



# *Matanuska-Susitna Borough, Alaska*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2011**



**MATANUSKA-SUSITNA BOROUGH**  
**Comprehensive Annual Financial Report**

Table of Contents

<b>INTRODUCTORY SECTION</b>	<u>Exhibit</u>	<u>Page</u>
Table of Contents		I-VII
Letter of Transmittal		VIII-XIV
Principal Officials		XV
Certificate of Achievement for Excellence in Financial Reporting		XVI
Organization Chart – Matanuska-Susitna Borough		XVII
<b>FINANCIAL SECTION</b>		
<b><u>Independent Auditor’s Report</u></b>		1-2
<b><u>Management’s Discussion and Analysis</u></b>		3-14
<b><u>Basic Financial Statements</u></b>		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	15
Statement of Activities	A-2	16
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	17
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	B-2	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	19
Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities	B-4	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	C-1	21
Proprietary Funds:		
Statement of Net Assets	D-1	22-23
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	24
Statement of Cash Flows	D-3	25
Agency Funds – Statement of Fiduciary Assets and Liabilities	E-1	26
Notes to Basic Financial Statements		27-52

**MATANUSKA-SUSITNA BOROUGH**  
Comprehensive Annual Financial Report

Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<u>Exhibit</u>	<u>Page</u>
<b><u>Supplementary Information</u></b>		
Nonmajor Governmental Funds:		
Combining Balance Sheet	F-1	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	54
General Fund:		
Balance Sheet	G-1	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	G-2	56-59
Special Revenue Funds:		
Combining Balance Sheet	H-1	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	63
Nonareawide Services and Service Areas:		
Combining Balance Sheet	H-3	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	H-4	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual:		
Nonareawide Services	H-5	66
Service Area 7 – Talkeetna Flood Control	H-6	67
Service Area 36 – Talkeetna Water and Sewer	H-7	68
Freedom Hills Subdivision	H-8	69
Garden Terrace Estates	H-9	70
Circle View/Stampede Estates	H-10	71
Enhanced 911 Service	H-11	72
Chase Trail	H-12	73
Service Area 69 – Point MacKenzie	H-13	74
Grid Roller Maintenance	H-14	75
Roads Outside Service Areas	H-15	76
Fire Service Areas:		
Combining Balance Sheet	H-16	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	H-17	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual:		
Fire Service Area 130 – Wasilla - Lakes	H-18	80
Fire Service Area 2 – Butte	H-19	81

**MATANUSKA-SUSITNA BOROUGH**  
**Comprehensive Annual Financial Report**

Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<u>Exhibit</u>	<u>Page</u>
<b><u>Supplementary Information, continued</u></b>		
Special Revenue Funds, continued:		
Nonareawide Services and Service Areas, continued:		
Fire Service Areas, continued:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual, continued:		
Fire Service Area 132 – Greater Palmer Consolidated	H-20	82
Fire Service Area 4 – Sutton	H-21	83
Fire Service Area 24 – Talkeetna	H-22	84
Fire Service Area 136 – West Lakes	H-23	85
Fire Service Area 35 – Willow	H-24	86
Fire Service Area 135 – Caswell	H-25	87
Road Service Areas:		
Combining Balance Sheet	H-26	88-89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-27	90-91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
Road Service Area 9 – Midway Road	H-28	92
Road Service Area 14 – Fairview Road	H-29	93
Road Service Area 15 – Caswell Lake	H-30	94
Road Service Area 16 – South Colony	H-31	95
Road Service Area 17 – Knik Road	H-32	96
Road Service Area 19 – Lazy Mountain	H-33	97
Road Service Area 20 – Greater Willow	H-34	98
Road Service Area 21 – Big Lake Road	H-35	99
Road Service Area 23 – North Colony	H-36	100
Road Service Area 25 – Bogard Road	H-37	101
Road Service Area 26 – Greater Butte Road	H-38	102
Road Service Area 27 – Meadow Lakes Road	H-39	103
Road Service Area 28 – Gold Trail Road	H-40	104
Road Service Area 29 – Greater Talkeetna Road	H-41	105
Road Service Area 30 – Trapper Creek Road	H-42	106
Road Service Area 31 – Alpine Road	H-43	107
Land Management Special Revenue Fund:		
Balance Sheet	H-44	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	H-45	109

**MATANUSKA-SUSITNA BOROUGH**  
**Comprehensive Annual Financial Report**

Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
<b><u>Supplementary Information, continued</u></b>		
Debt Service Funds:		
School Buildings:		
Balance Sheet	I-1	111
Statement of Revenues, Expenditures, and Changes in Fund Balance	I-2	112
Nonmajor Debt Service Funds:		
Combining Balance Sheet	I-3	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	I-4	114
Capital Project Funds:		
School Projects:		
Balance Sheet	J-1	116
Statement of Revenues, Expenditures, and Changes in Fund Balance	J-2	117
Infrastructure:		
Balance Sheet	J-3	118
Statement of Revenues, Expenditures, and Changes in Fund Balance	J-4	119
Nonmajor Capital Project Funds:		
Combining Balance Sheet	J-5	120
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	J-6	121
Project Length of Construction Projects	J-7	122-123
Enterprise Funds:		
Solid Waste:		
Statement of Net Assets	K-1	125
Statement of Revenues, Expenses, and Changes in Net Assets	K-2	125
Statement of Cash Flows	K-3	127
Port:		
Statement of Net Assets	K-4	128
Statement of Revenues, Expenses, and Changes in Net Assets	K-5	129
Statement of Cash Flows	K-6	130
Internal Service Funds:		
Combining Statement of Net Assets	L-1	131
Combining Statement of Revenues, Expenses, and Changes in Net Assets	L-2	132
Combining Statement of Cash Flows	L-3	133

**MATANUSKA-SUSITNA BOROUGH**  
Comprehensive Annual Financial Report

Table of Contents, continued

<b>FINANCIAL SECTION, continued</b>	<u>Exhibit</u>	<u>Page</u>
<b><u>Supplementary Information, continued</u></b>		
Internal Service Funds, continued:		
Revolving Loan:		
Combining Statement of Net Assets	L-4	134
Combining Statement of Revenues, Expenses, and Changes in Net Assets	L-5	135
Combining Statement of Cash Flows	L-6	136
Self-Insurance:		
Combining Statement of Net Assets	L-7	137
Combining Statement of Revenues, Expenses, and Changes in Net Assets	L-8	138
Combining Statement of Cash Flows	L-9	139
Agency Funds –		
Combining Statement of Changes in Assets and Liabilities	M-1	141-142
Schedule of Expenditures of Federal Awards	N-1	143-145
Schedule of State Financial Assistance	O-1	146-149
 <b>STATISTICAL SECTION</b>		
	<u>Schedule</u>	<u>Page</u>
Net Assets by Component	1	152
Changes in Net Assets	2	153-154
Program Revenues by Function/Program	3	155
Fund Balances, Governmental Funds	4	156
Changes in Fund Balances, Governmental Funds	5	157
Assessed Value and Estimated Actual Value of Taxable Property	6	158
Direct and Overlapping Property Tax Rates	7	159-160
Principal Property Taxpayers	8	161
Property Tax Levies and Collections	9	162
Ratios of Outstanding Debt by Type	10	163
Ratios of Net General Bonded Debt Outstanding	11	164
Direct and Overlapping Debt	12	165
Legal Debt Margin Information	13	166
Demographic and Economic Statistics	14	167
Principal Employers	15	168
Full-Time Equivalent Borough Government Employees by Function/Program	16	169
Operating Indicators by Function/Program	17	170
Capital Asset Statistics by Function/Program	18	171

**MATANUSKA-SUSITNA BOROUGH**  
Comprehensive Annual Financial Report

Table of Contents, continued

<b>SINGLE AUDIT SECTION</b>	<u>Page</u>
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 <i>Government Auditing Standards</i>	173-174
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	175-176
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>	177-178
Schedule of Findings and Questioned Costs	179-180
Summary Schedule of Prior Audit Findings	181
Corrective Action Plan	182
 <b>COMPONENT UNIT</b>	
Government-wide Financial Statements:	
Statement of Net Assets	183
Statement of Activities	184
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	185
Reconciliation of Governmental Funds	
Balance Sheet to Statement of Net Assets	186
Statement of Revenues, Expenditures, and Changes in Fund Balances	187
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	188

**MATANUSKA-SUSITNA BOROUGH**  
**Comprehensive Annual Financial Report**

Table of Contents, continued

<b>COMPONENT UNIT</b>	<b><u>Page</u></b>
Proprietary Funds:	
Statement of Net Assets	189
Statement of Revenues, Expenses, and Changes in Fund Net Assets	190
Statement of Cash Flows	191
Student Activities Agency Fund – Statement of Fiduciary Net Assets	192





## **MATANUSKA-SUSITNA BOROUGH**

### **Department of Finance**

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-4801 • Fax (907) 745-0886

[www.matsugov.us](http://www.matsugov.us)

December 22, 2011

To the Honorable Mayor,  
Members of the Assembly and  
Citizens of the Matanuska-Susitna Borough:

#### **Transmittal of the CAFR**

In accordance with Section 29.35.120 of Alaska Statutes, the Comprehensive Annual Financial Report of the Matanuska-Susitna Borough for the fiscal year ended June 30, 2011, 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 Matanuska-Susitna 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 Mikunda, Cottrell & Company, 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, 2011, 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, 2011, 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 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 Comprehensive Annual Financial Report.

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. The Borough is located in the south central part of the state of Alaska. It occupies a geographic area of approximately 25,265 miles. It is the fastest growing community in the state of Alaska and serves a population of 88,995. The Borough is empowered to levy a property tax on both real and personal properties located within its boundaries. State of Alaska 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, education, planning and zoning, parks and recreation, ports, emergency medical services and historic preservation. The Borough also exercises the following non-areawide powers: solid waste, libraries, septage disposal, animal care and regulation and economic development. Additionally, following voter approval, the Borough is now responsible for 30 active service areas for water, sewer, flood, water erosion, fire, and/or roads. Service area boards of supervisors are appointed by the assembly to oversee 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. Assemblymembers 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 January 31<sup>st</sup>. The Manager uses these requests for developing a proposed budget. The Manager submits his 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 31<sup>st</sup>. The budget is appropriated by fund (Areawide), department (Emergency Services), and division (Dive Rescue). 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 56, 57, 58 and 59. For governmental funds, other than the General Fund, these comparisons start on page 66.

### **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 1990's. In fact, in the last ten years the growth has been described as "rapid" by State economists. 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. In brief, one of these factors is health care. The Mat Su Regional Medical Center, which opened in 2006, has grown much faster than expected. In fact, they have continued to expand by renovating the third floor of the hospital building. Also, the Southcentral Foundation broke ground during summer of 2011 for a new \$40 million Native Medical Care Facility that will increase the number of permanent jobs from a current staff of 35 now to 250 medical personnel after the facility is completed in 2013. Furthermore, the Mat-Su College has recently initiated new nursing courses and a new paramedic's curriculum that will provide a four year degree in paramedic medicine. On November 2, 2010, state residents passed a bond measure that will provide new classroom space at the college for these programs. In addition to the hospitals, several new medical facilities are being built or were built this past year. This includes a Diabetes Center, Neuroscience Center, and a Pediatric Dental facility.

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 entertainment facilities. 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. Two small manufacturing plants are also being constructed which will provide additional employment for Borough residents once completed.

To further economic development, the Borough completed an Economic Development Strategic Plan. The purpose of the plan was to provide a blue print for positioning the Borough for sustainable economic growth and prosperity. The plan placed heavy emphasis on business community involvement and included over 140 business representatives and 40 public entity representatives in the plan process. The plan sets forth an economic vision whereby the Borough becomes a premiere destination of quality development and well-paying jobs in Alaska. The plan identifies 24 implementation strategies and over 80 specific actions to achieve the economic vision and provide for more high paying jobs. It also places emphasis on the private sector/public sector partnership to help guide growth and development throughout the Borough. The specific recommendations included the establishment of the university medical district for additional medical services and university, building greater awareness of the Borough as a destination for new investment from the employers in Anchorage, establishing a new Borough-wide business/public partnership to support economic development, improving workforce training and apprenticeship programs so that more young workers can permanently become part of the workforce, developing multi-modal transportation infrastructure at Port MacKenzie and continuing to invest in tourism infrastructure and marketing the Borough.

In addition to implementing the new Economic Development Strategic Plan, several significant projects are proceeding including development of ferry service between Port MacKenzie and the upper Cook Inlet, the continued construction of the new 1,536 bed medium security prison at Point MacKenzie, the construction of the water/wastewater facility for the prison by a private utility and the continued development of the industrial district of Port MacKenzie.

Also, the Borough, working with the Alaska Railroad, completed a \$10 million environmental study to extend the Alaska Railroad 30 miles from Willow to Port Mackenzie. The Borough previously acquired \$17.5 million to start construction on the rail loop in the Port District. In July 2010, \$35 million more was received for the next phase. The next phase will construct six miles of rail embankment, purchase right-of-way for the remaining rail extension and engineer the route selected by the Environmental Impact Study. And in July 2011, we received another \$30 million. These funds will continue the construction of the rail embankment and will be used to acquire additional right-of-ways. This will greatly increase natural resource development within the Valley and rail freight transport through the Port.

Cash from all Borough funds as well as the operating cash of the School District is held in a central treasury and managed by the Borough Administration. 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, 2011 of the investments range from six months to twenty months, with an average maturity of thirteen months. The average yield this fiscal year was .27%.

In accordance with 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 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 (1) in the Notes to the Basic Financial Statements.

The Borough provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The Borough has no obligations in connection with employee benefits offered through this plan beyond its annual required payment to the pension plan.

The Matanuska-Susitna Borough School District provides pension benefits for all eligible employees through PERS and the Teachers Retirement System (TRS). The school district has no obligations in connection with employee benefits offered through these plans beyond its annual required payments to the pension plans.

Additional information on pension arrangements and postemployment benefits can be found in Note (8) in the Notes to the Basic Financial Statements.

#### **Relative Financial Policies**

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

The major reserve of the Areawide Fund is the Reservation of the General Fund Balance. This reserve is equal to a minimum of 25 percent of all operating budgeted expenditures of the fiscal year 2012 budget excluding the budgeted operating expenditures of the school district. This would provide funds if there is ever a significant shortfall in projected revenues. Also, it has been reported by the bond rating agencies as one of the reasons for maintaining or increasing our bond rating.

Another reserve has been established for Emergency Response. This reserve is within the Areawide Fund to cover unanticipated expenditures resulting from natural or human caused disasters including disaster response expenses. The said funds can only be expended after the issuance of the formal declaration of emergency.

Also within the Areawide Fund is a reserve for Capital. This reserve will cover one-time capital expenditures or site acquisition costs. Expenditure of these funds requires Assembly approval. Additionally, there is a reserve for Major Repair and Renovation. This too is included within the Areawide Fund. The expenditure of these funds also requires Assembly approval.

To meet the need for future school facilities, another reserve has been established within the Areawide Fund. This reserve has been established to provide funds for future school site acquisitions.

Lastly, a practice has been established for the use of one-time revenues. Rather than utilize these one-time payments for operating expenditures, the funds are utilized for tax rebates to taxpayers. Specifically for taxpayers who pay real and personal property taxes.

#### **Long-Term Financial Planning**

On December 22, 2008, the Borough issued the Series 2008 Lease Revenue Bonds in the amount of \$244,285,000. The funds are being utilized to design, construct and equip the Goose Creek Correctional Center. This 1,536 bed facility is being leased to the state of Alaska. Once complete, it will be operated by the State. The State's lease payment is equal to the debt service payment. Construction began in 2009. It will generate approximately 650 construction jobs. Once complete in September 2011, it is estimated that 350 permanent positions will be needed to operate the facility.

Additionally, the Borough issued the 2011 Series A General Obligation School Bonds in the amount of \$33,785,000. The bonds were issued February 23, 2011. These funds are being spent for safety upgrades and building improvements in 28 schools throughout the Borough. The projects will be completed during fiscal year 2012 and 2013.

The Borough has received voter approval to issue \$214,495,000 in General Obligation Bonds that will be issued to finance the acquisition, design, construction, major renovation and renewal of school capital improvement projects. Once authorization is received from the State for debt service reimbursement, bonds in the amount of \$120,610,000 will be issued in March 2012. The remaining \$93,885,000 will be issued in Fiscal Years 2013 and 2014.

The Borough also received authorization from the voters to issue \$32,165,000 in General Obligation Bonds to finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. However, the bonds can only be issued if a matching grant is received from the State of Alaska. If a matching grant is received in the 2012 legislative session, the bonds would be issued in the fiscal year 2013.

Approved in the capital/grant budget was \$1,965,000 for matching grants for 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.

Lastly, over \$5,100,000 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.

#### **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 Matanuska-

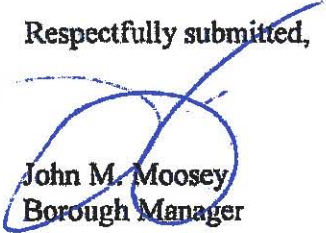
Susitna Borough for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This is the twenty-sixth consecutive year that the Borough has received this prestigious award. In order to be awarded a Certificate of Achievement, the Borough published an easily readable and efficiently organized comprehensive annual financial report. 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 comprehensive annual financial report 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.

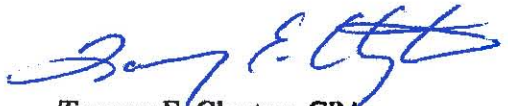
The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Accounting Division. We wish to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report with special thanks to Elizabeth Hartley, Tyrone Hodge, Melanie Schoppe, Kathleen Thornlow, Lisa Reeves, Cindy Loyer, Eileen Pickett, Jeff Krueger, Cheron Simeroth, Kateryna Dilley, Cheyenne Heindel, Katie Robinson and Alison Bradley. 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,



John M. Moosey  
Borough Manager



Tammy E. Clayton, CPA  
Director of Finance

# **MATANUSKA-SUSITNA BOROUGH**

## **PRINCIPAL OFFICIALS**

### **MAYOR AND ASSEMBLY**

The legislative power of the borough is vested in the mayor and a seven member assembly. The assembly meets the first and third Tuesday of each month for its regular sessions. In addition, special meetings and work sessions are scheduled throughout the year.

Larry DeVilbiss, Mayor  
Ronald Arvin, Deputy Mayor

Warren Keogh  
Noel W. Woods  
Mark Ewing

Cindy L. Bettine  
Jim Colver  
Vern Halter



### **Borough Staff**

John M. Moosey  
Nicholas Spiropoulos  
Lonnie McKechnie  
Elizabeth Gray  
Tammy E. Clayton  
Christine Nelson  
Shaune O'Neil  
Dennis Brodigan  
David Dunivan  
Elizabeth Hartley

Borough Manager  
Borough Attorney  
Borough Clerk  
Assistant Manager  
Director of Finance  
Director of Planning & Land Use  
Director of Public Works  
Director of Emergency Services  
Borough Assessor  
Borough Comptroller



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Matanuska-Susitna Borough  
Alaska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



*Linda C. Danson*

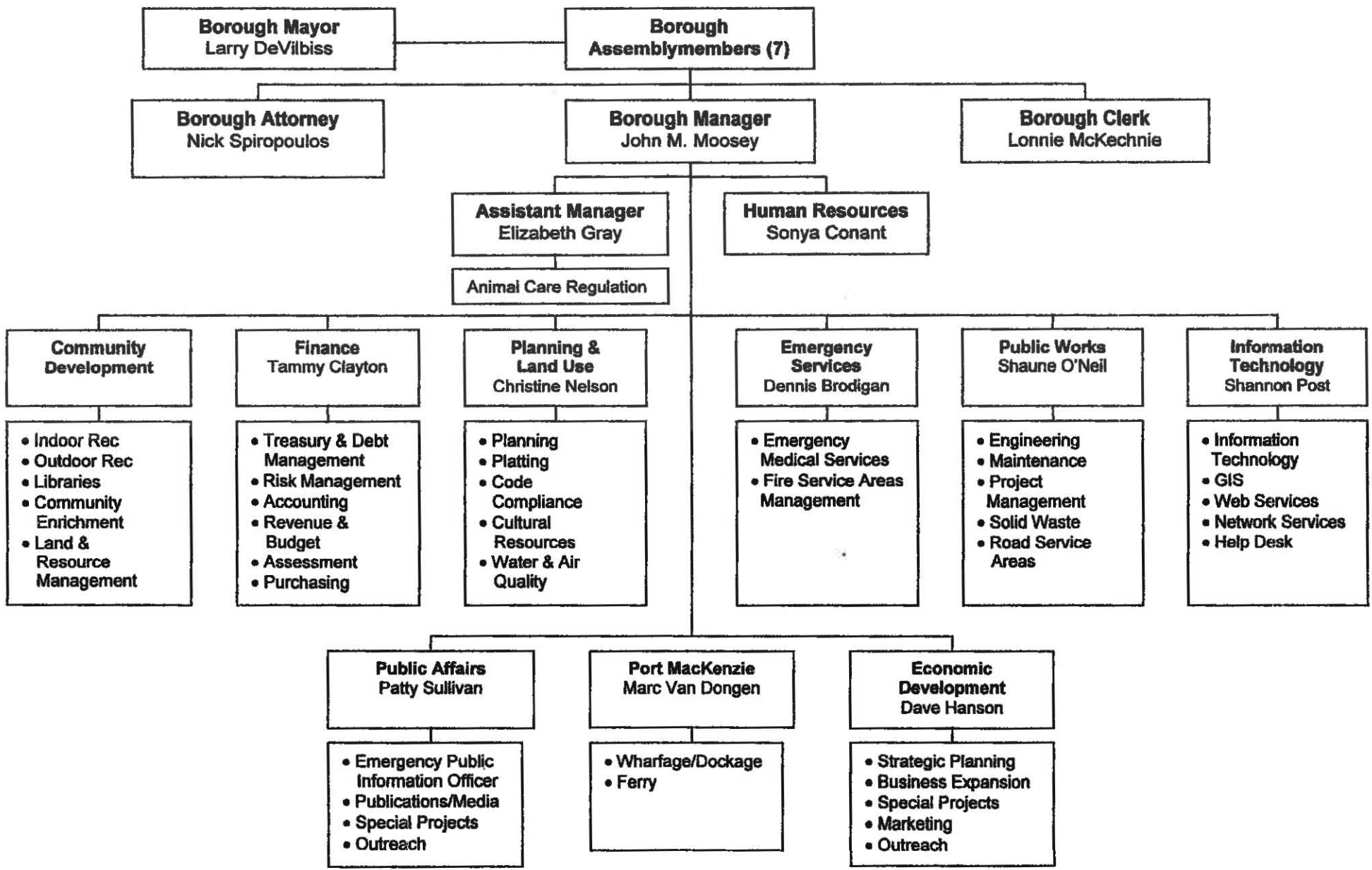
President

*Jeffrey R. Enos*

Executive Director

# Matanuska-Susitna Borough Organization Chart Fiscal Year 2011

XVII



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**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Statement of Net Assets

June 30, 2011

<u>Assets</u>	<u>Governmental Activities</u>
Cash and investments	\$ 7,526,232
Accounts receivable:	
Federal and state grants	11,108,525
Other	333,373
Inventory	1,059,314
Prepaid expenses	500,352
Capital equipment, net of accumulated depreciation	<u>2,364,292</u>
 Total assets	 \$ <u>22,892,088</u>
 <u>Liabilities and Net Assets</u>	
Liabilities:	
Accounts payable	414,502
Accrued payroll and related liabilities	6,287,227
Due to Borough	268,460
Unearned revenue	418,656
Insurance claims incurred but not reported	1,309,046
Noncurrent liabilities - accrued leave - due within one year	<u>5,152,137</u>
Total liabilities	<u>13,850,028</u>
Net assets:	
Invested in capital assets	2,364,292
Restricted - endowment	5,745
Unrestricted	<u>6,672,023</u>
Total net assets	<u>9,042,060</u>
 Total liabilities and net assets	 \$ <u>22,892,088</u>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Statement of Activities  
Year Ended June 30, 2011

		<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Assets
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contri- butions</u>	<u>Govern- mental Activities</u>
<b>Governmental activities:</b>				
Instruction	\$ 101,676,435	-	15,136,212	(86,540,223)
Special education instruction	34,791,877	-	4,038,949	(30,752,928)
Special education support services - students	12,562,755	-	2,075,502	(10,487,253)
Support services - students	9,372,873	-	-	(9,372,873)
Support services - instruction	13,789,623	-	3,866,234	(9,923,389)
School administration	8,961,567	-	-	(8,961,567)
School administration support services	8,445,556	-	-	(8,445,556)
District administration	2,081,487	-	881,176	(1,200,311)
District administration support services	11,127,927	-	523,903	(10,604,024)
Operations and maintenance of plant	20,186,592	-	217,782	(19,968,810)
Student activities	3,619,406	-	-	(3,619,406)
Student transportation	12,528,426	-	11,866,506	(661,920)
Community services	170,616	-	27,137	(143,479)
Food services	5,842,775	1,311,006	4,037,858	(493,911)
Construction and facilities acquisition	146,825	-	-	(146,825)
	<u>\$ 245,304,740</u>	<u>1,311,006</u>	<u>42,671,259</u>	<u>(201,322,475)</u>
<b>General revenues:</b>				
Borough contribution			\$	48,078,905
State grants and entitlements not restricted to a specific purpose				157,110,238
E-rate				373,968
Medicaid reimbursement				223,583
Facility use				119,258
Out of District reimbursement				1,033,518
Gain on disposal of assets				-
Other				600,009
				<u>207,539,479</u>
Change in net assets				6,217,004
Net assets, beginning of year				<u>2,825,056</u>
Net assets, end of year			\$	<u>9,042,060</u>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Governmental Funds  
Balance Sheet  
June 30, 2011

	Major Funds					Total Govern- mental Funds
	General	State Fiscal Stabilization ARRA	Education Jobs	Capital Improvement Projects	Nonmajor Funds	
<u>Assets</u>						
Cash and investments	\$ -	-	-	4,116,906	1,836,155	5,953,061
Accounts receivable:						
Federal and state grants	-	2,900,700	2,262,133	-	5,945,692	11,108,525
Other	277,647	-	-	-	55,726	333,373
Inventory	464,432	-	-	-	540,394	1,004,826
Prepaid items	498,352	-	-	-	-	498,352
Due from other funds	8,593,818	-	-	3,110,827	-	11,704,645
<b>Total assets</b>	<b>\$ 9,834,249</b>	<b>2,900,700</b>	<b>2,262,133</b>	<b>7,227,733</b>	<b>8,377,967</b>	<b>30,602,782</b>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities:</u>						
Accounts payable	414,502	-	-	-	-	414,502
Accrued payroll and related liabilities	6,287,227	-	-	-	-	6,287,227
Due to Borough	268,460	-	-	-	-	268,460
Deferred revenue	341	-	-	-	301,281	301,622
Due to other funds	-	2,900,700	2,262,133	-	6,541,812	11,704,645
<b>Total liabilities</b>	<b>6,970,530</b>	<b>2,900,700</b>	<b>2,262,133</b>	<b>-</b>	<b>6,843,093</b>	<b>18,976,456</b>
<u>Fund balances:</u>						
Nonspendable	962,784	-	-	-	540,394	1,503,178
Restricted	-	-	-	-	5,745	5,745
Committed	500,000	-	-	7,227,733	-	7,727,733
Assigned	-	-	-	-	1,529,129	1,529,129
Unassigned	1,400,935	-	-	-	(540,394)	860,541
<b>Total fund balances</b>	<b>2,863,719</b>	<b>-</b>	<b>-</b>	<b>7,227,733</b>	<b>1,534,874</b>	<b>11,626,326</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,834,249</b>	<b>2,900,700</b>	<b>2,262,133</b>	<b>7,227,733</b>	<b>8,377,967</b>	<b>30,602,782</b>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

**Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Assets  
June 30, 2011**

Total governmental fund balances \$ 11,626,326

Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets net of accumulated depreciation used in  
governmental activities are not financial resources and  
therefore are not reported in the funds

Furnishings and equipment

\$ 8,474,288

Accumulated depreciation

(6,109,996)

2,364,292

Long-term liabilities are not due and payable in the current  
period and therefore are not reported as fund liabilities.

This liability consists of accrued leave.

(5,152,137)

Amounts reported in the Enterprise Funds of the District are  
used to support ongoing educational costs of programs.

Their activities are appropriately recorded with governmental  
activities in the statement of net assets

203,579

Net assets of governmental activities

\$ 9,042,060

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Governmental Funds  
Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Year Ended June 30, 2011

	Major Funds					Total Govern- mental Funds
	General	State Fiscal Stabilization ARRA	Education Jobs	Capital Improvement Projects	Nonmajor Funds	
<b>Revenues:</b>						
Local sources:						
Borough appropriation	\$ 48,078,905	-	-	-	-	48,078,905
Facility use	119,258	-	-	-	-	119,258
Other local reimbursement	1,033,518	-	-	-	-	1,033,518
Other	599,976	-	-	-	1,639,157	2,239,133
State of Alaska	157,110,238	-	-	-	12,133,717	169,243,955
Federal sources:						
E-rate	373,968	-	-	-	-	373,968
Medicaid reimbursement	223,583	-	-	-	-	223,583
Direct grants	-	-	-	-	968,294	968,294
Grants passed through the State of Alaska	-	6,564,089	2,262,133	-	20,147,790	28,974,012
Passed through other intermediate agencies	-	-	-	-	7,388	7,388
Total revenues	<u>207,539,446</u>	<u>6,564,089</u>	<u>2,262,133</u>	<u>-</u>	<u>34,896,346</u>	<u>251,262,014</u>
<b>Expenditures - current:</b>						
Instruction	88,624,028	5,868,130	-	-	6,309,990	100,802,148
Special education instruction	30,250,438	-	-	-	4,038,949	34,289,387
Special education support services - students	10,481,707	-	-	-	2,075,502	12,557,209
Support services - students	8,783,514	412,285	-	-	-	9,195,799
Support services - instruction	7,648,889	25,752	2,262,133	-	3,866,234	13,803,008
School administration	8,668,554	-	-	-	-	8,668,554
School administration support services	8,687,576	-	-	-	-	8,687,576
District administration	1,505,164	-	-	-	621,446	2,126,610
District administration support services	10,523,189	257,922	-	-	523,903	11,305,014
Operations and maintenance of plant	20,190,876	-	-	-	418,402	20,609,278
Student activities	3,617,914	-	-	-	-	3,617,914
Student transportation	-	-	-	-	12,491,970	12,491,970
Community services	85,175	-	-	-	27,137	112,312
Food services	3,411	-	-	-	5,917,060	5,920,471
Construction and facilities acquisition	-	-	-	197,645	-	197,645
Total expenditures	<u>199,070,435</u>	<u>6,564,089</u>	<u>2,262,133</u>	<u>197,645</u>	<u>36,290,593</u>	<u>244,384,895</u>
Excess of revenues over (under) expenditures	8,469,011	-	-	(197,645)	(1,394,247)	6,877,119
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	6,905,000	892,196	7,797,196
Transfers out	(8,088,914)	-	-	-	-	(8,088,914)
Net other financing sources (uses)	<u>(8,088,914)</u>	<u>-</u>	<u>-</u>	<u>6,905,000</u>	<u>892,196</u>	<u>(291,718)</u>
Net change in fund balances	380,097	-	-	6,707,355	(502,051)	6,585,401
Fund balances, beginning of year	<u>2,483,622</u>	<u>-</u>	<u>-</u>	<u>520,378</u>	<u>2,036,925</u>	<u>5,040,925</u>
Fund balances, end of year	\$ <u>2,863,719</u>	<u>-</u>	<u>-</u>	<u>7,227,733</u>	<u>1,534,874</u>	<u>11,626,326</u>



**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2011**

Net change in fund balances - total governmental funds \$ 6,585,401

Amounts reported for governmental activities in the statement of activities are 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 capital outlays exceeded depreciation and loss on disposal of assets:

Capital outlay	\$ 1,232,983	
Depreciation expense	<u>(440,358)</u>	
		792,625

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. This is the amount of change in annual leave. (1,166,340)

Amounts reported in the Enterprise Funds of the District are used to support educational costs of that program.

These activities are appropriately reported with the governmental activities in the government-wide statement of activities. 5,318

Change in net assets of governmental activities \$ 6,217,004

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Proprietary Funds  
Statement of Net Assets  
June 30, 2011

	<u>Governmental Activities</u>	
		Workers Compensation Self-Insurance
	Nonmajor Enterprise Funds	Internal Service Fund
<u>Assets</u>		
Cash and investments	\$ 264,125	1,309,046
Prepaid items	2,000	-
Inventory	<u>54,488</u>	<u>-</u>
 Total current assets	 \$ <u>320,613</u>	 <u>1,309,046</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Deferred revenue	117,034	-
Insurance claims incurred but not reported	<u>-</u>	<u>1,309,046</u>
Total current liabilities	117,034	1,309,046
 Net assets - unrestricted	 <u>203,579</u>	 <u>-</u>
 Total liabilities and net assets	 \$ <u>320,613</u>	 <u>1,309,046</u>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

**Proprietary Funds**

**Statement of Revenues, Expenses, and Changes in Net Assets**

Year Ended June 30, 2011

	<u>Governmental Activities</u>	
		Workers Compensation Self-Insurance
	Nonmajor Enterprise Funds	Internal Service Fund
Operating revenues:		
Interfund charges	\$ -	1,771,900
Sales	<u>259,567</u>	<u>-</u>
Total operating revenues	<u>259,567</u>	<u>1,771,900</u>
 Operating expenses:		
Claims expense	-	1,624,194
Instruction	254,249	-
General and administrative	<u>-</u>	<u>439,587</u>
Total operating expenses	<u>254,249</u>	<u>2,063,781</u>
 Operating income (loss)	5,318	(291,881)
 Nonoperating revenue - interest income	<u>-</u>	<u>163</u>
 Income (loss) before transfers	5,318	(291,718)
 Transfers in	<u>-</u>	<u>291,718</u>
 Change in net assets	5,318	-
 Net assets, beginning of year	<u>198,261</u>	<u>-</u>
 Net assets, end of year	\$ <u>203,579</u>	<u>-</u>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2011

	<u>Governmental Activities</u>	
	Nonmajor Enterprise Funds	Workers Compensation Self-Insurance Internal Service Fund
Cash flows from operating activities:		
Receipts from interfund charges	\$ -	1,771,900
Receipts from customers and users	277,971	-
Payments to suppliers	<u>(121,257)</u>	<u>(2,140,049)</u>
Net cash flows from operating activities	<u>156,714</u>	<u>(368,149)</u>
Cash flows from noncapital financing activities - transfer in	<u>-</u>	<u>291,718</u>
Cash flows from investing activities - interest received	<u>-</u>	<u>163</u>
Net increase (decrease) in cash and cash equivalents	156,714	(76,268)
Cash and cash equivalents, beginning of year	<u>107,411</u>	<u>1,385,314</u>
Cash and cash equivalents, end of year	\$ <u>264,125</u>	<u>1,309,046</u>
Reconciliation of change in net assets to cash flows from operating activities:		
Operating income (loss)	<u>5,318</u>	<u>(291,881)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Decrease in inventory	134,992	-
Increase in prepaid items	(2,000)	-
Increase in deferred revenue	18,404	-
Decrease in insurance claims incurred but not reported	<u>-</u>	<u>(76,268)</u>
Total adjustments	<u>151,396</u>	<u>(76,268)</u>
Net cash flows from operating activities	\$ <u>156,714</u>	<u>(368,149)</u>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

**Student Activities Agency Fund  
Statement of Fiduciary Net Assets  
June 30, 2011**

Assets

Cash and investments \$ 1,385,388

Liabilities

Due to student activities and community schools \$ 1,385,388

## Independent Auditor's Report

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2011, which collectively comprise the Borough's basic financial statements. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Matanuska-Susitna Borough, Alaska, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011 on our consideration of the Matanuska-Susitna 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

The Management's Discussion and Analysis on pages 3 through 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Matanuska-Susitna Borough's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Schedule of State Financial Assistance is required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other data included in the introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
December 22, 2011

# **MATANUSKA SUSITNA BOROUGH**

## **Management's Discussion and Analysis**

June 30, 2011

As management of the Matanuska-Susitna Borough, we offer the readers of the Borough's financial statements this overview and analysis of the Borough's financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page VIII of this report.

### **Financial Highlights**

- The assets of the Matanuska-Susitna Borough exceeded its liabilities at the close of the most recent year by \$606,534,545. Of this amount, \$181,544,029 (unrestricted net assets) 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 page 10.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$64,964,442. Of this amount, \$15,135,905 was unassigned and available for spending. The unassigned fund balance for the General Fund represented 14.25% of total General Fund expenditures and transfers.
- The Borough's total net assets increased by \$53,208,226.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$173,692,400, an increase of \$40,605,405 in comparison to the prior year.
- The Borough's total outstanding debt increased by \$23,244,335 to a year-end balance of \$215,439,611. The primary reason was that new debt was issued in the amount of \$33.8 million for the purpose of upgrades, major renovations, and renewal projects for various Borough schools. The Borough's long-term debt table can be found on page 42-48 of the Notes to the Basic Financial Statements.
- In fiscal year 2005, the Borough established two enterprise funds in order to account for the Borough's sanitary landfill and Port MacKenzie activities. Current fiscal year activities of the two funds combined increased total Borough net assets by \$1,391,099.



## **Overview of the Financial Statements**

The management discussion and analysis serves as an introduction to the Borough's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Government-wide Financial Statements**

The government-wide financial statements report information about the overall finances of the Borough similar to a business enterprise. 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 15 and 16 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 Assets presents information on all of the Borough's assets less liabilities, which results in net assets. The statement is designed to display the financial position of the Borough. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Borough is improving or deteriorating.

The Statement of Activities provides information which shows how the Borough's net assets 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 55 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, the School Buildings Debt Service Fund, the School Capital Projects Fund, and the Infrastructure Capital Projects Fund. The other 51 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 51 nonmajor funds is presented in Combining Balance Sheets for Nonmajor Governmental Funds and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The basic governmental fund financial statements can be found on pages 17 - 20 of this report. Budgetary comparison statements for the General Fund with annual budgets are provided on pages 56 - 59 to demonstrate compliance with these budgets. The 36 special revenue funds with annual budgets are provided on pages 66 - 109.

### ***Proprietary funds***

In fiscal year 2005, the Borough created two enterprise 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 125 - 130.

The Borough has seven 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 131 - 139.

Proprietary fund statements provide the same type of information as the government-wide business-type financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 22 - 25 of this report.

### ***Fiduciary funds***

Fiduciary funds are used to 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 Borough cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds.

In fiscal year 2009, the Borough created the Prison Agency Fund to account for the construction of the Goose Creek Correctional Center located in the Matanuska-Susitna Borough. Once completed, the facility will be leased to the State of Alaska pursuant to a triple net Lease Purchase Agreement between the Borough and the State.

The basic fiduciary aggregated fund financial statements can be found on page 26 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. Included in the notes to the financial statements is the required supplementary information. The notes to the financial statements can be found on pages 27 - 52 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 53 - 54. Individual governmental funds can be found on pages 55 - 123 and proprietary funds can be found on pages 125 - 139 of this report.

## **Government-Wide Financial Analysis**

### **Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets exceeded liabilities by \$606,534,545, at June 30, 2011 compared to \$553,326,319, at June 30, 2010. By far, the largest portion of the Borough's net assets (70%) reflects its investment in capital assets (e.g. land, buildings, machinery, etc.) less any related debt used to acquire those assets that are still outstanding. 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 Assets**  
**June 30, 2011 and 2010**  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current and other assets	\$ 211.0	169.2	\$ (2.8)	.5	\$ 208.2	169.7
Capital assets	577.5	545.0	53.5	48.2	631.0	593.2
<b>Total assets</b>	<b>788.5</b>	<b>714.2</b>	<b>50.7</b>	<b>48.7</b>	<b>839.2</b>	<b>762.9</b>
Long-term debt outstanding	198.8	177.5	16.6	14.7	215.4	192.2
Other liabilities	16.6	15.4	.7	2.0	17.3	17.4
<b>Total liabilities</b>	<b>215.4</b>	<b>192.9</b>	<b>17.3</b>	<b>16.7</b>	<b>232.7</b>	<b>209.6</b>
Net assets						
Invested in capital assets, net of related debt	382.4	389.8	41.5	36.5	423.9	426.3
Restricted	1.1	76.2	--	--	1.1	76.2
Unrestricted (deficit)	189.6	55.3	(8.1)	(4.5)	181.5	50.8
<b>Total net assets</b>	<b>\$ 573.1</b>	<b>521.3</b>	<b>\$ 33.4</b>	<b>32.0</b>	<b>\$ 606.5</b>	<b>553.3</b>

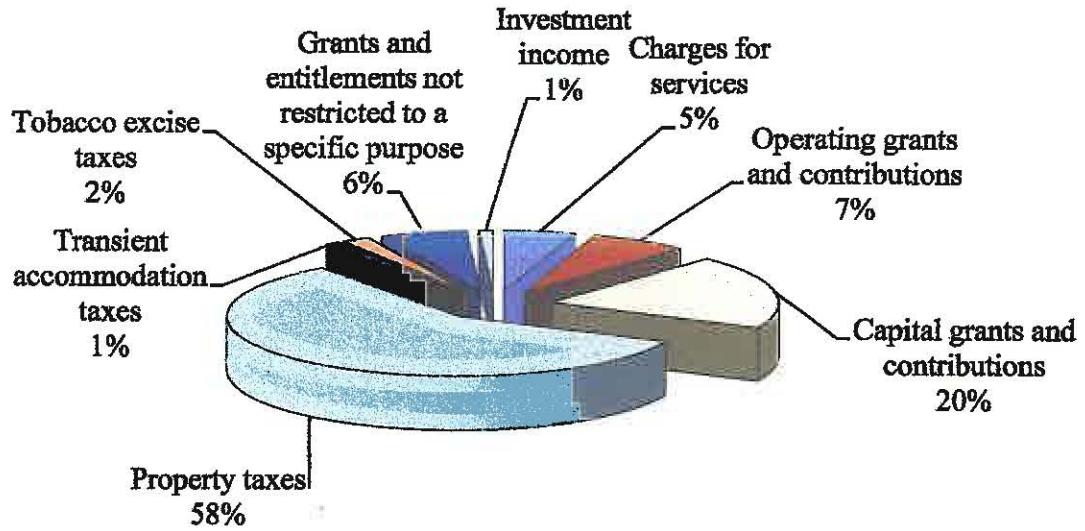
**Changes in Net Assets**

During the current fiscal year, the Borough's total net assets increased by \$53.2 million. This compares to an increase of \$37.3 million for the year ended June 30, 2010.

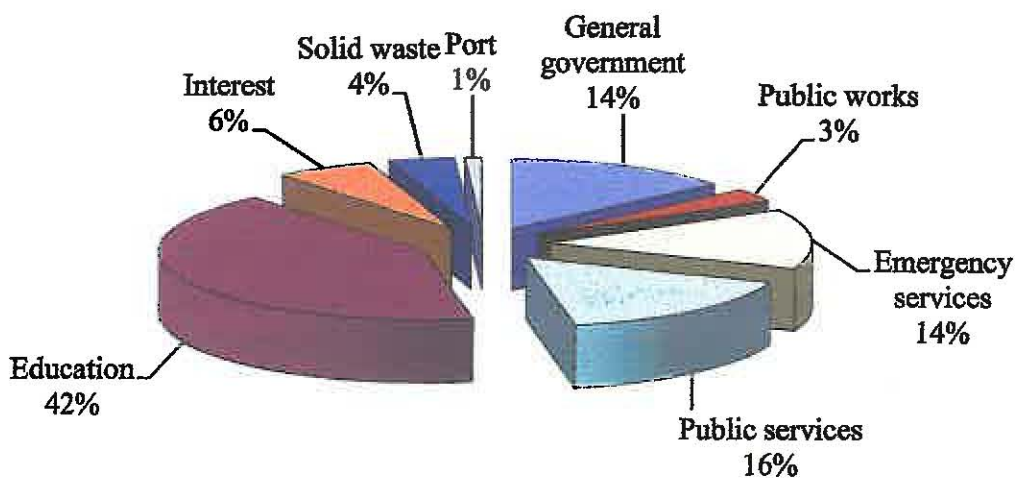
Revenues increased overall by \$24.2 million with the majority of this resulting from an increase in operating and capital grants and contributions revenues of \$29.4 million due largely to an increased amount of federal and state funding being provided for Borough capital projects. During fiscal year 2011, approximately 58% of the Borough's total revenues came from property taxes with the remainder being provided primarily by state and federal grants and charges for services provided.

Expenses increased overall by \$2 million from the prior year. During fiscal year 2011, approximately 42% of the Borough's total expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.

## Sources of Revenue for Fiscal Year 2011



## Functional Expenses for Fiscal Year 2011



**Changes in Matanuska-Susitna Borough's Net Assets**  
**For Years Ended June 30, 2011 and 2010**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 6.2	5.1	\$ 3.6	3.4	\$ 9.8	8.5
Operating grants and contributions	12.3	--	.8	.8	13.1	.8
Capital grants and contributions	32.9	17.7	4.8	2.9	37.7	20.6
General revenues:						
Property taxes	107.1	104.4	--	--	107.1	104.4
Transient accommodation taxes	1.0	1.0	--	--	1.0	1.0
Tobacco excise taxes	4.9	4.9	--	--	4.9	4.9
Other	12.3	21.4	--	.1	12.3	21.5
<b>Total revenues</b>	<b><u>176.7</u></b>	<b><u>154.5</u></b>	<b><u>9.2</u></b>	<b><u>7.2</u></b>	<b><u>185.9</u></b>	<b><u>161.7</u></b>
<b>Expenses</b>						
General government	18.3	21.6	--	--	18.3	21.6
Public works	3.6	3.9	--	--	3.6	3.9
Emergency services	18.2	17.0	--	--	18.2	17.0
Public services	21.1	21.3	--	--	21.1	21.3
Education	55.2	50.6	--	--	55.2	50.6
Interest	8.5	8.2	--	--	8.5	8.2
Solid waste	--	--	4.7	4.9	4.7	4.9
Port	--	--	1.7	1.8	1.7	1.8
<b>Total expenses</b>	<b><u>124.9</u></b>	<b><u>122.6</u></b>	<b><u>6.4</u></b>	<b><u>6.7</u></b>	<b><u>131.3</u></b>	<b><u>129.3</u></b>
Excess before transfers, special items, and extraordinary items	51.8	31.9	2.8	.5	54.6	32.4
Extraordinary items	--	5.0	(1.4)	--	(1.4)	5.0
Transfers	--	(9)	--	.9	--	--
Special items	--	--	--	--	--	--
Increase in net assets	51.8	36.0	1.4	1.4	53.2	37.4
Beginning net assets	521.3	485.3	32.0	30.6	553.3	515.9
<b>Ending net assets</b>	<b><u>\$ 573.1</u></b>	<b><u>521.3</u></b>	<b><u>\$ 33.4</u></b>	<b><u>32.0</u></b>	<b><u>\$ 606.5</u></b>	<b><u>553.3</u></b>

### ***Governmental activities***

Revenues for the Borough's governmental activities increased by \$22.2 million from the prior year while expenses for governmental activities increased by \$2.3 million. Key elements to the increase in revenues and expenses include the following:

- Operating and capital grants and contributions revenues increased by a total of \$27.5 million due largely to an increased amount of federal and state funding being provided for Borough capital projects.
- As a result of a growing population within the Borough, expenditures for education increased by \$4.6 million from the prior fiscal year.

### ***Business-type activities***

Revenues for the Borough's business-type activities increased by \$2 million from the prior year while expenses for business-type activities decreased by \$.3 million. The primary reason for the increase in revenues is that capital grants and contributions revenues increased by \$1.9 million due to federal and state funding being provided for Port MacKenzie expansion projects.

## **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 inflow, 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 \$173,692,400, an increase of \$40,605,405 in comparison with the prior year. A portion of this amount is categorized as nonspendable to indicate it is inherently not in spendable form because it has already been dedicated to liquidate prepaid expenses (\$651,050), is the noncurrent portion of notes receivable (\$236,079), or is already in the form of inventory (\$140,625).

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 \$1,087,550 are restricted due to lender imposed debt reserves for debt service.

A total of \$42,844,797 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. \$21,394,738 is shown as committed in accordance with the Borough's minimum fund balance/stabilization policy. The remaining \$21,450,059 of the committed fund balance is shown as committed for the Land Management Permanent Fund, school site acquisition, and various other limitations that have been imposed by the Matanuska-Susitna Borough Assembly through formal action.

Of the combined ending fund balance, \$113,778,639 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 years expenditures and appropriations, or for land management, service areas, debt service, or capital project purposes. The remainder of fund balance, in the amount of \$14,953,660, 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 \$64,964,442, nonspendable fund balance was \$609,888, committed fund balance was \$35,963,397, assigned fund balance was \$13,255,252, and unassigned fund balance was \$15,135,905. Total fund balance increased by \$8,024,992 from the prior year. Key factors include:

- An increase of \$2,064,362 in revenue from Federal sources from the prior year, mostly due to an American Recovery and Reinvestment Act (ARRA) grant, in the amount of \$2,044,281, being received as part of the Community Economic Stimulus Program.
- An increase of \$916,976 in current year property tax levy revenue from the prior year, due to a growing population.
- An increase of \$1,043,134 in debt service reimbursement revenue from the prior year.
- An increase of \$2,100,835 in recovery of expenditures from other funds from the prior year due to an increase of General Fund employee wages being charged to other funds for project management of various capital projects.
- Transfers in the amount of \$657,942 into the General fund due to capital project funds lapsing and the capital contributions being returned to the General Fund.
- A decrease of \$268,459 in contributions to the School District from the budgeted amount due to the lapse of appropriations per MSB Code 3.04.110(C).

The other major governmental funds in the current fiscal year were the School Building Debt Service Fund, the School Capital Projects Fund, and the Infrastructure Capital Projects Fund.

At the end of the current fiscal year, ending total fund balance in the School Building Debt Service Fund was \$986,832, with the entire fund balance being assigned for debt service. Total fund balance increased by \$719,533 from the prior year. The key factor in the increase in fund balance was a \$713,514 transfer from the School Building Capital Projects Fund for the unexpended portion of 2011 Series A General Obligation School Bond issuance costs.

At the end of the current fiscal year, ending total fund balance in the School Building Capital Projects Fund was \$51,629,957, with the entire fund balance being assigned for school building capital projects. Total fund balance increased by \$25,714,283 from the prior year. The key factor in the increase in fund balance was that new debt was issued in the amount of \$33,785,000 for the purpose of upgrades, major renovations, and renewal projects for various Borough schools.

At the end of the current fiscal year, ending total fund balance in the Infrastructure Capital Projects Fund was \$273,799 with the entire fund balance being assigned for infrastructure capital projects. Total fund balance increased by \$225,597 from the prior year. The key factor in the increase in fund balance was a \$200,000 transfer from the General Fund for the Hatcher Pass Nordic Ski Development project.



### ***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 assets of the solid waste and port enterprise funds were a deficit of (\$2,821,266) and a deficit of (\$5,324,239), respectively. Unrestricted net assets of the internal service funds at the end of the year were \$8,969,353.

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 assets in the Solid Waste Enterprise Fund were \$7,775,970, with \$10,597,236 invested in capital assets, net of related debt, and an unrestricted net assets deficit of \$2,821,266. Total net assets increased by \$89,636 from the prior year.

At the end of the current fiscal year, ending total net assets in the Port Enterprise Fund were \$25,622,534, with \$30,946,773 invested in capital assets, net of related debt, and an unrestricted net assets deficit of \$5,324,239. Total net assets increased by \$1,301,463 from the prior year. A key factor to the increase in fund balance was that capital contributions increased by \$2,202,161 due to federal and state funding being provided for Port MacKenzie expansion projects.

### **General Fund Budgetary Highlights**

At year end, there was a \$2,044,281 difference between the original budget and the final amended budget. This difference was due to an American Recovery and Reinvestment Act (ARRA) grant, in the amount of \$2,044,281, being received as part of the Community Economic Stimulus Program.

There was a total difference between the final amended budget and actual results in the amount of \$15,648,433. Key factors include:

- An increase of \$1,181,312 in federal payments in lieu of taxes (PILT) from the budgeted amount due to the Emergency Economic Stabilization Act of 2008.
- An increase of \$1,956,061 in current year property tax levy revenue from the budgeted amount.
- An increase of \$163,563 in excise tax from the budgeted amount due to a higher than expected amount of tobacco purchases than was expected for the year.
- An increase of \$2,263,046 in recovery of expenditures from other funds from the budgeted amount due to an increase of General Fund employee wages being charged to other funds for project management of various capital projects.
- An increase of \$657,942 in transfers into the General fund from the budgeted amount due to capital project funds lapsing and the capital contributions being returned to the General Fund.
- A decrease of \$268,459 in contributions to the School District from the budgeted amount due to the lapse of appropriations per MSB Code 3.04.110(C).

## Capital Assets and Debt Administration

### **Capital Assets**

The Borough's investment in capital assets for its governmental and business-like activities as of June 30, 2011 amounts to \$631,079,236 (net of accumulated depreciation), an increase of \$37,857,181 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:

- Completion of the Wasilla-Lakes Fire Service Area Public Safety Building #66, Knik Goose Bay Elementary School, South Palmer Area Elementary School, and the replacement of the Su-Valley Junior/Senior High School; ; decreasing the construction in progress for governmental activities and increasing buildings for governmental activities.
- Construction on the Port MacKenzie Ferry/Intermodal Facility and at the Central Landfill to develop Cell III continued, as well as the construction of a new Recycling Center, increasing the construction in progress for business-type activities.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Land and land improvements	\$ 13.7	13.7	\$ --	--	\$ 13.7	13.7
Buildings	302.1	247.7	1.9	2.1	304.0	249.8
Improvements other than buildings	13.8	14.3	.9	.9	14.7	15.2
Equipment	13.2	12.5	.5	.5	13.7	13.0
Infrastructure	92.0	88.3	21.9	22.6	113.9	110.9
Construction in progress	142.7	168.5	24.5	18.4	167.2	186.9
Landfill cells	--	--	3.7	3.7	3.7	3.7
<b>Total capital assets</b>	<b>\$ 577.5</b>	<b>545.0</b>	<b>\$ 53.4</b>	<b>48.2</b>	<b>\$ 630.9</b>	<b>593.2</b>

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

### **Long-term Debt**

At the end of the current fiscal year, the Borough had total debt outstanding of \$215,439,611. Of this amount, \$191,460,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$7,100,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, and insurance claims incurred but not reported.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 184.2	161.7	\$ 7.2	7.6	\$ 191.4	169.3
Certificates of participation	7.1	7.8	--	--	7.1	7.8
Other debt	7.5	8.0	9.4	7.1	16.9	15.1
<b>Total outstanding debt</b>	<b>\$ 198.8</b>	<b>177.5</b>	<b>\$ 16.6</b>	<b>14.7</b>	<b>\$ 215.4</b>	<b>192.2</b>

Additional information on the Borough's long-term debt can be found on pages 42 - 48 of this report.

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

In setting the budgets for fiscal year 2012, 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.

All of these factors were considered in preparing the Borough's budget for fiscal year 2012. As a result, the fiscal year 2012 budget includes an increase of .0095 mills in the General Fund tax rate from the current rate of 9.956 mills to an approved rate of 10.051 mills. The Nonareawide mill rate increased by .031 mills in the fiscal year 2012 budget, going from the current rate of .394 mills to an approved rate of .425 mills.

**Request 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 99645-6488.

**MATANUSKA-SUSITNA BOROUGH**

Statement of Net Assets

June 30, 2011

Exhibit A-1

<u>Assets</u>	<u>Primary Government</u>			<u>Component</u>
	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>	<u>Unit</u>
	<u>Activities</u>	<u>Type</u>		<u>School</u>
		<u>Activities</u>		<u>District</u>
Cash and investments	\$ 166,607,415	-	166,607,415	7,257,772
Prepaid items	651,050	1,086	652,136	500,352
Receivables:				
Intergovernmental	18,883,343	2,157,500	21,040,843	11,108,525
Property taxes, net of allowance	10,471,286	-	10,471,286	-
Excise taxes	719,165	-	719,165	-
Accounts, net of allowance	-	222,104	222,104	-
Ambulance, net of allowance	761,328	-	761,328	-
Land sales contracts, net of allowance	14,451	-	14,451	-
Other	1,409,155	-	1,409,155	333,373
Accrued interest	361,387	-	361,387	-
Interfund note receivable, current	165,900	(165,900)	-	-
Deposits	53,742	-	53,742	-
Inventory	140,625	765	141,390	1,059,314
Restricted cash	1,087,550	2,235,019	3,322,569	-
Internal balances	6,986,030	(6,986,030)	-	-
Long-term portion of interfund note receivable	236,079	(236,079)	-	-
Land sales contracts receivable - long term	529,559	-	529,559	-
Unamortized bond issuance costs	1,876,736	-	1,876,736	-
Capital assets, not being depreciated	156,449,815	24,521,414	180,971,229	-
Capital assets, net of accumulated depreciation	421,135,191	28,972,816	450,108,007	2,364,292
<b>Total assets</b>	<b>\$ 788,539,807</b>	<b>50,722,695</b>	<b>839,262,502</b>	<b>22,623,628</b>
<u>Liabilities</u>				
Accounts, contracts and retentions payable	6,270,198	520,949	6,791,147	414,502
Accrued payroll and related liabilities	1,945,012	-	1,945,012	6,287,227
Other liabilities	177,096	-	177,096	-
Deposits	56,598	-	56,598	418,656
Unearned revenue	5,345,787	8,882	5,354,669	-
Accrued interest payable	2,783,207	180,617	2,963,824	-
Noncurrent liabilities:				
Due within one year:				
Accrued leave	2,093,399	120,680	2,214,079	5,152,137
Bonds and certificates of participation	13,560,000	420,000	13,980,000	-
Loans payable	13,338	45,002	58,340	-
Insurance claims incurred but not reported	1,506,288	-	1,506,288	1,309,046
Due in more than one year:				
Bonds and certificates of participation, net of premium and deferred loss	181,307,119	6,923,452	188,230,571	-
Loans payable	345,724	4,561,767	4,907,491	-
Lease credits payable	-	1,341,962	1,341,962	-
Landfill closure costs payable	-	3,200,880	3,200,880	-
Litigation settlement	-	-	-	-
<b>Total liabilities</b>	<b>215,403,766</b>	<b>17,324,191</b>	<b>232,727,957</b>	<b>13,581,568</b>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	382,358,825	41,544,009	423,902,834	2,364,292
Restricted:				
Debt service	1,087,682	-	1,087,682	-
Other	-	-	-	5,745
Unrestricted (deficit)	189,689,534	(8,145,505)	181,544,029	6,672,023
<b>Total net assets</b>	<b>573,136,041</b>	<b>33,398,504</b>	<b>606,534,545</b>	<b>9,042,060</b>
<b>Total liabilities and net assets</b>	<b>\$ 788,539,807</b>	<b>50,722,695</b>	<b>839,262,502</b>	<b>22,623,628</b>

See accompanying notes to basic financial statements.

## MATANUSKA-SUSITNA BOROUGH

Statement of Activities  
Year Ended June 30, 2011

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government Business- Type Activities	Total	
Primary government:								
Governmental activities:								
General government \$	18,348,693	602,252	-	387,729	(17,358,712)	-	(17,358,712)	
Public works	3,600,452	62,032	-	1,610,521	(1,927,899)	-	(1,927,899)	
Emergency services	18,214,176	3,688,584	-	2,678,603	(11,846,989)	-	(11,846,989)	
Public services	21,086,908	1,822,252	32,102	23,333,492	4,100,938	-	4,100,938	
Education	55,239,633	-	12,280,710	4,862,984	(38,095,939)	-	(38,095,939)	
Interest	8,464,045	-	-	-	(8,464,045)	-	(8,464,045)	
Total governmental activities	<u>124,953,907</u>	<u>6,175,120</u>	<u>12,312,812</u>	<u>32,873,329</u>	<u>(73,592,646)</u>	<u>-</u>	<u>(73,592,646)</u>	
Business-type activities:								
Solid waste	4,674,968	3,510,305	-	1,211,198	-	46,535	46,535	
Port	1,698,154	51,333	752,450	3,586,055	-	2,691,684	2,691,684	
Total business type activities	<u>6,373,122</u>	<u>3,561,638</u>	<u>752,450</u>	<u>4,797,253</u>	<u>-</u>	<u>2,738,219</u>	<u>2,738,219</u>	
Total primary government	\$ <u>131,327,029</u>	<u>9,736,758</u>	<u>13,065,262</u>	<u>37,670,582</u>	<u>(73,592,646)</u>	<u>2,738,219</u>	<u>(70,854,427)</u>	
Component unit - School district	\$ <u>245,304,740</u>	<u>1,311,006</u>	<u>42,671,259</u>	<u>-</u>				<u>(201,322,475)</u>
General revenues:								
Taxes:								
Property taxes				\$ 107,145,689	-	107,145,689	-	
Excise taxes				4,927,058	-	4,927,058	-	
Transient accommodation taxes				957,362	-	957,362	-	
Contributions from primary government Grants and entitlements not restricted to a specific purpose				-	-	-	-	48,078,905
Investment income				11,269,679	84,909	11,354,588	157,707,789	
Other				619,682	6,018	625,700	-	
Extraordinary item - insurance settlement				426,584	672	427,256	1,752,785	
Transfers				-	(1,375,000)	(1,375,000)	-	
				63,719	(63,719)	-	-	
Total general revenues, transfers and extraordinary item				<u>125,409,773</u>	<u>(1,347,120)</u>	<u>124,062,653</u>	<u>207,539,479</u>	
Change in net assets				51,817,127	1,391,099	53,208,226	6,217,004	
Net assets at beginning of year				<u>521,318,914</u>	<u>32,007,405</u>	<u>553,326,319</u>	<u>2,825,056</u>	
Net assets at end of year				\$ <u>573,136,041</u>	<u>33,398,504</u>	<u>606,534,545</u>	<u>9,042,060</u>	

See accompanying notes to basic financial statements.

## MATANUSKA-SUSITNA BOROUGH

## Governmental Funds

## Balance Sheet

June 30, 2011

Assets	Major Funds					Total Governmental Funds
	General	School Buildings Debt Service	School Projects Capital Project	Infrastructure Capital Project	Nonmajor Funds	
Cash and investments	\$ 54,405,680	986,832	47,610,316	-	54,127,641	157,130,469
Prepaid items	469,263	-	-	-	181,787	651,050
Receivables:						
Intergovernmental	133,901	-	4,223,742	5,473,202	9,052,498	18,883,343
Property taxes, net of allowance	8,173,089	-	-	-	2,298,197	10,471,286
Excise taxes	719,165	-	-	-	-	719,165
Ambulance, net of allowance	761,328	-	-	-	-	761,328
Land sales contracts, net of allowance	-	-	-	-	14,451	14,451
Accrued interest	361,387	-	-	-	-	361,387
Other	418,431	-	-	-	189,394	607,825
Due from other funds	14,565,892	-	-	-	-	14,565,892
Interfund note receivable	-	-	-	-	401,979	401,979
Deposits	1,497	-	-	-	-	1,497
Inventory	140,625	-	-	-	-	140,625
Restricted cash	-	-	-	-	1,087,550	1,087,550
Land sales contracts receivable, long term	-	-	-	-	529,559	529,559
<b>Total assets</b>	<b>\$ 80,150,258</b>	<b>986,832</b>	<b>51,834,058</b>	<b>5,473,202</b>	<b>67,883,056</b>	<b>206,327,406</b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts, contracts and retentions payable	1,032,562	-	204,101	2,060,662	2,910,534	6,207,859
Accrued payroll and related liabilities	1,945,012	-	-	-	-	1,945,012
Other liabilities	175,036	-	-	-	2,060	177,096
Due to General Fund	-	-	-	3,138,741	4,441,121	7,579,862
Deposits	-	-	-	-	56,598	56,598
Deferred revenue	12,033,206	-	-	-	4,068,852	16,102,058
Loans payable to other funds	-	-	-	-	566,521	566,521
<b>Total liabilities</b>	<b>15,185,816</b>	<b>-</b>	<b>204,101</b>	<b>5,199,403</b>	<b>12,045,686</b>	<b>32,635,006</b>
Fund balances:						
Nonspendable:						
Interfund note receivable	-	-	-	-	236,079	236,079
Prepaid items	469,263	-	-	-	181,787	651,050
Inventory	140,625	-	-	-	-	140,625
Restricted - debt service	-	-	-	-	1,087,550	1,087,550
Committed:						
Land management	-	-	-	-	5,341,400	5,341,400
Self-insurance	300,000	-	-	-	10,000	310,000
Compensated absences	500,000	-	-	-	30,000	530,000
Equipment	-	-	-	-	1,500,000	1,500,000
Assembly projects	57,217	-	-	-	-	57,217
Major repairs and renovations	2,068,000	-	-	-	-	2,068,000
Capital	750,000	-	-	-	-	750,000
Emergency response	750,000	-	-	-	-	750,000
Administration office space	5,697,945	-	-	-	-	5,697,945
School site acquisition	4,445,497	-	-	-	-	4,445,497
Fund balance stabilization	21,394,738	-	-	-	-	21,394,738
Assigned:						
Subsequent years expenditures	13,159,678	-	-	-	1,588,935	14,748,613
Subsequent years appropriations	95,574	-	-	-	507,500	603,074
Land management	-	-	-	-	1,306,255	1,306,255
Service areas	-	-	-	-	18,662,230	18,662,230
Debt service	-	986,832	-	-	71,150	1,057,982
Capital	-	-	51,629,957	273,799	25,496,729	77,400,485
Unassigned (deficit)	15,135,905	-	-	-	(182,245)	14,953,660
<b>Total fund balances</b>	<b>64,964,442</b>	<b>986,832</b>	<b>51,629,957</b>	<b>273,799</b>	<b>55,837,370</b>	<b>173,692,400</b>
<b>Total liabilities and fund balances</b>	<b>\$ 80,150,258</b>	<b>986,832</b>	<b>51,834,058</b>	<b>5,473,202</b>	<b>67,883,056</b>	<b>206,327,406</b>

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
 Reconciliation of Governmental Funds Balance Sheet  
 to Statement of Net Assets  
 June 30, 2011

Total fund balances for governmental funds \$ 173,692,400

Total net assets reported for governmental activities in the  
 Statement of Net Assets 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	\$	13,770,006	
Construction in progress		142,679,809	
Buildings		429,953,455	
Improvements other than buildings		19,879,061	
Equipment		32,265,380	
Infrastructure		206,901,962	
Accumulated depreciation		<u>(267,864,667)</u>	
Total capital assets			577,585,006

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		9,631,724	
Special assessments receivable		5,724	
Ambulance receivable		531,948	
Land sale contracts receivable		<u>586,875</u>	
Total long-term assets			10,756,271

Governmental funds report the effect of bond issuance costs, premiums  
 and deferred losses when debt is first issued, whereas these amounts  
 are deferred and amortized in the Statement of Net Assets. 1,876,736

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 Assets. 8,969,353

Long-term liabilities, including bonds payable and compensated absences,  
 are not due and payable in the current period and therefore are not  
 reported as fund liabilities. These liabilities consist of:

Bonds and certificates of participation		(191,340,000)	
Unamortized bond premium		(5,812,872)	
Deferred loss on bonds		2,285,753	
Accrued interest payable		(2,783,207)	
Compensated absences		<u>(2,093,399)</u>	
Total long term liabilities			<u>(199,743,725)</u>

Total net assets of governmental activities \$ 573,136,041

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended June 30, 2011**

	Major Funds					Total Governmental Funds
	General	School Buildings Debt Service	School Projects Capital Project	Infrastructure Capital Project	Nonmajor Funds	
<b>Revenues:</b>						
Taxes	\$ 85,287,703	-	-	-	28,008,986	113,296,689
Intergovernmental	22,613,570	-	4,858,984	14,345,328	14,624,588	56,442,470
Charges for services	3,681,314	-	-	-	2,217,605	5,898,919
Investment income	446,760	6	4,407	-	91,569	542,742
Interest on land sales	-	-	-	-	59,575	59,575
Other	-	153	-	-	457,053	457,206
<b>Total revenues</b>	<u>112,029,347</u>	<u>159</u>	<u>4,863,391</u>	<u>14,345,328</u>	<u>45,459,376</u>	<u>176,697,601</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	17,358,079	-	-	-	2,288,293	19,646,372
Public works	3,626,363	-	-	-	-	3,626,363
Emergency services	6,892,852	-	-	-	9,640,377	16,533,229
Public services	3,617,683	-	-	-	14,934,226	18,551,909
Education	48,078,906	-	449,250	-	73,693	48,601,849
Debt service	-	18,394,140	356,113	-	1,426,661	20,176,914
Capital outlay	-	-	12,484,909	14,349,731	17,153,004	43,987,644
<b>Total expenditures</b>	<u>79,573,883</u>	<u>18,394,140</u>	<u>13,290,272</u>	<u>14,349,731</u>	<u>45,516,254</u>	<u>171,124,280</u>
<b>Excess (deficiency) of revenues over expenditures</b>	32,455,464	(18,393,981)	(8,426,881)	(4,403)	(56,878)	5,573,321
<b>Other financing sources (uses):</b>						
Transfers in	2,162,542	19,113,514	-	230,000	18,703,864	40,209,920
Transfers out	(26,605,935)	-	(713,514)	-	(12,725,986)	(40,045,435)
Proceeds from disposal of capital assets	12,921	-	-	-	-	12,921
Bond issuance	-	-	33,785,000	-	-	33,785,000
Premium on bond issuance	-	-	1,069,678	-	-	1,069,678
<b>Net other financing sources (uses)</b>	<u>(24,430,472)</u>	<u>19,113,514</u>	<u>34,141,164</u>	<u>230,000</u>	<u>5,977,878</u>	<u>35,032,084</u>
<b>Net change in fund balances</b>	8,024,992	719,533	25,714,283	225,597	5,921,000	40,605,405
<b>Fund balances at beginning of year</b>	<u>56,939,450</u>	<u>267,299</u>	<u>25,915,674</u>	<u>48,202</u>	<u>49,916,370</u>	<u>133,086,995</u>
<b>Fund balances at end of year</b>	<u>\$ 64,964,442</u>	<u>986,832</u>	<u>51,629,957</u>	<u>273,799</u>	<u>55,837,370</u>	<u>173,692,400</u>

See accompanying notes to basic financial statements.



**MATANUSKA-SUSITNA BOROUGH**  
 Reconciliation of Change in Fund Balances of Governmental Funds  
 to Statement of Activities  
 Year Ended June 30, 2011

Net change in fund balances - total governmental funds \$ 40,605,405

The change in net assets reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays (\$44,412,053) exceeded depreciation (\$11,827,348). 32,584,705

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease in deferred property taxes	\$	(470,575)	
Increase in deferred excise taxes		203,995	
Increase in deferred ambulance revenue		269,861	
Decrease in deferred land sales revenue		(22,831)	
Decrease in deferred special assessments		<u>(1,022)</u>	
			(20,572)

The issuance of long-term debt (e.g., bonds, leases) 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 assets. Also, governmental funds report the effect of issuance costs, 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:

Decrease in deferred loss on bonds		(456,465)	
Net increase in unamortized bond premium		(449,518)	
Net increase in bond issuance costs		313,218	
Issuance of long-term debt		(33,785,000)	
Payments on debt principal		11,915,000	
Decrease in litigation settlement payable		<u>750,000</u>	
			(21,712,765)

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		116,064	
Increase in accrued interest payable		<u>(365,826)</u>	
			(249,762)

Internal service funds are used by management to charge the costs of health insurance to individual funds. Net income of these activities is reported with governmental activities.

610,116

Change in net assets of governmental activities \$ 51,817,127

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 82,457,080	82,457,080	85,287,703	2,830,623
Intergovernmental	18,177,960	20,222,241	22,613,570	2,391,329
Charges for services	3,393,950	3,393,950	3,681,314	287,364
Investment income	325,000	325,000	446,760	121,760
<b>Total revenues</b>	<u>104,353,990</u>	<u>106,398,271</u>	<u>112,029,347</u>	<u>5,631,076</u>
<b>Expenditures:</b>				
General government	22,787,961	22,208,542	17,358,079	4,850,463
Public works	4,047,313	4,047,313	3,626,363	420,950
Emergency services	8,532,705	8,532,705	6,892,852	1,639,853
Public services	4,282,468	4,119,452	3,617,683	501,769
Education	48,347,365	48,347,365	48,078,906	268,459
<b>Total expenditures</b>	<u>87,997,812</u>	<u>87,255,377</u>	<u>79,573,883</u>	<u>7,681,494</u>
<b>Excess of revenues over</b> <b>    expenditures</b>	16,356,178	19,142,894	32,455,464	13,312,570
<b>Other financing sources (uses):</b>				
Proceeds from disposal of capital assets	5,000	5,000	12,921	7,921
Transfers in	1,504,600	1,504,600	2,162,542	657,942
Transfers out	<u>(27,533,500)</u>	<u>(28,275,935)</u>	<u>(26,605,935)</u>	<u>1,670,000</u>
<b>Net other financing sources</b> <b>    (uses)</b>	<u>(26,023,900)</u>	<u>(26,766,335)</u>	<u>(24,430,472)</u>	<u>2,335,863</u>
<b>Net change in fund balance</b>	<u>\$ (9,667,722)</u>	<u>(7,623,441)</u>	8,024,992	<u>15,648,433</u>
Fund balance at beginning of year			<u>56,939,450</u>	
Fund balance at end of year			<u>\$ 64,964,442</u>	

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2011**

<u>Assets</u>	<u>Major Enterprise Funds</u>		<u>Total</u> <u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
	<u>Solid</u> <u>Waste</u>	<u>Port</u>		
<b>Current assets:</b>				
Cash and investments	\$ -	-	-	9,476,946
Prepays	-	1,086	1,086	-
<b>Receivables:</b>				
Accounts	221,958	146	222,104	801,330
Interfund loans	-	-	-	46,834
Intergovernmental	1,878,114	279,386	2,157,500	-
Deposits with others	-	-	-	52,245
Inventory	-	765	765	-
<b>Total current assets</b>	<u>2,100,072</u>	<u>281,383</u>	<u>2,381,455</u>	<u>10,377,355</u>
<b>Noncurrent assets:</b>				
Restricted cash - landfill closure	<u>2,235,019</u>	<u>-</u>	<u>2,235,019</u>	<u>-</u>
Interfund loans receivable - long-term	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,687</u>
<b>Property, plant and equipment:</b>				
Buildings	2,319,227	7,969	2,327,196	-
Improvements other than buildings	1,512,853	-	1,512,853	-
Equipment	1,517,643	41,322	1,558,965	-
Landfill cells	4,519,944	-	4,519,944	-
Infrastructure	-	26,414,621	26,414,621	-
Construction in progress	<u>8,189,763</u>	<u>16,331,651</u>	<u>24,521,414</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u>18,059,430</u>	<u>42,795,563</u>	<u>60,854,993</u>	<u>-</u>
Accumulated depreciation and amortization	<u>(2,855,425)</u>	<u>(4,505,338)</u>	<u>(7,360,763)</u>	<u>-</u>
<b>Net property, plant and equipment</b>	<u>15,204,005</u>	<u>38,290,225</u>	<u>53,494,230</u>	<u>-</u>
<b>Total noncurrent assets</b>	<u>17,439,024</u>	<u>38,290,225</u>	<u>55,729,249</u>	<u>519,687</u>
<b>Total assets</b>	<b>\$ <u>19,539,096</u></b>	<b><u>38,571,608</u></b>	<b><u>58,110,704</u></b>	<b><u>10,897,042</u></b>

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
**Proprietary Funds**  
**Statement of Net Assets, continued**

<u>Liabilities and Net Assets</u>	<u>Major Enterprise Funds</u>		Total Enterprise Funds	Internal Service Funds
	<u>Solid</u>	<u>Port</u>		
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 258,167	262,782	520,949	62,339
Accrued leave	66,024	54,656	120,680	-
Unearned revenue	8,881	1	8,882	-
Due to General Fund	3,524,354	3,461,676	6,986,030	-
Accrued interest payable	98,051	82,566	180,617	-
<b>Current portion:</b>				
General obligation bonds	-	420,000	420,000	-
Interfund note payable	-	165,900	165,900	-
Loans payable	45,002	-	45,002	13,338
Insurance claims incurred but not reported	-	-	-	1,506,288
<b>Total current liabilities</b>	<u>4,000,479</u>	<u>4,447,581</u>	<u>8,448,060</u>	<u>1,581,965</u>
<b>Noncurrent liabilities:</b>				
General obligation bonds payable	-	6,800,000	6,800,000	-
Unamortized bond premium	-	123,452	123,452	-
Loans payable	4,561,767	-	4,561,767	345,724
Interfund note payable	-	236,079	236,079	-
Lease credits payable	-	1,341,962	1,341,962	-
Landfill closure costs payable	3,200,880	-	3,200,880	-
<b>Total noncurrent liabilities</b>	<u>7,762,647</u>	<u>8,501,493</u>	<u>16,264,140</u>	<u>345,724</u>
<b>Total liabilities</b>	<u>11,763,126</u>	<u>12,949,074</u>	<u>24,712,200</u>	<u>1,927,689</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	10,597,236	30,946,773	41,544,009	-
Unrestricted (deficit)	<u>(2,821,266)</u>	<u>(5,324,239)</u>	<u>(8,145,505)</u>	<u>8,969,353</u>
<b>Total net assets</b>	<u>7,775,970</u>	<u>25,622,534</u>	<u>33,398,504</u>	<u>8,969,353</u>
<b>Total liabilities and net assets</b>	<u>\$ 19,539,096</u>	<u>38,571,608</u>	<u>58,110,704</u>	<u>10,897,042</u>

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2011**

	<u>Major Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Solid Waste</u>	<u>Port</u>		
Operating revenues:				
Intragovernmental	\$ -	-	-	6,923,095
Charges for services	3,510,305	51,333	3,561,638	-
Interest on loans	-	-	-	766
Employee contributions	-	-	-	618,984
Other	-	-	-	801,330
Total operating revenues	<u>3,510,305</u>	<u>51,333</u>	<u>3,561,638</u>	<u>8,344,175</u>
Operating expenses:				
Landfill operations	2,594,882	-	2,594,882	-
Transfer sites	1,722,484	-	1,722,484	-
Dock operations	-	660,085	660,085	-
Claims	-	-	-	6,609,873
Depreciation and amortization	234,475	666,883	901,358	-
Administrative fees	66,419	21,200	87,619	945,454
Premium	-	-	-	94,565
Total operating expenses	<u>4,618,260</u>	<u>1,348,168</u>	<u>5,966,428</u>	<u>7,649,892</u>
Operating income (loss)	(1,107,955)	(1,296,835)	(2,404,790)	694,283
Nonoperating revenues (expenses):				
Investment income	6,018	-	6,018	16,599
Intergovernmental - State sources:				
PERS relief	67,162	17,747	84,909	-
Debt service reimbursement	-	752,450	752,450	-
Miscellaneous income	202	470	672	-
Interest expense	(56,708)	(349,986)	(406,694)	-
Net nonoperating revenues (expenses)	<u>16,674</u>	<u>420,681</u>	<u>437,355</u>	<u>16,599</u>
Income (loss) before capital contributions, extraordinary item and transfers	(1,091,281)	(876,154)	(1,967,435)	710,882
Capital contributions	1,211,198	3,586,055	4,797,253	-
Extraordinary item - legal settlement	-	(1,375,000)	(1,375,000)	-
Transfers in	3,904	-	3,904	-
Transfers out	(34,185)	(33,438)	(67,623)	(100,766)
Change in net assets	89,636	1,301,463	1,391,099	610,116
Net assets at beginning of year	<u>7,686,334</u>	<u>24,321,071</u>	<u>32,007,405</u>	<u>8,359,237</u>
Net assets at end of year	\$ <u>7,775,970</u>	<u>25,622,534</u>	<u>33,398,504</u>	<u>8,969,353</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Exhibit D-3

Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2011

	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Cash flows from operating activities:				
Receipts from customers	\$ 3,508,133	22,735	3,530,868	-
Receipts from employees and other	-	-	-	618,984
Payments to suppliers	(2,845,693)	(601,744)	(3,447,437)	-
Payments to employees	(1,605,204)	(293,289)	(1,898,493)	-
Proceeds from loans	-	-	-	89,211
Loans made to other funds	-	-	-	(92,315)
Payments for interfund services (used) provided	(66,419)	(21,200)	(87,619)	6,923,095
Principal payments received on loans	-	-	-	21,474
Interest payments received on loans	-	-	-	766
Principal payments on loan payable	-	-	-	(13,141)
Payments for claims and services	-	-	-	(8,283,613)
Net cash flows from operating activities	<u>(1,009,183)</u>	<u>(893,498)</u>	<u>(1,902,681)</u>	<u>(735,539)</u>
Cash flows from noncapital financing activities:				
Transfers out	(34,185)	(33,438)	(67,623)	(100,766)
Decrease in due to other funds	-	-	-	-
Net cash flows from noncapital financing activities	<u>(34,185)</u>	<u>(33,438)</u>	<u>(67,623)</u>	<u>(100,766)</u>
Cash flows from capital and related financing activities:				
Purchases of property, plant and equipment	(2,337,288)	(4,383,302)	(6,720,590)	-
Capital contributions received	614,552	4,154,477	4,769,029	-
Transfers in	3,904	-	3,904	-
Proceeds from issuance of long term debt	699,956	-	699,956	-
Principal and interest paid on interfund note	-	(184,356)	(184,356)	-
Principal and interest paid on bonds and loans	(57,964)	(754,613)	(812,577)	-
Debt service reimbursement	-	752,450	752,450	-
Increase in due to General Fund	2,120,208	1,342,280	3,462,488	-
Net cash flows from capital and related financing activities	<u>1,043,368</u>	<u>926,936</u>	<u>1,970,304</u>	<u>-</u>
Cash flows from investing activities - investment income received	6,018	-	6,018	16,599
Net increase (decrease) in cash and investments	6,018	-	6,018	(819,706)
Cash and investments at beginning of year	2,229,001	-	2,229,001	10,296,652
Cash and investments at end of year	\$ 2,235,019	-	2,235,019	9,476,946
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(1,107,955)	(1,296,835)	(2,404,790)	694,283
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Miscellaneous nonoperating revenues	202	470	672	-
Depreciation and amortization	234,475	666,883	901,358	-
Lease credits exercised	-	(33,038)	(33,038)	-
Noncash expense - PERS relief	67,162	17,747	84,909	-
(Increase) decrease in assets:				
Accounts receivable	719	3,970	4,689	(801,330)
Loans receivable	-	-	-	(70,841)
Prepays	-	(1,086)	(1,086)	-
Deposits	-	-	-	(23,905)
Increase (decrease) in liabilities:				
Accounts payable	(489,476)	(249,937)	(739,413)	232,034
Accrued leave	(7,319)	8,328	1,009	-
Deposit refunds	-	(10,000)	(10,000)	-
Landfill closure costs payable	296,102	-	296,102	-
Unearned revenue	(3,093)	-	(3,093)	-
Loans payable	-	-	-	76,070
Insurance claims incurred but not reported	-	-	-	(841,850)
Net cash flows from operating activities	\$ <u>(1,009,183)</u>	<u>(893,498)</u>	<u>(1,902,681)</u>	<u>(735,539)</u>

See accompanying notes to basic financial statements.

**MATANUSKA-SUSITNA BOROUGH**  
 Agency Funds  
 Statement of Fiduciary Assets and Liabilities  
 June 30, 2011

Assets

Cash and investments	\$	24,711,802
Property taxes receivable:		
Real		129,388
Personal		12,089
Special assessments receivable		475,309
Interest receivable		16,548
Construction in progress		<u>224,434,844</u>
 Total assets	 \$	 <u>249,779,980</u>

Liabilities

Accounts payable		6,589,663
Deposits		254,364
Taxes collected in advance		156,711
Intergovernmental		5,422
Notes payable - gas lines		37,024
Notes payable - road improvements		210,367
Due to State of Alaska		<u>242,526,429</u>
 Total liabilities	 \$	 <u>249,779,980</u>

See accompanying notes to basic financial statements.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements

June 30, 2011

(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. 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. 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 and approves the borrowing of money and the issuance of bonds. The financial data of the School District is included in the Borough's financial statements and is accounted for as a component unit.

In conformity with Governmental Accounting Standards Board Statement No. 14 (as amended by GASB Statement 39), the financial data of the component unit of the Borough is discretely presented in the component unit column in the basic financial statements. The School District is reported in a separate column to emphasize that it is legally separate from the Borough. Copies of the School District's component unit financial statements may be requested from the School District at 501 North Gulkana, 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 assets 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.



## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Summary of Significant Accounting Policies, continued

##### Government-Wide and Fund Financial Statements, continued

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Under accounting principles generally accepted in the United States of America, internal service funds are never considered major funds.

##### 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.

Statement No. 20 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, requires that proprietary activities follow GASB pronouncements. It also allows business-type activities and enterprise funds to elect either to follow, or not to follow, Financial Accounting Standards Board (FASB) Statements and Interpretations which are not in conflict with GASB pronouncements and have been issued after November 30, 1989. All of the Borough's and School District's enterprise funds have elected to follow only GASB pronouncements subsequent to November 30, 1989.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough considers revenues to be available if they are collected within 60 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 are recorded only to the extent they have matured.

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

The Fiduciary Fund Type is accounted for on a basis consistent with the fund's accounting measurement objective. Agency Fund assets and liabilities are accounted for on the accrual basis of accounting.

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 bond redemption activities relating to bonded debt issued to finance the activities of construction, renovation, and repair of school facilities throughout the Borough.

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

The *Infrastructure Capital Project Fund* accounts for activities relating to the construction, renovation, and repair of large infrastructure projects.

#### **Major Proprietary Funds**

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

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

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Summary of Significant Accounting Policies, continued

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

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 Funds** – 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 seven Internal Service Funds. Three 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

**Agency Funds** – The Borough reports on three Agency Funds. The Property Tax Agency Fund accounts for property taxes collected on behalf of other cities within the Borough. The Road and Gas Line Agency Fund accounts for monies collected from property owners by the Borough for construction of a natural gas pipeline distribution system and for the paving of roads. The Prison Agency Fund accounts for the construction of the Goose Creek Correctional Center located in the Matanuska-Susitna Borough. The facility is being leased to the State of Alaska pursuant to a triple net lease Purchase Agreement between the Borough and the State.

#### 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and 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:

- a. 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.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Summary of Significant Accounting Policies, continued

##### Budgets and Budgetary Accounting, continued

- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to June 1, the budget is legally enacted through passage of an ordinance by the Borough Assembly.
- d. 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.
- e. 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 have legally adopted annual budgets.
- f. 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 statement 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 financial statements. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$5,000 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 estimated fair market value at the date of donation. In the case of the initial capitalization of infrastructure assets, the Borough chose to include all such items, regardless of their 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:

Buildings and improvements	30-40 years
Improvements other than buildings	15-40 years
Machinery and equipment	5 years
Infrastructure	20-30 years

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

##### **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).

##### **Accrued Leave**

The liability reported for compensated absences reported in the government-wide and proprietary statements consists of unpaid, vested annual leave. A liability for compensated absences is reported in the governmental funds only if they have "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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

##### **Fund Balances**

In the fund financial statements, governmental funds report aggregate 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 or inventories; 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 formal resolutions or ordinances of the Borough's Assembly—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### **Fund Balances, continued**

*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 and Manager have the authority 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.

##### **Encumbrances**

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.

##### **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.

##### **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 casualty claims. Commercial policies are purchased to cover claims exceeding these amounts.

**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Summary of Significant Accounting Policies, continued**

**Self-Insurance Coverage, continued**

The Borough (excluding the School District) provides health insurance on a self-insured basis up to \$85,000 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, 2010 and June 30, 2011 follows:

	<u>Unemploy- ment Insurance</u>	<u>Health Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Worker's Comp Insurance</u>	<u>Total</u>
Balance at June 30, 2009	\$ 46,149	935,784	650,145	196,641	1,828,719
Claims expense	226,011	3,998,129	64,461	664,049	4,952,650
Claims paid	<u>(218,861)</u>	<u>(3,942,121)</u>	<u>(61,100)</u>	<u>(380,844)</u>	<u>(4,602,926)</u>
Balance at June 30, 2010	53,299	991,792	653,506	479,846	2,178,443
Claims expense	303,779	5,650,251	458,776	197,067	6,609,873
Claims paid	<u>(294,739)</u>	<u>(5,384,477)</u>	<u>(887,282)</u>	<u>(653,191)</u>	<u>(7,219,689)</u>
Balance at June 30, 2011	\$ <u>62,339</u>	<u>1,257,566</u>	<u>225,000</u>	<u>23,722</u>	<u>1,568,627</u>

Management estimates that all of this liability is due within one year. The Unemployment Insurance liability is payable quarterly, upon receipt of billing from the State of Alaska. This liability, in the amount of \$62,339 is included in the financial statements as accounts payable. All other funds liabilities are reported on the balance sheet as insurance claims incurred but not reported. This liability, in the amount of \$1,506,288 is included with the governmental activities long-term debt.

**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.

**Retirement Plan**

All full-time employees and certain permanent part-time employees of the Borough participate in the State of Alaska Public Employees' Retirement System (PERS).

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

(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, 2011.

	<u>Pooled Cash and Investments</u>	<u>Other</u>	<u>Totals</u>
Bank deposits	\$ (2,534,465)	1,110,033	(1,424,432)
Investments	<u>203,323,990</u>	<u>-</u>	<u>203,323,990</u>
	<u>\$ 200,789,525</u>	<u>1,110,033</u>	<u>201,899,558</u>

Reconciliation to the basic financial statements:

	<u>Borough Accounts</u>	<u>School Accounts</u>	<u>Totals</u>
Primary government cash and investments	\$ 166,607,415	-	166,607,415
Restricted cash	3,322,569	-	3,322,569
Agency funds	24,711,802	-	24,711,802
School District	<u>6,147,739</u>	<u>1,110,033</u>	<u>7,257,772</u>
	<u>\$ 200,789,525</u>	<u>1,110,033</u>	<u>201,899,558</u>

***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 its securities with maturity dates exceeding five years.



**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Cash and Investments, continued**

**Reconciliation of Deposit and Investment Balances, continued**

*Interest Rate Risk, continued*

Investment maturities in general investments at June 30, 2011 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>More Than 5</u>
U.S. government agencies	\$ 131,233,620	105,291,689	25,941,931	-
Repurchase agreement	<u>22,586,230</u>	<u>22,586,230</u>	<u>-</u>	<u>-</u>
Total subject to interest rate risk	153,819,850	<u>127,877,919</u>	<u>25,941,931</u>	<u>-</u>
Pooled investments	<u>49,504,140</u>			
Total investments	\$ <u>203,323,990</u>			

*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 AAA by Standard and Poor's. To minimize credit risk, the Borough's investments are limited to those discussed above, under "Investments."

The Alaska Municipal League Investment Pool (AMLIP) is an external investment pool which is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

*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.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

(3) **Fund Balances**

The Borough has implemented the provisions of GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011.

The Borough has established, through Code Ordinance, a minimum fund balance / stabilization policy. MSB 3.04.094(A), as amended, sets out a minimum fund balance in the amount of 25% of all annual budgeted operating expenditures of the Borough, exclusive of the School District. 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 ordinance was amended in 2011 to ensure compliance with the provisions for commitment under GASB statement 54.

(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, Wasilla, and Houston. Collection of the taxes and remittance of them to the cities are accounted for in the Property Tax Agency 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 Activities**

Balances due to/from other funds at June 30, 2011, consisted of the following:

Due to the General Fund from:

Port Enterprise Fund for advances for operating and capital costs	\$ 3,461,676
Solid Waste Enterprise Fund for advances for capital costs	3,524,354
Infrastructure Capital Projects Fund	3,138,741
Nonmajor governmental funds for advances for capital costs	<u>4,441,121</u>
Total due to General Fund	<u>\$ 14,565,892</u>

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 \$13,338 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.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Interfund Balances and Activities, continued

Under a similar arrangement 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. Terms of this loan with ADEC have yet to be established, pending completion of the project, which is estimated to be in 2012. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough.

Amounts distributed at June 30, 2011 were as follows:

Road Service Area 9 – Midway Road	\$ 34,652
Road Service Area 14 – Fairview Road	20,361
Road Service Area 16 – South Colony	74,708
Road Service Area 19 – Lazy Mountain	410
Road Service Area 23 – North Colony	9,220
Road Service Area 25 – Bogard Road	69,254
Road Service Area 26 – Greater Butte Road	3,893
Road Service Area 28 – Gold Trail Road	41,747
Road Service Area 31 – Alpine Road	<u>1,869</u>
Total loans payable from Road Service Areas for ADEC Loan	\$ <u>256,114</u>
Loan payable from Talkeetna Water and Sewer for ADEC loan	\$ <u>102,948</u>

Other advances to/from other funds, representing long-term loans at June 30, 2011 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	\$ 144,000
\$51,000 Service Area 36 – Talkeetna Water and Sewer revolving loan, due in annual installments of \$6,375 plus interest as approved by the Assembly, through 2012	6,375
\$50,000 Service Area 36 – Talkeetna Water and Sewer revolving loan, due in annual installments of \$6,250, plus interest as approved by the Assembly, through 2014	18,750

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Interfund Balances and Activities, continued

\$30,000 Service Area 36 – Talkeetna Water and Sewer revolving loan, due in annual installments of \$6,000, plus interest as approved by the Assembly, through 2016	\$ 30,000
\$25,000 Fire Service Area – Caswell Lakes revolving loan, due in annual installments of \$8,334, plus interest as approved by the Assembly, through 2012	<u>8,334</u>
Total loans payable to other funds with established payment terms	<u>207,459</u>
Total loans payable to Revolving Loan Internal Service Funds	<u>\$ 566,521</u>

Additionally, the Port Enterprise Fund has an outstanding interfund note payable to the Land Management Fund. The outstanding balance of the note is \$401,979 at June 30, 2011. Of this amount, \$165,900 principal will be paid in 2012 and 2013 with a final payment of \$70,179 due in 2014. The note bears interest at the prime rate.

Transfers to/from other funds for the year ended June 30, 2011 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 General Fund to:	
School Buildings Debt Service Fund	\$ 18,400,000
Nonmajor governmental funds	8,005,935
Infrastructure Capital Project Fund	<u>200,000</u>
Total transfers out of General Fund	<u>26,605,935</u>
From School Projects Capital Project Fund to School Buildings Debt Service Fund	<u>713,514</u>
From Port Enterprise Fund to:	
General Fund	32,553
Nonmajor governmental funds	<u>885</u>
Total transfers out of Port Enterprise Fund	<u>33,438</u>
From Solid Waste Enterprise Fund to nonmajor governmental funds	<u>34,185</u>
From nonmajor governmental funds to:	
General Fund	2,129,223
Infrastructure Capital Projects Fund	30,000
Solid Waste Enterprise Fund	3,904
Other nonmajor governmental funds	<u>10,562,859</u>
Total transfers out of nonmajor governmental funds	<u>12,725,986</u>

**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Interfund Balances and Activities, continued**

From nonmajor internal service funds to:	
General Fund	\$ 766
Nonmajor governmental funds	<u>100,000</u>
Total transfer out of Nonmajor internal service funds	<u>100,766</u>
 Total transfers	 \$ <u>40,213,824</u>

(6) **Capital Assets**

Capital asset activity for the year ended June 30, 2011 follows:

	Balance July 1, <u>2010</u>	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, <u>2011</u>
<b><u>Governmental activities:</u></b>				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 13,770,006	-	-	13,770,006
Construction in progress	<u>168,502,082</u>	<u>37,513,606</u>	<u>63,335,879</u>	<u>142,679,809</u>
Total assets not being depreciated	<u>182,272,088</u>	<u>37,513,606</u>	<u>63,335,879</u>	<u>156,449,815</u>
 <i>Capital assets being depreciated:</i>				
Buildings	368,316,580	61,636,875	-	429,953,455
Improvements other than buildings	19,879,061	-	-	19,879,061
Equipment	29,541,418	2,864,722	140,760	32,265,380
Infrastructure	<u>201,169,233</u>	<u>5,732,729</u>	-	<u>206,901,962</u>
Total assets being depreciated	<u>618,906,292</u>	<u>70,234,326</u>	<u>140,760</u>	<u>688,999,858</u>
 Less accumulated depreciation for:				
Buildings	120,657,944	7,174,255	-	127,832,199
Improvements other than buildings	5,581,630	507,983	-	6,089,613
Equipment	17,094,275	2,096,776	140,760	19,050,291
Infrastructure	<u>112,844,230</u>	<u>2,048,334</u>	-	<u>114,892,564</u>
Total accumulated depreciation	<u>256,178,079</u>	<u>11,827,348</u>	<u>140,760</u>	<u>267,864,667</u>
 Total capital assets being depreciated, net	 <u>362,728,213</u>	 <u>58,406,978</u>	 <u>-</u>	 <u>421,135,191</u>
 Governmental activity capital assets, net	 \$ <u>545,000,301</u>	 <u>95,920,584</u>	 <u>63,335,879</u>	 <u>577,585,006</u>

**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Capital Assets, continued**

	Balance July 1, <u>2010</u>	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, <u>2011</u>
<b><u>Business-type activities:</u></b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ <u>18,435,268</u>	<u>6,086,146</u>	<u>-</u>	<u>24,521,414</u>
<i>Capital assets being depreciated:</i>				
Buildings	2,327,196	-	-	2,327,196
Improvements other than buildings	1,512,853	-	-	1,512,853
Equipment	1,471,277	87,688	-	1,558,965
Landfill cells	4,519,944	-	-	4,519,944
Infrastructure	<u>26,414,621</u>	<u>-</u>	<u>-</u>	<u>26,414,621</u>
Total assets being depreciated	<u>36,245,891</u>	<u>87,688</u>	<u>-</u>	<u>36,333,579</u>
Less accumulated depreciation for:				
Buildings	312,129	77,621	-	389,750
Improvements other than buildings	598,133	40,279	-	638,412
Equipment	942,692	67,948	-	1,010,640
Landfill cells	786,922	55,144	-	842,066
Infrastructure	<u>3,819,529</u>	<u>660,366</u>	<u>-</u>	<u>4,479,895</u>
Total accumulated depreciation	<u>6,459,405</u>	<u>901,358</u>	<u>-</u>	<u>7,360,763</u>
Total capital assets being depreciated, net	<u>29,786,486</u>	<u>(813,670)</u>	<u>-</u>	<u>28,972,816</u>
Business-type activity capital assets, net	\$ <u>48,221,754</u>	<u>5,272,476</u>	<u>-</u>	<u>53,494,230</u>

Depreciation expense was charged to the functions as follows:

**Governmental activities**

General government	\$ 420,598
Public works	133,537
Public service	2,728,351
Emergency services	1,907,078
Education	<u>6,637,784</u>
Total depreciation expense – governmental activities	\$ <u>11,827,348</u>

**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Capital Assets, continued**

**Business-type activities**

Solid waste	\$ 234,475
Port	<u>666,883</u>
Total depreciation expense – business-type activities	\$ <u>901,358</u>

Capital projects authorized or in progress are as follows:

	<u>Project Authorization</u>	<u>Expended</u>	<u>Fund Balance Available</u>	<u>Required Future Financing</u>
School projects	\$ 482,522,421	442,781,799	51,629,958	-
Fire protection	48,267,351	41,863,665	5,244,468	-
Road service repair	98,594,050	82,377,193	8,536,364	-
Sewage facility	15,768,781	14,253,898	47,742	1,853,743
Sanitary landfills	23,602,429	18,052,388	820,678	-
Ambulance and emergency medical services	28,019,728	25,968,421	1,838,591	-
Roads and bridges	59,074,608	48,662,219	954,555	838,580
Borough facility	50,581,189	45,789,895	2,970,932	-
Cultural and recreational	12,609,489	11,130,401	1,469,699	-
Port	58,853,390	46,163,117	2,131,072	-
Major maintenance	1,149,094	1,111,716	3	-
Infrastructure	63,075,000	28,122,213	273,799	29,384,747
Miscellaneous	69,148,244	61,312,514	4,335,546	-
Pass-through grants	<u>9,243,893</u>	<u>7,277,105</u>	<u>64,696</u>	<u>-</u>
	\$ <u>1,020,509,667</u>	<u>874,866,544</u>	<u>80,318,103</u>	<u>43,342,740</u>

(7) **Long-term Debt**

**Issuance of New Debt**

***ADEC Loans***

In 2008, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loan will be paid back over twenty years and bears interest at 1.5% with the interest accrual beginning one year following the date of the first draw. The loan is for a maximum of \$3,500,000 and is being used to pay for the landfill expansion project (specifically, Cell 3 construction). The Borough drew down \$100,807 during the current year. The total loan balance at June 30, 2011 was \$2,805,926. Repayment amortization is yet to be determined. This loan is recorded in the Solid Waste Enterprise Fund.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### **Long-term Debt, continued**

##### **Issuance of New Debt, continued**

In 2009, the Borough entered into a new loan agreement with ADEC for a regional resource recovery and training facility. Under similar terms as the loan noted above, the loan is for a maximum amount of \$2,500,000. The Borough drew down \$599,149 during the current year. This loan is recorded in the Solid Waste Enterprise Fund.

In 2010, the Borough entered into a new loan agreement with ADEC for Talkeenta Community Water Upgrades. Under similar terms as the loans noted above, the loan is for a maximum amount of \$105,000. The Borough drew down \$89,211 during the current year. The total loan balance at June 30, 2011 was \$102,948. The loan is recorded in the Service Area Operating Revolving Loan Internal Service Fund.

##### ***General Obligation Bonds***

In October 2008, voters approved the issuance of \$15,000,000 in areawide general obligation bonds for the purpose of capital improvements to the transportation systems public facilities. As of June 30, 2011, none of the bonds have been issued as the Borough cannot issue the bonds until a 70% match has been approved by the State of Alaska.

In 2011, the Borough issued \$33,785,000 of general obligation school bonds to finance upgrades, major renovations, and renew projects for various Borough schools.

A summary of changes in long-term debt for the year ended June 30, 2011 follows:

<b><u>Governmental activities</u></b>	<b>Balance July 1, 2010</b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b>Balance June 30, 2011</b>	<b>Due Within One Year</b>
School projects bonds	\$ 158,840,000	33,785,000	11,035,000	181,590,000	12,635,000
Park and recreation bonds	2,855,000	-	205,000	2,650,000	215,000
Certificates of participation	7,775,000	-	675,000	7,100,000	710,000
ADEC salted sand building loan	269,255	-	13,141	256,114	13,338
* ADEC Talkeetna community water upgrade loan	13,737	89,211	-	102,948	-
Accrued leave	2,209,463	2,108,984	2,225,048	2,093,399	2,093,399
Litigation settlement	750,000	-	750,000	-	-
Insurance claims incurred but not reported & claims payable	<u>2,123,138</u>	<u>6,306,094</u>	<u>6,922,944</u>	<u>1,506,288</u>	<u>1,506,288</u>
	<b>\$ <u>174,835,593</u></b>	<b><u>42,289,289</u></b>	<b><u>21,826,133</u></b>	<b>195,298,749</b>	<b><u>17,173,025</u></b>
Plus unamortized bond premium				5,812,872	
Less deferred loss on refunding				<u>(2,285,753)</u>	
				<b>\$ <u>198,825,868</u></b>	



**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Long-term Debt, continued**

<u>Business-type activities</u>	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due Within</u> <u>One Year</u>
Port bonds	\$ 7,630,000	-	410,000	7,220,000	420,000
* ADEC solid waste loan – Cell 3 construction	2,705,119	100,807	-	2,805,926	-
ADEC solid waste loan – hazardous waste facility	908,437	-	44,337	864,100	45,002
* ADEC solid waste loan – regional resource recovery and training facility	337,594	599,149	-	936,743	-
Lease credits payable	-	1,375,000	33,038	1,341,962	-
Landfill closure and post-closure monitoring costs	2,904,778	296,102	-	3,200,880	-
Accrued leave	<u>119,671</u>	<u>119,185</u>	<u>118,176</u>	<u>120,680</u>	<u>120,680</u>
	<u>\$ 14,605,599</u>	<u>2,490,243</u>	<u>605,551</u>	16,490,291	<u>585,682</u>
				<u>123,452</u>	
				<u>\$ 16,613,743</u>	

\*Not yet in repayment status

Other long-term liabilities related to governmental activities such as accrued leave are generally liquidated by the General Fund.

Based on an analysis of the actual compensated absence expenditures/expense during the first quarter of the fiscal year 2012, the Borough is reporting the entire amount of the compensated absence liability as a current liability.

At June 30, 2011, long-term debt that is in repayment status is comprised of the following individual issues:

General obligation bonds:

School projects bonds:

\$33,785,000 2011 Series A School bonds, due in annual installments of \$1,155,000 to \$2,490,000, plus interest at 2.0% to 5.0% through April 1, 2031 \$ 33,785,000

\$19,030,000 2009 Series A School bonds, due in annual installments of \$635,000 to \$1,465,000, plus interest at 3.0% to 5.5% through April 1, 2030 18,415,000

\$33,505,000 2007 Series A School refunding bonds, due in annual installments of \$1,960,000 to \$5,360,000, starting 2016 plus interest at 4.0% to 5.00% through April 1, 2025 33,505,000

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Long-term Debt, continued

\$20,500,000 2006 Series A School bonds, due in annual installments of \$870,000 to \$1,575,000, plus interest at 4.0% to 4.75% through February 1, 2026	\$ 17,675,000
\$19,200,000 2006 Series B School bonds, due in annual installments of \$810,000 to \$1,480,000, plus interest at 4.0% to 4.75% through February 1, 2026	16,565,000
\$27,095,000 2005 Series A School bonds, due in annual installments of \$1,120,000 to \$1,375,000, plus interest at 3.75% to 5.25% through April 1, 2017	7,430,000
\$44,575,000 2004 Series D School refunding bonds, due in annual installments of \$845,000 to \$6,880,000, plus interest at 3.75% to 5.0% through April 1, 2020	36,290,000
\$15,895,000 2004 Series A School bonds, due in annual installments of \$690,000 to \$890,000, plus interest at 3.75% to 4.75% through April 1, 2018	5,480,000
\$6,305,000 2004 Series B School bonds, due in annual installments of \$275,000 to \$455,000, plus interest at 3.75% to 4.75% through April 1, 2024	\$ 3,875,000
\$36,745,000 1999 Series A School bonds, due in annual installments of \$2,705,000 to \$3,010,000, plus interest at 5.5% through March 1, 2014	<u>8,570,000</u>
Total school projects bonds	<u>181,590,000</u>
Park bonds:	
\$2,210,000 2007 Series B Park bonds, due in annual installments of \$240,000 to \$325,000, starting 2014 plus interest at 4.0% to 5.25% through April 1, 2021	2,210,000
\$4,400,000 2001 Series B Park bonds, due in annual installments of \$215,000 to \$225,000, plus interest at 4.7% to 4.8% through March 1, 2013	<u>440,000</u>
Total park bonds	<u>2,650,000</u>
\$9,810,000 2004 Series C Port bonds, due in annual installments of \$420,000 to \$720,000, plus interest at 3.75% to 5.0% through April 1, 2024	<u>7,220,000</u>
Total general obligation bonds	\$ <u>191,460,000</u>

**MATANUSKA-SUSITNA BOROUGH**

Notes to Basic Financial Statements, continued

**Long-term Debt, continued**

Certificates of participation:

\$5,235,000 2000 Public Safety Building Lease  
 Certificates of Participation, due in annual  
 installments of \$395,000 to \$490,000, plus interest  
 at 5.75% through March 1, 2016 \$ 2,205,000

\$5,750,000 2008 Animal Control Building  
 Certificates of Participation, due in annual  
 installments of \$315,000 to \$535,000, plus interest  
 at 4.0% to 5.75% through March 1, 2023 4,895,000  
 Total certificates of participation \$ 7,100,000

ADEC loans:

\$294,958 ADEC loan for Salted Sand Storage Building  
 due in annual installments of \$13,338 to \$16,926,  
 plus interest at 1.5% through August 8, 2027 \$ 256,114

ADEC loans, continued:

\$995,155 ADEC loan for Hazardous Materials Facility,  
 due in annual installments of \$44,337 to \$57,107, plus  
 interest at 1.5% through August 31, 2027 \$ 864,100  
 Total ADEC loans \$ 1,120,214

The annual requirements to amortize long-term debt outstanding at June 30, 2011, exclusive of the compensated absences, landfill closure and post closure monitoring costs, insurance claims incurred but not reported, and the ADEC loans that are not yet in repayment status are as follows:

Year Ended June 30	<u>Governmental Activities</u>				<u>Business-type Activities</u>			
	<u>General Obligation Bonds and Certificates of Participation</u>		<u>ADEC Loan</u>		<u>Port Bonds</u>		<u>ADEC Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 13,560,000	8,872,932	13,338	3,842	420,000	330,263	45,002	12,962
2013	14,255,000	8,186,762	13,538	3,642	440,000	314,513	45,677	12,287
2014	14,885,000	7,548,850	13,741	3,439	455,000	298,013	46,362	11,602
2015	14,190,000	6,879,363	13,948	3,232	475,000	279,813	47,058	10,906
2016	14,655,000	6,340,002	14,157	3,023	495,000	257,250	47,764	10,200
2017-2021	61,930,000	22,107,735	74,034	11,865	2,865,000	905,226	249,781	40,039
2022-2026	41,105,000	9,782,732	79,757	6,143	2,070,000	189,000	269,086	20,734
2027-2031	<u>16,760,000</u>	<u>2,317,638</u>	<u>33,601</u>	<u>758</u>	<u>-</u>	<u>-</u>	<u>113,370</u>	<u>2,558</u>
	<u>\$ 191,340,000</u>	<u>72,036,014</u>	<u>256,114</u>	<u>35,944</u>	<u>7,220,000</u>	<u>2,574,078</u>	<u>864,100</u>	<u>121,288</u>

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Long-term Debt, continued

The following summarizes the amounts available for payment of general long-term debt at June 30, 2011:

	<u>Debt Service Funds</u>
School general obligation bonds	\$ 986,832
Parks and recreation bonds	29,956
Certificates of participation	<u>1,128,744</u>
	<u>\$ 2,145,532</u>

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.

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, 2011, the Borough was in compliance.

#### Landfill Closure and Post Closure 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, 2011, based on landfill capacity used as of that date. The \$3,200,880 reported as landfill closure and postclosure care liability at June 30, 2011 represents the cumulative amount reported to date based on the use of 18.63% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$13,979,884 as the remaining capacity is filled. The Borough expects to close the landfill in the year 2070. Actual costs may change due to inflation, deflation, changes in technology, or changes in laws and regulations.

As of June 30, 2011, 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.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Long-term Debt, continued

##### Special Assessment Debt

From time to time, the Borough will issue non-recourse special assessment bonds to finance road 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 improvements 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. The balance of special assessment bonds payable at June 30, 2011 follows:

Gas line bonds	\$ 37,024
Road improvement bonds	<u>210,367</u>
Total	<u>\$ 247,391</u>

##### Advance Refunding of Bonds

In 2005 and 2007, the Borough issued \$44,575,000 and \$33,505,000, respectively, of general obligation refunding bonds for the purpose of refunding \$43,070,000 and \$34,695,000, respectively, of outstanding general obligation school bonds. In 2007, the Borough also issued \$2,210,000 of general obligation refunding bonds for the purpose of refunding \$2,245,000 of outstanding park bonds. Proceeds from these refundings were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. For financial reporting purposes, this debt has been considered defeased and therefore, removed as a liability. As of June 30, 2011, the amount of defeased debt outstanding associated with the refundings was \$25,110,000.

#### (8) Defined Benefit Pension Plan

The Borough participates in the 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 to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

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

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

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### Long-term Debt, continued

##### Conversion to Cost Sharing

In April 2008, the Alaska Legislature passed Senate Bill (SB) 125 which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers. The cost-sharing plan requires a uniform employer contribution rate of 22% of active member wages, subject to a wage floor. Legislation provides for State contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions are recognized by each employer as an on-behalf payment.

In addition, in fiscal year 2008, the State of Alaska passed legislation (SB 123) which requires that the employer contribution be calculated on all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

##### Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (2.41% for pension and 4.34% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (2.68% for pension and 4.82% for healthcare).

The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay both pension and postemployment healthcare benefits when due.

Under current legislation, the employer contribution rate is statutorily established and capped at 22%. However, the State of Alaska contributes any amount over 22% such that the total contribution equals the Alaska Retirement Management Board adopted rate, generally consistent with the actuarially determined rate.

The Borough's contribution rates for 2011 were determined as part of the June 30, 2008 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 45* Rate
Pension	7.85%	9.98%	13.49%
Postemployment healthcare	14.15%	17.98%	55.87%
Total contribution rate	22.00%	27.96%	69.36%

\* This rate uses a 4.5% OPEB discount rate and disregards all future Medicare Part D payments.

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### **Defined Benefit Pension Plan, continued**

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Borough and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial values of assets.

Projected benefits for financial reporting purposes do not incorporate any potential effects of legal or contractual funding limitations.

#### **Annual Pension and Postemployment Healthcare Cost**

The Borough is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 8.25% (2.29 percentage points higher than the 5.96% required amount) of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the Borough has recorded the State on-behalf payment in the amount of \$1,388,210 as revenue and expenditure/expense in these financial statements. However, because the Borough is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>Borough Contri- butions</u>	<u>% of TBC Contributed</u>
2011	\$ 1,211,721	\$ 2,183,407	\$ 3,395,128	\$ 3,395,128	100%
2010	1,275,688	2,163,668	3,439,356	3,439,356	100%
2009	997,448	2,222,203	3,219,651	3,219,651	100%

## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

(9) **Defined Contribution Pension Plan**

The State of Alaska Legislature approved Senate Bill 141 to create the Public Employees' Retirement System (PERS) Tier IV for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II or III defined benefit plans. The Plan is administered by the State of Alaska, Department of Administration, and benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. Employees are required to contribute 8.0% of their annual covered salary, and the Borough is required to make the following contributions:

	<u>Others</u> <u>Tier IV</u>	<u>Police/Fire</u> <u>Tier IV</u>
Individual account	5.00%	5.00%
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	0.56	0.48
Occupational death and disability benefits	<u>0.31</u>	<u>1.18</u>
	<u>8.87 %</u>	<u>9.66%</u>

\*Health Reimbursement Arrangement – AS 39.30.370 requires that the employer contribute “an amount equal to three percent of the average employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The Borough and employee contributions to PERS including the HRA contribution for the year ended June 30, 2011 were \$303,570 and \$270,781, respectively.

(10) **Contingencies**

On May 16, 2007, a lawsuit was filed by NPI LLC, relating to two contracts at Port McKenzie. The case was aggressively defended with several motions for partial summary judgment being filed. In July 2010, the case was settled for \$1,100,000 payable in cash plus \$1,375,000 in future lease credits. In 2011, the balance of the cash payment was paid in full and the lease credits payable were recorded in the Port Enterprise Fund. The lease credits are valid for lease waivers, wharfage, and other services and will expire April 2031. The Borough has recorded the full amount of the lease credits as a long-term payable in the Port Enterprise Fund. The lease credit portion of the settlement was deemed by the Borough to meet the unusual and infrequent criteria and as a result have recorded the amount as an extraordinary item.



## MATANUSKA-SUSITNA BOROUGH

### Notes to Basic Financial Statements, continued

#### **Contingencies, continued**

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. The audits of these programs have not yet been completed. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

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.

#### (11) **Subsequent Event**

On August 9, 2011, the Assembly adopted Ordinance 11-085. The ordinance was to authorize the issuance of Areawide General Obligation Bonds in an amount not to exceed \$214,495,000. This ordinance also provided for submission of the question to the voters at the October 4, 2011 regular Borough election. This ballot proposition was approved by the voters. This will finance the upgrades, major renovation and renewal of school capital projects. The bonds for the individual projects listed in the ballot will not be issued unless authorization is received from the State of Alaska for 70% debt service reimbursement.

On August 11, 2011, the Assembly adopted Ordinance 11-084. The ordinance was to authorize the issuance of Areawide General Obligation Bonds in an amount not to exceed \$32,165,000. This ordinance also provided for submission of the question to the voters at the October 4, 2011 regular Borough election. This ballot proposition was approved by the voters. This will finance the construction, additions, improvements, betterments, repair, reconstruction, or acquisition of public roads and facilities related thereto in the Borough. The bonds cannot be issued unless a matching grant is received from the State of Alaska.

A portion of the school bonds will be issued in March 2012. Should a match for the Road Bonds be received in the next legislative session, a portion of these bonds will be issued in fiscal year 2013.

**MATANUSKA-SUSITNA BOROUGH**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2011**

<u>Assets</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and investments	\$ 28,914,259	71,150	25,142,232	54,127,641
Prepaid items	181,787	-	-	181,787
Receivables:				
Intergovernmental	833,720	-	8,218,778	9,052,498
Property taxes	2,298,197	-	-	2,298,197
Land sales contracts, net	14,451	-	-	14,451
Other	184,940	-	4,454	189,394
Interfund note receivable	401,979	-	-	401,979
Restricted cash	-	1,087,550	-	1,087,550
Land sales contracts, long term	529,559	-	-	529,559
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	\$ <u>33,358,892</u>	<u>1,158,700</u>	<u>33,365,464</u>	<u>67,883,056</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts, contracts and retentions payable	949,982	-	1,960,552	2,910,534
Due to General Fund	-	-	4,441,121	4,441,121
Deposits	56,598	-	-	56,598
Deferred revenue	2,601,790	-	1,467,062	4,068,852
Loans payable to other funds	566,521	-	-	566,521
Other liabilities	2,060	-	-	2,060
Total liabilities	<u>4,176,951</u>	<u>                    </u>	<u>7,868,735</u>	<u>12,045,686</u>
Fund balances:				
Nonspendable:				
Interfund note receivable	236,079	-	-	236,079
Prepaid items	181,787	-	-	181,787
Restricted - debt service	-	1,087,550	-	1,087,550
Committed:				
Land management	5,341,400	-	-	5,341,400
Self insurance	10,000	-	-	10,000
Compensated absences	30,000	-	-	30,000
Equipment	1,500,000	-	-	1,500,000
Assigned:				
Subsequent years expenditures	1,588,935	-	-	1,588,935
Subsequent years appropriations	507,500	-	-	507,500
Land management	1,306,255	-	-	1,306,255
Service areas	18,662,230	-	-	18,662,230
Debt service	-	71,150	-	71,150
Capital projects	-	-	25,496,729	25,496,729
Unassigned (deficits)	(182,245)	-	-	(182,245)
Total fund balances	<u>29,181,941</u>	<u>1,158,700</u>	<u>25,496,729</u>	<u>55,837,370</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	\$ <u>33,358,892</u>	<u>1,158,700</u>	<u>33,365,464</u>	<u>67,883,056</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Year Ended June 30, 2011

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>Revenues:</b>				
Property taxes	\$ 28,008,986	-	-	28,008,986
Intergovernmental	968,921	-	13,655,667	14,624,588
Charges for services	2,217,605	-	-	2,217,605
Investment income	91,569	-	-	91,569
Interest on land sales	59,575	-	-	59,575
Other	443,703	-	13,350	457,053
Total revenues	<u>31,790,359</u>	<u>-</u>	<u>13,669,017</u>	<u>45,459,376</u>
<b>Expenditures:</b>				
General government	515,377	-	1,772,916	2,288,293
Emergency services	8,519,588	-	1,120,789	9,640,377
Public services	9,592,447	-	5,341,779	14,934,226
Debt service	4,802	1,421,859	-	1,426,661
Education	-	-	73,693	73,693
Capital outlay	-	-	17,153,004	17,153,004
Total expenditures	<u>18,632,214</u>	<u>1,421,859</u>	<u>25,462,181</u>	<u>45,516,254</u>
Excess (deficiency) of revenues over expenditures	13,158,145	(1,421,859)	(11,793,164)	(56,878)
<b>Other financing sources (uses):</b>				
Transfers in	524,871	1,420,132	16,758,861	18,703,864
Transfers out	<u>(10,102,927)</u>	<u>-</u>	<u>(2,623,059)</u>	<u>(12,725,986)</u>
Net other financing sources (uses)	<u>(9,578,056)</u>	<u>1,420,132</u>	<u>14,135,802</u>	<u>5,977,878</u>
Net change in fund balances	3,580,089	(1,727)	2,342,638	5,921,000
Fund balances at beginning of year	<u>25,601,852</u>	<u>1,160,427</u>	<u>23,154,091</u>	<u>49,916,370</u>
Fund balances at end of year	\$ <u>29,181,941</u>	<u>1,158,700</u>	<u>25,496,729</u>	<u>55,837,370</u>

**MATANUSKA-SUSITNA BOROUGH**  
 General Fund  
 Balance Sheet  
 June 30, 2011  
 (With Comparative Amounts for 2010)

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash and investments	\$ 54,405,680	53,279,625
Prepaid items	469,263	226,970
Receivables:		
Intergovernmental	133,901	113,274
Delinquent property taxes, including foreclosure costs, penalties and interest net of allowance for doubtful accounts of \$148,404 (\$120,694 in 2010)	8,173,089	8,985,526
Ambulance, net of allowance for doubtful accounts of \$190,332 (\$150,031 in 2010)	761,328	600,123
Excise taxes	719,165	753,522
Accrued interest	361,387	524,241
Other	418,431	390,235
Due from other funds	14,565,892	4,446,397
Deposits	1,497	1,497
Inventory	<u>140,625</u>	<u>143,389</u>
 Total assets	 \$ <u>80,150,258</u>	 <u>69,464,799</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,032,562	1,217,402
Accrued payroll and related liabilities	1,945,012	1,921,206
Other liabilities	175,036	219,520
Deferred revenue	<u>12,033,206</u>	<u>9,167,221</u>
Total liabilities	<u>15,185,816</u>	<u>12,525,349</u>
Fund balances:		
Nonspendable:		
Prepaid items	469,263	226,970
Inventory	140,625	143,389
Committed:		
Self insurance	300,000	150,000
Compensated absences	500,000	250,000
Assembly projects	57,217	57,217
Major repairs and renovations	2,068,000	3,568,000
Capital	750,000	1,603,248
Emergency response	750,000	2,356,750
Administration office space	5,697,945	1,700,000
School site acquisition	4,445,497	4,177,038
Dispatch services	-	22,945
EMS lease / purchase facility	-	200,000
Fund balance stabilization	21,394,738	20,797,145
Assigned:		
Subsequent years expenditures	13,159,678	9,589,020
Subsequent years appropriations	95,574	-
Unassigned	<u>15,135,905</u>	<u>12,097,728</u>
Total fund balance	<u>64,964,442</u>	<u>56,939,450</u>
 Total liabilities and fund balance	 \$ <u>80,150,258</u>	 <u>69,464,799</u>

**MATANUSKA-SUSITNA BOROUGH**  
General Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended June 30, 2011  
(With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Current year property tax levy	\$ 73,139,800	75,095,861	1,956,061	74,178,885
Penalty and interest on taxes	830,000	1,384,712	554,712	1,292,966
Foreclosure costs	145,000	167,257	22,257	106,196
Recording and attorney fees	23,500	12,594	(10,906)	31,582
Vehicle taxes collected through State of Alaska	2,851,280	2,946,854	95,574	2,804,454
Excise taxes	4,559,500	4,723,063	163,563	4,901,735
Transient accommodations tax	908,000	957,362	49,362	969,945
Total taxes	<u>82,457,080</u>	<u>85,287,703</u>	<u>2,830,623</u>	<u>84,285,763</u>
<b>Intergovernmental:</b>				
<b>State sources:</b>				
Debt service reimbursement	12,280,710	12,280,710	-	11,237,576
Municipal assistance	3,800,000	3,888,243	88,243	3,834,043
PERS relief	-	1,107,988	1,107,988	720,259
In lieu of taxes	7,000	7,775	775	7,476
Other	250	1,069	819	3,196
<b>Federal sources:</b>				
In lieu of taxes	2,000,000	3,181,312	1,181,312	3,148,113
Other	2,134,281	2,146,473	12,192	115,310
Total intergovernmental	<u>20,222,241</u>	<u>22,613,570</u>	<u>2,391,329</u>	<u>19,065,973</u>
<b>Charges for services:</b>				
Ambulance	1,990,100	2,157,589	167,489	2,316,349
Engineering inspections	61,000	62,032	1,032	69,291
Computer access fees	500	100	(400)	100
Planning and zoning	80,500	123,063	42,563	105,867
Ice arena	391,600	393,759	2,159	370,982
Community pool fees	515,000	478,423	(36,577)	557,485
Special assessment administration fees	10,000	-	(10,000)	6,709
Business licenses	200,000	252,930	52,930	84,400
Other	145,250	213,418	68,168	187,527
Total charges for services	<u>3,393,950</u>	<u>3,681,314</u>	<u>287,364</u>	<u>3,698,710</u>

**MATANUSKA-SUSITNA BOROUGH**  
**General Fund**  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual, continued

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Revenues, continued:				
Investment income	\$ 325,000	446,760	121,760	637,258
Total revenues	<u>106,398,271</u>	<u>112,029,347</u>	<u>5,631,076</u>	<u>107,687,704</u>
Expenditures:				
General government:				
Mayor	91,312	74,468	16,844	80,862
Assembly	492,242	419,458	72,784	423,768
Clerk	449,497	416,380	33,117	393,534
Administration	1,502,748	1,295,788	206,960	1,265,811
Elections	419,900	394,003	25,897	291,741
Records management	335,341	293,547	41,794	309,769
Finance	1,072,738	778,628	294,110	649,382
Budgeting	1,392,177	1,307,763	84,414	1,161,580
Accounting	1,836,293	1,796,753	39,540	1,648,974
Law	1,211,095	1,025,245	185,850	1,086,842
Human resource	672,467	577,905	94,562	483,278
Common contractual	2,071,500	1,305,089	766,411	1,341,816
Purchasing	770,946	767,722	3,224	739,600
Code compliance	745,712	741,829	3,883	567,643
Transportation	345,611	287,959	57,652	301,845
Labor relations/ethics board/senior citizens' advisory board	21,850	308	21,542	28,088
Adj. and appeals/bid review board	24,200	4,416	19,784	12,182
Planning	1,424,100	1,414,551	9,549	1,239,750
Planning administration	307,136	302,940	4,196	337,037
Platting	822,593	820,751	1,842	740,732
Pass-through to cities	156,316	156,316	-	287,630
Assessments	2,603,169	2,401,411	201,758	2,330,598
Information technology	3,940,099	3,538,395	401,704	3,420,950
Total general government	<u>22,709,042</u>	<u>20,121,625</u>	<u>2,587,417</u>	<u>19,143,412</u>

**MATANUSKA-SUSITNA BOROUGH**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual, continued**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Less recovery of expenditures from other funds	\$ (500,500)	(2,763,546)	2,263,046	(662,711)
Net general government	<u>22,208,542</u>	<u>17,358,079</u>	<u>4,850,463</u>	<u>18,480,701</u>
Public works:				
Public works administration	296,673	275,316	21,357	322,616
Maintenance	1,743,218	1,624,654	118,564	1,627,107
Project management and engineering	1,875,666	1,616,126	259,540	1,520,033
Permits and inspections	1,571	1,569	2	279,663
Public works operations	130,185	108,698	21,487	142,085
Total public works	<u>4,047,313</u>	<u>3,626,363</u>	<u>420,950</u>	<u>3,891,504</u>
Emergency services:				
Emergency medical services board	950	-	950	15
Local emergency planning board	5,430	950	4,480	1,428
Rescue units	670,652	424,453	246,199	527,057
Ambulance services	5,396,264	4,293,698	1,102,566	3,827,136
Emergency services building	155,141	84,857	70,284	81,636
Telecommunications network	1,007,182	824,737	182,445	781,103
Emergency services administration	2,119,445	2,089,358	30,087	1,851,057
Total emergency services	<u>9,355,064</u>	<u>7,718,053</u>	<u>1,637,011</u>	<u>7,069,432</u>
Less recovery of expenditures from other funds	<u>(822,359)</u>	<u>(825,201)</u>	<u>2,842</u>	<u>(658,165)</u>
Net emergency services	<u>8,532,705</u>	<u>6,892,852</u>	<u>1,639,853</u>	<u>6,411,267</u>
Public services:				
Community services	69,746	58,589	11,157	51,997
Cultural resources	249,739	238,451	11,288	201,034
Parks and recreation	555,504	469,785	85,719	487,528
Trails management	271,244	247,123	24,121	-
Ice arena	731,195	706,043	25,152	634,170
Outdoor ice rinks	3,775	2,107	1,668	1,352
Recreational services	202,201	134,671	67,530	199,879

**MATANUSKA-SUSITNA BOROUGH**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual, continued**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public services, continued:				
Community pools	\$ 1,537,044	1,350,518	186,526	1,189,685
Community development administration	308,204	283,397	24,807	251,302
Road service administration	1,521,518	1,384,077	137,441	1,397,051
Community enrichment	42,000	30,350	11,650	23,426
Recreation infrastructure maintenance	90,098	45,284	44,814	64,577
Total public services	<u>5,582,268</u>	<u>4,950,395</u>	631,873	4,502,001
Less recovery of expenditures from other funds	<u>(1,462,816)</u>	<u>(1,332,712)</u>	<u>(130,104)</u>	<u>(1,315,060)</u>
Net public services	<u>4,119,452</u>	<u>3,617,683</u>	<u>501,769</u>	<u>3,186,941</u>
Education - contributions to School District	<u>48,347,365</u>	<u>48,078,906</u>	<u>268,459</u>	<u>43,964,884</u>
Total expenditures	<u>87,255,377</u>	<u>79,573,883</u>	<u>7,681,494</u>	<u>75,935,297</u>
Excess of revenues over expenditures	19,142,894	32,455,464	13,312,570	31,752,407
Other financing sources (uses):				
Proceeds from disposal of capital assets	5,000	12,921	7,921	-
Transfers in	1,504,600	2,162,542	657,942	580,576
Transfers out	<u>(28,275,935)</u>	<u>(26,605,935)</u>	<u>1,670,000</u>	<u>(26,132,032)</u>
Net other financing sources (uses)	<u>(26,766,335)</u>	<u>(24,430,472)</u>	<u>2,335,863</u>	<u>(25,551,456)</u>
Net change in fund balance	\$ <u>(7,623,441)</u>	8,024,992	<u>15,648,433</u>	6,200,951
Fund balance at beginning of year		<u>56,939,450</u>		<u>50,738,499</u>
Fund balance at end of year		\$ <u>64,964,442</u>		<u>56,939,450</u>



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## MATANUSKA-SUSITNA BOROUGH

Special Revenue Funds  
Combining Balance Sheet  
June 30, 2011

(With Comparative Totals for 2010)

Assets	Nonareawide Services and Service Areas	Land Management	Totals	
			2011	2010
Cash and investments	\$ 22,299,729	6,614,530	28,914,259	25,320,119
Prepaid items	180,287	1,500	181,787	34,688
Receivables:				
Intergovernmental	833,720	-	833,720	17,895
Property taxes	2,298,197	-	2,298,197	1,980,570
Land sales contracts, net	-	14,451	14,451	18,698
Other	184,940	-	184,940	955,516
Interfund note receivable	-	401,979	401,979	567,879
Land sales contracts, long term	-	529,559	529,559	552,390
<b>Total assets</b>	<b>\$ 25,796,873</b>	<b>7,562,019</b>	<b>33,358,892</b>	<b>29,447,755</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable	887,915	62,067	949,982	973,928
Deposits	-	56,598	56,598	29,598
Deferred revenue	2,072,231	529,559	2,601,790	2,346,697
Loans payable to other funds	566,521	-	566,521	495,680
Other liabilities	2,060	-	2,060	-
<b>Total liabilities</b>	<b>3,528,727</b>	<b>648,224</b>	<b>4,176,951</b>	<b>3,845,903</b>
Fund balances:				
Nonspendable:				
Interfund note receivable	-	236,079	236,079	401,979
Prepaid items	180,287	1,500	181,787	34,688
Committed:				
Land management	-	5,341,400	5,341,400	5,013,130
Self insurance	10,000	-	10,000	10,000
Compensated absences	20,000	10,000	30,000	30,000
Equipment	1,500,000	-	1,500,000	1,475,000
Assigned:				
Subsequent years expenditures	1,570,374	18,561	1,588,935	3,298,826
Subsequent years appropriations	507,500	-	507,500	478,407
Land management	-	1,306,255	1,306,255	852,710
Service areas	18,662,230	-	18,662,230	14,131,578
Unassigned (deficits)	(182,245)	-	(182,245)	(124,466)
<b>Total fund balances</b>	<b>22,268,146</b>	<b>6,913,795</b>	<b>29,181,941</b>	<b>25,601,852</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,796,873</b>	<b>7,562,019</b>	<b>33,358,892</b>	<b>29,447,755</b>

**MATANUSKA-SUSITNA BOROUGH**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Year Ended June 30, 2011**  
**(With Comparative Totals for 2010)**

	Nonareawide Services and <u>Service Areas</u>		Land Management		<u>Totals</u>	
					<u>2011</u>	<u>2010</u>
<b>Revenues:</b>						
Property taxes	\$ 28,008,986	-			28,008,986	27,136,519
Intergovernmental	944,579	24,342			968,921	940,524
Charges for services	1,486,997	730,608			2,217,605	1,962,102
Investment income	55,371	36,198			91,569	107,739
Interest on land sales	-	59,575			59,575	79,502
Other	440,243	3,460			443,703	509,266
Total revenues	<u>30,936,176</u>	<u>854,183</u>			<u>31,790,359</u>	<u>30,735,652</u>
<b>Expenditures:</b>						
General government	515,377	-			515,377	697,201
Emergency services	8,519,588	-			8,519,588	7,630,655
Public services	9,022,058	570,389			9,592,447	10,450,232
Debt service	4,802	-			4,802	8,439
Total expenditures	<u>18,061,825</u>	<u>570,389</u>			<u>18,632,214</u>	<u>18,786,527</u>
Excess (deficiency) of revenues over expenditures	12,874,351	283,794			13,158,145	11,949,125
<b>Other financing sources (uses):</b>						
Transfers in	501,871	23,000			524,871	591,905
Transfers out	<u>(9,754,927)</u>	<u>(348,000)</u>			<u>(10,102,927)</u>	<u>(8,734,004)</u>
Net other financing sources (uses)	<u>(9,253,056)</u>	<u>(325,000)</u>			<u>(9,578,056)</u>	<u>(8,142,099)</u>
Net change in fund balance	3,621,295	(41,206)			3,580,089	3,807,026
Fund balances at beginning of year	<u>18,646,851</u>	<u>6,955,001</u>			<u>25,601,852</u>	<u>21,794,826</u>
Fund balances at end of year	\$ <u>22,268,146</u>	<u>6,913,795</u>			<u>29,181,941</u>	<u>25,601,852</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Nonareawide Services and Service Areas Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2011

	Non-areawide Services	Service Area 7	Service Area 36	Freedom Hills	Garden Terrace Estates	Circle View/Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 MacKenzie	Grid Roller Maintenance	Roads Outside Service Areas	Combined		Totals
		Talkeetna Flood Control	Talkeetna Water and Sewer	Sub-division					Point		Fire Service Areas	Road Service Areas		
<b>Assets</b>														
Cash and investments	\$ 90,276	26,150	10,370	33,586	138,341	35,282	1,822,131	21,715	298,270	40,020	1,731	10,789,278	8,992,579	22,299,729
Prepaid items	20,293	-	5,541	-	-	-	125,071	-	-	-	-	29,382	-	180,287
<b>Receivables:</b>														
Intergovernmental	741,908	-	89,647	-	-	-	-	-	-	-	-	2,165	-	833,720
Property taxes	239,390	539	-	-	2,260	-	-	-	-	-	-	826,452	1,229,556	2,298,197
Other	-	-	42,382	-	-	5,512	137,046	-	-	-	-	-	-	184,940
<b>Total assets</b>	<b>\$ 1,091,867</b>	<b>26,689</b>	<b>147,940</b>	<b>33,586</b>	<b>140,601</b>	<b>40,794</b>	<b>2,084,248</b>	<b>21,715</b>	<b>298,270</b>	<b>40,020</b>	<b>1,731</b>	<b>11,647,277</b>	<b>10,222,135</b>	<b>25,796,873</b>
<b>Liabilities and Fund Balances</b>														
<b>Liabilities:</b>														
Accounts payable	41,301	-	57,641	-	18	-	155,166	-	-	-	-	176,669	457,120	887,915
Deferred revenue	214,832	324	-	-	2,260	5,724	-	-	-	-	-	738,626	1,110,465	2,072,231
Loans payable to other funds	-	-	158,073	-	-	144,000	-	-	-	-	-	8,334	256,114	566,521
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	2,060	-	2,060
<b>Total liabilities</b>	<b>256,133</b>	<b>324</b>	<b>215,714</b>	<b>-</b>	<b>2,278</b>	<b>149,724</b>	<b>155,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>925,689</b>	<b>1,823,699</b>	<b>3,528,727</b>
<b>Fund balances:</b>														
Nonspendable - prepaid	20,293	-	5,541	-	-	-	125,071	-	-	-	-	29,382	-	180,287
<b>Committed:</b>														
Self-insurance	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Compensated absences	20,000	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Equipment	-	-	-	-	-	-	1,500,000	-	-	-	-	-	-	1,500,000
<b>Assigned</b>														
Subsequent year expenditures	431,531	530	-	9,940	40,230	-	-	3,310	24,893	940	1,500	1,011,842	45,658	1,570,374
Subsequent year appropriations	-	-	-	-	-	-	-	16,400	-	-	-	115,100	376,000	507,500
Service areas	353,910	25,835	-	23,646	98,093	-	304,011	2,005	273,377	39,080	231	9,565,264	7,976,778	18,662,230
Unassigned (deficits)	-	-	(73,315)	-	-	(108,930)	-	-	-	-	-	-	-	(182,245)
<b>Total fund balances (deficits)</b>	<b>835,734</b>	<b>26,365</b>	<b>(67,774)</b>	<b>33,586</b>	<b>138,323</b>	<b>(108,930)</b>	<b>1,929,082</b>	<b>21,715</b>	<b>298,270</b>	<b>40,020</b>	<b>1,731</b>	<b>10,721,588</b>	<b>8,398,436</b>	<b>22,268,146</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,091,867</b>	<b>26,689</b>	<b>147,940</b>	<b>33,586</b>	<b>140,601</b>	<b>40,794</b>	<b>2,084,248</b>	<b>21,715</b>	<b>298,270</b>	<b>40,020</b>	<b>1,731</b>	<b>11,647,277</b>	<b>10,222,135</b>	<b>25,796,873</b>

**MATANUSKA-SUSITNA BOROUGH**  
 Nonareawide Services and Service Areas Special Revenue Funds  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances (Deficit)  
 Year Ended June 20, 2011

	Non-areawide Services	Service Area 7	Service Area 36	Freedom Hills	Garden Terrace Estates	Circle View/Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Grid Roller Maintenance	Roads Outside Service Areas	Combined		Totals
		Talkeetna Flood Control	Talkeetna Water and Sewer	Sub-division						Fire Service Areas	Road Service Areas			
<b>Revenues:</b>														
Property taxes	\$ 2,697,745	14,879	-	-	70,236	14,777	-	110	56,495	-	-	11,319,943	13,834,801	28,008,986
Intergovernmental	862,717	-	1,700	-	2	-	11,557	-	-	-	-	68,537	66	944,579
Charges for services	259,085	-	198,984	-	-	1,217	1,027,711	-	-	-	-	-	-	1,486,997
Investment income	598	104	92	90	339	82	4,989	60	741	102	7	27,134	21,033	55,371
Other	238,767	-	-	-	-	-	1,182	-	-	10,402	-	189,892	-	440,243
<b>Total revenues</b>	<u>4,058,912</u>	<u>14,983</u>	<u>200,776</u>	<u>90</u>	<u>70,577</u>	<u>16,076</u>	<u>1,045,439</u>	<u>170</u>	<u>57,236</u>	<u>10,504</u>	<u>7</u>	<u>11,605,506</u>	<u>13,855,900</u>	<u>30,936,176</u>
<b>Expenditures:</b>														
General government	515,377	-	-	-	-	-	-	-	-	-	-	-	-	515,377
Emergency services	1,679,638	-	-	-	-	-	717,001	-	-	-	-	6,122,949	-	8,519,588
Public services	1,208,013	8,958	229,748	-	37,137	-	-	1,530	8,869	6,202	1,500	-	7,520,101	9,022,058
Debt service	-	-	136	-	30	540	-	-	-	-	-	60	4,036	4,802
<b>Total expenditures</b>	<u>3,403,028</u>	<u>8,958</u>	<u>229,884</u>	<u>-</u>	<u>37,167</u>	<u>540</u>	<u>717,001</u>	<u>1,530</u>	<u>8,869</u>	<u>6,202</u>	<u>1,500</u>	<u>6,123,009</u>	<u>7,524,137</u>	<u>18,061,825</u>
<b>Excess (deficiency) of revenues over expenditure</b>	<u>655,884</u>	<u>6,025</u>	<u>(29,108)</u>	<u>90</u>	<u>33,410</u>	<u>15,536</u>	<u>328,438</u>	<u>(1,360)</u>	<u>48,367</u>	<u>4,302</u>	<u>(1,493)</u>	<u>5,482,497</u>	<u>6,331,763</u>	<u>12,874,351</u>
<b>Other financing sources (uses):</b>														
Transfers in	46,834	-	-	-	-	-	62,613	-	-	-	-	387,678	4,746	501,871
Transfers out	(833,090)	(30,000)	(89,211)	-	-	-	(450,000)	-	-	-	-	(4,445,072)	(3,907,554)	(9,754,927)
<b>Net other financing sources (uses)</b>	<u>(786,256)</u>	<u>(30,000)</u>	<u>(89,211)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,387)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,057,394)</u>	<u>(3,902,808)</u>	<u>(9,253,056)</u>
<b>Net change in fund balances</b>	<u>(130,372)</u>	<u>(23,975)</u>	<u>(118,319)</u>	<u>90</u>	<u>33,410</u>	<u>15,536</u>	<u>(58,949)</u>	<u>(1,360)</u>	<u>48,367</u>	<u>4,302</u>	<u>(1,493)</u>	<u>1,425,103</u>	<u>2,428,955</u>	<u>3,621,295</u>
<b>Fund balances (deficit) at beginning of year</b>	<u>966,106</u>	<u>50,340</u>	<u>50,545</u>	<u>33,496</u>	<u>104,913</u>	<u>(124,466)</u>	<u>1,988,031</u>	<u>23,075</u>	<u>249,903</u>	<u>35,718</u>	<u>3,224</u>	<u>9,296,485</u>	<u>5,969,481</u>	<u>18,646,851</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 835,734</u>	<u>26,365</u>	<u>(67,774)</u>	<u>33,586</u>	<u>138,323</u>	<u>(108,930)</u>	<u>1,929,082</u>	<u>21,715</u>	<u>298,270</u>	<u>40,020</u>	<u>1,731</u>	<u>10,721,588</u>	<u>8,398,436</u>	<u>22,268,146</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Nonareawide Services Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues:</b>				
Property taxes	\$ 2,581,710	2,697,745	116,035	2,843,576
<b>Intergovernmental:</b>				
State PERS relief	-	89,107	89,107	64,073
Electric and telephone cooperative shared revenue	750,000	741,508	(8,492)	755,941
Library grants	31,000	32,102	1,102	32,044
Total intergovernmental	<u>781,000</u>	<u>862,717</u>	<u>81,717</u>	<u>852,058</u>
<b>Charges for services:</b>				
Animal care fees	163,200	233,423	70,223	202,558
User fees	26,000	25,662	(338)	25,866
Total charges for services	<u>189,200</u>	<u>259,085</u>	<u>69,885</u>	<u>228,424</u>
Investment income	1,000	598	(402)	1,203
Other	229,559	238,767	9,208	119,241
Total revenues	<u>3,782,469</u>	<u>4,058,912</u>	<u>276,443</u>	<u>4,044,502</u>
<b>Expenditures:</b>				
<b>General government:</b>				
Administration	89,600	88,600	1,000	103,620
Information technology	196,862	188,468	8,394	124,467
Economic development	239,000	237,629	1,371	468,346
Animal care board	4,550	680	3,870	768
Common contractual	3,000	-	3,000	-
Total general government	<u>533,012</u>	<u>515,377</u>	<u>17,635</u>	<u>697,201</u>
Emergency services - animal care	<u>1,708,880</u>	<u>1,679,638</u>	<u>29,242</u>	<u>1,612,463</u>
<b>Public services:</b>				
Vehicle removal	42,095	33,553	8,542	31,505
Libraries	1,214,465	1,174,460	40,005	1,103,615
Recreation services	-	-	-	64,337
Total public services	<u>1,256,560</u>	<u>1,208,013</u>	<u>48,547</u>	<u>1,199,457</u>
Total expenditures	<u>3,498,452</u>	<u>3,403,028</u>	<u>95,424</u>	<u>3,509,121</u>
Excess of revenues over expenditures	284,017	655,884	371,867	535,381
<b>Other financing sources (uses):</b>				
Transfers in	-	46,834	46,834	61,238
Transfers out	(833,090)	(833,090)	-	(623,000)
Net other financing sources (uses)	<u>(833,090)</u>	<u>(786,256)</u>	<u>46,834</u>	<u>(561,762)</u>
Net change in fund balance	\$ <u>(549,073)</u>	<u>(130,372)</u>	<u>418,701</u>	<u>(26,381)</u>
Fund balance at beginning of year		966,106		992,487
Fund balance at end of year		\$ <u>835,734</u>		<u>966,106</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Service Area 7 - Talkeetna Flood Control Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011			2010 <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	
Revenues:				
Property taxes	\$ 14,240	14,879	639	14,122
Investment income	78	104	26	159
Total revenues	<u>14,318</u>	<u>14,983</u>	665	<u>14,281</u>
Expenditures - public services	<u>18,427</u>	<u>8,958</u>	<u>9,469</u>	<u>1,757</u>
Excess (deficiency) of revenue over expenditures	(4,109)	6,025	10,134	12,524
Other financing uses - transfers out	<u>(30,000)</u>	<u>(30,000)</u>	-	-
Net change in fund balance	\$ <u>(34,109)</u>	(23,975)	<u>10,134</u>	12,524
Fund balance at beginning of year		<u>50,340</u>		<u>37,816</u>
Fund balance at end of year		\$ <u>26,365</u>		<u>50,340</u>



**MATANUSKA-SUSITNA BOROUGH**  
**Service Area 36 - Talkeetna Water and Sewer Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance (Deficit) - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance	2010
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Charges for services - water and sewer	\$ 222,500	198,984	(23,516)	207,895
Investment income	110	92	(18)	181
Intergovernmental - PERS relief	-	1,700	1,700	2,477
<b>Total revenues</b>	<u>222,610</u>	<u>200,776</u>	<u>(21,834)</u>	<u>210,553</u>
<b>Expenditures:</b>				
Public services	240,335	229,748	10,587	154,747
Debt service	2,000	136	1,864	1,080
<b>Total expenditures</b>	<u>242,335</u>	<u>229,884</u>	<u>12,451</u>	<u>155,827</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	(19,725)	(29,108)	(9,383)	54,726
Other financing uses - transfers out	<u>(89,211)</u>	<u>(89,211)</u>	-	<u>(13,737)</u>
<b>Net change in fund balance</b>	\$ <u>(108,936)</u>	(118,319)	<u>(9,383)</u>	40,989
Fund balance at beginning of year		<u>50,545</u>		<u>9,556</u>
Fund balance (deficit) at end of year		\$ <u>(67,774)</u>		<u>50,545</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Freedom Hills Subdivision Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>			<u>2010</u> <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	
Revenues - investment income	\$ -	90	90	120
Expenditures - public services	<u>13,895</u>	<u>-</u>	<u>13,895</u>	<u>-</u>
Net change in fund balance	\$ <u>(13,895)</u>	90	<u>13,985</u>	120
Fund balance at beginning of year		<u>33,496</u>		<u>33,376</u>
Fund balance at end of year		\$ <u>33,586</u>		<u>33,496</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Garden Terrace Estates Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Property taxes	\$ 67,840	70,236	2,396	74,840
Intergovernmental - PERS relief	-	2	2	606
Investment income	190	339	149	360
Total revenues	68,030	70,577	2,547	75,806
<b>Expenditures:</b>				
Public services - water service	105,380	37,137	68,243	33,474
Debt service	200	30	170	285
Total expenditures	105,580	37,167	68,413	33,759
 Net change in fund balance	 \$ (37,550)	 33,410	 70,960	 42,047
 Fund balance at beginning of year		 104,913		 62,866
 Fund balance at end of year		 \$ 138,323		 104,913

**MATANUSKA-SUSITNA BOROUGH**  
**Circle View/ Stampede Estates Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Deficit - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 13,840	14,777	937	14,233
Charges for services - special assessments	-	1,217	1,217	1,337
Investment income	<u>46</u>	<u>82</u>	<u>36</u>	<u>80</u>
Total revenues	13,886	16,076	2,190	15,650
Expenditures - debt service	<u>2,600</u>	<u>540</u>	<u>2,060</u>	<u>2,683</u>
Net change in fund balance	\$ <u>11,286</u>	15,536	<u>4,250</u>	12,967
Deficit at beginning of year		<u>(124,466)</u>		<u>(137,433)</u>
Deficit at end of year		\$ <u>(108,930)</u>		<u>(124,466)</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Enhanced 911 Service Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
 (With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental - PERS relief	\$ -	11,557	11,557	7,031
Telephone surcharge	950,000	1,027,711	77,711	1,011,427
Investment income	3,300	4,989	1,689	6,032
Other income	-	1,182	1,182	-
<b>Total revenues</b>	<u>953,300</u>	<u>1,045,439</u>	<u>92,139</u>	<u>1,024,490</u>
<b>Expenditures - emergency services</b>	<u>892,469</u>	<u>717,001</u>	<u>175,468</u>	<u>623,349</u>
<b>Excess of revenues over expenditures</b>	60,831	328,438	267,607	401,141
<b>Other financing sources (uses):</b>				
Transfers in	-	62,613	62,613	-
Transfers out	(450,000)	(450,000)	-	-
<b>Net other financing sources (uses)</b>	<u>(450,000)</u>	<u>(387,387)</u>	<u>62,613</u>	
<b>Net change in fund balance</b>	\$ <u>(389,169)</u>	(58,949)	<u>330,220</u>	401,141
<b>Fund balance at beginning of year</b>		<u>1,988,031</u>		<u>1,586,890</u>
<b>Fund balance at end of year</b>	\$	<u>1,929,082</u>		<u>1,988,031</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Chase Trail Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
Revenues:				
Property taxes	\$ 130	110	(20)	140
Investment income	60	60	-	85
Total revenues	190	170	(20)	225
Expenditures - public services	3,482	1,530	1,952	1,567
Net change in fund balance	\$ <u>(3,292)</u>	(1,360)	<u>1,932</u>	(1,342)
Fund balance at beginning of year		23,075		24,417
Fund balance at end of year		\$ 21,715		23,075

**MATANUSKA-SUSITNA BOROUGH**  
**Service Area 69 Point MacKenzie Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>		Variance Positive (Negative)	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 53,300	56,495	3,195	53,574
Investment income	470	741	271	830
Total revenues	<u>53,770</u>	<u>57,236</u>	<u>3,466</u>	<u>54,404</u>
Expenditures - public services	<u>35,020</u>	<u>8,869</u>	<u>26,151</u>	<u>15,161</u>
Net change in fund balance	\$ <u>18,750</u>	48,367	<u>29,617</u>	39,243
Fund balance at beginning of year		<u>249,903</u>		<u>210,660</u>
Fund balance at end of year		\$ <u>298,270</u>		<u>249,903</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Grid Roller Maintenance Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
Revenues:				
Investment income	\$ 48	102	54	113
Other	10,000	10,402	402	9,093
Total revenues	10,048	10,504	456	9,206
Expenditures - public services	10,050	6,202	3,848	627
Net change in fund balance	\$ (2)	4,302	4,304	8,579
Fund balance at beginning of year		35,718		27,139
Fund balance at end of year		\$ 40,020		35,718



**MATANUSKA-SUSITNA BOROUGH**  
**Roads Outside Service Areas Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Revenues - investment income	\$ <u>8</u>	<u>7</u>	(1)	<u>12</u>
Expenditures - public services - road service	<u>1,500</u>	<u>1,500</u>	-	-
Net change in fund balance	\$ <u>(1,492)</u>	(1,493)	<u>(1)</u>	12
Fund balance at beginning of year		<u>3,224</u>		<u>3,212</u>
Fund balance at end of year		\$ <u>1,731</u>		<u>3,224</u>

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**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Areas Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2011**

	Service Area								
	130 Wasilla- Lakes	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
<u>Assets</u>									
Cash and investments	\$ 5,408,776	384,553	2,748,511	193,351	219,662	1,160,380	434,291	239,754	10,789,278
Prepaid items	1,125	19,890	-	-	6,789	1,578	-	-	29,382
Receivables:									
Intergovernmental	-	-	-	-	-	-	2,165	-	2,165
Property taxes	424,181	65,223	144,748	20,168	11,167	115,045	16,969	28,951	826,452
<b>Total assets</b>	<b>\$ 5,834,082</b>	<b>469,666</b>	<b>2,893,259</b>	<b>213,519</b>	<b>237,618</b>	<b>1,277,003</b>	<b>453,425</b>	<b>268,705</b>	<b>11,647,277</b>
<u>Liabilities and Fund Balances</u>									
<u>Liabilities:</u>									
Accounts payable	124,355	9,430	468	2,501	1,656	31,353	5,549	1,357	176,669
Deferred revenue - property taxes	377,278	60,777	139,579	16,925	9,066	97,055	13,253	24,693	738,626
Loans payable to other funds	-	-	-	-	-	-	-	8,334	8,334
Other liabilities	2,060	-	-	-	-	-	-	-	2,060
<b>Total liabilities</b>	<b>503,693</b>	<b>70,207</b>	<b>140,047</b>	<b>19,426</b>	<b>10,722</b>	<b>128,408</b>	<b>18,802</b>	<b>34,384</b>	<b>925,689</b>
<u>Fund balances:</u>									
Nonspendable - prepaid items	1,125	19,890	-	-	6,789	1,578	-	-	29,382
Assigned:									
Subsequent year expenditures	734,864	-	-	2,803	75,210	19,132	22,380	157,453	1,011,842
Subsequent year appropriations	-	-	40,100	-	-	75,000	-	-	115,100
Service areas	4,594,400	379,569	2,713,112	191,290	144,897	1,052,885	412,243	76,868	9,565,264
<b>Total fund balances</b>	<b>5,330,389</b>	<b>399,459</b>	<b>2,753,212</b>	<b>194,093</b>	<b>226,896</b>	<b>1,148,595</b>	<b>434,623</b>	<b>234,321</b>	<b>10,721,588</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,834,082</b>	<b>469,666</b>	<b>2,893,259</b>	<b>213,519</b>	<b>237,618</b>	<b>1,277,003</b>	<b>453,425</b>	<b>268,705</b>	<b>11,647,277</b>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Areas Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances (Deficit)**  
**Year Ended June 30, 2011**

	Service Area								Totals
	130 Wasilla- Lakes	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
<b>Revenues:</b>									
Property taxes	\$ 7,043,257	707,361	911,070	169,520	269,642	1,691,501	306,375	221,217	11,319,943
Intergovernmental - PERS relief	62,161	1,557	-	310	621	3,267	621	-	68,537
Investment income	12,716	1,556	6,881	580	488	3,260	1,125	528	27,134
Other	143,476	-	2,410	11,675	12,151	18,015	2,165	-	189,892
<b>Total revenues</b>	<b>7,261,610</b>	<b>710,474</b>	<b>920,361</b>	<b>182,085</b>	<b>282,902</b>	<b>1,716,043</b>	<b>310,286</b>	<b>221,745</b>	<b>11,605,506</b>
<b>Expenditures:</b>									
<b>Emergency services:</b>									
Administration	388,395	65,541	31,022	30,233	42,582	176,666	56,284	11,248	801,971
Fire services	3,181,088	313,059	325,814	71,863	112,594	1,011,770	240,663	64,127	5,320,978
<b>Total emergency services</b>	<b>3,569,483</b>	<b>378,600</b>	<b>356,836</b>	<b>102,096</b>	<b>155,176</b>	<b>1,188,436</b>	<b>296,947</b>	<b>75,375</b>	<b>6,122,949</b>
<b>Debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>60</b>
<b>Total expenditures</b>	<b>3,569,483</b>	<b>378,600</b>	<b>356,836</b>	<b>102,096</b>	<b>155,176</b>	<b>1,188,436</b>	<b>296,947</b>	<b>75,435</b>	<b>6,123,009</b>
<b>Excess of revenues over expenditures</b>	<b>3,692,127</b>	<b>331,874</b>	<b>563,525</b>	<b>79,989</b>	<b>127,726</b>	<b>527,607</b>	<b>13,339</b>	<b>146,310</b>	<b>5,482,497</b>
<b>Other financing sources (uses):</b>									
Transfers in	91,409	23,915	181,130	8,045	6,611	45,118	31,450	-	387,678
Transfers out	(2,457,000)	(723,711)	(349,407)	(126,480)	(55,692)	(684,000)	(1,088)	(47,694)	(4,445,072)
<b>Net other financing sources (uses)</b>	<b>(2,365,591)</b>	<b>(699,796)</b>	<b>(168,277)</b>	<b>(118,435)</b>	<b>(49,081)</b>	<b>(638,882)</b>	<b>30,362</b>	<b>(47,694)</b>	<b>(4,057,394)</b>
<b>Net change in fund balances</b>	<b>1,326,536</b>	<b>(367,922)</b>	<b>395,248</b>	<b>(38,446)</b>	<b>78,645</b>	<b>(111,275)</b>	<b>43,701</b>	<b>98,616</b>	<b>1,425,103</b>
<b>Fund balances at beginning of year</b>	<b>4,003,853</b>	<b>767,381</b>	<b>2,357,964</b>	<b>232,539</b>	<b>148,251</b>	<b>1,259,870</b>	<b>390,922</b>	<b>135,705</b>	<b>9,296,485</b>
<b>Fund balances at end of year</b>	<b>\$ 5,330,389</b>	<b>399,459</b>	<b>2,753,212</b>	<b>194,093</b>	<b>226,896</b>	<b>1,148,595</b>	<b>434,623</b>	<b>234,321</b>	<b>10,721,588</b>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 130 - Wasilla-Lakes Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 6,739,130	7,043,257	304,127	6,521,313
Intergovernmental - PERS relief	-	62,161	62,161	38,319
Investment income	6,900	12,716	5,816	12,901
Other	<u>106,100</u>	<u>143,476</u>	<u>37,376</u>	<u>265,370</u>
Total revenues	<u>6,852,130</u>	<u>7,261,610</u>	<u>409,480</u>	<u>6,837,903</u>
Expenditures - emergency services:				
Administration	391,529	388,395	3,134	275,928
Fire services	<u>3,830,742</u>	<u>3,181,088</u>	<u>649,654</u>	<u>2,767,382</u>
Total expenditures	<u>4,222,271</u>	<u>3,569,483</u>	<u>652,788</u>	<u>3,043,310</u>
Excess of revenues over expenditures	2,629,859	3,692,127	1,062,268	3,794,593
Other financing sources (uses):				
Transfers in	-	91,409	91,409	6,595
Transfers out	<u>(2,457,000)</u>	<u>(2,457,000)</u>	<u>-</u>	<u>(2,936,000)</u>
Net other financing sources (uses)	<u>(2,457,000)</u>	<u>(2,365,591)</u>	<u>91,409</u>	<u>(2,929,405)</u>
Net change in fund balance	\$ <u>172,859</u>	1,326,536	<u>1,153,677</u>	865,188
Fund balance at beginning of year		<u>4,003,853</u>		<u>3,138,665</u>
Fund balance at end of year		\$ <u>5,330,389</u>		<u>4,003,853</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 2 - Butte Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues:</b>				
Property taxes	\$ 670,350	707,361	37,011	670,230
Intergovernmental - PERS relief	-	1,557	1,557	908
Investment income	970	1,556	586	2,156
Total revenues	<u>671,320</u>	<u>710,474</u>	<u>39,154</u>	<u>673,294</u>
<b>Expenditures - emergency services:</b>				
Administration	67,215	65,541	1,674	47,308
Fire services	409,601	313,059	96,542	305,229
Total expenditures	<u>476,816</u>	<u>378,600</u>	<u>98,216</u>	<u>352,537</u>
Excess of revenues over expenditures	194,504	331,874	137,370	320,757
<b>Other financing sources (uses):</b>				
Transfers in	-	23,915	23,915	77,521
Transfers out	<u>(723,711)</u>	<u>(723,711)</u>	-	<u>(58,800)</u>
Net other financing sources (uses)	<u>(723,711)</u>	<u>(699,796)</u>	<u>23,915</u>	<u>18,721</u>
Net change in fund balance	\$ <u>(529,207)</u>	(367,922)	<u>161,285</u>	339,478
Fund balance at beginning of year		<u>767,381</u>		<u>427,903</u>
Fund balance at end of year		\$ <u>399,459</u>		<u>767,381</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Fire Service Area 132 - Greater Palmer Consolidated Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2011  
 (With Comparative Amounts for 2010)

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Property taxes	\$ 872,320	911,070	38,750	857,599
Investment income	4,130	6,881	2,751	7,648
Other	-	2,410	2,410	-
<b>Total revenues</b>	<u>876,450</u>	<u>920,361</u>	<u>43,911</u>	<u>865,247</u>
<b>Expenditures - emergency services:</b>				
Administration	31,022	31,022	-	24,644
Fire services	346,748	325,814	20,934	338,470
<b>Total expenditures</b>	<u>377,770</u>	<u>356,836</u>	<u>20,934</u>	<u>363,114</u>
<b>Excess of revenues over expenditures</b>	498,680	563,525	64,845	502,133
<b>Other financing sources (uses):</b>				
Transfers in	-	181,130	181,130	-
Transfers out	(349,407)	(349,407)	-	(48,800)
<b>Net other financing sources (uses)</b>	<u>(349,407)</u>	<u>(168,277)</u>	<u>181,130</u>	<u>(48,800)</u>
<b>Net change in fund balance</b>	\$ <u>149,273</u>	395,248	<u>245,975</u>	453,333
<b>Fund balance at beginning of year</b>		<u>2,357,964</u>		<u>1,904,631</u>
<b>Fund balance at end of year</b>		\$ <u>2,753,212</u>		<u>2,357,964</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 4 - Sutton Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues:</b>				
Property taxes	\$ 162,570	169,520	6,950	155,335
Intergovernmental - PERS relief	-	310	310	181
Investment income	380	580	200	702
Other	8,000	11,675	3,675	4,000
<b>Total revenues</b>	<u>170,950</u>	<u>182,085</u>	<u>11,135</u>	<u>160,218</u>
<b>Expenditures - emergency services:</b>				
Administration	30,233	30,233	-	29,616
Fire services	146,458	71,863	74,595	67,202
<b>Total expenditures</b>	<u>176,691</u>	<u>102,096</u>	<u>74,595</u>	<u>96,818</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	(5,741)	79,989	85,730	63,400
<b>Other financing sources (uses):</b>				
Transfers in	-	8,045	8,045	51,247
Transfers out	(126,480)	(126,480)	-	(34,875)
<b>Net other financing sources (uses)</b>	<u>(126,480)</u>	<u>(118,435)</u>	<u>8,045</u>	<u>16,372</u>
<b>Net change in fund balance</b>	\$ <u>(132,221)</u>	(38,446)	<u>93,775</u>	79,772
<b>Fund balance at beginning of year</b>		<u>232,539</u>		<u>152,767</u>
<b>Fund balance at end of year</b>		\$ <u>194,093</u>		<u>232,539</u>



**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 24 - Talkeetna Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 261,290	269,642	8,352	260,883
Intergovernmental - PERS relief	-	621	621	363
Investment income	660	488	(172)	639
Other	<u>12,100</u>	<u>12,151</u>	<u>51</u>	<u>10,594</u>
<b>Total revenues</b>	<u>274,050</u>	<u>282,902</u>	<u>8,852</u>	<u>272,479</u>
<b>Expenditures - emergency services:</b>				
Administration	46,434	42,582	3,852	55,077
Fire services	<u>244,941</u>	<u>112,594</u>	<u>132,347</u>	<u>153,369</u>
<b>Total expenditures</b>	<u>291,375</u>	<u>155,176</u>	<u>136,199</u>	<u>208,446</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(17,325)	127,726	145,051	64,033
<b>Other financing sources (uses):</b>				
Transfers in	-	6,611	6,611	342
Transfers out	<u>(55,692)</u>	<u>(55,692)</u>	<u>-</u>	<u>(132,300)</u>
<b>Net other financing sources (uses)</b>	<u>(55,692)</u>	<u>(49,081)</u>	<u>6,611</u>	<u>(131,958)</u>
<b>Net change in fund balance</b>	\$ <u>(73,017)</u>	78,645	<u>151,662</u>	(67,925)
<b>Fund balance at beginning of year</b>		<u>148,251</u>		<u>216,176</u>
<b>Fund balance at end of year</b>		\$ <u>226,896</u>		<u>148,251</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 136 - West Lakes Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 1,605,880	1,691,501	85,621	1,560,365
Intergovernmental - PERS relief	-	3,267	3,267	1,910
Investment income	2,830	3,260	430	4,840
Other	<u>24,000</u>	<u>18,015</u>	<u>(5,985)</u>	<u>63,559</u>
<b>Total revenues</b>	<u>1,632,710</u>	<u>1,716,043</u>	<u>83,333</u>	<u>1,630,674</u>
<b>Expenditures - emergency services:</b>				
Administration	176,667	176,666	1	133,937
Fire services	<u>1,186,906</u>	<u>1,011,770</u>	<u>175,136</u>	<u>860,273</u>
<b>Total expenditures</b>	<u>1,363,573</u>	<u>1,188,436</u>	<u>175,137</u>	<u>994,210</u>
Excess of revenues over expenditures	269,137	527,607	258,470	636,464
<b>Other financing sources (uses):</b>				
Transfers in	-	45,118	45,118	158,652
Transfers out	<u>(684,000)</u>	<u>(684,000)</u>	<u>-</u>	<u>(975,300)</u>
<b>Net other financing sources (uses)</b>	<u>(684,000)</u>	<u>(638,882)</u>	<u>45,118</u>	<u>(816,648)</u>
Net change in fund balance	\$ <u>(414,863)</u>	(111,275)	<u>303,588</u>	(180,184)
Fund balance at beginning of year		<u>1,259,870</u>		<u>1,440,054</u>
Fund balance at end of year		\$ <u>1,148,595</u>		<u>1,259,870</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 35 - Willow Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 290,580	306,375	15,795	274,151
Intergovernmental - PERS relief	-	621	621	363
Investment income	800	1,125	325	1,387
Other	-	2,165	2,165	32,380
<b>Total revenues</b>	<u>291,380</u>	<u>310,286</u>	<u>18,906</u>	<u>308,281</u>
<b>Expenditures - emergency services:</b>				
Administration	56,285	56,284	1	53,197
Fire services	<u>293,032</u>	<u>240,663</u>	<u>52,369</u>	<u>238,206</u>
<b>Total expenditures</b>	<u>349,317</u>	<u>296,947</u>	<u>52,370</u>	<u>291,403</u>
 Excess (deficiency) of revenues over expenditures	 (57,937)	 13,339	 71,276	 16,878
<b>Other financing sources (uses):</b>				
Transfers in	-	31,450	31,450	7,114
Transfers out	<u>(1,088)</u>	<u>(1,088)</u>	<u>-</u>	<u>(4,543)</u>
<b>Net other financing sources (uses)</b>	<u>(1,088)</u>	<u>30,362</u>	<u>31,450</u>	<u>2,571</u>
 Net change in fund balance	 \$ <u>(59,025)</u>	 43,701	 <u>102,726</u>	 19,449
 Fund balance at beginning of year		 <u>390,922</u>		 <u>371,473</u>
 Fund balance at end of year		 \$ <u>434,623</u>		 <u>390,922</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Fire Service Area 135 - Caswell Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance (Deficit) - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 212,760	221,217	8,457	202,437
Investment income	-	528	528	317
<b>Total revenues</b>	<u>212,760</u>	<u>221,745</u>	<u>8,985</u>	<u>202,754</u>
<b>Expenditures:</b>				
<b>Emergency services:</b>				
Administration	12,748	11,248	1,500	12,531
Fire services	<u>116,366</u>	<u>64,127</u>	<u>52,239</u>	<u>32,474</u>
<b>Total emergency services</b>	129,114	75,375	53,739	45,005
Debt service	<u>300</u>	<u>60</u>	<u>240</u>	<u>157</u>
<b>Total expenditures</b>	<u>129,414</u>	<u>75,435</u>	<u>53,979</u>	<u>45,162</u>
<b>Excess of revenues over expenditures</b>	83,346	146,310	62,964	157,592
Other financing uses - transfer out	<u>(47,694)</u>	<u>(47,694)</u>	-	<u>(21,770)</u>
<b>Net change in fund balance</b>	\$ <u>35,652</u>	98,616	<u>62,964</u>	135,822
Fund balance at beginning of year		<u>135,705</u>		<u>(117)</u>
Fund balance at end of year		\$ <u>234,321</u>		<u>135,705</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Areas Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2011**

	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
<u>Assets</u>									
Cash and investments	\$ 1,158,549	376,614	296,897	1,256,050	576,368	330,232	318,939	756,325	115,742
Receivables - property taxes	<u>191,290</u>	<u>28,287</u>	<u>77,446</u>	<u>297,830</u>	<u>115,940</u>	<u>24,059</u>	<u>34,916</u>	<u>60,364</u>	<u>21,190</u>
Total assets	\$ <u>1,349,839</u>	<u>404,901</u>	<u>374,343</u>	<u>1,553,880</u>	<u>692,308</u>	<u>354,291</u>	<u>353,855</u>	<u>816,689</u>	<u>136,932</u>
<u>Liabilities and Fund Balances</u>									
<b>Liabilities:</b>									
Accounts payable	8,974	26,906	41,915	43,492	83,890	6,688	23,245	33,897	5,626
Deferred revenue - property taxes	182,348	24,704	67,680	293,839	93,762	23,717	25,495	49,657	20,694
Loans payable to other funds	<u>34,652</u>	<u>20,361</u>	-	<u>74,708</u>	-	410	-	-	<u>9,220</u>
Total liabilities	<u>225,974</u>	<u>71,971</u>	<u>109,595</u>	<u>412,039</u>	<u>177,652</u>	<u>30,815</u>	<u>48,740</u>	<u>83,554</u>	<u>35,540</u>
<b>Fund balance - assigned:</b>									
Subsequent year expenditures	-	-	-	-	-	-	-	-	-
Subsequent year appropriations	-	-	-	-	150,000	-	-	176,000	-
Service areas	<u>1,123,865</u>	<u>332,930</u>	<u>264,748</u>	<u>1,141,841</u>	<u>364,656</u>	<u>323,476</u>	<u>305,115</u>	<u>557,135</u>	<u>101,392</u>
Total fund balances	<u>1,123,865</u>	<u>332,930</u>	<u>264,748</u>	<u>1,141,841</u>	<u>514,656</u>	<u>323,476</u>	<u>305,115</u>	<u>733,135</u>	<u>101,392</u>
Total liabilities and fund balances	\$ <u>1,349,839</u>	<u>404,901</u>	<u>374,343</u>	<u>1,553,880</u>	<u>692,308</u>	<u>354,291</u>	<u>353,855</u>	<u>816,689</u>	<u>136,932</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Areas Special Revenue Funds**  
**Combining Balance Sheet, continued**

	Service Area, continued							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	
<u>Assets</u>								
Cash and investments	\$ 900,749	761,002	964,995	672,852	222,004	113,947	171,314	8,992,579
Receivables - property taxes	69,765	67,014	83,748	91,045	24,313	18,683	23,666	1,229,556
<b>Total assets</b>	<b>\$ 970,514</b>	<b>828,016</b>	<b>1,048,743</b>	<b>763,897</b>	<b>246,317</b>	<b>132,630</b>	<b>194,980</b>	<b>10,222,135</b>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	31,892	19,491	36,167	47,531	30,894	8,719	7,793	457,120
Deferred revenue - property taxes	63,844	61,601	66,248	79,327	20,852	16,493	20,204	1,110,465
Loans payable to other funds	69,254	3,893	-	41,747	-	-	1,869	256,114
<b>Total liabilities</b>	<b>164,990</b>	<b>84,985</b>	<b>102,415</b>	<b>168,605</b>	<b>51,746</b>	<b>25,212</b>	<b>29,866</b>	<b>1,823,699</b>
Fund balance - assigned:								
Subsequent year expenditures	-	-	-	-	45,658	-	-	45,658
Subsequent year appropriations	-	-	-	-	50,000	-	-	376,000
Service areas	805,524	743,031	946,328	595,292	98,913	107,418	165,114	7,976,778
<b>Total fund balances</b>	<b>805,524</b>	<b>743,031</b>	<b>946,328</b>	<b>595,292</b>	<b>194,571</b>	<b>107,418</b>	<b>165,114</b>	<b>8,398,436</b>
<b>Total liabilities and fund balances</b>	<b>\$ 970,514</b>	<b>828,016</b>	<b>1,048,743</b>	<b>763,897</b>	<b>246,317</b>	<b>132,630</b>	<b>194,980</b>	<b>10,222,135</b>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Areas Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended June 30, 2011**

	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	\$ 1,308,814	695,151	485,367	1,251,959	2,051,583	219,793	736,441	1,112,474	138,088
Intergovernmental	33	-	-	-	-	-	-	-	-
Investment income	2,484	860	736	3,294	1,454	733	660	1,836	258
<b>Total revenues</b>	<u>1,311,331</u>	<u>696,011</u>	<u>486,103</u>	<u>1,255,253</u>	<u>2,053,037</u>	<u>220,526</u>	<u>737,101</u>	<u>1,114,310</u>	<u>138,346</u>
<b>Expenditures:</b>									
<b>Public services:</b>									
Administration	95,682	63,604	65,643	122,890	248,565	12,501	64,064	90,098	12,933
Road service	261,465	353,466	347,649	661,649	889,521	84,261	436,957	573,833	79,523
<b>Total public services</b>	<u>357,147</u>	<u>417,070</u>	<u>413,292</u>	<u>784,539</u>	<u>1,138,086</u>	<u>96,762</u>	<u>501,021</u>	<u>663,931</u>	<u>92,456</u>
Debt service	546	321	-	1,178	-	6	-	-	145
<b>Total expenditures</b>	<u>357,693</u>	<u>417,391</u>	<u>413,292</u>	<u>785,717</u>	<u>1,138,086</u>	<u>96,768</u>	<u>501,021</u>	<u>663,931</u>	<u>92,601</u>
<b>Excess of revenues over expenditures</b>	953,638	278,620	72,811	469,536	914,951	123,758	236,080	450,379	45,745
<b>Other financing sources (uses):</b>									
Transfers in	-	-	-	-	-	-	-	4,746	-
Transfers out	(478,000)	(160,000)	(18,000)	(400,000)	(855,194)	(8,000)	(89,000)	(290,000)	(8,000)
<b>Net other financing sources (uses)</b>	<u>(478,000)</u>	<u>(160,000)</u>	<u>(18,000)</u>	<u>(400,000)</u>	<u>(855,194)</u>	<u>(8,000)</u>	<u>(89,000)</u>	<u>(285,254)</u>	<u>(8,000)</u>
<b>Net change in fund balances</b>	475,638	118,620	54,811	69,536	59,757	115,758	147,080	165,125	37,745
<b>Fund balances at beginning of year</b>	<u>648,227</u>	<u>214,310</u>	<u>209,937</u>	<u>1,072,305</u>	<u>454,899</u>	<u>207,718</u>	<u>158,035</u>	<u>568,010</u>	<u>63,647</u>
<b>Fund balances at end of year</b>	<u>\$ 1,123,865</u>	<u>332,930</u>	<u>264,748</u>	<u>1,141,841</u>	<u>514,656</u>	<u>323,476</u>	<u>305,115</u>	<u>733,135</u>	<u>101,392</u>

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

	Service Area, continued							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	
<b>Revenues:</b>								
Property taxes	\$ 1,257,370	755,264	1,558,323	1,423,570	454,714	171,199	214,691	13,834,801
Intergovernmental	-	-	-	33	-	-	-	66
Investment income	1,948	1,674	2,242	1,582	581	303	388	21,033
<b>Total revenues</b>	<u>1,259,318</u>	<u>756,938</u>	<u>1,560,565</u>	<u>1,425,185</u>	<u>455,295</u>	<u>171,502</u>	<u>215,079</u>	<u>13,855,900</u>
<b>Expenditures:</b>								
<b>Public services:</b>								
Administration	100,173	58,912	153,835	152,862	53,622	17,798	19,530	1,332,712
Road service	525,028	237,835	508,635	622,175	383,483	112,663	109,246	6,187,389
<b>Total public services</b>	<u>625,201</u>	<u>296,747</u>	<u>662,470</u>	<u>775,037</u>	<u>437,105</u>	<u>130,461</u>	<u>128,776</u>	<u>7,520,101</u>
Debt service	1,092	61	-	658	-	-	29	4,036
<b>Total expenditures</b>	<u>626,293</u>	<u>296,808</u>	<u>662,470</u>	<u>775,695</u>	<u>437,105</u>	<u>130,461</u>	<u>128,805</u>	<u>7,524,137</u>
<b>Excess of revenues over expenditures</b>	633,025	460,130	898,095	649,490	18,190	41,041	86,274	6,331,763
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	4,746
Transfers out	(250,000)	(178,000)	(624,000)	(476,360)	(5,000)	(39,000)	(29,000)	(3,907,554)
<b>Net other financing sources (uses)</b>	<u>(250,000)</u>	<u>(178,000)</u>	<u>(624,000)</u>	<u>(476,360)</u>	<u>(5,000)</u>	<u>(39,000)</u>	<u>(29,000)</u>	<u>(3,902,808)</u>
<b>Net change in fund balances</b>	383,025	282,130	274,095	173,130	13,190	2,041	57,274	2,428,955
<b>Fund balances at beginning of year</b>	<u>422,499</u>	<u>460,901</u>	<u>672,233</u>	<u>422,162</u>	<u>181,381</u>	<u>105,377</u>	<u>107,840</u>	<u>5,969,481</u>
<b>Fund balances at end of year</b>	<u>\$ 805,524</u>	<u>743,031</u>	<u>946,328</u>	<u>595,292</u>	<u>194,571</u>	<u>107,418</u>	<u>165,114</u>	<u>8,398,436</u>



**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 9 - Midway Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 1,226,870	1,308,814	81,944	1,197,862
Intergovernmental	-	33	33	-
Investment income	<u>1,210</u>	<u>2,484</u>	<u>1,274</u>	<u>2,177</u>
<b>Total revenues</b>	<u><b>1,228,080</b></u>	<u><b>1,311,331</b></u>	<u><b>83,251</b></u>	<u><b>1,200,039</b></u>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	105,023	95,682	9,341	126,396
Road service	<u>580,450</u>	<u>261,465</u>	<u>318,985</u>	<u>315,788</u>
<b>Total public services</b>	<u><b>685,473</b></u>	<u><b>357,147</b></u>	<u><b>328,326</b></u>	<u><b>442,184</b></u>
Debt service	<u>547</u>	<u>546</u>	<u>1</u>	<u>573</u>
<b>Total expenditures</b>	<u><b>686,020</b></u>	<u><b>357,693</b></u>	<u><b>328,327</b></u>	<u><b>442,757</b></u>
<b>Excess of revenues over expenditures</b>	<b>542,060</b>	<b>953,638</b>	<b>411,578</b>	<b>757,282</b>
<b>Other financing uses - transfers out</b>	<u><b>(478,000)</b></u>	<u><b>(478,000)</b></u>	<u><b>-</b></u>	<u><b>(589,270)</b></u>
<b>Net change in fund balance</b>	<b>\$ <u>64,060</u></b>	<b>475,638</b>	<b><u>411,578</u></b>	<b>168,012</b>
<b>Fund balance at beginning of year</b>		<u><b>648,227</b></u>		<u><b>480,215</b></u>
<b>Fund balance at end of year</b>		<b>\$ <u><u>1,123,865</u></u></b>		<u><u><b>648,227</b></u></u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 14 - Fairview Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Property taxes	\$ 661,780	695,151	33,371	625,306
Investment income	580	860	280	836
<b>Total revenues</b>	<u>662,360</u>	<u>696,011</u>	<u>33,651</u>	<u>626,142</u>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	69,813	63,604	6,209	70,016
Road service	<u>406,198</u>	<u>353,466</u>	<u>52,732</u>	<u>352,663</u>
<b>Total public services</b>	476,011	417,070	58,941	422,679
Debt service	<u>322</u>	<u>321</u>	<u>1</u>	<u>337</u>
<b>Total expenditures</b>	<u>476,333</u>	<u>417,391</u>	<u>58,942</u>	<u>423,016</u>
<b>Excess of revenues over expenditures</b>	186,027	278,620	92,593	203,126
<b>Other financing uses - transfers out</b>	<u>(160,000)</u>	<u>(160,000)</u>	<u>-</u>	<u>(139,141)</u>
<b>Net change in fund balance</b>	\$ <u>26,027</u>	118,620	<u>92,593</u>	63,985
<b>Fund balance at beginning of year</b>		<u>214,310</u>		<u>150,325</u>
<b>Fund balance at end of year</b>		\$ <u>332,930</u>		<u>214,310</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 15 - Caswell Lake Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 486,240	485,367	(873)	488,779
Investment income	400	736	336	746
<b>Total revenues</b>	<u>486,640</u>	<u>486,103</u>	<u>(537)</u>	<u>489,525</u>
<b>Expenditures - public services:</b>				
Administration	72,051	65,643	6,408	62,254
Road service	<u>415,800</u>	<u>347,649</u>	<u>68,151</u>	<u>366,073</u>
<b>Total expenditures</b>	<u>487,851</u>	<u>413,292</u>	<u>74,559</u>	<u>428,327</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	(1,211)	72,811	74,022	61,198
<b>Other financing uses - transfers out</b>	<u>(18,000)</u>	<u>(18,000)</u>	-	-
<b>Net change in fund balance</b>	\$ <u>(19,211)</u>	54,811	<u>74,022</u>	61,198
<b>Fund balance at beginning of year</b>		<u>209,937</u>		<u>148,739</u>
<b>Fund balance at end of year</b>		\$ <u>264,748</u>		<u>209,937</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 16 - South Colony Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Property taxes	\$ 1,201,150	1,251,959	50,809	1,453,443
Investment income	1,830	3,294	1,464	3,718
<b>Total revenues</b>	<u>1,202,980</u>	<u>1,255,253</u>	<u>52,273</u>	<u>1,457,161</u>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	134,887	122,890	11,997	135,865
Road service	896,930	661,649	235,281	602,419
<b>Total public services</b>	<u>1,031,817</u>	<u>784,539</u>	<u>247,278</u>	<u>738,284</u>
Debt service	1,179	1,178	1	1,235
<b>Total expenditures</b>	<u>1,032,996</u>	<u>785,717</u>	<u>247,279</u>	<u>739,519</u>
<b>Excess of revenues over expenditures</b>	169,984	469,536	299,552	717,642
Other financing uses - transfers out	(400,000)	(400,000)	-	(407,056)
<b>Net change in fund balance</b>	<u>\$ (230,016)</u>	69,536	<u>299,552</u>	310,586
Fund balance at beginning of year		<u>1,072,305</u>		<u>761,719</u>
Fund balance at end of year		<u>\$ 1,141,841</u>		<u>1,072,305</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 17 - Knik Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,962,440	2,051,583	89,143	2,006,893
Investment income	570	1,454	884	1,463
Total revenues	<u>1,963,010</u>	<u>2,053,037</u>	<u>90,027</u>	<u>2,008,356</u>
Expenditures - public services:				
Administration	272,830	248,565	24,265	230,637
Road service	<u>1,056,786</u>	<u>889,521</u>	<u>167,265</u>	<u>877,501</u>
Total expenditures	<u>1,329,616</u>	<u>1,138,086</u>	<u>191,530</u>	<u>1,108,138</u>
Excess of revenues over expenditures	633,394	914,951	281,557	900,218
Other financing uses - transfers out	<u>(855,194)</u>	<u>(855,194)</u>	-	<u>(700,516)</u>
Net change in fund balance	\$ <u>(221,800)</u>	59,757	<u>281,557</u>	199,702
Fund balance at beginning of year		<u>454,899</u>		<u>255,197</u>
Fund balance at end of year		\$ <u>514,656</u>		<u>454,899</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Road Service Area 19 - Lazy Mountain Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2011  
 (With Comparative Amounts for 2010)

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 207,000	219,793	12,793	202,959
Investment income	280	733	453	623
Total revenues	<u>207,280</u>	<u>220,526</u>	<u>13,246</u>	<u>203,582</u>
Expenditures:				
Public services:				
Administration	13,721	12,501	1,220	14,066
Road service	<u>179,449</u>	<u>84,261</u>	<u>95,188</u>	<u>87,808</u>
Total public services	193,170	96,762	96,408	101,874
Debt service	<u>7</u>	<u>6</u>	<u>1</u>	<u>7</u>
Total expenditures	<u>193,177</u>	<u>96,768</u>	<u>96,409</u>	<u>101,881</u>
Excess of revenues over expenditures	14,103	123,758	109,655	101,701
Other financing sources (uses):				
Transfers in	-	-	-	62
Transfers out	<u>(8,000)</u>	<u>(8,000)</u>	-	<u>(16,472)</u>
Net other financing sources (uses)	<u>(8,000)</u>	<u>(8,000)</u>	-	<u>(16,410)</u>
Net change in fund balance	\$ <u>6,103</u>	115,758	<u>109,655</u>	85,291
Fund balance at beginning of year		<u>207,718</u>		<u>122,427</u>
Fund balance at end of year		\$ <u>323,476</u>		<u>207,718</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 20 - Greater Willow Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 695,860	736,441	40,581	654,192
Investment income	470	660	190	670
Total revenues	<u>696,330</u>	<u>737,101</u>	<u>40,771</u>	<u>654,862</u>
Expenditures - public services:				
Administration	70,318	64,064	6,254	61,257
Road service	<u>526,602</u>	<u>436,957</u>	<u>89,645</u>	<u>452,960</u>
Total expenditures	<u>596,920</u>	<u>501,021</u>	<u>95,899</u>	<u>514,217</u>
Excess of revenues over expenditures	99,410	236,080	136,670	140,645
Other financing uses - transfers out	<u>(89,000)</u>	<u>(89,000)</u>	-	<u>(156,475)</u>
Net change in fund balance	\$ <u>10,410</u>	147,080	<u>136,670</u>	(15,830)
Fund balance at beginning of year		<u>158,035</u>		<u>173,865</u>
Fund balance at end of year		\$ <u>305,115</u>		<u>158,035</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 21 - Big Lake Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,058,240	1,112,474	54,234	1,078,755
Investment income	990	1,836	846	1,863
Total revenues	<u>1,059,230</u>	<u>1,114,310</u>	<u>55,080</u>	<u>1,080,618</u>
Expenditures - public services:				
Administration	98,894	90,098	8,796	85,893
Road service	966,391	573,833	392,558	586,950
Total expenditures	<u>1,065,285</u>	<u>663,931</u>	<u>401,354</u>	<u>672,843</u>
Excess (deficiency) of revenues over expenditures	(6,055)	450,379	456,434	407,775
Other financing sources (uses):				
Transfers in	-	4,746	4,746	2,661
Transfers out	(290,000)	(290,000)	-	(237,000)
Net other financing sources (uses)	<u>(290,000)</u>	<u>(285,254)</u>	<u>4,746</u>	<u>(234,339)</u>
Net change in fund balance	\$ <u>(296,055)</u>	165,125	<u>461,180</u>	173,436
Fund balance at beginning of year		<u>568,010</u>		<u>394,574</u>
Fund balance at end of year		\$ <u>733,135</u>		<u>568,010</u>



**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 23 - North Colony Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 135,750	138,088	2,338	133,699
Investment income	80	258	178	179
<b>Total revenues</b>	<u>135,830</u>	<u>138,346</u>	<u>2,516</u>	<u>133,878</u>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	14,196	12,933	1,263	11,995
Road service	<u>109,759</u>	<u>79,523</u>	<u>30,236</u>	<u>68,534</u>
<b>Total public services</b>	123,955	92,456	31,499	80,529
Debt service	146	145	1	152
<b>Total expenditures</b>	<u>124,101</u>	<u>92,601</u>	<u>31,500</u>	<u>80,681</u>
<b>Excess of revenues over expenditures</b>	11,729	45,745	34,016	53,197
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	1,502
Transfers out	<u>(8,000)</u>	<u>(8,000)</u>	-	-
<b>Net other financing sources (uses)</b>	<u>(8,000)</u>	<u>(8,000)</u>	-	1,502
<b>Net change in fund balance</b>	\$ <u>3,729</u>	37,745	<u>34,016</u>	54,699
<b>Fund balance at beginning of year</b>		<u>63,647</u>		<u>8,948</u>
<b>Fund balance at end of year</b>		\$ <u>101,392</u>		<u>63,647</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 25 - Bogard Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,201,350	1,257,370	56,020	1,174,646
Investment income	970	1,948	978	1,755
Total revenues	1,202,320	1,259,318	56,998	1,176,401
Expenditures:				
Public services:				
Administration	109,952	100,173	9,779	109,671
Road service	807,566	525,028	282,538	675,705
Total public services	917,518	625,201	292,317	785,376
Debt service	1,093	1,092	1	1,145
Total expenditures	918,611	626,293	292,318	786,521
Excess of revenues over expenditures	283,709	633,025	349,316	389,880
Other financing uses - transfers out	(250,000)	(250,000)	-	(271,894)
Net change in fund balance	\$ 33,709	383,025	349,316	117,986
Fund balance at beginning of year		422,499		304,513
Fund balance at end of year		\$ 805,524		422,499

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 26 - Greater Butte Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 718,080	755,264	37,184	716,092
Investment income	550	1,674	1,124	1,303
<b>Total revenues</b>	<u>718,630</u>	<u>756,938</u>	<u>38,308</u>	<u>717,395</u>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	64,663	58,912	5,751	67,237
Road service	451,163	237,835	213,328	220,427
<b>Total public services</b>	<u>515,826</u>	<u>296,747</u>	<u>219,079</u>	<u>287,664</u>
Debt service	62	61	1	64
<b>Total expenditures</b>	<u>515,888</u>	<u>296,808</u>	<u>219,080</u>	<u>287,728</u>
<b>Excess of revenues over expenditures</b>	202,742	460,130	257,388	429,667
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	210
Transfers out	(178,000)	(178,000)	-	(184,356)
<b>Net other financing sources (uses)</b>	<u>(178,000)</u>	<u>(178,000)</u>	<u>-</u>	<u>(184,146)</u>
<b>Net change in fund balance</b>	\$ <u>24,742</u>	282,130	<u>257,388</u>	245,521
<b>Fund balance at beginning of year</b>		<u>460,901</u>		<u>215,380</u>
<b>Fund balance at end of year</b>		<u>\$ 743,031</u>		<u>460,901</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 27 - Meadow Lakes Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,486,030	1,558,323	72,293	1,506,273
Investment income	1,160	2,242	1,082	2,237
Total revenues	1,487,190	1,560,565	73,375	1,508,510
Expenditures - public services:				
Administration	168,853	153,835	15,018	95,869
Road service	814,020	508,635	305,385	620,839
Total expenditures	982,873	662,470	320,403	716,708
Excess of revenues over expenditures	504,317	898,095	393,778	791,802
Other financing uses - transfers out	(624,000)	(624,000)	-	(579,395)
Net change in fund balance	\$ (119,683)	274,095	393,778	212,407
Fund balance at beginning of year		672,233		459,826
Fund balance at end of year		\$ 946,328		672,233

**MATANUSKA-SUSITNA BOROUGH**  
 Road Service Area 28 - Gold Trail Road Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2011  
 (With Comparative Amounts for 2010)

	2011			2010 Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Property taxes	\$ 1,353,420	1,423,570	70,150	1,548,256
Intergovernmental	-	33	33	-
Investment income	790	1,582	792	1,358
<b>Total revenues</b>	<b>1,354,210</b>	<b>1,425,185</b>	<b>70,975</b>	<b>1,549,614</b>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	167,785	152,862	14,923	154,787
Road service	850,083	622,175	227,908	616,423
<b>Total public services</b>	<b>1,017,868</b>	<b>775,037</b>	<b>242,831</b>	<b>771,210</b>
Debt service	659	658	1	690
<b>Total expenditures</b>	<b>1,018,527</b>	<b>775,695</b>	<b>242,832</b>	<b>771,900</b>
<b>Excess of revenues over expenditures</b>	<b>335,683</b>	<b>649,490</b>	<b>313,807</b>	<b>777,714</b>
<b>Other financing uses - transfers out</b>	<b>(476,360)</b>	<b>(476,360)</b>	<b>-</b>	<b>(524,594)</b>
<b>Net change in fund balance</b>	<b>\$ (140,677)</b>	<b>173,130</b>	<b>313,807</b>	<b>253,120</b>
<b>Fund balance at beginning of year</b>		<b>422,162</b>		<b>169,042</b>
<b>Fund balance at end of year</b>		<b>\$ 595,292</b>		<b>422,162</b>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 29 - Greater Talkeetna Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 445,820	454,714	8,894	466,885
Investment income	420	581	161	651
<b>Total revenues</b>	<u>446,240</u>	<u>455,295</u>	<u>9,055</u>	<u>467,536</u>
<b>Expenditures - public services:</b>				
Administration	58,857	53,622	5,235	52,556
Road service	414,409	383,483	30,926	361,381
<b>Total expenditures</b>	<u>473,266</u>	<u>437,105</u>	<u>36,161</u>	<u>413,937</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	(27,026)	18,190	45,216	53,599
<b>Other financing uses - transfers out</b>	<u>(5,000)</u>	<u>(5,000)</u>	-	-
<b>Net change in fund balance</b>	\$ <u>(32,026)</u>	13,190	<u>45,216</u>	53,599
<b>Fund balance at beginning of year</b>		<u>181,381</u>		<u>127,782</u>
<b>Fund balance at end of year</b>		\$ <u>194,571</u>		<u>181,381</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 30 - Trapper Creek Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues:</b>				
Property taxes	\$ 175,110	171,199	(3,911)	171,235
Investment income	190	303	113	353
Total revenues	<u>175,300</u>	<u>171,502</u>	<u>(3,798)</u>	<u>171,588</u>
<b>Expenditures - public services:</b>				
Administration	19,536	17,798	1,738	17,567
Road service	<u>120,839</u>	<u>112,663</u>	<u>8,176</u>	<u>108,123</u>
Total expenditures	<u>140,375</u>	<u>130,461</u>	<u>9,914</u>	<u>125,690</u>
Excess of revenues over expenditures	34,925	41,041	6,116	45,898
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	3,340
Transfers out	<u>(39,000)</u>	<u>(39,000)</u>	<u>-</u>	<u>(29,570)</u>
Net other financing sources (uses)	<u>(39,000)</u>	<u>(39,000)</u>	<u>-</u>	<u>(26,230)</u>
Net change in fund balance	\$ <u>(4,075)</u>	2,041	<u>6,116</u>	19,668
Fund balance at beginning of year		<u>105,377</u>		<u>85,709</u>
Fund balance at end of year	\$	<u>107,418</u>		<u>105,377</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Road Service Area 31 - Alpine Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 215,760	214,691	(1,069)	208,446
Investment income	240	388	148	369
<b>Total revenues</b>	<u>216,000</u>	<u>215,079</u>	<u>(921)</u>	<u>208,815</u>
<b>Expenditures:</b>				
<b>Public services:</b>				
Administration	21,437	19,530	1,907	18,994
Road service	<u>159,994</u>	<u>109,246</u>	<u>50,748</u>	<u>106,024</u>
<b>Total public services</b>	181,431	128,776	52,655	125,018
Debt service	<u>30</u>	<u>29</u>	<u>1</u>	<u>31</u>
<b>Total expenditures</b>	<u>181,461</u>	<u>128,805</u>	<u>52,656</u>	<u>125,049</u>
<b>Excess of revenues over expenditures</b>	34,539	86,274	51,735	83,766
<b>Other financing uses - transfers out</b>	<u>(29,000)</u>	<u>(29,000)</u>	<u>-</u>	<u>(49,140)</u>
<b>Net change in fund balance</b>	\$ <u>5,539</u>	57,274	<u>51,735</u>	34,626
<b>Fund balance at beginning of year</b>		<u>107,840</u>		<u>73,214</u>
<b>Fund balance at end of year</b>		\$ <u>165,114</u>		<u>107,840</u>



**MATANUSKA-SUSITNA BOROUGH**  
**Land Management Special Revenue Fund**  
**Balance Sheet**  
**June 30, 2011**  
**(With Comparative Amounts for 2010)**

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash and investments	\$ 6,614,530	6,545,418
Prepaid items	1,500	-
Land sales contracts receivable:		
Current	14,451	18,698
Delinquent	217,354	232,422
Deferred	529,559	552,390
Total land sales contracts receivable	<u>761,364</u>	<u>803,510</u>
Less allowance for uncollectible contracts	<u>(217,354)</u>	<u>(232,422)</u>
Net land sales contracts receivable	<u>544,010</u>	<u>571,088</u>
Interfund note receivable from Port Enterprise Fund	401,979	567,879
Other receivable	<u>-</u>	<u>450</u>
Total assets	<u>\$ 7,562,019</u>	<u>7,684,835</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	62,067	147,846
Deposits	56,598	29,598
Deferred revenue	529,559	552,390
Total liabilities	<u>648,224</u>	<u>729,834</u>
Fund balance:		
Nonspendable:		
Interfund note receivable	236,079	401,979
Prepaid items	1,500	-
Committed:		
Land Management	5,341,400	5,013,130
Compensated absences	10,000	10,000
Assigned:		
Subsequent year expenditures	18,561	677,182
Land Management	<u>1,306,255</u>	<u>852,710</u>
Total fund balance	<u>6,913,795</u>	<u>6,955,001</u>
Total liabilities and fund balance	<u>\$ 7,562,019</u>	<u>7,684,835</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Land Management Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	2011		Variance Positive (Negative)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental - PERS relief	\$ -	24,342	24,342	36,308
Land sales and leases	414,800	716,807	302,007	502,414
Management fees	5,000	10,231	5,231	6,850
User fees	3,200	3,570	370	3,755
Investment income	56,700	36,198	(20,502)	47,673
Interest on land sales	65,000	59,575	(5,425)	79,502
Other	3,600	3,460	(140)	5,029
Total revenues	<u>548,300</u>	<u>854,183</u>	<u>305,883</u>	<u>681,531</u>
<b>Expenditures - public services:</b>				
Land management and development	976,737	502,731	474,006	1,112,362
Community development administration	194,995	81,650	113,345	238,816
Total expenditures	<u>1,171,732</u>	<u>584,381</u>	<u>587,351</u>	<u>1,351,178</u>
<b>Less recovery of expenditures</b>				
from other funds	<u>(40,000)</u>	<u>(13,992)</u>	<u>(26,008)</u>	<u>(42,414)</u>
Net expenditures	<u>1,131,732</u>	<u>570,389</u>	<u>561,343</u>	<u>1,308,764</u>
Excess (deficiency) of revenues over expenditures	(583,432)	283,794	867,226	(627,233)
<b>Other financing sources (uses):</b>				
Transfers in	-	23,000	23,000	221,421
Transfers out	<u>(348,000)</u>	<u>(348,000)</u>	-	-
Net other financing sources (uses)	<u>(348,000)</u>	<u>(325,000)</u>	<u>23,000</u>	<u>221,421</u>
Net change in fund balance	\$ <u>(931,432)</u>	(41,206)	<u>890,226</u>	(405,812)
Fund balance at beginning of year		<u>6,955,001</u>		<u>7,360,813</u>
Fund balance at end of year	\$	<u>6,913,795</u>		<u>6,955,001</u>

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**MATANUSKA-SUSITNA BOROUGH**  
**School Buildings Debt Service Fund**  
**Balance Sheet**  
**June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash and investments	\$ <u>986,832</u>	<u>267,299</u>
<u>Fund Balance</u>		
Fund balance - assigned - debt service	\$ <u>986,832</u>	<u>267,299</u>

**MATANUSKA-SUSITNA BOROUGH**  
**School Buildings Debt Service Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>		
Investment income	\$ 6	29
Other income	153	-
Total revenues	<u>159</u>	<u>29</u>
<b>Expenditures:</b>		
Redemption of principal	11,035,000	9,960,000
Interest	<u>7,359,140</u>	<u>7,437,464</u>
Total expenditures	<u>18,394,140</u>	<u>17,397,464</u>
Deficiency of revenues over expenditures	(18,393,981)	(17,397,435)
Other financing sources - transfers in	<u>19,113,514</u>	<u>16,890,000</u>
Net change in fund balance	719,533	(507,435)
Fund balance at beginning of year	<u>267,299</u>	<u>774,734</u>
Fund balance at end of year	<u>\$ 986,832</u>	<u>267,299</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Nonmajor Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2011**

<u>Assets</u>	Certi- cates of Partici- pation	Parks and Recreation	Animal Control	<u>Totals</u>
Cash and investments	\$ 29,732	29,956	11,462	71,150
Restricted cash - debt retirement	<u>521,788</u>	<u>-</u>	<u>565,762</u>	<u>1,087,550</u>
 Total assets	 \$ <u>551,520</u>	 <u>29,956</u>	 <u>577,224</u>	 <u>1,158,700</u>
 <u>Fund Balances</u>				
Fund balances:				
Restricted - debt service	521,788	-	565,762	1,087,550
Assigned - debt service	<u>29,732</u>	<u>29,956</u>	<u>11,462</u>	<u>71,150</u>
 Total fund balances	 \$ <u>551,520</u>	 <u>29,956</u>	 <u>577,224</u>	 <u>1,158,700</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Year Ended June 30, 2011**

	Certi- cates of Partici- pation	Parks and Recreation	Animal Control	Totals
Revenues	\$ -	-	-	-
Expenditures:				
Redemption of principal	370,000	205,000	305,000	880,000
Interest	148,063	133,940	259,856	541,859
Total expenditures	<u>518,063</u>	<u>338,940</u>	<u>564,856</u>	<u>1,421,859</u>
Excess (deficiency) of revenues over expenditures	(518,063)	(338,940)	(564,856)	(1,421,859)
Other financing sources - transfers in	<u>505,000</u>	<u>345,000</u>	<u>570,132</u>	<u>1,420,132</u>
Net change in fund balances	(13,063)	6,060	5,276	(1,727)
Fund balances at beginning of year	<u>564,583</u>	<u>23,896</u>	<u>571,948</u>	<u>1,160,427</u>
Fund balances at end of year	\$ <u><u>551,520</u></u>	<u><u>29,956</u></u>	<u><u>577,224</u></u>	<u><u>1,158,700</u></u>

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**MATANUSKA-SUSITNA BOROUGH**  
 School Projects Capital Project Fund  
 Balance Sheet  
 June 30, 2011  
 (With Comparative Amounts for 2010)

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash and investments	\$ 47,610,316	26,758,260
Receivables - intergovernmental	<u>4,223,742</u>	<u>4,552</u>
 Total assets	 \$ <u>51,834,058</u>	 <u>26,762,812</u>
 <u>Liabilities and Fund Balance</u>  		
Liabilities - accounts, contracts and retentions payable	 <u>204,101</u>	 <u>847,138</u>
Fund balance - assigned for capital projects	 <u>51,629,957</u>	 <u>25,915,674</u>
 Total liabilities and fund balance	 \$ <u>51,834,058</u>	 <u>26,762,812</u>

**MATANUSKA-SUSITNA BOROUGH**  
**School Projects Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>	<u>2010</u>
Revenues:		
Intergovernmental	\$ 4,858,984	400,969
Investment income	4,407	28,061
Total revenues	<u>4,863,391</u>	<u>429,030</u>
Expenditures:		
Education	449,250	486,251
Debt service	356,113	13,155
Capital outlay	12,484,909	11,029,327
Total expenditures	<u>13,290,272</u>	<u>11,528,733</u>
Deficiency of revenues over expenditures	(8,426,881)	(11,099,703)
Other financing sources (uses):		
Transfers in	-	1,093,021
Transfers out	(713,514)	(175,428)
Bond issuance	33,785,000	-
Premium on bond issuance	1,069,678	-
Net other financing sources (uses)	<u>34,141,164</u>	<u>917,593</u>
Extraordinary item - insurance settlement	<u>-</u>	<u>4,979,518</u>
Net change in fund balance	25,714,283	(5,202,592)
Fund balance at beginning of year	<u>25,915,674</u>	<u>31,118,266</u>
Fund balance at end of year	\$ <u>51,629,957</u>	<u>25,915,674</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Infrastructure Capital Project Fund**  
**Balance Sheet**  
**June 30, 2011**  
 (With Comparative Amounts for 2010)

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Receivables - intergovernmental	\$ <u>5,473,202</u>	<u>2,443,028</u>
 <u>Liabilities and Fund Balance</u>  		
Liabilities:		
Accounts, contracts and retentions payable	2,060,662	1,966,828
Due to General Fund	<u>3,138,741</u>	<u>427,998</u>
Total liabilities	<u>5,199,403</u>	<u>2,394,826</u>
Fund balance - assigned for capital projects	<u>273,799</u>	<u>48,202</u>
Total liabilities and fund balance	\$ <u>5,473,202</u>	<u>2,443,028</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Infrastructure Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>	<u>2010</u>
Revenues - intergovernmental	\$ <u>14,345,328</u>	<u>5,154,647</u>
Expenditures - capital outlay	<u>14,349,731</u>	<u>5,220,282</u>
Deficiency of revenues over expenditures	(4,403)	(65,635)
Other financing sources - transfers in	<u>230,000</u>	<u>-</u>
Net change in fund balance	225,597	(65,635)
Fund balance at beginning of year	<u>48,202</u>	<u>113,837</u>
Fund balance at end of year	\$ <u><u>273,799</u></u>	<u><u>48,202</u></u>

**MATANUSKA-SUSITNA BOROUGH**  
 Nonmajor Capital Project Funds  
 Combining Balance Sheet  
 June 30, 2011

<u>Assets</u>	<u>Sewage Facility</u>	<u>Fire Protection</u>	<u>Road Service Area Repairs</u>	<u>Ambulance and Emergency Services</u>	<u>Roads and Bridges</u>	<u>Borough Facilities</u>	<u>Cultural and Recreational</u>	<u>Hatcher Pass</u>	<u>Major Maintenance</u>	<u>Miscellaneous</u>	<u>Pass-through Grants</u>	<u>Totals</u>
Cash and investments	\$ -	5,244,336	8,490,671	1,521,568	-	2,919,926	1,435,232	31,639	3	4,965,613	533,244	25,142,232
Receivables:												
Intergovernmental	1,672,226	59,914	613,228	410,610	3,873,549	92,009	37,629	2,494	-	751,087	706,032	8,218,778
Other	-	-	-	4,454	-	-	-	-	-	-	-	4,454
<b>Total assets</b>	<b>\$ 1,672,226</b>	<b>5,304,250</b>	<b>9,103,899</b>	<b>1,936,632</b>	<b>3,873,549</b>	<b>3,011,935</b>	<b>1,472,861</b>	<b>34,133</b>	<b>3</b>	<b>5,716,700</b>	<b>1,239,276</b>	<b>33,365,464</b>
<u>Liabilities and Fund Balances</u>												
<u>Liabilities:</u>												
Accounts, contracts and retentions payable	-	58,413	564,916	98,041	102,357	41,003	3,162	-	-	766,480	326,180	1,960,552
Due to General Fund	1,624,484	-	-	-	2,816,637	-	-	-	-	-	-	4,441,121
Deferred revenue	-	1,369	2,619	-	-	-	-	-	-	614,674	848,400	1,467,062
<b>Total liabilities</b>	<b>1,624,484</b>	<b>59,782</b>	<b>567,535</b>	<b>98,041</b>	<b>2,918,994</b>	<b>41,003</b>	<b>3,162</b>	<b>-</b>	<b>-</b>	<b>1,381,154</b>	<b>1,174,580</b>	<b>7,868,735</b>
<b>Fund balances - assigned to capital projects</b>	<b>47,742</b>	<b>5,244,468</b>	<b>8,536,364</b>	<b>1,838,591</b>	<b>954,555</b>	<b>2,970,932</b>	<b>1,469,699</b>	<b>34,133</b>	<b>3</b>	<b>4,335,546</b>	<b>64,696</b>	<b>25,496,729</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,672,226</b>	<b>5,304,250</b>	<b>9,103,899</b>	<b>1,936,632</b>	<b>3,873,549</b>	<b>3,011,935</b>	<b>1,472,861</b>	<b>34,133</b>	<b>3</b>	<b>5,716,700</b>	<b>1,239,276</b>	<b>33,365,464</b>

**MATANUSKA-SUSITNA BOROUGH**  
 Nonmajor Capital Project Funds  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Year Ended June 30, 2011

	Sewage Facility	Fire Protection	Road Service Area Repairs	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Hatcher Pass	Major Maint- enance	Misc- ellaneous	Pass- through Grants	Totals
<b>Revenues:</b>												
Intergovernmental	\$ 1,502,698	1,019,390	1,975,661	843,310	4,813,356	333,408	42,255	10,377	-	1,757,906	1,357,306	13,655,667
Other	-	-	-	-	-	-	13,350	-	-	-	-	13,350
Total revenues	<u>1,502,698</u>	<u>1,019,390</u>	<u>1,975,661</u>	<u>843,310</u>	<u>4,813,356</u>	<u>333,408</u>	<u>55,605</u>	<u>10,377</u>	<u>-</u>	<u>1,757,906</u>	<u>1,357,306</u>	<u>13,669,017</u>
<b>Expenditures:</b>												
Education	-	-	-	-	-	-	73,693	-	-	-	-	73,693
General government	-	-	-	-	-	71,990	-	-	-	1,700,926	-	1,772,916
Emergency services	-	470,321	-	492,813	-	-	-	-	-	157,655	-	1,120,789
Public services	-	-	1,854,810	-	362,622	175,616	-	-	-	1,362,629	1,586,102	5,341,779
Capital outlay	<u>1,592,126</u>	<u>4,097,321</u>	<u>4,297,182</u>	<u>1,383,669</u>	<u>4,504,669</u>	<u>791,142</u>	<u>119,503</u>	<u>14,823</u>	<u>-</u>	<u>352,569</u>	<u>-</u>	<u>17,153,004</u>
Total expenditures	<u>1,592,126</u>	<u>4,567,642</u>	<u>6,151,992</u>	<u>1,876,482</u>	<u>4,867,291</u>	<u>1,038,748</u>	<u>193,196</u>	<u>14,823</u>	<u>-</u>	<u>3,573,779</u>	<u>1,586,102</u>	<u>25,462,181</u>
Excess (deficiency) of revenues over expenditures	(89,428)	(3,548,252)	(4,176,331)	(1,033,172)	(53,935)	(705,340)	(137,591)	(4,446)	-	(1,815,873)	(228,796)	(11,793,164)
<b>Other financing sources (uses):</b>												
Transfers in	89,211	4,072,071	5,117,554	1,990,000	-	1,410,318	938,500	-	-	3,012,612	128,595	16,758,861
Transfers out	(60,682)	(455,833)	(11,922)	(31,638)	-	(77,193)	(76,106)	(75,884)	-	(1,833,801)	-	(2,623,059)
Net other financing sources (uses)	<u>28,529</u>	<u>3,616,238</u>	<u>5,105,632</u>	<u>1,958,362</u>	<u>-</u>	<u>1,333,125</u>	<u>862,394</u>	<u>(75,884)</u>	<u>-</u>	<u>1,178,811</u>	<u>128,595</u>	<u>14,135,802</u>
Net change in fund balances	(60,899)	67,986	929,301	925,190	(53,935)	627,785	724,803	(80,330)	-	(637,062)	(100,201)	2,342,638
Fund balances at beginning of year	<u>108,641</u>	<u>5,176,482</u>	<u>7,607,063</u>	<u>913,401</u>	<u>1,008,490</u>	<u>2,343,147</u>	<u>744,896</u>	<u>114,463</u>	<u>3</u>	<u>4,972,608</u>	<u>164,897</u>	<u>23,154,091</u>
Fund balances at end of year	\$ <u>47,742</u>	<u>5,244,468</u>	<u>8,536,364</u>	<u>1,838,591</u>	<u>954,555</u>	<u>2,970,932</u>	<u>1,469,699</u>	<u>34,133</u>	<u>3</u>	<u>4,335,546</u>	<u>64,696</u>	<u>25,496,729</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Capital Projects  
 Project Length of Construction Projects  
 Beginning of Projects to June 30, 2011

	<u>School Projects</u>	<u>Fire Protection</u>	<u>Road Service Areas Repairs</u>	<u>Sewage Facility</u>	<u>Sanitary Landfills</u>	<u>Ambulance and Emergency Services</u>	<u>Roads and Bridges</u>	<u>Borough Facilities</u>
Total project authorizations	\$ <u>482,522,421</u>	<u>48,267,351</u>	<u>98,594,050</u>	<u>15,768,781</u>	<u>23,602,429</u>	<u>28,019,728</u>	<u>59,074,608</u>	<u>50,581,189</u>
Revenues and other financing sources:								
Intergovernmental	48,447,917	10,831,984	31,590,445	13,752,649	7,092,087	15,769,440	45,367,090	19,092,278
Local improvement district bonds	-	-	186,095	-	-	-	-	-
Other	420,057,319	5,145,459	947,403	100,000	-	822,361	31,904	8,135,526
Transfers from other funds	<u>25,906,521</u>	<u>31,130,690</u>	<u>58,189,616</u>	<u>448,991</u>	<u>11,780,979</u>	<u>11,215,216</u>	<u>4,217,779</u>	<u>21,533,023</u>
Total revenues and other financing sources	\$ <u>494,411,757</u>	<u>47,108,133</u>	<u>90,913,559</u>	<u>14,301,640</u>	<u>18,873,066</u>	<u>27,807,017</u>	<u>49,616,773</u>	<u>48,760,827</u>
Expenditures and other financing uses:								
Capital projects	440,685,904	40,961,535	81,379,254	14,193,173	17,762,938	25,599,345	48,647,699	43,984,262
Transfers to other funds	<u>2,095,895</u>	<u>902,130</u>	<u>997,941</u>	<u>60,725</u>	<u>289,450</u>	<u>369,076</u>	<u>14,520</u>	<u>1,805,635</u>
Total expenditures and other financing uses	\$ <u>442,781,799</u>	<u>41,863,665</u>	<u>82,377,195</u>	<u>14,253,898</u>	<u>18,052,388</u>	<u>25,968,421</u>	<u>48,662,219</u>	<u>45,789,897</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Capital Projects**  
**Project Length of Construction Projects, continued**

	<u>Cultural and Recreational</u>	<u>Hatcher Pass and Port</u>	<u>Pass- Through Grants</u>	<u>Miscellaneous</u>	<u>Infra- structure</u>	<u>Major Maint- enance</u>	<u>Totals</u>
Total project authorizations	\$ <u>12,609,489</u>	<u>58,853,390</u>	<u>9,243,893</u>	<u>69,148,244</u>	<u>63,075,000</u>	<u>1,149,094</u>	<u>1,020,509,667</u>
Revenues and other financing sources:							
Intergovernmental	2,695,238	28,162,524	6,203,290	25,541,146	27,821,012	-	282,367,100
Local improvement district bonds	-	-	-	-	-	-	186,095
Other	4,457,225	13,257,570	-	1,291,996	-	-	454,246,763
Transfers from other funds	<u>5,447,635</u>	<u>6,874,095</u>	<u>1,138,511</u>	<u>38,814,916</u>	<u>575,000</u>	<u>1,111,719</u>	<u>218,384,691</u>
Total revenues and other financing sources	<u>12,600,098</u>	<u>48,294,189</u>	<u>7,341,801</u>	<u>65,648,058</u>	<u>28,396,012</u>	<u>1,111,719</u>	<u>955,184,649</u>
Expenditures and other financing uses:							
Capital projects	10,893,197	44,911,174	7,243,891	58,677,505	28,122,213	1,070,827	864,132,913
Transfers to other funds	<u>237,204</u>	<u>1,251,943</u>	<u>33,214</u>	<u>2,635,009</u>	-	<u>40,889</u>	<u>10,733,631</u>
Total expenditures and other financing uses	\$ <u>11,130,401</u>	<u>46,163,117</u>	<u>7,277,105</u>	<u>61,312,514</u>	<u>28,122,213</u>	<u>1,111,716</u>	<u>874,866,544</u>



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**MATANUSKA-SUSITNA BOROUGH**  
Solid Waste Enterprise Fund  
Statement of Net Assets  
June 30, 2011  
(With Comparative Amounts for 2010)

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Receivables:		
Accounts	\$ 221,958	222,677
Intergovernmental	<u>1,878,114</u>	<u>1,281,468</u>
Total current assets	<u>2,100,072</u>	<u>1,504,145</u>
Noncurrent assets:		
Restricted cash - landfill closure	<u>2,235,019</u>	<u>2,229,001</u>
Property, plant and equipment:		
Buildings	2,319,227	2,319,227
Improvements other than buildings	1,512,853	1,512,853
Equipment	1,517,643	1,429,955
Landfill cells	4,519,944	4,519,944
Construction in progress	<u>8,189,763</u>	<u>5,940,163</u>
Total property, plant and equipment	18,059,430	15,722,142
Accumulated depreciation and amortization	<u>(2,855,425)</u>	<u>(2,620,950)</u>
Net property, plant and equipment	<u>15,204,005</u>	<u>13,101,192</u>
Total noncurrent assets	<u>17,439,024</u>	<u>15,330,193</u>
Total assets	\$ <u>19,539,096</u>	<u>16,834,338</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	258,167	747,643
Accrued leave	66,024	73,343
Accrued interest payable	98,051	54,970
Unearned revenue	8,881	11,974
Due to General Fund	3,524,354	1,404,146
Current portion of loans payable	<u>45,002</u>	<u>44,337</u>
Total current liabilities	<u>4,000,479</u>	<u>2,336,413</u>
Noncurrent liabilities:		
Loans payable	4,561,767	3,906,813
Landfill closure costs payable	<u>3,200,880</u>	<u>2,904,778</u>
Total noncurrent liabilities	<u>7,762,647</u>	<u>6,811,591</u>
Total liabilities	<u>11,763,126</u>	<u>9,148,004</u>
Net assets:		
Invested in capital assets, net of related debt	10,597,236	9,150,042
Unrestricted (deficit)	<u>(2,821,266)</u>	<u>(1,463,708)</u>
Total net assets	<u>7,775,970</u>	<u>7,686,334</u>
Total liabilities and net assets	\$ <u>19,539,096</u>	<u>16,834,338</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Solid Waste Enterprise Fund**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>	<u>2010</u>
Operating revenues - charges for services	\$ <u>3,510,305</u>	<u>3,395,693</u>
Operating expenses - public service:		
Landfill operations	2,594,882	2,891,497
Transfer sites	1,722,484	1,639,117
Depreciation and amortization	234,475	227,474
Allocated administrative and billing expenses	<u>66,419</u>	<u>66,956</u>
Total operating expenses	<u>4,618,260</u>	<u>4,825,044</u>
Operating loss	(1,107,955)	(1,429,351)
Nonoperating revenues (expenses):		
Investment income	6,018	7,996
Intergovernmental - PERS relief	67,162	45,190
Interest expense	(56,708)	(54,031)
Miscellaneous income	<u>202</u>	<u>2,963</u>
Net nonoperating revenues (expenses)	<u>16,674</u>	<u>2,118</u>
Loss before transfers and contributions	(1,091,281)	(1,427,233)
Transfers in	3,904	-
Transfers out	(34,185)	(445)
Capital contributions	<u>1,211,198</u>	<u>2,326,300</u>
Change in net assets	89,636	898,622
Net assets at beginning of year	<u>7,686,334</u>	<u>6,787,712</u>
Net assets at end of year	\$ <u><u>7,775,970</u></u>	<u><u>7,686,334</u></u>

## MATANUSKA-SUSITNA BOROUGH

## Solid Waste Enterprise Fund

## Statement of Cash Flows

Year Ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Receipts from customers	\$ 3,508,133	3,552,012
Payments to suppliers	(2,845,693)	(2,205,851)
Payments to employees	(1,605,204)	(1,557,208)
Payments for interfund services used	(66,419)	(66,956)
Net cash flows from operating activities	<u>(1,009,183)</u>	<u>(278,003)</u>
Cash flows from noncapital financing activities:		
Transfers out	(34,185)	(445)
Decrease in due to other funds	-	(219,700)
Net cash flows from noncapital financing activities	<u>(34,185)</u>	<u>(220,145)</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(2,337,288)	(2,801,554)
Principal and interest paid on loans	(57,964)	(385,528)
Proceeds from issuance of long term debt	699,956	337,594
Capital contributions received	614,552	3,347,636
Transfers in	3,904	-
Increase in due to General Fund	2,120,208	-
Net cash flows from capital and related financing activities	<u>1,043,368</u>	<u>498,148</u>
Cash flows from investing activities - investment income received	<u>6,018</u>	<u>7,996</u>
Net increase in cash and investments	6,018	7,996
Cash and investments at beginning of year	<u>2,229,001</u>	<u>2,221,005</u>
Cash and investments at end of year	\$ <u>2,235,019</u>	<u>2,229,001</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(1,107,955)	(1,429,351)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Miscellaneous nonoperating revenue	202	2,963
Depreciation and amortization	234,475	227,474
Noncash expense - PERS relief	67,162	45,190
(Increase) decrease in assets - accounts receivable	719	149,171
Increase (decrease) in liabilities:		
Accounts payable	(489,476)	465,524
Accrued leave	(7,319)	(13,047)
Unearned revenue	(3,093)	4,185
Landfill closure costs payable	296,102	269,888
Net cash flows from operating activities	\$ <u>(1,009,183)</u>	<u>(278,003)</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Port Enterprise Fund  
 Statement of Net Assets  
 June 30, 2011  
 (With Comparative Amounts for 2010)

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Receivables:		
Accounts	\$ 146	4,116
Intergovernmental	279,386	847,808
Prepays	1,086	-
Inventory	765	765
Total current assets	<u>281,383</u>	<u>852,689</u>
Property, plant and equipment:		
Buildings	7,969	7,969
Equipment	41,322	41,322
Infrastructure	26,414,621	26,414,621
Construction in progress	16,331,651	12,495,105
Total property, plant and equipment	42,795,563	38,959,017
Accumulated depreciation	<u>(4,505,338)</u>	<u>(3,838,455)</u>
Net property, plant and equipment	<u>38,290,225</u>	<u>35,120,562</u>
Total assets	<u>\$ 38,571,608</u>	<u>35,973,251</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	262,782	1,059,475
Accrued leave	54,656	46,328
Deposit refunds	-	10,000
Unearned revenue	1	1
Due to General Fund	3,461,676	2,119,396
Accrued interest payable	82,566	86,153
Current portion of general obligation bonds	420,000	410,000
Current portion of interfund note payable	165,900	165,900
Total current liabilities	<u>4,447,581</u>	<u>3,897,253</u>
Noncurrent liabilities:		
Lease credits payable	1,341,962	-
General obligation bonds	6,800,000	7,220,000
Unamortized bond premium	123,452	132,948
Interfund note payable	236,079	401,979
Total noncurrent liabilities	<u>8,501,493</u>	<u>7,754,927</u>
Total liabilities	<u>12,949,074</u>	<u>11,652,180</u>
Net assets:		
Invested in capital assets, net of related debt	30,946,773	27,357,614
Unrestricted (deficit)	<u>(5,324,239)</u>	<u>(3,036,543)</u>
Total net assets	<u>25,622,534</u>	<u>24,321,071</u>
Total liabilities and net assets	<u>\$ 38,571,608</u>	<u>35,973,251</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Port Enterprise Fund  
 Statement of Revenues, Expenses, and  
 Changes in Net Assets  
 Year Ended June 30, 2011  
 (With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
Operating revenues - charges for services	\$ <u>51,333</u>	<u>52,368</u>
Operating expenses:		
Dock operations	660,085	798,076
Depreciation	666,883	666,934
Allocated administrative and billing expenses	<u>21,200</u>	<u>21,000</u>
Total operating expenses	<u>1,348,168</u>	<u>1,486,010</u>
Operating loss	(1,296,835)	(1,433,642)
Nonoperating revenues (expenses):		
Intergovernmental - State sources:		
PERS relief	17,747	10,816
Debt service reimbursement	752,450	755,120
Miscellaneous income	470	-
Interest expense	<u>(349,986)</u>	<u>(368,593)</u>
Net nonoperating revenues (expenses)	<u>420,681</u>	<u>397,343</u>
Loss before transfers, contributions, and extraordinary item	(876,154)	(1,036,299)
Capital contributions	3,586,055	1,383,894
Extraordinary item - legal settlement	(1,375,000)	-
Transfers in	-	95,160
Transfers out	<u>(33,438)</u>	<u>(25,000)</u>
Change in net assets	1,301,463	417,755
Net assets at beginning of year	<u>24,321,071</u>	<u>23,903,316</u>
Net assets at end of year	\$ <u><u>25,622,534</u></u>	<u><u>24,321,071</u></u>

**MATANUSKA-SUSITNA BOROUGH**  
**Port Enterprise Fund**  
**Statement of Cash Flows**  
**Year Ended June 30, 2011**  
**(With Comparative Amounts for 2010)**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Receipts from customers	\$ 22,735	15,564
Payments to suppliers	(601,744)	(357,567)
Payments to employees	(293,289)	(273,901)
Payments for interfund services used	(21,200)	(21,000)
Net cash flows from operating activities	<u>(893,498)</u>	<u>(636,904)</u>
Cash flows from noncapital financing activities - transfers out	<u>(33,438)</u>	<u>(25,000)</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(4,383,302)	(736,947)
Capital contributions received	4,154,477	1,110,888
Transfers in	-	95,160
Principal and interest paid on interfund note	(184,356)	(189,748)
Principal and interest paid on bonds	(754,613)	(752,450)
Debt service reimbursement	752,450	755,120
Increase in due to General Fund	1,342,280	379,881
Net cash flows from capital and related financing activities	<u>926,936</u>	<u>661,904</u>
Net increase in cash and investments	-	-
Cash and investments at beginning of year	-	-
Cash and investments at end of year	\$ <u>-</u>	<u>-</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(1,296,835)	(1,433,642)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Miscellaneous nonoperating revenue	470	-
Depreciation	666,883	666,934
Lease credits exercised	(33,038)	-
Noncash expense - PERS relief	17,747	10,816
(Increase) decrease in assets:		
Accounts receivable	3,970	(4,116)
Prepays	(1,086)	135,000
Increase (decrease) in liabilities:		
Accounts payable	(249,937)	17,920
Accrued leave	8,328	2,872
Deposit refunds	(10,000)	-
Unearned revenue	-	(32,688)
Net cash flows from operating activities	<u>\$ (893,498)</u>	<u>(636,904)</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2011**

<u>Assets</u>	<u>Revolving Loan</u>	<u>Self- Insurance</u>	<u>Totals</u>
<b>Current assets:</b>			
Cash and investments	\$ 1,044,541	8,432,405	9,476,946
Accounts receivable	-	801,330	801,330
Interfund loans receivable	46,834	-	46,834
Deposits with others	-	52,245	52,245
<b>Total current assets</b>	<u>1,091,375</u>	<u>9,285,980</u>	<u>10,377,355</u>
 Interfund loans receivable, long-term	 <u>519,687</u>	 <u>-</u>	 <u>519,687</u>
 <b>Total assets</b>	 <b>\$ <u>1,611,062</u></b>	 <b><u>9,285,980</u></b>	 <b><u>10,897,042</u></b>
 <u>Liabilities and Net Assets</u>			
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	-	62,339	62,339
Insurance claims incurred but not reported	-	1,506,288	1,506,288
Current portion of loans payable	13,338	-	13,338
<b>Total current liabilities</b>	<u>13,338</u>	<u>1,568,627</u>	<u>1,581,965</u>
 Noncurrent liabilities - loans payable	 <u>345,724</u>	 <u>-</u>	 <u>345,724</u>
<b>Total liabilities</b>	<u>359,062</u>	<u>1,568,627</u>	<u>1,927,689</u>
 Net assets - unrestricted	 <u>1,252,000</u>	 <u>7,717,353</u>	 <u>8,969,353</u>
 <b>Total liabilities and net assets</b>	 <b>\$ <u>1,611,062</u></b>	 <b><u>9,285,980</u></b>	 <b><u>10,897,042</u></b>



**MATANUSKA-SUSITNA BOROUGH**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Year Ended June 30, 2011**

	<u>Revolving</u> <u>Loan</u>	<u>Self-</u> <u>Insurance</u>	<u>Totals</u>
Operating revenues:			
Intragovernmental	\$ -	6,923,095	6,923,095
Interest on loans	766	-	766
Employee contributions	-	618,984	618,984
Other	-	801,330	801,330
Total operating revenues	<u>766</u>	<u>8,343,409</u>	<u>8,344,175</u>
Operating expenses:			
Claims	-	6,609,873	6,609,873
Administrative fees	-	945,454	945,454
Premium	-	94,565	94,565
Total operating expenses	<u>-</u>	<u>7,649,892</u>	<u>7,649,892</u>
Operating income	766	693,517	694,283
Nonoperating revenues - investment income	<u>-</u>	<u>16,599</u>	<u>16,599</u>
Income before transfers	766	710,116	710,882
Transfers out	<u>(766)</u>	<u>(100,000)</u>	<u>(100,766)</u>
Change in net assets	-	610,116	610,116
Net assets at beginning of year	<u>1,252,000</u>	<u>7,107,237</u>	<u>8,359,237</u>
Net assets at end of year	\$ <u>1,252,000</u>	<u>7,717,353</u>	<u>8,969,353</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2011**

	<u>Revolving</u> <u>Loan</u>	<u>Self-</u> <u>Insurance</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>			
Proceeds from loan	\$ 89,211	-	89,211
Loans made to other funds	(92,315)	-	(92,315)
Principal payments received on loans	21,474	-	21,474
Interest payments received on loans	766	-	766
Principal payments on loans payable	(13,141)	-	(13,141)
Internal activity - payments from other funds	-	6,923,095	6,923,095
Receipts from employees and other	-	618,984	618,984
Payments for claims and services	-	(8,283,613)	(8,283,613)
Net cash flows from operating activities	<u>5,995</u>	<u>(741,534)</u>	<u>(735,539)</u>
<b>Cash flows from noncapital financing activities -</b>			
transfers out	<u>(766)</u>	<u>(100,000)</u>	<u>(100,766)</u>
<b>Cash flows from investing activities -</b>			
investment income received	<u>-</u>	<u>16,599</u>	<u>16,599</u>
Net increase (decrease) in cash and investments	5,229	(824,935)	(819,706)
Cash and investments at beginning of year	<u>1,039,312</u>	<u>9,257,340</u>	<u>10,296,652</u>
Cash and investments at end of year	\$ <u>1,044,541</u>	<u>8,432,405</u>	<u>9,476,946</u>
<b>Reconciliation of operating income to net cash</b>			
<b>provided (used) by operating activities:</b>			
Operating income	766	693,517	694,283
<b>Adjustments to reconcile operating income</b>			
<b>to net cash flows from operating activities:</b>			
<b>(Increase) decrease in assets:</b>			
Accounts receivable	-	(801,330)	(801,330)
Loans receivable	(70,841)	-	(70,841)
Deposits	-	(23,905)	(23,905)
<b>Increase (decrease) in liabilities:</b>			
Accounts payable	-	232,034	232,034
Loans payable	76,070	-	76,070
Insurance claims incurred but not reported	-	(841,850)	(841,850)
Net cash flows from operating activities	\$ <u>5,995</u>	<u>(741,534)</u>	<u>(735,539)</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Revolving Loan Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2011**

<u>Assets</u>	<u>Service Area Operating</u>	<u>Fire Capital Equipment</u>	<u>Road Service Areas</u>	<u>Totals</u>
<b>Current assets:</b>				
Cash and investments	\$ 129,424	391,667	523,450	1,044,541
Interfund loans receivable	<u>25,163</u>	<u>8,333</u>	<u>13,338</u>	<u>46,834</u>
Total current assets	154,587	400,000	536,788	1,091,375
 Interfund loans receivable, long-term	 <u>276,911</u>	 <u>-</u>	 <u>242,776</u>	 <u>519,687</u>
 Total assets	 \$ <u>431,498</u>	 <u>400,000</u>	 <u>779,564</u>	 <u>1,611,062</u>
 <u>Liabilities and Net Assets</u>				
<b>Liabilities:</b>				
Current liabilities - current portion of loans payable	-	-	13,338	13,338
Noncurrent liabilities - loans payable	<u>102,948</u>	<u>-</u>	<u>242,776</u>	<u>345,724</u>
Total liabilities	102,948	-	256,114	359,062
 Net assets - unrestricted	 <u>328,550</u>	 <u>400,000</u>	 <u>523,450</u>	 <u>1,252,000</u>
 Total liabilities and net assets	 \$ <u>431,498</u>	 <u>400,000</u>	 <u>779,564</u>	 <u>1,611,062</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Revolving Loan Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Year Ended June 30, 2011**

	<u>Service</u> <u>Area</u> <u>Operating</u>	<u>Fire</u> <u>Capital</u> <u>Equipment</u>	<u>Road</u> <u>Service</u> <u>Areas</u>	<u>Totals</u>
Operating revenues - interest on loans	\$ 706	60	-	766
Transfers out	<u>(706)</u>	<u>(60)</u>	<u>-</u>	<u>(766)</u>
Change in net assets	-	-	-	-
Net assets at beginning of year	<u>328,550</u>	<u>400,000</u>	<u>523,450</u>	<u>1,252,000</u>
Net assets at end of year	\$ <u>328,550</u>	<u>400,000</u>	<u>523,450</u>	<u>1,252,000</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Revolving Loan Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2011**

	<u>Service Area Operating</u>	<u>Fire Capital Equipment</u>	<u>Road Service Areas</u>	<u>Totals</u>
Cash flows from operating activities:				
Proceeds from loan	\$ 89,211	-	-	89,211
Loans made to other funds	(92,315)	-	-	(92,315)
Principal payments received on loans	-	8,333	13,141	21,474
Interest payments received on loans	706	60	-	766
Principal payments on loans payable	-	-	(13,141)	(13,141)
Net cash flows from operating activities	<u>(2,398)</u>	<u>8,393</u>	<u>-</u>	<u>5,995</u>
Cash flows from noncapital financing activities - transfers out				
	<u>(706)</u>	<u>(60)</u>	<u>-</u>	<u>(766)</u>
Net increase (decrease) in cash and investments				
	(3,104)	8,333	-	5,229
Cash and investments at beginning of year				
	<u>132,528</u>	<u>383,334</u>	<u>523,450</u>	<u>1,039,312</u>
Cash and investments at end of year				
	<u>\$ 129,424</u>	<u>391,667</u>	<u>523,450</u>	<u>1,044,541</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	706	60	-	766
Adjustments to reconcile operating income to net cash flows from operating activities:				
(Increase) decrease in loans receivable	(92,315)	8,333	13,141	(70,841)
Increase (decrease) in loans payable	89,211	-	(13,141)	76,070
Net cash flows from operating activities	<u>\$ (2,398)</u>	<u>8,393</u>	<u>-</u>	<u>5,995</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Self Insurance Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2011**

<u>Assets</u>	<u>Unemploy- ment Insurance</u>	<u>Health Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Workers Comp Insurance</u>	<u>Totals</u>
<b>Current assets:</b>					
Cash and investments	\$ 191,772	6,139,540	785,084	1,316,009	8,432,405
Accounts receivable	-	-	801,330	-	801,330
Deposits with others	-	3,340	-	48,905	52,245
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total current assets	\$ <u>191,772</u>	<u>6,142,880</u>	<u>1,586,414</u>	<u>1,364,914</u>	<u>9,285,980</u>
 <u>Liabilities and Net Assets</u>					
<b>Current liabilities:</b>					
Accounts payable	62,339	-	-	-	62,339
Insurance claims incurred but not reported	-	1,257,566	225,000	23,722	1,506,288
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total current liabilities	<u>62,339</u>	<u>1,257,566</u>	<u>225,000</u>	<u>23,722</u>	<u>1,568,627</u>
Net assets - unrestricted	<u>129,433</u>	<u>4,885,314</u>	<u>1,361,414</u>	<u>1,341,192</u>	<u>7,717,353</u>
Total liabilities and net assets	\$ <u>191,772</u>	<u>6,142,880</u>	<u>1,586,414</u>	<u>1,364,914</u>	<u>9,285,980</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Self Insurance Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Year Ended June 30, 2011**

	Unemploy- ment <u>Insurance</u>	Health <u>Insurance</u>	Property and Casualty <u>Insurance</u>	Workers Comp <u>Insurance</u>	<u>Totals</u>
Operating revenues:					
Intragovernmental	\$ 260,186	5,570,230	-	1,092,679	6,923,095
Employee contributions	-	618,984	-	-	618,984
Insurance recovery	-	-	801,330	-	801,330
Total operating revenues	<u>260,186</u>	<u>6,189,214</u>	<u>801,330</u>	<u>1,092,679</u>	<u>8,343,409</u>
Operating expenses:					
Claims	303,779	5,650,251	458,776	197,067	6,609,873
Administrative fees	-	854,161	-	91,293	945,454
Premium	-	-	-	94,565	94,565
Total operating expenses	<u>303,779</u>	<u>6,504,412</u>	<u>458,776</u>	<u>382,925</u>	<u>7,649,892</u>
Operating income (loss)	(43,593)	(315,198)	342,554	709,754	693,517
Nonoperating revenues - investment income	-	16,599	-	-	16,599
Income (loss) before transfers	(43,593)	(298,599)	342,554	709,754	710,116
Transfers out	-	-	(100,000)	-	(100,000)
Change in net assets	(43,593)	(298,599)	242,554	709,754	610,116
Net assets at beginning of year	<u>173,026</u>	<u>5,183,913</u>	<u>1,118,860</u>	<u>631,438</u>	<u>7,107,237</u>
Net assets at end of year	<u>\$ 129,433</u>	<u>4,885,314</u>	<u>1,361,414</u>	<u>1,341,192</u>	<u>7,717,353</u>

**MATANUSKA-SUSITNA BOROUGH**  
**Self Insurance Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2011**

	Unemploy- ment <u>Insurance</u>	Health <u>Insurance</u>	Property and Casualty <u>Insurance</u>	Workers Comp <u>Insurance</u>	<u>Totals</u>
Cash flows from operating activities:					
Internal activity - payments from other funds	\$ 260,186	5,570,230	-	1,092,679	6,923,095
Receipts from employees and other	-	618,984	-	-	618,984
Payments for claims and services	<u>(294,739)</u>	<u>(6,238,638)</u>	<u>(887,282)</u>	<u>(862,954)</u>	<u>(8,283,613)</u>
Net cash flows from operating activities	<u>(34,553)</u>	<u>(49,424)</u>	<u>(887,282)</u>	<u>229,725</u>	<u>(741,534)</u>
Cash flows from noncapital financing activities -					
transfers out	-	-	<u>(100,000)</u>	-	<u>(100,000)</u>
Cash flows from investing activities -					
investment income received	-	<u>16,599</u>	-	-	<u>16,599</u>
Net increase (decrease) in cash and investments	(34,553)	(32,825)	(987,282)	229,725	(824,935)
Cash and investments at beginning of year	<u>226,325</u>	<u>6,172,365</u>	<u>1,772,366</u>	<u>1,086,284</u>	<u>9,257,340</u>
Cash and investments at end of year	\$ <u>191,772</u>	<u>6,139,540</u>	<u>785,084</u>	<u>1,316,009</u>	<u>8,432,405</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(43,593)	(315,198)	342,554	709,754	693,517
Adjustments to reconcile operating income to net cash flows from operating activities:					
Increase in assets:					
Accounts receivable	-	-	(801,330)	-	(801,330)
Deposits	-	-	-	(23,905)	(23,905)
Increase (decrease) in liabilities:					
Accounts payable	9,040	-	222,994	-	232,034
Insurance claims incurred but not reported	-	265,774	(651,500)	(456,124)	(841,850)
Net cash flows from operating activities	<u>(34,553)</u>	<u>(49,424)</u>	<u>(887,282)</u>	<u>229,725</u>	<u>(741,534)</u>



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**MATANUSKA-SUSITNA BOROUGH**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**Year Ended June 30, 2011**

<u>Assets</u>	<u>Property Tax Agency</u>			<u>Balance at June 30, 2011</u>
	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	
Cash and investments	\$ 14,923	3,247,205	3,239,887	22,241
Property taxes receivable:				
Real	74,928	99,499	45,039	129,388
Personal	13,241	6,415	7,567	12,089
<b>Total assets</b>	<b>\$ 103,092</b>	<b>3,353,119</b>	<b>3,292,493</b>	<b>163,718</b>
 <u>Liabilities</u>				
Accounts payable	1,904	2,890	3,209	1,585
Taxes collected in advance	97,092	3,946,203	3,886,584	156,711
Intergovernmental	4,096	1,536,259	1,534,933	5,422
<b>Total liabilities</b>	<b>\$ 103,092</b>	<b>5,485,352</b>	<b>5,424,726</b>	<b>163,718</b>
 <u>Road and Gas Line Agency</u>				
<u>Assets</u>	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2011</u>
Cash and investments	\$ (2,657)	941,476	914,706	24,113
Special assessments receivable	635,576	125,991	286,258	475,309
<b>Total assets</b>	<b>\$ 632,919</b>	<b>1,067,467</b>	<b>1,200,964</b>	<b>499,422</b>
 <u>Liabilities</u>				
Accounts payable	1,589	1,159,704	1,163,626	(2,333)
Deposits	256,822	558,815	561,273	254,364
Notes payable - gas lines	107,836	-	70,812	37,024
Notes payable - road improvements	266,672	108,000	164,305	210,367
<b>Total liabilities</b>	<b>\$ 632,919</b>	<b>1,826,519</b>	<b>1,960,016</b>	<b>499,422</b>

## MATANUSKA-SUSITNA BOROUGH

## Agency Funds

## Combining Statement of Changes in Assets and Liabilities, continued

		Prison Agency			
		Balance at			Balance at
		July 1,	Additions	Deletions	June 30,
<u>Assets</u>		2010			2011
Cash and investments	\$	135,869,007	244,635,843	355,839,402	24,665,448
Interest receivable		809,291	1,244,775	2,037,518	16,548
Construction in progress		118,260,901	107,611,004	1,437,061	224,434,844
Total assets	\$	<u>254,939,199</u>	<u>353,491,622</u>	<u>359,313,981</u>	<u>249,116,840</u>
<u>Liabilities</u>					
Accounts payable		12,412,770	106,489,525	112,311,884	6,590,411
Due to State of Alaska		242,526,429	-	-	242,526,429
Total liabilities	\$	<u>254,939,199</u>	<u>106,489,525</u>	<u>112,311,884</u>	<u>249,116,840</u>
		Totals			
		Balance at			Balance at
		July 1,	Additions	Deletions	June 30,
<u>Assets</u>		2010			2011
Cash and investments	\$	135,881,273	248,824,524	359,993,995	24,711,802
Property taxes receivable:					
Real		74,928	99,499	45,039	129,388
Personal		13,241	6,415	7,567	12,089
Special assessments					
receivable		635,576	125,991	286,258	475,309
Interest receivable		809,291	1,244,775	2,037,518	16,548
Construction in progress		118,260,901	107,611,004	1,437,061	224,434,844
Total assets	\$	<u>255,675,210</u>	<u>357,912,208</u>	<u>363,807,438</u>	<u>249,779,980</u>
<u>Liabilities</u>					
Accounts payable		12,416,263	107,652,119	113,478,719	6,589,663
Deposits		256,822	558,815	561,273	254,364
Taxes collected in advance		97,092	3,946,203	3,886,584	156,711
Intergovernmental		4,096	1,536,259	1,534,933	5,422
Notes payable - gas lines		107,836	-	70,812	37,024
Notes payable -					
road improvements		266,672	108,000	164,305	210,367
Due to State of Alaska		242,526,429	-	-	242,526,429
Total liabilities	\$	<u>255,675,210</u>	<u>113,801,396</u>	<u>119,696,626</u>	<u>249,779,980</u>

**MATANUSKA-SUSITNA BOROUGH**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2011

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<b>Office of Library Services, Institute of Museum and Library Services</b>				
Passed through State of Alaska, Department of Education and				
Early Development -				
Interlibrary Coop -Trapper Crk- Juvenile Book Club in a Bag	45.310	LS-00-10-0002-10	\$ 2,620	<u>2,620</u>
<b>Department of Agriculture</b>				
Sullivan Road Forest Health Protection	10.680	09DG11100100202	42,698	<u>11,817</u>
Talkeetna Water & Sewer Utility Improvements	10.760	N/A	47,700	<u>6,788</u>
ARRA - Talkeetna Water & Sewer Utility Improvements	10.781	N/A	714,500	<u>108,143</u>
FY06 Spruce Bark Beetle	10.664	N/A	1,578,000	20,149
FY07 Spruce Bark Beetle	10.664	N/A	1,084,000	131,716
FY08 Spruce Bark Beetle	10.664	N/A	492,000	113,305
Passed through State of Alaska, Department of Natural Resources:				
FY10 West Lakes Volunteer Fire Assistance	10.664	N/A	10,000	189
FY10 Willow Volunteer Fire Assistance	10.664	N/A	4,543	951
FY11 Caswell Lakes Volunteer Fire Assistance	10.664	N/A	5,000	4,955
FY11 Sutton Volunteer Fire Assistance	10.664	N/A	8,817	8,817
FY11 Willow Volunteer Fire Assistance	10.664	N/A	9,794	9,794
FY11 Talkeetna Volunteer Fire Assistance	10.664	N/A	6,624	4,900
FY11 Butte Volunteer Fire Assistance	10.664	N/A	10,000	<u>10,000</u>
Total CFDA 10.664				<u>304,776</u>
ARRA - Hazardous Fuels Mitigation	10.688	09DG11100489-011	1,436,000	<u>328,659</u>
Total Department of Agriculture				<u>760,183</u>
<b>Department of Commerce</b>				
Solid Waste Recycling & Training Park	11.300	07-01-06318	3,000,000	<u>719,110</u>
ARRA - Port MacKenzie Barge Dock Expansion	11.307	07-79-73011	3,000,000	<u>1,933,283</u>
Passed through State of Alaska, Department of Commerce,				
Community and Economic Development -				
FY11 Alaska Coastal Management	11.419	N/A	38,800	<u>38,800</u>
Passed through the Nature Conservancy -				
Fish Passage on Little Su-Edgerton & Sunrise	11.463	AKFO-010109-CS	350,000	<u>328,548</u>
Total Department of Commerce				<u>3,019,741</u>
<b>Department of Education</b>				
Passed through State of Alaska, Department of Commerce,				
Community, and Economic Development -				
ARRA - Community Economic Stimulus Grant	84.397	S397A090002	2,044,281	<u>2,044,281</u>
<b>Department of Homeland Security</b>				
Passed through State of Alaska, Department of Military and				
Veterans Affairs:				
Mat Su Valley Flooding-August 2006-FEMA (75% Federal)	97.036	N/A	1,199,417	<u>125,896</u>
FY10 Emergency Management Performance Grant	97.042	35581	87,773	<u>69,896</u>
FY09 Caswell Lakes FSA Assistance to FF	97.044	EMW-2009-FO-06635	40,630	<u>36,725</u>
FY10 Citizen Corp Grant Program	97.053	2009-SS-T9-0007	26,250	<u>3,068</u>

**MATANUSKA-SUSITNA BOROUGH**  
Schedule of Expenditures of Federal Awards, continued

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expend- itures</u>
<b>Department of Homeland Security, continued</b>				
Passed through State of Alaska, Department of Military and Veterans Affairs:				
FY09 Citizen Corp Grant Program	97.067	2008-GE-T8-0005	\$ 25,000	588
FY11 Citizen Corp Grant Program	97.067	2010-SS-T0-0023	27,188	21,630
2008 State Homeland Security Program (SHSP)	97.067	2008-GE-T8-0005	45,000	25,035
2008 State Homeland Security Program (SHSP)	97.067	2008-GE-T8-0005	19,720	19,720
2010 State Homeland Security Program (SHSP)	97.067	2010-SS-T0-0023	174,440	48,768
Total CFDA 97.067				<u>115,741</u>
Total Department of Homeland Security				<u>351,326</u>
<b>Department of Housing and Urban Development</b>				
Agricultural Processing Facility - EDI Special Project	14.246	B-03-SP-AK-0004	447,075	15,938
Passed through State of Alaska, Department of Commerce, Community, and Economic Development -				
Lake Louise Emergency Response Facility	14.228	881447	850,000	577,225
Home Owners Occ Housing FY08	14.228	881451	500,000	42,505
Total CFDA 14.228				<u>619,730</u>
Total Department of Housing and Urban Development				<u>635,668</u>
<b>Department of the Interior</b>				
Payment in Lieu of Taxes	15.226	N/A	3,181,312	3,181,312
Ortho-rectified imagery & LIDAR - MSB's Coastal Mngmt Zone	15.426	M11AF00045	976,176	333,806
Green Infrastructure Network Design	15.630	701818J739	20,000	125
Bryant Rd at Anna Lake Fish Passage Improvements	15.631	701819J006	208,500	151,149
Edgerton Road Culvert Replacements in Little Su Rvr Wtrshed	15.631	70181AJ003	50,000	28,124
Mat-Su Streambank and Lakeshore Revegetation	15.631	70181AJ010	73,038	37,395
Horseshoe Lake Culverts Replacement in RSA 21	15.631	70181AJ014	70,000	31,555
Sullivan Ave Bridge at Bodenbug Creek	15.631	701819J027	20,000	20,000
Total CFDA 15.631				<u>268,223</u>
ARRA - Fish Passage-Little Su Tributary @ Edgerton Parks Rd	15.656	70181RJ006	120,000	10,551
ARRA - Fish Passage-Wasilla Creek @ Grantham Dr	15.656	70181RJ004	256,000	160,922
Total CFDA 15.656				<u>171,473</u>
LIDAR Topographic Data & Orthorectified Aerial Imagery	15.608	70181AJ062	50,000	50,000
Culvert Replacement Little Su/Big Lk & Hydroseeding	15.608	70181BJ007	235,000	14,268
Wasilla Crk at Grantham Dr Fish Passage Improvements	15.608	701819J004	100,000	68,766
Edgerton and Sunrise Rd Culvert Replacements in Little Su	15.608	70181AJ002	144,000	131,267
Caswell Lakes Culvert Replacement for Fish Passage	15.608	70181AJ016	75,000	36,930
Total CFDA 15.608				<u>301,231</u>
Passed through State of Alaska, Department of Natural Resources:				
Historic Sites in the City of Wasilla: a Survey	15.904	09513	24,562	20,552
Natl Register Study: Palmer AG Research St Housing	15.904	10538	9,127	2,931
Knik Museum Pool Hall - Historic Preservation	15.904	10542	25,000	3,132
Total CFDA 15.904				<u>26,615</u>
Total Department of Interior				<u>4,302,785</u>

**MATANUSKA-SUSITNA BOROUGH**  
Schedule of Expenditures of Federal Awards, continued

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expend- itures</u>
<b>Department of Justice</b>				
Law Enforcement Technology (COPS)FY05	16.710	2005ckwx0056	\$ 1,479,965	<u>192,100</u>
<b>Department of Transportation</b>				
Port MacKenzie Intermodal Env't./PE	20.500	AK-03-0037	17,723,231	100,696
FY05/06 Ferry Construction	20.500	AK-04-0007	1,717,249	1,097,868
FY07/08 Ferry Construction	20.500	AK-55-0002	1,845,734	384,961
Hatcher Pass Environmental & PE	20.500	AK-55-0006	2,500,000	<u>543,601</u>
Total CFDA 20.500				<u>2,127,126</u>
Passed through State of Alaska Department of Transportation and Public Facilities:				
Park & Ride, Bus Stops/Shelters, and Share-A-Ride Vans	20.509	AK-86-X001-00	1,661,000	<u>732,147</u>
Knik Arm Crossing Project	20.200	N/A	310,910	<u>125,556</u>
Total Department of Transportation				<u>2,984,829</u>
<b>Environmental Protection Agency</b>				
Water Quality Protection in the Matanuska-Susitna Borough	66.119	WC-00J04901-0	564,041	<u>66,040</u>
Passed through State of Alaska, Department of Environmental Conservation:				
Talkeetna Wastewater Phase II	66.202	XP-96005501-0	475,000	4,795
Talkeetna Wastewater Improvements (75% Federal)	66.202	56105	1,409,700	<u>3,596</u>
Total CFDA 66.202				<u>8,391</u>
Matsu-Borough Wetlands Program	66.461	CD-00J00301-0	117,788	<u>68,066</u>
Talkeetna S&W - ACWF #561211 (83% Federal)	66.458	561021	87,150	74,045
Central Landfill/New Lined Cell III-AK Clean Water Fund DEC Loan (83% Federal)	66.458	561051	2,905,000	83,670
Regional Resource Recovery & Training Facility- AK Drinking Water Fund - DEC Loan (83% federal)	66.458	561061	2,075,000	<u>497,294</u>
Total CFDA 66.458				<u>655,009</u>
ARRA - Talkeetna Public Water Systems Improvements- AK Drinking Water Fund - DEC Loan (90% forgiven)	66.468	561211	1,050,000	802,899
ARRA - Garden Terrace Water Systems Upgrades DEC Loan	66.468	561201	391,630	<u>238,328</u>
Total CFDA 66.468				<u>1,041,227</u>
Total Environmental Protection Agency				<u>1,838,733</u>
<b>Department of Energy</b>				
ARRA - Energy Efficiency & Conservation Block Grant Program	81.128	DE-RW0000088	249,300	<u>107,698</u>
Total Federal Expenditures			\$	<u>16,219,964</u>

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Matanuska-Susitna Borough and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

## MATANUSKA-SUSITNA BOROUGH, ALASKA

## Schedule of State Financial Assistance

Year Ended June 30, 2011

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expend- itures</u>
<b>Department of Commerce, Community and Economic Development</b>			
Major Programs:			
Alaska DCCED-Revenue Sharing		\$ 3,888,243	3,888,243
Southcentral Rail Est-Port MacKenzie to Mainline	08DC-410	10,000,000	2,191,974
Bridge Repair / Replacement	09-DC-490	3,700,000	1,206,417
Parks Highway Connectors	09-DC-498	6,000,000	477,053
Port MacKenzie Rail Extension	09-DC-499	17,500,000	8,617,463
Repair and Paving of Engstrom Road	09-RR-029	1,000,000	487,378
Rail Ext to Port MacKenzie from the AK RR Main Line	11-DC-291	35,000,000	3,535,893
Total Major Programs			<u>20,404,421</u>
Nonmajor Programs:			
Big Lake Community Council	N/A	20,200	20,200
North Lakes Community Council	N/A	20,200	20,200
Talkeetna Community Council	N/A	20,200	20,200
Trapper Creek Community Council	N/A	20,200	20,200
Susitna Community Council	N/A	20,200	20,200
Buffalo/Soapstone Community Council	N/A	20,200	20,200
Chase Community Council	N/A	20,200	20,200
Chickaloon Community Council	N/A	20,200	20,200
Lake Louise Non-Profit Corporation	N/A	20,200	20,200
Sutton Community Council	N/A	20,200	20,200
Willow Area Community Organization	N/A	20,200	20,200
Susitna Community Council	N/A	20,200	20,200
Chase Community Council	N/A	20,200	20,200
Meadow Lakes Community Council	N/A	20,200	20,200
Borough Wide Roads Upgrades	07-DC-512	4,000,000	201,389
Trunk Road Ext/Design/RoW Acquisiton	07-DC-371	750,000	47,242
Agricultural Processing & Product Dev Center	07-DC-336	250,000	239,305
Hatcher Pass Water & Electric Distribution	02-MG-091	175,000	10,378
Port MacKenzie Intermodal Facility	02-MG-092	315,000	9,385
Emergency Access Rds/RSA's 15/17/29	07-DC-345	250,000	8,853
Big Lake RSA 21 Horseshoe Lake Rd	07-DC-339	20,000	8,421
Talkeetna Water and Sewer Utility Improvements	07-DC-368	25,000	1,971
Lucille Street Rehab	07-DC-357	250,000	23,724
Sutton Comm Fac/Library Planning & Site Dev	07-DC-367	50,000	9,103
Central Matsu Fire Training Complex	07-DC-344	43,000	40,079
Trapper Creek Elementary Roof Repairs	07-DC-369	40,000	11,896
School District Colony High/Mid Video Surveillance	07-DC-373	75,000	5,036
School Dist Video Surveillance Eq & Installation	08-DC-466	105,000	8,906
Chickaloon Community Hall (MEAP)		20,000	5,550
Fairview RSA 14 Upgrd Sbstnd Rds	08-DC-331	25,000	21,200
Big Lake Elem Plygrnd Equipment	08-DC-324	7,500	7,125
Pt MacKenzie Port Deve. & Assoc. Rail Line Improve.	01-RR-001	4,500,000	21,771
Horseshoe Lake Roads Upgrade	11-DC-274	700,000	97,315
Knik River Road Reconstruction	11-DC-280	2,100,000	105,000
North Nancy Lake Peninsula Road Rehabilitation Proj	11-DC-288	850,000	158,033
Parks Highway Connector Improvement	11-DC-289	2,000,000	100,000
Port MacKenzie Expansion	11-DC-290	750,000	38,091
School District Road Grader	11-DC-294	290,000	14,500
Sutton Community Library & Resource Center	11-DC-628	1,700,000	85,000
New Fire Engine for the Greater Palmer Service Area	11-RR-017	228,407	228,407
Houston High School Football Field Lights	09-DC-098	100,000	36,097

## MATANUSKA-SUSITNA BOROUGH, ALASKA

## Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expend- itures</u>
<b>Department of Commerce, Community and Economic Development, continued</b>			
Nonmajor Programs, continued:			
Culvert Replacement	09-DC-231	\$ 500,000	30,999
Lazy Mtn RSA 19 Upgrade Roads	09-DC-236	30,000	260
Rescue Equipment	09-DC-240	100,000	4,699
Sutton Volunteer Fire	09-DC-242	225,000	20,370
Trapper Creek RSA 30 Upgrade Roads	09-DC-247	30,000	25,363
Vocational Training Program Supplies	09-DC-248	28,000	9,712
Willow FSA 35 New Equipment & Maintenance	09-DC-252	30,000	20,658
Fairview RSA 14 Upgrade Roads	09-DC-492	30,000	13,443
Meadow Lakes FSA 34 Equip/Bldg Maintenance	09-DC-497	30,000	1,639
Basic Sanitation Facility for Knik River PUA Parking	11-DC-261	50,000	2,500
Big Lake Elem PTA Playground Equipment	11-DC-262	10,000	500
Big Lake Elem Library/Tech Upgrades	11-DC-263	7,500	375
Big Lake Service Area Road Upgrades	11-DC-264	50,000	6,186
Buffalo Mine Road Street Light Installation	11-DC-265	15,000	2,274
Butte Elem Library/Technology Upgrade	11-DC-266	7,500	7,472
Butte Volunteer Fire Dept Equipment	11-DC-267	30,000	19,113
Caswell Lakes Service Area Equipment	11-DC-268	60,000	3,000
Caswell Lakes Service Area Roads Upgrade	11-DC-269	50,000	2,500
Fairview Service Area Roads Upgrade	11-DC-271	30,000	1,500
Goose Bay Elem Library/Technology Upgrade	11-DC-272	7,500	7,452
Greater Butte Service Area Roads Upgrade	11-DC-273	30,000	1,500
Houston High School Football Field Lights	11-DC-275	100,000	59,047
Houston High Library/Technology Upgrade	11-DC-276	7,500	7,023
Houston Middle School Library / Technology Upgrades	11-DC-277	7,500	7,498
Knik Elem Gymnasium Curtain	11-DC-278	17,500	875
Knik Elementary Library/Technology Upgrades	11-DC-279	7,500	7,396
Knik Road Service Area Upgrade	11-DC-281	50,000	4,893
Lazy Mountain Service Area Roads Upgrade	11-DC-282	30,000	1,500
Meadow Lks Elem Lib/Tech Upgrds	11-DC-283	7,500	6,684
Meadow Lakes Service Area Roads Upgrade	11-DC-284	50,000	20,775
Mid-Valley High School Library/Technology Upgrade	11-DC-285	7,500	375
Midnight Sun Learning Center Library/Tech Upgrd	11-DC-286	7,500	7,500
New Generator/Switchgear for Swanson Elem	11-DC-287	50,000	13,100
Road Service Area 31 Maintenance & Upgrades	11-DC-292	100,000	5,000
School District Library / Technology Upgrades	11-DC-293	110,000	105,113
Snowshoe Elem Library / Technology Upgrade	11-DC-295	7,500	6,983
Su Valley School Library / Technology Upgrades	11-DC-296	7,500	375
Talkeetna Service Area Equipment	11-DC-297	50,000	10,931
Talkeetna Service Area Roads Upgrades	11-DC-298	50,000	2,500
Trapper Creek Elem Library / Technology Upgrade	11-DC-299	7,500	6,469
Trapper Creek Elementary Roof Replacement	11-DC-300	100,000	83,885
Trapper Creek Service Area Roads Upgrade	11-DC-301	50,000	20,300
Wasilla-Iditarod Elem Playground & Equipment	11-DC-302	30,000	1,500
Wasilla-Lakes FSA Equipment	11-DC-303	50,000	50,000
West Lakes FSA Equipment	11-DC-304	50,000	50,000
Willow Elem Library / Technology Upgrades	11-DC-305	7,500	1,231
Willow Service Area Equipment	11-DC-306	50,000	50,000
Willow Service Area Roads Upgrade	11-DC-307	50,000	2,550
Wolverine Creek Dry Hydrant Project	11-DC-308	50,000	2,500
Total Nonmajor Programs			2,544,095
Total Department of Commerce, Community and Economic Development			22,948,516



## MATANUSKA-SUSITNA BOROUGH, ALASKA

## Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
<b>Department of Education and Early Development</b>			
Major Programs:			
Susitna Valley High School Replacement	GR-09-001	\$ 4,044,412	3,981,080
FY11 Debt Retirement Program	N/A	12,280,710	12,280,710
Total Major Programs			<u>16,261,790</u>
Nonmajor Programs:			
Continuing Education FY11		4,000	4,000
Big Lake Library	N/A	6,545	6,300
Sutton Library	N/A	6,300	6,300
Talkeetna Library	N/A	6,540	6,300
Trapper Creek Library	N/A	6,300	6,300
Willow Library	N/A	6,300	6,300
Total Nonmajor Programs			<u>35,500</u>
Total Department of Education and Early Development			<u>16,297,290</u>
<b>Department of Environmental Conservation</b>			
Major Programs:			
Garden Terrace Water System Upgrades	56104	835,000	334,982
Central Landfill Expansion, Phase IIIB	56107	1,103,500	386,849
Total Major Programs			<u>721,831</u>
Nonmajor Programs:			
Talkeetna Wastewater Improvements (25% State)	56105	469,900	1,199
Central Landfill Expansion, Cell 2B Construction	56102	1,653,200	100,807
Design of Central Landfill Expansion	56101	100,000	4,433
Total Nonmajor Programs			<u>106,439</u>
Total Department of Environmental Conservation			<u>828,270</u>
<b>Department of Health and Social Services</b>			
Major Program - Human Services Community			
Matching Grant FY11	605-11-013	300,054	300,054
<b>Department of Natural Resources</b>			
Nonmajor Programs:			
MSB Trail Marking and Signing II	10790905	10,557	1,143
Big Lake Trail Survey	10795948	32,477	32,477
Total Department of Natural Resources			<u>33,620</u>
<b>Department of Revenue</b>			
Major Program - FY11 Electric & Telephone			
Shared Revenue	N/A	741,508	741,508
Nonmajor Programs:			
FY11 Fisheries Bus Share Tax	N/A	126	126
FY11 National Forestry Share Tax	N/A	32,219	32,219
Total Nonmajor Programs			<u>32,345</u>
Total Department of Revenue			<u>773,853</u>

## MATANUSKA-SUSITNA BOROUGH, ALASKA

## Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
<b>Department of Military and Veterans Affairs</b>			
Nonmajor Programs:			
FY11 Local Emergency Planning Committee	11LEPC-AR35602	\$ 18,154	18,154
Mat Su Valley Flooding - August 2006 - FEMA (25%)	N/A	400,632	41,966
Total Department of Military and Veterans Affairs			<u>60,120</u>
<b>Department of Transportation and Public Facilities</b>			
Major Programs:			
FY06 Hiway Projects(DOT)Bogard Road Ext	AKSAS59213	12,950,000	2,134,692
2004 Series C Port Bond	N/A	2,259,579	752,450
Total Major Programs			<u>2,887,142</u>
Nonmajor Programs:			
Regional Aviation Systems Plan	59383	17,733	(417)
Shirley Town Drive Improvements	51905	150,000	7,680
State Surplus Property	N/A	22,500	22,500
Total Nonmajor Programs			<u>29,763</u>
Total Department of Transportation and Public Facilities			<u>2,916,905</u>
<b>Department of Administration</b>			
Major Program - PERS Relief	N/A		<u>1,388,210</u>
<b>Alaska Energy Authority</b>			
Nonmajor Program - LIDAR Topo Data & Orthorectified			
Aerial Imagery Acquisition	AEA-11-037	425,000	<u>75,153</u>
Total State Expenditures		\$	<u>45,621,991</u>

Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of Matanuska-Susitna Borough and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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**MATANUSKA-SUSITNA BOROUGH**  
**Statistical Section Contents**

	<u>Schedule(s)</u>	<u>Page(s)</u>
<b><u>Financial Trends</u></b>		
These schedules contain trend information to help the reader understand how the Borough's financial performance and well-being have changed over time.	1-5	152-157
<b><u>Revenue Capacity</u></b>		
These schedules contain information to help the reader assess the factors affecting the Borough's ability to generate it's property taxes.	6-9	158-162
<b><u>Debt Capacity</u></b>		
These schedules present information to help the reader assess the affordability of the Borough's current levels of outstanding debt and the Borough's ability to issue additional debt in the future.	10-13	163-166
<b><u>Demographic and Economic Information</u></b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Borough's financial activities take place and to help make comparison over time and with other governments.	14-15	167-168
<b><u>Operating Information</u></b>		
These schedules contain information about the Borough's operations and resources to help the reader understand how the Borough's financial information related to the services the Borough provides and the activities it performs.	16-18	169-171

**MATANUSKA-SUSITNA BOROUGH**  
**Net Assets by Component**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011*
<b>Governmental activities</b>									
Invested in capital									
assets, net of related	\$ 293,916,744	\$ 299,157,171	\$ 236,091,095	\$ 262,550,711	\$ 269,318,342	\$ 294,404,626	\$ 358,980,408	\$ 389,804,017	\$ 382,358,825
Restricted	39,791,341	28,975,508	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428	76,147,545	1,087,682
Unrestricted (deficit)	23,151,054	30,946,988	29,474,971	34,446,371	44,144,618	55,324,817	51,392,992	55,367,352	189,689,534
<b>Total governmental</b>									
activities net assets	\$ 356,859,139	\$ 359,079,667	\$ 346,644,644	\$ 362,849,671	\$ 394,333,710	\$ 424,957,244	\$ 485,270,828	\$ 521,318,914	\$ 573,136,041
<b>Business-type activities</b>									
Invested in capital									
assets, net of related	\$ -	\$ -	\$ 22,834,410	\$ 27,898,987	\$ 32,107,110	\$ 32,968,152	\$ 32,734,626	\$ 36,507,656	\$ 41,544,009
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	-	-	(437,504)	(609,608)	(2,560,708)	(2,790,599)	(2,043,598)	(4,500,251)	(8,145,505)
<b>Total business-type activities</b>									
net assets	\$ -	\$ -	\$ 22,396,906	\$ 27,289,379	\$ 29,546,402	\$ 30,177,553	\$ 30,691,028	\$ 32,007,405	\$ 33,398,504
<b>Primary government</b>									
Invested in capital									
assets, net of related	\$ 293,916,744	\$ 299,157,171	\$ 258,925,505	\$ 290,449,698	\$ 301,425,452	\$ 327,372,778	\$ 391,715,034	\$ 426,311,673	\$ 423,902,834
Restricted	39,791,341	28,975,508	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428	76,147,545	1,087,682
Unrestricted (deficit)	23,151,054	30,946,988	29,037,467	33,836,763	41,583,910	52,534,218	49,349,394	50,867,101	181,544,029
<b>Total primary government</b>									
net assets	\$ 356,859,139	\$ 359,079,667	\$ 369,041,550	\$ 390,139,050	\$ 423,880,112	\$ 455,134,797	\$ 515,961,856	\$ 553,326,319	\$ 606,534,545

Notes: The Matanuska-Susitna Borough began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. Also, the enterprise funds were not established until fiscal year 2005, therefore, separate data for business-type activities is unavailable for the preceding fiscal years. \*Prior year amounts have not been restated for the implementation of Statement 54.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental activities:</b>									
General government	\$ 9,261,513	10,819,497	11,779,762	13,389,722	15,504,663	17,783,066	18,417,947	21,609,559	18,348,693
Public works	1,778,545	2,009,327	2,316,391	2,760,432	2,917,021	3,250,207	3,971,267	3,888,031	3,600,452
Emergency services	6,683,734	8,695,441	11,262,226	13,113,451	14,834,393	16,595,807	15,760,106	17,038,974	18,214,176
Public services	19,922,995	19,702,728	16,312,233	16,955,767	18,553,900	23,159,984	22,448,088	21,204,922	21,086,908
Education	37,621,944	37,717,398	40,098,352	43,807,106	48,947,042	47,407,612	50,384,218	50,612,473	55,239,633
Interest	5,833,400	5,777,494	6,014,417	7,468,444	7,240,535	7,991,327	7,868,206	8,223,394	8,464,045
<b>Total governmental activities expenses</b>	<b>81,102,131</b>	<b>84,721,885</b>	<b>87,783,381</b>	<b>97,494,922</b>	<b>107,997,554</b>	<b>116,188,003</b>	<b>118,849,832</b>	<b>122,577,353</b>	<b>124,953,907</b>
<b>Business-type activities:</b>									
Solid waste	-	-	2,730,217	3,032,263	3,587,683	4,041,099	4,514,113	4,879,075	4,674,968
Port	-	-	1,553,345	1,887,155	1,822,002	1,619,559	1,605,330	1,854,603	1,698,154
<b>Total business-type activities expenses</b>	<b>-</b>	<b>-</b>	<b>4,283,562</b>	<b>4,919,418</b>	<b>5,409,685</b>	<b>5,660,658</b>	<b>6,119,443</b>	<b>6,733,678</b>	<b>6,373,122</b>
<b>Total primary government expenses</b>	<b>\$ 81,102,131</b>	<b>84,721,885</b>	<b>92,066,943</b>	<b>102,414,340</b>	<b>113,407,239</b>	<b>121,848,661</b>	<b>124,969,275</b>	<b>129,311,031</b>	<b>131,327,029</b>
<b>Program Revenues (see Schedule 3)</b>									
<b>Governmental activities:</b>									
<b>Fees, fines, and charges for services:</b>									
General government	\$ 457,373	525,185	764,841	1,052,274	987,210	412,218	640,864	384,406	602,252
Public works	113,226	109,908	159,313	164,023	130,466	337,856	111,002	69,291	62,032
Emergency services	1,915,689	2,227,098	2,475,061	2,921,942	3,228,619	2,768,108	3,525,227	3,383,052	3,688,584
Education	5,989,989	5,660,104	3,047,460	2,323,962	1,841,137	2,393,456	2,324,651	1,233,744	1,822,252
Interest	-	-	-	-	25,412	-	-	-	-
Operating grants and contributions	496,138	246,631	33,696	148,260	31,685	31,750	32,139	32,044	12,312,812
Capital grants and other contributions	6,282,741	8,169,306	4,347,926	5,186,795	12,980,511	18,175,331	30,456,461	17,717,288	32,873,329
<b>Total governmental activities program revenues</b>	<b>15,255,156</b>	<b>16,938,232</b>	<b>10,828,297</b>	<b>11,797,256</b>	<b>19,225,040</b>	<b>24,118,719</b>	<b>37,090,344</b>	<b>22,819,825</b>	<b>51,361,261</b>
<b>Business-type activities:</b>									
<b>Fees, fines, and charges for services:</b>									
Solid waste	-	-	3,078,940	3,422,346	3,456,467	3,595,172	3,319,903	3,398,656	3,510,305
Port	-	-	106,439	157,141	1,205	51,151	640,144	52,368	51,333
Operating grants and contributions	-	-	-	754,203	753,788	751,588	754,870	755,120	752,450
Capital grants and other contributions	-	-	3,319,456	5,114,836	4,129,148	574,338	979,938	2,910,702	4,797,253
<b>Total business-type activities program revenues</b>	<b>-</b>	<b>-</b>	<b>6,504,835</b>	<b>9,448,526</b>	<b>8,340,608</b>	<b>4,972,249</b>	<b>5,694,855</b>	<b>7,116,846</b>	<b>9,111,341</b>
<b>Total primary government program revenues</b>	<b>\$ 15,255,156</b>	<b>16,938,232</b>	<b>17,333,132</b>	<b>21,245,782</b>	<b>27,565,648</b>	<b>29,090,968</b>	<b>42,785,199</b>	<b>29,936,671</b>	<b>60,472,602</b>
<b>Net (Expenses)/Revenue</b>									
<b>Governmental activities</b>	<b>\$ (65,846,975)</b>	<b>(67,783,653)</b>	<b>(76,955,084)</b>	<b>(85,697,666)</b>	<b>(88,772,514)</b>	<b>(92,069,284)</b>	<b>(81,759,488)</b>	<b>(99,757,528)</b>	<b>(73,592,646)</b>
<b>Business-type activities</b>	<b>-</b>	<b>-</b>	<b>2,221,273</b>	<b>4,529,108</b>	<b>2,930,923</b>	<b>(688,409)</b>	<b>(424,588)</b>	<b>383,168</b>	<b>2,738,219</b>
<b>Total primary government net expense</b>	<b>\$ (65,846,975)</b>	<b>(67,783,653)</b>	<b>(74,733,811)</b>	<b>(81,168,558)</b>	<b>(85,841,591)</b>	<b>(92,757,693)</b>	<b>(82,184,076)</b>	<b>(99,374,360)</b>	<b>(70,854,427)</b>

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
<b>Taxes</b>									
Property taxes	\$ 52,528,048	55,642,843	66,546,736	78,672,925	86,298,274	92,538,831	100,265,473	104,151,614	107,145,689
Excise taxes	-	-	-	4,527,071	4,845,770	4,528,494	4,688,563	4,901,735	4,927,058
Transient accommodation taxes	684,615	767,579	829,545	915,457	994,443	1,038,308	1,037,673	1,285,834	957,362
Grants and entitlements not restricted to a specific purpose	10,433,815	10,018,848	10,532,145	12,129,576	18,165,087	18,018,590	20,979,431	19,974,453	11,269,679
Investment income	2,032,284	937,431	2,636,700	5,465,983	8,812,643	7,323,727	3,269,398	877,430	619,682
Other	133,400	1,119,452	90,478	425,478	277,602	419,868	509,602	504,237	426,584
Extraordinary items	-	-	-	-	-	-	10,000,000	4,979,518	-
Transfers	-	-	(136,203)	(233,797)	259,878	(1,175,000)	(659,930)	(869,207)	63,719
Special items	-	-	-	-	-	-	1,982,862	-	-
<b>Total governmental activities</b>	<b>65,812,162</b>	<b>68,486,153</b>	<b>80,499,401</b>	<b>101,902,693</b>	<b>119,653,697</b>	<b>122,692,818</b>	<b>142,073,072</b>	<b>135,805,614</b>	<b>125,409,773</b>
<b>Business-type activities:</b>									
Grants and entitlements not restricted to a specific purpose	-	-	-	27,350	36,715	54,532	124,116	56,006	84,909
Investment income	-	-	84,403	102,218	126,891	90,018	37,555	7,996	6,018
Other	-	-	2,655	-	219	10	-	-	672
Extraordinary items	-	-	-	-	-	-	-	-	(1,375,000)
Transfers	-	-	136,203	233,797	(259,878)	1,175,000	659,930	869,207	(63,719)
Special items	-	-	-	-	-	-	116,462	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>223,261</b>	<b>363,365</b>	<b>(96,053)</b>	<b>1,319,560</b>	<b>938,063</b>	<b>933,209</b>	<b>(1,347,120)</b>
<b>Total primary government</b>	<b>\$ 65,812,162</b>	<b>68,486,153</b>	<b>80,722,662</b>	<b>102,266,058</b>	<b>119,557,644</b>	<b>124,012,378</b>	<b>143,011,135</b>	<b>136,738,823</b>	<b>124,062,653</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ (34,813)	702,500	3,544,317	16,205,027	30,881,183	30,623,534	60,313,584	36,048,086	51,817,127
Business-type activities	-	-	2,444,534	4,892,473	2,834,870	631,151	513,475	1,316,377	1,391,099
<b>Total primary government</b>	<b>\$ (34,813)</b>	<b>702,500</b>	<b>5,988,851</b>	<b>21,097,500</b>	<b>33,716,053</b>	<b>31,254,685</b>	<b>60,827,059</b>	<b>37,364,463</b>	<b>53,208,226</b>

Notes: The Matanuska-Susitna Borough began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. Also, the enterprise funds were not established until fiscal year 2005, therefore, separate data for business-type activities is unavailable for the preceding fiscal years.

**MATANUSKA-SUSITNA BOROUGH**  
**Program Revenues by Function/Program**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

	Program Revenues								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Function/Program</b>									
<b>Governmental activities:</b>									
General government	\$ 467,981	567,703	790,160	1,169,534	2,043,471	793,235	1,795,781	459,992	989,981
Public works	113,226	109,908	159,313	164,023	261,264	671,629	1,597,735	1,207,832	1,672,553
Emergency services	2,181,457	3,730,798	3,828,311	3,936,565	6,590,556	7,701,696	5,279,540	4,984,630	6,367,187
Public services	12,474,823	12,527,930	6,043,568	4,858,220	7,420,764	12,268,078	27,833,504	15,758,097	25,187,846
Education	17,669	1,893	6,945	1,668,914	2,883,573	2,684,081	583,784	409,274	17,143,694
Interest	-	-	-	-	25,412	-	-	-	-
<b>Subtotal governmental activities</b>	<u>15,255,156</u>	<u>16,938,232</u>	<u>10,828,297</u>	<u>11,797,256</u>	<u>19,225,040</u>	<u>24,118,719</u>	<u>37,090,344</u>	<u>22,819,825</u>	<u>51,361,261</u>
<b>Business-type activities:</b>									
Solid waste	-	-	3,236,939	3,553,257	4,225,749	3,602,790	3,319,903	4,925,464	4,721,503
Port	-	-	3,267,896	5,895,269	4,114,859	1,369,459	2,374,952	2,191,382	4,389,838
<b>Subtotal business-type activities</b>	<u>-</u>	<u>-</u>	<u>6,504,835</u>	<u>9,448,526</u>	<u>8,340,608</u>	<u>4,972,249</u>	<u>5,694,855</u>	<u>7,116,846</u>	<u>9,111,341</u>
<b>Total primary government</b>	<u>\$ 15,255,156</u>	<u>16,938,232</u>	<u>17,333,132</u>	<u>21,245,782</u>	<u>27,565,648</u>	<u>29,090,968</u>	<u>42,785,199</u>	<u>29,936,671</u>	<u>60,472,602</u>

**Notes:** The Matanuska-Susitna Borough began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. Also, the enterprise funds were not established until fiscal year 2005, therefore, separate data for business-type activities is unavailable for the preceding fiscal years.



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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
<b>General Fund</b>										
Reserved	\$ 45,383	\$ 84,323	\$ 92,455	\$ 179,377	\$ 235,766	\$ 162,825	\$ 214,933	\$ 334,433	\$ 370,359	
Unreserved	22,256,956	19,527,521	16,064,478	15,904,590	21,748,415	33,471,213	40,458,320	50,404,066	56,569,091	
Nonspendable										\$ 609,888
Restricted										35,963,397
Committed										13,255,252
Assigned										15,135,905
Unassigned										
<b>Total general fund</b>	<u>\$ 22,302,339</u>	<u>\$ 19,611,844</u>	<u>\$ 16,156,933</u>	<u>\$ 16,083,967</u>	<u>\$ 21,984,181</u>	<u>\$ 33,634,038</u>	<u>\$ 40,673,253</u>	<u>\$ 50,738,499</u>	<u>\$ 56,939,450</u>	<u>\$ 64,964,442</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 24,560,012	\$ 12,419,634	\$ 18,588,254	\$ 19,726,398	\$ 32,488,785	\$ 24,623,604	\$ 41,031,714	\$ 22,074,484	\$ 15,664,470	
Unreserved, reported in:										
Special revenue funds	8,491,816	9,460,302	9,580,678	9,435,015	10,978,373	12,138,347	12,339,189	16,283,563	19,986,155	
Debt service funds	2,004,517	2,246,343	1,976,576	426,127	290,710	322,351	373,413	881,904	340,155	
Capital projects funds	28,883,968	19,655,582	42,239,722	54,882,917	26,546,047	44,522,895	24,141,484	38,267,452	40,156,765	
Nonspendable										\$ 417,866
Restricted										1,087,550
Committed										6,881,400
Assigned										100,523,387
Unassigned (deficit)										(182,245)
<b>Total all other governmental funds</b>	<u>\$ 63,940,313</u>	<u>\$ 43,781,861</u>	<u>\$ 72,385,230</u>	<u>\$ 84,470,457</u>	<u>\$ 70,303,915</u>	<u>\$ 81,607,197</u>	<u>\$ 77,885,800</u>	<u>\$ 77,507,403</u>	<u>\$ 76,147,545</u>	<u>\$ 108,727,958</u>

Note: \*Prior year amounts have not been restated for the implementation of Statement 54.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes										
Property	\$ 52,593,898	51,997,129	56,129,509	66,197,370	79,534,151	83,932,620	91,308,732	99,905,339	105,234,713	107,616,264
Transient accommodations	645,423	684,615	767,579	829,545	915,457	994,443	1,038,308	1,037,673	1,285,834	957,362
Excise	-	-	-	-	4,527,071	4,845,770	4,528,494	4,688,563	4,901,735	4,723,063
Intergovernmental	17,273,517	17,212,694	18,434,785	14,890,894	17,464,631	31,062,486	34,195,182	50,554,373	37,670,530	56,442,470
Charges for services	7,768,793	5,810,563	8,592,013	6,386,902	6,614,210	6,367,223	5,926,147	6,270,066	5,660,812	5,898,919
Investment income	3,685,421	1,776,393	746,593	2,420,819	5,174,554	8,429,002	6,953,114	3,086,763	773,087	542,742
Interest on land sales	207,869	190,329	148,139	142,753	132,349	117,029	96,192	81,397	79,502	59,575
Other revenues	383,599	2,661,110	1,189,809	365,075	425,478	421,751	2,458,760	1,660,498	562,521	457,206
<b>Total revenues</b>	<b>82,558,520</b>	<b>80,332,833</b>	<b>86,008,427</b>	<b>91,233,358</b>	<b>114,787,901</b>	<b>136,170,324</b>	<b>146,504,929</b>	<b>167,284,672</b>	<b>156,168,734</b>	<b>176,697,601</b>
<b>Expenses</b>										
General government	9,378,528	8,732,610	10,926,703	11,666,781	12,930,989	15,268,807	17,496,266	18,885,357	21,300,784	19,646,372
Public works*	-	1,916,150	2,018,205	2,245,812	2,567,832	2,799,373	3,193,543	3,856,964	3,891,504	3,626,363
Emergency services	4,152,888	5,563,132	7,862,746	10,323,145	11,912,887	13,535,264	15,164,406	14,223,772	15,474,541	16,533,229
Public services	9,678,780	9,640,320	15,530,080	12,857,123	13,307,713	15,390,465	20,360,389	19,914,633	18,332,933	18,551,909
Education	30,018,493	30,412,815	33,036,064	34,754,381	38,366,900	40,580,815	42,150,523	44,918,971	44,451,135	48,601,849
Debt service										
Interest	7,141,019	6,068,058	6,071,791	7,159,662	7,117,600	7,253,073	8,733,002	8,283,862	8,043,372	8,261,914
Principal	5,759,199	5,075,113	5,205,000	6,390,000	7,500,000	7,890,000	9,015,000	10,325,000	10,800,000	11,915,000
Capital outlay	36,832,996	36,078,395	12,438,341	11,844,890	29,132,405	52,160,157	31,737,382	66,452,509	33,947,380	43,987,644
<b>Total expenditures</b>	<b>102,961,903</b>	<b>103,486,593</b>	<b>93,088,930</b>	<b>97,241,794</b>	<b>122,836,326</b>	<b>154,877,954</b>	<b>147,850,511</b>	<b>186,861,068</b>	<b>156,241,649</b>	<b>171,124,280</b>
Excess of revenues over (under) expenditures	(20,403,383)	(23,153,760)	(7,080,503)	(6,008,436)	(8,048,425)	(18,707,630)	(1,345,582)	(19,576,396)	(72,915)	5,573,321
<b>Other Financing Sources (Uses)</b>										
Proceeds from disposal of capital assets	-	9,086	-	10,039	5,374	5,558	6,061	13,944	-	12,921
Transfers in	19,751,090	18,822,550	19,602,662	22,651,335	28,955,746	34,766,734	35,915,180	34,455,025	35,943,357	40,209,920
Transfers out	(19,718,406)	(18,800,415)	(19,590,842)	(22,776,949)	(29,179,023)	(34,475,707)	(37,058,626)	(35,095,150)	(36,008,867)	(40,045,435)
Bond issuance	754,121	-	32,010,000	71,670,000	-	75,415,000	5,750,000	19,030,000	-	33,785,000
Premium on bond issuance	-	-	710,274	4,248,846	-	3,893,629	50,785	859,426	-	1,069,678
Payment to refunded debt escrow agent	-	-	-	(47,185,353)	-	(38,547,301)	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>786,805</b>	<b>31,221</b>	<b>32,732,094</b>	<b>28,617,918</b>	<b>(217,903)</b>	<b>41,057,913</b>	<b>4,663,400</b>	<b>19,263,245</b>	<b>(65,510)</b>	<b>35,032,084</b>
Extraordinary items	-	-	-	-	-	-	-	10,000,000	4,979,518	-
<b>Net change in fund balances</b>	<b>\$ (19,616,578)</b>	<b>(23,122,539)</b>	<b>25,651,591</b>	<b>22,609,482</b>	<b>(8,266,328)</b>	<b>22,350,283</b>	<b>3,317,818</b>	<b>9,686,849</b>	<b>4,841,093</b>	<b>40,605,405</b>
Debt service as a percentage of noncapital expenditures	19.5%	16.5%	14.0%	15.9%	15.6%	14.7%	15.3%	15.5%	15.4%	15.9%

Note: \*Prior to the implementation of GASB Statement 34 in fiscal year 2003, public works expenditures were combined with public services expenditures for reporting purposes.

**MATANUSKA-SUSITNA BOROUGH**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	(1) Real Property	(1) Personal Property	(1) Less: Tax-Exempt Property	(1) Total Taxable Assessed Value	(1) Total Direct Tax Rate	(2) Estimated Actual Value	Total Taxable Assessed Value as a Percentage of Total Estimated Actual Value
2002	\$ 3,599,400,900	\$ 29,854,617	\$ 309,630,900	\$ 3,319,624,617	13.133	\$ 3,468,918,730	95.70 %
2003	3,874,888,900	33,573,764	325,814,900	3,582,647,764	11.702	3,722,613,180	96.24
2004	4,251,962,200	35,217,516	336,780,900	3,950,398,816	11.483	4,115,271,770	95.99
2005	4,868,060,700	36,492,524	345,987,800	4,558,565,424	11.80	4,842,404,800	94.14
2006	6,736,865,300	53,688,025	1,115,573,100	5,674,980,225	10.88	6,049,408,756	93.81
2007	8,046,203,700	59,026,332	1,176,565,700	6,928,664,332	9.644	7,507,998,500	92.28
2008	8,827,752,800	61,494,174	1,231,388,492	7,657,858,482	9.644	8,580,916,190	89.24
2009	9,160,682,041	66,413,079	1,269,573,453	7,957,521,667	10.326	8,697,868,950	91.49
2010	9,289,426,297	70,605,851	1,288,187,547	8,071,844,601	9.980	8,929,096,710	90.40
2011	9,538,236,712	70,594,984	1,399,139,093	8,209,692,603	9.956	9,103,817,690	90.18

**Sources:**

(1) Matanuska-Susitna Borough Finance Department, Division of Assessments.

(2) 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.

**MATANUSKA-SUSITNA BOROUGH**  
**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 Wasilla	City of Houston	2	4	7	8
2002	13.133	0.35	3.00	0.90	3.00	2.40	3.00	1.00	5.00
2003	11.702	0.443	3.00	0.50	3.00	2.40	3.00	1.00	6.60
2004	11.483	0.428	3.00	0.50	3.00	2.40	3.00	1.00	7.80
2005	11.800	0.380	3.00	0.40	3.00	2.40	3.00	1.00	8.50
2006	10.880	0.380	3.00	0.30	3.00	2.40	3.00	1.00	8.50
2007	9.644	0.351	3.00	-	3.00	2.18	2.98	0.96	8.34
2008	9.644	0.370	3.00	-	3.00	2.35	3.05	1.02	8.48
2009	10.326	0.383	3.00	-	3.00	2.51	3.18	1.08	8.51
2010	9.980	0.429	3.00	-	3.00	2.77	3.55	1.21	8.51
2011	9.956	0.394	3.00	-	3.00	2.94	3.71	1.32	8.51

Fiscal Year	Overlapping Rates									
	9	14	15	16	17	19	20	21	23	
2002	1.75	1.50	3.74	2.50	1.80	1.53	2.72	2.65	5.19	
2003	1.75	1.50	3.74	2.00	2.00	1.53	2.72	2.65	5.19	
2004	1.75	1.50	3.80	1.50	2.00	1.53	2.72	2.65	3.50	
2005	1.75	1.50	3.80	1.50	2.75	2.00	2.72	2.65	3.50	
2006	1.75	1.50	3.80	1.50	2.75	2.00	2.72	2.65	3.50	
2007	1.76	1.39	3.49	1.40	2.48	1.89	2.53	2.32	3.18	
2008	1.82	1.44	3.83	1.47	2.54	2.08	2.66	2.41	3.36	
2009	1.97	1.51	4.13	1.60	2.75	2.23	2.83	2.57	3.48	
2010	2.18	1.51	4.11	1.78	2.75	2.46	3.17	2.57	3.82	
2011	2.41	1.66	4.11	1.50	2.75	2.62	3.39	2.57	4.01	

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.

\*In Fiscal Year 2010, FSA #33 and FSA #34 were combined to create FSA # 136.

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

**Overlapping Rates**

<b>Fiscal Year</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>
2002	1.70	1.50	1.75	3.00	2.00	2.67	3.00	1.95
2003	1.70	1.50	1.75	3.00	2.00	2.67	3.40	2.25
2004	1.70	1.25	1.75	3.00	2.00	2.67	3.40	2.25
2005	1.70	1.25	2.25	3.00	2.00	2.67	3.40	2.75
2006	1.70	1.25	2.50	3.00	2.00	2.67	3.40	2.75
2007	1.41	1.20	2.27	2.70	1.85	2.22	3.17	2.74
2008	1.51	1.25	2.43	2.76	1.89	2.38	3.28	2.86
2009	1.60	1.33	2.59	2.93	2.01	2.53	3.53	3.12
2010	1.73	1.46	2.86	3.24	2.25	2.73	3.74	3.35
2011	1.84	1.53	3.04	3.24	2.00	2.73	3.74	3.35

**Overlapping Rates**

<b>Fiscal Year</b>	<b>33*</b>	<b>34*</b>	<b>35</b>	<b>69</b>	<b>130</b>	<b>131</b>	<b>132</b>	<b>135</b>	<b>136*</b>
2002	1.50	0.90	0.84	5.00	1.00	-	0.70	-	2.40
2003	1.50	1.50	0.84	5.00	1.00	-	0.70	-	3.00
2004	1.50	1.50	1.00	5.00	1.00	-	0.70	-	3.00
2005	2.00	1.50	1.00	5.00	1.50	-	0.70	-	3.50
2006	2.00	1.50	1.00	5.00	1.50	3.00	0.70	-	3.50
2007	1.76	1.37	0.93	4.57	1.42	2.89	0.65	-	3.13
2008	1.82	1.40	0.96	5.26	1.46	3.06	0.68	-	3.22
2009	1.94	1.49	1.02	5.79	1.56	3.07	0.73	-	3.43
2010	-	-	1.14	6.61	1.72	3.51	0.80	3.00	1.49
2011	-	-	1.21	7.33	1.83	3.47	0.84	3.00	1.56

**MATANUSKA-SUSITNA BOROUGH**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**

Taxpayer	2011			2002		
	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	\$ 101,466,020	1	1.21 %	\$ -	-	- %
Enstar Natural Gas	42,403,100	2	0.51	-	-	-
Alaska Hotel Properties, Inc.	40,975,800	3	0.49	15,997,400	4	0.48
Fred Meyer Stores, Inc.	40,275,375	4	0.48	-	-	-
Wal-Mart Stores, Inc.	28,832,333	5	0.34	15,197,610	5	0.46
DBC, LLC/BDC, LLC/Target	23,761,415	6	0.28	-	-	-
Alaska Pipeline Co.	21,338,100	7	0.25	-	-	-
GCI/GCI Cable/Alaska Digital	20,569,437	8	0.25	-	-	-
Lowe's HIW, Inc.	20,512,014	9	0.24	-	-	-
Cook Inlet Region, Inc./ CIRI Land Development Co.	17,580,800	10	0.21	-	-	-
Seagull Energy Corporation	-	-	-	63,358,700	1	1.91
Wilmington Trust Co. - Fred Meyer, Inc.	-	-	-	22,691,054	2	0.68
Wasilla LLC	-	-	-	17,183,000	3	0.52
Alaska Fiber Star LLC	-	-	-	13,135,600	6	0.40
Cottonwood Creek Mall LLC	-	-	-	11,521,500	7	0.35
Newcomb Family Trust	-	-	-	6,765,600	8	0.20
Floyd and Jean Pedersen Trust	-	-	-	5,550,100	9	0.17
AT&T Alascom/Wireless	-	-	-	4,664,700	10	0.14
<b>Total</b>	<b>\$ 357,714,394</b>		<b>4.27 %</b>	<b>\$ 176,065,264</b>		<b>5.31 %</b>

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

Note: Includes real and personal property.

**MATANUSKA-SUSITNA BOROUGH**  
**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		Total Collections to Date		
				Amount	Percentage of Net Levy	Amount	Percentage of Net Levy	
2002	\$ 52,875,949	\$ 3,953,729	\$ 48,922,220	\$ 46,336,010	94.71 %	\$ 2,497,376	\$ 48,833,386	99.82 %
2003	52,305,229	3,933,494	48,371,735	46,097,985	95.30	2,153,264	48,251,249	99.75
2004	56,488,089	4,414,910	52,073,179	51,345,575	98.60	685,383	52,030,958	99.92
2005	67,902,130	5,084,978	62,817,152	60,369,329	96.10	2,266,428	62,635,757	99.71
2006	79,509,819	5,354,913	74,154,906	71,450,048	96.35	2,394,351	73,844,399	99.58
2007	87,063,129	5,264,801	81,798,328	77,652,943	94.93	3,395,057	81,048,000	99.08
2008	97,208,979	5,841,939	91,367,040	87,627,539	95.91	2,784,213	90,411,752	98.95
2009	107,223,469	6,790,265	100,433,204	96,318,045	95.90	2,663,228	98,981,273	98.55
2010	108,123,032	7,386,682	100,736,350	97,109,667	96.40	1,459,525	98,569,192	97.85
2011	110,203,515	7,743,976	102,459,539	98,954,998	96.58	-	98,954,998	96.58

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

**MATANUSKA-SUSITNA BOROUGH**  
**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	Capital Leases	General Obligation Bonds	Notes Payable			
2002	\$ 112,530,000	\$ 4,990,000	\$ -	\$ -	\$ -	\$ -	\$ 117,520,000	6.58 %	\$ 1,981
2003	107,805,000	4,735,000	-	-	-	-	112,540,000	5.95	1,725
2004	134,875,000	4,470,000	-	192,000	-	-	139,537,000	7.05	2,068
2005	147,555,000	4,190,000	-	90,164	9,510,000	-	161,345,164	7.61	2,300
2006	140,350,000	3,895,000	-	68,748	9,150,000	-	153,463,748	6.66	2,073
2007	171,240,000	3,590,000	-	45,085	8,785,000	-	183,660,085	7.05	2,380
2008	162,545,000	9,020,000	294,958	18,938	8,410,000	995,155	181,284,051	6.40	2,264
2009	171,850,000	8,420,000	282,203	-	8,025,000	3,984,802	192,562,005	5.84	2,334
2010	161,695,000	7,775,000	282,993	-	7,630,000	3,951,150	181,334,143	5.33	2,151
2011	184,240,000	7,100,000	359,063	-	7,220,000	4,606,769	203,525,832	N/A	2,287

N/A - Not available

**Notes:** Details regarding the Borough's outstanding debt can be found in the notes to the financial statements. \*See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Also, the enterprise funds were not established until fiscal year 2005, therefore, separate data for business-type activities is unavailable for preceding fiscal years.



**MATANUSKA-SUSITNA BOROUGH**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

<u>Net General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Debt Service Monies Available</u>	<u>Total</u>	<u>Percentage of Total Taxable Assessed Value of Property*</u>	<u>Per Capita**</u>
2002	\$ 112,530,000	\$ 386,045	\$ 112,143,955	3.38 %	\$ 1,890
2003	107,805,000	386,045	107,418,955	3.00	1,646
2004	134,875,000	211,359	134,663,641	3.41	1,996
2005	157,065,000	373,851	156,691,149	3.44	2,234
2006	149,500,000	244,398	149,255,602	2.63	2,016
2007	180,025,000	258,294	179,766,706	2.59	2,329
2008	170,955,000	291,064	170,663,936	2.23	2,131
2009	179,875,000	791,345	179,083,655	2.25	2,170
2010	169,325,000	291,195	169,033,805	2.09	2,005
2011	191,460,000	1,016,788	190,443,212	2.32	2,140

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 14 for personal income and population data.

**MATANUSKA-SUSITNA BOROUGH**  
**Direct and Overlapping Debt**  
**As of June 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to the Governmental Unit</u>	<u>Share of Direct and Overlapping Debt</u>
Education Debt	\$ 181,590,000	100%	\$ 181,590,000
Parks and Recreation	<u>2,650,000</u>	100%	<u>2,650,000</u>
Total \$	<u>184,240,000</u>		<u>\$ 184,240,000</u>
 Cities Within the Borough, (Palmer and Wasilla)			
General Obligation Bonds as of June 30, 2009			
Palmer Golf Course	\$ 560,000	100%	\$ 560,000
Palmer Ice Rink	1,105,000	100%	1,105,000
Wasilla Road Improvements	<u>2,805,000</u>	100%	<u>2,805,000</u>
Total \$	<u>4,470,000</u>		<u>\$ 4,470,000</u>
Net Direct and Overlapping Debt			<u>\$ 188,710,000</u>

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

**MATANUSKA-SUSITNA BOROUGH**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2011**

Total taxable assessed value	\$	8,209,692,603
Debt Limit (7% of total taxable assessed value)		574,678,482
Total debt applicable to limit		191,460,000
Legal debt margin	\$	383,218,482

	2002	2003	2004	2005	2006
Debt Limit	\$ 232,373,723	\$ 250,785,343	\$ 276,527,917	\$ 319,099,580	\$ 397,248,616
Total debt applicable to limit	112,530,000	107,805,000	134,875,000	157,065,000	149,500,000
Legal debt margin	\$ 119,843,723	\$ 142,980,343	\$ 141,652,917	\$ 162,034,580	\$ 247,748,616
Total debt applicable to the limit as a percentage of debt limit	48%	43%	49%	49%	38%

	2007	2008	2009	2010	2011
Debt Limit	\$ 485,006,503	\$ 536,050,094	\$ 557,026,517	\$ 565,029,122	\$ 574,678,482
Total debt applicable to limit	180,025,000	170,955,000	179,875,000	169,325,000	191,460,000
Legal debt margin	\$ 304,981,503	\$ 365,095,094	\$ 377,151,517	\$ 395,704,122	\$ 383,218,482
Total debt applicable to the limit as a percentage of debt limit	37%	32%	32%	30%	33%

**Notes:** There is no legal debt margin for municipalities in the State of Alaska. In 1983, the Matanuska-Susitna Borough Assembly adopted an ordinance limiting outstanding general obligation debt to 7% of the borough's total taxable assessed value.

**MATANUSKA-SUSITNA BOROUGH**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	(1) Population	(2) Personal Income <i>(thousands of dollars)</i>	Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
2002	59,322	\$ 1,784,703	\$ 30,085	13,006	7.3 %
2003	65,241	1,890,572	28,978	13,555	8.5
2004	67,473	1,979,698	29,341	14,315	7.8
2005	70,148	2,119,931	30,221	14,662	7.7
2006	74,041	2,304,566	31,126	15,440	7.5
2007	77,174	2,603,465	33,735	15,847	7.4
2008	80,088	2,834,775	35,396	16,115	7.4
2009	82,515	3,298,218	39,971	16,464	8.8
2010	84,314	3,403,299	40,365	16,653	9.6
2011	88,995	N/A	N/A	16,962	8.9

N/A - Not available

**Sources:**

- (1) Alaska Department of Commerce, Community, and Economic Development
- (2) United States Department of Commerce, Bureau of Economic Analysis
- (3) Matanuska-Susitna Borough School District
- (4) Alaska Department of Labor, Research and Analysis Division

**MATANUSKA-SUSITNA BOROUGH**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2011 Rank</u>	<u>2002 Rank</u>
Matanuska-Susitna Borough School District	1	1
State of Alaska	2	2
Palmer-Wasilla Health System LLC	3	
Wal-Mart Stores, Inc.	4	4
Fred Meyer Stores	5	8
Matanuska-Susitna Borough	6	7
Matanuska Telephone Association	7	6
Forsythe Transportation Inc.	8	
Federal Government	9	9
Safeway, Inc.	10	5
Valley Hospital Association		3
Mat-Su Services for Children and Adults, Inc.		10

**Source:** Alaska Department of Labor, Research and Analysis Division.

**Note:** According to the Alaska Department of Labor, with the adoption of Senate Bill 120 by the Legislature of the State of Alaska on May 30, 2008, they are no longer able to provide employment information (including the number of employees employed by a specific employer). Therefore, we are only able to provide the top ten employer information with their associated rankings for 2011 and 2002.

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government	\$ 88.000	96.730	99.650	104.150	112.480	114.020	123.520	131.520	132.500	136.280
Public works	42.000	42.000	44.000	46.000	47.000	48.000	50.000	51.000	52.000	51.000
Emergency services	24.500	28.770	33.020	38.520	38.520	41.980	46.980	50.730	49.750	50.550
Public services	29.780	33.030	36.170	40.120	40.740	41.530	41.530	41.690	41.690	36.590
<b>Total</b>	<b>\$ 184.280</b>	<b>200.530</b>	<b>212.840</b>	<b>228.790</b>	<b>238.740</b>	<b>245.530</b>	<b>262.030</b>	<b>274.940</b>	<b>275.940</b>	<b>274.520</b>

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

**MATANUSKA-SUSITNA BOROUGH**  
**Operating Indicators by Function/Program**  
**Last Six Fiscal Years**

Function/Program	Fiscal Year					
	2006	2007	2008	2009	2010	2011
<b>General government</b>						
<b>Planning</b>						
Comprehensive and special land use district plans in process	10	11	13	11	11	4
Coastal management requests for review	300	305	252	229	227	201
<b>Finance</b>						
Number of purchasing solicitations processed	172	203	166	170	150	158
Number of vendor/employee payments processed	24,220	24,903	28,580	26,057	26,493	27,387
Collections of delinquent land lease accounts (in dollars)	\$ 280,840	\$ 194,033	\$ 58,552	\$ 64,578	\$ 87,263	\$ 156,842
Real property assessments	69,732	72,841	73,947	74,588	74,990	75,321
Property sales analyzed for assessment purposes	2,883	2,409	2,762	2,911	2,453	1,503
<b>Code Compliance</b>						
Code violation complaints received	443	386	428	230	265	578
Average number of days to complete response to complaint	49	56	145	254	49	N/A
<b>Public works</b>						
<b>Road maintenance (monthly average)</b>						
Citizen requests for repairs requiring action	157	234	164	165	141	158
<b>Surveying and right-of-way</b>						
Platting actions	180	202	164	99	88	65
Utility permits issued	448	478	441	378	275	323
Driveway permits issued	396	450	538	371	291	483
Construction permits issued	36	29	46	24	33	23
Encroachment permits issued	12	9	15	32	36	11
<b>Solid waste disposal</b>						
Loads hauled from transfer sites to Central Landfill	1,744	1,563	1,501	1,368	1,490	1,415
Refuse collected through community clean-up efforts (in tons)	207	292	198	158	192	205
Abandoned vehicles removed	266	273	334	381	366	529
Hazardous waste processed (in pounds)	20,050	114,590	618,180	589,078	625,000	102,672
<b>Emergency services</b>						
Ambulance Runs	5,645	5,349	5,558	4,890	4,894	5,380
<b>Animal Shelter</b>						
Animals lodged at shelter	3,629	3,672	3,502	3,377	3,494	3,994
Animals adopted to new homes	1,054	1,029	1,273	1,405	1,534	1,645
Animals adopted by local rescue groups	374	301	231	134	216	402
Animals euthanized at shelter	1,408	1,519	1,336	1,123	832	1,000
<b>Public services</b>						
<b>Land and resource management (cumulative unless otherwise noted)</b>						
Trails dedicated (in miles)	2,018	2,061	2,092	2,092	2,098	2,140
Asset management plans completed for Borough owned land (in acres)	17,080	20,332	20,332	20,332	20,332	164,018
Land classifications (in acres)	188,990	190,230	190,691	190,691	208,465	352,165
Parcels sold (annually)	26	114	29	36	43	17
Wildfire mitigation projects completed (annually)	4	11	17	4	1	4
<b>Community enrichment and development</b>						
Community enrichment class varieties offered	93	83	47	68	69	79
Total contact hours with public	1,252	1,179	1,035	830	1,302	1,464
<b>Libraries</b>						
Participants in summer reading program	2,326	2,713	2,848	2,446	3,820	2,865
Participants in pre-school story time	2,230	1,857	3,345	2,672	3,382	3,683
Volunteer hours utilized	2,148	2,218	1,866	1,839	2,311	3,193
<b>Pools</b>						
Participants in swim lesson programs (quarterly average)	499	673	538	747	696	708

N/A - Not available

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

Notes: There are no operating indicators available for fiscal years prior to 2006. Also, 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.

**MATANUSKA-SUSITNA BOROUGH**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General government</b>										
Administration and related buildings	2	3	3	3	3	3	3	3	3	3
<b>Public works</b>										
Utility trailers	5	5	5	5	6	6	6	6	6	6
Paved roads (miles)	191	217	217	230	244	254	261	270	279	287
Bridges	23	23	23	23	23	23	23	23	23	23
Public works and related buildings	-	-	-	-	-	-	1	1	1	1
<b>Emergency services</b>										
Ambulances	15	19	22	23	23	22	22	27	28	27
Fire pumper/tankers	41	41	41	43	43	47	54	57	57	61
Tractors, forklifts, and related equipment	2	2	2	2	2	2	2	3	6	8
Utility/Rescue trailers	2	2	3	3	4	5	5	10	12	14
Rescue vehicles	15	15	15	15	16	20	24	25	26	29
Trucks and utility vehicles	34	46	52	58	59	59	61	64	74	75
Rescue boats	-	-	-	-	-	1	1	1	2	2
ATVs and snowmobiles	2	3	6	7	8	8	8	20	23	26
Public safety and related buildings	23	26	26	27	27	27	27	27	27	29
<b>Public services</b>										
Tractors, forklifts, and related equipment	2	2	3	3	3	9	17	17	17	17
Utility trailers	-	2	3	4	4	5	5	5	5	5
Trucks and utility vehicles	6	6	8	8	8	7	16	23	25	26
ATVs and snowmobiles	3	3	4	6	6	7	7	7	7	8
Riverboats	-	-	1	1	1	1	1	1	1	1
Community buildings (libraries, ice arenas, etc.)	11	11	11	11	12	12	12	12	13	13
<b>Education</b>										
Schools and related buildings	46	46	46	47	47	47	47	47	48	51

Source: Matanuska-Susitna Borough capital asset records.



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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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough as of and for the year ended June 30, 2011, which collectively comprise Matanuska-Susitna Borough's basic financial statements and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered Matanuska-Susitna Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

Compliance and Other Matters

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

This report is intended solely for the information and use of Matanuska-Susitna Borough's management, Honorable Mayor and Assembly, others within the entity, federal and state awarding agencies and, if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
December 22, 2011

**Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

**Compliance**

We have audited the compliance of Matanuska-Susitna Borough with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Matanuska-Susitna Borough's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Matanuska-Susitna Borough's management. Our responsibility is to express an opinion on Matanuska-Susitna Borough's compliance based on our audit.

Matanuska-Susitna Borough's basic financial statements include the operations of its component unit, Matanuska-Susitna Borough School District, which received federal awards that are not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2011. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Matanuska-Susitna Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Matanuska-Susitna Borough's compliance with those requirements.

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

In our opinion, Matanuska-Susitna 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, 2011.

#### Internal Control Over Compliance

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Matanuska-Susitna Borough's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over compliance.

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

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

This report is intended solely for the information and use of Matanuska-Susitna Borough's management, Honorable Mayor and Assembly, others within the entity, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
December 22, 2011

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

Compliance

We have audited the compliance of Matanuska-Susitna Borough with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of its major state programs for the year ended June 30, 2011. Matanuska-Susitna Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of Matanuska-Susitna Borough's management. Our responsibility is to express an opinion on Matanuska-Susitna Borough's compliance based on our audit.

Matanuska-Susitna Borough's basic financial statements include the operations of its component unit, Matanuska-Susitna Borough School District, which received State awards that are not included in the Schedule of State Financial Assistance for the year ended June 30, 2011. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

In our opinion, Matanuska-Susitna 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, 2011.

#### Internal Control Over Compliance

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered Matanuska-Susitna Borough's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Matanuska-Susitna Borough's management, Honorable Mayor and Assembly, others within the entity, and the State of Alaska, and is not intended to be and should not be used by anyone other than these specified parties.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
December 22, 2011

**MATANUSKA-SUSITNA BOROUGH**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2011

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                     yes     no
- Significant deficiency(ies) identified?             yes     none reported
- Noncompliance material to financial statements noted?                     yes     no

**Federal Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified?                     yes     no
- Significant deficiency(ies) identified?             yes     none reported

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

Unqualified

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

yes     no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	ARRA – Economic Stimulus Capital (Non-Urban Public Transit)
84.397	ARRA – Community Economic Stimulus Grant
11.300	Solid Waste and Training Park
11.307	ARRA – Port MacKenzie Barge Dock Expansion
10.781	ARRA - Talkeetna Public Water System
66.458	Clean Water Revolving Funds (ADEC Loan)
66.468	ARRA – Drinking Water State Revolving Funds (ADEC Loan)
14.228	Lake Louise Emergency Response Facility
15.226	Payment in Lieu of Tax

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 486,599

Auditee qualified as low-risk auditee?

yes     no





**MATANUSKA-SUSITNA BOROUGH**

**Summary Schedule of Prior Audit Findings**

Year Ended June 30, 2011

**Federal**

There were no prior year audit findings.

**State of Alaska**

There were no prior year audit findings.

**MATANUSKA-SUSITNA BOROUGH**

**Corrective Action Plan**

**Year Ended June 30, 2011**

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