental funds can be found on pages 83-156 and proprietary funds can be found on pages 159-164 of this report.

## Government-Wide Financial Analysis

### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,011.7 million at June 30, 2022 compared to \$984.5 million at June 30, 2021 and \$198.2 million is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. By far the largest portion of the Borough's net position of \$813.5 million, or 80.4% of total net position, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough'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 capital assets themselves cannot be used to liquidate these liabilities.

### Matanuska-Susitna Borough's Net Position June 30, 2022 and 2021 (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
<b>Assets and Deferred Outflows of Resources</b>						
Current and other assets	\$ 313.1	\$ 286.7	\$ 12.7	\$ 7.8	\$ 325.8	\$ 294.5
Capital assets	1,045.0	1,029.5	43.1	44.1	1,088.1	1,073.6
Total assets	1,358.1	1,316.2	55.8	51.9	1,413.9	1,368.1
Deferred outflows of resources	9.6	11.8	0.4	0.6	10.0	12.4
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,367.7</b>	<b>\$ 1,328.0</b>	<b>\$ 56.2</b>	<b>\$ 52.5</b>	<b>\$ 1,423.9</b>	<b>\$ 1,380.5</b>
<b>Liabilities and Deferred Inflows of Resources</b>						
Long-term debt outstanding	\$ 251.1	\$ 301.9	\$ 17.5	\$ 18.4	\$ 268.6	\$ 320.3
Net Pension and OPEB Liability	35.7	44.2	1.9	2.4	37.6	46.6
Other liabilities	65.4	23.0	1.6	0.5	67.0	23.5
Total liabilities	352.2	369.1	21.0	21.3	373.2	390.4
Deferred inflows of resources	37.6	5.3	1.4	0.2	39.0	5.5
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 389.8</b>	<b>\$ 374.4</b>	<b>\$ 22.4</b>	<b>\$ 21.5</b>	<b>\$ 412.2</b>	<b>\$ 395.9</b>

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
<b>Net Position</b>						
Net investment in capital assets	\$ 782.7	\$ 745.9	\$ 30.8	\$ 31.5	\$ 813.5	\$ 777.4
Restricted	-	2.8	-	-	-	2.8
Unrestricted (deficit)	195.2	204.9	3.0	(0.5)	198.2	204.4
<b>Total Net Position</b>	<b>\$ 977.9</b>	<b>\$ 953.6</b>	<b>\$ 33.8</b>	<b>\$ 31.0</b>	<b>\$ 1,011.7</b>	<b>\$ 984.6</b>

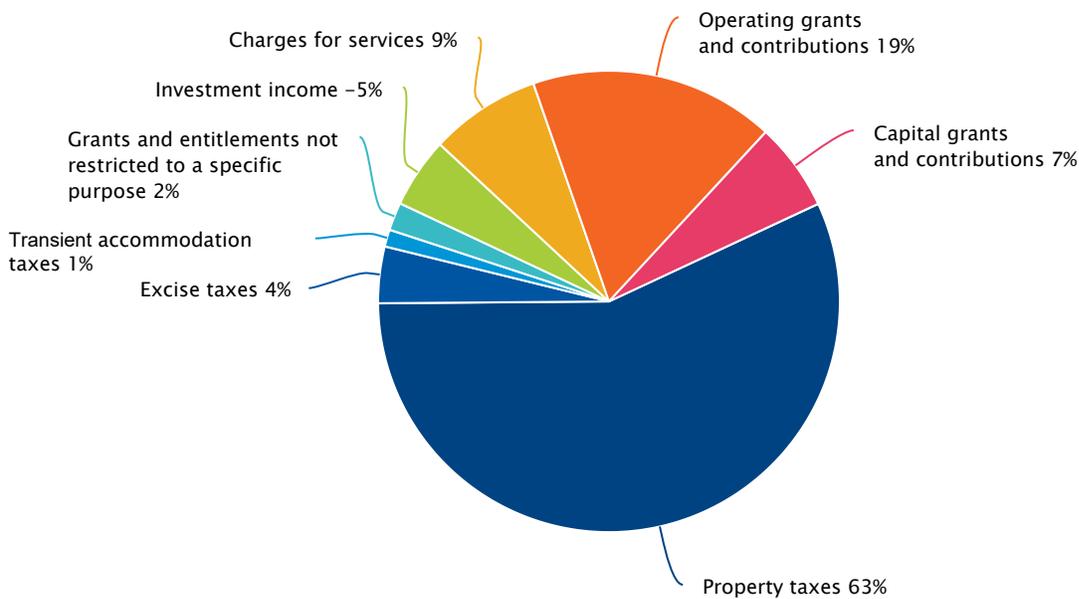
**Changes in Net Position**

During the current fiscal year, the Borough's total net position increased by \$27.1 million. This compares to an increase of \$23.7 for the year ended June 30, 2021.

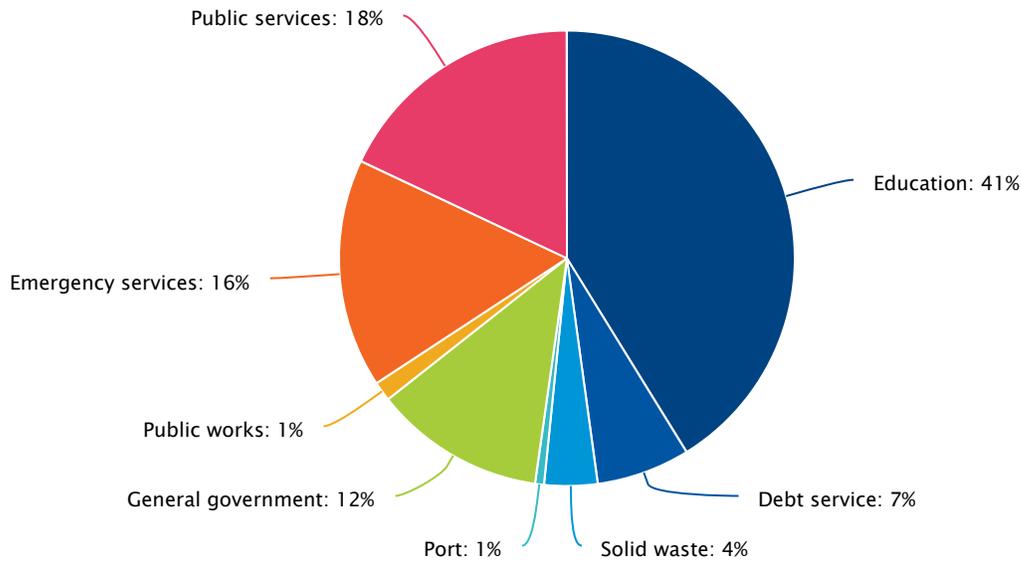
Program revenues increased government wide by \$18.0 million. The program revenues increased by \$17.2 million for the governmental funds and increased by 0.8 for the enterprise funds. This is in spite of a continued trend from prior years of reduced federal and state funding for Borough capital projects. During fiscal year 2022, approximately 63.1% of the Borough's total revenues came from property taxes. As the Borough continues to grow in population, so does the tax base. Revenues from all taxes increased by \$7.6 million. The Borough's investments, in total, increased from the prior year and due to the weak investment market, earnings (realized and unrealized) decreased by \$13.1 million from the prior year.

Expenses increased overall by \$1.9 million from the prior year. During fiscal year 2022, approximately 30.0% went toward education with the remainder primarily providing emergency services, public services, and general government services.

**Sources of Revenue for Fiscal Year 2022**



Functional Expenses for Fiscal Year 2022



Changes in Matanuska-Susitna Borough's Net Position  
For Years Ended June 30, 2022 and 2021  
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 9.6	\$ 10.2	\$ 11.8	\$ 10.9	\$ 21.4	\$ 21.1
Operating grants and contributions	47.2	40.2	(0.1)	0.1	47.1	40.3
Capital grants and contributions	17.0	6.1	-	-	17.0	6.1
General revenues:						
Property taxes	156.1	148.9	-	-	156.1	148.9
Transient accommodation taxes	1.5	1.1	-	-	1.5	1.1
Excise taxes	10.9	10.9	-	-	10.9	10.9
Other	(6.7)	6.5	-	1.3	(6.7)	7.8
<b>Total Revenues</b>	<b>\$ 235.6</b>	<b>\$ 223.9</b>	<b>\$ 11.7</b>	<b>\$ 12.3</b>	<b>\$ 247.3</b>	<b>\$ 236.2</b>
<b>Expenses</b>						
General government	\$ 26.7	\$ 22.7	\$ -	\$ -	\$ 26.7	\$ 22.7
Public works	3.0	1.5	-	-	3.0	1.5
Emergency services	35.8	52.7	-	-	35.8	52.7
Public services	39.5	49.1	-	-	39.5	49.1
Education	90.7	75.7	-	-	90.7	75.7
Interest	14.6	9.2	-	-	14.6	9.2
Solid waste	-	-	8.4	5.9	8.4	5.9
Port	-	-	1.5	1.7	1.5	1.7
<b>Total Expenses</b>	<b>210.3</b>	<b>210.9</b>	<b>9.9</b>	<b>7.6</b>	<b>220.2</b>	<b>218.5</b>
Excess before transfers and special items	25.3	13.0	1.8	4.7	27.1	17.7
Special items	-	6.0	-	-	-	6.0
Transfers	(1.0)	(2.8)	1.0	2.8	-	-
<b>Increase in Net Position</b>	<b>24.3</b>	<b>16.2</b>	<b>2.8</b>	<b>7.5</b>	<b>27.1</b>	<b>23.7</b>
<b>Net Position, beginning</b>	<b>953.6</b>	<b>937.4</b>	<b>31.0</b>	<b>23.5</b>	<b>984.6</b>	<b>960.9</b>
<b>Net Position, ending</b>	<b>\$ 977.9</b>	<b>\$ 953.6</b>	<b>\$ 33.8</b>	<b>\$ 31.0</b>	<b>\$ 1,011.7</b>	<b>\$ 984.6</b>

### Governmental activities

Program revenues for the Borough's governmental activities increased by \$17.2 million from the prior year, while the general revenues decreased \$5.3 million. Expenses for governmental activities decreased by \$0.5 million. Key elements to the increase in revenues and increase in expenses include the following:

- Revenues from operating grants and capital grants increased by \$17.9 million mostly due to retroactive debt service reimbursement from the State of Alaska.
- The Borough had a year of strong growth, seeing a 9.3% increase in value of the assessment roll. Contributing to this was the addition of over 671 new structures and a 13.38% increase in the average appraised value of a residential home. The Mat-su area continues to grow in both residential and commercial areas.
- Public Service expenses decreased by \$9.6 million as a result of less needs from prior years due to COVID-19 impacts.
- Emergency Service expenses decreased by \$16.9 million due to less spending on equipment purchases this year. The general government expenses increased by \$4.0 million primarily due to increased spending for public services.
- The education expenses increased by \$15.0 million due to the current building of a new school building.

### Business-type activities

The Solid Waste Enterprise Fund's net position increased by \$3.2 million. Operating income decreased by \$1.7 million due to decreased revenues and increased expenses. The Central Landfill expansion continues with the construction of a Septage and Leachate facility, and the addition of a new cell. The Port's net position decreased by \$0.4 million. Significant revenues are not anticipated until the completion of the rail spur from the Port to the Alaska railroad.

### Financial Analysis of the Borough's Funds

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

#### Governmental funds

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

At the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$205,262,076, an decrease of (\$10,532,193) in comparison with the prior year. A portion of this amount is categorized as nonspendable to indicate it is inherently nonspendable because it has already been dedicated to liquidate prepaid expenses (\$336,612) or is already in the form of inventory (\$237,078), or is a long-term loan receivable (\$450,000), or is an advance to other funds (\$5,920,070).

A portion of the combined ending fund balance is categorized as restricted to indicate that there is an externally enforceable limitation on its use. Specifically, funds in the amount of \$2,568,595 are restricted due to lender imposed debt reserves for debt service.

A total of \$33,541,962 of the combined ending fund balance is categorized as committed to indicate that there are self-imposed limitations for the funds set in place prior to the end of the current period. \$25,000,000 is shown as committed in accordance with the Borough's minimum fund balance/stabilization policy. The remaining \$33,541,962 of the committed fund balance is shown as committed for a long-term loans receivable, the Land Management Permanent Fund, emergency response, and various other limitations that have been imposed by the Matanuska-Susitna Borough Assembly through formal action.

Of the combined ending fund balance, \$136,220,666 is categorized as assigned to indicate that there is a limitation on the funds resulting from intended use. Specifically, these funds are assigned for subsequent year's expenditures and appropriations, or for land management, service areas, debt service, or capital project purposes. The remainder of fund balance of \$25,987,093 is unassigned.

The General Fund is the chief operating fund of the Borough. At the end of the current fiscal year, total fund balance was \$64,524,417. Of this, nonspendable fund balance was \$6,926,099, restricted fund balance was \$196,650,



committed fund balance was \$29,525,217, assigned fund balance was \$1,119,052, and unassigned fund balance was \$26,757,399. Total fund balance increased by \$1,262,687 from the prior year primarily due to increased spending for education and port and reporting of unrealized losses for the year's investments due to lowered interest rates.

The other major governmental funds in the current fiscal year were the American Rescue Plan Act Recovery Funding Special Revenue Fund, the CARES Act Funding Special Revenue Fund, the School Building Debt Service Fund, the Fronteras School Debt Service Fund, and the School Projects Capital Project Fund, and the Road Service Area Repairs Capital Projects Fund.

At the end of the current fiscal year, the American Rescue Plan Act Recovery Funding Special Revenue Fund had received both installments of awarded funds. The funds will be spent over the next two years following state and federal guidelines and as approved by the Assembly. There is \$18,470,882 currently in assets and liabilities.

At the end of the current fiscal year, the CARES Act Funding Special Revenue Fund balance was zero. All funds have been expended..

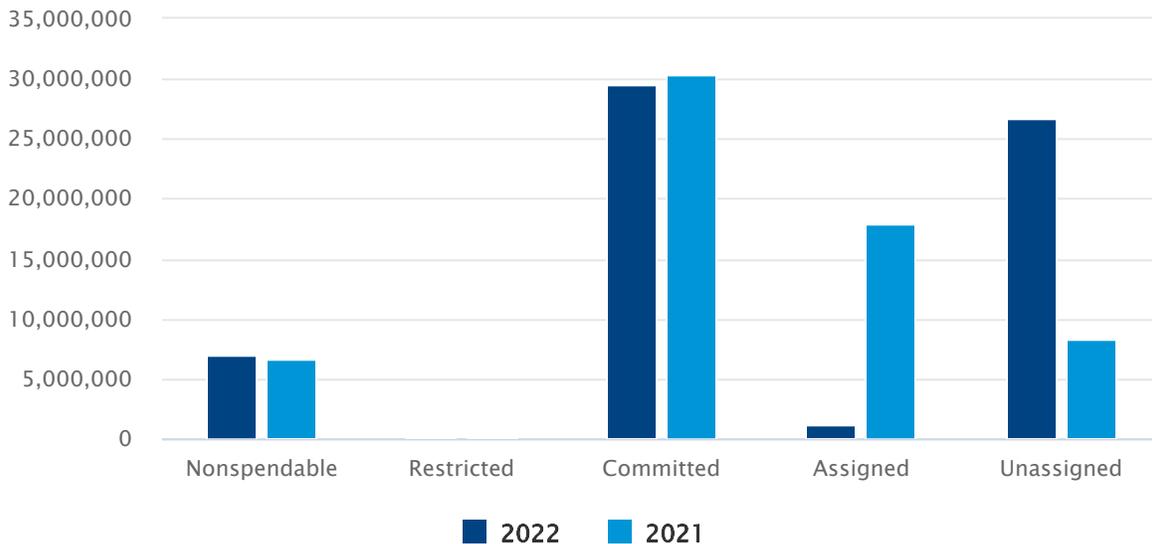
At the end of the current fiscal year, ending total fund balance in the School Buildings Debt Service Fund was \$21,741,218. Of this, \$1 is restricted for debt service payments and \$21,741,217 is assigned for debt service payments. Remaining funds from completed school capital projects were re-directed to debt service which increased fund balance by \$6,751,928.

At the end of the current fiscal year, the Fronteras School Debt principal was \$6,130,694. The school was completed in fiscal year 2016, and the District will pay the debt. The principal payments began in fiscal year 2018.

At the end of the current fiscal year, ending total fund balance in the School Projects Capital Projects Fund was \$8,718,719 Of this, \$2,205 is nonspendable for prepaid items. Remaining funds are assigned for capital projects.

At the end of the current fiscal year, ending total fund balance in the Road Service Area Repairs Capital Projects Fund was \$23,445,736. This whole amount is assigned for capital projects.

**General Fund Components of Fund Balance  
2022 and 2021**



**Proprietary funds**

The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net positions of the Solid Waste and Port enterprise funds were \$11,719,726 and a deficit of (\$8,747,713), respectively. The unrestricted net position of the internal service funds at the end of the year were \$30,335,679.

The two major proprietary funds in the current fiscal year were the Solid Waste Enterprise Fund and the Port Enterprise Fund.

At the end of the current fiscal year, ending total net position of the Solid Waste Enterprise Fund was \$18,326,259, with \$6,606,533 being the net investment in capital assets and unrestricted net position \$11,719,726. The total net position increased by \$3,199,461 from the prior year.

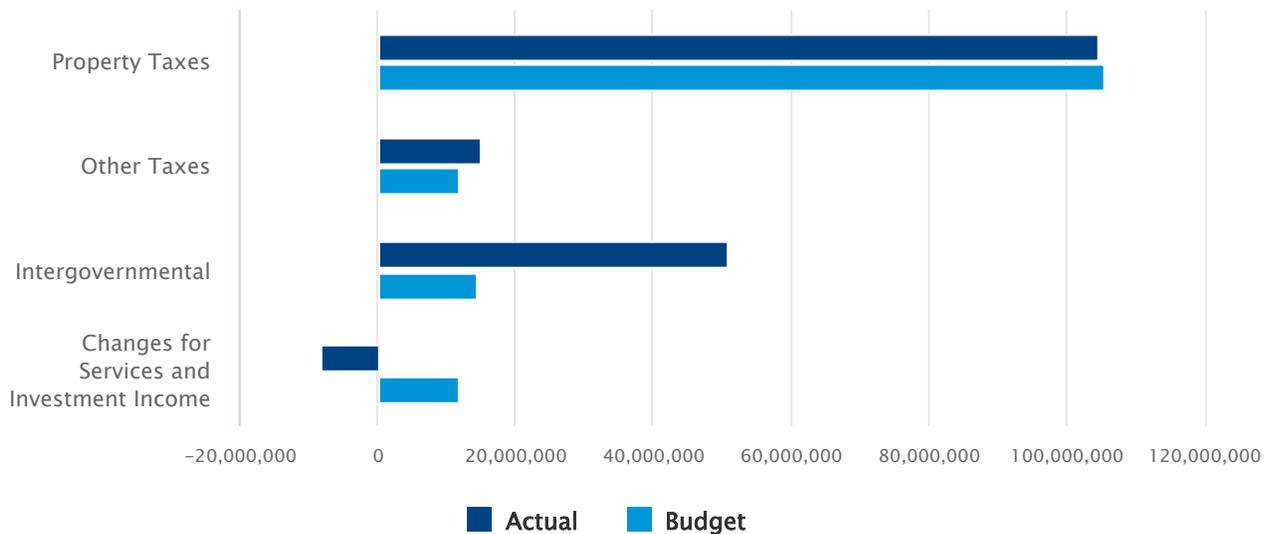
At the end of the current fiscal year, the ending total net position of the Port Enterprise Fund was \$15,439,029, with \$24,186,742 being the net invested in capital assets, net of related debt, and an unrestricted net positiona deficit of (\$8,747,713). The total net position decreased by \$383,143 from the prior year.

**General Fund Budgetary Highlights**

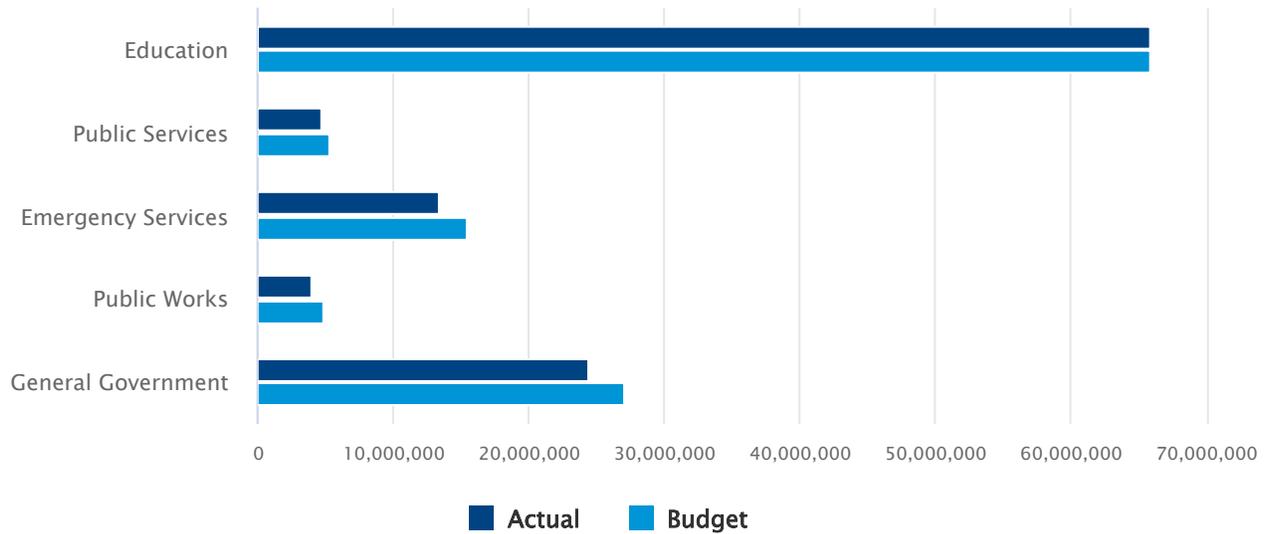
The actual revenues were \$19,139,594 more than the final budget. Actual expenditures were \$5,459,306 less than the final budget. Actual transfers in were \$2,753,428 more than the final budget. Transfers out were \$72,062 less than the final budget. Key factors include:

- Actual General Fund expenditures were \$5,980,037 less than budgeted. This is due to decreased spending on emergency services, general government, and public works with funding from the CARES Act Funding from the prior year.
- Emergency services expenditures were \$2,035,537 less than budgeted, due to the CARES Act Special Revenue Fund covering some of these expenditures..

**General Fund Revenues Budget to Actual Fiscal Year 2022**



**General Fund Expenditure Budget to Actual Fiscal Year 2022**



**Capital Assets and Debt Administration**

**Capital Assets**

The Borough’s investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$1,088,047,641, (net of accumulated depreciation and amortization), which is an increase of \$14,502,628 from the prior year. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure, and landfill cells.

Major additions to capital assets during the current fiscal year included the following:

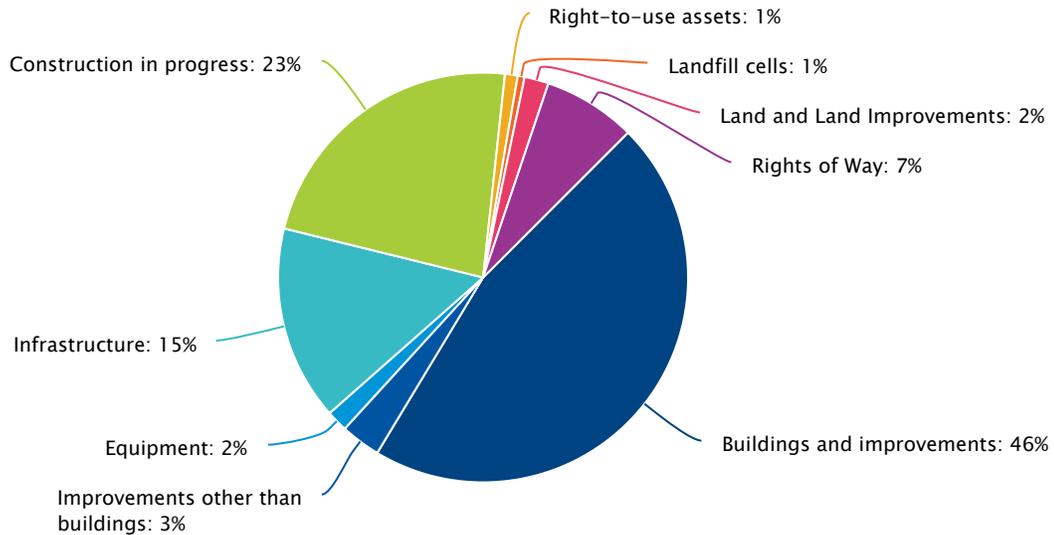
- Pumper tankers for the Butte Fire Service area and the Central Mat-su Fire Service area
- Completion of the Shirley Towne Bridge reconstruction

**Matanuska-Susitna Borough’s Capital Assets**  
*(net of depreciation, in millions of dollars)*

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Land and land improvements	\$ 20.8	\$ 20.4	\$ -	\$ -	\$ 20.8	\$ 20.4
Right of Way	79.5	80.0	-	-	79.5	80.0
Buildings and improvements	503.6	515.5	10.6	11.2	514.2	526.7
Improvements other than buildings	33.4	33.9	0.8	0.8	34.2	34.6
Equipment	16.4	16.5	1.8	2.1	18.2	18.6
Infrastructure	146.6	150.3	20.2	21.1	166.8	171.4
Construction in progress	244.0	212.9	3.9	3.8	247.9	216.7
Right-to-use assets	0.7	-	-	-	0.7	-
Landfill cells	-	-	5.9	5.1	5.9	5.1
<b>Total Capital Assets</b>	<b>\$ 1,045.0</b>	<b>\$ 1,029.5</b>	<b>\$ 43.2</b>	<b>\$ 42.7</b>	<b>\$ 1,088.1</b>	<b>\$ 1,073.6</b>

Additional information on the Borough’s capital assets can be found on pages 48-49 this report.

**Capital Assets Fiscal Year 2022  
(governmental & business type) (net of depreciation)**



**Long-term Debt**

At the end of the current fiscal year, the Borough had total debt outstanding of \$298,808,249. Of this amount, \$220,780,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$12,690,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, insurance claims incurred but not reported, USDA Note Payable, and FTA Liability.

**Matanuska-Susitna Borough Outstanding Debt  
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 219.5	\$ 238.3	\$ 1.3	\$ 1.9	\$ 220.8	\$ 240.2
Certificates of participation	12.7	14.4	-	-	12.7	14.4
Other	48.0	49.2	17.3	16.5	65.3	65.7
<b>Total Outstanding Debt</b>	<b>\$ 280.2</b>	<b>\$ 301.9</b>	<b>\$ 18.6</b>	<b>\$ 18.4</b>	<b>\$ 298.8</b>	<b>\$ 320.3</b>

Additional information on the Borough's long-term debt can be found on pages 51-56 of this report.



## Economic Factors and the Next Year's Budget and Rates

In setting the budgets for fiscal year 2023, the Borough considered a number of issues with Borough-wide impact, among them:

- A sufficient level of funding necessary to meet the needs of Borough residents, visitors and communities.
- A continued reduction in the historical variance between budget and actual revenues and expenditures.
- Maintenance of the Borough's financial condition including compliance with the Borough's fund balance policy.
- The highest level of local educational funding that Borough residents can reasonably afford and sustain and as allowed by state law.
- A high quality capital and operational maintenance program that ensures the continued use and economic value of Borough assets.
- Maintenance of the Borough's bond rating.

All of these factors were considered in preparing the Borough's budget for fiscal year 2023. As a result, the fiscal year 2023 budget is 8.901 mills for the General Fund tax rate, a decrease of 1.041 mills. The non-areawide mill rate decreased to 0.392 mills, a decrease of 0.04 mills in the fiscal year 2023 budget.

## Requests for Information

This financial report is designed to provide a general overview of the Borough's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of Finance, Matanuska-Susitna Borough, 350 East Dahlia Avenue, Palmer, Alaska 99645-6411.

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# **BASIC FINANCIAL STATEMENTS**



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## Statement of Net Position

June 30, 2022	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	School District
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash and investments	\$ 200,915,610	\$ 15,265,695	\$ 216,181,305	\$ 49,661,853
Prepaid items	336,612	-	336,612	5,154,369
Receivables, net of allowance:				
Intergovernmental	56,236,483	734,317	56,970,800	15,776,811
Property and excise taxes	7,303,751	-	7,303,751	-
Accounts	-	1,301,057	1,301,057	-
Ambulance	1,283,467	-	1,283,467	-
Land sales contracts	18,742	-	18,742	-
Leases receivable	213,284	-	213,284	-
Other	1,392,708	-	1,392,708	587,789
Accrued interest	536,009	-	536,009	-
Deposits	19,066	-	19,066	-
Inventory	237,078	-	237,078	3,070,026
Restricted cash and investments	2,575,898	2,671,897	5,247,795	-
Internal balances	8,634,395	(8,591,964)	42,431	-
Land sales contracts receivable - long-term	504,516	-	504,516	-
Leases receivable, net of allowance - long-term	7,049,632	-	7,049,632	-
Net other postemployment benefits asset	25,937,339	1,346,083	27,283,422	122,359,856
Capital assets, not being depreciated	344,218,684	3,850,315	348,068,999	119,632
Capital assets, net of accumulated depreciation and amortization	700,731,097	39,247,545	739,978,642	21,179,852
<b>Total Assets</b>	<b>1,358,144,371</b>	<b>55,824,945</b>	<b>1,413,969,316</b>	<b>217,910,188</b>
<b>Deferred Outflows of Resources</b>				
Unamortized deferred loss on bonds	3,188,876	54,734	3,243,610	-
Related to pensions	5,528,941	286,938	5,815,879	18,571,823
Related to other postemployment benefits	878,544	45,595	924,139	5,512,527
<b>Total Deferred Outflows of Resources</b>	<b>9,596,361</b>	<b>387,267</b>	<b>9,983,628</b>	<b>24,084,350</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,367,740,732</b>	<b>\$ 56,212,212</b>	<b>\$ 1,423,952,944</b>	<b>\$ 241,994,538</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
Accounts, contracts and retentions payable	\$ 9,172,562	\$ 428,013	\$ 9,600,575	\$ 2,928,779
Accrued payroll and related liabilities	1,695,616	-	1,695,616	9,192,776
Other liabilities	394,935	-	394,935	-
Deposits	128,584	-	128,584	-
Unearned revenue	21,619,868	-	21,619,868	617,791
Accrued interest payable	2,741,245	37,397	2,778,642	-

See accompanying notes to the basic financial statements.

Exhibit A-1, continued

**Statement of Net Position, continued**

June 30, 2022	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		School District
<b>Liabilities, continued</b>				
Noncurrent liabilities:				
Due within one year:				
Accrued leave	\$ 3,938,629	\$ 144,409	\$ 4,083,038	\$ 2,593,695
Bonds and certificates of participation	22,545,000	645,000	23,190,000	-
Loans payable	20,982	342,348	363,330	-
Note payable	173,933	-	173,933	-
Insurance claims incurred but not reported and claims payable	2,913,058	-	2,913,058	700,535
Leases payable	89,969	-	89,969	1,714,580
Due in more than one year:				
Accrued leave	-	-	-	1,792,167
Bonds and certificates of participation, net of premium	227,619,335	772,728	228,392,063	-
Loans payable	7,685,455	10,599,243	18,284,698	-
Note payable	5,956,761	-	5,956,761	-
Leases payable	581,280	-	581,280	9,451,421
FTA liability	9,287,929	-	9,287,929	-
Net pension liability	35,657,414	1,850,531	37,507,945	103,382,873
Landfill closure costs payable	-	6,163,439	6,163,439	-
<b>Total Liabilities</b>	<b>352,222,555</b>	<b>20,983,108</b>	<b>373,205,663</b>	<b>132,374,617</b>
<b>Deferred Inflows of Resources</b>				
Taxes collected in advance	1,494,873	-	1,494,873	-
Unamortized deferred gain on bonds	735,888	-	735,888	-
Related to pensions	14,219,381	737,950	14,957,331	77,089,430
Related to leases	7,135,933	-	7,135,933	-
Related to other postemployment benefits	13,986,527	725,866	14,712,393	58,926,279
<b>Total Deferred Inflows of Resources</b>	<b>37,572,602</b>	<b>1,463,816</b>	<b>39,036,418</b>	<b>136,015,709</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>389,795,157</b>	<b>22,446,924</b>	<b>412,242,081</b>	<b>268,390,326</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	782,730,054	30,793,275	813,523,329	10,133,483
Restricted:				
Scholarships and correspondence program	-	-	-	2,883,810
Unrestricted (deficit)	195,215,521	2,972,013	198,187,534	(39,413,081)
<b>Total Net Position (Deficit)</b>	<b>977,945,575</b>	<b>33,765,288</b>	<b>1,011,710,863</b>	<b>(26,395,788)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)</b>	<b>\$ 1,367,740,732</b>	<b>\$ 56,212,212</b>	<b>\$ 1,423,952,944</b>	<b>\$ 241,994,538</b>

See accompanying notes to the basic financial statements.

## Statement of Activities

Year Ended June 30, 2022	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit School District
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 26,686,489	\$ 883,739	\$ 151,235	\$ 487,889	\$ (25,163,626)	\$ -	\$ (25,163,626)	
Public works	3,021,834	17,450	(226,573)	-	(3,230,957)	-	(3,230,957)	
Emergency services	35,811,283	5,169,821	(112,935)	528,541	(30,225,856)	-	(30,225,856)	
Public services	39,549,692	2,991,154	2,961,285	15,936,909	(17,660,344)	-	(17,660,344)	
Education	90,652,995	487,966	44,463,755	-	(45,701,274)	-	(45,701,274)	
Interest	14,628,448	-	-	-	(14,628,448)	-	(14,628,448)	
<b>Total governmental activities</b>	<b>210,350,741</b>	<b>9,550,130</b>	<b>47,236,767</b>	<b>16,953,339</b>	<b>(136,610,505)</b>	<b>-</b>	<b>(136,610,505)</b>	
Business-type activities:								
Solid waste	8,440,840	11,662,436	(52,269)	-	-	3,169,327	3,169,327	
Port	1,511,000	132,834	23	-	-	(1,378,143)	(1,378,143)	
<b>Total business-type activities</b>	<b>9,951,840</b>	<b>11,795,270</b>	<b>(52,246)</b>	<b>-</b>	<b>-</b>	<b>1,791,184</b>	<b>1,791,184</b>	
<b>Total Primary Government</b>	<b>220,302,581</b>	<b>21,345,400</b>	<b>47,184,521</b>	<b>16,953,339</b>	<b>(136,610,505)</b>	<b>1,791,184</b>	<b>(134,819,321)</b>	
Component Unit School District	\$ 265,340,452	\$ 3,385,069	\$ 65,285,661	\$ 27,736				\$ (196,641,986)
<b>General Revenues</b>								
Taxes:								
Property taxes					156,055,642	-	156,055,642	-
Excise taxes					10,872,816	-	10,872,816	-
Transient accommodation taxes					1,476,023	-	1,476,023	-
Contributions from primary government					-	-	-	76,091,806
Grants and entitlements not restricted to a specific purpose					5,336,778	-	5,336,778	173,008,326
Investment income (loss)					(13,593,900)	28,434	(13,565,466)	-
Gain on disposal of capital assets					-	1,700	1,700	-
Other					1,813,958	-	1,813,958	3,036,008
<b>Transfers</b>					(995,000)	995,000	-	-
<b>Total General Revenues and Transfers</b>					<b>160,966,317</b>	<b>1,025,134</b>	<b>161,991,451</b>	<b>252,136,140</b>
Change in Net Position					24,355,812	2,816,318	27,172,130	55,494,154
<b>Net Position (Deficit), beginning</b>					<b>953,589,763</b>	<b>30,948,970</b>	<b>984,538,733</b>	<b>(81,889,942)</b>
<b>Net Position (Deficit), ending</b>					<b>\$ 977,945,575</b>	<b>\$ 33,765,288</b>	<b>\$ 1,011,710,863</b>	<b>\$ (26,395,788)</b>

See accompanying notes to the basic financial statements.

**Governmental Funds  
Balance Sheet**

June 30, 2022	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	School Buildings Debt Service	Fronteras School Debt Service	School Projects Capital Project	Road Service Area Repairs Capital Project			
<b>Assets</b>									
Cash and investments	\$ 16,816,573	\$ 18,470,882	\$ 21,741,217	\$ -	\$ -	\$ 24,568,073	\$ 86,949,174	\$ 168,545,919	
Prepaid items	318,951	-	-	-	2,205	-	15,456	336,612	
Receivables:									
Intergovernmental	39,089,426	-	-	-	14,734,987	21,527	2,390,543	56,236,483	
Property taxes, net of allowance	5,266,166	-	-	-	-	-	1,508,538	6,774,704	
Leases	-	-	-	173,942	-	-	39,342	213,284	
Ambulance, net of allowance	529,047	-	-	-	-	-	-	529,047	
Excise taxes	1,283,467	-	-	-	-	-	-	1,283,467	
Land sales contracts, net	-	-	-	-	-	-	18,742	18,742	
Accrued interest	536,009	-	-	-	-	-	-	536,009	
Other	1,014,271	-	-	-	-	-	378,437	1,392,708	
Due from other funds	3,517,378	-	-	-	-	-	-	3,517,378	
Advances to other funds	5,920,070	-	-	-	-	-	-	5,920,070	
Inventory	237,078	-	-	-	-	-	-	237,078	
Interfund loans receivable	450,000	-	-	-	-	-	3,121,394	3,571,394	
Land sales contracts receivable, long-term	-	-	-	-	-	-	504,516	504,516	
Leases receivable	-	-	-	5,956,509	-	-	1,093,123	7,049,632	
Restricted cash and investments	196,650	-	1	-	-	-	2,379,247	2,575,898	
<b>Total Assets</b>	<b>\$ 75,175,086</b>	<b>\$ 18,470,882</b>	<b>\$ 21,741,218</b>	<b>\$ 6,130,451</b>	<b>\$ 14,737,192</b>	<b>\$ 24,589,600</b>	<b>\$ 98,398,512</b>	<b>\$ 259,242,941</b>	
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts, contracts and retentions payable	\$ 1,053,373	\$ -	\$ -	\$ -	\$ 2,628,002	\$ 1,143,864	\$ 4,347,323	\$ 9,172,562	
Due to General Fund	-	-	-	-	3,385,024	-	7,303	3,392,327	
Accrued payroll and related liabilities	1,695,616	-	-	-	-	-	-	1,695,616	
Other liabilities	394,935	-	-	-	-	-	-	394,935	
Deposits	-	-	-	-	5,447	-	123,137	128,584	
Unearned revenue	-	18,470,882	-	-	-	-	3,148,986	21,619,868	
Interfund loans payable	899,500	-	-	-	-	-	1,096,880	1,996,380	
<b>Total Liabilities</b>	<b>4,043,424</b>	<b>18,470,882</b>	<b>-</b>	<b>-</b>	<b>6,018,473</b>	<b>1,143,864</b>	<b>8,723,629</b>	<b>38,400,272</b>	
<b>Deferred Inflows of Resources</b>									
Special assessments	-	-	-	-	-	-	8,150	8,150	
Taxes collected in advance	1,494,873	-	-	-	-	-	-	1,494,873	
Delinquent property taxes	4,917,861	-	-	-	-	-	1,324,749	6,242,610	
Delinquent ambulance receivables	137,195	-	-	-	-	-	-	137,195	
Delinquent foreclosure property sales	57,316	-	-	-	-	-	-	57,316	

See accompanying notes to the basic financial statements.

Exhibit B-1, continued

**Governmental Funds  
Balance Sheet, continued**

June 30, 2022	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	School Buildings Debt Service	Fronteras School Debt Service	School Projects Capital Project	Road Service Area Repairs Capital Project			
Land sales receivables not yet due	-	-	-	-	-	-	504,516	504,516	
Leases receivable not yet due	-	-	-	6,035,785	-	-	1,100,148	7,135,933	
<b>Total Deferred Inflows of Resources</b>	6,607,245	-	-	6,035,785	-	-	2,937,563	15,580,593	
<b>Total Liabilities and Deferred Inflows of Resources</b>	\$ 10,650,669	\$ 18,470,882	\$ -	\$ 6,035,785	\$ 6,018,473	\$ 1,143,864	\$ 11,661,192	\$ 53,980,865	
<b>Fund Balances</b>									
Nonspendable:									
Prepaid items and inventory	\$ 556,029	\$ -	\$ -	\$ -	\$ 2,205	\$ -	\$ 15,456	\$ 573,690	
Long-term loan receivable	450,000	-	-	-	-	-	-	450,000	
Advances to other funds	5,920,070	-	-	-	-	-	-	5,920,070	
Restricted:									
Debt service	196,650	-	1	-	-	-	2,371,944	2,568,595	
Committed:									
Long-term loans receivable	-	-	-	-	-	-	3,121,394	3,121,394	
Land management	-	-	-	-	-	-	680,351	680,351	
Self-insurance	1,000,000	-	-	-	-	-	185,000	1,185,000	
Accrued leave	250,000	-	-	-	-	-	30,000	280,000	
Assembly projects	25,217	-	-	-	-	-	-	25,217	
Major repairs and renovations	1,000,000	-	-	-	-	-	-	1,000,000	
Capital	1,000,000	-	-	-	-	-	-	1,000,000	
Emergency response	1,250,000	-	-	-	-	-	-	1,250,000	
Fund balance stabilization	25,000,000	-	-	-	-	-	-	25,000,000	
Assigned:									
Subsequent year appropriations	-	-	-	-	-	-	2,567,676	2,567,676	
Subsequent year expenditures	1,119,052	-	-	-	-	-	5,069,813	6,188,865	
Service areas	-	-	-	-	-	-	31,380,444	31,380,444	
Land management	-	-	-	-	-	-	757,223	757,223	
Debt service	-	-	21,741,217	94,666	-	-	6,002,698	27,838,581	
Capital projects	-	-	-	-	8,716,514	23,445,736	35,325,627	67,487,877	
Unassigned (deficit)	26,757,399	-	-	-	-	-	(770,306)	25,987,093	
<b>Total Fund Balances</b>	64,524,417	-	21,741,218	94,666	8,718,719	23,445,736	86,737,320	205,262,076	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	\$ 75,175,086	\$ 18,470,882	\$ 21,741,218	\$ 6,130,451	\$ 14,737,192	\$ 24,589,600	\$ 98,398,512	\$ 259,242,941	

See accompanying notes to the basic financial statements.

**Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position  
June 30, 2022**

Total fund balances for governmental funds		\$ 205,262,076
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets, net of accumulated depreciation consist of:		
Land and land improvements	20,750,478	
Rights of way	79,488,018	
Construction in progress	243,980,188	
Buildings and improvements	747,490,569	
Improvements other than buildings	49,457,943	
Equipment	54,431,307	
Infrastructure	283,484,488	
Right-to-use assets	765,123	
Accumulated depreciation and amortization	<u>(434,898,333)</u>	
Total capital assets		1,044,949,781
The PERS ARHCT, RMP, and ODD OPEB plans have been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		25,937,339
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:		
Property taxes receivable	6,242,610	
Special assessments receivable	8,150	
Ambulance receivables	137,195	
Delinquent foreclosure property sales	57,316	
Land sales contracts receivable	<u>504,516</u>	
Total long-term assets		6,949,787
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in the governmental funds.		
Unamortized deferred loss on bonds	3,188,876	
Pension related	5,528,941	
Other postemployment benefits related	<u>878,544</u>	
Total deferred outflows of resources		9,596,361
Internal service funds are used by the Borough to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		30,335,679
Certain deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in the governmental funds.		
Pension related	(14,219,381)	
Other postemployment benefits related	(13,986,527)	
Unamortized deferred gain on bonds	<u>(735,888)</u>	
		(28,941,796)
Long-term liabilities, including bonds payable, accrued leave, and net pension liability are not due and payable in the current period and, therefore, are not reported as fund liabilities. These liabilities consist of:		
Bonds, loans payable, notes payable and certificates of participation	(245,832,851)	
Unamortized bond premium	(18,014,335)	
Lease payable	(671,249)	
FTA liability	(9,287,929)	
Accrued interest payable	(2,741,245)	
Accrued leave	(3,938,629)	
Net pension liability	<u>(35,657,414)</u>	
Total long-term liabilities		<u>(316,143,652)</u>
<b>Total Net Position of Governmental Activities</b>		<b>\$ <u>977,945,575</u></b>

*See accompanying notes to the basic financial statements.*

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

Year Ended June 30, 2022	Major Funds								Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	CARES Act Funding Special Revenue	School Buildings Debt Service	Frontieras School Debt Service	School Projects Capital Project	Road Service Area Repairs Capital Project			
<b>Revenues</b>										
Taxes	\$119,846,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,773,962	\$167,620,262
Intergovernmental	50,867,736	2,568,426	153,200	-	-	14,733,635	230,974	3,211,609	71,765,580	
Charges for services	5,671,084	-	-	-	-	-	-	4,014,689	9,685,773	
Investment income (loss)	(13,717,965)	-	-	29,349	-	229	-	104,728	(13,583,659)	
Interest on land sales	-	-	-	-	-	-	-	71,879	71,879	
Other	-	-	-	-	487,966	-	-	1,188,569	1,676,535	
<b>Total Revenues</b>	<b>162,667,155</b>	<b>2,568,426</b>	<b>153,200</b>	<b>29,349</b>	<b>487,966</b>	<b>14,733,864</b>	<b>230,974</b>	<b>56,365,436</b>	<b>237,236,370</b>	
<b>Expenditures</b>										
Current:										
General government	24,484,954	-	31,298	-	-	-	-	1,586,692	26,102,944	
Public works	3,988,513	-	-	-	-	-	-	-	3,988,513	
Emergency services	13,353,077	-	123,234	-	-	-	-	23,601,467	37,077,778	
Public services	4,746,112	70,644	-	-	-	-	9,907,619	19,123,360	33,847,735	
Education	65,841,806	50,038	-	-	-	-	-	-	65,891,844	
Debt service										
Principal	-	-	-	16,635,000	167,750	-	-	3,878,102	20,680,852	
Interest	-	-	-	7,491,621	225,550	-	-	2,461,759	10,178,930	
Capital outlay	-	-	-	-	-	36,934,785	516,135	10,703,299	48,154,219	
<b>Total Expenditures</b>	<b>112,414,462</b>	<b>120,682</b>	<b>154,532</b>	<b>24,126,621</b>	<b>393,300</b>	<b>36,934,785</b>	<b>10,423,754</b>	<b>61,354,679</b>	<b>245,922,815</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>50,252,693</b>	<b>2,447,744</b>	<b>(1,332)</b>	<b>(24,097,272)</b>	<b>94,666</b>	<b>(22,200,921)</b>	<b>(10,192,780)</b>	<b>(4,989,243)</b>	<b>(8,686,445)</b>	
<b>Other Financing Sources (Uses)</b>										
Sale of capital assets	42,203	-	-	-	-	-	-	22,112	64,315	
Loan issued	-	-	-	-	-	-	-	183,709	183,709	
Transfers in	3,629,881	-	-	30,849,200	-	-	13,056,775	33,423,789	80,959,645	
Transfers out	(52,662,090)	(2,447,744)	-	-	-	(3,293,851)	(125,318)	(24,524,414)	(83,053,417)	
<b>Net Other Financing Sources (Uses)</b>	<b>(48,990,006)</b>	<b>(2,447,744)</b>	<b>-</b>	<b>30,849,200</b>	<b>-</b>	<b>(3,293,851)</b>	<b>12,931,457</b>	<b>9,105,196</b>	<b>(1,845,748)</b>	
<b>Net Change in Fund Balances</b>	<b>1,262,687</b>	<b>-</b>	<b>(1,332)</b>	<b>6,751,928</b>	<b>94,666</b>	<b>(25,494,772)</b>	<b>2,738,677</b>	<b>4,115,953</b>	<b>(10,532,193)</b>	
<b>Fund Balances, beginning</b>	<b>63,261,730</b>	<b>-</b>	<b>1,332</b>	<b>14,989,290</b>	<b>-</b>	<b>34,213,491</b>	<b>20,707,059</b>	<b>82,621,367</b>	<b>215,794,269</b>	
<b>Fund Balances, ending</b>	<b>\$ 64,524,417</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,741,218</b>	<b>\$ 94,666</b>	<b>\$ 8,718,719</b>	<b>\$ 23,445,736</b>	<b>\$ 86,737,320</b>	<b>\$ 205,262,076</b>	

See accompanying notes to the basic financial statements.

Exhibit B-4

**Reconciliation of Change in Fund Balances of Governmental Funds  
to Statement of Activities  
Year Ended June 30, 2022**

Net change in fund balances - total governmental funds		\$ (10,532,193)
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 and amortization expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays (\$40,921,363) exceeded depreciation and amortization (\$24,831,706).		16,089,657
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position		(601,779)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Increase in delinquent property taxes receivable	\$ 784,118	
Decrease in delinquent ambulance receivables	(16,950)	
Increase in special assessments	101	
Decrease in deferred land sales receivable	<u>(92,691)</u>	674,578
The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Amortization of deferred loss on bonds	(590,747)	
Amortization of deferred gain on bonds	69,339	
Amortization of bond premium	2,149,967	
Issuance of long term debt	(193,272)	
Reclass of lease receivable	(6,298,444)	
Payments on debt principal	20,677,750	
Net increase in long-term leases payable	<u>(671,249)</u>	15,143,344
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 accrued leave	60,366	
Decrease in accrued interest payable	223,469	
Net increase in net pension liability and related deferred accounts	(5,679,664)	
Net increase in net OPEB asset and related deferred accounts	<u>9,700,433</u>	4,304,604
Internal service funds are used by management to charge the costs of insurance to individual funds. Net loss of these activities is reported with governmental activities.		<u>(722,399)</u>
Change in Net Position of Governmental Activities		\$ <u>24,355,812</u>

*See accompanying notes to the basic financial statements.*

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

Year Ended June 30, 2022	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 117,391,130	\$ 117,391,130	\$ 119,846,300	\$ 2,455,170
Intergovernmental	14,323,561	14,323,561	50,867,736	36,544,175
Charges for services	5,810,300	5,810,300	5,671,084	(139,216)
Investment income (loss)	6,002,570	6,002,570	(13,717,965)	(19,720,535)
<b>Total Revenues</b>	<b>143,527,561</b>	<b>143,527,561</b>	<b>162,667,155</b>	<b>19,139,594</b>
<b>Expenditures</b>				
General government	27,078,577	27,011,077	24,484,954	2,526,123
Public works	4,327,576	4,844,727	3,988,513	856,214
Emergency services	15,702,656	15,388,614	13,353,077	2,035,537
Public services	5,327,171	5,308,275	4,746,112	562,163
Education	65,841,806	65,841,806	65,841,806	-
<b>Total Expenditures</b>	<b>118,277,786</b>	<b>118,394,499</b>	<b>112,414,462</b>	<b>5,980,037</b>
<b>Excess of Revenues Over Expenditures</b>	<b>25,249,775</b>	<b>25,133,062</b>	<b>50,252,693</b>	<b>25,119,631</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	15,000	15,000	42,203	27,203
Transfers in	751,228	876,453	3,629,881	2,753,428
Transfers out	(43,694,224)	(52,734,152)	(52,662,090)	72,062
<b>Net Other Financing Sources (Uses)</b>	<b>(42,927,996)</b>	<b>(51,842,699)</b>	<b>(48,990,006)</b>	<b>2,852,693</b>
<b>Net Change in Fund Balance</b>	<b>\$ (17,678,221)</b>	<b>\$ (26,709,637)</b>	<b>1,262,687</b>	<b>\$ 27,972,324</b>
<b>Fund Balance, beginning</b>			<b>63,261,730</b>	
<b>Fund Balance, ending</b>			<b>\$ 64,524,417</b>	

See accompanying notes to the basic financial statements.

**Proprietary Funds  
Statement of Net Position**

June 30, 2022	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and investments	\$ 15,265,695	\$ -	\$ 15,265,695	\$ 32,369,691
Receivables:				
Accounts	1,301,406	-	1,301,406	-
Allowance for doubtful accounts	(349)	-	(349)	-
Interfund loans receivable	-	-	-	58,382
Intergovernmental	734,317	-	734,317	-
Deposits with others	-	-	-	19,066
<b>Total Current Assets</b>	<b>17,301,069</b>	<b>-</b>	<b>17,301,069</b>	<b>32,447,139</b>
<b>Noncurrent Assets</b>				
Restricted cash and investments - landfill closure	2,671,897	-	2,671,897	-
Interfund loans receivable - long-term	-	-	-	1,080,929
Net other postemployment benefits asset	1,266,503	79,580	1,346,083	-
<b>Capital Assets:</b>				
Buildings	8,129,593	7,948,617	16,078,210	-
Improvements other than buildings	1,941,119	-	1,941,119	-
Equipment	3,696,175	64,024	3,760,199	-
Landfill cells	14,552,714	-	14,552,714	-
Infrastructure	-	33,321,302	33,321,302	-
Construction in progress	3,847,865	2,450	3,850,315	-
Total capital assets	32,167,466	41,336,393	73,503,859	-
Accumulated depreciation and amortization	(14,619,342)	(15,786,657)	(30,405,999)	-
Net capital assets	17,548,124	25,549,736	43,097,860	-
<b>Total Noncurrent Assets</b>	<b>21,486,524</b>	<b>25,629,316</b>	<b>47,115,840</b>	<b>1,080,929</b>
<b>Total Assets</b>	<b>38,787,593</b>	<b>25,629,316</b>	<b>64,416,909</b>	<b>33,528,068</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	269,974	16,964	286,938	-
Related to other postemployment benefits	42,899	2,696	45,595	-
Unamortized deferred loss on bonds	-	54,734	54,734	-
<b>Total Deferred Outflows of Resources</b>	<b>312,873</b>	<b>74,394</b>	<b>387,267</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 39,100,466</b>	<b>\$ 25,703,710</b>	<b>\$ 64,804,176</b>	<b>\$ 33,528,068</b>

See accompanying notes to the basic financial statements.

Exhibit D-1, continued

**Proprietary Funds**  
**Statement of Net Position, continued**

June 30, 2022	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 400,548	\$ 27,465	\$ 428,013	\$ -
Accrued leave	134,828	9,581	144,409	-
Due to General Fund	-	-	-	125,051
Accrued interest payable	15,397	22,000	37,397	-
Current portion:				
General obligation bonds	-	645,000	645,000	-
Loans payable	342,348	-	342,348	20,982
Insurance claims incurred but not reported and claims payable	-	-	-	2,913,058
<b>Total Current Liabilities</b>	<b>893,121</b>	<b>704,046</b>	<b>1,597,167</b>	<b>3,059,091</b>
<b>Noncurrent Liabilities</b>				
General obligation bonds payable, net of premium	-	772,728	772,728	-
Interfund loans payable	-	2,671,894	2,671,894	-
Loans payable	10,599,243	-	10,599,243	133,298
Advances from General Fund	-	5,920,070	5,920,070	-
Net pension liability	1,741,128	109,403	1,850,531	-
Landfill closure costs payable	6,163,439	-	6,163,439	-
<b>Total Noncurrent Liabilities</b>	<b>18,503,810</b>	<b>9,474,095</b>	<b>27,977,905</b>	<b>133,298</b>
<b>Total Liabilities</b>	<b>19,396,931</b>	<b>10,178,141</b>	<b>29,575,072</b>	<b>3,192,389</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	694,323	43,627	737,950	-
Related to other postemployment benefits	682,953	42,913	725,866	-
<b>Net Position</b>				
Net investment in capital assets	6,606,533	24,186,742	30,793,275	-
Unrestricted (deficit)	11,719,726	(8,747,713)	2,972,013	30,335,679
<b>Total Net Position</b>	<b>18,326,259</b>	<b>15,439,029</b>	<b>33,765,288</b>	<b>30,335,679</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 39,100,466</b>	<b>\$ 25,703,710</b>	<b>\$ 64,804,176</b>	<b>\$ 33,528,068</b>

See accompanying notes to the basic financial statements.

Exhibit D-2

**Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2022	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<b>Operating Revenues</b>				
Intragovernmental	\$ -	\$ -	\$ -	\$ 10,805,633
Charges for services	11,662,436	132,834	11,795,270	-
Interest on loans	-	-	-	1,633
Employee contributions	-	-	-	3,445,176
<b>Total Operating Revenues</b>	<b>11,662,436</b>	<b>132,834</b>	<b>11,795,270</b>	<b>14,252,442</b>
<b>Operating Expenses</b>				
Landfill operations	4,083,561	-	4,083,561	-
Transfer sites	3,586,114	-	3,586,114	-
Dock operations	-	341,936	341,936	-
Claims	-	-	-	13,863,167
Depreciation and amortization	628,930	1,114,393	1,743,323	-
Administrative fees	73,166	-	73,166	2,005,093
Premium	-	-	-	242,582
<b>Total Operating Expenses</b>	<b>8,371,771</b>	<b>1,456,329</b>	<b>9,828,100</b>	<b>16,110,842</b>
<b>Operating Income (Loss)</b>	<b>3,290,665</b>	<b>(1,323,495)</b>	<b>1,967,170</b>	<b>(1,858,400)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental - State sources:				
PERS relief	(52,269)	(6,869)	(59,138)	-
Senate bills	-	6,892	6,892	-
Gain on disposal of capital assets	1,700	-	1,700	-
Investment income	28,434	-	28,434	37,229
Interest expense	(69,069)	(54,671)	(123,740)	-
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(91,204)</b>	<b>(54,648)</b>	<b>(145,852)</b>	<b>37,229</b>
<b>Income (Loss) Before Transfers</b>	<b>3,199,461</b>	<b>(1,378,143)</b>	<b>1,821,318</b>	<b>(1,821,171)</b>
Transfers in	-	995,000	995,000	1,100,000
Transfers out	-	-	-	(1,228)
<b>Change in Net Position</b>	<b>3,199,461</b>	<b>(383,143)</b>	<b>2,816,318</b>	<b>(722,399)</b>
<b>Net Position, beginning</b>	<b>15,126,798</b>	<b>15,822,172</b>	<b>30,948,970</b>	<b>31,058,078</b>
<b>Net Position, ending</b>	<b>\$ 18,326,259</b>	<b>\$ 15,439,029</b>	<b>\$ 33,765,288</b>	<b>\$ 30,335,679</b>

See accompanying notes to the basic financial statements.

**Proprietary Funds  
Statement of Cash Flows**

Year Ended June 30, 2022	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<b>Cash Flows from (for) Operating Activities</b>				
Receipts from customers	\$ 10,488,716	\$ 155,314	\$ 10,644,030	\$ -
Receipts from employees and other	-	-	-	3,445,176
Payments to suppliers	(4,183,140)	(356,921)	(4,540,061)	-
Payments to employees	(2,938,651)	(225,629)	(3,164,280)	-
Payments for interfund services used	(73,166)	-	(73,166)	-
Payments for interfund services provided	-	-	-	10,805,633
Principal payments received on loans	-	-	-	58,072
Issuance of new loans	-	-	-	(531,431)
Interest payments received on loans	-	-	-	1,633
Principal payments on loans payable	-	-	-	(20,672)
Payments for claims and services	-	-	-	(15,168,003)
<b>Net cash flows from (for) operating activities</b>	<b>3,293,759</b>	<b>(427,236)</b>	<b>2,866,523</b>	<b>(1,409,592)</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Interfund loan paid	-	-	-	(37,400)
Increase in due to General Fund	-	142,386	142,386	-
Transfers in	-	995,000	995,000	1,100,000
Transfers out	-	-	-	(1,228)
<b>Net cash flows from noncapital financing activities</b>	<b>-</b>	<b>1,137,386</b>	<b>1,137,386</b>	<b>1,061,372</b>
<b>Cash Flows for Capital and Related Financing Activities</b>				
Purchases of property, plant and equipment	(858,848)	-	(858,848)	-
Sales of capital assets	1,700	-	1,700	-
Loans proceeds received	725,150	-	725,150	-
Principal and interest paid on bonds and loans	(407,137)	(707,700)	(1,114,837)	-
Additions to property, plan, and equipment	-	(2,450)	(2,450)	-
<b>Net cash flows for capital and related financing activities</b>	<b>(539,135)</b>	<b>(710,150)</b>	<b>(1,249,285)</b>	<b>-</b>
<b>Cash Flows from Investing Activities - investment income</b>	<b>28,434</b>	<b>-</b>	<b>28,434</b>	<b>37,229</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>2,783,058</b>	<b>-</b>	<b>2,783,058</b>	<b>(310,991)</b>
<b>Cash and Investments, beginning</b>	<b>15,154,534</b>	<b>-</b>	<b>15,154,534</b>	<b>32,680,682</b>
<b>Cash and Investments, ending</b>	<b>\$ 17,937,592</b>	<b>\$ -</b>	<b>\$ 17,937,592</b>	<b>\$ 32,369,691</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities</b>				
Operating income (loss)	\$ 3,290,665	\$ (1,323,495)	\$ 1,967,170	\$ (1,858,400)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Depreciation and amortization	628,930	1,114,393	1,743,323	-
Nonoperating revenues	-	6,892	6,892	-
Noncash expense - PERS relief	(52,269)	(6,869)	(59,138)	-
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	(1,173,719)	15,588	(1,158,131)	-
Loans receivable	-	-	-	(473,359)
Net other postemployment benefits asset	(1,035,006)	(65,181)	(1,100,187)	-
Deferred outflows of resources related to pensions	(19,162)	65,546	46,384	-
Deferred outflows of resources related to other postemployment benefits	118,185	7,323	125,508	-
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	22,052	(14,985)	7,067	-
Accrued leave	(9,251)	(5,668)	(14,919)	-
Landfill closure costs payable	560,103	-	560,103	-
Loans payable	-	-	-	(20,672)
Insurance claims incurred but not reported and claims payable	-	-	-	942,839
Net pension liability	(219,553)	(295,223)	(514,776)	-
Net other postemployment benefits liability	(5,679)	(353)	(6,032)	-
Deferred inflows of resources related to pensions	694,323	43,627	737,950	-
Deferred inflows of resources related to other postemployment benefits	494,140	31,169	525,309	-
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 3,293,759</b>	<b>\$ (427,236)</b>	<b>\$ 2,866,523</b>	<b>\$ (1,409,592)</b>

See accompanying notes to the basic financial statements.

Exhibit E-1

**Fiduciary Fund - Road, Gas Line and Community Water Custodial Fund  
Statement of Fiduciary Net Position**

June 30, 2022

**Assets**

Cash and assessments	\$	355,701
Special assessments receivable		505,401

<b>Total Assets</b>	<b>\$</b>	<b>861,102</b>
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**Liabilities**

Deposits	\$	213
Interfund loan payable-gas lines		42,431
Bonds payable - gas lines		78,490

<b>Total Liabilities</b>		<b>121,134</b>
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<b>Net Position - restricted</b>	<b>\$</b>	<b>739,968</b>
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<b>Total Liabilities and Net Position</b>	<b>\$</b>	<b>861,102</b>
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See accompanying notes to the basic financial statements.

Exhibit E-2

**Fiduciary Fund - Road, Gas Line and Community Water Custodial Fund**  
**Statement of Changes in Fiduciary Net Position**

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*Year Ended June 30, 2022*

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**Additions**

Special assessments	\$	233,466
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**Deductions**

Public services		209,486
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**Change in Net Position**

		23,980
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**Net Position, beginning**

		715,988
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**Net Position, ending**

	\$	739,968
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*See accompanying notes to the basic financial statements.*

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June 30, 2022

## 1. Summary of Significant Accounting Policies

The Matanuska-Susitna Borough (Borough) was incorporated January 1, 1964, under the provisions of Alaska Statutes, Title 29, as amended, as a second-class borough. The Borough operates under an assembly/manager form of government and provides the following services: general administrative, education, planning and zoning, animal care and regulation and, as approved by the citizens, road services, fire services, library, sanitary landfill and flood control.

The accounting policies of the Borough conform to accounting principles generally accepted in the United States of America, as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

### Reporting Entity

The financial statements of the reporting entity include those of the Borough (primary government) and its discretely presented component unit, the Matanuska-Susitna Borough School District (School District). The School District is responsible for elementary and secondary education within the Borough. The members of the School Board are elected by the voters; however, the Borough is financially accountable for the School District. The School District is required by Borough Code to submit an annual budget to the Matanuska-Susitna Borough Assembly (Assembly) for approval and is prohibited from incurring expenditures or obligations in excess of the maximum amount approved by the Assembly. The School District is fiscally dependent upon the Borough because the Assembly approves the total annual School District budget, levies the necessary taxes to pay the required local contribution, and approves the issuance of any bonded debt, and is ultimately responsible for payment of such bonded debt. The financial data of the School District is included in the Borough's financial statements and is accounted for as a discretely presented component unit.

The School District is reported in a separate column of the government-wide financial statements to emphasize that it is legally separate from the Borough. Copies of the School District's independent financial statements may be requested from the School District at 501 North Gulkana St., Palmer, Alaska, 99645.

No other entities exist in which the Borough has accountability for fiscal matters, scope of public services or special financing relationships.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the Borough and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. 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. *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 segments 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 and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds under accounting principles generally accepted in the United States of America. The internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

## Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

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 proprietary funds are charges to customers for sales and services and to other Borough departments for services provided. Operating expenses for the proprietary funds include the costs of service, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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. *Measurable* means that amounts can be reasonably determined within the current period. 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 Borough considers property tax revenues to be available if they are collected within 60 days after year-end. All other revenues besides property taxes are considered available if collected within 180 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to accrued leave, pension and other postemployment benefits are recorded when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. The issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property and other taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual. 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.

The Borough reports the following major funds:

### 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 *School Buildings Debt Service Fund* accounts for activities relating to the issuance and servicing of general obligation debt associated with school facilities. The Borough elected to report this fund as a major fund in FY2022 for reporting consistency.

The *Fronteras School Debt Service Fund* accounts for activities relating to the servicing of a note payable to the U.S. Department of Agriculture and receipt of lease payments associated with the Fronteras Charter School.

The *American Rescue Plan Act (ARPA) Recovery Funding Special Revenue Fund* accounts for activities relating to the ARPA Recovery funding received by the Borough.

The *CARES Act Funding Special Revenue Fund* accounts for activities relating to the CARES Act funding received by the Borough. The Borough elected to report this fund as a major fund in FY2022 for reporting consistency.

The *School Projects Capital Project Fund* accounts for activities relating to the construction, renovation, and renewal of school facilities throughout the Borough.

The *Road Service Area Repairs Capital Project Fund* accounts for activities related to construction, renovation, and renewal of roads in different service areas throughout the Borough. The Borough elected to report this fund as a major fund in FY2022 due to increased interest in these capital projects.

### Major Proprietary Funds

The *Solid Waste Enterprise Fund* accounts for activities relating to operations of the Borough's sanitary landfill.

The *Port Enterprise Fund* accounts for activities relating to operations of the port.



In addition, the Borough reports the following fund types:

#### **Governmental Fund Types**

Special Revenue Fund – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund – The Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term obligation principal, interest and related costs.

Capital Project Fund – Capital Project Funds are used to account for financing resources to be used for acquisition or construction of major capital facilities.

#### **Proprietary Fund Type**

Internal Service Funds – The Borough reports on eight Internal Service Funds. Four of the funds make low interest loans to other funds of the Borough and the other four account for self-insurance activities involving health, unemployment, workers' compensation, and property and casualty insurance.

#### **Fiduciary Fund Type**

Custodial Fund-The Borough reports one fiduciary fund. This fund accounts for nonrecourse special assessment bonds to finance road, water or gas line improvements in local improvement districts within the Borough.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **Budgets and Budgetary Accounting**

The Borough follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to or on the third Tuesday of April, the Borough Manager submits to the Assembly 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 1, the budget is legally enacted through passage of an ordinance by the Borough Assembly.
4. The Borough Manager is authorized to transfer budgeted amounts within a department within any fund; however, any revisions that alter the total budget of any department of any fund or the total expenditures of any fund must be approved by the Assembly. Expenditures may not legally exceed appropriations at the department level. Appropriations lapse at year-end for all funds except capital project funds.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. The General Fund and Special Revenue Funds, except for the CARES Act Funding, ARPA Recovery Funding, Property Tax, and Road, Gas Line and Community Water Special Revenue Funds, have legally adopted annual budgets.
6. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended, by the Assembly.

#### **Statement of Cash Flows**

For purposes of the statements of cash flows, the Borough has defined cash as demand deposits and all investments maintained in the cash management pool, regardless of maturity period, since various funds use the cash management pool essentially as a demand deposit account.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the government-wide and enterprise fund financial statements. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The costs 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Borough are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	30-40
Improvements other than buildings	15-40
Equipment	5-10
Landfill cells	10
Infrastructure	20-30

**Leases**

Lessee:

The Borough is a lessee for noncancellable leases of equipment, office space and land. The Borough recognizes a lease liability and intangible right-to-use lease assets (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Borough initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Borough determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Borough uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Borough generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Borough is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Borough monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Payments due under the lease contracts include fixed payments plus, for many of the Borough's leases, variable payments. For office space leases that include variable payments, those include payments for the Borough's proportionate share of the building's property taxes, insurance, and common area maintenance. For office equipment leases for which the Borough has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments for the single, combined lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:



- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the Borough under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and;
- payments of penalties for terminating the lease, if the lease term reflects the Borough exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the Borough. These are used to maximize operational flexibility in terms of managing the assets used in the Borough's operations. The majority of extension and termination options held are exercisable only by the Borough and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), are initially measured using the index or rate as of the commencement of the lease term.

Lessor:

The Borough is a lessor for noncancellable leases. The Borough recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Borough monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items are recorded as expenditures or expenses during the period benefitted by the prepayment (consumption method).

### Inventories

Inventories consist mostly of fuel and medical supplies. Inventories are stated at cost (first-in, first-out) and recorded as expenditures or expenses when used (consumption method).

### Restricted Assets

Restricted cash and investments are held in the General Fund, Solid Waste Enterprise Fund, and debt service funds, and are restricted because their use is limited by bond covenant, landfill closure or grant agreement to the construction of capital assets.

### Accounts Receivable and Unearned Revenue

Amounts received from grantor agencies which are restricted as to use and have not been expended for the intended use are shown as unearned revenue. All trade and tax receivables are shown net of an allowance for uncollectible accounts, determined by historical experience. The ambulance receivable allowance is recorded at 16 percent, based on historical recoveries.

**Accrued Leave**

The liability reported for accrued leave time reported in the government-wide and proprietary statements consists of unpaid, vested annual leave. A liability for accrued leave is reported in the governmental funds only if it has “matured” such as upon employee resignation or retirement.

**Long-term Debt**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds on a straight-line basis, which approximates the effective interest rate method. Bonds payable as reported include amounts of unamortized bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issues are 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. Principal payments on debt are reported as debt service expenditures.

**Deferred Outflows/Inflows of Resources**

A deferred outflow of resources represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. A deferred inflow of resources represents an acquisition of net assets that applies to futures period(s) and will not be recognized as an inflow of resources (revenues) until that time. Deferred outflows of resources reported in the government-wide statements consist of deferred loss on debt refundings as well as certain pension and OPEB related accounts. Deferred inflows of resources reported on the government-wide statements consist of property taxes received in advance, unamortized deferred gains on debt refundings, as well as certain pension and OPEB related accounts. Deferred inflows of resources reported on the governmental funds consist of long-term payments due on special assessments, property taxes collected in advance, land sales receivables not yet due, leases receivable not yet due, delinquent property taxes, delinquent ambulance receivables and delinquent foreclosure property sales..

**Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension liability and net OPEB asset and liability, deferred outflows of resources and deferred inflows of resources related to pensions, OPEB, 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 benefit terms. Investments are reported at fair value.

**Interfund Balances and Interfund Transfers**

During the course of operations, the Borough has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and interfund loans to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Fund Balance and Fund Balance Flow Assumptions**

In the fund financial statements, governmental funds report amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes



amounts that cannot be spent because they are either (a) not in spendable form-prepaid items, inventories; and long-term receivables or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by official action, through ordinance, of the Borough's Assembly, the Borough's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the constraint through a subsequent formal modification or rescinding action.

*Assigned fund balance.* This classification reflects the amounts constrained by the Borough's "intent" to be used for specific purposes, but are neither restricted nor committed. The Borough Assembly has delegated authority to the Borough Manager to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use externally restricted resources first, then unrestricted resources-committed, assigned, and unassigned-in order as needed.

### **Net Position and Net Position Flow Assumptions**

Net position represents the residual interest in the Borough's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Sometimes the Borough will fund outlays for a purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Borough's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **Encumbrances**

The Borough practices encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. All appropriations lapse at year end, except those in capital project funds. Any encumbrances outstanding at year end in the capital project funds are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above.

### **Deferred Compensation**

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The Plan, available to all permanent Borough employees, permits them to defer a portion of their current salary until future years. The Borough has determined that a fiduciary relationship does not exist between it and the IRC Section 457 deferred compensation plan and therefore, the deferred compensation plan is not reported in the Borough's financial statements.

**2. Cash and Investments**

Except for certain restricted items, the Borough accounts for its cash and investments in a central treasury. The School District also participates in the central treasury for its operating cash and investments. Negative cash amounts have been reclassified to “due to other funds.” Borough cash deposits are comprised of demand accounts, primarily checking, savings, and cash management accounts.

**Investments**

Investments are allowed as follows: Obligations of, or obligations guaranteed by the United States or any agency or instrumentality of the United States; Obligations of government-sponsored agencies, including mortgage securities; Repurchase agreements; Certificates of deposit and other deposits at banks and credit unions (subject to insurance and collateralization provisions); Money market mutual funds; Taxable general obligation bonds of municipalities, boroughs or states with ratings of AA or higher; the Alaska Municipal League Investment Pool (AMLIP); and various other instruments.

**Reconciliation of Deposit and Investment Balances**

The following is a reconciliation of the Borough’s deposit and investment balances to the financial statements as of June 30, 2022.

	Pooled Cash and Investments	School Accounts	Totals
Bank deposits	\$ 5,757,701	\$ 3,233,033	\$ 8,990,734
Investments	262,455,920	-	262,455,920
<b>Total Cash and Investments</b>	<b>\$ 268,213,621</b>	<b>\$ 3,233,033</b>	<b>\$ 271,446,654</b>

Reconciliation to the basic financial statements:

	Borough Accounts	School Accounts	Totals
Primary government cash and investments	\$ 216,537,006	\$ -	\$ 216,537,006
Restricted cash and investments	5,247,795	-	5,247,795
School District	46,428,820	3,233,033	49,661,853
<b>Total Cash and Investments</b>	<b>\$ 268,213,621</b>	<b>\$ 3,233,033</b>	<b>\$ 271,446,654</b>

**Interest Rate Risk**

To limit exposure to declines in fair values of investments, Borough policy requires that investments be limited to “shorter-term” securities, money market mutual funds, or the AMLIP. Policy generally requires maturity dates of five years or less, although under certain conditions, the Borough may invest in securities with maturity dates exceeding five years.

Investment maturities at June 30, 2022 are as follows:

Investment Type	Amount	Investment Maturity (in years)		
		Less than 1	1-5	More than 5
U.S. government agencies	\$ 206,598,300	\$ 9,898,200	\$ 196,700,100	\$ -
U.S. treasuries	38,008,000	-	38,008,000	-
Money market funds	5,457,956			
Pooled investments (AMLIP)	12,391,664			
<b>Total Investments</b>	<b>\$ 262,455,920</b>			

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the U.S. government agency investments are rated AA+ by Standard and Poor’s. In addition, all of the money market funds are rated AAAM by Standard and Poor’s. To minimize credit risk, the Borough’s investments are limited to those discussed above, under “Investments.”



### Concentration of Credit Risk

The Borough places no limit on the amount it may invest in any one issuer. The Borough has no investments from any one issuer that represents 5% or more of the total investments other than securities issued by the U.S. Treasury Department, including United States Treasury NTS with 15%, and U.S. Federal Agencies, including Freddie Mac with 19%, Federal Farm Credit Bank with 23%, Fannie Mae with 27% and Federal Home Loan Banks with 15%.

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure to custodial credit risk, Borough policy requires that all deposits and investments be fully insured or collateralized.

### Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Borough has the following recurring fair value measurements as of June 30, 2022:

U.S. government agencies securities of \$206,598,300 and U.S. Treasury securities of \$38,008,000 are valued by surveys of the dealer community, relevant trade data, benchmark quotes and spreads, as determined by observed market data (Level 2 inputs).

\$5,457,956 of money market funds are reported at amortized cost, which management believes to approximate fair value.

### Pooled Investments

The Borough maintains a \$12,391,664 investment in the AMLIP investment pool. Balances in AMLIP are reported at amortized cost which is believed by management to approximate fair value of the investment. The AMLIP is an external investment pool, which is rated AAAM by Standard and Poor's Corporation 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. On a monthly basis the investments in the Pool are reviewed for fair value by an independent pricing service. The values of investments in the AML Pool are approximately equal to fair value. There are no limitations or restrictions on participant withdrawals from the AMLIP investment pool.

## 3. Fund Balance Policy

The Borough has established, through Code Ordinance, a minimum fund balance/stabilization policy. MSB 3.04.095(A), as amended, sets out a minimum fund balance in the amount of 22.2% of all annual budgeted operating expenditures of the Borough, exclusive of the School District, or \$25 million, whichever is less. This minimum fund balance is established for the purpose of maintaining the Borough's credit worthiness, providing liquidity and protecting essential Borough programs and requirements during periods of economic downturn or catastrophic loss. The fund balance policy was originally established in 2003 and since that time, there have been no qualifying events for use of these funds. The fund balance is reported as committed fund balance in the General Fund.

## 4. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 unless deferred by Assembly action and are payable in two installments in August and February. The Borough bills and collects its own property taxes and also the property taxes for the cities of Palmer and Houston. Collection of the taxes and remittance of them to the cities are accounted for in the Property Tax Special Revenue Fund. Property tax revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available (collected within sixty days after year-end) to finance expenditures of the fiscal period.

**5. Interfund Balances and Interfund Transfers**

Balances due to/from other funds at June 30, 2022, consisted of the following:

<b>Due to the General Fund From:</b>	
Public Safety Building Debt Service Fund	\$ 5,485
Animal Control Debt Service Fund	1,818
Service Area Operating Internal Service Fund	125,051
School Capital Projects Capital Project Fund	\$ 3,385,024
<b>Total Due to the General Fund</b>	<b>\$ 3,517,378</b>

Advances from the General Fund at June 30, 2022, consisted of the following:

<b>Advance From General Fund to</b>	
Port Enterprise Fund for advances for operating and capital costs	\$ 5,920,070

In 2016, the Port Enterprise Fund received an interest-free loan of \$4,493,488 from the Land Management Fund. In 2018 and 2019, payments of \$2,250,000 and \$21,594, respectively, were repaid, and no payments were made in 2020, 2021, and 2022, leaving an aggregate balance due of \$2,221,894. Management intends for the Port Enterprise Fund to repay the Land Management Fund when financially able.

In 2017, the Port Enterprise Fund received an interest-free loan of \$450,000 from the General Fund to cover Port operations. Management intends for the Port to repay the General Fund when financially able.

In 2019, the General Fund received a \$1,285,000 loan from the Central Mat-Su Fire Service Area Special Revenue Fund. The loan was made to fund real property and improvements purchases made by the Emergency Services Department within the General Fund. The loan is to be repaid over a 10-year term (\$128,400 per year) at an interest rate of 0.25% (Borough approved rate for interfund loans), with the option to pay the outstanding loan balance prior to the end of the term. As of June 30, 2022, the total balance was \$899,500.

In 2007, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation for the purpose of constructing a salted sand storage building. Ordinance 06-065 authorized the Borough to enter into the loan which will be paid back by various road service areas. For administrative purposes, the loan was recorded in its entirety in the Road Service Area Revolving Loan Fund with associated interfund loans receivable from the applicable Road Service Area Funds. Loan payments are due in twenty annual installments of \$15,712 to \$16,926, plus interest at 1.5% through August 8, 2027. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough. See Note 9 for more information on the loan payable.

In 2010, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation for Talkeetna Community Water Upgrades. Ordinances 09-166 and 10-012 authorized the Borough to enter into the loan which will be paid back by the Talkeetna Water and Sewer Special Revenue Fund. For administrative purposes, the loan was recorded in its entirety in the Service Area Operating Revolving Loan Fund with the associated interfund loan receivable from Talkeetna Water and Sewer Special Revenue Fund. Loan payments are due in twenty annual installments of \$5,270 to \$6,025, plus interest at 1.5% through March 1, 2032. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough. See Note 9 for more information on the loan payable.

Amounts distributed at June 30, 2022 were as follows:

Road Service Area 9 – Midway Road	\$ 13,243
Road Service Area 14 – Fairview Road	7,781
Road Service Area 16 – South Colony	28,551
Road Service Area 19 – Lazy Mountain	157
Road Service Area 23 – North Colony	3,524
Road Service Area 25 – Bogard Road	26,466
Road Service Area 26 – Greater Butte Road	1,488
Road Service Area 28 – Gold Trail Road	15,955
Road Service Area 31 – Alpine Road	714
<b>Total loans payable from Road Service Areas for ADEC Loan</b>	<b>97,879</b>
<b>Loan Payable from Talkeetna Water and Sewer for ADEC Loan</b>	<b>\$ 56,401</b>



Interfund loans receivable and payable, representing long-term loans at June 30, 2022 with established payment terms, consisted of amounts payable to the Revolving Loan Internal Service Funds from the following special revenue funds:

Loans payable with established payment terms:

\$180,000 Service Area 131 – Circle View revolving loan, due in annual installments of \$6,000, plus interest approved by the Assembly through 2035	\$ 78,000
\$300,000 Service Area 7 – Talkeetna Flood Control revolving loan, due in annual installments of \$10,000, plus interest approved by the Assembly through 2052	290,000
\$214,000 Service Area 36 – Talkeetna Water and Sewer revolving loan, due in annual installments of \$21,400, plus interest as approved by the Assembly, through 2026	85,600
\$489,000 Service Area 15-Talkeetna Fire Service revolving loan, due in annual installments of \$32,600, plus interest as approved by the Assembly through 2037	489,000
\$42,431 Natural Gas Local Improvement District loans, due in bi-annual installments of \$2,122, plus interest approved by the Assembly through 2042	42,431
<b>Total loans payable to other funds with established payment terms</b>	<b>985,031</b>
<b>Total Loans Payable to Revolving Loan Internal Service Funds</b>	<b>\$ 1,139,311</b>

Transfers to/from other funds for the year ended June 30, 2022 are detailed below. Transfers are generally authorized for 1) operating subsidy, 2) capital acquisitions and/or grant match, 3) debt service, or return of capital.

**From the General Fund to:**

School Buildings Debt Service Fund	\$ 28,445,870
Port Enterprise Fund	995,000
Revolving Loan Internal Service Fund	1,100,000
Road Service Area Capital Project Fund	1,421,916
Nonmajor governmental funds	20,699,304
<b>Total transfers out of General Fund</b>	<b>52,662,090</b>

**From Nonmajor Governmental Funds to:**

General Fund	921,996
Road Service Area Capital Project Fund	11,634,859
Nonmajor governmental funds	11,967,559
<b>Total transfers out of nonmajor governmental funds</b>	<b>24,524,414</b>

**From School Projects Capital Project Fund to:**

General Fund	890,521
School Building Debt Service Fund	2,403,330
<b>Total transfers out of School Projects Capital Fund</b>	<b>3,293,851</b>

**From Road Service Area Repairs Capital Funds to:**

General Fund	125,318
<b>Total Road Service Area Repairs Capital Fund</b>	<b>125,318</b>

**From American Rescue Plan Act Recovery Funding Special Revenue to:**

General Fund	1,690,818
Nonmajor governmental funds	756,926
<b>Total transfers out of American Resuce Plan Act Recovery Funding Special Revenue</b>	<b>2,447,744</b>

**From Revolving Loan Internal Service Fund to:**

General Fund	1,228
<b>Total Transfers</b>	<b>\$ 83,054,645</b>

## 6. Capital Assets

Capital asset activity for the year ended June 30, 2022 follows:

	Balance July 1, 2021	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2022
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 20,383,071	\$ 367,407	\$ -	\$ 20,750,478
Rights of way	80,042,404	47,393	601,779	79,488,018
Construction in progress	212,852,264	38,169,616	7,041,692	243,980,188
<b>Total capital assets not being depreciated</b>	<b>313,277,739</b>	<b>38,584,416</b>	<b>7,643,471</b>	<b>344,218,684</b>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	745,712,953	1,777,616	-	747,490,569
Improvements other than buildings	48,268,099	1,189,844	-	49,457,943
Equipment	51,490,831	3,183,170	242,694	54,431,307
Infrastructure	298,867,949	2,462,886	17,846,347	283,484,488
<b>Total capital assets being depreciated</b>	<b>1,144,339,832</b>	<b>8,613,516</b>	<b>18,089,041</b>	<b>1,134,864,307</b>
Less accumulated depreciation for:				
Buildings and improvements	230,214,215	13,635,138	-	243,849,353
Improvements other than buildings	14,413,308	1,595,350	-	16,008,658
Equipment	34,982,657	3,277,692	242,694	38,017,655
Infrastructure	148,545,488	6,229,652	17,846,347	136,928,793
<b>Total accumulated depreciation</b>	<b>428,155,668</b>	<b>24,737,832</b>	<b>18,089,041</b>	<b>434,804,459</b>
Right-to-use assets, being amortized:				
Buildings and improvements	-	235,213	-	235,213
Equipment	-	380,869	-	380,869
Land	-	149,041	-	149,041
<b>Total right-to-use assets, being amortized</b>		<b>765,123</b>	<b>-</b>	<b>765,123</b>
Less accumulated amortization for:				
Buildings and improvements	-	23,972	-	23,972
Equipment	-	49,898	-	49,898
Land	-	20,004	-	20,004
<b>Total accumulated amortization</b>	<b>-</b>	<b>93,874</b>	<b>-</b>	<b>93,874</b>
<b>Total capital assets being depreciated and amortized, net</b>	<b>716,184,164</b>	<b>(15,453,067)</b>	<b>-</b>	<b>700,731,097</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 1,029,461,903</b>	<b>\$ 23,131,349</b>	<b>\$ 7,643,471</b>	<b>\$ 1,044,949,781</b>
<b>Business-type Activities</b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 3,816,283	\$ 34,032	\$ -	\$ 3,850,315
<i>Capital assets being depreciated:</i>				
Buildings	16,078,210	-	-	16,078,210
Improvements other than buildings	1,941,119	-	-	1,941,119
Equipment	3,760,199	-	-	3,760,199
Landfill cells	13,828,673	724,041	-	14,552,714
Infrastructure	33,321,302	-	-	33,321,302
<b>Total capital assets being depreciated</b>	<b>68,929,503</b>	<b>724,041</b>	<b>-</b>	<b>69,653,544</b>
Less accumulated depreciation for:				
Buildings	4,912,835	537,987	-	5,450,822
Improvements other than buildings	1,130,353	51,338	-	1,181,691
Equipment	1,692,981	307,444	-	2,000,425
Landfill cells	8,701,561	-	-	8,701,561
Infrastructure	12,224,946	846,554	-	13,071,500
<b>Total accumulated depreciation</b>	<b>28,662,676</b>	<b>1,743,323</b>	<b>-</b>	<b>30,405,999</b>
<b>Total capital assets being depreciated, net</b>	<b>40,266,827</b>	<b>(1,019,282)</b>	<b>-</b>	<b>39,247,545</b>
<b>Business-type Activities Capital Assets, net</b>	<b>\$ 44,083,110</b>	<b>\$ (985,250)</b>	<b>\$ -</b>	<b>\$ 43,097,860</b>

Depreciation and amortization expense was charged to the functions as follows for the year ended June 30, 2022:

	Depreciation and amortization
<b>Governmental Activities</b>	
General government	\$ 702,314
Public works	606,665
Public services	7,356,537
Emergency services	3,303,281
Education	12,862,909
<b>Total Governmental Activities</b>	<b>\$ 24,831,706</b>
<b>Business-type Activities</b>	
Solid waste	\$ 628,930
Port	1,114,393
<b>Total Business-type Activities</b>	<b>\$ 1,743,323</b>

### Construction Commitments

The Borough has numerous active construction projects as of June 30, 2022. The projects include completion of construction and improvements to school facilities and public safety facilities, improvement of a wastewater treatment facility, road construction and improvements, solid waste facility improvements, borough facility maintenance and improvements, cultural and recreational improvements.

Projects	Remaining Commitments
School facilities	\$ 12,056,861
Infrastructure	669,513
Public safety facilities	4,778,897
Wastewater treatment facility	34,265
Solid waste facilities	2,180,868
Road construction and improvements	18,635,011
Borough facility	180,144
Cultural and recreational improvements	1,094,279
<b>Total</b>	<b>\$ 39,629,838</b>

## 7. Leases Receivable

The Borough implemented GASB Statement No. 87- Leases - effective for the year-end June 30, 2022.

On October 26, 2010 the Borough entered into an agreement to lease land to a third party. The lease term ends June 1, 2035. The lease calls for annual payments of \$19,200 to be paid October 1. The implicit interest rate is 6.75%. As of June 30, 2022 the lease receivable amount was \$158,884. The deferred inflow of resources was \$154,721.

On October 1, 2011, the Borough entered into an agreement to lease land to a third party. The lease term ends September 30, 2036. The lease calls for annual payments of \$5,456 to be paid at the beginning of the month. The implicit interest rate is 6.75%. As of June 30, 2022, the lease receivable amount was \$598,262. The deferred inflow of resources was \$581,640.

On October 16, 2017, the Borough entered into an agreement to lease land to a third party. The lease term ends on October 16, 2037. The lease calls for monthly payments ranging from \$985 to \$1,581. The implicit interest rate is 6.75%. As of June 30, 2022, the lease receivable amount was \$150,335. The deferred inflow of resources was \$144,943.

On September 1, 2020, the Borough entered into an agreement to lease land to a third party. The lease term ends on August 31, 2054. The lease calls for monthly payments ranging from \$500 to \$1,885 to be paid at the beginning of the month. The implicit interest rate is 6.75%. As of June 30, 2022, the lease receivable amount was \$224,984. The deferred inflow of resources was \$218,844.

In 2016, the Borough constructed the Fronteras Charter School facility, and entered into a long-term lease agreement with Matanuska-Susitna Borough School District (the District), the facility's tenant. The payment terms of the lease are

intended to mirror the Borough's repayment terms of a note payable to the United States Department of Agriculture, issued in connection with construction of the facility. The lease calls for monthly payments of \$32,775. The lease term ends on July 28, 2045. As of June 30, 2022, the total outstanding lease receivable amount was \$6,130,451. The deferred inflow of resources was \$6,035,785.

Minimum lease payments receivable on leases of investment properties are as follows:

Year Ending June 30:	Governmental Activities	
	Principal	Interest
2023	\$ 213,284	\$ 282,863
2024	222,578	273,934
2025	232,732	267,156
2026	243,103	258,012
2027	253,913	247,897
2028-2032	1,451,874	1,050,046
2033-2037	1,719,997	725,797
2038-2042	1,645,447	401,860
2043-2047	1,161,730	104,518
2048-2052	73,558	26,543
2053-2055	44,700	3,441
<b>Total</b>	<b>\$ 7,262,916</b>	<b>\$ 3,642,067</b>

**8. Leases Payable**

The Borough implemented GASB Statement No. 87-Leases- effective for year-end June 30, 2022. This Statement addresses accounting and financial reporting for certain lease liabilities for leases that previously were classified as operating leases.

On August 1, 2020, the Borough entered into a lease of a building. The lease term ends June 30, 2030. The lease calls for monthly payments ranging from \$2,626 to \$3,138 to be paid at the beginning of each month. The implicit interest rate known to the Borough is 6.75%. There are no residual value guarantees or purchase options. As of June 30, 2022, the total outstanding lease payable balance was \$216,678. The total value of the related right-to-use assets was \$209,094.

On February 1, 2020, the Borough entered into a lease of equipment. The term ends on June 30, 2028. The annual payments range from \$73,702 to \$81,373 to be paid February 1 of each year. The implicit interest rate known to the BOrOUGH is 6.75%. There are no residual guarantees or purchase options. As of June 30, 2022 the total outstanding lease payable balance was \$321,938. The total value of related right-to-use assets was \$334,909.

On May 1, 2017, the Borough entered into a lease of land. The lease term ends April 30, 2028. The lease calls for monthly payments ranging from \$2,061 to \$2,487 to be paid at the beginning of each month. The implicit interest rate known to the Borough is 6.75%. There are no residual value guarantees or purchase options. As of June 30, 2022, the total outstanding lease payable balance was \$132,633. The total value of related right-to-use assets was \$127,246.

The future principal and interest lease payments at June 30, 2022, were as follows:

Fiscal year	Governmental Activities	
	Principal	Interest
2023	\$ 89,969	\$ 43,544
2024	98,962	37,481
2025	108,687	30,744
2026	119,170	23,324
2027	130,445	15,231
2028-2030	124,016	11,279
<b>Total</b>	<b>\$ 671,249</b>	<b>\$ 161,603</b>



## 9 . Long-term Debt

### Debt Information

#### USDA Note Payable

In 2016, the Borough obtained a \$6,900,000 loan from the U.S. Department of Agriculture (USDA), to construct the Fronteras Spanish Immersion Charter School. The terms of the agreement require monthly principal and interest payments of \$32,775 for a period of 28 years at an interest rate of 3.625%. The District has committed to making direct payments on behalf of the Borough to the USDA. As of June 30, 2022, the outstanding principal portion of the note totaled \$6,130,694.

#### FTA Liability

The Borough built a ferry with funds from a variety of sources to operate between the Borough and Anchorage. One of those sources was the Federal Transit Administration ("FTA"). Due to several factors not completely in the Borough's control, such as no landing site on the Anchorage side and no source of funds to construct landings, the project failed. The FTA initially demanded repayment of \$12.3 million in grant funds it provided to the Borough for the ferry and related activities. In February 2017, the FTA revised the repayment demand to \$9.3 million. The Borough continues to negotiate a final amount and payment terms with FTA. The Borough has responded to all requests for information from FTA and also offered reasons to support a reduction in the amounts owed. The Borough is still in communications with FTA over repayment amounts and terms. The Borough expects to reduce the total amount owed and enter into a repayment plan with FTA.

#### ADEC Loans

During 2018, the Borough entered into two loan agreements with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loans are for a maximum of \$7,000,000 and \$5,000,000, respectively, and will be used to pay for Central Landfill Cell 4 design and construction, and septage and leachate treatment facility design, respectively. These loans are recorded in the Solid Waste Enterprise Fund and are currently in drawdown status.

During 2019, the Borough entered into another loan agreement with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loan will be used to pay for the Talkeetna wastewater treatment plant upgrades. This loan is currently in drawdown status.

The Borough reported combined drawdowns of \$918,422 for all ADEC loans in drawdown status during FY22.

In addition, the Borough has two additional loans with the Alaska Department of Environmental Conservation for a salted sand storage building and water upgrades, as discussed further in Note 5. The Borough has four additional loans with the Alaska Department of Environmental Conservation for solid waste Cell 3 construction, hazardous waste facility, regional resource recovery and training facility, and Cell 2 closure. These loans are currently in repayment status.

A summary of changes in long-term debt for the year ended June 30, 2022 follows:

<b>Governmental Activities</b>	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
<b>Bonds and Certificates of Participation:</b>					
School projects bonds	\$ 197,590,000	\$ -	\$ 16,635,000	\$ 180,955,000	\$ 18,465,000
Park and recreation bonds	18,230,000	-	810,000	17,420,000	850,000
Transportation bonds	22,440,000	-	1,355,000	21,085,000	1,445,000
Certificates of participation	14,400,000	-	1,710,000	12,690,000	1,785,000
<b>Direct Borrowings:</b>					
ADEC salted sand building loan	113,359	-	15,480	97,879	15,712
ADEC Talkeetna community water upgrade loan	61,593	-	5,192	56,401	5,270
ADEC Talkeetna wastewater treatment plant upgrade loan*	7,358,885	193,272	-	7,552,157	-
USDA note payable	6,298,444	-	167,750	6,130,694	173,933
<b>Other Liabilities:</b>					
FTA liability*	9,287,929	-	-	9,287,929	-
Accrued leave**	3,998,995	3,506,542	3,566,908	3,938,629	3,938,629
Insurance claims incurred but not reported and claims payable	1,976,153	13,863,167	12,926,262	2,913,058	2,913,058
	281,755,358	\$ 17,562,981	\$ 37,191,592	262,126,747	\$ 29,591,602
Plus unamortized bond premium	20,164,302			18,014,335	
	<u>\$ 301,919,660</u>			<u>\$ 280,141,082</u>	
<b>Business-type Activities</b>					
	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
<b>Bonds:</b>					
Port bonds	\$ 1,940,000	\$ -	\$ 620,000	\$ 1,320,000	\$ 645,000
<b>Direct Borrowings:</b>					
ADEC solid waste loan – Cell 3 construction	1,917,322	-	134,673	1,782,649	136,693
ADEC solid waste loan – hazardous waste facility	382,456	-	52,227	330,229	53,010
ADEC solid waste loan – regional resource recovery and training facility	503,174	-	47,014	456,160	47,719
ADEC solid waste loan – Cell 2 closure	1,853,735	-	103,373	1,750,362	104,926
ADEC solid waste loan – Cell 4*	4,994,030	724,041	-	5,718,071	-
ADEC solid waste loan – Septage and Leachate Treatment Facility*	903,011	1,109	-	904,120	-
<b>Other Liabilities:</b>					
Landfill closure and postclosure monitoring costs	5,603,336	560,103	-	6,163,439	-
Accrued leave**	159,328	134,823	149,742	144,409	144,409
	18,256,392	\$ 1,420,076	\$ 1,107,029	18,569,439	\$ 1,131,757
Plus unamortized bond premium	156,364			97,728	
	<u>\$ 18,412,756</u>			<u>\$ 18,667,167</u>	

\* Not yet in repayment status.

\*\* Based on an analysis of the actual compensated absence expenditures/expense during the first quarter of the fiscal year 2023 management estimates all accrued leave will be used in the following fiscal year. Therefore the entire balance of accrued leave is reported as due within one year. Other long-term liabilities related to governmental activities such as accrued leave are generally liquidated by the General Fund.

At June 30, 2022, long-term debt outstanding is comprised of the following individual issues:

**General Obligation Bonds**
*School projects bonds:*

\$63,415,000 2019 Series A School refunding bonds, due in annual installments of \$1,000,000 to \$7,725,000, plus interest at 2.0% to 3.0% through March 1, 2033	\$ 63,415,000
\$31,690,000 2016 Series A School refunding bonds, due in annual installments of \$2,435,000 to \$3,670,000, plus interest at 2.5% to 5.0% through July 1, 2030	28,170,000
\$55,195,000 2015 Series B School bonds, due in annual installments of \$2,390,000 to \$4,225,000, plus interest at 3% to 5.0% through November 1, 2034	41,595,000
\$37,350,000 2015 Series A School refunding bonds, due in annual installments of \$2,680,000 to \$2,910,000, plus interest at 2.5% to 3.0% through August 1, 2033	11,145,000
\$29,400,000 2014 Series B School bonds, due in annual installments of \$1,200,000 to \$2,190,000, plus interest at 5.0% through November 1, 2034	21,445,000
\$13,290,000 2013 Series A School bonds, due in annual installments of \$615,000 to \$670,000, plus interest at 4.0% to 5.0% through March 1, 2025	1,925,000
\$91,770,000 2012 Series A School bonds, due in annual installments of \$100,000 to \$4,490,000, plus interest at 3.0% to 3.5% through March 1, 2030	4,590,000
\$8,710,000 2012 Series B School refunding bonds, due in annual installments of \$410,000 to \$430,000, plus interest at 3.5% through March 1, 2024	840,000
\$33,505,000 2007 Series A School refunding bonds, due in annual installments of \$1,960,000 to \$3,005,000, plus interest at 5.0% through April 1, 2025	7,830,000
<b>Total school projects bonds</b>	<b>180,955,000</b>

*Park bonds:*

\$21,200,000 2017 Series A Park bonds, due in annual installments of \$850,000 to \$1,435,000, plus interest at 5.0% through March 1, 2037	17,420,000
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*Transportation bonds:*

\$6,845,000 2019 Series B Transportation refunding bonds, due in annual installments of \$100,000 to \$825,000, plus interest at 2.0% to 3.0% through March 1, 2032	6,845,000
\$1,560,000 2015 Series C Transportation bonds, due in annual installments of \$70,000 to \$105,000, plus interest at 2.0% to 4.0% through November 1, 2034	1,135,000
\$17,840,000 2014 Series A Transportation bonds, due in annual installments of \$790,000 to \$1,350,000, plus interest at 5.0% through April 1, 2033	12,550,000
\$11,175,000 2012 Series D Transportation bonds, final installment of \$555,000, plus interest at 4.5% through April 1, 2023	555,000
<b>Total transportation bonds</b>	<b>21,085,000</b>

*Port bonds:*

\$5,770,000 2012 Series C Port refunding bonds, due in annual installments of \$645,000 to \$675,000, plus interest at 3.0% to 5.0% through March 1, 2024	1,320,000
<b>Total General Obligation Bonds</b>	<b>\$ 220,780,000</b>

**Certificates of Participation**

\$8,585,000 2013 Public Safety Building Lease Certificates of Participation, due in annual installments of \$580,000 to \$745,000, plus interest at 3.0% to 5.0% through October 1, 2028	\$ 4,620,000
\$5,700,000 2016 Series A Public Safety Building Lease Certificates of Participation, due in annual installments of \$365,000 to \$540,000, plus interest at 5.0% through March 1, 2031	4,010,000
\$5,000,000 2016 Series B Public Safety Building Lease Certificates of Participation, due in annual installments of \$320,000 to \$475,000, plus interest at 5.0% through March 1, 2031	3,540,000
\$2,405,000 2016 Series C Animal Control Building Certificates of Participation, due in final installment \$520,000, plus interest at 5.0% through March 1, 2023	520,000
<b>Total Certificates of Participation</b>	<b>\$ 12,690,000</b>

**ADEC Loans**

\$2,805,926 ADEC loan for Landfill Cell 3 construction due in annual installments of \$136,693 to \$161,018, plus interest at 1.5% through July 1, 2034	\$ 1,782,649
\$105,000 ADEC loan for Talkeetna Community Water Upgrade due in annual installments of \$5,270 to \$6,025, plus interest at 1.5% through March 1, 2032	56,401
\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$15,712 to \$16,926, plus interest at 1.5% through August 8, 2027	97,879
\$995,155 ADEC loan for Hazardous Waste Facility, due in annual installments of \$53,010 to \$57,107, plus interest at 1.5% through August 31, 2027	330,229
\$936,743 ADEC loan for Regional Resource Recovery and Training Facility, due in annual installments of \$47,719 to \$53,755, plus interest at 1.5% through June 30, 2031	456,160
\$2,252,177 ADEC loan for Central Landfill Cell 2A Closure, due in annual installments of \$104,924 to \$129,241, plus interest at 1.5% through June 1, 2037	1,750,362
ADEC loan for Central Landfill Cell 4 design and construction. Still in draw down status. Repayment terms not established.	5,718,071
ADEC loan for Mat-Su Septage and Leachate Treatment Facility. Still in draw down status. Repayment terms not established.	904,120
ADEC loan for Talkeetna Wastewater Treatment Plant Upgrade. Still in draw down status. Repayment terms not established.	7,552,157
<b>Total ADEC Loans</b>	<b>\$ 18,648,028</b>

**Note Payable**

\$6,900,000 USDA note payable, due in monthly installments of \$32,775, including interest, through July 2045	\$ 6,130,694
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The annual requirements to amortize bonds and certificates of participation, ADEC loans in repayment status, and note payable as of June 30, 2022 are as follows:

**Governmental Activities**

Year Ending June 30:	General Obligation Bonds and Certificates of Participation		ADEC Loans – Direct Borrowings		Notes Payable – Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 22,545,000	\$ 9,011,805	\$ 20,982	\$ 2,314	\$ 173,933	\$ 219,367
2024	22,945,000	8,061,778	21,297	1,999	180,344	212,956
2025	22,170,000	7,182,139	21,616	1,680	186,991	206,309
2026	20,750,000	6,345,384	21,941	1,355	193,884	199,416
2027	18,700,000	5,614,577	22,269	1,027	201,030	192,270
2028-2032	95,870,000	17,142,016	46,175	1,583	1,121,909	844,591
2033-2037	29,170,000	2,618,955	-	-	1,344,482	622,018
2038-2042	-	-	-	-	1,611,210	355,290
2043-2046	-	-	-	-	1,116,911	63,540
Loan not yet in repayment status	-	-	7,552,157	-	-	-
	<b>\$ 232,150,000</b>	<b>\$ 55,976,654</b>	<b>\$ 7,706,437</b>	<b>\$ 9,958</b>	<b>\$ 6,130,694</b>	<b>\$ 2,915,757</b>

**Business-type Activities**

Year Ending June 30:	Port Bonds		ADEC Loans – Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 645,000	\$ 66,000	\$ 342,348	\$ 64,792
2024	675,000	33,750	347,482	59,657
2025	-	-	352,694	54,444
2026	-	-	357,985	49,153
2027	-	-	363,354	49,153
2028-2032	-	-	1,608,495	166,212
2033-2037	-	-	947,042	52,134
2038-2040	-	-	-	-
Loans not yet in repayment status	-	-	6,622,191	-
	<b>\$ 1,320,000</b>	<b>\$ 99,750</b>	<b>\$ 10,941,591</b>	<b>\$ 495,545</b>

The following summarizes the amounts available for payment of general long-term debt at June 30, 2022:

	Debt Service Funds
School general obligation bonds	\$ 21,741,217
Transportation bonds	843,617
Parks and recreation bonds	853,290
Certificates of participation	6,685,038
	\$ 30,123,162

Any additional monies needed to service the school general obligation bonds or retire other governmental activity debt are provided by transfers to the Debt Service Funds from the General Fund. The following bond authorizations remain open and unissued:

	Authorized But Unissued
October 2008, Transportation Bonds	\$ 15,000,000
October 2011, School Bonds	2,465,000
October 2013, Transportation Bonds	14,615,000
October 2018, Transportation Bonds	23,845,000
	\$ 55,925,000

There is no legal debt margin for municipalities in the State of Alaska. In 1983, the Borough Assembly adopted an ordinance limiting outstanding general obligation debt to 7% of the Borough's assessed value. At June 30, 2022, the Borough was in compliance with these requirements.

### Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the Borough to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the Borough reports a portion of these closure and postclosure care costs as a long-term liability at June 30, 2022, based on landfill capacity used as of that date. In August 2020, the Borough finalized a landfill closure review process which resulted in certain changes to the closure cost estimate. The \$6,163,439 reported as landfill closure and postclosure care liability at June 30, 2022 represents the cumulative amount reported to date based on the use of 36% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$10,766,361 as the remaining capacity is filled. The Borough expects to close the landfill in the year 2044. Actual costs may change due to inflation, deflation, changes in technology, or changes in laws and regulations.

As of June 30, 2022, the Borough is required to provide financial assurances for closure and postclosure care of the landfill in accordance with state and federal regulations. There are a number of allowable mechanisms available. The Borough has decided to use the "Local Government Test" financial assurance mechanism to be in compliance with the April 1997 regulations. Future inflation costs and additional costs that might arise from changes in closure and postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers or both.

### Special Assessment Debt

From time to time, the Borough will issue non recourse special assessment bonds to finance road, water or gas line improvements in local improvement districts within the Borough. Repayment of the bonds is through special assessments levied against the property in the local improvement districts that benefit from the project. The bonds are special obligations of the local improvement districts and are payable solely from the assessments. As such, the Borough is not obligated in any manner for the special assessment debt and is acting solely as agent on behalf of the local improvement districts. These balances are therefore only recorded in the Fiduciary Fund.

The balance of special assessment bonds payable at June 30, 2022 follows:

Gas line bonds	\$ 78,490
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**Advance Refunding of Bonds**

Historically, the Borough has issued refunding debt when financially advantageous. The purpose of the refundings is to obtain more favorable interest rates, thereby reducing the overall cost of borrowing. At the time of the transactions, the proceeds from the issuance of the new refunding debt has been placed into an irrevocable trust with an escrow paying agent to provide the future debt service payments on the old debt, until the debt is paid in full, generally at a specified call date. For financial accounting purposes, the refunded debt is considered defeased and therefore, removed from the Borough’s financial statements. At June 30, 2022, defeased debt outstanding is as follows.

<i>Fiscal Year of Refunding</i>	<i>Issue Refunded</i>	<i>Amount Refunded</i>	<i>Amount Outstanding</i>
2020	2013 A School Bonds	\$ 6,735,000	\$ 6,735,000

**10. Goose Creek Correctional Facility – Conduit Debt and Lease Agreement**

During 2015, the Borough issued \$105,720,000 in State of Alaska Lease Revenue Refunding Bonds (Series 2015) to advance refund \$101,850,000 of the 2008 outstanding Lease Revenue Bonds. In addition, in April 2015, the Borough and the State of Alaska entered into a Second Amendment to the Lease Agreement which requires the State to make the debt payments in accordance with the 2015 bond payment schedule.

During 2017, the Borough issued \$57,985,000 in State of Alaska Lease Revenue Refunding Bonds (Series 2017) to advance refund \$59,340,000 of the 2008 outstanding Lease Revenue Bonds. The Borough considers this debt to be “conduit debt” for accounting and disclosure purposes. Total debt service outstanding and payable by the State of Alaska at June 30, 2022, including both principal and interest, was as follows:

2015 lease revenue bonds	\$ 144,076,269
2017 lease revenue bonds	43,865,625
<b>Total</b>	<b>\$ 187,941,894</b>

**11. Pension and Other Postemployment Benefits Plans**

**(a) Defined Benefit (DB) Pension Plan**

**General Information About the Plan**

The Borough 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 <https://drb.alaska.gov/docs/reports/>. 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 postemployment healthcare 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. Peace/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 postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 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 a DB agent-multiple-employer plan to a DB 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. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 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 Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The Borough recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

### Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

### Employer and Other Contribution Rates

There are several contribution rates associated with the pension 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, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is 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. 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 change results in a lower ARM Board Rates than previously adopted.

*State 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. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2022 were determined in the June 30, 2020 actuarial valuations. The Borough’s contribution rates for the 2022 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.54%	26.99%	8.11%
Postemployment healthcare (ARHCT)	6.46%	3.12%	-%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>30.11%</b>	<b>8.11%</b>

In 2022, the Borough was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2020 to June 30, 2021	Borough Fiscal Year July 1, 2021 to June 30, 2022
Employer contributions (including DBUL)	\$ 3,693,095	\$ 3,874,789
Nonemployer contributions (on-behalf)	2,457,704	2,362,162
<b>Total Contributions</b>	<b>\$ 6,150,799</b>	<b>\$ 6,236,951</b>

In addition, employee contributions to the Plan totaled \$524,599 during the Borough’s fiscal year.

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

At June 30, 2022, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough proportionate share of NPL	\$ 37,507,945
State’s proportionate share of NPL associated with the Borough	5,081,418
<b>Total Net Pension Liability</b>	<b>\$ 42,589,363</b>

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net pension liability as of that date. The Borough’s proportion of the net pension liability was based on a projection of the Borough’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 the June 30, 2021 measurement date, the Borough’s proportion was 1.02243 percent, which was an increase of 0.23490 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Borough recognized pension expense of \$13,682,755 and on-behalf revenue of \$7,286 for support provided by the State. At June 30, 2022, the Borough 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	\$ -	\$ (166,169)
Net difference between projected and actual earnings on pension plan investments	-	(14,791,162)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,941,090	-
Borough contributions subsequent to the measurement date	3,874,789	-
<b>Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 5,815,879</b>	<b>\$ (14,957,331)</b>

The \$3,874,789 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, 2023. 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,	
2023	\$ (1,662,350)
2024	(3,388,075)
2025	(3,664,960)
2026	(4,300,856)
<b>Total Amortization</b>	<b>\$ (13,016,241)</b>



### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2023 to 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

### Long-Term Expected Rate of Return

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. Best estimates of arithmetic rates of return, excluding the inflation component of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

### Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. 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.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate of 7.38%, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough’s proportionate share of the net pension liability	1.02243%	\$ 55,554,491	\$ 37,507,945	\$ 22,346,531

**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 DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB 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, a 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 <https://drb.alaska.gov/docs/reports>.

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 Borough 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. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2022 to cover a portion of the Borough’s employer match contributions. For the year ended June 30, 2022, forfeitures reduced pension expense by \$56,341.

**Employee Contribution Rate**

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual’s account.

**Employer Contribution Rate**

For the year ended June 30, 2022, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2022 were \$1,104,964 and \$1,767,938, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

**(c) Defined Benefit OPEB Plans**

As part of its participation in PERS, the Borough participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible.

The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website <https://drb.alaska.gov/docs/reports>.

### Employer Contribution Rate

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2022 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	6.46%	6.46%
Retiree Medical Plan	1.07%	1.07%
Occupational Death and Disability	0.31%	0.68%
<b>Total Contribution Rates</b>	<b>7.84%</b>	<b>8.21%</b>

In 2022, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2020 to June 30, 2021	Borough Fiscal Year July 1, 2021 to June 30, 2022
Employer contributions - ARHCT	\$ 595,468	\$ 441,411
Employer contributions - RMP	256,324	236,461
Employer contributions - ODD	69,279	76,187
<b>Total Contributions</b>	<b>\$ 921,071</b>	<b>\$ 754,059</b>

### OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2022, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

Borough's proportionate share of NOA - ARHCT	\$ 26,340,269
Borough's proportionate share of NOA - RMP	370,717
Borough's proportionate share of NOA - ODD	572,436
<b>Total Borough's Proportionate Share of Net OPEB Asset</b>	<b>\$ 27,283,422</b>
State's proportionate share of the ARHCT NOA associated with the Borough	3,448,084
<b>Total Net OPEB Asset</b>	<b>\$ 30,731,506</b>

The total OPEB liabilities (asset) for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net OPEB liabilities (asset) as of that date. The Borough's proportion of the net OPEB liabilities (asset) is based on a projection of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2020 Measurement Date Employer Proportion	June 30, 2021 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.78718%	1.02677%	0.23959%
RMP	1.34972%	1.38111%	0.03139%
ODD	1.23878%	1.29884%	0.06006%

For the year ended June 30, 2022, the Borough recognized OPEB expense (benefit) of \$(9,842,420). Of this amount, \$(1,196,356) was recorded as on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

Plan	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ (10,268,281)	\$ (1,196,356)
RMP	362,179	-
ODD	63,682	-
<b>Total</b>	<b>\$ (9,842,420)</b>	<b>\$ (1,196,356)</b>

At June 30, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 27,563	\$ -	\$ 27,563
Changes in assumptions	-	115,225	-	115,225
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	21,576	5,716	27,292
Borough contributions subsequent to the measurement date	441,411	236,461	76,187	754,059
<b>Total Deferred Outflows of Resources Related to OPEB Plans</b>	<b>\$ 441,411</b>	<b>\$ 400,825</b>	<b>\$ 81,903</b>	<b>\$ 924,139</b>

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (276,615)	\$ (17,626)	\$ (156,351)	\$ (450,592)
Changes in assumptions	(995,405)	(220,317)	(4,349)	(1,220,071)
Difference between projected and actual investment earnings	(12,325,836)	(331,656)	(91,791)	(12,749,283)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	(260,652)	-	(31,795)	(292,447)
<b>Total Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ (13,858,508)</b>	<b>\$ (569,599)</b>	<b>\$ (284,286)</b>	<b>\$ (14,712,393)</b>

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2023	\$ (4,420,230)	\$ (87,628)	\$ (52,982)	\$ (4,560,840)
2024	(2,838,599)	(87,782)	(52,923)	(2,979,304)
2025	(3,048,063)	(91,130)	(53,886)	(3,193,079)
2026	(3,551,616)	(101,695)	(56,949)	(3,710,260)
2027	-	(9,282)	(30,112)	(39,394)
Thereafter	-	(27,718)	(31,718)	(59,436)
<b>Total Amortization</b>	<b>\$ (13,858,508)</b>	<b>\$ (405,235)</b>	<b>\$ (278,570)</b>	<b>\$ (14,542,313)</b>



### Actuarial Assumptions

The total OPEB asset for each plan for the measurement period ended June 30, 2021 was determined by actuarial valuations as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/ Firefighter. Graded by service from 6.75% to 2.75% for all others.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2023 to 2039.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% per year and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%
Mortality (ARHCT, RMP and ODD Plans)	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
(ODD Plan)	Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others. Disability mortality in accordance with the RP-2014 Disabled Table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 and CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare 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 rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

**Discount Rate**

The discount rate used to measure the total OPEB liability (asset) for each plan as of June 30, 2021 was 7.38%. This discount rate used did not change from the prior measurement date. 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 fiduciary net position of each plan 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset for each plan.

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate**

The following presents the Borough’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.38%, as well as what the Borough’s proportionate share of the respective plan’s net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough’s proportionate share of the net OPEB liability (asset):				
ARHCT	1.02677%	\$ (17,226,141)	\$ (26,340,269)	\$ (33,908,874)
RMP	1.38111%	\$ 241,956	\$ (370,717)	\$ (833,470)
ODD	1.29884%	\$ (548,134)	\$ (572,436)	\$ (591,788)



### Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the Borough's proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2020 actuarial valuation reports as well as what the Borough's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease (6.38%)	Current Healthcare Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	1.02677%	\$ (34,794,873)	\$ (26,340,269)	\$ (16,137,765)
RMP	1.38111%	\$ (899,708)	\$ (370,717)	\$ 350,069
ODD	1.29884%	n/a	n/a	n/a

### OPEB Plan Fiduciary Net Position

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

#### (d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

#### Contribution Rate

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, 2021, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,168 per year for each full-time employee, and \$1.39 per hour for part-time employees.

#### Annual Post Employment Healthcare Cost

In fiscal year 2022, the Borough contributed \$632,005 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

## 12. Contingencies

The Borough and School District participate in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Borough expects such amounts, if any, to be nominal.

The Borough, in the normal course of its activities, is involved in various claims and pending litigation. In the opinion of management and legal counsel, the disposition of these matters is not expected to have a material adverse effect on the Borough's basic financial statements.

## 13. Risk Management

The Borough faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, (d) environmental damage, (e) worker's compensation and (f) medical costs of employees. Commercial policies, transferring risk of loss, except for relatively small deductible amounts, are purchased for property, general liability, errors and omissions, worker's compensation (as required by statute), and professional liability.

Claims on insurance have not exceeded coverage in any of the last several years and there has been no significant reduction in insurance coverage from prior years.

**14. Self-Insurance Coverage**

The Borough and the School District jointly participate in self-insurance for unemployment claims and for property and casualty coverage. Unemployment insurance is paid on a reimbursement basis directly to the State of Alaska when individual claims are filed. Property and casualty claims within the retention are paid on a reimbursement basis. An estimate for claims incurred but not reported is accrued at year end. There is a \$250,000 self-insured retention per occurrence for claims. Commercial policies are purchased to cover claims exceeding these amounts.

The Borough (excluding the School District) provides health insurance on a self-insured basis up to \$175,000 each occurrence or \$1 million in aggregate for all medical claims during the year. Coverage in excess of these amounts is insured by a private carrier. The Borough contracts with a third-party administrator for health claims servicing. The Borough charges each department and employee a premium based on the actual claims paid by the Borough. The Borough accrues a liability for claims incurred but not reported at year end.

A schedule of the changes in the claims liability for the years ended June 30, 2022 and 2021 follows:

	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Total
Balance, June 30, 2020	\$ -	\$ 1,762,756	\$ -	\$ 510,435	\$ 2,273,191
Claims incurred	88,939	8,179,798	-	222,324	8,491,061
Claims paid	(88,939)	(8,069,503)	-	(629,657)	(8,788,099)
Balance, June 30, 2021	-	1,873,051	-	103,102	1,976,153
Claims incurred	35,687	13,331,731	-	495,749	13,863,167
Claims paid	(35,687)	(12,670,332)	-	(220,243)	(12,926,262)
Balance, June 30, 2022	\$ -	\$ 2,534,450	\$ -	\$ 378,608	\$ 2,913,058

Management estimates that all of this liability is due within one year. If an unemployment insurance liability is due, it is payable quarterly upon receipt of billing from the State of Alaska. This liability is included in the financial statements as accounts payable. All other funds' liabilities are reported on the statement of net position as insurance claims incurred but not reported and claims payable. This liability, in the amount of \$2,913,058, is included with the governmental-activities noncurrent liabilities.

**15. Subsequent Debt Issuance**

Subsequent to June 30, 2022, the Borough issued the following:

Serial Bonds totaling \$5,155,000 due November 1, 2023 with installments ranging from \$460,000 to \$590,000 plus interest rates from 3.2% to 4.3%.

A Term Bond totaling \$3,430,000 due November 1, 2037 with installments ranging from \$620,000 to \$755,000 plus interest at 4.9%.

A Term Bond totaling \$3,415,000 due November 1, 2041 with installments ranging from \$790,000 to \$920,000 plus interest of 5.0%.

The bonds were issued July 13, 2022. The funds from these bonds will be used to finance construction, additions, improvements, betterments, repair, reconstruction, or acquisition of public roads and facilities related to the Matanuska-Susitna Borough. This includes all necessary equipment and transportation facilities, and the acquisition of lands or rights-in-lands in connection to these projects.



## 16. CARES Act

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. It also appropriated certain relief funds, for which the Borough may be eligible. At the time of this report, \$38,032,472 has been awarded to the Borough through the State of Alaska Department of Commerce, Community and Economic Development Coronavirus Relief Fund. As of June 30, 2022, the Borough has spent the total of these monies as follows:

### CARES Act Coronavirus Relief Funding

Economic relief grants	\$ 11,447,468
Public safety modifications and equipment	1,706,576
Public facility safety and health improvements	1,397,559
Cleaning and sanitation equipment and supplies	916,317
Election requirements	76,203
Telework capability improvements	176,598
Payroll costs for disaster response	11,984,264
School District	4,957,149
FFCRA/Leave for employees	189,444
Community outreach	5,180,894
<b>Total CARES Act Coronavirus Relief Funding</b>	<b>\$ 38,032,472</b>

## 17. American Rescue Plan Coronavirus State & Local Fiscal Recovery Funds

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021. This plan is to provide \$350 billion in emergency funding to eligible state, local, territorial, and Tribal governments. These funds are to be used to respond to support public health expenditures, address negative economic impact caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer and broadband infrastructure.

The Matanuska-Susitna Borough was awarded \$21,039,307 in recovery funds and received disbursements of \$10,519,654 in June of 2021 and June of 2022. Continued planning and allocation of the remaining funds will take place in FY23. The funds must be obligated prior to December 31, 2024 and projects must be completed by December 31, 2026.

## 18. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the Matanuska-Susitna Borough for 2022 reporting:

*GASB Statement No. 87 – Leases* – Effective for year-end June 30, 2022. This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. See notes 7, 8, and 19 for a detailed explanation of the impacts of this standard on the Borough’s Financial Statements.

*GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period* – Effective for year-end June 30, 2022. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The Borough does not have interest costs on construction projects.

*GASB Statement No. 92 - Omnibus 2020* – Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2022. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to

nonrecurring fair value measurements, and terminology used to refer to derivative instruments. This is not applicable to the Borough.

*GASB Statement No. 93 – Replacement of Interbank Offered Rates* – The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Borough does not hold any investments with replacement of interbank offered rates, therefore, no action was required for this statement.

*GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This is not applicable for the Borough.

*GASB Statement No. 98 – The Annual Comprehensive Financial Report* – Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Borough adopted the new terminology in FY21.

The GASB has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB Statement No. 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

*GASB Statement No. 91 – Conduit Debt Obligations* – Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

*GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

*GASB Statement No. 96 – Subscription-Based Information Technology Arrangements* – Effective for year-end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

*GASB Statement No. 99 – Omnibus 2022* – Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024.

*GASB Statement No. 100 – Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 – Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

*GASB Statement No. 101 – Compensated Absences* – Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users



by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

### **19. Change in Accounting Principle**

In 2022, The Borough adopted the provisions of GASB Statement No 87 Leases, which among other accounting and reporting criteria, requires the Borough to recognize lease liability/asset (and related deferred inflow/outflow accounts), as of the beginning of the Borough's fiscal year. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings or the right-to-use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The effect on beginning net position of adopting GASB 87 in the Borough's financial statements for the year ended June 30, 2022 is zero, since the balances for leases receivable and deferred inflow of resources related to leases is the same. The Borough also had no effect from right-to-use assets and lease liability. As a result of implementation of this statement, the Borough recorded no opening balance adjustments.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**





**Public Employees' Retirement System – Pension Plan  
Schedule of the Borough's Proportionate Share of the Net Pension Liability**

<i>Years Ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	1.02243%	0.78753%	0.77693%	0.81187%	0.76056%	0.84421%	0.64860%	0.48137%
Borough's Proportionate Share of the Net Pension Liability	\$ 37,507,945	\$ 46,473,629	\$ 42,530,827	\$ 40,341,822	\$ 39,316,621	\$ 47,187,922	\$ 31,457,163	\$ 22,451,653
State of Alaska Proportionate Share of the Net Pension Liability	5,081,418	19,227,128	16,893,336	11,680,902	14,648,493	5,944,748	8,425,442	18,637,380
<b>Total Net Pension Liability</b>	<b>\$ 42,589,363</b>	<b>\$ 65,700,757</b>	<b>\$ 59,424,163</b>	<b>\$ 52,022,724</b>	<b>\$ 53,965,114</b>	<b>\$ 53,132,670</b>	<b>\$ 39,882,605</b>	<b>\$ 41,089,033</b>
Borough's Covered Payroll	\$ 28,197,294	\$ 26,810,589	\$ 25,007,882	\$ 23,215,637	\$ 22,871,706	\$ 22,300,573	\$ 21,010,045	\$ 19,339,708
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	133.02%	173.34%	170.07%	173.77%	171.90%	211.60%	149.72%	116.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

**Schedule of Borough Contributions**

<i>Years Ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 3,874,789	\$ 3,693,095	\$ 2,979,085	\$ 3,013,267	\$ 3,034,464	\$ 2,667,192	\$ 2,309,530	\$ 2,137,416
Contributions Relative to the Contractually Required Contribution	3,874,789	3,693,095	2,979,085	3,013,267	3,034,464	2,667,192	2,309,530	2,137,416
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 28,992,852	\$ 28,197,294	\$ 26,810,589	\$ 25,007,882	\$ 23,215,637	\$ 22,871,706	\$ 22,300,573	\$ 21,010,045
Contributions as a Percentage of Covered Payroll	13.36%	13.10%	11.11%	12.05%	13.07%	11.66%	10.36%	10.17%

See accompanying notes to Required Supplementary Information.

Exhibit F-2

**Public Employees' Retirement System – ARHCT OPEB Plan  
Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)**

Years Ended June 30,	ARHCT				
	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	1.02677%	0.78718%	0.77700%	0.81167%	0.76061%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (26,340,269)	\$ (3,564,823)	\$ 1,152,914	\$ 8,330,034	\$ 6,425,311
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(3,448,084)	(1,479,052)	458,421	2,418,351	2,395,674
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (29,788,353)</b>	<b>\$ (5,043,875)</b>	<b>\$ 1,611,335</b>	<b>\$ 10,748,385</b>	<b>\$ 8,820,985</b>
Borough's Covered Payroll	\$ 8,014,226	\$ 8,570,896	\$ 9,666,937	\$ 10,001,186	\$ 10,889,449
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	(328.67%)	(41.59%)	11.93%	83.29%	59.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	135.54%	106.15%	98.13%	88.12%	89.68%

**Schedule of Borough Contributions**

Years Ended June 30,	ARHCT				
	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 441,411	\$ 595,468	\$ 1,189,931	\$ 1,083,601	\$ 864,788
Contributions Relative to the Contractually Required Contribution	441,411	595,468	1,189,931	1,083,601	864,788
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 6,806,812	\$ 8,014,226	\$ 8,570,896	\$ 9,666,937	\$ 10,001,186
Contributions as a Percentage of Covered Payroll	6.485%	7.430%	13.883%	11.209%	8.647%

See accompanying notes to Required Supplementary Information.

**Public Employees' Retirement System – ODD OPEB Plan**  
**Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)**

Years Ended June 30,	ODD				
	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	1.29884%	1.23878%	1.09690%	1.63440%	1.15139%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (572,436)	\$ (337,691)	\$ (265,942)	\$ (226,138)	\$ (163,372)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (572,436)</b>	<b>\$ (337,691)</b>	<b>\$ (265,942)</b>	<b>\$ (226,138)</b>	<b>\$ (163,372)</b>
Borough's Covered Payroll	\$ 20,183,068	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451	\$ 11,982,257
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	(2.84%)	(1.85%)	(1.73%)	(1.71%)	(1.36%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	374.22%	283.80%	297.43%	270.62%	212.97%

**Schedule of Borough Contributions**

Years Ended June 30,	ODD				
	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 76,187	\$ 69,279	\$ 54,324	\$ 44,785	\$ 23,305
Contributions Relative to the Contractually Required Contribution	76,187	69,279	54,324	44,785	23,305
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 22,186,040	\$ 20,183,068	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451
Contributions as a Percentage of Covered Payroll	0.343%	0.343%	0.298%	0.292%	0.176%

See accompanying notes to Required Supplementary Information.

Exhibit F-4

**Public Employees' Retirement System – RMP OPEB Plan  
Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)**

Years Ended June 30,	RMP				
	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	1.38111%	1.34972%	1.24084%	1.64340%	1.15139%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (370,717)	\$ 95,736	\$ 296,858	\$ 148,162	\$ 60,045
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (370,717)</b>	<b>\$ 95,736</b>	<b>\$ 296,858</b>	<b>\$ 148,162</b>	<b>\$ 60,045</b>
Borough's Covered Payroll	\$ 20,183,068	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451	\$ 11,982,257
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	(1.84%)	0.52%	1.94%	1.12%	0.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.10%	95.23%	83.17%	88.71%	93.98%

**Schedule of Borough Contributions**

Years Ended June 30,	RMP				
	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 236,461	\$ 256,324	\$ 240,765	\$ 145,616	\$ 135,734
Contributions Relative to the Contractually Required Contribution	236,461	256,324	240,765	145,616	135,734
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 22,186,040	\$ 20,183,068	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451
Contributions as a Percentage of Covered Payroll	1.066%	1.270%	1.320%	0.949%	1.027%

See accompanying notes to Required Supplementary Information.



## 1. Public Employees' Retirement System Pension Plan

### Schedule of the Borough's Proportionate Share of the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2022, the Plan measurement date is June 30, 2021.

#### *Changes in Assumptions:*

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

### Schedule of Borough Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

## 2. Public Employees' Retirement System OPEB Plans

### Schedule of the Borough's Proportionate Share of the Net OPEB Asset and Liability

These tables are presented based on the Plan measurement date. For June 30, 2022, the Plan measurement date is June 30, 2021.

#### *Changes in Assumptions:*

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

- a) Per capita claims costs were updated to reflect recent experience.
- b) Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 to CY 21.
- c) The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

In 2020, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the Borough will present only those years for which information is available.

### **Schedule of Borough Contributions**

These tables are based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

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## **NONMAJOR FUNDS**



### Nonmajor Governmental Funds Combining Balance Sheet

June 30, 2022	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Cash and investments	\$ 42,234,724	\$ 6,002,698	\$ 38,711,752	\$ 86,949,174
Prepaid items	12,211	-	3,245	15,456
Receivables:				
Intergovernmental	636,891	-	1,753,652	2,390,543
Property taxes, net of allowance	1,508,538	-	-	1,508,538
Leases receivable	39,342	-	-	39,342
Land sales contracts, net	18,742	-	-	18,742
Interfund loans receivable	3,121,394	-	-	3,121,394
Other	378,437	-	-	378,437
Land sales contracts receivable, long-term	504,516	-	-	504,516
Leases receivable, long term	1,093,123	-	-	1,093,123
Restricted cash and investments	-	2,379,247	-	2,379,247
<b>Total Assets</b>	<b>\$ 49,547,918</b>	<b>\$ 8,381,945</b>	<b>\$ 40,468,649</b>	<b>\$ 98,398,512</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts, contracts and retentions payable	\$ 1,805,539	\$ -	\$ 2,541,784	\$ 4,347,323
Due to other funds	-	7,303	-	7,303
Deposits	117,108	-	6,029	123,137
Unearned revenue	-	-	3,148,986	3,148,986
Interfund loans payable	1,096,880	-	-	1,096,880
<b>Total Liabilities</b>	<b>3,019,527</b>	<b>7,303</b>	<b>5,696,799</b>	<b>8,723,629</b>
<b>Deferred Inflows of Resources</b>				
Special assessments	8,150	-	-	8,150
Delinquent property taxes	1,324,749	-	-	1,324,749
Land sales receivables not yet due	504,516	-	-	504,516
Leases receivable not yet due	1,100,148	-	-	1,100,148
<b>Total Deferred Inflows of Resources</b>	<b>2,937,563</b>	<b>-</b>	<b>-</b>	<b>2,937,563</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,957,090</b>	<b>7,303</b>	<b>5,696,799</b>	<b>11,661,192</b>
<b>Fund Balances</b>				
Nonspendable - prepaid items	12,211	-	3,245	15,456
Restricted:				
Debt service	-	2,371,944	-	2,371,944
Committed:				
Long-term loans receivable	3,121,394	-	-	3,121,394
Land management	680,351	-	-	680,351
Self-insurance	185,000	-	-	185,000
Accrued leave	30,000	-	-	30,000
Assigned:				
Subsequent year expenditures	5,069,813	-	-	5,069,813
Subsequent year appropriations	2,567,676	-	-	2,567,676
Service areas	31,380,444	-	-	31,380,444
Land management	757,223	-	-	757,223
Debt service	-	6,002,698	-	6,002,698
Capital projects	-	-	35,325,627	35,325,627
Unassigned (deficits)	(213,284)	-	(557,022)	(770,306)
<b>Total Fund Balances</b>	<b>43,590,828</b>	<b>8,374,642</b>	<b>34,771,850</b>	<b>86,737,320</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 49,547,918</b>	<b>\$ 8,381,945</b>	<b>\$ 40,468,649</b>	<b>\$ 98,398,512</b>

Exhibit G-2

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

Year Ended June 30, 2022	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Taxes	\$ 47,773,962	\$ -	\$ -	\$ 47,773,962
Intergovernmental	1,222,879	-	1,988,730	3,211,609
Charges for services	4,014,689	-	-	4,014,689
Investment income	89,522	14,646	560	104,728
Interest on land sales	71,879	-	-	71,879
Other	1,019,596	-	168,973	1,188,569
<b>Total Revenues</b>	<b>54,192,527</b>	<b>14,646</b>	<b>2,158,263</b>	<b>56,365,436</b>
<b>Expenditures</b>				
Current:				
General government	238,123	-	1,348,569	1,586,692
Emergency services	17,810,023	-	5,791,444	23,601,467
Public services	16,653,698	-	2,469,662	19,123,360
Debt service				
Principal	3,102	3,875,000	-	3,878,102
Interest	750	2,461,009	-	2,461,759
Capital outlay	-	-	10,703,299	10,703,299
<b>Total Expenditures</b>	<b>34,705,696</b>	<b>6,336,009</b>	<b>20,312,974</b>	<b>61,354,679</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>19,486,831</b>	<b>(6,321,363)</b>	<b>(18,154,711)</b>	<b>(4,989,243)</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	22,112	-	-	22,112
Loan issued	-	-	183,709	183,709
Transfers in	2,818,940	5,483,556	25,121,293	33,423,789
Transfers out	(21,188,308)	(7,368)	(3,328,738)	(24,524,414)
<b>Net Other Financing Sources (Uses)</b>	<b>(18,347,256)</b>	<b>5,476,188</b>	<b>21,976,264</b>	<b>9,105,196</b>
<b>Net Change in Fund Balances</b>	<b>1,139,575</b>	<b>(845,175)</b>	<b>3,821,553</b>	<b>4,115,953</b>
<b>Fund Balances, beginning</b>	<b>42,451,253</b>	<b>9,219,817</b>	<b>30,950,297</b>	<b>82,621,367</b>
<b>Fund Balances, ending</b>	<b>\$ 43,590,828</b>	<b>\$ 8,374,642</b>	<b>\$ 34,771,850</b>	<b>\$ 86,737,320</b>

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# GENERAL FUND



**General Fund  
Comparative Balance Sheet**

June 30,	2022	2021
<b>Assets</b>		
Cash and investments	\$ 16,816,573	\$ 51,561,191
Prepaid items	318,951	143,799
Receivables:		
Intergovernmental	39,089,426	1,090
Delinquent property taxes, including foreclosure costs, penalties and interest net of allowance for doubtful accounts of \$0 (\$0 in 2021)	5,266,166	4,976,577
Ambulance, net of allowance for doubtful accounts of \$227,249 (\$302,565 in 2021)	529,047	1,567,897
Excise taxes	1,283,467	870,092
Accrued interest	536,009	536,129
Other	1,014,271	1,104,581
Due from other funds	3,517,378	5,661,982
Interfund loans receivable	450,000	450,000
Advances to other funds	5,920,070	5,777,684
Inventory	237,078	295,459
Restricted cash	196,650	157,320
<b>Total Assets</b>	<b>\$ 75,175,086</b>	<b>\$ 73,103,801</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities</b>		
Accounts, contracts, and retentions payable	\$ 1,053,373	\$ 600,924
Accrued payroll and related liabilities	1,695,616	1,978,439
Interfund loans payable	899,500	1,028,000
Other liabilities	394,935	279,492
<b>Total Liabilities</b>	<b>4,043,424</b>	<b>3,886,855</b>
<b>Deferred Inflows of Resources</b>		
Taxes collected in advance	1,494,873	1,543,573
Delinquent property taxes	4,917,861	4,200,182
Delinquent ambulance receivables	137,195	154,145
Delinquent foreclosure property sales	57,316	57,316
<b>Total Deferred Inflows of Resources</b>	<b>6,607,245</b>	<b>5,955,216</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>10,650,669</b>	<b>9,842,071</b>
<b>Fund Balance</b>		
Nonspendable:		
Prepaid items	318,951	143,799
Advances to other funds	5,920,070	5,777,684
Inventory	237,078	295,459
Long-term loan receivable	450,000	450,000
Restricted - Debt service	196,650	157,320
Committed:		
Self-insurance	1,000,000	500,000
Accrued leave	250,000	250,000
Assembly projects	25,217	25,217
Major repairs and renovations	1,000,000	200,000
Capital	1,000,000	500,000
Emergency response	1,250,000	1,250,000
Paving projects and calcium chloride	-	2,559,319
Fund balance stabilization	25,000,000	25,000,000
Assigned - subsequent year expenditures	1,119,052	17,845,316
Unassigned	26,757,399	8,307,616
<b>Total Fund Balance</b>	<b>64,524,417</b>	<b>63,261,730</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 75,175,086</b>	<b>\$ 73,103,801</b>

**General Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes:				
Current year property tax levy	\$ 105,469,000	\$ 104,706,292	\$ (762,708)	\$ 103,300,118
Penalty and interest on taxes	1,000,000	1,566,759	566,759	471,254
Foreclosure costs	100,000	88,476	(11,524)	114,123
Recording and attorney fees	121,000	5,177	(115,823)	126,721
Vehicle taxes collected through State of Alaska	297,130	1,130,757	833,627	696,867
Excise taxes	9,800,000	10,872,816	1,072,816	10,854,422
Transient accommodations tax	604,000	1,476,023	872,023	1,054,391
<b>Total taxes</b>	<b>117,391,130</b>	<b>119,846,300</b>	<b>2,455,170</b>	<b>116,617,896</b>
Intergovernmental:				
State sources:				
Debt service reimbursement	8,280,061	44,413,717	36,133,656	-
Community assistance	1,500,000	688,120	(811,880)	330,127
PERS relief	1,000,000	1,751,428	751,428	1,966,101
In lieu of taxes	8,500	8,654	154	8,279
Other	35,000	45,430	10,430	35,050
Federal sources:				
In lieu of taxes	3,500,000	3,935,477	435,477	3,843,322
Other	-	24,910	24,910	18,706
<b>Total intergovernmental</b>	<b>14,323,561</b>	<b>50,867,736</b>	<b>36,544,175</b>	<b>6,201,585</b>
Charges for services:				
Ambulance	4,001,000	3,219,631	(781,369)	4,096,984
Engineering inspections	88,000	17,450	(70,550)	20,912
Planning and zoning	250,000	355,004	105,004	414,905
Ice arena	400,000	498,246	98,246	437,169
Community pool fees	400,000	537,303	137,303	304,161
Business licenses	380,000	528,735	148,735	617,330
Other	291,300	514,715	223,415	354,546
<b>Total charges for services</b>	<b>5,810,300</b>	<b>5,671,084</b>	<b>(139,216)</b>	<b>6,246,007</b>
Investment income (loss)	6,002,570	(13,717,965)	(19,720,535)	(620,236)
<b>Total Revenues</b>	<b>143,527,561</b>	<b>162,667,155</b>	<b>19,139,594</b>	<b>128,445,252</b>
<b>Expenditures</b>				
General government:				
Mayor	144,519	138,459	6,060	78,074
Assembly	429,055	374,298	54,757	367,592
Clerk	665,428	632,425	33,003	630,636
Administration	1,550,917	1,345,791	205,126	1,339,411

**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual with Comparative Actuals, continued**

Years Ended June 30,	2022		2021	
	Budget	Actual	Variance	Actual
<b>Expenditures, continued</b>				
General government, continued:				
Elections	\$ 789,284	\$ 739,405	\$ 49,879	\$ 477,846
Records management	532,890	483,109	49,781	501,839
Finance	793,172	798,114	(4,942)	580,298
Budgeting	1,675,432	1,558,616	116,816	1,609,971
Accounting	1,511,474	1,431,486	79,988	1,376,935
Law	2,091,071	1,884,492	206,579	1,389,308
Human resources	862,922	780,990	81,932	843,089
Common contractual	1,436,726	1,343,706	93,020	1,255,229
Adj. and appeals/bid review board	44,550	11,103	33,447	11,019
Planning	2,787,486	2,733,908	53,578	2,666,850
Planning administration	450,327	434,547	15,780	456,587
Economic development	774,673	722,888	51,785	786,121
Pass-through to cities	150,000	150,000	-	235,000
Assessments	3,356,655	2,726,433	630,222	3,085,284
Information technology	6,334,891	5,586,530	748,361	5,002,611
Purchasing	983,605	877,445	106,160	984,237
<b>Total general government</b>	<b>27,365,077</b>	<b>24,753,745</b>	<b>2,611,332</b>	<b>23,677,937</b>
Less recovery of expenditures from other funds	(354,000)	(268,791)	(85,209)	(393,886)
<b>Net general government</b>	<b>27,011,077</b>	<b>24,484,954</b>	<b>2,526,123</b>	<b>23,284,051</b>
Public works:				
Public works administration	197,321	192,525	4,796	55,612
Maintenance	1,989,266	1,864,458	124,808	1,508,876
Project management and engineering	2,052,811	1,849,087	203,724	2,362,168
Public works operations	84,598	82,443	2,155	83,494
<b>Total public works</b>	<b>4,323,996</b>	<b>3,988,513</b>	<b>335,483</b>	<b>4,010,150</b>
Emergency services:				
Local emergency planning board	17,050	1,655	15,395	2,814
Rescue units	985,626	704,598	281,028	413,012
Ambulance operation	12,195,548	11,108,075	1,087,473	4,321,479
Emergency management	301,084	189,925	111,159	257,847
Emergency services building	105,683	66,712	38,971	65,019
Telecommunications network	1,428,478	1,092,623	335,855	972,824
Emergency services administration	1,178,949	1,039,700	139,249	889,740
<b>Total emergency services</b>	<b>16,212,418</b>	<b>14,203,288</b>	<b>2,009,130</b>	<b>6,922,735</b>
Less recovery of expenditures from other funds	(823,804)	(850,211)	26,407	(812,285)

Exhibit H-2, continued

**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual with Comparative Actuals, continued**

Years Ended June 30,	2022		2021	
	Budget	Actual	Variance	Actual
<b>Expenditures, continued</b>				
Emergency services, continued:				
Net emergency services	\$ 15,388,614	\$ 13,353,077	\$ 2,035,537	\$ 6,110,450
Public services:				
Vehicle removal	27,500	-	27,500	13,268
Parks and recreation	618,641	477,269	141,372	468,689
Ice arena	943,346	849,696	93,650	842,900
Outdoor ice rinks	6,120	161	5,959	4,340
Recreational services	370,671	338,737	31,934	307,146
Community pools	1,865,242	1,755,083	110,159	1,644,042
Community development administration	1,039,592	912,591	127,001	857,178
Road service administration	3,278,383	3,204,590	73,793	2,861,532
Recreation infrastructure maintenance	441,884	268,600	173,284	319,472
Total public services	8,591,379	7,806,727	784,652	7,318,567
Less recovery of expenditures from other funds	(3,283,104)	(3,060,615)	(222,489)	(2,763,175)
Net public services	5,308,275	4,746,112	562,163	4,555,392
Education:				
Contributions to School District	65,841,806	65,841,806	-	62,310,148
<b>Total Expenditures</b>	<b>117,873,768</b>	<b>112,414,462</b>	<b>5,459,306</b>	<b>100,270,191</b>
<b>Excess of Revenues Over Expenditures</b>	<b>25,653,793</b>	<b>50,252,693</b>	<b>24,598,900</b>	<b>28,175,061</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	15,000	42,203	27,203	33,615
Transfers in	876,453	3,629,881	2,753,428	7,733,275
Transfers out	(52,734,152)	(52,662,090)	72,062	(41,775,827)
<b>Net Other Financing Sources (Uses)</b>	<b>(51,842,699)</b>	<b>(48,990,006)</b>	<b>2,852,693</b>	<b>(34,008,937)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (26,188,906)</b>	<b>1,262,687</b>	<b>\$ 27,451,593</b>	<b>(5,833,876)</b>
<b>Fund Balance, beginning</b>		<b>63,261,730</b>		<b>69,095,606</b>
<b>Fund Balance, ending</b>		<b>\$ 64,524,417</b>		<b>\$ 63,261,730</b>

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**SPECIAL REVENUE FUNDS**





Exhibit I-1

**American Rescue Plan Act Recovery Funding Special Revenue Fund  
Comparative Balance Sheet**

<i>June 30,</i>	2022	2021
<b>Assets</b>		
Cash and investments	\$ 18,470,882	\$ 10,519,654
<b>Liabilities</b>		
Unearned revenue	\$ 18,470,882	\$ 10,519,654

Exhibit I-2

**American Rescue Plan Act Recovery Funding Special Revenue Fund  
Comparative Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

<i>Year Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Intergovernmental	\$ 2,568,426	\$ -
<b>Expenditures</b>		
Public services	70,644	-
Education	50,038	-
<b>Total Expenditures</b>	120,682	-
<b>Excess of Revenues Over Expenditures</b>	2,447,744	-
<b>Other Financing Uses</b>		
Transfers out	(2,447,744)	-
<b>Net Change in Fund Balance</b>	-	-
<b>Fund Balance, beginning</b>	-	-
<b>Fund Balance, ending</b>	\$ -	\$ -

**CARES Act Funding Special Revenue Fund  
Comparative Balance Sheet**

<i>June 30,</i>	2022	2021
<b>Assets</b>		
Intergovernmental receivable	\$ -	\$ 5,523,387
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 22,524
Due to General Fund	-	5,499,531
<b>Total Liabilities</b>	-	5,522,055
<b>Fund Balance</b>		
Assigned for equipment	-	1,332
<b>Total Liabilities and Fund Balance</b>	\$ -	\$ 5,523,387

Exhibit I-3

**CARES Act Funding Special Revenue Fund  
Comparative Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Intergovernmental	\$ 153,200	\$ 37,797,821
Investment income	-	2,884
<b>Total Revenues</b>	153,200	37,800,705
<b>Expenditures</b>		
General government	31,298	1,336,803
Emergency services	123,234	12,787,710
Public works	-	144,427
Public services	-	18,574,903
<b>Total Expenditures</b>	154,532	32,843,843
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,332)	4,956,862
<b>Other Financing Uses</b>		
Transfers out	-	(4,957,150)
<b>Net Change in Fund Balance</b>	(1,332)	(288)
<b>Fund Balance, beginning</b>	1,332	1,620
<b>Fund Balance, ending</b>	\$ -	\$ 1,332

**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet with Comparative Totals**

June 30,	Nonareawide Services and Service Areas	Land Management	Property Tax	Totals	
				2022	2021
<b>Assets</b>					
Cash and investments	\$ 40,125,404	\$ 1,996,634	\$ 112,686	\$ 42,234,724	\$ 39,626,377
Prepaid items	11,381	830	-	12,211	37,729
Receivables:					
Intergovernmental	636,891	-	-	636,891	678,974
Property taxes, net of allowance	1,433,705	-	74,833	1,508,538	1,564,649
Land sales contracts, net	-	18,742	-	18,742	18,716
Leases receivable	-	39,342	-	39,342	-
Other	378,437	-	-	378,437	369,750
Interfund loans receivable	899,500	2,221,894	-	3,121,394	3,249,894
Land sales contracts receivable, long-term	-	504,516	-	504,516	597,207
Leases receivable, long-term	-	1,093,123	-	1,093,123	-
<b>Total Assets</b>	<b>\$ 43,485,318</b>	<b>\$ 5,875,081</b>	<b>\$ 187,519</b>	<b>\$ 49,547,918</b>	<b>\$ 46,143,296</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,682,939	\$ 9,914	\$ 112,686	\$ 1,805,539	\$ 976,713
Deposits	20,734	96,374	-	117,108	185,812
Interfund loans payable	1,096,880	-	-	1,096,880	665,952
<b>Total Liabilities</b>	<b>2,800,553</b>	<b>106,288</b>	<b>112,686</b>	<b>3,019,527</b>	<b>1,828,477</b>
<b>Deferred Inflows of Resources</b>					
Special assessments	8,150	-	-	8,150	8,049
Delinquent property taxes	1,249,916	-	74,833	1,324,749	1,258,310
Land sales receivables not yet due	-	504,516	-	504,516	597,207
Lease receivable not yet due	-	1,100,148	-	1,100,148	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>4,058,619</b>	<b>1,710,952</b>	<b>187,519</b>	<b>5,957,090</b>	<b>3,692,043</b>
<b>Fund Balances</b>					
Nonspendable:					
Prepaid items	11,381	830	-	12,211	37,729
Committed:					
Self-insurance	185,000	-	-	185,000	35,000
Accrued leave	20,000	10,000	-	30,000	30,000
Long-term loans receivable	899,500	2,221,894	-	3,121,394	3,249,894
Land management	-	680,351	-	680,351	348,368
Equipment	-	-	-	-	450,000
Assigned:					
Subsequent year expenditures	4,575,982	493,831	-	5,069,813	8,132,590
Subsequent year appropriations	2,567,676	-	-	2,567,676	500,000
Service areas	31,380,444	-	-	31,380,444	29,455,989
Land management	-	757,223	-	757,223	761,994
Unassigned (deficits)	(213,284)	-	-	(213,284)	(550,311)
<b>Total Fund Balances</b>	<b>39,426,699</b>	<b>4,164,129</b>	<b>-</b>	<b>43,590,828</b>	<b>42,451,253</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 43,485,318</b>	<b>\$ 5,875,081</b>	<b>\$ 187,519</b>	<b>\$ 49,547,918</b>	<b>\$ 46,143,296</b>

Exhibit I-5

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances with Comparative Totals**

Years Ended June 30,	Nonareawide Services and Service Areas	Land Management	Property Tax	Totals	
				2022	2021
<b>Revenues</b>					
Taxes	\$ 47,699,130	\$ -	\$ 74,832	\$ 47,773,962	\$ 45,398,084
Intergovernmental	1,145,748	77,131	-	1,222,879	1,132,204
Charges for services	2,475,570	1,539,119	-	4,014,689	3,866,881
Investment income	85,637	3,885	-	89,522	47,885
Interest on land sales	-	71,879	-	71,879	68,304
Other	1,017,156	2,440	-	1,019,596	1,207,061
<b>Total Revenues</b>	<b>52,423,241</b>	<b>1,694,454</b>	<b>74,832</b>	<b>54,192,527</b>	<b>51,720,419</b>
<b>Expenditures</b>					
Current:					
General government	238,123	-	-	238,123	288,637
Emergency services	17,810,023	-	-	17,810,023	12,160,055
Public services	15,553,376	1,025,490	74,832	16,653,698	14,204,242
Debt service	3,852	-	-	3,852	3,475
<b>Total Expenditures</b>	<b>33,605,374</b>	<b>1,025,490</b>	<b>74,832</b>	<b>34,705,696</b>	<b>26,656,409</b>
<b>Excess of Revenues Over Expenditures</b>	<b>18,817,867</b>	<b>668,964</b>	<b>-</b>	<b>19,486,831</b>	<b>25,064,010</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,818,940	-	-	2,818,940	453,316
Transfers out	(20,988,308)	(200,000)	-	(21,188,308)	(22,024,078)
Sale of capital assets	22,112	-	-	22,112	24,625
<b>Net Other Financing Sources (Uses)</b>	<b>(18,147,256)</b>	<b>(200,000)</b>	<b>-</b>	<b>(18,347,256)</b>	<b>(21,546,137)</b>
<b>Net Change in Fund Balances</b>	<b>670,611</b>	<b>468,964</b>	<b>-</b>	<b>1,139,575</b>	<b>3,517,873</b>
<b>Fund Balances, beginning</b>	<b>38,756,088</b>	<b>3,695,165</b>	<b>-</b>	<b>42,451,253</b>	<b>38,933,380</b>
<b>Fund Balances, ending</b>	<b>\$ 39,426,699</b>	<b>\$ 4,164,129</b>	<b>\$ -</b>	<b>\$ 43,590,828</b>	<b>\$ 42,451,253</b>

Nonareawide Services and Service Areas Special Revenue Funds  
Combining Balance Sheet

June 30, 2022	Non-areawide Services	Service Area 7 Talkeetna Flood Control	Service Area 36 Talkeetna Water and Sewer	Freedom Hills Subdivision	Circle View/ Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Fire Fleet Maintenance	Roads Outside Service Areas	Combined		Totals
											Fire Service Areas	Road Service Areas	
<b>Assets</b>													
Cash and investments	\$ 1,555,256	\$ 78,681	\$ 1,695,375	\$ 29,965	\$ 219,226	\$ 6,754,258	\$ 25,577	\$ 350,545	\$ 1,097	\$ 329	\$ 21,908,105	\$ 7,506,990	\$ 40,125,404
Receivables:													
Intergovernmental	636,891	-	-	-	-	-	-	-	-	-	-	-	636,891
Property taxes, net of allowance	155,603	3,454	-	-	531	-	-	227	-	-	541,195	732,695	1,433,705
Interfund loan receivable	-	-	-	-	-	-	-	-	-	-	899,500	-	899,500
Other	2,728	-	208,287	-	-	155,205	-	-	-	-	12,217	-	378,437
Prepaid items	2,313	-	-	-	-	-	-	-	-	-	9,068	-	11,381
<b>Total Assets</b>	<b>\$ 2,352,791</b>	<b>\$ 82,135</b>	<b>\$ 1,903,662</b>	<b>\$ 29,965</b>	<b>\$ 219,757</b>	<b>\$ 6,909,463</b>	<b>\$ 25,577</b>	<b>\$ 350,772</b>	<b>\$ 1,097</b>	<b>\$ 329</b>	<b>\$ 23,370,085</b>	<b>\$ 8,239,685</b>	<b>\$ 43,485,318</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>													
<b>Liabilities</b>													
Accounts payable	\$ 20,371	\$ 1,965	\$ 99,157	\$ -	\$ -	\$ 6,518	\$ -	\$ 40,483	\$ 1,097	\$ -	\$ 726,953	\$ 786,395	\$ 1,682,939
Interfund loans payable	-	290,000	142,001	-	78,000	-	-	-	-	-	489,000	97,879	1,096,880
Deposits	-	-	-	-	-	-	-	-	-	-	-	20,734	20,734
<b>Total Liabilities</b>	<b>20,371</b>	<b>291,965</b>	<b>241,158</b>	<b>-</b>	<b>78,000</b>	<b>6,518</b>	<b>-</b>	<b>40,483</b>	<b>1,097</b>	<b>-</b>	<b>1,215,953</b>	<b>905,008</b>	<b>2,800,553</b>
<b>Deferred Inflows of Resources</b>													
Special assessments	-	-	-	-	8,150	-	-	-	-	-	-	-	8,150
Delinquent property taxes	147,998	3,454	-	-	531	-	-	227	-	-	461,537	636,169	1,249,916
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>168,369</b>	<b>295,419</b>	<b>241,158</b>	<b>-</b>	<b>86,681</b>	<b>6,518</b>	<b>-</b>	<b>40,710</b>	<b>1,097</b>	<b>-</b>	<b>1,677,490</b>	<b>1,541,177</b>	<b>4,058,619</b>
<b>Fund Balances</b>													
Nonspendable - prepaid items	2,313	-	-	-	-	-	-	-	-	-	9,068	-	11,381
Committed:													
Long-term loan receivable	-	-	-	-	-	-	-	-	-	-	899,500	-	899,500
Self-insurance	185,000	-	-	-	-	-	-	-	-	-	-	-	185,000
Accrued leave	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
Assigned:													
Subsequent year expenditures	687,914	-	-	5,000	-	159,905	7,088	78,354	-	-	-	3,637,721	4,575,982
Subsequent year appropriations	-	-	-	-	-	-	-	-	-	-	2,567,676	-	2,567,676
Service areas	1,289,195	-	1,662,504	24,965	133,076	6,743,040	18,489	231,708	-	329	18,216,351	3,060,787	31,380,444
Unassigned (deficit)	-	(213,284)	-	-	-	-	-	-	-	-	-	-	(213,284)
<b>Total Fund Balances (Deficit)</b>	<b>2,184,422</b>	<b>(213,284)</b>	<b>1,662,504</b>	<b>29,965</b>	<b>133,076</b>	<b>6,902,945</b>	<b>25,577</b>	<b>310,062</b>	<b>-</b>	<b>329</b>	<b>21,692,595</b>	<b>6,698,508</b>	<b>39,426,699</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>													
	<b>\$ 2,352,791</b>	<b>\$ 82,135</b>	<b>\$ 1,903,662</b>	<b>\$ 29,965</b>	<b>\$ 219,757</b>	<b>\$ 6,909,463</b>	<b>\$ 25,577</b>	<b>\$ 350,772</b>	<b>\$ 1,097</b>	<b>\$ 329</b>	<b>\$ 23,370,085</b>	<b>\$ 8,239,685</b>	<b>\$ 43,485,318</b>

**Nonareawide Services and Service Areas Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits)**

June 30, 2022	Non-areawide Services	Service Area 7 Talkeetna Flood Control	Service Area 36 Talkeetna Water and Sewer	Freedom Hills Subdivision	Circle View/Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Fire Fleet Maintenance	Roads Outside Service Areas	Combined		Totals
											Fire Service Areas	Road Service Areas	
<b>Revenues</b>													
Taxes	\$ 3,848,421	\$ 53,493	\$ 1,034,676	\$ -	\$ 21,639	\$ -	\$ -	\$ 10,412	\$ -	\$ -	\$ 19,557,282	\$ 23,173,207	\$ 47,699,130
Intergovernmental	844,902	-	12,366	-	-	-	-	-	34,047	-	254,433	-	1,145,748
Charges for services	275,899	-	396,649	-	-	1,691,984	-	-	-	-	-	111,038	2,475,570
Investment income	5,365	100	1,625	58	407	13,681	50	705	430	1	46,960	16,255	85,637
Other	39,064	-	-	-	-	-	-	-	432,672	-	545,420	-	1,017,156
<b>Total Revenues</b>	<b>5,013,651</b>	<b>53,593</b>	<b>1,445,316</b>	<b>58</b>	<b>22,046</b>	<b>1,705,665</b>	<b>50</b>	<b>11,117</b>	<b>467,149</b>	<b>1</b>	<b>20,404,095</b>	<b>23,300,500</b>	<b>52,423,241</b>
<b>Expenditures</b>													
Current:													
General government	238,123	-	-	-	-	-	-	-	-	-	-	-	238,123
Emergency services	2,579,508	-	-	-	-	1,550,065	-	-	785,541	-	12,894,909	-	17,810,023
Public services	1,737,087	3,863	750,673	-	-	-	-	61,465	-	-	-	13,000,288	15,553,376
Debt service	-	750	1,192	-	210	-	-	-	-	-	-	1,700	3,852
<b>Total Expenditures</b>	<b>4,554,718</b>	<b>4,613</b>	<b>751,865</b>	<b>-</b>	<b>210</b>	<b>1,550,065</b>	<b>-</b>	<b>61,465</b>	<b>785,541</b>	<b>-</b>	<b>12,894,909</b>	<b>13,001,988</b>	<b>33,605,374</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>458,933</b>	<b>48,980</b>	<b>693,451</b>	<b>58</b>	<b>21,836</b>	<b>155,600</b>	<b>50</b>	<b>(50,348)</b>	<b>(318,392)</b>	<b>1</b>	<b>7,509,186</b>	<b>10,298,512</b>	<b>18,817,867</b>
<b>Other Financing Sources (Uses)</b>													
Transfers in	5	-	756,926	-	-	-	-	-	318,392	-	1,743,617	-	2,818,940
Transfers out	(625,909)	-	-	-	-	(516,320)	-	-	-	-	(8,211,220)	(11,634,859)	(20,988,308)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	22,112	-	22,112
<b>Net Other Financing Sources (Uses)</b>	<b>(625,904)</b>	<b>-</b>	<b>756,926</b>	<b>-</b>	<b>-</b>	<b>(516,320)</b>	<b>-</b>	<b>-</b>	<b>318,392</b>	<b>-</b>	<b>(6,445,491)</b>	<b>(11,634,859)</b>	<b>(18,147,256)</b>
<b>Net Change in Fund Balances</b>	<b>(166,971)</b>	<b>48,980</b>	<b>1,450,377</b>	<b>58</b>	<b>21,836</b>	<b>(360,720)</b>	<b>50</b>	<b>(50,348)</b>	<b>-</b>	<b>1</b>	<b>1,063,695</b>	<b>(1,336,347)</b>	<b>670,611</b>
<b>Fund Balances (Deficit), beginning</b>	<b>2,351,393</b>	<b>(262,264)</b>	<b>212,127</b>	<b>29,907</b>	<b>111,240</b>	<b>7,263,665</b>	<b>25,527</b>	<b>360,410</b>	<b>-</b>	<b>328</b>	<b>20,628,900</b>	<b>8,034,855</b>	<b>38,756,088</b>
<b>Fund Balances (Deficit), ending</b>	<b>\$ 2,184,422</b>	<b>\$ (213,284)</b>	<b>\$ 1,662,504</b>	<b>\$ 29,965</b>	<b>\$ 133,076</b>	<b>\$ 6,902,945</b>	<b>\$ 25,577</b>	<b>\$ 310,062</b>	<b>\$ -</b>	<b>\$ 329</b>	<b>\$ 21,692,595</b>	<b>\$ 6,698,508</b>	<b>\$ 39,426,699</b>

**Nonareawide Services Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes	\$ 3,853,500	\$ 3,848,421	\$ (5,079)	\$ 4,281,538
Intergovernmental:				
State PERS relief	-	175,714	175,714	170,533
Electric and telephone cooperative shared revenue	720,000	634,188	(85,812)	674,806
Library grants	35,000	35,000	-	35,000
Total intergovernmental	755,000	844,902	89,902	880,339
Charges for services:				
Animal care fees	240,000	258,206	18,206	242,382
User fees	15,000	17,693	2,693	16,189
Total charges for services	255,000	275,899	20,899	258,571
Investment income	1,000	5,365	4,365	2,066
Other	33,260	39,064	5,804	25,466
<b>Total Revenues</b>	<b>4,897,760</b>	<b>5,013,651</b>	<b>115,891</b>	<b>5,447,980</b>
<b>Expenditures</b>				
General government:				
Administration	159,000	140,341	18,659	129,747
Information technology	142,973	97,782	45,191	158,890
Total general government	301,973	238,123	63,850	288,637
Emergency services - animal care	2,712,823	2,579,508	133,315	2,491,836
Public services:				
Libraries	1,815,063	1,735,026	80,037	1,643,571
Medical supplies	3,500	2,061	1,439	2,287
Total public services	1,818,563	1,737,087	81,476	1,645,858
<b>Total Expenditures</b>	<b>4,833,359</b>	<b>4,554,718</b>	<b>278,641</b>	<b>4,426,331</b>
<b>Excess of Revenues Over Expenditures</b>	<b>64,401</b>	<b>458,933</b>	<b>394,532</b>	<b>1,021,649</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	-	7,225
Transfers in	-	5	5	180
Transfers out	(625,909)	(625,909)	-	(1,093,349)
<b>Net Other Financing Uses</b>	<b>(625,909)</b>	<b>(625,904)</b>	<b>5</b>	<b>(1,085,944)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (561,508)</b>	<b>(166,971)</b>	<b>\$ 394,537</b>	<b>(64,295)</b>
<b>Fund Balance, beginning</b>		<u>2,351,393</u>		<u>2,415,688</u>
<b>Fund Balance, ending</b>		<u>\$ 2,184,422</u>		<u>\$ 2,351,393</u>

Exhibit I-9

**Service Area 7 - Talkeetna Flood Control Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes	\$ 53,050	\$ 53,493	\$ 443	\$ 32,464
Investment income	50	100	50	118
<b>Total Revenues</b>	<b>53,100</b>	<b>53,593</b>	<b>493</b>	<b>32,582</b>
<b>Expenditures</b>				
Public services	42,262	3,863	38,399	40,006
Debt service	750	750	-	-
<b>Total Expenditures</b>	<b>43,012</b>	<b>4,613</b>	<b>38,399</b>	<b>40,006</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>10,088</b>	<b>48,980</b>	<b>38,892</b>	<b>(7,424)</b>
<b>Other Financing Uses</b>				
Transfers out	-	-	-	(400,000)
<b>Net Change in Fund Balance</b>	<b>\$ 10,088</b>	<b>48,980</b>	<b>\$ 38,892</b>	<b>(407,424)</b>
<b>Fund Balance (Deficit), beginning</b>		<u>(262,264)</u>		<u>145,160</u>
<b>Fund Balance (Deficit), ending</b>		<u>\$ (213,284)</u>		<u>\$ (262,264)</u>

**Service Area 36 - Talkeetna Water and Sewer Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes	\$ 650,000	\$ 1,034,676	\$ 384,676	596,974
Intergovernmental - PERS relief	-	12,366	12,366	13,766
Charges for services - water and sewer	378,000	396,649	18,649	378,257
Investment income	200	1,625	1,425	258
<b>Total Revenues</b>	<b>1,028,200</b>	<b>1,445,316</b>	<b>417,116</b>	<b>989,255</b>
<b>Expenditures</b>				
Public services	939,054	750,673	188,381	576,824
Debt service	1,192	1,192	-	1,322
<b>Total Expenditures</b>	<b>940,246</b>	<b>751,865</b>	<b>188,381</b>	<b>578,146</b>
<b>Excess of Revenues Over Expenditures</b>	<b>87,954</b>	<b>693,451</b>	<b>605,497</b>	<b>411,109</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	756,926	756,926	-
Transfers out	-	-	-	(230,000)
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>756,926</b>	<b>756,926</b>	<b>(230,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 87,954</b>	<b>1,450,377</b>	<b>\$ 1,362,423</b>	<b>181,109</b>
<b>Fund Balance, beginning</b>		<b>212,127</b>		<b>31,018</b>
<b>Fund Balance, ending</b>		<b>\$ 1,662,504</b>		<b>\$ 212,127</b>

Exhibit I-11

**Freedom Hills Subdivision Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Investment income	\$ 20	\$ 58	\$ 38	\$ 36
<b>Expenditures</b>				
Public services	5,000	-	5,000	-
<b>Net Change in Fund Balance</b>	<u>\$ (4,980)</u>	58	<u>\$ 5,038</u>	36
<b>Fund Balance, beginning</b>		<u>29,907</u>		<u>29,871</u>
<b>Fund Balance, ending</b>		<u>\$ 29,965</u>		<u>\$ 29,907</u>

**Circle View/Stampede Estates Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 22,950	\$ 21,639	\$ (1,311)	\$ 23,727
Investment income	75	407	332	232
<b>Total Revenues</b>	<b>23,025</b>	<b>22,046</b>	<b>(979)</b>	<b>23,959</b>
<b>Expenditures</b>				
Public services	5,000	-	5,000	-
Debt service	210	210	-	225
<b>Total Expenditures</b>	<b>5,210</b>	<b>210</b>	<b>5,000</b>	<b>225</b>
<b>Excess of Revenues Over Expenditures</b>	<b>17,815</b>	<b>21,836</b>	<b>4,021</b>	<b>23,734</b>
<b>Other Financing Sources</b>				
Transfers in	5,000	-	(5,000)	-
<b>Net Change in Fund Balance</b>	<b>\$ 22,815</b>	<b>21,836</b>	<b>\$ (979)</b>	<b>23,734</b>
<b>Fund Balance, beginning</b>		<u>111,240</u>		<u>87,506</u>
<b>Fund Balance, ending</b>		<u>\$ 133,076</u>		<u>\$ 111,240</u>

Exhibit I-13

**Enhanced 911 Service Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Charges for services - telephone surcharge	\$ 1,880,000	\$ 1,691,984	\$ (188,016)	\$ 1,797,916
Investment income	2,500	13,681	11,181	8,117
<b>Total Revenues</b>	<b>1,882,500</b>	<b>1,705,665</b>	<b>(176,835)</b>	<b>1,806,033</b>
<b>Expenditures</b>				
Emergency services	1,654,594	1,550,065	104,529	1,122,362
<b>Excess of Revenues Over Expenditures</b>	<b>227,906</b>	<b>155,600</b>	<b>(72,306)</b>	<b>683,671</b>
<b>Other Financing Uses</b>				
Transfers out	(516,320)	(516,320)	-	-
<b>Net Change in Fund Balance</b>	<b>\$ (288,414)</b>	<b>(360,720)</b>	<b>\$ (72,306)</b>	<b>683,671</b>
<b>Fund Balance, beginning</b>		<u>7,263,665</u>		<u>6,579,994</u>
<b>Fund Balance, ending</b>		<u>\$ 6,902,945</u>		<u>\$ 7,263,665</u>



Exhibit I-14

**Chase Trail Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

<i>Years Ended June 30,</i>	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Investment income	\$ -	\$ 50	\$ 50	\$ 31
<b>Expenditures</b>				
Public services	7,088	-	7,088	-
<b>Net Change in Fund Balance</b>	<u>\$ (7,088)</u>	\$ 50	<u>\$ 7,138</u>	\$ 31
<b>Fund Balance, beginning</b>		<u>25,527</u>		<u>25,496</u>
<b>Fund Balance, ending</b>		<u>\$ 25,577</u>		<u>\$ 25,527</u>

Exhibit I-15

**Service Area 69 - Point MacKenzie Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 41,700	\$ 10,412	\$ (31,288)	\$ 7,158
Investment income	100	705	605	463
<b>Total Revenues</b>	<b>41,800</b>	<b>11,117</b>	<b>(30,683)</b>	<b>7,621</b>
<b>Expenditures</b>				
Public services	89,341	61,465	27,876	29,518
<b>Net Change in Fund Balance</b>	<b>\$ (47,541)</b>	<b>(50,348)</b>	<b>\$ (2,807)</b>	<b>(21,897)</b>
<b>Fund Balance, beginning</b>		<b>360,410</b>		<b>382,307</b>
<b>Fund Balance, ending</b>		<b>\$ 310,062</b>		<b>\$ 360,410</b>

**Fire Fleet Maintenance Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental - PERS relief	\$ -	\$ 34,047	\$ 34,047	\$ 32,715
Investment income	-	430	430	-
Other	514,611	432,672	(81,939)	452,681
<b>Total Revenues</b>	514,611	467,149	(47,462)	485,396
<b>Expenditures</b>				
Emergency services	905,065	785,541	119,524	657,828
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(390,454)	(318,392)	72,062	(172,432)
<b>Other Financing Sources (Uses)</b>				
Transfers in	390,454	318,392	(72,062)	339,752
Transfers out	-	-	-	(162,819)
<b>Net Other Financing Sources (Uses)</b>	390,454	318,392	(72,062)	176,933
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>	4,501
<b>Fund Balance (Deficit), beginning</b>		-		(4,501)
<b>Fund Balance (Deficit), ending</b>		<u>\$ -</u>		<u>\$ -</u>

Exhibit I-17

**Roads Outside Service Areas Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

<i>Years Ended June 30,</i>	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Investment income	\$ -	\$ 1	\$ 1	-
<b>Expenditures</b>				
Public services	95	-	95	-
<b>Net Change in Fund Balance</b>	<u>\$ (95)</u>	1	<u>\$ 96</u>	-
<b>Fund Balance, beginning</b>		<u>328</u>		<u>328</u>
<b>Fund Balance, ending</b>		<u>\$ 329</u>		<u>\$ 328</u>

**Fire Service Areas Special Revenue Funds  
Combining Balance Sheet**

	Service Area									Totals
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell		
<i>June 30, 2022</i>										
<b>Assets</b>										
Cash and investments	\$ 9,123,764	\$ 2,137,697	\$ 4,377,108	\$ 452,749	\$ 1,456,788	\$ 3,204,619	\$ 747,847	\$ 407,533	\$ 21,908,105	
Receivables:										
Property taxes, net of allowance	175,881	36,952	25,353	12,932	35,602	166,433	49,537	38,505	541,195	
Interfund loan receivable	899,500	-	-	-	-	-	-	-	899,500	
Other	9,877	-	-	2,340	-	-	-	-	12,217	
Prepaid items	9,068	-	-	-	-	-	-	-	9,068	
<b>Total Assets</b>	<b>\$ 10,218,090</b>	<b>\$ 2,174,649</b>	<b>\$ 4,402,461</b>	<b>\$ 468,021</b>	<b>\$ 1,492,390</b>	<b>\$ 3,371,052</b>	<b>\$ 797,384</b>	<b>\$ 446,038</b>	<b>\$ 23,370,085</b>	
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ 149,412	\$ 1,020	\$ 4,397	\$ 3,131	\$ 492,011	\$ 40,068	\$ 35,480	\$ 1,434	\$ 726,953	
Interfund loans payable	-	-	-	-	489,000	-	-	-	489,000	
<b>Total Liabilities</b>	<b>149,412</b>	<b>1,020</b>	<b>4,397</b>	<b>3,131</b>	<b>981,011</b>	<b>40,068</b>	<b>35,480</b>	<b>1,434</b>	<b>1,215,953</b>	
<b>Deferred Inflows of Resources</b>										
Delinquent property taxes	140,360	30,883	19,276	11,601	33,317	150,186	41,194	34,720	461,537	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>289,772</b>	<b>31,903</b>	<b>23,673</b>	<b>14,732</b>	<b>1,014,328</b>	<b>190,254</b>	<b>76,674</b>	<b>36,154</b>	<b>1,677,490</b>	
<b>Fund Balances</b>										
Nonspendable - prepaid items	9,068	-	-	-	-	-	-	-	9,068	
Committed - long-term loan receivable	899,500	-	-	-	-	-	-	-	899,500	
Assigned:										
Subsequent year expenditures	1,503,284	-	577,594	178,651	160,527	-	-	147,620	2,567,676	
Service areas	7,516,466	2,142,746	3,801,194	274,638	317,535	3,180,798	720,710	262,264	18,216,351	
<b>Total Fund Balances</b>	<b>9,928,318</b>	<b>2,142,746</b>	<b>4,378,788</b>	<b>453,289</b>	<b>478,062</b>	<b>3,180,798</b>	<b>720,710</b>	<b>409,884</b>	<b>21,692,595</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,218,090</b>	<b>\$ 2,174,649</b>	<b>\$ 4,402,461</b>	<b>\$ 468,021</b>	<b>\$ 1,492,390</b>	<b>\$ 3,371,052</b>	<b>\$ 797,384</b>	<b>\$ 446,038</b>	<b>\$ 23,370,085</b>	

**Fire Service Areas Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

Year Ended June 30, 2022	Service Area									Totals
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell		
<b>Revenues</b>										
Property taxes	\$ 11,542,008	\$ 1,063,906	\$ 1,557,516	\$ 234,868	\$ 573,971	\$ 3,293,831	\$ 946,847	\$ 344,335	\$ 19,557,282	
Intergovernmental - PERS relief	238,571	1,913	3,587	478	877	6,576	1,793	638	254,433	
Investment income	20,675	3,797	11,477	919	1,937	5,403	1,668	1,084	46,960	
Other	261,739	13,000	-	-	13,055	257,626	-	-	545,420	
<b>Total Revenues</b>	<b>12,062,993</b>	<b>1,082,616</b>	<b>1,572,580</b>	<b>236,265</b>	<b>589,840</b>	<b>3,563,436</b>	<b>950,308</b>	<b>346,057</b>	<b>20,404,095</b>	
<b>Expenditures</b>										
Emergency services:										
Administration	492,425	80,991	74,392	57,990	60,827	186,593	85,073	56,986	1,095,277	
Fire services	7,096,707	400,565	557,234	129,731	735,557	2,169,846	439,322	270,670	11,799,632	
<b>Total Expenditures</b>	<b>7,589,132</b>	<b>481,556</b>	<b>631,626</b>	<b>187,721</b>	<b>796,384</b>	<b>2,356,439</b>	<b>524,395</b>	<b>327,656</b>	<b>12,894,909</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>4,473,861</b>	<b>601,060</b>	<b>940,954</b>	<b>48,544</b>	<b>(206,544)</b>	<b>1,206,997</b>	<b>425,913</b>	<b>18,401</b>	<b>7,509,186</b>	
<b>Other Financing Sources (Uses)</b>										
Transfers in	603,834	21,550	291,742	-	1,025	808,274	11,962	5,230	1,743,617	
Transfers out	(3,078,469)	(221,000)	(3,475,000)	(65,000)	(21,760)	(683,991)	(515,500)	(150,500)	(8,211,220)	
Sale of capital assets	1,830	570	-	5,800	1,075	12,000	-	837	22,112	
<b>Net Other Financing Sources (Uses)</b>	<b>(2,472,805)</b>	<b>(198,880)</b>	<b>(3,183,258)</b>	<b>(59,200)</b>	<b>(19,660)</b>	<b>136,283</b>	<b>(503,538)</b>	<b>(144,433)</b>	<b>(6,445,491)</b>	
<b>Net Change in Fund Balances</b>	<b>2,001,056</b>	<b>402,180</b>	<b>(2,242,304)</b>	<b>(10,656)</b>	<b>(226,204)</b>	<b>1,343,280</b>	<b>(77,625)</b>	<b>(126,032)</b>	<b>1,063,695</b>	
<b>Fund Balances, beginning</b>	<b>7,927,262</b>	<b>1,740,566</b>	<b>6,621,092</b>	<b>463,945</b>	<b>704,266</b>	<b>1,837,518</b>	<b>798,335</b>	<b>535,916</b>	<b>20,628,900</b>	
<b>Fund Balances, ending</b>	<b>\$ 9,928,318</b>	<b>\$ 2,142,746</b>	<b>\$ 4,378,788</b>	<b>\$ 453,289</b>	<b>\$ 478,062</b>	<b>\$ 3,180,798</b>	<b>\$ 720,710</b>	<b>\$ 409,884</b>	<b>\$ 21,692,595</b>	

**Fire Service Area 130 - Central Mat-Su Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 11,354,100	\$ 11,542,008	\$ 187,908	\$ 10,914,574
Intergovernmental - PERS relief	-	238,571	238,571	123,086
Investment income	4,000	20,675	16,675	10,382
Other	343,500	261,739	(81,761)	357,125
<b>Total Revenues</b>	<b>11,701,600</b>	<b>12,062,993</b>	<b>361,393</b>	<b>11,405,167</b>
<b>Expenditures</b>				
Emergency services:				
Administration	525,932	492,425	33,507	501,672
Fire services	8,871,762	7,096,707	1,775,055	4,090,584
<b>Total Expenditures</b>	<b>9,397,694</b>	<b>7,589,132</b>	<b>1,808,562</b>	<b>4,592,256</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,303,906</b>	<b>4,473,861</b>	<b>2,169,955</b>	<b>6,812,911</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	603,834	603,834	51,623
Transfers out	(3,078,469)	(3,078,469)	-	(5,869,504)
Sale of capital assets	5,000	1,830	(3,170)	-
<b>Net Other Financing Sources (Uses)</b>	<b>(3,073,469)</b>	<b>(2,472,805)</b>	<b>600,664</b>	<b>(5,817,881)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (769,563)</b>	<b>2,001,056</b>	<b>\$ 2,770,619</b>	<b>995,030</b>
<b>Fund Balance, beginning</b>		<b>7,927,262</b>		<b>6,932,232</b>
<b>Fund Balance, ending</b>		<b>\$ 9,928,318</b>		<b>\$ 7,927,262</b>

Exhibit I-21

**Fire Service Area 2 - Butte Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,070,800	\$ 1,063,906	\$ (6,894)	\$ 981,645
Intergovernmental - PERS relief	-	1,913	1,913	1,481
Investment income	500	3,797	3,297	1,779
Other	13,000	13,000	-	18,263
<b>Total Revenues</b>	<b>1,084,300</b>	<b>1,082,616</b>	<b>(1,684)</b>	<b>1,003,168</b>
<b>Expenditures</b>				
Emergency services:				
Administration	94,892	80,991	13,901	90,796
Fire services	628,494	400,565	227,929	308,606
<b>Total Expenditures</b>	<b>723,386</b>	<b>481,556</b>	<b>241,830</b>	<b>399,402</b>
<b>Excess of Revenues Over Expenditures</b>	<b>360,914</b>	<b>601,060</b>	<b>240,146</b>	<b>603,766</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	570	570	-
Transfers in	-	21,550	21,550	11,739
Transfers out	(221,000)	(221,000)	-	(110,497)
<b>Net Other Financing Sources (Uses)</b>	<b>(221,000)</b>	<b>(198,880)</b>	<b>22,120</b>	<b>(98,758)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 139,914</b>	<b>402,180</b>	<b>\$ 262,266</b>	<b>505,008</b>
<b>Fund Balance, beginning</b>		<b>1,740,566</b>		<b>1,235,558</b>
<b>Fund Balance, ending</b>		<b>\$ 2,142,746</b>		<b>\$ 1,740,566</b>

**Fire Service Area 132 - Greater Palmer Consolidated Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,537,200	\$ 1,557,516	\$ 20,316	\$ 1,437,189
Intergovernmental - PERS relief	-	3,587	3,587	2,777
Investment income	3,000	11,477	8,477	7,831
<b>Total Revenues</b>	1,540,200	1,572,580	32,380	1,447,797
<b>Expenditures</b>				
Emergency services:				
Administration	78,027	74,392	3,635	43,635
Fire services	630,554	557,234	73,320	265,840
<b>Total Expenditures</b>	708,581	631,626	76,955	309,475
<b>Excess of Revenues Over Expenditures</b>	831,619	940,954	109,335	1,138,322
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	291,742	291,742	4,742
Transfers out	(3,475,000)	(3,475,000)	-	(950,000)
<b>Net Other Financing Sources (Uses)</b>	(3,475,000)	(3,183,258)	291,742	(945,258)
<b>Net Change in Fund Balance</b>	<u>\$ (2,643,381)</u>	<u>(2,242,304)</u>	<u>\$ 401,077</u>	193,064
<b>Fund Balance, beginning</b>		<u>6,621,092</u>		<u>6,428,028</u>
<b>Fund Balance, ending</b>		<u>\$ 4,378,788</u>		<u>\$ 6,621,092</u>

Exhibit I-23

**Fire Service Area 4 - Sutton Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 237,800	\$ 234,868	\$ (2,932)	\$ 235,372
Intergovernmental - PERS relief	-	478	478	370
Investment income	200	919	719	527
<b>Total Revenues</b>	<b>238,000</b>	<b>236,265</b>	<b>(1,735)</b>	<b>236,269</b>
<b>Expenditures</b>				
Emergency services:				
Administration	62,814	57,990	4,824	52,804
Fire services	221,246	129,731	91,515	84,568
<b>Total Expenditures</b>	<b>284,060</b>	<b>187,721</b>	<b>96,339</b>	<b>137,372</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(46,060)</b>	<b>48,544</b>	<b>94,604</b>	<b>98,897</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	5,800	5,800	-
Transfers in	-	-	-	8,141
Transfers out	(65,000)	(65,000)	-	(60,322)
<b>Net Other Financing Sources (Uses)</b>	<b>(65,000)</b>	<b>(59,200)</b>	<b>5,800</b>	<b>(52,181)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (111,060)</b>	<b>(10,656)</b>	<b>\$ 100,404</b>	<b>46,716</b>
<b>Fund Balance, beginning</b>		<b>463,945</b>		<b>417,229</b>
<b>Fund Balance, ending</b>		<b>\$ 453,289</b>		<b>\$ 463,945</b>

**Fire Service Area 24 - Talkeetna Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 573,600	\$ 573,971	\$ 371	\$ 552,133
Intergovernmental - PERS relief	-	877	877	679
Investment income	200	1,937	1,737	648
Other	13,000	13,055	55	13,077
<b>Total Revenues</b>	<b>586,800</b>	<b>589,840</b>	<b>3,040</b>	<b>566,537</b>
<b>Expenditures</b>				
Emergency services:				
Administration	555,423	60,827	494,596	65,621
Fire services	415,752	735,557	(319,805)	178,665
<b>Total Expenditures</b>	<b>971,175</b>	<b>796,384</b>	<b>174,791</b>	<b>244,286</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(384,375)</b>	<b>(206,544)</b>	<b>177,831</b>	<b>322,251</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	1,075	1,075	-
Transfers in	-	1,025	1,025	8,144
Transfers out	(21,760)	(21,760)	-	(500)
<b>Net Other Financing Sources (Uses)</b>	<b>(21,760)</b>	<b>(19,660)</b>	<b>2,100</b>	<b>7,644</b>
<b>Net Change in Fund Balance</b>	<b>\$ (406,135)</b>	<b>(226,204)</b>	<b>\$ 179,931</b>	<b>329,895</b>
<b>Fund Balance, beginning</b>		<b>704,266</b>		<b>374,371</b>
<b>Fund Balance, ending</b>		<b>\$ 478,062</b>		<b>\$ 704,266</b>

**Fire Service Area 136 - West Lakes Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 3,285,100	\$ 3,293,831	\$ 8,731	\$ 3,103,233
Intergovernmental - PERS relief	-	6,576	6,576	5,091
Investment income	1,000	5,403	4,403	2,249
Other	257,626	257,626	-	339,549
<b>Total Revenues</b>	<b>3,543,726</b>	<b>3,563,436</b>	<b>19,710</b>	<b>3,450,122</b>
<b>Expenditures</b>				
Emergency services:				
Administration	190,104	186,593	3,511	198,684
Fire services	2,580,509	2,169,846	410,663	1,405,004
<b>Total Expenditures</b>	<b>2,770,613</b>	<b>2,356,439</b>	<b>414,174</b>	<b>1,603,688</b>
<b>Excess of Revenues Over Expenditures</b>	<b>773,113</b>	<b>1,206,997</b>	<b>433,884</b>	<b>1,846,434</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	3,000	12,000	9,000	17,400
Transfers in	-	808,274	808,274	9,020
Transfers out	(683,991)	(683,991)	-	(1,938,389)
<b>Net Other Financing Sources (Uses)</b>	<b>(680,991)</b>	<b>136,283</b>	<b>817,274</b>	<b>(1,911,969)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 92,122</b>	<b>1,343,280</b>	<b>\$ 1,251,158</b>	<b>(65,535)</b>
<b>Fund Balance, beginning</b>		<b>1,837,518</b>		<b>1,903,053</b>
<b>Fund Balance, ending</b>		<b>\$ 3,180,798</b>		<b>\$ 1,837,518</b>

**Fire Service Area 35 - Willow Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 969,400	\$ 946,847	\$ (22,553)	\$ 907,769
Intergovernmental - PERS relief	-	1,793	1,793	1,388
Investment income	200	1,668	1,468	838
<b>Total Revenues</b>	<b>969,600</b>	<b>950,308</b>	<b>(19,292)</b>	<b>909,995</b>
<b>Expenditures</b>				
Emergency services:				
Administration	93,204	85,073	8,131	93,318
Fire services	612,078	439,322	172,756	275,491
<b>Total Expenditures</b>	<b>705,282</b>	<b>524,395</b>	<b>180,887</b>	<b>368,809</b>
<b>Excess of Revenues Over Expenditures</b>	<b>264,318</b>	<b>425,913</b>	<b>161,595</b>	<b>541,186</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	11,962	11,962	10,955
Transfers out	(515,500)	(515,500)	-	(344,497)
<b>Net Other Financing Sources (Uses)</b>	<b>(515,500)</b>	<b>(503,538)</b>	<b>11,962</b>	<b>(333,542)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (251,182)</b>	<b>(77,625)</b>	<b>\$ 173,557</b>	<b>207,644</b>
<b>Fund Balance, beginning</b>		<b>798,335</b>		<b>590,691</b>
<b>Fund Balance, ending</b>		<b>\$ 720,710</b>		<b>\$ 798,335</b>

Exhibit I-27

**Fire Service Area 135 - Caswell Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 345,900	\$ 344,335	\$ (1,565)	\$ 343,058
Intergovernmental - PERS relief	-	638	638	494
Investment income	200	1,084	884	648
<b>Total Revenues</b>	<b>346,100</b>	<b>346,057</b>	<b>(43)</b>	<b>344,200</b>
<b>Expenditures</b>				
Emergency services:				
Administration	73,269	56,986	16,283	68,611
Fire services	379,607	270,670	108,937	164,130
<b>Total Expenditures</b>	<b>452,876</b>	<b>327,656</b>	<b>125,220</b>	<b>232,741</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(106,776)</b>	<b>18,401</b>	<b>125,177</b>	<b>111,459</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	837	837	-
Transfers in	-	5,230	5,230	9,020
Transfers out	(150,500)	(150,500)	-	(125,499)
<b>Net Other Financing Sources (Uses)</b>	<b>(150,500)</b>	<b>(144,433)</b>	<b>6,067</b>	<b>(116,479)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (257,276)</b>	<b>(126,032)</b>	<b>\$ 131,244</b>	<b>(5,020)</b>
<b>Fund Balance, beginning</b>		<b>535,916</b>		<b>540,936</b>
<b>Fund Balance, ending</b>		<b>\$ 409,884</b>		<b>\$ 535,916</b>

Road Service Areas Special Revenue Funds  
Combining Balance Sheet

	Service Area									
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony	
<i>June 30, 2022</i>										
<b>Assets</b>										
Cash and investments	\$ 655,519	\$ 336,063	\$ 279,602	\$ 1,322,165	\$ 471,483	\$ 281,609	\$ 373,946	\$ 767,378	\$ 167,615	
Receivables - property taxes, net of allowance	31,628	14,710	96,408	23,444	75,302	6,894	53,918	69,737	10,844	
<b>Total Assets</b>	<b>\$ 687,147</b>	<b>\$ 350,773</b>	<b>\$ 376,010</b>	<b>\$ 1,345,609</b>	<b>\$ 546,785</b>	<b>\$ 288,503</b>	<b>\$ 427,864</b>	<b>\$ 837,115</b>	<b>\$ 178,459</b>	
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ 44,204	\$ 43,856	\$ 56,848	\$ 3,353	\$ 67,102	\$ 11,168	\$ 103,377	\$ 80,116	\$ -	
Deposits	3,521	469	-	8,535	-	2,000	-	-	-	
Interfund loans payable	13,243	7,781	-	28,551	-	157	-	-	3,524	
<b>Total Liabilities</b>	<b>60,968</b>	<b>52,106</b>	<b>56,848</b>	<b>40,439</b>	<b>67,102</b>	<b>13,325</b>	<b>103,377</b>	<b>80,116</b>	<b>3,524</b>	
<b>Deferred Inflows of Resources</b>										
Delinquent property taxes	28,214	10,704	85,430	18,739	60,881	760	46,742	61,665	9,096	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>89,182</b>	<b>62,810</b>	<b>142,278</b>	<b>59,178</b>	<b>127,983</b>	<b>14,085</b>	<b>150,119</b>	<b>141,781</b>	<b>12,620</b>	
<b>Fund Balances</b>										
Assigned:										
Subsequent year expenditures	329,722	179,482	156,048	674,645	273,160	158,863	162,681	384,328	66,805	
Service areas	268,243	108,481	77,684	611,786	145,642	115,555	115,064	311,006	99,034	
<b>Total Fund Balances</b>	<b>597,965</b>	<b>287,963</b>	<b>233,732</b>	<b>1,286,431</b>	<b>418,802</b>	<b>274,418</b>	<b>277,745</b>	<b>695,334</b>	<b>165,839</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 687,147</b>	<b>\$ 350,773</b>	<b>\$ 376,010</b>	<b>\$ 1,345,609</b>	<b>\$ 546,785</b>	<b>\$ 288,503</b>	<b>\$ 427,864</b>	<b>\$ 837,115</b>	<b>\$ 178,459</b>	

Exhibit I-28, continued

**Road Service Areas Special Revenue Funds  
Combining Balance Sheet, continued**

	Service Area								Totals
	25 Bogard Road	26 Greater Butte Road	27 Meadow Lakes Road	28 Gold Trail Road	29 Greater Talkeetna Road	30 Trapper Creek Road	31 Alpine Road	286 Jimmy's Drive	
<i>June 30, 2022</i>									
<b>Assets</b>									
Cash and investments	\$ 796,650	\$ 496,529	\$ 432,766	\$ 370,601	\$ 357,051	\$ 104,080	\$ 271,758	\$ 22,175	\$ 7,506,990
Receivables - property taxes, net of allowance	22,025	40,005	147,616	56,920	49,863	21,981	11,400	-	732,695
<b>Total Assets</b>	\$ 818,675	\$ 536,534	\$ 580,382	\$ 427,521	\$ 406,914	\$ 126,061	\$ 283,158	\$ 22,175	\$ 8,239,685
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 54,289	\$ 3,120	\$ 188,037	\$ 58,963	\$ 48,696	\$ 23,243	\$ 23	\$ -	\$ 786,395
Deposits	5,209	1,000	-	-	-	-	-	-	20,734
Interfund loans payable	26,466	1,488	-	15,955	-	-	714	-	97,879
<b>Total Liabilities</b>	85,964	5,608	188,037	74,918	48,696	23,243	737	-	905,008
<b>Deferred Inflows of Resources</b>									
Delinquent property taxes	19,141	34,455	133,265	51,419	46,329	19,829	9,500	-	636,169
<b>Total Liabilities and Deferred Inflows of Resources</b>	105,105	40,063	321,302	126,337	95,025	43,072	10,237	-	1,541,177
<b>Fund Balances</b>									
Assigned:									
Subsequent year expenditures	491,074	286,460	145,255	119,385	111,644	297	97,872		3,637,721
Service areas	222,496	210,011	113,825	181,799	200,245	82,692	175,049	22,175	3,060,787
<b>Total Fund Balances</b>	713,570	496,471	259,080	301,184	311,889	82,989	272,921	22,175	6,698,508
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	\$ 818,675	\$ 536,534	\$ 580,382	\$ 427,521	\$ 406,914	\$ 126,061	\$ 283,158	\$ 22,175	\$ 8,239,685

**Road Service Areas Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

Year Ended June 30, 2022	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
<b>Revenues</b>									
Property taxes	\$ 2,081,742	\$ 1,593,481	\$ 745,811	\$ 2,110,339	\$ 3,561,551	\$ 324,138	\$ 1,143,980	\$ 1,590,127	\$ 254,091
Charges for services	-	-	-	20,038	-	-	-	91,000	-
Investment income	1,236	767	700	2,288	1,180	605	933	1,678	354
<b>Total Revenues</b>	<b>2,082,978</b>	<b>1,594,248</b>	<b>746,511</b>	<b>2,132,665</b>	<b>3,562,731</b>	<b>324,743</b>	<b>1,144,913</b>	<b>1,682,805</b>	<b>254,445</b>
<b>Expenditures</b>									
Public services:									
Administration	205,550	184,249	155,991	271,055	468,930	38,414	174,436	247,121	34,311
Road service	515,496	656,605	545,033	783,800	1,502,881	185,386	527,968	922,879	128,566
Total public services	721,046	840,854	701,024	1,054,855	1,971,811	223,800	702,404	1,170,000	162,877
Debt service	230	135	-	496	-	3	-	-	61
<b>Total Expenditures</b>	<b>721,276</b>	<b>840,989</b>	<b>701,024</b>	<b>1,055,351</b>	<b>1,971,811</b>	<b>223,803</b>	<b>702,404</b>	<b>1,170,000</b>	<b>162,938</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,361,702</b>	<b>753,259</b>	<b>45,487</b>	<b>1,077,314</b>	<b>1,590,920</b>	<b>100,940</b>	<b>442,509</b>	<b>512,805</b>	<b>91,507</b>
<b>Other Financing Uses</b>									
Transfers out	(1,332,968)	(849,950)	(187,650)	(781,955)	(1,778,190)	(146,947)	(624,652)	(682,795)	(96,798)
<b>Net Change in Fund Balances</b>	<b>28,734</b>	<b>(96,691)</b>	<b>(142,163)</b>	<b>295,359</b>	<b>(187,270)</b>	<b>(46,007)</b>	<b>(182,143)</b>	<b>(169,990)</b>	<b>(5,291)</b>
<b>Fund Balances, beginning</b>	<b>569,231</b>	<b>384,654</b>	<b>375,895</b>	<b>991,072</b>	<b>606,072</b>	<b>320,425</b>	<b>459,888</b>	<b>865,324</b>	<b>171,130</b>
<b>Fund Balances, ending</b>	<b>\$ 597,965</b>	<b>\$ 287,963</b>	<b>\$ 233,732</b>	<b>\$ 1,286,431</b>	<b>\$ 418,802</b>	<b>\$ 274,418</b>	<b>\$ 277,745</b>	<b>\$ 695,334</b>	<b>\$ 165,839</b>

Exhibit I-29, continued

**Road Service Areas Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued**

Year Ended June 30, 2022	Service Area								Totals
	25 Bogard Road	26 Greater Butte Road	27 Meadow Lakes Road	28 Gold Trail Road	29 Greater Talkeetna Road	30 Trapper Creek Road	31 Alpine Road	Jimmy's Drive	
<b>Revenues</b>									
Property taxes	\$ 2,329,300	\$ 1,221,354	\$ 2,515,022	\$ 2,359,851	\$ 741,989	\$ 283,128	\$ 301,366	\$ 15,937	\$ 23,173,207
Charges for services	-	-	-	-	-	-	-	-	111,038
Investment income	1,839	1,016	953	885	841	308	650	22	16,255
<b>Total Revenues</b>	2,331,139	1,222,370	2,515,975	2,360,736	742,830	283,436	302,016	15,959	23,300,500
<b>Expenditures</b>									
Public services:									
Administration	286,882	151,361	310,362	299,667	137,033	48,333	46,920	-	3,060,615
Road service	932,302	369,791	956,573	1,034,100	482,362	224,747	171,184	-	9,939,673
Total public services	1,219,184	521,152	1,266,935	1,333,767	619,395	273,080	218,104	-	13,000,288
Debt service	460	26	-	277	-	-	12	-	1,700
<b>Total Expenditures</b>	1,219,644	521,178	1,266,935	1,334,044	619,395	273,080	218,116	-	13,001,988
<b>Excess of Revenues Over Expenditures</b>	1,111,495	701,192	1,249,040	1,026,692	123,435	10,356	83,900	15,959	10,298,512
<b>Other Financing Uses</b>									
Transfers out	(1,343,832)	(719,987)	(1,468,798)	(1,149,020)	(225,319)	(110,408)	(135,590)	-	(11,634,859)
<b>Net Change in Fund Balances</b>	(232,337)	(18,795)	(219,758)	(122,328)	(101,884)	(100,052)	(51,690)	15,959	(1,336,347)
<b>Fund Balances, beginning</b>	945,907	515,266	478,838	423,512	413,773	183,041	324,611	6,216	8,034,855
<b>Fund Balances, ending</b>	\$ 713,570	\$ 496,471	\$ 259,080	\$ 301,184	\$ 311,889	\$ 82,989	\$ 272,921	\$ 22,175	\$ 6,698,508

**Road Service Area 9 - Midway Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 2,018,500	\$ 2,081,742	\$ 63,242	\$ 1,953,167
Investment income	100	1,236	1,136	602
<b>Total Revenues</b>	<b>2,018,600</b>	<b>2,082,978</b>	<b>64,378</b>	<b>1,953,769</b>
<b>Expenditures</b>				
Public services:				
Administration	220,492	205,550	14,942	194,381
Road service	651,849	515,496	136,353	351,597
Total public services	872,341	721,046	151,295	545,978
Debt service	231	230	1	261
<b>Total Expenditures</b>	<b>872,572</b>	<b>721,276</b>	<b>151,296</b>	<b>546,239</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,146,028</b>	<b>1,361,702</b>	<b>215,674</b>	<b>1,407,530</b>
<b>Other Financing Uses</b>				
Transfers out	(1,332,968)	(1,332,968)	-	(1,194,168)
<b>Net Change in Fund Balance</b>	<b>\$ (186,940)</b>	<b>28,734</b>	<b>\$ 215,674</b>	<b>213,362</b>
<b>Fund Balance, beginning</b>		<u>569,231</u>		<u>355,869</u>
<b>Fund Balance, ending</b>		<u>\$ 597,965</u>		<u>\$ 569,231</u>

Exhibit I-31

**Road Service Area 14 - Fairview Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,556,260	\$ 1,593,481	\$ 37,221	\$ 1,479,775
Investment income	100	767	667	510
<b>Total Revenues</b>	<b>1,556,360</b>	<b>1,594,248</b>	<b>37,888</b>	<b>1,480,285</b>
<b>Expenditures</b>				
Public services:				
Administration	197,643	184,249	13,394	171,521
Road service	660,776	656,605	4,171	506,168
Total public services	858,419	840,854	17,565	677,689
Debt service	136	135	1	153
<b>Total Expenditures</b>	<b>858,555</b>	<b>840,989</b>	<b>17,566</b>	<b>677,842</b>
<b>Excess of Revenues Over Expenditures</b>	<b>697,805</b>	<b>753,259</b>	<b>55,454</b>	<b>802,443</b>
<b>Other Financing Uses</b>				
Transfers out	(849,950)	(849,950)	-	(757,215)
<b>Net Change in Fund Balance</b>	<b>\$ (152,145)</b>	<b>(96,691)</b>	<b>\$ 55,454</b>	<b>45,228</b>
<b>Fund Balance, beginning</b>		<b>384,654</b>		<b>339,426</b>
<b>Fund Balance, ending</b>		<b>\$ 287,963</b>		<b>\$ 384,654</b>

**Road Service Area 15 - Caswell Lake Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 764,960	\$ 745,811	\$ (19,149)	\$ 739,514
Investment income	100	700	600	372
<b>Total Revenues</b>	765,060	746,511	(18,549)	739,886
<b>Expenditures</b>				
Public services:				
Administration	167,331	155,991	11,340	136,434
Road service	578,560	545,033	33,527	335,167
<b>Total Expenditures</b>	745,891	701,024	44,867	471,601
<b>Excess of Revenues Over Expenditures</b>	19,169	45,487	26,318	268,285
<b>Other Financing Uses</b>				
Transfers out	(187,650)	(187,650)	-	(124,648)
<b>Net Change in Fund Balance</b>	<u>\$ (168,481)</u>	(142,163)	<u>\$ 26,318</u>	143,637
<b>Fund Balance, beginning</b>		<u>375,895</u>		<u>232,258</u>
<b>Fund Balance, ending</b>		<u>\$ 233,732</u>		<u>\$ 375,895</u>

Exhibit I-33

**Road Service Area 16 - South Colony Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 2,076,840	\$ 2,110,339	\$ 33,499	\$ 1,987,548
Charges for services	-	20,038	20,038	-
Investment income	200	2,288	2,088	986
<b>Total Revenues</b>	<b>2,077,040</b>	<b>2,132,665</b>	<b>55,625</b>	<b>1,988,534</b>
<b>Expenditures</b>				
Public services:				
Administration	290,759	271,055	19,704	230,931
Road service	1,264,529	783,800	480,729	642,952
Total public services	1,555,288	1,054,855	500,433	873,883
Debt service	496	496	-	563
<b>Total Expenditures</b>	<b>1,555,784</b>	<b>1,055,351</b>	<b>500,433</b>	<b>874,446</b>
<b>Excess of Revenues Over Expenditures</b>	<b>521,256</b>	<b>1,077,314</b>	<b>556,058</b>	<b>1,114,088</b>
<b>Other Financing Uses</b>				
Transfers out	(781,955)	(781,955)	-	(568,342)
<b>Net Change in Fund Balance</b>	<b>\$ (260,699)</b>	<b>295,359</b>	<b>\$ 556,058</b>	<b>545,746</b>
<b>Fund Balance, beginning</b>		<u>991,072</u>		<u>445,326</u>
<b>Fund Balance, ending</b>		<u>\$ 1,286,431</u>		<u>\$ 991,072</u>

**Road Service Area 17 - Knik Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 3,530,180	\$ 3,561,551	\$ 31,371	\$ 3,396,223
Investment income	750	1,180	430	719
<b>Total Revenues</b>	<b>3,530,930</b>	<b>3,562,731</b>	<b>31,801</b>	<b>3,396,942</b>
<b>Expenditures</b>				
Public services:				
Administration	503,018	468,930	34,088	435,630
Road service	1,530,162	1,502,881	27,281	1,273,268
<b>Total Expenditures</b>	<b>2,033,180</b>	<b>1,971,811</b>	<b>61,369</b>	<b>1,708,898</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,497,750</b>	<b>1,590,920</b>	<b>93,170</b>	<b>1,688,044</b>
<b>Other Financing Uses</b>				
Transfers out	(1,778,190)	(1,778,190)	-	(1,599,090)
<b>Net Change in Fund Balance</b>	<b>\$ (280,440)</b>	<b>(187,270)</b>	<b>\$ 93,170</b>	<b>88,954</b>
<b>Fund Balance, beginning</b>		<b>606,072</b>		<b>517,118</b>
<b>Fund Balance, ending</b>		<b>\$ 418,802</b>		<b>\$ 606,072</b>

Exhibit I-35

**Road Service Area 19 - Lazy Mountain Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 315,100	\$ 324,138	\$ 9,038	\$ 306,696
Investment income	100	605	505	351
<b>Total Revenues</b>	<b>315,200</b>	<b>324,743</b>	<b>9,543</b>	<b>307,047</b>
<b>Expenditures</b>				
Public services:				
Administration	41,207	38,414	2,793	34,943
Road service	237,196	185,386	51,810	80,955
Total public services	278,403	223,800	54,603	115,898
Debt service	3	3	-	3
<b>Total Expenditures</b>	<b>278,406</b>	<b>223,803</b>	<b>54,603</b>	<b>115,901</b>
<b>Excess of Revenues Over Expenditures</b>	<b>36,794</b>	<b>100,940</b>	<b>64,146</b>	<b>191,146</b>
<b>Other Financing Uses</b>				
Transfers out	(146,947)	(146,947)	-	(124,953)
<b>Net Change in Fund Balance</b>	<b>\$ (110,153)</b>	<b>(46,007)</b>	<b>\$ 64,146</b>	<b>66,193</b>
<b>Fund Balance, beginning</b>		<b>320,425</b>		<b>254,232</b>
<b>Fund Balance, ending</b>		<b>\$ 274,418</b>		<b>\$ 320,425</b>

**Road Service Area 20 - Greater Willow Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,168,080	\$ 1,143,980	\$ (24,100)	\$ 1,101,243
Investment income	100	933	833	542
<b>Total Revenues</b>	<b>1,168,180</b>	<b>1,144,913</b>	<b>(23,267)</b>	<b>1,101,785</b>
<b>Expenditures</b>				
Public services:				
Administration	187,116	174,436	12,680	144,300
Road service	602,020	527,968	74,052	466,831
<b>Total Expenditures</b>	<b>789,136</b>	<b>702,404</b>	<b>86,732</b>	<b>611,131</b>
<b>Excess of Revenues Over Expenditures</b>	<b>379,044</b>	<b>442,509</b>	<b>63,465</b>	<b>490,654</b>
<b>Other Financing Uses</b>				
Transfers out	(624,652)	(624,652)	-	(387,055)
<b>Net Change in Fund Balance</b>	<b>\$ (245,608)</b>	<b>(182,143)</b>	<b>\$ 63,465</b>	<b>103,599</b>
<b>Fund Balance, beginning</b>		<b>459,888</b>		<b>356,289</b>
<b>Fund Balance, ending</b>		<b>\$ 277,745</b>		<b>\$ 459,888</b>

Exhibit I-37

**Road Service Area 21 - Big Lake Road Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,590,540	\$ 1,590,127	\$ (413)	\$ 1,527,076
Charges for services	-	91,000	91,000	-
Investment income	300	1,678	1,378	1,119
<b>Total Revenues</b>	<b>1,590,840</b>	<b>1,682,805</b>	<b>91,965</b>	<b>1,528,195</b>
<b>Expenditures</b>				
Public services:				
Administration	265,085	247,121	17,964	228,274
Road service	1,072,635	922,879	149,756	729,950
<b>Total Expenditures</b>	<b>1,337,720</b>	<b>1,170,000</b>	<b>167,720</b>	<b>958,224</b>
<b>Excess of Revenues Over Expenditures</b>	<b>253,120</b>	<b>512,805</b>	<b>259,685</b>	<b>569,971</b>
<b>Other Financing Uses</b>				
Transfers out	(682,795)	(682,795)	-	(624,085)
<b>Net Change in Fund Balance</b>	<b>\$ (429,675)</b>	<b>(169,990)</b>	<b>\$ 259,685</b>	<b>(54,114)</b>
<b>Fund Balance, beginning</b>		<b>865,324</b>		<b>919,438</b>
<b>Fund Balance, ending</b>		<b>\$ 695,334</b>		<b>\$ 865,324</b>

**Road Service Area 23 - North Colony Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 255,980	\$ 254,091	\$ (1,889)	\$ 233,312
Investment income	100	354	254	218
<b>Total Revenues</b>	<b>256,080</b>	<b>254,445</b>	<b>(1,635)</b>	<b>233,530</b>
<b>Expenditures</b>				
Public services:				
Administration	36,805	34,311	2,494	31,667
Road service	174,287	128,566	45,721	113,279
Total public services	211,092	162,877	48,215	144,946
Debt service	62	61	1	69
<b>Total Expenditures</b>	<b>211,154</b>	<b>162,938</b>	<b>48,216</b>	<b>145,015</b>
<b>Excess of Revenues Over Expenditures</b>	<b>44,926</b>	<b>91,507</b>	<b>46,581</b>	<b>88,515</b>
<b>Other Financing Uses</b>				
Transfers out	(96,798)	(96,798)	-	(89,705)
<b>Net Change in Fund Balance</b>	<b>\$ (51,872)</b>	<b>(5,291)</b>	<b>\$ 46,581</b>	<b>(1,190)</b>
<b>Fund Balance, beginning</b>		<u>171,130</u>		<u>172,320</u>
<b>Fund Balance, ending</b>		<u>\$ 165,839</u>		<u>\$ 171,130</u>

Exhibit I-39

**Road Service Area 25 - Bogard Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 2,292,540	\$ 2,329,300	\$ 36,760	\$ 2,180,640
Investment income	300	1,839	1,539	1,109
<b>Total Revenues</b>	<b>2,292,840</b>	<b>2,331,139</b>	<b>38,299</b>	<b>2,181,749</b>
<b>Expenditures</b>				
Public services:				
Administration	307,737	286,882	20,855	264,155
Road service	1,039,712	932,302	107,410	575,086
Total public services	1,347,449	1,219,184	128,265	839,241
Debt service	460	460	-	522
<b>Total Expenditures</b>	<b>1,347,909</b>	<b>1,219,644</b>	<b>128,265</b>	<b>839,763</b>
<b>Excess of Revenues Over Expenditures</b>	<b>944,931</b>	<b>1,111,495</b>	<b>166,564</b>	<b>1,341,986</b>
<b>Other Financing Uses</b>				
Transfers out	(1,343,832)	(1,343,832)	-	(1,166,526)
<b>Net Change in Fund Balance</b>	<b>\$ (398,901)</b>	<b>(232,337)</b>	<b>\$ 166,564</b>	<b>175,460</b>
<b>Fund Balance, beginning</b>		<b>945,907</b>		<b>770,447</b>
<b>Fund Balance, ending</b>		<b>\$ 713,570</b>		<b>\$ 945,907</b>

**Road Service Area 26 - Greater Butte Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,230,460	\$ 1,221,354	\$ (9,106)	\$ 1,134,765
Investment income	200	1,016	816	539
<b>Total Revenues</b>	<b>1,230,660</b>	<b>1,222,370</b>	<b>(8,290)</b>	<b>1,135,304</b>
<b>Expenditures</b>				
Public services:				
Administration	162,364	151,361	11,003	135,843
Road service	525,796	369,791	156,005	256,454
Total public services	688,160	521,152	167,008	392,297
Debt service	26	26	-	29
<b>Total Expenditures</b>	<b>688,186</b>	<b>521,178</b>	<b>167,008</b>	<b>392,326</b>
<b>Excess of Revenues Over Expenditures</b>	<b>542,474</b>	<b>701,192</b>	<b>158,718</b>	<b>742,978</b>
<b>Other Financing Uses</b>				
Transfers out	(719,987)	(719,987)	-	(593,912)
<b>Net Change in Fund Balance</b>	<b>\$ (177,513)</b>	<b>(18,795)</b>	<b>\$ 158,718</b>	<b>149,066</b>
<b>Fund Balance, beginning</b>		<b>515,266</b>		<b>366,200</b>
<b>Fund Balance, ending</b>		<b>\$ 496,471</b>		<b>\$ 515,266</b>

Exhibit I-41

**Road Service Area 27 - Meadow Lakes Road Special Revenue Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 2,514,460	\$ 2,515,022	\$ 562	\$ 2,365,440
Investment income	200	953	753	684
<b>Total Revenues</b>	<b>2,514,660</b>	<b>2,515,975</b>	<b>1,315</b>	<b>2,366,124</b>
<b>Expenditures</b>				
Public services:				
Administration	332,923	310,362	22,561	288,170
Road service	994,565	956,573	37,992	881,864
<b>Total Expenditures</b>	<b>1,327,488</b>	<b>1,266,935</b>	<b>60,553</b>	<b>1,170,034</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,187,172</b>	<b>1,249,040</b>	<b>61,868</b>	<b>1,196,090</b>
<b>Other Financing Uses</b>				
Transfers out	(1,468,798)	(1,468,798)	-	(1,287,798)
<b>Net Change in Fund Balance</b>	<b>\$ (281,626)</b>	<b>(219,758)</b>	<b>\$ 61,868</b>	<b>(91,708)</b>
<b>Fund Balance, beginning</b>		<b>478,838</b>		<b>570,546</b>
<b>Fund Balance, ending</b>		<b>\$ 259,080</b>		<b>\$ 478,838</b>

**Road Service Area 28 - Gold Trail Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 2,320,620	\$ 2,359,851	\$ 39,231	\$ 2,217,907
Investment income	200	885	685	645
<b>Total Revenues</b>	<b>2,320,820</b>	<b>2,360,736</b>	<b>39,916</b>	<b>2,218,552</b>
<b>Expenditures</b>				
Public services:				
Administration	321,451	299,667	21,784	275,697
Road service	1,098,608	1,034,100	64,508	1,034,882
Total public services	1,420,059	1,333,767	86,292	1,310,579
Debt service	278	277	1	314
<b>Total Expenditures</b>	<b>1,420,337</b>	<b>1,334,044</b>	<b>86,293</b>	<b>1,310,893</b>
<b>Excess of Revenues Over Expenditures</b>	<b>900,483</b>	<b>1,026,692</b>	<b>126,209</b>	<b>907,659</b>
<b>Other Financing Uses</b>				
Transfers out	(1,149,020)	(1,149,020)	-	(1,004,978)
<b>Net Change in Fund Balance</b>	<b>\$ (248,537)</b>	<b>(122,328)</b>	<b>\$ 126,209</b>	<b>(97,319)</b>
<b>Fund Balance, beginning</b>		<b>423,512</b>		<b>520,831</b>
<b>Fund Balance, ending</b>		<b>\$ 301,184</b>		<b>\$ 423,512</b>

Exhibit I-43

**Road Service Area 29 - Greater Talkeetna Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 749,160	\$ 741,989	\$ (7,171)	\$ 721,282
Investment income	200	841	641	513
<b>Total Revenues</b>	<b>749,360</b>	<b>742,830</b>	<b>(6,530)</b>	<b>721,795</b>
<b>Expenditures</b>				
Public services:				
Administration	146,995	137,033	9,962	117,397
Road service	541,780	482,362	59,418	430,238
<b>Total Expenditures</b>	<b>688,775</b>	<b>619,395</b>	<b>69,380</b>	<b>547,635</b>
<b>Excess of Revenues Over Expenditures</b>	<b>60,585</b>	<b>123,435</b>	<b>62,850</b>	<b>174,160</b>
<b>Other Financing Uses</b>				
Transfers out	(225,319)	(225,319)	-	(116,319)
<b>Net Change in Fund Balance</b>	<b>\$ (164,734)</b>	<b>(101,884)</b>	<b>\$ 62,850</b>	<b>57,841</b>
<b>Fund Balance, beginning</b>		<b>413,773</b>		<b>355,932</b>
<b>Fund Balance, ending</b>		<b>\$ 311,889</b>		<b>\$ 413,773</b>

**Road Service Area 30 - Trapper Creek Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 274,280	\$ 283,128	\$ 8,848	\$ 251,945
Investment income	100	308	208	234
<b>Total Revenues</b>	<b>274,380</b>	<b>283,436</b>	<b>9,056</b>	<b>252,179</b>
<b>Expenditures</b>				
Public services:				
Administration	53,845	48,333	5,512	42,587
Road service	242,092	224,747	17,345	146,297
<b>Total Expenditures</b>	<b>295,937</b>	<b>273,080</b>	<b>22,857</b>	<b>188,884</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(21,557)</b>	<b>10,356</b>	<b>31,913</b>	<b>63,295</b>
<b>Other Financing Uses</b>				
Transfers out	(110,408)	(110,408)	-	(87,408)
<b>Net Change in Fund Balance</b>	<b>\$ (131,965)</b>	<b>(100,052)</b>	<b>\$ 31,913</b>	<b>(24,113)</b>
<b>Fund Balance, beginning</b>		<b>183,041</b>		<b>207,154</b>
<b>Fund Balance, ending</b>		<b>\$ 82,989</b>		<b>\$ 183,041</b>

Exhibit I-45

**Road Service Area 31 - Alpine Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 303,180	\$ 301,366	\$ (1,814)	\$ 300,801
Investment income	100	650	550	371
<b>Total Revenues</b>	<b>303,280</b>	<b>302,016</b>	<b>(1,264)</b>	<b>301,172</b>
<b>Expenditures</b>				
Public services:				
Administration	50,331	46,920	3,411	31,245
Road service	293,200	171,184	122,016	193,794
Total public services	343,531	218,104	125,427	225,039
Debt service	13	12	1	14
<b>Total Expenditures</b>	<b>343,544</b>	<b>218,116</b>	<b>125,428</b>	<b>225,053</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(40,264)</b>	<b>83,900</b>	<b>124,164</b>	<b>76,119</b>
<b>Other Financing Uses</b>				
Transfers out	(135,590)	(135,590)	-	-
<b>Net Change in Fund Balance</b>	<b>\$ (175,854)</b>	<b>(51,690)</b>	<b>\$ 124,164</b>	<b>76,119</b>
<b>Fund Balance, beginning</b>		<b>324,611</b>		<b>248,492</b>
<b>Fund Balance, ending</b>		<b>\$ 272,921</b>		<b>\$ 324,611</b>



Exhibit I-46

**Road Service Area 286 - Jimmy's Drive Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

<i>Years Ended June 30,</i>	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 15,900	\$ 15,937	\$ 37	\$ 6,212
Investment income	-	22	22	4
<b>Total Revenues</b>	15,900	15,959	59	6,216
<b>Net Change in Fund Balance</b>	<u>\$ 15,900</u>	15,959	<u>\$ 59</u>	6,216
<b>Fund Balance, beginning</b>		6,216		-
<b>Fund Balance, ending</b>		<u>\$ 22,175</u>		<u>\$ 6,216</u>

Exhibit I-47

**Land Management Special Revenue Fund  
Comparative Balance Sheet**

<i>June 30,</i>	2022	2021
<b>Assets</b>		
Cash and investments	\$ 1,996,634	\$ 1,619,755
Prepaid items	830	-
Other receivables	-	6,421
Leases receivable	39,342	-
Interfund loans receivable	2,221,894	2,221,894
Leases receivable, noncurrent	1,093,123	-
Land sales contracts receivable:		
Current	18,742	18,716
Delinquent	214,605	218,451
Unbilled	504,516	597,207
Total land sales contracts receivable	737,863	834,374
Less allowance for uncollectible contracts	(214,605)	(218,451)
Net land sales contracts receivable	523,258	615,923
<b>Total Assets</b>	<b>\$ 5,875,081</b>	<b>\$ 4,463,993</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,914	\$ 84,247
Deposits	96,374	87,374
<b>Total Liabilities</b>	<b>106,288</b>	<b>171,621</b>
<b>Deferred Inflows of Resources</b>		
Land sales receivables not yet due	504,516	597,207
Leases receivable not yet due	1,100,148	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,710,952</b>	<b>768,828</b>
<b>Fund Balance</b>		
Nonspendable:		
Prepaid items	830	-
Committed:		
Accrued leave	10,000	10,000
Long-term loan receivable	2,221,894	2,221,894
Land management	680,351	348,368
Assigned:		
Subsequent year expenditures	493,831	352,909
Land management	757,223	761,994
<b>Total Fund Balance</b>	<b>4,164,129</b>	<b>3,695,165</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 5,875,081</b>	<b>\$ 4,463,993</b>

**Land Management Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental - PERS relief	\$ -	\$ 77,131	\$ 77,131	\$ 70,018
Charges for services:				
Land sales and leases	1,145,000	1,503,646	358,646	1,416,727
Management fees	10,000	29,525	19,525	8,725
User fees	6,000	5,948	(52)	6,685
Investment income	2,000	3,885	1,885	2,144
Interest on land sales	57,000	71,879	14,879	68,304
Other	2,000	2,440	440	900
<b>Total Revenues</b>	<b>1,222,000</b>	<b>1,694,454</b>	<b>472,454</b>	<b>1,573,503</b>
<b>Expenditures</b>				
Public services:				
Community development administration	271,276	211,234	60,042	216,039
Land management and development	985,133	814,256	170,877	836,336
<b>Total Expenditures</b>	<b>1,256,409</b>	<b>1,025,490</b>	<b>230,919</b>	<b>1,052,375</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(34,409)</b>	<b>668,964</b>	<b>703,373</b>	<b>521,128</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	100,000	-	(100,000)	-
Transfers out	(200,000)	(200,000)	-	(1,012,500)
<b>Net Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>(200,000)</b>	<b>(100,000)</b>	<b>(1,012,500)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (134,409)</b>	<b>468,964</b>	<b>\$ 603,373</b>	<b>(491,372)</b>
<b>Fund Balance, beginning</b>		<b>3,695,165</b>		<b>4,186,537</b>
<b>Fund Balance, ending</b>		<b>\$ 4,164,129</b>		<b>\$ 3,695,165</b>

Exhibit I-49
**Property Tax Special Revenue Fund  
Comparative Balance Sheet**

June 30,	2022	2021
<b>Assets</b>		
Cash and investments	\$ 112,686	\$ 21,050
Property taxes receivable	74,833	77,704
<b>Total Assets</b>	<b>\$ 187,519</b>	<b>\$ 98,754</b>
<b>Liabilities</b>		
Accounts payable	\$ 112,686	\$ 21,050
Deferred inflow of resources-delinquent property taxes	74,833	77,704
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 187,519</b>	<b>\$ 98,754</b>

Exhibit I-50

**Property Tax Special Revenue Fund**  
**Comparative Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**

<i>Years Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Property Taxes	\$ 74,832	\$ 77,704
<b>Expenditures</b>		
Public services	74,832	77,704
<b>Net Change in Fund Balance</b>	-	-
<b>Fund Balance, beginning</b>	-	-
<b>Fund Balance, ending</b>	\$ -	\$ -



# DEBT SERVICE FUNDS



**School Buildings Debt Service Fund  
Comparative Balance Sheet**

June 30,	2022	2021
<b>Assets</b>		
Cash and investments	\$ 21,741,217	\$ 11,717,938
Restricted cash - debt retirement	1	3,271,352
<b>Total Assets</b>	<b>\$ 21,741,218</b>	<b>\$ 14,989,290</b>
<b>Fund Balance</b>		
Restricted- debt service	\$ 1	\$ 3,271,352
Assigned - debt service	21,741,217	11,717,938
<b>Total Fund Balance</b>	<b>\$ 21,741,218</b>	<b>\$ 14,989,290</b>

Exhibit J-2

**School Buildings Debt Service Fund  
Comparative Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Investment income	\$ 29,349	\$ 28,683
<b>Expenditures - debt service:</b>		
Redemption of principal	16,635,000	14,655,000
Interest	7,491,621	8,208,408
<b>Total Expenditures</b>	24,126,621	22,863,408
<b>Deficiency of Revenues Over Expenditures</b>	(24,097,272)	(22,834,725)
<b>Other Financing Sources</b>		
Transfers in	30,849,200	34,163,972
<b>Net Change in Fund Balance</b>	6,751,928	11,329,247
<b>Fund Balance, beginning</b>	14,989,290	3,660,043
<b>Fund Balance, ending</b>	\$ 21,741,218	\$ 14,989,290

**Fronteras School Debt Service Fund  
Comparative Balance Sheet**

June 30,	2022	2021
<b>Assets</b>		
Lease Receivable	\$ 173,942	\$ -
Lease receivable, noncurrent	5,956,509	9,439,751
<b>Total Assets</b>	<b>6,130,451</b>	<b>9,439,751</b>
<b>Deferred Inflows of Resources</b>		
Lease receivable not yet due	\$ 6,035,785	\$ 9,439,751
<b>Fund Balance</b>	<b>-</b>	<b>-</b>
Assigned - debt service	94,666	-
<b>Total Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 6,130,451</b>	<b>\$ -</b>

Exhibit J-4

**Fronteras School Debt Service Fund  
Comparative Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Lease payment	\$ 487,966	\$ 393,300
<b>Expenditures - debt service:</b>		
Redemption of principal	167,750	161,787
Interest	225,550	231,513
<b>Total Expenditures</b>	393,300	393,300
<b>Excess of Revenues Over Expenditures</b>	94,666	-
<b>Net Change in Fund Balance</b>	94,666	-
<b>Fund Balance, beginning</b>	-	-
<b>Fund Balance, ending</b>	\$ 94,666	-

**Nonmajor Debt Service Funds  
Combining Balance Sheet**

<i>June 30, 2022</i>	Public Safety Building 51	Public Safety Building 62	Public Safety Building 73	Parks and Recreation	Animal Control	Transportation System	Totals
<b>Assets</b>							
Cash and investments	\$ -	\$ 4,082,846	\$ 222,945	\$ 853,290	\$ -	\$ 843,617	6,002,698
Restricted cash and investments - debt retirement	764,923	500,410	567,465	-	546,449	-	2,379,247
<b>Total Assets</b>	\$ 764,923	\$ 4,583,256	\$ 790,410	\$ 853,290	\$ 546,449	\$ 843,617	8,381,945
<b>Liabilities</b>							
Due to General Fund	\$ 5,485	\$ -	\$ -	\$ -	\$ 1,818	\$ -	7,303
<b>Fund Balances</b>							
Restricted - debt service	759,438	500,410	567,465	-	544,631	-	2,371,944
Assigned - debt service	-	4,082,846	222,945	853,290	-	843,617	6,002,698
<b>Total Fund Balances</b>	759,438	4,583,256	790,410	853,290	544,631	843,617	8,374,642
<b>Total Liabilities and Fund Balances</b>	\$ 764,923	\$ 4,583,256	\$ 790,410	\$ 853,290	\$ 546,449	\$ 843,617	8,381,945

**Nonmajor Debt Service Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances**

<i>Year Ended June 30, 2022</i>	Fireweed Building	Public Safety Building 51	Public Safety Building 62	Public Safety Building 73	Parks and Recreation	Animal Control	Transportation System	Totals
<b>Revenues</b>								
Investment income	\$ -	\$ 771	\$ 8,927	\$ 1,128	\$ 1,661	\$ 532	\$ 1,627	\$ 14,646
<b>Expenditures - debt service:</b>								
Redemption of principal	-	560,000	305,000	350,000	810,000	495,000	1,355,000	3,875,000
Interest	-	200,150	192,250	214,500	911,500	50,750	891,859	2,461,009
<b>Total Expenditures</b>	-	760,150	497,250	564,500	1,721,500	545,750	2,246,859	6,336,009
<b>Deficiency of Revenues Over Expenditures</b>	-	(759,379)	(488,323)	(563,372)	(1,719,839)	(545,218)	(2,245,232)	(6,321,363)
<b>Other Financing Sources (Uses)</b>								
Transfers in	50	540,150	70,781	401,479	1,721,500	490,909	2,258,687	5,483,556
Transfers out	(7,368)	-	-	-	-	-	-	(7,368)
<b>Net Other Financing Sources (Uses)</b>	(7,318)	540,150	70,781	401,479	1,721,500	490,909	2,258,687	5,476,188
<b>Net Change in Fund Balances</b>	(7,318)	(219,229)	(417,542)	(161,893)	1,661	(54,309)	13,455	(845,175)
<b>Fund Balances, beginning</b>	7,318	978,667	5,000,798	952,303	851,629	598,940	830,162	9,219,817
<b>Fund Balances, ending</b>	\$ -	\$ 759,438	\$ 4,583,256	\$ 790,410	\$ 853,290	\$ 544,631	\$ 843,617	\$ 8,374,642

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**CAPITAL PROJECT  
FUNDS**



**School Projects Capital Project Fund  
Comparative Balance Sheet**

<i>June 30,</i>	2022	2021
<b>Assets</b>		
Cash and investments	\$ -	\$ 34,216,733
Prepaid items	2,205	2,205
Due from State	14,734,987	-
<b>Total Assets</b>	<b>\$ 14,737,192</b>	<b>\$ 34,218,938</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Due to General Fund	\$ 3,385,024	\$ -
Accounts, contracts and retentions payable	2,628,002	-
Deposits	5,447	5,447
<b>Total Liabilities</b>	<b>6,018,473</b>	<b>5,447</b>
<b>Fund Balance</b>		
Nonspendable - prepaid items	2,205	2,205
Assigned - capital projects	8,716,514	34,211,286
<b>Total Fund Balance</b>	<b>8,718,719</b>	<b>34,213,491</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,737,192</b>	<b>\$ 34,218,938</b>

Exhibit K-2

**School Projects Capital Project Fund  
Comparative Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Intergovernmental	\$ 14,733,635	\$ (4,167)
Investment income	229	2,183
<b>Total Revenues</b>	14,733,864	(1,984)
<b>Expenditures</b>		
Capital outlay	36,934,785	1,126
<b>Total Expenditures</b>	36,934,785	1,126
<b>Deficiency of Revenues Over Expenditures</b>	(22,200,921)	(3,110)
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	28,115,967
Transfers out	(3,293,851)	(13,080,056)
<b>Net Other Financing Sources (Uses)</b>	(3,293,851)	15,035,911
<b>Special item - Contribution from component unit</b>	-	6,000,000
<b>Net Change in Fund Balance</b>	(25,494,772)	21,032,801
<b>Fund Balance, beginning</b>	34,213,491	13,180,690
<b>Fund Balance, ending</b>	\$ 8,718,719	\$ 34,213,491

**Road Service Area Repairs Capital Project Fund  
Comparative Balance Sheet**

<i>June 30,</i>	2022	2021
<b>Assets</b>		
Cash and investments	\$ 24,568,073	\$ 22,509,281
Intergovernmental	21,527	233,655
<b>Total Assets</b>	<b>\$ 24,589,600</b>	<b>\$ 22,742,936</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts, contracts and retentions payable	\$ 1,143,864	\$ 2,035,877
<b>Fund Balance</b>		
Assigned - capital projects	23,445,736	20,707,059
<b>Total Fund Balance</b>	<b>23,445,736</b>	<b>20,707,059</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 24,589,600</b>	<b>\$ 22,742,936</b>

Exhibit K-4

**Road Service Area Repairs Capital Project Fund  
Comparative Statement of Revenues, Expenditures, and  
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2022	2021
<b>Revenues</b>		
Intergovernmental	\$ 230,974	\$ 434,463
<b>Expenditures</b>		
Public services	9,907,619	7,791,130
Capital outlay	516,135	527,666
<b>Total Expenditures</b>	10,423,754	8,318,796
<b>Deficiency of Revenues Over Expenditures</b>	(10,192,780)	(7,884,333)
<b>Other Financing Sources (Uses)</b>		
Transfers in	13,056,775	11,095,192
Transfers out	(125,318)	(236,389)
<b>Net Other Financing Sources (Uses)</b>	12,931,457	10,858,803
<b>Net Change in Fund Balance</b>	2,738,677	2,974,470
<b>Fund Balance, beginning</b>	20,707,059	1,732,589
<b>Fund Balance, ending</b>	\$ 23,445,736	\$ 20,707,059



**Nonmajor Capital Project Funds  
Combining Balance Sheet**

June 30, 2022	Fire Protection	Sewage Facility	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Pass Through Grants	Miscellaneous	Infrastructure	Totals
<b>Assets</b>										
Cash and investments	\$ 12,926,582	\$ 956,720	\$ 2,223,478	\$ 8,500,176	\$ 2,590,748	\$ 2,677,438	\$ 341,059	\$ 7,919,712	\$ 575,839	\$ 38,711,752
Receivables:										
Intergovernmental	-	243,708	70,337	772,273	417,889	-	165,894	67,090	16,461	1,753,652
Prepaid items	-	-	-	3,245	-	-	-	-	-	3,245
<b>Total Assets</b>	<b>\$ 12,926,582</b>	<b>\$ 1,200,428</b>	<b>\$ 2,293,815</b>	<b>\$ 9,275,694</b>	<b>\$ 3,008,637</b>	<b>\$ 2,677,438</b>	<b>\$ 506,953</b>	<b>\$ 7,986,802</b>	<b>\$ 592,300</b>	<b>\$ 40,468,649</b>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities</b>										
Accounts, contracts and retentions payable	\$ 1,646,231	\$ -	\$ 183,785	\$ 490,271	\$ 7,045	\$ 46,260	\$ -	\$ 162,272	\$ 5,920	\$ 2,541,784
Deposits	29	-	-	-	-	-	-	-	6,000	6,029
Unearned revenue	19,685	-	2,667,052	-	-	6,970	-	64,184	391,095	3,148,986
<b>Total Liabilities</b>	<b>1,665,945</b>	<b>-</b>	<b>2,850,837</b>	<b>490,271</b>	<b>7,045</b>	<b>53,230</b>	<b>-</b>	<b>226,456</b>	<b>403,015</b>	<b>5,696,799</b>
<b>Fund Balances</b>										
Nonspendable - prepaid items	-	-	-	3,245	-	-	-	-	-	3,245
Assigned - capital projects	11,260,637	1,200,428	-	8,782,178	3,001,592	2,624,208	506,953	7,760,346	189,285	35,325,627
Unassigned (deficit)	-	-	(557,022)	-	-	-	-	-	-	(557,022)
<b>Total Fund Balances (Deficit)</b>	<b>11,260,637</b>	<b>1,200,428</b>	<b>(557,022)</b>	<b>8,785,423</b>	<b>3,001,592</b>	<b>2,624,208</b>	<b>506,953</b>	<b>7,760,346</b>	<b>189,285</b>	<b>34,771,850</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,926,582</b>	<b>\$ 1,200,428</b>	<b>\$ 2,293,815</b>	<b>\$ 9,275,694</b>	<b>\$ 3,008,637</b>	<b>\$ 2,677,438</b>	<b>\$ 506,953</b>	<b>\$ 7,986,802</b>	<b>\$ 592,300</b>	<b>\$ 40,468,649</b>

**Nonmajor Capital Project Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances (Deficit)**

<i>Year Ended June 30, 2022</i>	Fire Protection	Sewage Facility	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Pass Through Grants	Miscellaneous	Infrastructure	Totals
<b>Revenues</b>										
Intergovernmental	\$ 27,268	\$ -	\$ (669,450)	\$ 842,761	\$ 487,889	\$ 3,750	\$ 1,170,723	\$ 815,546	\$ (689,757)	\$ 1,988,730
Investment income	1	-	-	441	-	118	-	-	-	560
Other	-	-	-	-	102,506	13,133	-	17,382	35,952	168,973
<b>Total Revenues</b>	<b>27,269</b>	<b>-</b>	<b>(669,450)</b>	<b>843,202</b>	<b>590,395</b>	<b>17,001</b>	<b>1,170,723</b>	<b>832,928</b>	<b>(653,805)</b>	<b>2,158,263</b>
<b>Expenditures</b>										
General government	-	-	-	-	134,397	-	-	1,214,172	-	1,348,569
Emergency services	658,821	-	4,784,034	-	-	-	-	348,589	-	5,791,444
Public services	-	27,645	-	260,139	89,304	213,536	951,700	1,495,098	(567,760)	2,469,662
Capital outlay	5,846,739	205,420	207,436	1,055,832	2,196,180	835,846	-	355,846	-	10,703,299
<b>Total Expenditures</b>	<b>6,505,560</b>	<b>233,065</b>	<b>4,991,470</b>	<b>1,315,971</b>	<b>2,419,881</b>	<b>1,049,382</b>	<b>951,700</b>	<b>3,413,705</b>	<b>(567,760)</b>	<b>20,312,974</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,478,291)</b>	<b>(233,065)</b>	<b>(5,660,920)</b>	<b>(472,769)</b>	<b>(1,829,486)</b>	<b>(1,032,381)</b>	<b>219,023</b>	<b>(2,580,777)</b>	<b>(86,045)</b>	<b>(18,154,711)</b>
<b>Other Financing Sources (Uses)</b>										
Loan issued	-	183,709	-	-	-	-	-	-	-	183,709
Transfers in	7,589,151	-	4,709,042	8,533,600	160,000	970,680	150,000	2,808,820	200,000	25,121,293
Transfers out	(1,817,251)	-	(219,495)	(183,573)	(71,743)	(15,939)	(20,732)	(1,000,005)	-	(3,328,738)
<b>Net Other Financing Sources (Uses)</b>	<b>5,771,900</b>	<b>183,709</b>	<b>4,489,547</b>	<b>8,350,027</b>	<b>88,257</b>	<b>954,741</b>	<b>129,268</b>	<b>1,808,815</b>	<b>200,000</b>	<b>21,976,264</b>
<b>Net Change in Fund Balances</b>	<b>(706,391)</b>	<b>(49,356)</b>	<b>(1,171,373)</b>	<b>7,877,258</b>	<b>(1,741,229)</b>	<b>(77,640)</b>	<b>348,291</b>	<b>(771,962)</b>	<b>113,955</b>	<b>3,821,553</b>
<b>Fund Balances, beginning</b>	<b>11,967,028</b>	<b>1,249,784</b>	<b>614,351</b>	<b>908,165</b>	<b>4,742,821</b>	<b>2,701,848</b>	<b>158,662</b>	<b>8,532,308</b>	<b>75,330</b>	<b>30,950,297</b>
<b>Fund Balances (Deficit), ending</b>	<b>\$ 11,260,637</b>	<b>\$ 1,200,428</b>	<b>\$ (557,022)</b>	<b>\$ 8,785,423</b>	<b>\$ 3,001,592</b>	<b>\$ 2,624,208</b>	<b>\$ 506,953</b>	<b>\$ 7,760,346</b>	<b>\$ 189,285</b>	<b>\$ 34,771,850</b>

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# ENTERPRISE FUNDS



**Solid Waste Enterprise Fund**  
**Comparative Statement of Net Position**

June 30,	2022	2021
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 15,265,695	\$ 12,487,837
Receivables:		
Accounts	1,301,406	770,055
Allowance for doubtful accounts	(349)	(8,620)
Intergovernmental	734,317	100,220
<b>Total Current Assets</b>	<b>17,301,069</b>	<b>13,349,492</b>
<b>Noncurrent Assets</b>		
Restricted cash and investments - landfill closure	2,671,897	2,666,697
Net other postemployment benefits asset	1,266,503	231,497
Capital Assets:		
Buildings	8,129,593	8,129,593
Improvements other than buildings	1,941,119	1,941,119
Equipment	3,696,175	3,696,175
Landfill cells	14,552,714	13,828,673
Construction in progress	3,847,865	3,816,283
Total capital assets	32,167,466	31,411,843
Accumulated depreciation and amortization	(14,619,342)	(13,990,412)
Net capital assets	17,548,124	17,421,431
<b>Total Noncurrent Assets</b>	<b>21,486,524</b>	<b>20,319,625</b>
<b>Total Assets</b>	<b>38,787,593</b>	<b>33,669,117</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	269,974	250,812
Related to other postemployment benefits	42,899	161,084
<b>Total Deferred Outflows of Resources</b>	<b>312,873</b>	<b>411,896</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 39,100,466</b>	<b>\$ 34,081,013</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 400,548	\$ 481,721
Accrued leave	134,828	144,079
Accrued interest payable	15,397	16,178
Current portion of loans payable	342,348	337,287
<b>Total Current Liabilities</b>	<b>893,121</b>	<b>979,265</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	1,741,128	1,960,681
Net other postemployment benefits liability	-	5,679
Loans payable	10,599,243	10,216,441
Landfill closure costs payable	6,163,439	5,603,336
<b>Total Noncurrent Liabilities</b>	<b>18,503,810</b>	<b>17,786,137</b>
<b>Total Liabilities</b>	<b>19,396,931</b>	<b>18,765,402</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	694,323	-
Related to other postemployment benefits	682,953	188,813
<b>Total Deferred Inflows of Resources</b>	<b>1,377,276</b>	<b>188,813</b>
<b>Net Position</b>		
Net investment in capital assets	6,606,533	6,867,703
Unrestricted	11,719,726	8,259,095
<b>Total Net Position</b>	<b>18,326,259</b>	<b>15,126,798</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 39,100,466</b>	<b>\$ 34,081,013</b>

Exhibit L-2

**Solid Waste Enterprise Fund  
Comparative Statement of Revenues, Expenses, and  
Changes in Net Position**

<i>Years Ended June 30,</i>	2022	2021
<b>Operating Revenues</b>		
Charges for services	\$ 11,662,436	\$ 10,788,985
<b>Operating Expenses</b>		
Public service:		
Landfill operations	3,523,458	3,261,312
Adjustment for landfill closure liability	560,103	(1,104,152)
Transfer sites	3,586,114	2,997,827
Depreciation and amortization	628,930	570,612
Allocated administrative and billing expenses	73,166	67,027
<b>Total Operating Expenses</b>	8,371,771	5,792,626
<b>Operating Income</b>	3,290,665	4,996,359
<b>Nonoperating Revenues (Expenses)</b>		
Intergovernmental - PERS relief	(52,269)	70,809
Interest expense	(69,069)	(72,853)
Investment income	28,434	14,645
Gain (loss) on disposal of capital assets	1,700	(29,083)
<b>Net Nonoperating (Revenues) Expenses</b>	(91,204)	(16,482)
<b>Change in Net Position</b>	3,199,461	4,979,877
<b>Net Position, beginning</b>	15,126,798	10,146,921
<b>Net Position, ending</b>	\$ 18,326,259	\$ 15,126,798

**Solid Waste Enterprise Fund**  
**Comparative Statement of Cash Flows**

Years Ended June 30,	2022	2021
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 10,488,716	\$ 11,047,600
Payments to suppliers	(4,183,140)	(3,773,489)
Payments to employees	(2,938,651)	(2,803,071)
Payments for interfund services used	(73,166)	(67,027)
<b>Net cash flows from operating activities</b>	<b>3,293,759</b>	<b>4,404,013</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Purchases of property, plant and equipment	(858,848)	(2,899,229)
Sale of capital assets	1,700	10,100
Loans proceeds received	725,150	100,220
Principal and interest paid on loans	(407,137)	(324,773)
<b>Net cash flows for capital and related financing activities</b>	<b>(539,135)</b>	<b>(3,113,682)</b>
<b>Cash Flows from Investing Activities - investment income</b>	<b>28,434</b>	<b>14,645</b>
<b>Net Increase in Cash and Investments</b>	<b>2,783,058</b>	<b>1,304,976</b>
<b>Cash and Investments, beginning</b>	<b>15,154,534</b>	<b>13,849,558</b>
<b>Cash and Investments, ending</b>	<b>\$ 17,937,592</b>	<b>\$ 15,154,534</b>
<b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities</b>		
Operating income	\$ 3,290,665	\$ 4,996,359
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation and amortization	628,930	570,612
Noncash expense - PERS relief	(52,269)	70,809
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	(1,173,719)	258,615
Net other postemployment benefits asset	(1,035,006)	(218,921)
Deferred outflows of resources related to pension	(19,162)	(52,348)
Deferred outflows of resources related to other postemployment benefits	118,185	(23,171)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable, operations	22,052	(418,729)
Accrued leave	(9,251)	4,095
Net pension liability	(219,553)	233,887
Net other postemployment benefits liability	(5,679)	(4,675)
Landfill closure costs payable	560,103	(1,104,152)
Deferred inflows of resources related to pension	694,323	(51,116)
Deferred inflows of resources related to other postemployment benefits	494,140	142,748
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 3,293,759</b>	<b>\$ 4,404,013</b>
<b>Noncash Capital and Related Financing Activities -</b>		
Purchases of property, plant and equipment on account	\$ -	\$ 200,171

Exhibit L-4

Port Enterprise Fund  
Comparative Statement of Net Position

June 30,	2022	2021
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Accounts receivable	\$ -	\$ 15,588
<b>Noncurrent Assets</b>		
Net other postemployment benefits asset	79,580	14,399
Capital Assets:		
Buildings	7,948,617	7,948,617
Equipment	64,024	64,024
Infrastructure	33,321,302	33,321,302
Construction in progress	2,450	-
Total capital assets	41,336,393	41,333,943
Accumulated depreciation and amortization	(15,786,657)	(14,672,264)
Net capital assets	25,549,736	26,661,679
<b>Total Noncurrent Assets</b>	<b>25,629,316</b>	<b>26,676,078</b>
<b>Total Assets</b>	<b>25,629,316</b>	<b>26,691,666</b>
<b>Deferred Outflows of Resources</b>		
Unamortized deferred loss on bonds	54,734	87,574
Related to pensions	16,964	82,510
Related to other postemployment benefits	2,696	10,019
<b>Total Deferred Outflows of Resources</b>	<b>74,394</b>	<b>180,103</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 25,703,710</b>	<b>\$ 26,871,769</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 27,465	\$ 42,450
Accrued leave	9,581	15,249
Accrued interest payable	22,000	29,233
Current portion of general obligation bonds	645,000	620,000
<b>Total Current Liabilities</b>	<b>704,046</b>	<b>706,932</b>
<b>Noncurrent Liabilities</b>		
General obligation bonds, net of premium	772,728	1,476,364
Interfund loans payable	2,671,894	2,671,894
Net pension liability	109,403	404,626
Net other postemployment benefits liability	-	353
Advances from General Fund	5,920,070	5,777,684
<b>Total Noncurrent Liabilities</b>	<b>9,474,095</b>	<b>10,330,921</b>
<b>Total Liabilities</b>	<b>10,178,141</b>	<b>11,037,853</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	43,627	-
Related to other postemployment benefits	42,913	11,744
<b>Total Deferred Inflows of Resources</b>	<b>86,540</b>	<b>11,744</b>
<b>Net Position</b>		
Net Investment in capital assets	24,186,742	24,652,889
Unrestricted (deficit)	(8,747,713)	(8,830,717)
<b>Total Net Position</b>	<b>15,439,029</b>	<b>15,822,172</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 25,703,710</b>	<b>\$ 26,871,769</b>

**Port Enterprise Fund**  
**Comparative Statement of Revenues, Expenses, and**  
**Changes in Net Position**

<i>Years Ended June 30,</i>	2022	2021
<b>Operating Revenues</b>		
Charges for services	\$ 132,834	\$ 122,672
<b>Operating Expenses</b>		
Dock operations	341,936	561,110
Depreciation	1,114,393	1,116,049
<b>Total Operating Expenses</b>	1,456,329	1,677,159
<b>Operating Loss</b>	(1,323,495)	(1,554,487)
<b>Nonoperating Revenues (Expenses)</b>		
Intergovernmental - State sources:		
PERS relief	(6,869)	100
Senate bills	6,892	7,105
Interest expense	(54,671)	(75,012)
Gain on settlement from lease credits	-	1,307,105
<b>Net Nonoperating Revenues (Expenses)</b>	(54,648)	1,239,298
Loss Before Transfers	(1,378,143)	(315,189)
Transfers in	995,000	2,776,620
<b>Change in Net Position</b>	(383,143)	2,461,431
<b>Net Position, beginning</b>	15,822,172	13,360,741
<b>Net Position, ending</b>	\$ 15,439,029	\$ 15,822,172

Exhibit L-6

**Port Enterprise Fund  
Comparative Statement of Cash Flows**

Years Ended June 30,	2022	2021
<b>Cash Flows for Operating Activities</b>		
Receipts from customers	\$ 155,314	\$ 114,189
Payments to suppliers	(356,921)	(408,345)
Payments to employees	(225,629)	(143,913)
<b>Net cash flows for operating activities</b>	<b>(427,236)</b>	<b>(438,069)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Increase (decrease) in advance from General Fund	142,386	(1,626,188)
Transfers in	995,000	2,776,620
<b>Net cash flows from noncapital financing activities</b>	<b>1,137,386</b>	<b>1,150,432</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Principal and interest paid on bonds	(707,700)	(712,363)
Additions to property, plant, and equipment	(2,450)	-
<b>Net cash flows for capital and related financing activities</b>	<b>(710,150)</b>	<b>(712,363)</b>
<b>Net Increase in Cash and Investments</b>	<b>-</b>	<b>-</b>
<b>Cash and Investments, beginning</b>	<b>-</b>	<b>-</b>
<b>Cash and Investments, ending</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of Operating Loss to Net Cash Flows for Operating Activities</b>		
Operating loss	\$ (1,323,495)	\$ (1,554,487)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	1,114,393	1,116,049
Nonoperating revenues	6,892	7,105
Noncash expense - PERS relief	(6,869)	100
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	15,588	(15,588)
Net other postemployment benefits asset	(65,181)	(13,618)
Deferred outflows of resources related to pension	65,546	(3,256)
Deferred outflows of resources related to other postemployment benefits	7,323	387
Increase (decrease) in liabilities and deferred inflows of resources:		
Net pension liability	(295,223)	14,547
Net other postemployment benefits liability	(353)	(7,973)
Accounts payable	(14,985)	14,451
Accrued leave	(5,668)	6,823
Deferred inflows of resources related to pension	43,627	(8,307)
Deferred inflows of resources related to other postemployment benefits	31,169	5,698
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (427,236)</b>	<b>\$ (438,069)</b>

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**INTERNAL SERVICE FUNDS**



**Internal Service Funds**  
**Combining Statement of Net Position**

<i>June 30, 2022</i>	Revolving Loan	Self- Insurance	Totals
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 1,493,533	\$ 30,876,158	\$ 32,369,691
Receivables-			
Interfund loans receivable	58,382	-	58,382
Deposits with others	-	19,066	19,066
<b>Total Current Assets</b>	1,551,915	30,895,224	32,447,139
<b>Interfund Loans Receivable, long-term</b>	1,080,929	-	1,080,929
<b>Total Assets</b>	\$ 2,632,844	\$ 30,895,224	\$ 33,528,068
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Due to General Fund	\$ 125,051	\$ -	\$ 125,051
Current portion of loans payable	20,982	-	20,982
Insurance claims incurred but not reported and claims payable	-	2,913,058	2,913,058
<b>Total Current Liabilities</b>	146,033	2,913,058	3,059,091
<b>Noncurrent Liabilities - loans payable</b>	133,298	-	133,298
<b>Total Liabilities</b>	279,331	2,913,058	3,192,389
<b>Net Position</b>			
Unrestricted	2,353,513	27,982,166	30,335,679
<b>Total Liabilities and Net Position</b>	\$ 2,632,844	\$ 30,895,224	\$ 33,528,068

Exhibit M-2

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**

<i>Year Ended June 30, 2022</i>	Revolving Loan	Self- Insurance	Totals
<b>Operating Revenues</b>			
Intragovernmental	\$ -	\$ 10,805,633	\$ 10,805,633
Interest on loans	1,633	-	1,633
Employee contributions	-	3,445,176	3,445,176
<b>Total Operating Revenues</b>	1,633	14,250,809	14,252,442
<b>Operating Expenses</b>			
Claims	-	13,863,167	13,863,167
Administrative fees	-	2,005,093	2,005,093
Premium	-	242,582	242,582
<b>Total Operating Expenses</b>	-	16,110,842	16,110,842
<b>Operating Income (Loss)</b>	1,633	(1,860,033)	(1,858,400)
<b>Nonoperating Revenue - investment income</b>	-	37,229	37,229
<b>Income (Loss) Before Transfers</b>	1,633	(1,822,804)	(1,821,171)
Transfers in	1,100,000	-	1,100,000
Transfers out	(1,228)	-	(1,228)
<b>Change in Net Position</b>	1,100,405	(1,822,804)	(722,399)
<b>Net Position, beginning</b>	1,253,108	29,804,970	31,058,078
<b>Net Position, ending</b>	\$ 2,353,513	\$ 27,982,166	\$ 30,335,679

**Internal Service Funds**  
**Combining Statement of Cash Flows**

Year Ended June 30, 2022	Revolving Loan	Self- Insurance	Totals
<b>Cash Flows for Operating Activities</b>			
Principal payments received on loans	\$ 58,072	\$ -	\$ 58,072
Interest payments received on loans	1,633	-	1,633
Issuance of new loans	(531,431)	-	(531,431)
Principal payments on loans payable	(20,672)	-	(20,672)
Internal activity - payments from other funds	-	10,805,633	10,805,633
Receipts from employees and other	-	3,445,176	3,445,176
Payments for claims and services	-	(15,168,003)	(15,168,003)
<b>Net cash flows for operating activities</b>	<b>(492,398)</b>	<b>(917,194)</b>	<b>(1,409,592)</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Decrease in due to General Fund	(37,400)	-	(37,400)
Transfers in	1,100,000	-	1,100,000
Transfers out	(1,228)	-	(1,228)
<b>Net cash flows from noncapital financing activities</b>	<b>1,061,372</b>	<b>-</b>	<b>1,061,372</b>
<b>Cash Flows from Investing Activities</b>			
Investment income	-	37,229	37,229
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>568,974</b>	<b>(879,965)</b>	<b>(310,991)</b>
<b>Cash and Investments, beginning</b>	<b>924,559</b>	<b>31,756,123</b>	<b>32,680,682</b>
<b>Cash and Investments, ending</b>	<b>\$ 1,493,533</b>	<b>\$ 30,876,158</b>	<b>\$ 32,369,691</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows for Operating Activities</b>			
Operating income (loss)	\$ 1,633	\$ (1,860,033)	\$ (1,858,400)
Adjustments to reconcile operating income (loss) to net cash flows for operating activities:			
Increase in assets - loans receivable	(473,359)	-	(473,359)
Increase (decrease) in liabilities:			
Loans payable	(20,672)	-	(20,672)
Insurance claims incurred but not reported	-	942,839	942,839
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (492,398)</b>	<b>\$ (917,194)</b>	<b>\$ (1,409,592)</b>

Exhibit M-4

**Revolving Loan Internal Service Funds  
Combining Statement of Net Position**

<i>June 30, 2022</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Local Improvement District Loans	Totals
<b>Assets</b>					
<b>Current Assets</b>					
Cash and investments	\$ -	\$ 11,480	\$ 524,079	\$ 957,974	\$ 1,493,533
Interfund loans receivable	42,670	-	15,712	-	58,382
<b>Total Current Assets</b>	42,670	11,480	539,791	957,974	1,551,915
<b>Interfund Loans Receivable, long-term</b>	467,331	489,000	82,167	42,431	1,080,929
<b>Total Assets</b>	\$ 510,001	\$ 500,480	\$ 621,958	\$ 1,000,405	\$ 2,632,844
<b>Liabilities and Net Position</b>					
<b>Liabilities</b>					
Current Liabilities:					
Due to General Fund	\$ 125,051	\$ -	\$ -	\$ -	\$ 125,051
Current portion of loans payable	5,270	-	15,712	-	20,982
<b>Total Current Liabilities</b>	130,321	-	15,712	-	146,033
<b>Noncurrent Liability - loans payable</b>	51,131	-	82,167	-	133,298
<b>Total Liabilities</b>	181,452	-	97,879	-	279,331
<b>Net Position</b>					
Unrestricted	328,549	500,480	524,079	1,000,405	2,353,513
<b>Total Liabilities and Net Position</b>	\$ 510,001	\$ 500,480	\$ 621,958	\$ 1,000,405	\$ 2,632,844

**Revolving Loan Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**

<i>Year Ended June 30, 2022</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Local Improvement District Loans	Totals
<b>Operating Revenues</b>					
Interest on loans	\$ 1,228	\$ -	\$ -	405	\$ 1,633
Transfers in	-	100,000	-	1,000,000	1,100,000
Transfers out	(1,228)	-	-	-	(1,228)
<b>Change in Net Position</b>	-	100,000	-	1,000,405	1,100,405
<b>Net Position, beginning</b>	328,549	400,480	524,079	-	1,253,108
<b>Net Position, ending</b>	\$ 328,549	\$ 500,480	\$ 524,079	\$ 1,000,405	\$ 2,353,513

Exhibit M-6

**Revolving Loan Internal Service Funds  
Combining Statement of Cash Flows**

<i>Year Ended June 30, 2022</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Local Improvement District Loans	Totals
<b>Cash Flows from (for) Operating Activities</b>					
Principal payments received on loans	\$ 42,592	\$ -	\$ 15,480	\$ -	\$ 58,072
Interest payments received on loans	1,228	-	-	405	1,633
Principal payments on loans payable	(5,192)	-	(15,480)	-	(20,672)
Issuance of new loans	-	(489,000)	-	(42,431)	(531,431)
<b>Net cash flows from (for) operating activities</b>	<b>38,628</b>	<b>(489,000)</b>	<b>-</b>	<b>(42,026)</b>	<b>(492,398)</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>					
Decrease in due to General Fund	(37,400)	-	-	-	(37,400)
Transfers in	-	100,000	-	1,000,000	1,100,000
Transfers out	(1,228)	-	-	-	(1,228)
<b>Net cash flows from (for) noncapital financing activities</b>	<b>(38,628)</b>	<b>100,000</b>	<b>-</b>	<b>1,000,000</b>	<b>1,061,372</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>-</b>	<b>(389,000)</b>	<b>-</b>	<b>957,974</b>	<b>568,974</b>
<b>Cash and Investments, beginning</b>	<b>-</b>	<b>400,480</b>	<b>524,079</b>	<b>-</b>	<b>924,559</b>
<b>Cash and Investments, ending</b>	<b>\$ -</b>	<b>\$ 11,480</b>	<b>\$ 524,079</b>	<b>\$ 957,974</b>	<b>\$ 1,493,533</b>
<b>Reconciliation of Operating Income to Net Cash Flows from (for) Operating Activities</b>					
Operating income	\$ 1,228	\$ -	\$ -	\$ 405	\$ 1,633
Adjustments to reconcile operating income to net cash flows from (for) operating activities:					
(Increase) decrease in loans receivable	42,592	(489,000)	15,480	(42,431)	(473,359)
Decrease in loans payable	(5,192)	-	(15,480)	-	(20,672)
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 38,628</b>	<b>\$ (489,000)</b>	<b>\$ -</b>	<b>\$ (42,026)</b>	<b>\$ (492,398)</b>

**Self-Insurance Internal Service Funds  
Combining Statement of Net Position**

<i>June 30, 2022</i>	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
<b>Assets</b>					
<b>Current Assets</b>					
Cash and investments	\$ 928,667	\$ 17,938,671	\$ 1,500,000	\$ 10,508,820	\$ 30,876,158
Deposits with others	-	-	-	19,066	19,066
<b>Total Current Assets</b>	<b>\$ 928,667</b>	<b>\$ 17,938,671</b>	<b>\$ 1,500,000</b>	<b>\$ 10,527,886</b>	<b>\$ 30,895,224</b>
<b>Liabilities and Net Position</b>					
<b>Current Liabilities</b>					
Insurance claims incurred but not reported and claims payable	\$ -	\$ 2,534,450	\$ -	\$ 378,608	\$ 2,913,058
<b>Net Position</b>					
Unrestricted	928,667	15,404,221	1,500,000	10,149,278	27,982,166
<b>Total Liabilities and Net Position</b>	<b>\$ 928,667</b>	<b>\$ 17,938,671</b>	<b>\$ 1,500,000</b>	<b>\$ 10,527,886</b>	<b>\$ 30,895,224</b>

Exhibit M-8

**Self-Insurance Internal Service Funds  
Combining Statement of Revenues, Expenses, and  
Changes in Net Position**

<i>Year Ended June 30, 2022</i>	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
<b>Operating Revenues</b>					
Intragovernmental	\$ 192,280	\$ 9,378,962	\$ -	\$ 1,234,391	\$ 10,805,633
Employee contributions	-	3,445,176	-	-	3,445,176
<b>Total Operating Revenues</b>	192,280	12,824,138	-	1,234,391	14,250,809
<b>Operating Expenses</b>					
Claims	35,687	13,331,731	-	495,749	13,863,167
Administrative fees	-	1,939,414	-	65,679	2,005,093
Premium	-	-	-	242,582	242,582
<b>Total Operating Expenses</b>	35,687	15,271,145	-	804,010	16,110,842
<b>Operating Income (Loss)</b>	156,593	(2,447,007)	-	430,381	(1,860,033)
<b>Nonoperating Revenues -</b>					
Investment income	-	37,229	-	-	37,229
<b>Change in Net Position</b>	156,593	(2,409,778)	-	430,381	(1,822,804)
<b>Net Position, beginning</b>	772,074	17,813,999	1,500,000	9,718,897	29,804,970
<b>Net Position, ending</b>	\$ 928,667	\$ 15,404,221	\$ 1,500,000	\$ 10,149,278	\$ 27,982,166

**Self-Insurance Internal Service Funds  
Combining Statement of Cash Flows**

<i>Year Ended June 30, 2022</i>	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
<b>Cash Flows from (for) Operating Activities</b>					
Internal activity - payments from other funds	\$ 192,280	\$ 9,378,962	\$ -	\$ 1,234,391	\$ 10,805,633
Receipts from employees and other	-	3,445,176	-	-	3,445,176
Payments for claims and services	(35,687)	(14,609,746)	-	(522,570)	(15,168,003)
<b>Net cash flows from (for) operating activities</b>	<b>156,593</b>	<b>(1,785,608)</b>	<b>-</b>	<b>711,821</b>	<b>(917,194)</b>
<b>Cash Flows from Investing Activities</b>					
Investment income	-	37,229	-	-	37,229
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>156,593</b>	<b>(1,748,379)</b>	<b>-</b>	<b>711,821</b>	<b>(879,965)</b>
<b>Cash and Investments, beginning</b>	<b>772,074</b>	<b>19,687,050</b>	<b>1,500,000</b>	<b>9,796,999</b>	<b>31,756,123</b>
<b>Cash and Investments, ending</b>	<b>\$ 928,667</b>	<b>\$ 17,938,671</b>	<b>\$ 1,500,000</b>	<b>\$ 10,508,820</b>	<b>\$ 30,876,158</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities</b>					
Operating income (loss)	\$ 156,593	\$ (2,447,007)	\$ -	\$ 430,381	\$ (1,860,033)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:					
Insurance claims incurred but not reported	-	661,399	-	281,440	942,839
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 156,593</b>	<b>\$ (1,785,608)</b>	<b>\$ -</b>	<b>\$ 711,821</b>	<b>\$ (917,194)</b>



**FEDERAL AND STATE  
EXPENDITURES**



**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Provided to Subrecipients	Total Federal Expenditures
<b>Department of Agriculture</b>					
Forest Service Schools and Roads Cluster - Schools and Roads - Grants to States	10.665		\$ 24,910	\$ -	\$ 24,910
Passed through State of Alaska,					
Department of Natural Resources:					
Cooperative Forestry Assistance - Spruce Beetle Mitigation	10.664	20-DG-11100106-811	182,000	-	35,590
Cooperative Forestry Assistance - FY21 Butte VFD	10.664	AK 16 CPG	4,971	-	4,971
Cooperative Forestry Assistance - FY21 Caswell Lakes VFD	10.664	AK 16 & 17 CPG	4,988	-	4,988
Cooperative Forestry Assistance - FY21 Sutton VFD	10.664	AK 17 CPG	3,224	-	3,224
Cooperative Forestry Assistance - FY21 Talkeetna VFD	10.664	AK 17 CPG	5,000	-	5,000
Cooperative Forestry Assistance - FY21 West Lakes VFD	10.664	AK 18 CPG	4,886	-	4,886
Cooperative Forestry Assistance - FY21 Willow VFD	10.664	AK 18 CPG	4,973	-	4,200
Total Assistance Listing 10.664				-	62,859
Total Department of Agriculture				-	87,769
<b>Department of Commerce</b>					
Passed through State of Alaska, Department of Fish and Game					
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program -					
Big Lake Area Fish Passage Improvements	11.438	AKSSF-52008	355,000	-	55,157
<b>Department of Homeland Security</b>					
Passed through State of Alaska Department of Military and Veteran Affairs:					
Disaster Grants - Public Assistance					
(Presidentially Declared Disasters):					
MSB Flood Event - 2012	97.036	DR-4094-AK	1,234,783	-	155,132
2018 Cook Inlet Earthquake	97.036	DR-4413-AK	24,329,937	-	11,890,827
COVID Response	97.036	DR-4533-AK	357,500	-	199,522
Total Assistance Listing 97.036				-	12,245,481
Homeland Security Grant Program - 2019	97.067	20SHSP-GY19	25,000	-	10,400
Homeland Security Grant Program - 2021	97.067	20SHSP-GY21	394,460	-	993
Total Assistance Listing 97.067				-	11,393
Hazard Mitigation Grant - Butte River Erosion Mitigation	97.039	4162.0004	2,526,075	-	1,073
Total Passed through State of Alaska Department of Military and Veteran Affairs				-	12,257,947

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

Exhibit N-1, continued

Schedule of Expenditures of Federal Awards, continued  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Provided to Subrecipients	Total Federal Expenditures
<b>Department of Homeland Security, continued</b>					
Passed through State of Alaska Department of Health and Social Services-					
Emergency Management Performance Grant (EMPG)	97.042	21EMPG-GY21	\$ 214,042	\$ -	\$ 172,801
COVID-19 Response and Recovery - Disaster Assistance Projects - Vaccines	97.088	C0621-580-A	97,627	-	97,627
Total Passed through State of Alaska Department of Health and Social Services				-	270,428
Passed through State of Alaska Department of Natural Resources-					
Fire Management Assistance Grant (FMAG) McKinley Fire Disaster 2019	97.046	5287FMAKP0000001	24,249	-	24,249
Total Department of Homeland Security				-	12,552,624
<b>Department of Health and Human Services</b>					
Passed through State of Alaska, Department of Health and Social Services-					
Public Health Emergency Preparedness (PHEP)	93.069	601-299-22002	40,000	-	10,762
<b>Department of Interior</b>					
Fish and Wildlife Management Assistance-					
Mat-Su Fish Passage 2025	15.608		429,076	-	152,150
Passed through State of Alaska Department of Fish and Game-					
Fish and Wildlife Cluster					
Wildlife Restoration and Basic Hunter Education	15.611	19-056	646,500	-	3,750
Passed through State of Alaska Department of Natural Resources-					
Historic Preservation Fund Grant-In-Aid - Old Willow Community Center Rehabilitation	15.904	HPF-CLG #20007	700,100	-	70,000
Total Department of the Interior				-	225,900

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

Exhibit N-1, continued

**Schedule of Expenditures of Federal Awards, continued**  
**Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Provided to Subrecipients	Total Federal Expenditures
<b>Department of Transportation</b>					
Public Transportation Innovation- Centralized Mobility Management Software Project	20.530		\$ 231,191	\$ -	\$ 57,895
Passed through State of Alaska Department of Transportation Highway Planning and Construction Cluster:					
Pre-MPO Planning	20.205	CF-HWY-00024	200,000	-	125,883
Construction - Arterial Related Planning Initiatives	20.205	CF-HWY-00024	840,000	-	32,344
Total Highway Planning and Construction Cluster				-	158,227
Total Department of Transportation				-	216,122
<b>Department of the Treasury</b>					
Passed through State of Alaska Department of Commerce, Community and Economic Development COVID-19 Coronavirus Relief Fund	21.019	20-CRF-127	38,032,472	-	153,200
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		21,039,307	-	2,568,425
Total Department of the Treasury				-	2,721,625
<b>Department of Institute of Museum and Library Services</b>					
Passed through State of Alaska Department of Education and Early Development:					
Grants to States / ARPA Easy Grants					
COVID-19 - Big Lake Public Library	45.310	EASY22-074	6,000	-	1,769
COVID-19 - Sutton Public Library	45.310	EASY22-095	5,396	-	2,919
COVID-19 - Talkeetna Public Library	45.310	EASY22-086	5,997	-	5,055
COVID-19 - Trapper Creek Public Library	45.310	EASY22-072	5,978	-	3,278
COVID-19 - Willow Public Library	45.310	EASY22-089	3,309	-	3,270
Total Assistance Listing 45.310				-	16,291
<b>Total Expenditures of Federal Awards</b>				\$ -	\$ 15,886,250

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

## 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal activity of Matanuska-Susitna Borough (the Borough) under programs of the federal governments for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

## 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

## 3. Indirect Cost Rate

The Borough has elected to not use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

## 4. Assistance Listing Number 97.036

The Borough reported the Disaster Grants – Public Assistance (Presidentially Declared Disasters) expenditures of \$12,245,481 on the Schedule for the year ended June 30, 2022, which had no prior year expenditures associated with the total.

**Schedule of State Financial Assistance  
Year Ended June 30, 2022**

State Grantor / Pass-Through Grantor Program Title	Award Number	Award Amount	Passed through to Subrecipients	State Expenditures
<b>Department of Commerce, Community and Economic Development</b>				
Marijuana Shared Revenue	FY 2022	\$ 45,200	\$ -	\$ 45,200
Road Bond Package State Match	13-DC-632	32,200,000	-	247,753
South Big Lake Road Realignment	13-RR-016	4,704,775	-	1,050
Michelle Dr and Gina Cir Reconstruction	14-DC-083	160,000	-	22,618
Port MacKenzie Cathodic Protection	14-DC-085	2,500,000	-	6,892
Rail Extension to Port MacKenzie	14-DC-086	25,000,000	-	(593,016)
River Management	14-DC-087	2,500,000	-	(105,330)
Joe Redington Jr / Sr High School Utilities Extension	15-DC-102	900,000	-	(1,352)
Rail Extension to Port MacKenzie	15-DC-104	13,000,000	-	8,589
Willow Library & Community Center Upgrade	21-RR-001	417,889	-	417,889
Pavement Rehab Through Mat-Su Population Corridor	22-DC-005	10,000,000	-	292,997
2024 Arctic Winter Games	22-DC-006	1,000,000	-	500,000
Total Department of Commerce, Community and Economic Development			-	843,290
<b>Department of Education and Early Development</b>				
Alaska Public Library Assistance FY22 Big Lake	PLA22BIG	7,000	-	7,000
Alaska Public Library Assistance FY22 Sutton	PLA22SUTTO	7,000	-	7,000
Alaska Public Library Assistance FY22 Talkeetna	PLA22TALKE	7,000	-	7,000
Alaska Public Library Assistance FY22 Trapper Creek	PLA22TRAPP	7,000	-	7,000
Alaska Public Library Assistance FY22 Willow	PLA22WILLO	7,000	-	7,000
* FY22 Debt Retirement Program	N/A	44,413,717	-	44,413,717
Total Department of Education and Early Development			-	44,448,717
<b>Department of Health and Social Services</b>				
Human Services Community Matching Grant FY22	605-231-22001	301,625	-	301,625
<b>Department of Military and Veterans Affairs</b>				
Passed through U.S. Department of Homeland Security Hazard Mitigation Grant Program				
Butte Matanuska River Erision Mitigation	4162.0004	611,929	-	358
* 2018 Cook Inlet Earthquake	DR-4413-AK	2,703,326	-	1,321,203
MSB Flood Event - Sept 2012	DR-4094-AK	411,594	-	51,711
Total Department of Military and Veterans Affairs			-	1,373,272
<b>Department of Natural Resources</b>				
2019 August Wildfire / McKinley Fire	AK-19-266	107,700	-	107,700
Monument Fire 2021	2021-IT-001	20,726	-	20,726
Total Department of Natural Resources			-	128,426
<b>Department of Transportation and Public Facilities</b>				
Felton Street Project	TORA 12/2/20	2,400,000	-	302,011
<b>Total State Financial Assistance</b>			\$ -	\$ 47,397,341

See accompanying notes to the Schedule of State Assistance

## 1. Major Program Notation

\* Denotes a major program.

## 2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Matanuska-Susitna Borough (the Borough) under programs of the State of Alaska for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

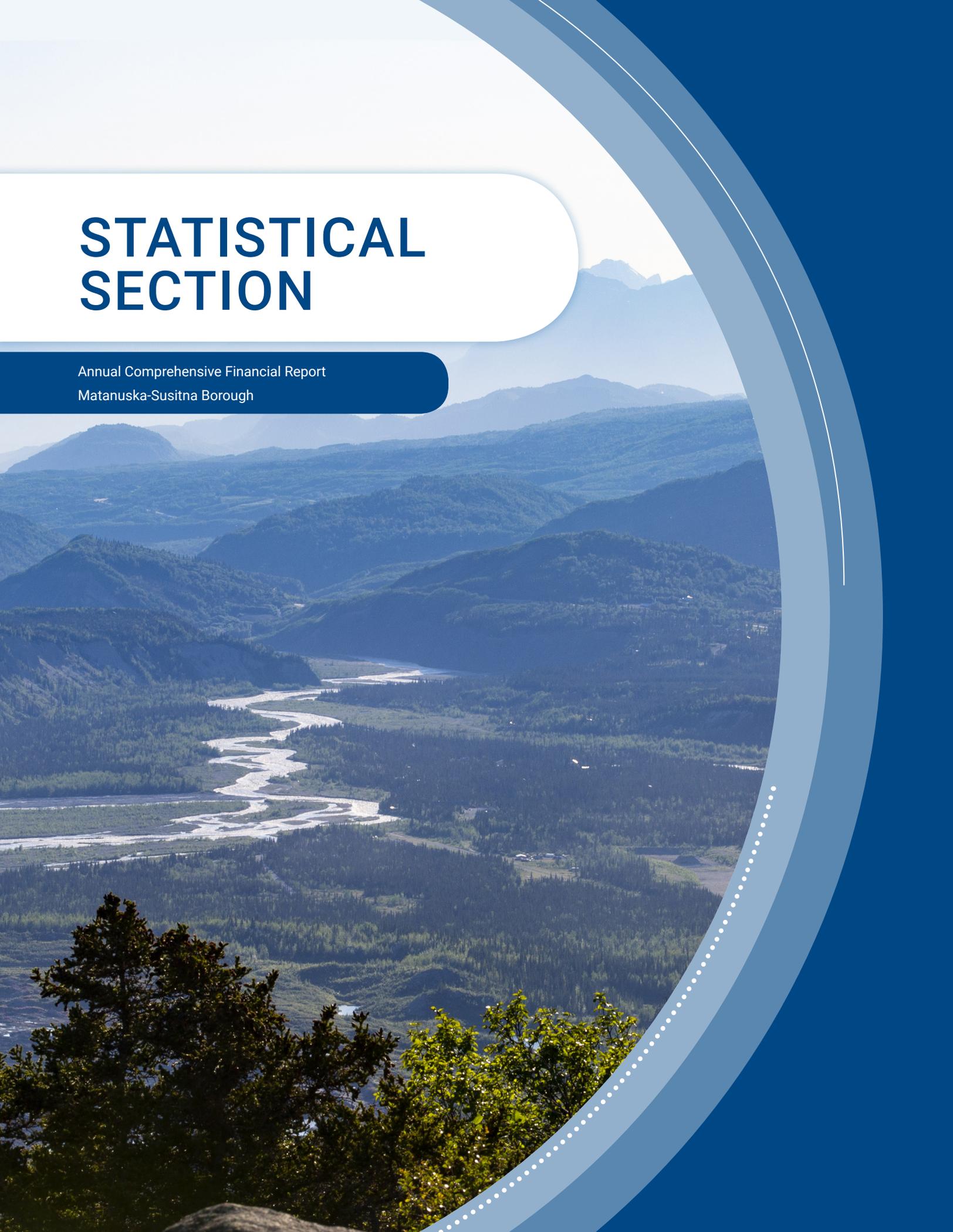
## 3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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# STATISTICAL SECTION

Annual Comprehensive Financial Report  
Matanuska-Susitna Borough



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## Matanuska-Susitna Borough

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 508,684,140	\$ 586,832,955	\$ 655,986,284	\$ 711,672,450	\$ 717,083,106	\$ 731,250,626	\$ 754,521,515	\$ 745,128,538	\$ 745,878,376	\$ 782,730,054
Restricted	1,084,439	1,848,836	6,927,928	5,088,112	65,030,516	3,954,648	4,053,732	890,629	2,841,498	-
Unrestricted (deficit)	<u>157,745,476</u>	<u>154,221,875</u>	<u>127,755,525</u>	<u>131,390,966</u>	<u>87,388,014</u>	<u>151,368,002</u>	<u>148,579,407</u>	<u>191,384,904</u>	<u>204,869,889</u>	<u>195,215,521</u>
<b>Total governmental activities net position</b>	<u>\$ 667,514,055</u>	<u>\$ 742,903,666</u>	<u>\$ 790,669,737</u>	<u>\$ 848,151,528</u>	<u>\$ 869,501,636</u>	<u>\$ 886,573,276</u>	<u>\$ 907,154,654</u>	<u>\$ 937,404,071</u>	<u>\$ 953,589,763</u>	<u>\$ 977,945,575</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 36,163,919	\$ 37,264,503	\$ 33,602,838	\$ 30,996,296	\$ 29,816,551	\$ 29,266,034	\$ 29,250,432	\$ 29,366,522	\$ 31,520,592	\$ 30,793,275
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>(3,378,407)</u>	<u>(7,339,896)</u>	<u>(10,177,832)</u>	<u>(10,767,386)</u>	<u>(10,093,032)</u>	<u>(7,422,995)</u>	<u>(6,597,966)</u>	<u>(5,858,860)</u>	<u>(571,622)</u>	<u>2,972,013</u>
<b>Total business-type activities net position</b>	<u>\$ 32,785,512</u>	<u>\$ 29,924,607</u>	<u>\$ 23,425,006</u>	<u>\$ 20,228,910</u>	<u>\$ 19,723,519</u>	<u>\$ 21,843,039</u>	<u>\$ 22,652,466</u>	<u>\$ 23,507,662</u>	<u>\$ 30,948,970</u>	<u>\$ 33,765,288</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 544,848,059	\$ 624,097,458	\$ 689,589,122	\$ 742,668,746	\$ 746,899,657	\$ 760,516,660	\$ 783,771,947	\$ 774,495,060	\$ 777,398,968	\$ 813,523,329
Restricted	1,084,439	1,848,836	6,927,928	5,088,112	65,030,516	3,954,648	4,053,732	890,629	2,841,498	-
Unrestricted (deficit)	<u>154,403,840</u>	<u>146,881,979</u>	<u>117,577,693</u>	<u>120,623,580</u>	<u>77,294,982</u>	<u>143,945,007</u>	<u>141,981,441</u>	<u>185,526,044</u>	<u>204,298,267</u>	<u>198,187,534</u>
<b>Total primary government net position</b>	<u>\$ 700,336,338</u>	<u>\$ 772,828,273</u>	<u>\$ 814,094,743</u>	<u>\$ 868,380,438</u>	<u>\$ 889,225,155</u>	<u>\$ 908,416,315</u>	<u>\$ 929,807,120</u>	<u>\$ 960,911,733</u>	<u>\$ 984,538,733</u>	<u>\$ 1,011,710,863</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
General government	\$ 15,984,170	20,704,665	21,492,676	24,261,580	26,668,270	22,771,086	23,154,030	22,372,027	22,678,287	26,686,489
Public works	4,526,024	4,276,429	13,967,990	12,934,880	5,414,122	6,667,478	5,068,357	4,438,780	1,515,018	3,021,834
Emergency services	21,757,841	20,545,881	23,826,995	28,733,622	31,433,684	28,203,210	31,307,833	39,692,163	52,649,599	35,811,283
Public services	26,512,370	28,059,904	41,185,883	29,676,676	33,680,511	33,191,962	38,217,331	35,648,034	49,065,973	39,549,692
Education	60,903,056	73,489,025	61,590,136	64,367,590	64,823,081	67,801,827	70,545,128	67,845,372	75,745,073	90,652,995
Interest	11,621,596	12,361,995	14,776,978	12,741,667	13,633,306	12,809,176	11,218,029	9,885,785	9,178,382	14,628,448
Total governmental activities expenses	141,305,057	159,437,899	176,840,658	172,716,015	175,652,974	171,444,739	179,510,708	179,882,161	210,832,332	210,350,741
Business-type activities:										
Solid waste	4,800,883	5,404,454	5,969,325	9,635,368	7,795,028	7,757,003	6,917,118	8,155,375	5,865,479	8,440,840
Port	3,449,726	2,333,191	2,256,226	4,718,707	2,641,930	2,573,464	3,217,373	1,838,633	1,752,171	1,511,000
Total business-type activities expenses	8,250,609	7,737,645	8,225,551	14,354,075	10,436,958	10,330,467	10,134,491	9,994,008	7,617,650	9,951,840
Total primary government expenses	\$ 149,555,666	167,175,544	185,066,209	187,070,090	186,089,932	181,775,206	189,645,199	189,876,169	218,449,982	220,302,581
<b>Program Revenues (see Schedule 3)</b>										
Governmental activities:										
Fees, fines, and charges for services:										
General government	\$ 528,579	528,579	585,129	456,938	1,966,442	715,602	192,015	865,630	1,046,132	883,739
Public works	77,374	59,317	186,843	114,475	140,215	254,899	104,484	80,274	21,737	17,450
Emergency services	3,915,237	4,810,309	7,430,769	7,226,326	5,234,684	6,289,248	5,851,204	6,557,286	6,142,877	5,169,821
Public services	1,809,999	3,193,367	2,390,785	3,525,098	4,304,319	2,168,518	1,679,081	2,142,186	2,572,908	2,991,154
Education	-	8,904,126	-	-	-	361,258	393,300	393,300	393,300	487,966
Operating grants and contributions	21,534,532	22,293,350	21,644,248	24,270,603	16,009,319	23,385,078	21,319,101	10,722,431	40,221,320	47,236,767
Capital grants and other contributions	44,236,489	74,515,466	77,432,954	55,623,908	17,647,089	10,887,779	6,523,893	7,443,276	6,103,893	16,953,339
Total governmental activities program revenues	72,099,664	114,304,514	109,670,728	91,217,348	45,302,068	44,062,382	36,063,078	28,204,383	56,502,167	73,740,236
Business-type activities:										
Fees, fines, and charges for services:										
Solid waste	5,586,782	5,598,895	6,746,489	8,606,426	9,046,715	8,925,931	9,481,543	9,978,894	10,788,985	11,662,436
Port	74,737	22,851	102,134	292,936	232,139	10,290	13,816	14,037	122,672	132,834
Operating grants and contributions	1,225,263	707,350	773,840	769,065	736,295	3,150,125	2,640	67,619	78,014	(52,246)
Capital grants and other contributions	742,939	1,013,727	2,705,520	1,838,861	4,026	10,618	719,731	-	-	-
Total business-type activities program revenues	7,629,721	7,342,823	10,327,983	11,507,288	10,019,175	12,096,964	10,217,730	10,060,550	10,989,671	11,743,024
Total primary government program revenues	\$ 79,729,385	121,647,337	119,998,711	102,724,636	55,321,243	56,159,346	46,280,808	38,264,933	67,491,838	85,483,260
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (69,205,393)	(45,133,385)	(67,169,930)	(81,498,667)	(130,350,906)	(127,382,357)	(143,447,630)	(151,677,778)	(154,330,165)	(136,610,505)
Business-type activities	(620,888)	(394,822)	2,102,432	(2,846,787)	(417,783)	1,766,497	83,239	66,542	3,372,021	1,791,184
Total primary government net expense	\$ (69,826,281)	(45,528,207)	(65,067,498)	(84,345,454)	(130,768,689)	(125,615,860)	(143,364,391)	(151,611,236)	(150,958,144)	(134,819,321)

**MATANUSKA-SUSITNA BOROUGH**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 110,238,571	114,243,341	116,399,253	122,362,726	129,146,156	135,123,613	137,039,299	145,657,590	148,890,573	156,055,642
Excise taxes	4,913,901	7,326,269	7,548,977	8,286,431	8,229,211	7,768,567	9,418,381	9,917,857	10,854,422	10,872,816
Transient accommodation taxes	1,099,803	1,113,368	1,117,249	1,205,702	1,206,741	1,268,575	1,428,373	999,526	1,054,391	1,476,023
Grants and entitlements not restricted to a specific purpose	9,945,813	8,132,177	11,532,940	8,597,526	7,082,528	6,855,868	6,438,852	6,218,072	4,910,290	5,336,778
Investment income	483,938	1,306,079	1,043,112	366,486	1,454,758	1,663,174	8,598,388	6,355,169	(505,867)	(13,593,900)
Other	347,299	721,061	704,245	749,135	1,453,763	339,052	1,804,695	13,549,946	2,088,668	1,813,958
Extraordinary items	-	(12,319,299)	-	(2,587,548)	-	-	-	-	-	-
Transfers	-	-	(1,354,373)	-	96,487	(700,000)	(698,980)	(770,965)	(2,776,620)	(995,000)
Special items	-	-	-	-	3,031,370	-	-	-	6,000,000	-
<b>Total governmental activities</b>	<b>127,029,325</b>	<b>120,522,996</b>	<b>136,991,403</b>	<b>138,980,458</b>	<b>151,701,014</b>	<b>152,318,849</b>	<b>164,029,008</b>	<b>181,927,195</b>	<b>170,515,857</b>	<b>160,966,317</b>
Business-type activities:										
Grants and entitlements not restricted to a specific purpose	149,927	132,341	-	-	-	-	-	-	-	-
Investment income	4,477	-	-	574	8,879	10,233	13,708	9,539	14,645	28,434
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(29,083)	1,700
Gain on settlement from lease credits	-	-	-	-	-	-	-	-	1,307,105	-
Other	1,344	460	108,775	-	-	-	13,500	8,150	-	-
Extraordinary items	-	(2,598,884)	(3,000,000)	(2,937,431)	-	-	-	-	-	-
Transfers	-	-	1,354,373	2,587,548	(96,487)	700,000	698,980	770,965	2,776,620	995,000
<b>Total business-type activities</b>	<b>155,748</b>	<b>(2,466,083)</b>	<b>(1,536,852)</b>	<b>(349,309)</b>	<b>(87,608)</b>	<b>710,233</b>	<b>726,188</b>	<b>788,654</b>	<b>4,069,287</b>	<b>1,025,134</b>
<b>Total primary government</b>	<b>\$ 127,185,073</b>	<b>118,056,913</b>	<b>135,454,551</b>	<b>138,631,149</b>	<b>151,613,406</b>	<b>153,029,082</b>	<b>164,755,196</b>	<b>182,715,849</b>	<b>174,585,144</b>	<b>161,991,451</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 57,823,932	75,389,611	69,821,473	57,481,791	21,350,108	24,936,492	20,581,378	30,249,417	16,185,692	24,355,812
Business-type activities	(465,140)	(2,860,905)	565,580	(3,196,096)	(505,391)	2,476,730	809,427	855,196	7,441,308	2,816,318
<b>Total primary government</b>	<b>\$ 57,358,792</b>	<b>72,528,706</b>	<b>70,387,053</b>	<b>54,285,695</b>	<b>20,844,717</b>	<b>27,413,222</b>	<b>21,390,805</b>	<b>31,104,613</b>	<b>23,627,000</b>	<b>27,172,130</b>

**Program Revenues by Function/Program  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function/Program</b>										
Governmental activities:										
General government	\$ 1,835,073	1,824,014	1,531,324	1,304,323	2,352,097	1,442,771	752,207	1,528,576	8,418,269	1,522,863
Public works	10,130,146	5,234,620	31,935,911	35,498,579	2,756,713	361,018	147,422	123,509	225,147	(209,123)
Emergency services	4,996,193	6,989,455	10,487,098	8,896,045	9,349,662	11,587,522	7,362,942	12,242,727	23,759,837	5,585,427
Public services	29,754,735	67,048,190	42,025,535	21,050,237	17,417,743	7,396,183	7,576,183	5,128,923	23,705,614	21,889,348
Education	25,383,518	33,208,235	23,690,860	24,468,164	15,465,184	23,274,888	20,224,324	9,180,648	393,300	44,951,721
Subtotal governmental activities	72,099,665	114,304,514	109,670,728	91,217,348	47,341,399	44,062,382	36,063,078	28,204,384	56,502,167	73,740,236
Business-type activities:										
Solid waste	5,753,223	6,554,145	7,342,046	8,658,408	9,062,356	8,963,938	9,484,183	10,045,242	10,859,794	11,610,167
Port	1,876,498	788,678	2,985,937	2,848,880	956,819	3,133,026	733,547	15,308	129,877	132,857
Subtotal business-type activities	7,629,721	7,342,823	10,327,983	11,507,288	10,019,175	12,096,964	10,217,730	10,060,550	10,989,671	11,743,024
Total primary government	\$ 79,729,386	121,647,337	119,998,711	102,724,636	57,360,574	56,159,346	46,280,808	38,264,934	67,491,838	85,483,260

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	\$ 670,637	797,507	1,358,788	2,090,291	1,236,917	1,270,027	1,348,074	753,530	6,666,942	6,926,099
Restricted	-	-	-	-	-	-	78,660	117,990	157,320	196,650
Committed	32,951,316	30,993,075	31,536,947	29,011,538	33,069,306	33,069,306	28,507,217	33,985,217	30,284,536	29,525,217
Assigned	12,768,069	13,383,261	11,907,107	13,562,914	4,237,866	9,096,692	9,377,170	18,901,316	17,845,316	1,119,052
Unassigned	12,188,973	14,294,595	14,498,345	13,856,608	12,215,100	11,774,008	13,469,496	15,337,553	8,307,616	26,757,399
<b>Total general fund</b>	<b>\$ 58,578,995</b>	<b>59,768,438</b>	<b>59,301,187</b>	<b>58,521,351</b>	<b>51,209,189</b>	<b>55,210,033</b>	<b>52,780,617</b>	<b>69,095,606</b>	<b>63,261,730</b>	<b>64,524,417</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 163,094	503,533	821,311	391,023	178,197	52,734	126,473	14,953	40,179	17,661
Restricted	132,496,668	124,092,473	116,689,273	50,892,523	65,030,516	32,094,872	25,372,952	4,086,277	5,747,552	2,371,945
Committed	6,954,633	7,024,812	7,726,329	6,430,783	5,831,387	4,072,241	8,023,248	4,963,684	4,113,262	4,016,745
Assigned	73,503,170	78,158,604	70,779,374	64,744,216	89,518,315	109,060,659	105,013,502	126,409,015	143,181,857	135,101,614
Unassigned (deficit)	(303,377)	(180,108)	(201,255)	(467,984)	(460,125)	(247,087)	-	(42,030)	(550,311)	(770,306)
<b>Total all other governmental funds</b>	<b>\$ 212,814,188</b>	<b>209,599,314</b>	<b>195,815,032</b>	<b>121,990,561</b>	<b>160,098,290</b>	<b>145,033,419</b>	<b>138,536,175</b>	<b>135,431,899</b>	<b>152,532,539</b>	<b>140,737,659</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes										
Property	\$ 109,941,885	113,979,371	116,997,572	123,043,080	128,589,866	135,170,678	139,269,777	145,924,574	150,107,167	155,271,423
Transient accommodations	1,099,803	1,113,369	1,117,249	1,205,702	1,206,741	1,268,575	1,428,373	999,526	1,054,391	1,476,023
Excise	4,913,901	7,326,269	7,548,977	8,286,431	8,171,681	7,768,567	9,418,381	9,917,857	10,854,422	10,872,816
Intergovernmental	75,538,593	114,234,610	117,684,505	87,801,977	43,514,112	40,755,725	34,281,846	24,383,779	51,235,503	71,765,580
Charges for services	6,869,062	8,340,514	9,055,915	11,691,184	11,950,098	9,829,490	9,086,356	9,546,096	10,112,888	9,685,773
Sales Taxes	-	-	-	-	-	-	1,083,732	-	-	-
Investment income	573,412	876,148	996,637	364,710	1,427,700	1,638,923	8,572,873	6,339,318	(529,518)	(13,583,659)
Interest on land sales	25,332	16,009	12,060	22,164	21,701	34,897	54,373	56,227	68,304	71,879
Other revenues	393,074	743,758	1,415,641	799,151	1,053,763	2,046,196	1,649,747	3,932,659	2,126,206	1,676,535
<b>Total revenues</b>	<b>199,355,062</b>	<b>246,630,048</b>	<b>254,828,556</b>	<b>233,214,399</b>	<b>195,935,662</b>	<b>198,513,051</b>	<b>204,845,458</b>	<b>201,100,036</b>	<b>225,029,363</b>	<b>237,236,370</b>
<b>Expenses</b>										
General government	17,009,544	20,975,235	26,339,550	21,834,903	23,030,301	21,709,185	23,645,902	24,245,142	25,858,865	26,102,944
Public works	4,768,517	4,779,986	7,024,663	6,170,341	5,383,039	5,591,981	4,696,380	4,104,916	4,154,577	3,988,513
Emergency services	20,124,307	18,499,252	22,542,115	22,199,305	26,011,973	25,393,942	34,210,530	36,649,343	37,999,689	37,077,778
Public services	24,005,611	26,361,372	28,220,165	26,434,763	27,283,121	28,886,768	31,737,529	29,532,733	47,595,061	33,847,735
Education	53,532,128	55,565,878	52,764,262	53,773,607	60,582,946	56,465,348	58,554,980	54,765,932	62,310,148	65,891,844
Debt service										
Interest	12,018,693	12,675,315	20,165,000	16,242,549	14,313,687	15,305,172	14,114,141	12,636,204	11,074,556	10,178,930
Principal	17,645,000	18,975,000	14,688,308	22,564,565	23,667,813	25,223,286	22,340,104	20,920,651	18,910,072	20,680,852
Capital outlay	76,112,705	152,317,206	161,810,925	130,600,411	33,657,133	30,364,893	30,579,827	20,213,362	14,713,022	48,154,219
<b>Total expenditures</b>	<b>225,216,505</b>	<b>310,149,244</b>	<b>333,554,988</b>	<b>299,820,444</b>	<b>213,930,013</b>	<b>208,940,575</b>	<b>219,879,393</b>	<b>203,068,283</b>	<b>222,615,990</b>	<b>245,922,815</b>
Excess of revenues over (under) expenditures	(25,861,443)	(63,519,196)	(78,726,432)	(66,606,045)	(17,994,351)	(10,427,524)	(15,033,935)	(1,968,247)	2,413,373	(8,686,445)
<b>Other Financing Sources (Uses)</b>										
Proceeds from disposal of capital assets	50,165	34,370	26,427	76,637	17,821	62,745	34,595	101,547	58,240	64,315
Insurance Proceeds	-	-	-	-	-	-	6,000,000	10,000,000	5,100,000	-
Transfers in	54,882,849	54,523,841	53,740,727	56,742,020	65,480,711	66,956,411	84,519,399	61,770,136	105,015,572	80,959,645
Transfers out	(54,882,570)	(54,523,375)	(55,094,747)	(59,329,253)	(65,383,404)	(67,655,659)	(85,217,696)	(62,540,486)	(107,791,646)	(83,053,417)
Bond issuance	24,465,000	47,240,000	94,105,000	-	52,890,000	-	-	70,260,000	-	-
Premium on bond issuance	4,155,047	5,302,804	12,793,446	-	-	-	-	-	-	-
COP Issuance	-	8,585,000	-	-	13,105,000	-	-	-	-	-
Note Issuance	-	-	-	6,596,755	818,245	-	-	-	-	-
Loan Issuance	-	-	-	-	-	-	770,977	6,126,246	471,225	183,709
Premium on COP issuance	-	331,126	-	-	9,128,770	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	(41,095,954)	-	(39,351,386)	-	-	(70,538,483)	-	-
<b>Total other financing sources (uses)</b>	<b>28,670,491</b>	<b>61,493,766</b>	<b>64,474,899</b>	<b>4,086,159</b>	<b>36,705,757</b>	<b>(636,503)</b>	<b>6,107,275</b>	<b>15,178,960</b>	<b>2,853,391</b>	<b>(1,845,748)</b>
Special items	-	-	-	-	-	-	-	-	6,000,000	-
<b>Net change in fund balances</b>	<b>\$ 2,809,048</b>	<b>(2,025,430)</b>	<b>(14,251,533)</b>	<b>(62,519,886)</b>	<b>18,711,406</b>	<b>(11,064,027)</b>	<b>(8,926,660)</b>	<b>13,210,713</b>	<b>11,266,764</b>	<b>(10,532,193)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>14.54%</b>	<b>14.90%</b>	<b>15.36%</b>	<b>16.98%</b>	<b>15.46%</b>	<b>16.46%</b>	<b>19.26%</b>	<b>18.35%</b>	<b>9.50%</b>	<b>15.05%</b>
Debt Service	29,663,693	31,650,315	34,853,308	38,807,114	37,981,500	40,528,458	36,454,245	33,556,855	29,984,628	30,859,782
Non-capital outlay	148,709,758	166,954,948	190,996,840	178,709,338	179,116,752	177,659,092	189,300,778	181,406,472	205,507,548	205,001,452

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

Fiscal Year	Real Property <sup>(1)</sup>	Personal Property <sup>(1)</sup>	Less: Tax-Exempt Property <sup>(1)</sup>	Total Taxable Assessed Value	Total Direct Tax Rate <sup>(1)</sup>	Estimated Actual Value <sup>(2)</sup>	Total Taxable Assessed Value as a Percentage of Total Estimated Actual Value
2013	\$ 10,083,251,287	\$ 50,340,319	\$ 1,600,527,289	\$ 8,533,064,317	9.691	\$ 9,568,003,300	89.18
2014	10,350,396,337	63,442,515	1,711,599,833	8,702,239,019	9.852	10,064,353,720	86.47
2015	10,700,459,143	52,590,547	1,748,972,499	9,004,077,191	9.662	10,268,301,740	87.69
2016	11,241,555,014	55,738,480	2,031,032,480	9,266,261,014	9.984	10,985,826,830	84.35
2017	11,827,850,040	57,210,951	2,149,070,847	9,735,990,144	9.984	11,715,012,530	83.11
2018	12,143,847,289	55,474,108	2,189,734,774	10,009,586,623	10.332	11,715,012,530	85.44
2019	12,607,655,917	56,166,810	2,276,424,441	10,387,398,286	10.331	12,038,657,130	86.28
2020	13,073,712,851	56,296,592	2,362,936,741	10,767,072,702	10.386	12,431,946,562	86.61
2021	13,608,734,168	56,075,491	2,409,835,751	11,254,973,908	10.322	13,037,335,724	86.33
2022	13,037,335,724	62,709,094	2,596,453,647	10,503,591,171	9.942	16,066,393,001	65.38

Sources:

<sup>(1)</sup> Matanuska-Susitna Borough Finance Department, Division of Assessments.

<sup>(2)</sup> Applicable year's "Alaska Taxable, Municipal Taxation - Rates and Policies, Full Value Determination, Population and G.O. Bonded Debt" provided annually by the State of Alaska, Department of Commerce, Community, and Economic Development, Office of the State Assessor.

Note: Property in the Matanuska-Susitna Borough is reassessed annually at the property's true and full value as of January 1 of the tax year per MSB Code 3.15.060 (A). Tax rates are per \$1,000 of assessed value.

**Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years**  
(mill levy rate per \$1,000 of assessed value)

Fiscal Year	Borough Direct Rate	Overlapping Rates							
	Areawide Borough	Non-areawide Borough	City of Palmer	City of Houston	2	4	7	8	9
2013	9.691	0.489	3.00	3.00	3.05	4.06	1.39	4.00	2.78
2014	9.852	0.520	3.00	3.00	3.05	4.41	1.39	4.00	2.78
2015	9.662	0.520	3.00	3.00	3.24	4.59	1.39	-	2.78
2016	9.984	0.517	3.00	3.00	3.43	4.82	1.07	-	2.78
2017	9.984	0.525	3.00	3.00	3.43	4.59	0.91	-	2.78
2018	10.332	0.548	3.00	3.00	3.43	4.59	0.91	-	2.78
2019	10.331	0.548	3.00	3.00	3.43	4.59	0.91	-	2.78
2020	10.386	0.057	3.00	3.00	3.43	4.59	0.91	-	2.78
2021	10.322	0.051	3.00	3.00	3.43	4.59	0.91	-	2.78
2022	9.942	0.432	3.00	3.00	3.43	4.59	1.50	-	2.78

Fiscal Year	Overlapping Rates								
	14	15	16	17	19	20	21	23	24
2013	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59	1.95
2014	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59	1.95
2015	1.77	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2016	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2017	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2018	1.85	4.10	1.50	2.92	2.50	3.50	2.57	4.59	2.04
2019	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2020	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2021	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	3.04
2022	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	3.04

Source: Matanuska-Susitna Borough Finance Department, Division of Assessments.

Notes: The Borough Direct Rate represents a single component which is the Areawide Mill Levy Rate. Also, Fire Service Areas (FSA), Road Service Areas (RSA), and Service Areas (SA) are identified by service area numbers.

**Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years**  
*(mill levy rate per \$1,000 of assessed value)*

Fiscal Year	Overlapping Rates							
	25	26	27	28	29	30	31	35
2013	1.73	3.45	3.48	2.00	2.89	4.41	3.68	1.37
2014	1.73	3.45	3.48	2.00	2.89	4.41	3.68	1.46
2015	1.73	3.45	3.48	2.00	2.89	4.41	3.68	1.34
2016	1.73	3.45	3.48	2.00	3.01	4.41	3.68	2.75
2017	1.73	3.45	3.48	1.99	3.01	4.41	3.68	2.75
2018	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2019	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2020	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2021	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2022	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75

Fiscal Year	Overlapping Rates						
	69	130	131	132	135	136	Jimmy's Drive
2013	9.12	1.97	4.13	0.88	2.96	1.67	-
2014	9.12	1.99	3.24	0.90	2.96	1.67	-
2015	9.12	1.99	3.24	0.90	2.96	1.78	-
2016	9.12	1.99	3.24	0.94	3.21	1.88	-
2017	9.40	2.15	3.24	0.96	3.21	2.20	-
2018	9.40	2.15	3.24	0.96	3.21	2.20	-
2019	9.40	2.15	3.24	0.96	3.21	2.20	-
2020	9.40	2.15	3.24	0.96	3.21	2.20	-
2021	9.40	2.15	3.24	0.96	3.21	2.20	5.03
2022	9.40	2.15	3.24	0.96	3.21	2.20	5.03

**Principal Property Tax Payers,  
Current Year and Ten Years Ago**

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable Assessed Valuation
Mat-Su Valley Medical Center	\$ 127,439,000	1	1.23 %	\$ 100,823,600	1	1.16
Enstar Natural Gas	65,905,700	2	0.63	42,438,600	2	0.49
Fred Meyer Stores, Inc.	52,913,795	3	0.51	39,028,082	3	0.45
Alaska Hotel Properties, Inc.	39,852,800	4	0.38	38,934,400	4	0.45
Maple Springs	34,335,400	5	0.33	-		
Wal-Mart Stores, Inc.	28,331,726	6	0.27	29,955,275	6	0.34
GCI/GCI Cable/Alaska Digitel	26,489,700	7	0.26	17,815,500	10	0.20
Global Finance & Investments S.A./Gary Lundgren	24,803,100	8	0.24	25,777,900	7	0.30
DBC, LLC/Target	20,536,562	9	0.20	19,243,500	8	0.22
CATC Alaska Tourism Corp	18,417,300	10	0.18	-		
Cook Inlet Region, Inc./CIRI Land Development Co.				30,421,994	5	0.35
Alaska Pipeline Co.				18,467,600	9	0.21
<b>Total</b>	<b>\$ 439,025,083</b>		<b>4.23 %</b>	<b>\$ 362,906,451</b>		<b>4.17</b>

Source: Matanuska-Susitna Borough Finance Department, Division of Assessments

Note: Includes real and personal property.

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Tax Levy	Unfunded Senior Citizens and Disabled Veterans Levy	Net Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Net Levy		Amount	Percentage of Net Levy
2013	\$ 114,904,572	\$ 8,834,593	\$ 106,069,979	\$ 102,321,617	96.47 %	\$ 3,580,934	\$ 105,902,551	99.84
2014	118,906,810	8,920,224	109,986,586	106,109,708	96.48	3,628,215	109,797,923	99.77
2015	121,650,445	9,906,339	111,744,106	108,285,996	96.91	3,228,737	111,514,733	99.79
2016	130,590,976	11,295,573	119,295,403	116,527,024	97.68	2,347,690	118,874,714	99.65
2017	138,589,875	12,166,401	126,423,474	122,648,889	97.01	2,982,812	125,631,701	99.37
2018	146,304,207	13,588,979	132,715,228	126,903,605	95.62	4,029,300	130,932,905	98.66
2019	152,062,345	14,943,337	137,119,008	133,194,431	97.14	2,230,497	135,424,928	98.76
2020	156,626,653	16,182,950	140,443,703	135,753,457	96.66	1,903,973	137,657,430	98.02
2021	162,608,723	16,811,110	145,797,613	142,251,044	97.57	678,167	142,929,211	98.03
2022	169,441,990	17,680,915	151,761,075	149,328,084	98.40	-	149,328,084	98.40

Sources: Matanuska-Susitna Borough Finance Department, Division of Assessments and Revenue and Budget Division.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Participation	Notes Payable	Unamortized bond premium	Capital Leases	General Obligation Bonds	Notes Payable	Unamortized bond premium			
2013	\$ 270,410,000	\$ 5,645,000	\$ 329,698	\$ 18,592,433	\$ -	\$ 6,200,000	\$ 4,434,462	\$ 625,457	\$ 306,237,050	7.24%	\$ 3,194
2014	299,455,000	13,450,000	311,347	22,851,440	-	5,735,000	4,346,366	566,821	346,715,974	7.66	3,534
2015	335,920,000	12,195,000	292,721	33,411,389	-	5,250,000	4,395,179	508,184	391,972,473	8.22	3,879
2016	314,755,000	10,885,000	6,781,005	30,910,711	-	4,750,000	6,147,994	449,547	374,679,257	7.95	3,599
2017	313,680,000	20,585,000	7,490,499	36,422,155	-	4,230,000	5,956,722	390,911	388,755,287	8.10	3,659
2018	290,020,000	19,130,000	7,248,163	33,744,998	-	3,690,000	6,857,169	332,274	361,022,604	7.15	3,370
2019	269,440,000	17,610,000	7,759,268	31,129,886	-	3,125,000	10,572,460	273,637	339,910,251	6.48	3,138
2020	255,315,000	16,030,000	14,851,809	22,343,617	-	2,545,000	6,722,723	215,001	318,023,150	5.73	2,949
2021	238,260,000	14,400,000	29,113,528	20,164,302	-	1,940,000	16,316,392	156,364	320,350,586	5.34	2,987
2022	219,460,000	12,690,000	13,837,131	18,014,335	-	1,320,000	10,941,591	97,728	276,360,785	N/A	2,588

Notes: Details regarding the Borough's outstanding debt can be found in the notes to the financial statements.

\*See Schedule 16 for personal income and population data.

N/A – Not available

### Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Net General Bonded Debt Outstanding			Percentage of Total Taxable Assessed Value of Property*	Per Capita**
	General Obligation Bonds	Debt Service Monies Available***	Total		
2013	\$ 295,827,890	\$ 1,041,305	\$ 294,786,585	3.45%	\$ 3,075
2014	328,608,261	1,106,592	327,501,669	3.76	3,338
2015	375,089,573	1,100,905	373,988,668	4.15	3,701
2016	350,865,258	957,077	349,908,181	3.78	3,361
2017	354,723,066	4,789,381	349,933,685	3.59	3,294
2018	327,787,272	4,893,305	322,893,967	3.23	3,014
2019	303,968,523	6,017,111	297,951,412	2.87	2,751
2020	280,418,618	5,339,817	275,078,801	2.55	2,551
2021	260,677,030	16,671,081	244,005,949	2.17	2,274
2022	238,892,063	23,438,124	215,453,939	2.05	1,980

Notes: Details regarding the Borough's outstanding debt can be found in the notes to the financial statements.

\*See Schedule 6 for property value data.

\*\*See Schedule 16 for personal income and population data.

\*\*\*Total includes the fund balances of the School, Parks and Recreation, and Transportation Debt Service funds.

**Direct and Overlapping Debt  
As of June 30, 2022**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to the Governmental Unit</b>	<b>Share of Direct and Overlapping Debt</b>
Education Debt	\$ 180,955,000	100%	\$ 180,955,000
Certificates of Participations-Public Safety Building	12,170,000	100%	12,170,000
Certificates of Participations-Animal Care Facility	520,000	100%	520,000
Notes Payable-Ak Clean Water Fund Loans	18,648,028	100%	18,648,028
Notes Payable-USDA	6,130,694	100%	6,130,694
Parks and Recreation	17,420,000	100%	17,420,000
Transportation	21,085,000	100%	21,085,000
Port	1,320,000	100%	1,320,000
	<u>258,248,722</u>		<u>258,248,722</u>
Unamortized bond premiums	18,112,063	100%	18,112,063
<b>Total</b>	<u>\$ 276,360,785</u>		<u>\$ 276,360,785</u>
City Within the Borough, (Palmer)			
General Obligation Bonds as of June 30, 2022			
Palmer Ice Rink	\$ 300,000	100%	\$ 300,000
<b>Total</b>	<u>\$ 300,000</u>		<u>\$ 300,000</u>
<b>Net Direct and Overlapping Debt</b>			<u>\$ 276,660,785</u>

Note 1: The laws of the State of Alaska do not establish a debt limit.

Note 2: All debt outstanding is related to the Matanuska-Susitna Borough's governmental and business-type activities.



Schedule 13

**General Obligation Debt  
As of June 30, 2022**

Total Direct Debt	\$ 276,360,785
Total Overlapping Debt	300,000
Total Direct and Overlapping Debt	<u>276,660,785</u>
FY2022 Certified Taxable Assessed Value	10,503,591,171
FY2022 Estimated Borough Population*	108,805
<b>Ratio of:</b>	
Direct Debt to FY2022 Certified Taxable Assessed Value	2.63%
Direct and Overlapping Debt to FY2022 Certified Taxable Assessed Value	2.63%
<b>Per Capita:</b>	
FY2022 Certified Taxable Assessed Value	\$ 96,536
Direct Debt	2,540
Direct and Overlapping Debt	2,543
<b>Debt Amortization:</b>	
Within 5 years	46%
Within 10 years	88%

Source: Alaska Department of Labor, Research and Analysis Division

Schedule 14

**Legal Debt Margin Information  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2022**

Total taxable assessed value	\$10,503,591,171
Debt Limit (7% of total taxable assessed value)	735,251,382
Total debt applicable to limit	<u>220,780,000</u>
Legal debt margin	<u>514,471,382</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 597,314,502	625,791,775	630,285,403	648,638,271	681,519,310	700,671,064	727,117,880	753,695,089	787,848,174	735,251,382
Total debt applicable to limit	<u>295,827,890</u>	<u>299,455,000</u>	<u>335,920,000</u>	<u>319,505,000</u>	<u>317,910,000</u>	<u>293,710,000</u>	<u>272,565,000</u>	<u>257,860,000</u>	<u>240,200,000</u>	<u>220,780,000</u>
Legal debt margin	\$ 301,486,612	326,336,775	294,365,403	329,133,271	363,609,310	406,961,064	454,552,880	495,835,089	547,648,174	514,471,382
Total debt applicable to the as a percentage of debt limit	50%	48%	53%	49%	47%	42%	37%	34%	30%	30%

**School Construction General Obligation Bonds  
As of June 30, 2022**

**Outstanding School Bonds and SOA Reimbursement Eligibility**

Bond Issue	Total Bond Issue	Outstanding Balance	Final Maturity	Reimbursement Eligibility
2007 Series A	\$ 33,505,000	\$ 10,560,000	4/1/2025	64.0076%
2012 Series A	91,770,000	8,930,000	3/1/2032	70.0000%
2012 Series B	8,710,000	1,240,000	3/1/2024	63.3500%
2013 Series A	13,290,000	2,515,000	3/1/2033	70.0000%
2014 Series B	29,400,000	22,590,000	5/1/2024	70.0000%
2015 Series A	37,350,000	13,695,000	2/1/2026	66.5629%
2015 Series B	55,195,000	43,865,000	11/1/2034	70.0000%
2016 Series A	31,690,000	28,170,000	6/30/2031	70.0000%
2019 Series A	63,415,000	63,415,000	3/1/2033	70.0000%

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>		<b>Population <sup>(1)</sup></b>	<b>Personal Income (thousands of dollars) <sup>(2)</sup></b>	<b>Per Capita Income</b>	<b>School Enrollment <sup>(3)</sup></b>	<b>Unemployment Rate <sup>(4)</sup></b>
2013	*	95,880	4,231,464	44,105	17,247	7.7
2014	*	98,103	4,526,435	46,101	17,500	7.5
2015	*	101,062	4,769,344	47,146	17,757	7.0
2016	*	104,119	4,711,816	45,194	18,745	6.9
2017	*	106,232	4,800,809	45,109	18,935	7.1
2018	*	107,115	5,052,395	47,076	19,369	6.9
2019	*	108,317	5,247,240	48,327	19,101	6.2
2020	*	107,829	5,553,188	50,386	19,609	7.4
2021	*	107,305	5,999,994	54,207	18,354	8.2
2022		108,805	<b>N/A</b>	<b>N/A</b>	19,443	5.7

N/A - Not available

Sources:

<sup>(1)</sup> Alaska Department of Labor, Research and Analysis Division

<sup>(2)</sup> Alaska Department of Labor, Research and Analysis Division

<sup>(3)</sup> Alaska Department of Education & Early Development

<sup>(4)</sup> Alaska Department of Labor, Research and Analysis Division

\* Has been restated per the Alaska Department of Labor, Research and Analysis Division and Education & Early Development

**Total Employment by Type of Employer  
Current Year and Ten Years Ago**

Employer Type	2022		2013	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	5,572	1	3,955	2
Educational and Health Services	5,458	2	4,504	1
Local Government	3,361	3	3,174	3
Leisure and Hospitality	2,980	4	2,402	4
Construction	2,823	5	1,594	5
Professional and Business Services	1,618	6	1,213	7
State Government	1,523	7	1,259	6
Other Services	990	8	733	9
Financial Activities	921	9	751	8
Information	446	10	596	10
Manufacturing	344	11	196	12
Federal Government	259	12	174	13
Natural Resources and Mining	243	13	210	11
Unclassified Employers	18	14	47	14
<b>Total</b>	<b>26,556</b>		<b>20,808</b>	

Source: Alaska Department of Labor, Research and Analysis

Note: Beginning in 2012, according to the Alaska Department of Labor, their non-disclosure rules no longer allow them to provide employment information that relates to or identifies employers for the current or previous years. Therefore, we are providing total employment by type of employer for the current year and nine years ago. Figures are based on an annual average.

**Full-time-Equivalent Borough Government Employees by Function/Program  
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function/Program</b>										
General government	149.700	145.590	141.000	141.850	141.900	142.900	155.800	151.990	156.540	156.050
Public works	54.000	54.010	63.000	66.010	66.000	66.000	62.000	65.900	67.000	66.000
Emergency services	49.850	51.850	62.850	71.850	71.500	71.750	72.690	108.260	126.170	138.010
Public services	36.940	37.290	36.090	34.490	32.990	33.040	32.190	32.240	31.690	31.590
<b>Total</b>	<u>290.490</u>	<u>288.740</u>	<u>302.940</u>	<u>314.200</u>	<u>312.390</u>	<u>313.690</u>	<u>322.680</u>	<u>358.390</u>	<u>381.400</u>	<u>391.650</u>

Source: Matanuska-Susitna Borough Finance Department, Revenue and Budget Division.

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General government</b>										
Planning										
Comprehensive and special land use district plans in process	4	3	3	2	1	1	1	4	11	17
Finance										
Number of purchasing solicitations processed	156	168	163	138	134	148	133	158	181	163
Number of vendor/employee payments processed	27,386	27,474	27,824	28,708	28,575	26,515	25,580	24,692	25,931	26,709
Collections of delinquent land lease accounts (in dollars)	114,934	61,108	82,719	73,410	80,473	61,726	94,942	106,391	149,720	149,720
Real property assessments	75,913	76,283	76,744	77,334	77,670	77,670	78,038	78,934	79,433	80,161
Property sales analyzed for assessment purposes	1,628	3,413	4,560	4,766	4,709	4,709	4,974	3,210	4,607	3,716
Code Compliance										
Code violation complaints received	246	373	339	330	314	439	270	254	493	384
<b>Public works</b>										
Road maintenance (monthly average)										
Citizen requests for repairs requiring action	285	225	148	180	217	227	163	266	401	** 922
Surveying and right-of-way										
Platting actions	98	92	130	158	148	185	149	153	198	183
Utility permits issued	335	358	526	481	392	359	418	396	462	472
Driveway permits issued	615	608	634	716	537	572	582	1,459	1,547	1,004
Construction permits issued	49	55	47	36	32	16	42	29	17	12
Encroachment permits issued	19	21	64	32	20	22	13	31	13	17
Solid waste disposal										
Loads hauled from transfer sites to Central Landfill	1,444	1,532	1,421	1,198	1,121	1,170	1,321	1,144	1,312	1,229
Refuse collected through community clean-up efforts (in tons)	122	80	181	194	241	115	122	42	44	50
Abandoned vehicles removed	137	115	48	98	121	108	126	134	124	129
Hazardous waste processed (in pounds)	136,533	156,735	149,227	162,266	486,933	362,729	363,078	406,579	486,174	530,829
<b>Emergency services</b>										
Ambulance Runs	6,314	7,972	8,272	8,268	7,904	8,210	9,217	9,432	10,060	11,135
Animal Shelter										
Animals lodged at shelter	3,219	3,159	2,581	2,822	3,164	N/A	2,967	2,775	2,827	3,118
Animals adopted to new homes	1,364	1,266	1,220	1,371	1,643	N/A	1,782	1,676	1,466	1,596
Animals adopted by local rescue groups	462	420	258	269	151	N/A	20	125	125	281
Animals euthanized at shelter	469	568	393	543	577	N/A	395	424	486	542
<b>Public services</b>										
Land and resource management (cumulative unless otherwise noted)										
Trails dedicated (in miles)	2,209	2,209	2,209	2,215	2,224	2,230	2,238	2,245	2,246	2,258
Asset management plans completed for										
Borough owned land (in acres)	164,018	164,018	164,018	164,018	164,562	165,452	165,452	332,452	332,452	332,452
Land classifications (in acres)	361,428	361,846	362,266	362,878	364,158	365,394	366,278	533,599	533,616	534,360
Parcels sold (annually)	28	37	43	53	60	47	15	37	103	98
Community enrichment and development										
Community enrichment class varieties offered	44	35	32	37	34	37	28	24	13	*** -
Total contact hours with public	794	673	445	497	838	1,159	417	232	153	*** -
Libraries										
Participants in summer reading program	2,982	2,693	2,095	2,465	2,662	2,339	2,608	1,952	2,291	2,061
Participants in pre-school story time	2,464	2,470	2,252	2,411	3,189	3,448	4,274	2,294	* 3856	* 5316
Volunteer hours utilized	3,466	1,808	1,954	1,764	1,812	1,894	1,484	1,754	1,229	1,613
Pools										
Participants in swim lesson programs (quarterly average)	711	1,220	1,061	1,234	1,464	977	598	588	525	598

N/A - Not available: Information lost during the Cyber Incident.

Data for the Animal Shelter was not available from July 1, 2018 to July 21, 2018 due to the cyber incident and loss of data.

Source: Various Matanuska-Susitna Borough department's performance measures (some figures are estimates/averages derived from the available information).

Notes: The above indicators should not be construed as the only functions/programs being provided by the Borough as it is only a listing of those functions/programs for which operating indicators have been established and are available for.

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>General government</b>										
Administration and related buildings	3	3	3	2	2	2	2	2	2	2
<b>Public works</b>										
Utility trailers	11	11	11	11	12	19	19	30	30	33
Paving and Heavy Equipment	-	-	-	5	5	5	5	5	5	5
Paved roads (miles)	295	303	308	315	326	335	443	431	508	514
Bridges	23	23	26	27	27	28	28	28	28	28
Public works and related buildings	3	3	4	4	4	4	4	4	4	4
<b>Emergency services</b>										
Ambulances	30	29	31	31	29	29	25	21	24	24
Fire pumper/tankers	67	68	69	69	79	79	81	81	83	84
Tractors, forklifts, and related equipment	12	12	12	12	12	12	12	12	13	13
Utility/Rescue trailers	16	17	19	19	22	22	19	21	22	22
Rescue vehicles	31	31	31	31	31	31	36	38	40	40
Trucks and utility vehicles	81	81	85	85	83	83	82	85	85	87
Rescue boats	2	2	3	3	5	6	6	5	5	5
ATVs and snowmobiles	29	30	31	31	33	35	36	36	36	36
Public safety and related buildings	32	33	36	36	38	38	38	38	38	38
<b>Public services</b>										
Tractors, forklifts, and related equipment	23	22	22	23	23	23	24	24	24	24
Utility trailers	7	8	9	12	12	10	11	11	11	11
Trucks and utility vehicles	31	34	30	29	29	21	25	30	30	29
ATVs and snowmobiles	8	8	11	15	15	12	11	15	15	15
Riverboats	1	1	1	1	1	4	4	4	4	4
Community buildings (libraries, ice arenas, etc.)	14	14	14	15	15	15	15	15	15	15
<b>Education</b>										
Schools and related buildings	53	55	56	57	57	57	57	57	56	56

Source: Matanuska-Susitna Borough capital asset records.

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# SINGLE AUDIT SECTION

Annual Comprehensive Financial Report  
Matanuska-Susitna Borough



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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  
Members of the Assembly  
Matanuska-Susitna Borough  
Palmer, Alaska

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough, Alaska (the Borough), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 25, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

*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 Borough's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

*A significant deficiency* is a deficiency, or a 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.

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## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 financial statements. 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*.

## Borough's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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 result of that testing, and not to provide an opinion on the effectiveness of the Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska  
May 25, 2023



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## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough  
Palmer, Alaska

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Matanuska-Susitna Borough, Alaska's (the Borough) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended June 30, 2022. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough complied, in all material respects, with the 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, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

### ***Other Matter - Federal Expenditures Not Included in the Compliance Audit***

The Borough's basic financial statements include the operations of Matanuska Susitna Borough School District, a discretely presented component unit, which expended \$52,933,444 in federal awards which is not included in the Borough's schedule of expenditures of federal awards during the year ended June 30, 2022. Our compliance audit, described in the "Opinion of Each Major Federal Program", does not include the operations of Matanuska Susitna Borough School District because they were subjected to a separate audit in accordance with the Uniform Guidance.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Matanuska Susitna Borough, Alaska is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Matanuska Susitna Borough, Alaska's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BDO USA, LLP*

Anchorage, Alaska  
May 25, 2023



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## **Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough  
Palmer, Alaska

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited Matanuska-Susitna Borough, Alaska's (the Borough) compliance with the types of compliance requirements identified as subject to audit 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 the Borough's major state programs for the year ended June 30, 2022. The Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, the Borough complied, in all material respects, with the 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, 2022.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Our responsibilities under those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each state major program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

### ***Other Matter - State Expenditures Not Included in the Compliance Audit***

The Borough's basic financial statements include the operations of Matanuska Susitna Borough School District, a discretely presented component unit, which expended \$189,642,490 in state awards which is not included in the Borough's schedule of state financial assistance during the year ended June 30, 2022. Our compliance audit, described in the "Opinion of Each Major State Program", does not include the operations of Matanuska Susitna Borough School District because they were subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and which are described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Matanuska Susitna Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Matanuska Susitna Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BDO USA, LLP*

Anchorage, Alaska  
May 25, 2023

# Matanuska-Susitna Borough, Alaska

## Schedule of Findings and Questioned Costs Year Ended June 30, 2022

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified?   X   yes        no  
 Significant deficiency(ies) identified?        yes   X   (none reported)

Noncompliance material to financial statements noted?        yes   X   no

***Federal Awards***

Internal control over major federal programs:  
 Material weakness(es) identified?        yes   X   no  
 Significant deficiency(ies) identified?   X   yes        (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 2 CFR 200.516(a)?   X   yes        no

Identification of major federal programs:

***Federal Assistance***

<i>Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Department of the Treasury
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Department of Homeland Security

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?        yes   X   no

***State Financial Assistance***

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

Internal control over major state programs:  
 Material weakness(es) identified?        yes   X   no  
 Significant deficiency(ies) identified?   X   yes        (none reported)

Dollar threshold used to distinguish between type A and type B programs: \$ 1,421,920

Auditee qualified as low-risk auditee?        yes   X   no

# Matanuska-Susitna Borough, Alaska

## Schedule of Findings and Questioned Costs, continued

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<b>Section II - Financial Statement Findings Required to be Reported in Accordance with <i>Government Auditing Standards</i></b>
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**Finding 2022-001      General Ledger Reconciliation and External Financial Reporting - Internal Control Over Financial Reporting - Material Weakness**

*Criteria*                      *Government Accounting Standards* states management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently; economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.

*Condition*                      The Borough's books weren't closed timely. The Borough had turnover in the accounting department, including the positions of Assistant Controller and Accountant in the fiscal year 2022. In addition, the Borough drafted the Annual Comprehensive Financial Report internally using a new reporting software. The Borough's staff had to spend considerable time to draft the Annual Comprehensive Financial Report and work with the software company, along with training new employees in essential accounting positions. Specifically, adjustments were required as a result of the Borough's staff review to properly state capital assets, grant revenue, grant receivables, unearned revenue, leases receivable, deferred inflows related to leases, lease payable and right-to-use assets. There were material adjustments to the reported amounts on the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance as a result of some of these adjustments.

*Cause*                              There was turnover in the accounting department, additional capacity required for implementation of new accounting pronouncements, and adoption of a new financial reporting software module.

*Effect or Potential Effect*                      The release of the financial statements was delayed.

*Recommendation*                      The Borough should consider supplemental assistance for staff related to closing the books and records and drafting the Annual Comprehensive Financial Report internally. If there is turnover, the Borough should consider adding additional resources for an interim period.

*Views of Responsible Officials*                      Management concurs with the finding. Management will continue to streamline its year end closing processes. A workflow will be documented and implemented for the year end closing and review of post-year end invoices to ensure the proper accounting of the expenditures.

# Matanuska-Susitna Borough, Alaska

## Schedule of Findings and Questioned Costs, continued

### Section III - Federal Award Findings and Questioned Costs

**Finding 2022-002 Significant Deficiency in Internal Control over Compliance, Noncompliance - Reporting**

*Identification of the federal program*

Agency Department of Homeland Security and Department of the Treasury  
ALN 97.036 and 21.027  
Program Disaster Grants - Public Assistance (Presidentially Declared Disasters) and COVID-19 Coronavirus State and Local Fiscal Recovery Funds  
Award Number DR-4094-AK, DR-4413-AK, DR-4533-AK and CSLFRF/ARPA  
Award Year Multiple

*Criteria or specific requirement* The Borough is required to submit the single audit report and Form SF-SAC within nine months of the fiscal year end or by any Office of Management and Budget extended deadlines.

*Condition* The Form SF-SAC for the fiscal year ended June 30, 2022 was not filed on time.

*Cause* The audit was not completed in time to file the form, due to a delay in closing the books and records.

*Effect or Potential Effect* The Borough was not able to file the Form SF-SAC by the required time.

*Questioned costs* None

*Context* The Form SF-SAC is due nine months after the fiscal year-end. The form for the fiscal year ended June 30, 2022 was filed late.

*Identification as a repeat finding* No

*Recommendation* We recommend the Borough implement internal control procedures to ensure timely closing of books and records to ensure timely submission of the Form SF-SAC in the future.

*Views of Responsible Officials* Management concurs with the findings. Management will ensure timely year end closing and review of audit schedules to ensure timely reporting.

# Matanuska-Susitna Borough, Alaska

## Schedule of Findings and Questioned Costs, continued

### Section IV - State Award Findings and Questioned Costs

<b>Finding 2022-003</b>	<b>Significant Deficiency in Internal Control over Compliance, Noncompliance - Reporting</b>
State Agency	Department of Education and Early Development and Department of Military and Veterans Affairs
Grant Name	School Debt Reimbursement Program and 2018 Cook Inlet Earthquake
Grant Number	N/A and DR-4413-AK
<i>Criteria</i>	2 AAC 45.010 (b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by ...” the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period” or a later date agreed upon in writing in advance of the date in this section.
<i>Condition</i>	The audit report for the fiscal year ended June 30, 2022 was not filed on time.
<i>Questioned costs</i>	None
<i>Context</i>	The Borough’s audit in accordance with 2 AAC 45 was not completed within the required time period.
<i>Effect or Potential Effect</i>	The Borough is not in compliance with 2 AAC 45.010 (b)(1).
<i>Cause</i>	The audit was not completed in time to file the reporting package, due to a delay in closing the books and records.
<i>Repeat Finding</i>	No
<i>Recommendation</i>	We recommend management establish strong internal controls surrounding year end general ledger and trial balance reconciliation to allow for timely submission of the annual audit and required single audit reports.
<i>Views of Responsible Officials</i>	Management concurs with the findings. Management will ensure timely year end closing and review of audit schedules to ensure timely reporting.

Matanuska Susitna Borough Single Audit Responses  
(Unaudited)

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# MATANUSKA-SUSITNA BOROUGH

## Department of Finance

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[www.matsugov.us](http://www.matsugov.us)

### Corrective Action Plan Year Ended June 30, 2022

**Name of Contract Person:** Liesel Weiland  
Matanuska-Susitna Borough Comptroller  
350 E. Dahlia Avenue  
Palmer, AK 99645  
Phone: (907) 861-8624

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**Finding 2022-001**                      **General Ledger Reconciliation and External Financial Reporting-  
Internal Control Over Financial Reporting-Material Weakness**

**Corrective Action:**                      The Borough will continue to streamline its year end closing processes. A workflow will be documented and implemented for the year end closing and review of post-year end invoices to ensure the proper accounting of the expenditures. Such procedures should eliminate errors even with future turnover in staff. We will consider using supplemental assistance with review of the Annual Comprehensive Report.

**Expected completion date:**                      Fiscal year 2023

**Finding 2022-002**                      **Significant Deficiency in Internal Control over Compliance,  
Noncompliance - Reporting**

**Corrective Action:**                      The Borough will ensure timely year end closing and review of audit schedules to ensure timely reporting.

**Expected completion date:**                      Fiscal year 2023

**Finding 2022-003**                      **Significant Deficiency in Internal Control over Compliance,  
Noncompliance - Reporting**

**Corrective Action:**                      The Borough will ensure timely year end closing and review of audit schedules to ensure timely reporting.

**Expected completion date:**                      Fiscal year 2023

*Providing Outstanding Borough Services to the Matanuska-Susitna Community.*

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**OTHER  
SUPPLEMENTARY  
INFORMATION**



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Department of Health and Social Services  
 Public Health Emergency Preparedness  
 601-299-21002

Schedule of Revenues and Expenditures - Budget and Actual  
 Grant Period Ended June 30, 2022

<i>Year Ended June 30, 2022</i>	Actual	Budget	Variance
Revenues - Federal passed through the State of Alaska	\$ 10,762	\$ 40,000	\$ (29,238)
<b>Expenditures :</b>			
Wages	6,612	30,020	23,408
Supplies	3,900	8,986	5,086
Other costs	250	994	744
<b>Total Expenditures</b>	\$ 10,762	\$ 40,000	\$ 29,238

**Department of Health and Social Services  
Human Services Community Matching Grants  
605-231-21003**

**Schedule of Revenues and Expenditures - Budget and Actual  
Grant Period Ended June 30, 2022**

<i>Year Ended June 30, 2022</i>	Actual	Budget	Variance
<b>Revenues</b>			
State of Alaska	\$ 301,625	\$ 301,625	\$ -
Matanuska-Susitna Borough	129,268	129,268	-
<b>Total Revenues</b>	430,893	430,893	-
<b>Expenditures - other costs</b>	\$ 430,893	\$ 430,893	\$ -

Department of Health and Social Services  
 Emergency Management Performance Grant  
 20EMPG-GY20

Schedule of Revenues and Expenditures - Budget and Actual  
 Grant Period Ended June 30, 2022

<i>Year Ended June 30, 2022</i>	Actual	Budget	Variance
<b>Revenues</b>			
Federal passed through the State of Alaska	\$ 172,801	\$ 214,042	\$ (41,241)
Matanuska-Susitna Borough	172,802	214,042	(41,240)
<b>Total Revenues</b>	345,603	428,084	(82,481)
<b>Expenditures - wages</b>	\$ 345,603	\$ 428,084	\$ 82,481

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# COMPONENT UNIT

Annual Comprehensive Financial Report  
Matanuska-Susitna Borough



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Exhibit A-1

**Matanuska-Susitna Borough School District  
(A Component Unit of the Matanuska-Susitna Borough)**

**Statement of Net Position**

<i>June 30, 2022</i>	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash	\$ 49,661,853
Accounts receivable:	
Federal and state grants	15,776,811
Other	587,789
Inventory	3,070,026
Prepaid items	5,154,369
Net other postemployment benefits assets	122,359,856
Capital assets not being depreciated	119,632
Capital assets, net of accumulated depreciation	21,179,852
<b>Total Assets</b>	<b>217,910,188</b>
<b>Deferred Outflows of Resources:</b>	
Pension related	18,571,823
Other postemployment benefits related	5,512,527
<b>Total Deferred Outflows of Resources</b>	<b>24,084,350</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 241,994,538</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 2,928,779
Accrued payroll and related liabilities	9,192,776
Unearned revenue	617,791
Claims payable	700,535
Noncurrent liabilities:	
Accrued leave - due within one year	2,593,695
Lease liability - due within one year	1,714,580
Accrued leave - due in more than one year	1,792,167
Lease liability - due in more than one year	9,451,421
Net pension liability	103,382,873
<b>Total Liabilities</b>	<b>132,374,617</b>
<b>Deferred Inflows of Resources</b>	
Pension related	77,089,430
Other postemployment benefits related	58,926,279
<b>Total Deferred Inflows of Resources</b>	<b>136,015,709</b>
<b>Net Position</b>	
Net investment in capital assets	10,133,483
Restricted for correspondence program	2,883,810
Unrestricted (deficit)	(39,413,081)
<b>Total Net Position</b>	<b>(26,395,788)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 241,994,538</b>

*See accompanying notes to basic financial statements.*

Exhibit B-1

**Matanuska-Susitna Borough School District**  
(A Component Unit of the Matanuska-Susitna Borough)

**Statement of Activities**

Year Ended June 30, 2022	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 98,591,847	\$ -	\$ 20,700,247	\$ -	\$ (77,891,600)
Special education instruction	36,256,023	-	2,026,338	-	(34,229,685)
Special education support services - students	16,562,402	-	2,309,878	-	(14,252,524)
Support services - students	12,430,892	-	5,040,071	-	(7,390,821)
Support services - instruction	8,926,362	-	2,600,997	-	(6,325,365)
School administration	8,411,607	-	-	-	(8,411,607)
School administration support services	9,830,788	-	265,153	-	(9,565,635)
District administration	1,139,373	-	-	-	(1,139,373)
District administration support services	14,275,024	-	2,966,748	-	(11,308,276)
Operations and maintenance of plant	27,515,774	-	1,348,303	-	(26,167,471)
Student activities	5,136,018	3,280,448	51,175	-	(1,804,395)
Student transportation - to and from school	18,237,215	-	16,374,625	-	(1,862,590)
Community services	26,578	-	20,948	-	(5,630)
Food services	7,587,521	104,621	11,581,178	-	4,098,278
Construction and facilities acquisition	-	-	-	27,736	27,736
Interest on long-term debt	413,028	-	-	-	(413,028)
<b>Total Governmental Activities</b>	<b>\$ 265,340,452</b>	<b>\$ 3,385,069</b>	<b>\$ 65,285,661</b>	<b>\$ 27,736</b>	<b>(196,641,986)</b>
<b>General Revenues</b>					
Borough appropriation					76,091,806
State grants and entitlements not restricted to a specific purpose					173,008,326
E-rate					1,383,260
Medicaid reimbursement					681,942
Other					970,806
<b>Total General Revenues</b>					<b>252,136,140</b>
<b>Change in Net Position</b>					<b>55,494,154</b>
<b>Net Position, (deficit) beginning of year</b>					<b>(81,889,942)</b>
<b>Net Position, (deficit) end of year</b>					<b>\$ (26,395,788)</b>

*See accompanying notes to basic financial statements.*

Exhibit C-1

Matanuska-Susitna Borough School District  
(A Component Unit of the Matanuska-Susitna Borough)

Governmental Funds  
Balance Sheet

	Major Fund							Total Governmental Funds
	General		Special Revenue Funds			Nonmajor Funds		
June 30, 2022		Coronavirus Response and Relief Supplemental Appropriations Act Fund	ESSEER II	American Rescue Plan Act Fund	ESSEER III	Renewal and Replacement	Capital Improvement Plan Project Fund	
<b>Assets</b>								
Cash	\$ 12,580,643	\$ -	\$ -	\$ 11,794,150	\$ 13,537,526	\$ 8,553,318	\$ 46,465,637	
Accounts receivable:								
Federal and state grants	-	3,161,371	4,141,005	-	-	8,474,435	15,776,811	
Other	579,458	-	-	-	-	-	579,458	
Inventory	1,739,723	-	-	-	-	1,330,303	3,070,026	
Prepaid items	5,152,369	-	-	-	-	2,000	5,154,369	
Due from other funds	17,008,469	-	-	-	-	-	17,008,469	
<b>Total Assets</b>	<b>\$ 37,060,662</b>	<b>\$ 3,161,371</b>	<b>\$ 4,141,005</b>	<b>\$ 11,794,150</b>	<b>\$ 13,537,526</b>	<b>\$ 18,360,056</b>	<b>\$ 88,054,770</b>	
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 2,430,521	\$ 35,470	\$ 11,410	\$ 79,453	\$ 30,682	\$ 341,243	\$ 2,928,779	
Accrued payroll and related liabilities	9,192,776	-	-	-	-	-	9,192,776	
Unearned revenue	-	-	-	-	-	617,791	617,791	
Due to other funds	-	3,125,901	4,129,595	-	-	7,302,860	14,558,356	
<b>Total Liabilities</b>	<b>11,623,297</b>	<b>3,161,371</b>	<b>4,141,005</b>	<b>79,453</b>	<b>30,682</b>	<b>8,261,894</b>	<b>27,297,702</b>	
<b>Fund Balances</b>								
Nonspendable	6,892,092	-	-	-	-	1,332,303	8,224,395	
Restricted	2,883,810	-	-	-	-	-	2,883,810	
Committed	-	-	-	11,714,697	13,506,844	3,173,757	28,395,298	
Assigned	750,000	-	-	-	-	5,592,102	6,342,102	
Unassigned	14,911,463	-	-	-	-	-	14,911,463	
<b>Total Fund Balances</b>	<b>25,437,365</b>	<b>-</b>	<b>-</b>	<b>11,714,697</b>	<b>13,506,844</b>	<b>10,098,162</b>	<b>60,757,068</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 37,060,662</b>	<b>\$ 3,161,371</b>	<b>\$ 4,141,005</b>	<b>\$ 11,794,150</b>	<b>\$ 13,537,526</b>	<b>\$ 18,360,056</b>	<b>\$ 88,054,770</b>	

See accompanying notes to basic financial statements.

**Matanuska-Susitna Borough School District**  
**(A Component Unit of the Matanuska-Susitna Borough)**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2022**

Total fund balances of governmental funds		\$ 60,757,068
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 119,632	
Capital assets being depreciated	49,495,675	
Accumulated depreciation	<u>(28,315,823)</u>	
Total capital assets		<u>21,299,484</u>
Certain other postemployment benefit plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported in the funds.		
Net other postemployment benefits asset		<u>122,359,856</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.		
Long-term liabilities reported in these statements consist of:		
Accrued leave	(4,385,862)	
Lease liability	(11,166,001)	
Net pension liability	<u>(103,382,873)</u>	
Total long-term liabilities		<u>(118,934,736)</u>
Certain changes in net pension liabilities and net other postemployment benefits assets and liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions	18,571,823	
Deferred inflows of resources related to pensions	(77,089,430)	
Deferred outflows of resources related to other postemployment benefits	5,512,527	
Deferred inflows of resources related to other postemployment benefits	<u>(58,926,279)</u>	
Total deferred pension and other postemployment benefits items		<u>(111,931,359)</u>
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities statement of net position		
		<u>53,899</u>
<b>Net Position of Governmental Activities</b>		<u>\$ (26,395,788)</u>

*See accompanying notes to basic financial statements.*

Exhibit C-3

Matanuska-Susitna Borough School District  
(A Component Unit of the Matanuska-Susitna Borough)

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

Year Ended June 30, 2022	Major Fund						Nonmajor Funds	Total Governmental Funds
	Special Revenue Funds							
	General	Coronavirus Response and Relief Supplemental Appropriations Act Fund ESSER II	American Rescue Plan Act Fund ESSER III	Renewal and Replacement	Capital Improvement Plan Project Fund			
<b>Revenues</b>								
Local sources:								
Borough appropriation	\$ 76,091,806	\$ -	\$ -	\$ 1,650,000	\$ -	\$ -	\$ 77,741,806	
Other	661,843	-	-	13,481	-	3,582,105	4,257,429	
State of Alaska	194,616,691	-	-	-	-	16,661,975	211,278,666	
Federal sources:								
E-rate	1,383,260	-	-	-	-	-	1,383,260	
Medicaid reimbursement	681,942	-	-	-	-	-	681,942	
Direct grants	127,416	-	-	-	-	511,437	638,853	
Grants passed through the State of Alaska	181,547	7,962,463	12,083,636	-	-	32,266,014	52,493,660	
Grants passed through intermediate agencies	-	-	-	-	-	16,069	16,069	
<b>Total Revenues</b>	<b>273,744,505</b>	<b>7,962,463</b>	<b>12,083,636</b>	<b>1,663,481</b>	<b>-</b>	<b>53,037,600</b>	<b>348,491,685</b>	
<b>Expenditures</b>								
Current:								
Instruction	100,891,540	6,324,246	9,679,747	744,908	2,049	8,261,128	125,903,618	
Special education instruction	41,829,496	139,691	79,846	-	-	2,683,912	44,732,945	
Special education support services - students	17,843,640	20,871	-	-	-	2,776,872	20,641,383	
Support services - students	9,882,912	559,079	1,130,674	19,232	-	3,669,636	15,261,533	
Support services - instruction	8,403,528	306,786	134,653	-	-	2,471,421	11,316,388	
School administration	11,264,363	717	-	-	-	376,427	11,641,507	
School administration support services	10,627,956	-	188,088	-	-	87,027	10,903,071	
District administration	1,395,815	-	-	-	-	-	1,395,815	
District administration support services	12,678,699	465,265	706,519	-	-	1,937,560	15,788,043	
Operations and maintenance of plant	22,952,653	142,063	156,852	507,185	-	484,163	24,242,916	
Student activities	3,788,750	3,745	7,257	-	-	2,178,755	5,978,507	
Student transportation - to and from school	(567)	-	-	-	-	18,282,122	18,281,555	
Community services	5,257	-	-	-	-	21,420	26,677	
Food services	(6,211)	-	-	-	-	8,099,706	8,093,495	
Debt Service:								
Principal	1,654,243	-	-	-	-	167,750	1,821,993	
Interest	187,478	-	-	-	-	225,550	413,028	
Capital outlay - construction and facilities acquisition								
	-	-	-	-	1,035,536	27,736	1,063,272	
<b>Total Expenditures</b>	<b>243,399,552</b>	<b>7,962,463</b>	<b>12,083,636</b>	<b>1,271,325</b>	<b>1,037,585</b>	<b>51,751,185</b>	<b>317,505,746</b>	
<b>Excess of Revenues Over Expenditures</b>	<b>30,344,953</b>	<b>-</b>	<b>-</b>	<b>392,156</b>	<b>(1,037,585)</b>	<b>1,286,415</b>	<b>30,985,939</b>	
<b>Other Financing Sources (Uses)</b>								
Transfers in	40,011	-	-	10,400,000	13,190,313	2,098,549	25,728,873	
Transfers out	(25,688,862)	-	-	-	-	(40,011)	(25,728,873)	
<b>Net Other Financing Sources (Uses)</b>	<b>(25,648,851)</b>	<b>-</b>	<b>-</b>	<b>10,400,000</b>	<b>13,190,313</b>	<b>2,058,538</b>	<b>-</b>	
<b>Net Change in Fund Balances</b>	<b>4,696,102</b>	<b>-</b>	<b>-</b>	<b>10,792,156</b>	<b>12,152,728</b>	<b>3,344,953</b>	<b>30,985,939</b>	
<b>Fund Balances, beginning of year</b>	<b>20,741,263</b>	<b>-</b>	<b>-</b>	<b>922,541</b>	<b>1,354,116</b>	<b>6,753,209</b>	<b>29,771,129</b>	
<b>Fund Balances, end of year</b>	<b>\$ 25,437,365</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,714,697</b>	<b>\$ 13,506,844</b>	<b>\$ 10,098,162</b>	<b>\$ 60,757,068</b>	

See accompanying notes to basic financial statements.

**Matanuska-Susitna Borough School District**  
(A Component Unit of the Matanuska-Susitna Borough)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2022**

Net change in fund balances - total governmental funds		\$ 30,985,939
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, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay:		
Capital outlay		\$ 1,674,830
Depreciation and amortization expense		(4,678,309)
Loss on disposal of assets		<u>(237,193)</u>
		(3,240,672)
Amounts reported in the Internal Service Funds of the District are used to support worker's compensation insurance. Their activities are appropriately recorded with governmental activities in the statement of activities.		
		53,899
Repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, this does effect net position. This amount is the principal payments on lease liability.		
		1,821,993
Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Decrease in accrued leave		139,526
Decrease in net pension liability and related deferred outflows and inflows of resources		(18,680,002)
Increase in net OPEB asset/liability and related deferred outflows and inflows of resources		<u>44,413,471</u>
<b>Change in Net Position of Governmental Activities</b>		<u>\$ 55,494,154</u>

*See accompanying notes to basic financial statements.*

Exhibit D-1

**Matanuska-Susitna Borough School District**  
**(A Component Unit of the Matanuska-Susitna Borough)**

**Proprietary Funds**  
**Statement of Net Position**

	<u>Governmental Activities</u>
	Internal Service Fund
<i>June 30, 2022</i>	
<b>Assets</b>	
Cash	\$ 3,196,216
Accounts receivable	8,331
<b>Total Assets</b>	<b>\$ 3,204,547</b>
<b>Liabilities and Net Position</b>	
<b>Liabilities</b>	
Due to other funds	\$ 2,450,113
Claims payable	700,535
<b>Liabilities</b>	<b>3,150,648</b>
<b>Net Position - unrestricted</b>	<b>53,899</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 3,204,547</b>

*See accompanying notes to basic financial statements.*

**Matanuska-Susitna Borough School District**  
(A Component Unit of the Matanuska-Susitna Borough)

**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

	<u>Governmental Activities</u>
	Internal Service
<i>Year Ended June 30, 2022</i>	Fund
<b>Operating Revenues</b>	
Interfund charges	\$ 1,571,227
<b>Operating Expenses</b>	
Instruction	730
Special education instruction	40,186
Support services - instruction	8,391
School administration	15,338
District administration support services	1,450,858
Operations and maintenance of plant	1,825
<b>Total Operating Expenses</b>	<b>1,517,328</b>
<b>Change in Net Position</b>	<b>53,899</b>
<b>Net Position, beginning of year</b>	<b>-</b>
<b>Net Position, end of year</b>	<b>\$ 53,899</b>

*See accompanying notes to basic financial statements.*

Exhibit D-3

**Matanuska-Susitna Borough School District**  
**(A Component Unit of the Matanuska-Susitna Borough)**

**Proprietary Funds**  
**Statement of Cash Flows**

	<u>Governmental Activities</u>
	Internal Service Fund
<i>Year Ended June 30, 2022</i>	
<b>Cash Flows from Operating Activities</b>	
Payments from interfund charges	\$ 1,597,877
Payments to suppliers	(1,603,268)
<b>Net Cash Flows used for Operating Activities</b>	<b>(5,391)</b>
<b>Cash Flows from Noncapital Financing Activities</b>	
Increase in due to other funds	969,321
<b>Net Increase in Cash</b>	<b>963,930</b>
<b>Cash, beginning of year</b>	<b>2,232,286</b>
<b>Cash, end of year</b>	<b>\$ 3,196,216</b>
<b>Reconciliation of Operating Income from</b>	
<b>Net Cash Flows used for Operating Activities</b>	
Operating income	\$ 53,899
Adjustments to reconcile operating income	
from net cash flows used for operating activities:	
Increase in accounts receivable	26,650
Increase in accounts payable	(16,975)
Decrease in claims payable	(68,965)
<b>Net Cash Flows used for Operating Activities</b>	<b>\$ (5,391)</b>

*See accompanying notes to basic financial statements.*

