

# Matanuska-Susitna Borough, Alaska

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

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Borough Manager

Prepared by the Finance Department

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Finance Director

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Comptroller

# **Matanuska-Susitna Borough, Alaska**

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## **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2014

# Matanuska-Susitna Borough, Alaska

## Comprehensive Annual Financial Report

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## MATANUSKA-SUSITNA BOROUGH

### Department of Finance

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January 30, 2015

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, 2013, 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 BDO USA LLC, 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, 2014, 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, 2014, 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 96,074. 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 36 active service areas for water, sewer, flood, water erosion, fire, and/or roads. Service area boards of supervisors are appointed by the assembly to 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 63, 64, 65 and 66. For governmental funds, other than the General Fund, these comparisons start on page 68.

### **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 looking back over the last 20 years, the population of the Borough grew 94%. Whereas, the population of the State only grew 23%. Just during the last decade, no other area of the state came close to the Borough's track record of population and employment growth.

The communities of the Borough were historically established to support farming and still continue to be the largest agricultural producer in the state. However, farming is now overshadowed by other economic players. There are a number of factors driving the Borough's dynamic economy. In brief, one of these factors is health care. Another major health facility was constructed during 2012. Southcentral Foundation constructed a new 84,000 square feet, \$40 million Native Primary Care Facility. When completed the number of permanent jobs increased from the current staff of 35 to 200 employees including healthcare professionals. Furthermore, the Mat-Su College has initiated new nursing courses and a new paramedic's curriculum that will provide a four year degree in paramedic medicine. In addition to the hospitals, several new medical facilities are being built or were built this past year. This includes a new Clinic and another new Medical Center located between Palmer and Wasilla and a new Physical Therapy Center in Core Area.

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

In addition to new construction of commercial buildings, the construction of new residences throughout the Borough has continued to increase year after year. Twenty-nine new commercial structures were completed this past year as well as five hundred, thirty-seven residences.

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.

On December 22, 2008, the Borough issued the Series 2008 Lease Revenue Bonds in the amount of \$244,285,000. The funds were utilized to design, construct and equip the Goose Creek Correctional Center. This 1,536 bed facility was completed September 2011. It is being leased to and operated by the state of Alaska. The center is now fully operational. In total, 345 permanent positions were created to operate the facility. This does not include the indirect nor induced labor.

In addition to the continued development of the industrial district of Port MacKenzie, the Borough is working with the Alaska Railroad to construct a railspur. They completed a \$10 million environmental study to extend the Alaska Railroad 39 miles from Willow to Port Mackenzie. The Borough also 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. This phase constructed 8.1 miles of rail embankment, purchased right-of-way for the remaining rail extension and engineered the route selected by the Environmental Impact Study. In July 2011, we received another \$30 million. These funds were utilized to continue the construction of another 6.5 miles of the rail embankment and to acquire additional right-of-ways. In July 2012, we received an additional \$23.5 million which was for a 4.8 mile section of the project. Additionally \$30 million was approved in a State bond package that will be issued in 2013. Those funds will be utilized to construct 6.1 miles with construction starting June 2013. For fiscal year 2014 the State granted \$25 million for the next phase of the project. And in fiscal year 2015 we received an additional grant in the amount of \$13 million. This rail spur 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, 2014 of the investments range from 15 days to twenty-eight months, with an average maturity of thirteen months. The average yield this fiscal year was .24%.

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 and a safety officer to prevent risk of accidental losses or claims. The Borough has third party coverage subject to the self-insured retentions, which is more fully described in Note (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 Notes (10) and (11) in the Notes to the Basic Financial Statements.

### **Relevant Financial Policies**

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

The major 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 2013 budget excluding the budgeted operating expenditures of the school district. This would provide funds to protect essential Borough programs if there is ever a significant shortfall in projected revenues or catastrophic uncovered loss. Also, it has been reported by the bond rating agencies as one of the reasons for maintaining or increasing our bond rating. It assists in maintaining our credit worthiness.

Another 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 can be utilized for tax rebates to taxpayers. Specifically for taxpayers who pay real and personal property taxes. Or the funds can be used for one-time expenditures.

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

The Borough received voter approval in October 2011 to issue \$214,495,000 in General Obligation Bonds. In March 2012 the Borough issued the 2012 Series A General Obligation School Bonds in the amount of \$91,770,000. When combined with the premium, total proceeds for projects was \$100,375,000. In March of 2013, an additional \$13,290,000 was issued. Again, when combined with the premium generated a total of \$15,280,000 is available for projects. In March of 2014, the Borough issued \$29,400,000. Which, when combined with the premium provided \$32,720,000 in funds. These funds will be utilized for the acquisition, design, construction, major renovation and renewal of school capital improvement projects. The projects will be completed during fiscal years 2015, 2016 and 2017. The remaining authorization will be issued in Fiscal Year 2015.

The Borough also received authorization from the voters in October 2011 to issue \$32,165,000 in General Obligation Transportation System Bonds to finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. The bonds could only be issued if a matching grant was received from the State of Alaska. That grant was received on July 1, 2012. A portion of the bonds were issued in fiscal year 2013. Combined with the premium generated by the issuance, it provided \$12,900,000 for Transportation System Projects. The remainder, \$19,265,000, was issued in January 2014. Design will occur over the winter and construction will begin summer of 2014 and 2015. They are expected to be complete summer 2015.

In October 2013, Lease Certificates of Participation were issued to design and construct a new Public Safety Building. This \$8 million, 23,000 square foot facility was completed in fiscal year 2015. It is sited near Mat-Su Regional Medical Center.

Approved in the capital/grant budget was \$545,000 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 \$12 million 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**

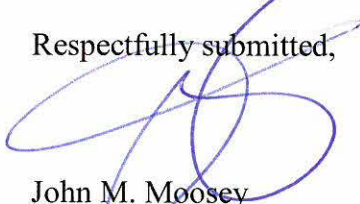
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Matanuska-Susitna Borough for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-ninth 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.

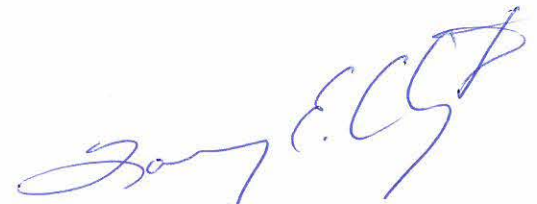
The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Accounting Division. We wish to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report with special thanks to Barbara Baumgartner, Tyrone Hodge, Michael Newman, Kathleen Thornlow, Cindy Loyer, Eileen Pickett, Jeff Krueger, Sara Clemons, Tonya Loyer, Kathleen Kelly, Cheyenne Heindel, Katie Robinson, Tosha Linn and Sandra Stamper. 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, Alaska

## Principal Officials Mayor and Assembly

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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

Jim Sykes  
Matthew Beck  
Steve Colligan

Darcie K. Salmon  
Jim Colver  
Vern Halter



### Borough Staff

John M. Moosey  
Nicholas Spiropoulos  
Lonnie McKechnie  
George Hays  
Tammy E. Clayton  
Eileen Probasco  
Terry Dolan  
Dennis Brodigan  
Michael Brown  
Eric Phillips  
Vacant  
David Dunivan  
Barbara Baumgartner

Borough Manager  
Borough Attorney  
Borough Clerk  
Assistant Manager  
Director of Finance  
Director of Planning & Land Use  
Director of Public Works  
Director of Emergency Services  
Director of Capital Projects  
Director of Community Development  
Chief Information Officer  
Borough Assessor  
Borough Comptroller





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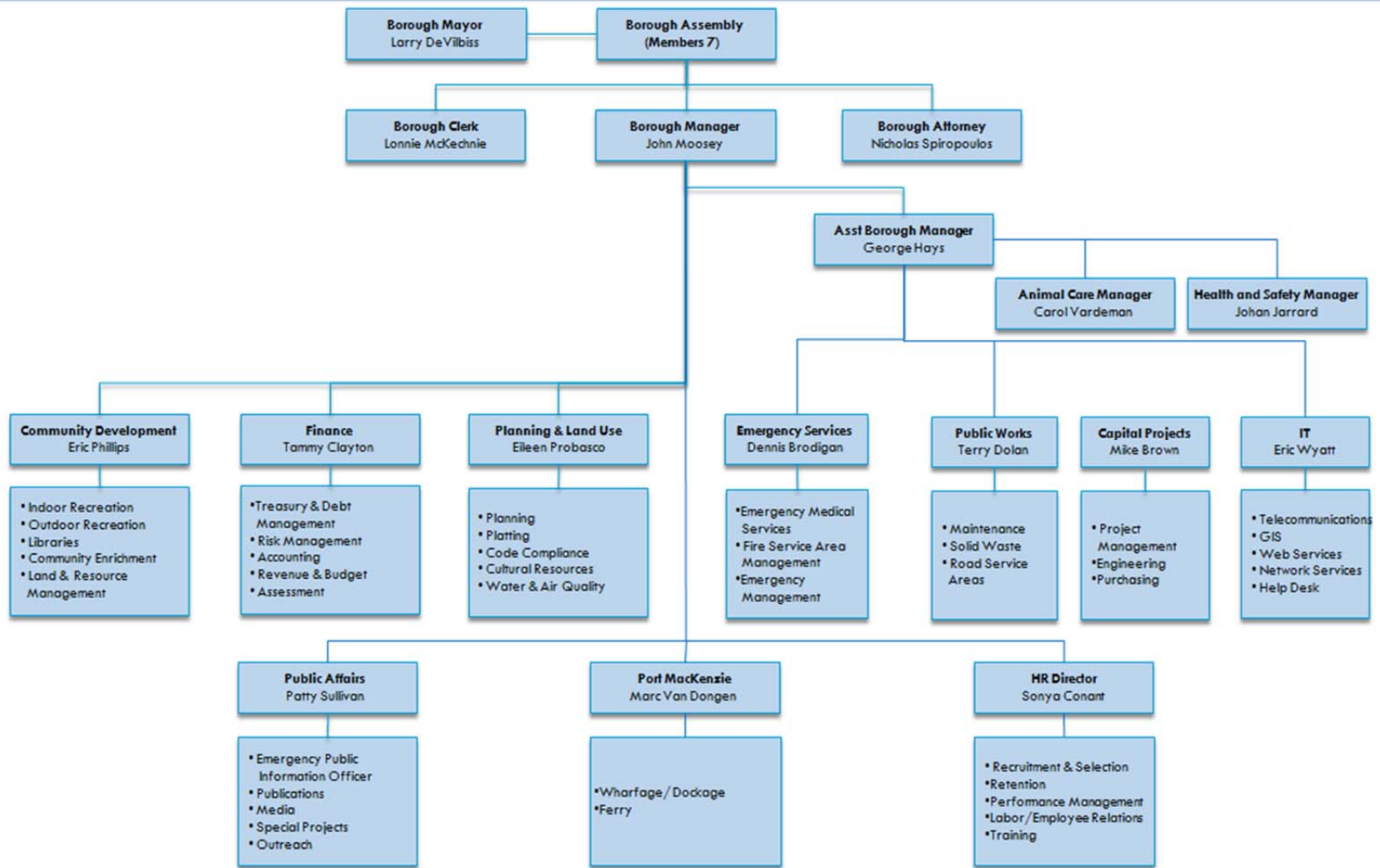
**Matanuska-Susitna Borough  
Alaska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Matanuska-Susita Borough Organization Chart Fiscal Year 2014





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www.bdo.com

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Anchorage, AK 99503

## Independent Auditor's Report

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

### Report on the Financial Statements

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 Matanuska-Susitna Borough, Alaska as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## *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 Matanuska-Susitna Borough as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit for the year ended June 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Matanuska-Susitna Borough's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, the combining and individual fund financial statements and schedules, and the Component Unit 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 and the Schedule of State Financial Assistance are required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, respectively.

The Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance and the combining and individual fund financial statements and schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2014.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Matanuska-Susitna Borough as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated December 18, 2013, which contained unmodified opinions on the respective 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. The individual fund financial statements and schedules for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the June 30, 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion on provide any assurance on it.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Matanuska-Susitna Borough's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
January 30, 2015

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# Matanuska-Susitna Borough

## Management's Discussion and Analysis June 30, 2014

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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, 2014. 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

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- The assets and deferred outflows of the Matanuska-Susitna Borough exceeded its liabilities and deferred inflows at the close of the most recent year by \$772,828,273. Of this amount, \$146,881,979 (unrestricted net position) is legally unreserved and may therefore be used to meet the Borough's ongoing obligations to citizens and creditors. Much of this amount has been previously designated by the Borough Assembly for specific purposes and is discussed in more detail on pages 12-13.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$59,768,438. Of this amount, \$14,294,595 was unassigned and available for spending. The unassigned fund balance for the General Fund represented 11.48% of total General Fund expenditures and transfers.
- The Borough's total net position increased by \$72,528,706.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$269,367,752, a decrease of \$2,025,431 in comparison to the prior year.
- The Borough's total outstanding debt increased by \$42,993,982 to a year-end balance of \$356,487,957. The primary reason was that new debt was issued in the amount of \$29.4 million for school construction projects and \$17.8 million for transportation systems. The Borough's long-term debt table can be found on pages 44-49 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 decreased the total Borough net position by \$2,860,905.

### Overview of the Financial Statements

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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 17 and 18 of this report.

# Matanuska-Susitna Borough

## Management's Discussion and Analysis

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

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

The Statement of Net Position presents information on all of the Borough's assets and deferred outflows less liabilities and deferred inflows, which results in net position. The statement is designed to display the financial position of the Borough. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough is improving or deteriorating.

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

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the Borough can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### *Governmental funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the short-term view of the Borough's operations. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Borough maintains 56 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 Capital Projects Fund, the Infrastructure Capital Projects Fund, and the Roads and Bridges Capital Project Fund. The other 52 governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Fund Balance Sheet and Governmental



# Matanuska-Susitna Borough

## Management's Discussion and Analysis

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Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 52 nonmajor funds is presented in the Combining Balance Sheet for Nonmajor Governmental Funds and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The basic governmental fund financial statements can be found on pages 19-22 of this report. Budgetary comparison statements for the General Fund with annual budgets are provided on pages 59-62 to demonstrate compliance with these budgets. The 36 special revenue funds with annual budgets are provided on pages 67-109.

### *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 122-127.

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 128-136.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 23-26 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. The facility is being 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 27 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 28-55 of this report.

# Matanuska-Susitna Borough

## Management's Discussion and Analysis

### 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 56-57. Individual governmental funds can be found on pages 58-121 and proprietary funds can be found on pages 129-134 of this report.

### Government-Wide Financial Analysis

#### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets and deferred outflows exceeded liabilities and deferred inflows by \$772,828,273, at June 30, 2014 compared to \$700,299,567, at June 30, 2013. By far, the largest portion of the Borough's net position (81%) 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 Position**  
**June 30, 2014 and 2013**  
*(in millions of dollars)*

	Governmental Activities		Business-Type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
<b>Assets and Deferred Outflows</b>						
Current and other assets	\$ 342.8	\$ 327.3	\$ (0.8)	\$ 2.7	\$ 342.0	\$ 330.0
Capital assets	798.8	669.9	47.6	47.1	846.4	717.0
Deferred outflows	1.9	2.3	0.3	0.4	2.2	2.7
<b>Total Assets and Deferred Outflows</b>	<b>\$ 1,143.5</b>	<b>\$ 999.5</b>	<b>\$ 47.1</b>	<b>\$ 50.2</b>	<b>\$ 1,190.6</b>	<b>\$ 1,049.7</b>
<b>Liabilities and Deferred Inflows</b>						
Long-term debt outstanding	\$ 352.4	\$ 299.5	\$ 16.4	\$ 16.6	\$ 368.8	\$ 316.1
Other liabilities	44.2	28.7	0.8	0.8	45	29.5
Deferred inflows	3.9	3.8	-	-	3.9	3.8
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 400.5</b>	<b>\$ 332.0</b>	<b>\$ 17.2</b>	<b>\$ 17.4</b>	<b>\$ 417.7</b>	<b>\$ 349.4</b>

# Matanuska-Susitna Borough

## Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013

### Net Position

#### Net investment in

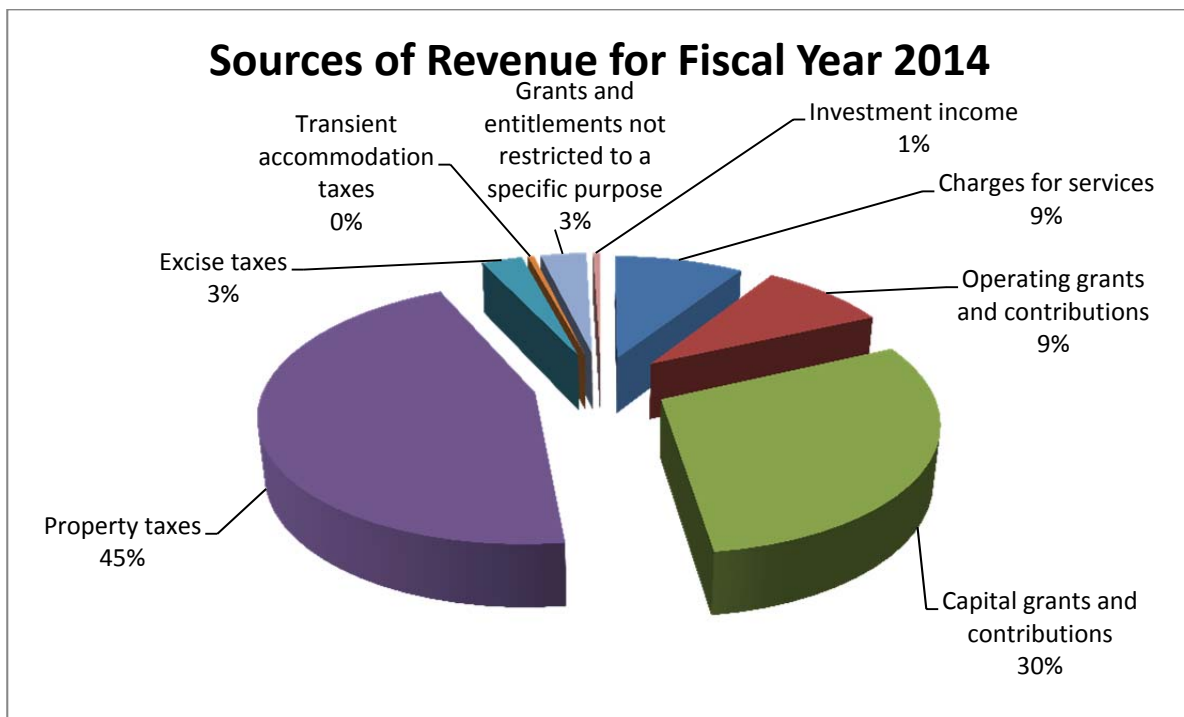
capital assets	\$ 586.8	\$ 508.7	\$ 37.2	\$ 36.2	\$ 624.0	\$ 544.9
Restricted	1.8	1.1	-	-	1.8	1.1
Unrestricted	154.2	157.7	(7.3)	(3.4)	146.9	154.3
<b>Total Net Position</b>	<b>\$ 742.8</b>	<b>\$ 667.5</b>	<b>\$ 29.9</b>	<b>\$ 32.8</b>	<b>\$ 772.7</b>	<b>\$ 700.3</b>

### Changes in Net Position

During the current fiscal year, the Borough's total net position increased by \$72.5 million. This compares to an increase of \$57.4 million for the year ended June 30, 2013.

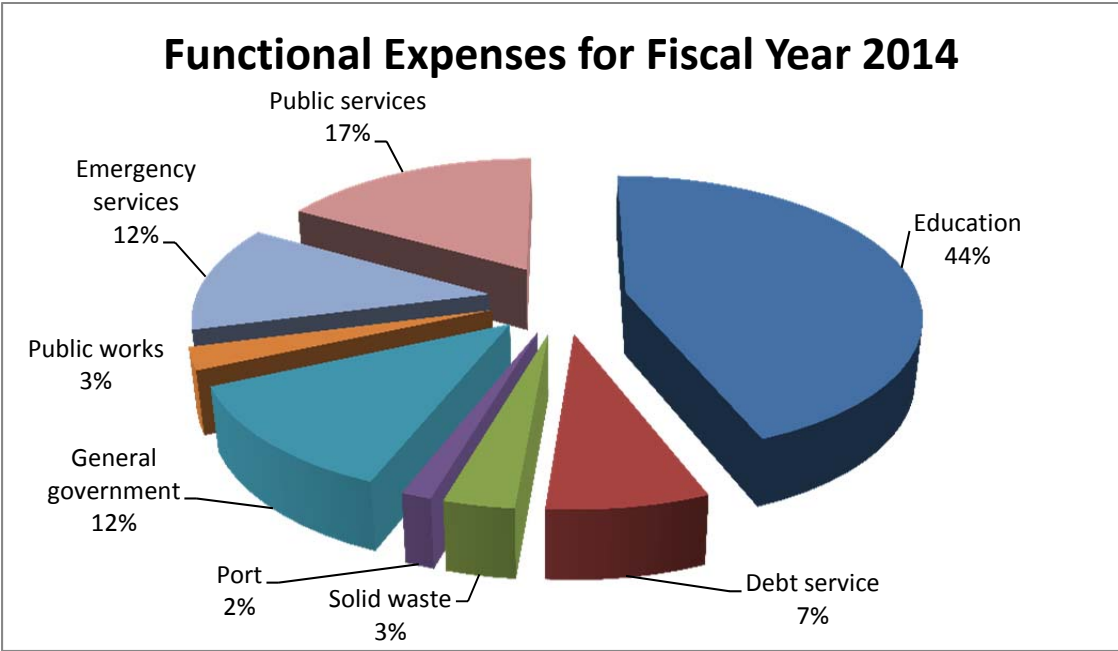
Revenues increased overall by \$47.1 million with the majority of this resulting from an increase in capital and operating grants and contributions revenues of \$31 million due largely to an increased amount of federal and state funding being provided for Borough capital projects. During fiscal year 2014, approximately 45% 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 \$17.5 million from the prior year. During fiscal year 2014, approximately 45% of the Borough's total expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.



Matanuska-Susitna Borough  
Management's Discussion and Analysis

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**Matanuska-Susitna Borough**  
**Management's Discussion and Analysis**

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**Changes in Matanuska-Susitna Borough's Net Position**  
**For Years Ended June 30, 2014 and 2013**  
*(in millions of dollars)*

	Governmental Activities		Business-Type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 17.5	\$ 6.3	\$ 5.6	\$ 5.7	\$ 23.1	\$ 12.0
Operating grants and contributions	22.3	21.5	.7	1.3	23	22.8
Capital grants and contributions	74.5	44.2	1.0	.7	75.5	44.9
<b>General revenues:</b>						
Property taxes	114.2	110.3	-	-	114.2	110.3
Transient accommodation taxes	1.1	1.1	-	-	1.1	1.1
Tobacco excise taxes	7.3	4.9	-	-	7.3	4.9
Other	10.2	10.8	-	0.2	10.2	11.0
<b>Total Revenues</b>	<b>\$ 247.1</b>	<b>\$ 199.1</b>	<b>\$ 7.3</b>	<b>\$ 7.9</b>	<b>\$ 254.4</b>	<b>\$ 207.0</b>
<b>Expenses</b>						
General government	\$ 20.7	\$ 16.0	\$ -	\$ -	\$ 20.7	\$ 16.0
Public works	4.3	4.5	-	-	4.3	4.5
Emergency services	20.5	21.8	-	-	20.5	21.8
Public services	28.0	26.5	-	-	28.0	26.5
Education	73.5	60.9	-	-	73.5	60.9
Interest	12.4	11.6	-	-	12.4	11.6
Solid waste	-	-	5.4	4.8	5.4	4.8
Port	-	-	2.3	3.5	2.3	3.5
<b>Total Expenses</b>	<b>159.4</b>	<b>141.3</b>	<b>7.7</b>	<b>8.3</b>	<b>167.1</b>	<b>149.6</b>
<b>Excess before transfers, special items, and extraordinary items</b>						
Excess before transfers, special items, and extraordinary items	87.7	57.8	(0.4)	(0.4)	87.3	57.4
Extraordinary items	(12.3)	-	(2.5)	-	(14.8)	-
Transfers	-	-	-	-	-	-
Special items	-	-	-	-	-	-
<b>Increase in Net Position</b>	<b>75.4</b>	<b>57.8</b>	<b>(3.0)</b>	<b>(0.4)</b>	<b>72.5</b>	<b>57.4</b>
<b>Net Position, beginning, as restated</b>	<b>667.5</b>	<b>609.7</b>	<b>32.8</b>	<b>33.2</b>	<b>700.3</b>	<b>642.9</b>
<b>Net Position, ending</b>	<b>\$ 742.9</b>	<b>\$ 667.5</b>	<b>\$ 29.9</b>	<b>32.8</b>	<b>\$ 772.8</b>	<b>700.3</b>

# Matanuska-Susitna Borough

## Management's Discussion and Analysis

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### *Governmental activities*

Revenues for the Borough's governmental activities increased by \$48 million from the prior year while expenses for governmental activities increased by \$18.1 million. Key elements to the increase in revenues and increase in expenses include the following:

- Capital and operating grants and contributions revenues increased by a total of \$31.1 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, public services, and emergency services increased by a total of \$12.8 million from the prior fiscal year.

### *Business-type activities*

Revenues for the Borough's business-type activities decreased by \$.3 million from the prior year while expenses for business-type activities also decreased by \$.6 million. The primary reason for the decrease in revenues is that revenues from operating grants and contributions decreased by \$.6 million.

### Financial Analysis of the Borough's Funds

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

### *Governmental funds*

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

At the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$269,367,752, a decrease of \$2,025,431 in comparison with the prior year. A portion of this amount is categorized as nonspendable to indicate it is inherently nonspendable because it has already been dedicated to liquidate prepaid expenses \$1,142,421 or is already in the form of inventory \$158,619.

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 \$1,848,836 are restricted due to lender imposed debt reserves for debt service and unused bond proceeds in the amounts of \$94,713,413 and \$27,530,224 are restricted for school construction projects and transportation system projects, respectively, as approved by the Borough voters.

A total of \$38,317,887 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. \$24,943,453 is shown as committed in accordance with the Borough's minimum fund balance/stabilization policy. The remaining \$13,374,434 of the committed fund balance is shown as committed for the Land Management Permanent Fund, school site acquisition, and

# Matanuska-Susitna Borough

## Management's Discussion and Analysis

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various other limitations that have been imposed by the Matanuska-Susitna Borough Assembly through formal action.

Of the combined ending fund balance, \$91,541,865 is categorized as assigned to indicate that there is a limitation on the funds resulting from intended use. Specifically, these funds are assigned for subsequent year's expenditures and appropriations, or for land management, service areas, debt service, or capital project purposes. The remainder of fund balance, in the amount of \$14,114,487 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 \$59,768,438, nonspendable fund balance was \$797,507, committed fund balance was \$31,293,075, assigned fund balance was \$13,383,261, and unassigned fund balance was \$14,294,595. Total fund balance increased by \$1,189,443 from the prior year. The key factors include:

- An increase of \$700,000 in the funds committed to emergency response from the prior year.
- An increase of \$2,105,622 in unassigned funds from the prior year.
- An increase of \$615,192 in funds assigned to subsequent year appropriations and subsequent year expenditures from the prior year.
- Decreases in funds committed to school site acquisition of \$1,000,000 and the fund balance stabilization of \$1,358,241.

The other major governmental funds in the current fiscal year were the School Capital Projects Funds, the Roads and Bridges Capital Project Funds, and the Infrastructure Capital Projects Fund.

At the end of the current fiscal year, ending total fund balance in the School Building Capital Projects Fund was \$107,799,130, with unused bond proceeds in the amount of \$94,713,413 being restricted for school construction projects as approved by the Borough voters. The remainder of fund balance is assigned for school building capital projects in the amount of \$12,945,656, and nonspendable for prepaid items in the amount of \$140,061. Total fund balance decreased by \$23,444,350 from the prior year. The key factor in the decrease in fund balance was that there was a great deal of capital outlay expenditures as the construction of several school buildings continues.

At the end of the current fiscal year, ending total fund balance in the Roads and Bridges Capital Project Fund was \$22,234,802, with unused bond proceeds of \$21,434,411 being restricted for transportation projects. Of the remaining fund balance, \$892,239 is assigned for capital projects, and \$8,152 is nonspendable for prepaid items. Total fund balance increased by \$9,136,440 from the prior year. The key factor in the increase in fund balance was the increase in the bond proceeds from the prior year.

At the end of the current fiscal year, ending total fund balance in the Infrastructure Capital Projects Fund was \$570,649 with the entire fund balance being assigned for infrastructure capital projects. Total fund balance decreased by \$482,054 from the prior year. The key factor in the decrease in fund balance was a great deal of capital outlay expenditures for various projects.

# Matanuska-Susitna Borough

## Management's Discussion and Analysis

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### *Proprietary funds*

The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net positions of the solid waste and port enterprise funds were a deficit of (\$2,768,092) and a deficit of (\$4,571,804), respectively. The unrestricted net position of the internal service funds at the end of the year were \$15,715,469.

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

At the end of the current fiscal year, ending total net position of the Solid Waste Enterprise Fund was \$9,796,287, with \$12,564,379 invested in capital assets, net of related debt, and an unrestricted net position deficit of \$2,768,092. The total net position increased by \$1,249,312 from the prior year.

At the end of the current fiscal year, the ending total net position of the Port Enterprise Fund were \$20,128,320, with \$24,700,124 invested in capital assets, net of related debt, and an unrestricted net position deficit of \$4,571,804. The total net position decreased by \$4,110,217 from the prior year.

### General Fund Budgetary Highlights

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At year end, there was a net increase from the total original budget to the total final amended budget, in the amount of \$233,947.

There was a total difference between the final amended budget and actual results in the amount of \$13,878,375. Key factors include:

- An increase of \$2,154,400 in PERS Relief from the State of Alaska from the budgeted amount.
- An increase of \$1,294,721 in ambulance service charge revenue from the budgeted amount.
- An increase of \$2,323,780 in recovery of expenditures from other funds for general government expenditures from the budgeted amount due to an increase in grant administration fees and General Fund employee wages being charged to other funds for grant administration and project management of various capital projects.
- An increase of \$1,006,321 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.

### Capital Assets and Debt Administration

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#### Capital Assets

The Borough's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$846,396,038 (net of accumulated depreciation), which is an increase of \$129,345,019 from the prior year. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure, and landfill cells.



# Matanuska-Susitna Borough

## Management's Discussion and Analysis

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

- Continuation of school construction projects. Primarily roof and flooring replacements, locker replacements and athletic field improvements at various schools increasing the construction in progress for governmental activities.
- Continuing construction of Station 51 increasing the construction in progress for governmental activities
- Continuation of the construction of the South Central Rail Corridor, increasing the construction in progress for governmental activities.
- Completion of the Valley Pathways School, and Mat-Su Day School, several roof replacements, Palmer Academy Charter School classroom expansion, and the District Wide safety and security upgrade; decreasing the construction in progress for governmental activities and increasing buildings for governmental activities.
- Construction on the Port MacKenzie Ferry/Intermodal Facility was completed, decreasing the construction in progress for business-type activities and increasing buildings for business-like activities.

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
Land and land improvements	\$ 19.2	\$ 17.9	\$ -	\$ -	\$ 19.2	\$ 17.9
Buildings	411.6	332.1	9.2	9.5	420.8	341.6
Improvements other than buildings	21.2	21.8	1.0	1.0	22.2	22.8
Equipment	16.0	15.0	.9	.9	16.9	15.9
Infrastructure	106.5	96.8	22.9	20.6	129.4	117.4
Construction in progress	224.3	186.4	10.0	11.4	234.3	197.8
Landfill cells	-	-	3.5	3.6	3.4	3.6
<b>Total Capital Assets</b>	<b>\$ 798.8</b>	<b>\$ 670.0</b>	<b>\$ 47.5</b>	<b>\$ 47.0</b>	<b>\$ 846.3</b>	<b>\$ 717.0</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 \$353,983,074. Of this amount, \$305,190,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$13,450,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, and insurance claims incurred but not reported.

**Matanuska-Susitna Borough**  
**Management's Discussion and Analysis**

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 299.4	\$ 270.4	\$ 5.7	\$ 6.2	\$ 305.1	\$ 276.6
Certificates of participation	13.4	5.6	-	-	13.4	5.6
Other debt	37.3	21.3	10.7	10.0	38.0	31.3
<b>Total Outstanding Debt</b>	<b>\$ 340.1</b>	<b>\$ 297.3</b>	<b>\$ 16.4</b>	<b>\$ 16.2</b>	<b>\$ 356.5</b>	<b>\$ 313.5</b>

Additional information on the Borough's long-term debt can be found on pages 44-50 of this report.

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

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In setting the budgets for fiscal year 2015, 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.

**Requests for Information**

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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, Alaska

## Statement of Net Position

	Primary Government			Component
	Governmental	Business-	Total	Unit
	Activities	Type		School
June 30, 2014		Activities		District
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash and investments	\$ 156,959,611	\$ -	\$ 156,959,611	\$ 21,027,609
Prepaid items	1,142,421	-	1,142,421	725,275
Receivables:				
Intergovernmental	35,418,034	643,130	36,061,164	5,464,702
Property and excise taxes, net of allowance	13,350,008	-	13,350,008	-
Accounts, net of allowance	-	338,936	338,936	-
Ambulance, net of allowance	1,316,527	-	1,316,527	-
Land sales contracts, net of allowance	5,687	-	5,687	-
Other	1,126,689	-	1,126,689	1,139,330
Accrued interest	485,457	-	485,457	-
Due from Borough	-	-	-	1,842,051
Deposits	52,720	-	52,720	-
Inventory	158,619	765	159,384	1,619,558
Restricted cash	124,092,473	2,243,072	126,335,545	-
Internal balances	8,537,480	(8,537,480)	-	-
Land sales contracts receivable - long term	177,698	-	177,698	-
Ferry vessel	-	4,500,000	4,500,000	-
Capital assets, not being depreciated	243,461,825	10,023,301	253,485,126	-
Capital assets, net of accumulated depreciation	555,338,978	37,571,934	592,910,912	6,659,975
<b>Deferred Outflows</b>				
Deferred loss on G.O. bonds	1,856,302	317,455	2,173,757	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,143,480,529</b>	<b>\$ 47,101,113</b>	<b>\$ 1,190,581,642</b>	<b>\$ 38,478,500</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
Accounts, contracts and retentions payable	\$ 34,361,467	\$ 456,438	\$ 34,817,905	\$ 3,214,395
Payable to component unit	1,973,205	-	1,973,205	-
Accrued payroll and related liabilities	1,154,343	-	1,154,343	5,855,343
Other liabilities	95,453	-	95,453	40,000
Deposits	58,731	-	58,731	-
Unearned revenue	2,024,149	46,407	2,070,556	887,430
Accrued interest payable	4,548,651	307,664	4,856,315	-
Noncurrent liabilities:				
Due within one year:				
Accrued leave	2,138,832	124,977	2,263,809	4,284,630
Bonds and certificates of participation	20,165,000	485,000	20,650,000	-
Loans payable	18,626	89,418	108,044	-
Insurance claims incurred but not reported	1,915,341	-	1,915,341	1,077,344
Due in more than one year:				
Bonds and certificates of participation, net of premium	315,591,440	5,816,821	321,408,261	-
Loans payable	292,721	4,256,948	4,549,669	-
FTA liability	12,319,299	-	12,319,299	-
Lease credits payable	-	1,330,343	1,330,343	-
Landfill closure costs payable	-	4,262,490	4,262,490	-
<b>Total Liabilities</b>	<b>396,657,258</b>	<b>17,176,506</b>	<b>413,833,764</b>	<b>15,359,142</b>
<b>Deferred Inflows</b>				
Taxes collected in advance	468,890	-	468,890	-
Payment in lieu of taxes received in advance	3,450,715	-	3,450,715	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>400,576,863</b>	<b>17,176,506</b>	<b>417,753,369</b>	
<b>Net Position</b>				
Net investment in capital assets	586,832,955	37,264,503	624,097,458	6,659,975
Restricted:				
Debt service	1,848,836	-	1,848,836	-
Other	-	-	-	5,772
Unrestricted (deficit)	154,221,875	(7,339,896)	146,881,979	16,453,611
<b>Total Net Position</b>	<b>742,903,666</b>	<b>29,924,607</b>	<b>772,828,273</b>	<b>23,119,358</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 1,143,480,529</b>	<b>\$ 47,101,113</b>	<b>\$ 1,190,581,642</b>	<b>\$ 38,478,500</b>

## Matanuska-Susitna Borough, Alaska

## Statement of Activities

Year ended June 30, 2014	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit  School District
	Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business- Type Activities		
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 20,704,665	\$ 528,579	\$ 1,295,435	\$ -	\$ (18,880,651)	\$ -	\$ (18,880,651)	
Public works	4,276,429	59,317	276,158	4,899,145	958,191	-	958,191	
Emergency services	20,545,881	4,810,309	569,774	1,609,372	(13,556,426)	-	(13,556,426)	
Public services	28,059,904	3,193,367	472,304	63,382,519	38,988,286	-	38,988,286	
Education	73,489,025	8,904,126	19,679,679	4,624,430	(40,280,790)	-	(40,280,790)	
Interest	12,361,995	-	-	-	(12,361,995)	-	(12,361,995)	
<b>Total governmental activities</b>	<b>159,437,899</b>	<b>17,495,698</b>	<b>22,293,350</b>	<b>74,515,466</b>	<b>(45,133,385)</b>	<b>-</b>	<b>(45,133,385)</b>	
Business-type activities:								
Solid waste	5,404,454	5,598,895	-	955,250	-	1,149,691	1,149,691	
Port	2,333,191	22,851	707,350	58,477	-	(1,544,513)	(1,544,513)	
<b>Total business-type activities</b>	<b>7,737,645</b>	<b>5,621,746</b>	<b>707,350</b>	<b>1,013,727</b>	<b>-</b>	<b>(394,822)</b>	<b>(394,822)</b>	
<b>Total Primary Government</b>	<b>\$ 167,175,544</b>	<b>\$ 23,117,444</b>	<b>\$ 23,000,700</b>	<b>\$ 75,529,193</b>	<b>(45,133,385)</b>	<b>(394,822)</b>	<b>(45,528,207)</b>	
<b>Component Unit</b>								
School district	\$ 277,190,858	\$ 1,143,678	\$ 74,179,332	\$ -				\$ (201,867,848)
<b>General Revenues</b>								
Taxes:								
Property taxes					114,243,341	-	114,243,341	-
Excise taxes					7,326,269	-	7,326,269	-
Transient accommodation taxes					1,113,368	-	1,113,368	-
Contributions from primary government					-	-	-	51,226,720
Grants and entitlements not restricted to a specific purpose					8,132,177	132,341	8,264,518	153,657,899
Investment income					1,306,079	-	1,306,079	-
Other					721,061	460	721,521	1,925,093
<b>Total General Revenues</b>					<b>132,842,295</b>	<b>132,801</b>	<b>132,975,096</b>	<b>206,809,712</b>
Extraordinary item								
FTA liability and asset write down					(12,319,299)	(2,598,884)	(14,918,183)	-
<b>Change in Net Position</b>					<b>75,389,611</b>	<b>(2,860,905)</b>	<b>72,528,706</b>	<b>4,941,864</b>
<b>Net Position, beginning</b>					<b>667,514,055</b>	<b>32,785,512</b>	<b>700,299,567</b>	<b>18,177,494</b>
<b>Net Position, ending</b>					<b>\$ 742,903,666</b>	<b>\$ 29,924,607</b>	<b>\$ 772,828,273</b>	<b>\$ 23,119,358</b>

See accompanying notes to basic financial statements.

## Matanuska-Susitna Borough, Alaska

Governmental Funds  
Balance Sheet

	Major Funds					Total Governmental Funds
	General	School Projects Capital Project	Infrastructure Capital Project	Roads and Bridges Capital Project	Nonmajor Funds	
<i>June 30, 2014</i>						
<b>Assets</b>						
Cash and investments	\$ 45,369,437	\$ 22,160,180	\$ -	\$ -	\$ 72,012,267	\$ 139,541,884
Prepaid items	638,888	140,061	-	8,152	355,320	1,142,421
Receivables:						
Intergovernmental	5,359	1,589,967	15,961,005	11,190,876	6,670,827	35,418,034
Property taxes, net of allowance	9,273,347	-	-	-	2,776,449	12,049,796
Excise taxes	1,300,212	-	-	-	-	1,300,212
Ambulance, net of allowance	1,316,527	-	-	-	-	1,316,527
Land sales contracts, net of allowance	-	-	-	-	5,687	5,687
Accrued interest	279,851	205,606	-	-	-	485,457
Other	940,130	-	-	-	186,559	1,126,689
Due from other funds	15,782,600	-	-	-	-	15,782,600
Deposits	475	-	-	-	-	475
Inventory	158,619	-	-	-	-	158,619
Land sales contracts receivable, long term	-	-	-	-	177,698	177,698
Restricted cash	-	94,713,413	-	21,434,411	7,944,649	124,092,473
<b>Total Assets</b>	<b>\$ 75,065,445</b>	<b>\$ 118,809,227</b>	<b>\$ 15,961,005</b>	<b>\$ 32,633,439</b>	<b>\$ 90,129,456</b>	<b>\$ 332,598,572</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts, contracts and retentions payable	\$ 1,018,925	\$ 8,724,858	\$ 10,386,876	\$ 8,071,055	\$ 6,144,256	\$ 34,345,970
Payable to component unit	-	1,973,205	-	-	-	1,973,205
Accrued payroll and related liabilities	1,154,343	-	-	-	-	1,154,343
Other liabilities	95,453	-	-	-	-	95,453
Due to General Fund	-	-	5,002,773	2,227,582	14,765	7,245,120
Deposits	-	-	707	-	58,024	58,731
Unearned revenue	-	312,034	-	-	1,712,115	2,024,149
Loans payable to other funds	-	-	-	-	487,682	487,682
<b>Total Liabilities</b>	<b>2,268,721</b>	<b>11,010,097</b>	<b>15,390,356</b>	<b>10,298,637</b>	<b>8,416,842</b>	<b>47,384,653</b>
<b>Deferred Inflows</b>						
Taxes collected in advance	468,890	-	-	-	-	468,890
Payment in lieu of taxes received in advance	3,450,715	-	-	-	-	3,450,715
Delinquent property taxes	8,335,333	-	-	-	2,634,388	10,969,721
Delinquent ambulance receivables	716,032	-	-	-	-	716,032
Delinquent foreclosure property sales	57,316	-	-	-	-	57,316
Land sales receivables not yet due	-	-	-	-	177,698	177,698
Special assessments	-	-	-	-	5,795	5,795
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>15,297,007</b>	<b>11,010,097</b>	<b>15,390,356</b>	<b>10,298,637</b>	<b>11,234,723</b>	<b>63,230,820</b>
<b>Fund Balances</b>						
Nonspendable - prepaid items and inventory	797,507	140,061	-	8,152	355,320	1,301,040
Restricted:						
Debt service	-	-	-	-	1,848,836	1,848,836
School construction	-	94,713,413	-	-	-	94,713,413
Capital projects	-	-	-	21,434,411	6,095,813	27,530,224
Committed:						
Land management	-	-	-	-	5,984,812	5,984,812
Self-insurance	150,000	-	-	-	10,000	160,000
Accrued leave	250,000	-	-	-	30,000	280,000
Equipment	-	-	-	-	1,000,000	1,000,000
Assembly projects	57,217	-	-	-	-	57,217
Major repairs and renovations	879,248	-	-	-	-	879,248
Capital	500,000	-	-	-	-	500,000
Emergency response	1,200,000	-	-	-	-	1,200,000
School site acquisition	3,313,157	-	-	-	-	3,313,157
Fund balance stabilization	24,943,453	-	-	-	-	24,943,453
Assigned:						
Subsequent year appropriations	262,500	-	-	-	1,336,700	1,599,200
Subsequent year expenditures	13,120,761	-	-	-	2,645,307	15,766,068
Land management	-	-	-	-	1,734,422	1,734,422
Service areas	-	-	-	-	14,128,857	14,128,857
Debt service	-	-	-	-	1,898,483	1,898,483
Capital projects	-	12,945,656	570,649	892,239	42,006,291	56,414,835
Unassigned (deficit)	14,294,595	-	-	-	(180,108)	14,114,487
<b>Total Fund Balances</b>	<b>59,768,438</b>	<b>107,799,130</b>	<b>570,649</b>	<b>22,334,802</b>	<b>78,894,733</b>	<b>269,367,752</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 75,065,445</b>	<b>\$ 118,809,227</b>	<b>\$ 15,961,005</b>	<b>\$ 32,633,439</b>	<b>\$ 90,129,456</b>	<b>\$ 332,598,572</b>

See accompanying notes to basic financial statements.

## Matanuska-Susitna Borough, Alaska

Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position  
June 30, 2014

Total fund balances for governmental funds		\$ 269,367,752
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation consist of:		
Land and land improvements	\$ 19,188,095	
Construction in progress	224,273,730	
Buildings	563,554,342	
Improvements other than buildings	29,120,794	
Equipment	42,339,302	
Infrastructure	227,137,592	
Accumulated depreciation	<u>(306,813,052)</u>	
Total capital assets		798,800,803
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	10,969,721	
Special assessments receivable	5,795	
Ambulance receivables	716,032	
Land sales contracts receivable	<u>235,014</u>	
Total long-term assets		11,926,562
Deferred outflows in the form deferred loss on refunding represent current costs incurred at the fund level, but future costs in the Statement of Net Position		
		1,856,302
Internal service funds are used by the Borough to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
		15,715,469
Long-term liabilities, including bonds payable and accrued leave, 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	(312,905,000)	
Unamortized bond premium	(22,851,440)	
FTA liability	(12,319,299)	
Accrued interest payable	(4,548,651)	
Accrued leave	<u>(2,138,832)</u>	
Total long term liabilities		<u>(354,763,222)</u>
Total Net Position of Governmental Activities		<u>\$ 742,903,666</u>

*See accompanying notes to basic financial statements.*

## Matanuska-Susitna Borough, Alaska

## Governmental Funds

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

	Major Funds					Total Governmental Funds
	General	School Projects Capital Project	Infrastructure Capital Project	Roads and Bridges Capital Project	Nonmajor Funds	
<i>Year ended June 30, 2014</i>						
<b>Revenues</b>						
Taxes	\$ 90,244,883	\$ -	\$ -	\$ -	\$ 32,174,125	\$ 122,419,008
Intergovernmental	28,770,200	5,037,886	60,911,190	8,880,161	10,635,173	114,234,610
Charges for services	4,740,534	-	707	-	3,599,273	8,340,514
Investment income	736,869	91,704	-	-	47,575	876,148
Interest on land sales	-	-	-	-	16,009	16,009
Other	-	-	-	23,965	719,793	743,758
<b>Total Revenues</b>	<b>124,492,486</b>	<b>5,129,590</b>	<b>60,911,897</b>	<b>8,904,126</b>	<b>47,191,948</b>	<b>246,630,047</b>
<b>Expenditures</b>						
Current:						
General government	18,823,077	-	-	-	2,152,158	20,975,235
Public works	4,779,986	-	-	-	-	4,779,986
Emergency services	8,009,314	-	-	-	10,489,938	18,499,252
Public services	3,932,293	-	-	115,458	22,313,621	26,361,372
Education	51,291,720	4,274,158	-	-	-	55,565,878
Debt service	-	214,524	-	-	31,435,791	31,650,315
Capital outlay	-	57,172,260	61,493,951	19,630,442	14,020,553	152,317,206
<b>Total Expenditures</b>	<b>86,836,390</b>	<b>61,660,942</b>	<b>61,493,951</b>	<b>19,745,900</b>	<b>80,412,061</b>	<b>310,149,244</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>37,656,096</b>	<b>(56,531,352)</b>	<b>(582,054)</b>	<b>(10,841,774)</b>	<b>(33,220,113)</b>	<b>(63,519,197)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,158,636	65,000	100,000	500,000	52,700,205	54,523,841
Transfers out	(37,659,659)	(23,424)	-	(19,164)	(16,821,128)	(54,523,375)
Proceeds from disposal of capital assets	34,370	-	-	-	-	34,370
Bond issuance	-	29,400,000	-	17,840,000	-	47,240,000
COP issuance	-	-	-	-	8,585,000	8,585,000
Premium on issuance	-	3,645,426	-	1,657,378	331,126	5,633,930
<b>Net Other Financing Sources (Uses)</b>	<b>(36,466,653)</b>	<b>33,087,002</b>	<b>100,000</b>	<b>19,978,214</b>	<b>44,795,203</b>	<b>61,493,766</b>
<b>Net Change in Fund Balances</b>	<b>1,189,443</b>	<b>(23,444,350)</b>	<b>(482,054)</b>	<b>9,136,440</b>	<b>11,575,090</b>	<b>(2,025,431)</b>
<b>Fund Balances, beginning</b>	<b>58,578,995</b>	<b>131,243,480</b>	<b>1,052,703</b>	<b>13,198,362</b>	<b>67,319,643</b>	<b>271,393,183</b>
<b>Fund Balances, ending</b>	<b>\$ 59,768,438</b>	<b>\$ 107,799,130</b>	<b>\$ 570,649</b>	<b>\$ 22,334,802</b>	<b>\$ 78,894,733</b>	<b>\$ 269,367,752</b>

See accompanying notes to basic financial statements.

## Matanuska-Susitna Borough, Alaska

Reconciliation of Change in Fund Balances of Governmental Funds  
to Statement of Activities  
Year ended June 30, 2014

Net change in fund balances - total governmental funds		\$ (2,025,431)
<p>The change in net position reported for governmental activities in the Statement of Activities is different because:</p>		
<p>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 (\$143,194,296) exceeded depreciation (\$14,370,074) and loss on disposal (\$896).</p>		
		128,823,326
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Increase in delinquent property taxes	\$ 263,972	
Increase in delinquent ambulance revenue	229,773	
Increase in special assessments	83	
Decrease in deferred land sales revenue	<u>(11,902)</u>	
		481,926
<p>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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Decrease in deferred loss on bonds	(415,264)	
Net increase in unamortized bond premium	(4,259,007)	
Issuance of long-term debt	(55,825,000)	
FTA liability incurred	(12,319,299)	
Payments on debt principal	<u>18,975,000</u>	
		(53,843,570)
<p>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.</p>		
Decrease in accrued leave	341,352	
Increase in accrued interest payable	<u>(646,339)</u>	
		(304,987)
<p>Internal service funds are used by management to charge the costs of insurance to individual funds. Net income of these activities is reported with governmental activities.</p>		
		<u>2,258,347</u>
Change in Net Position of Governmental Activities		<u>\$ 75,389,611</u>

*See accompanying notes to basic financial statements.*



## Matanuska-Susitna Borough, Alaska

## General Fund

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

<i>Year Ended June 30, 2014</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 90,370,656	\$ 90,370,656	\$ 90,244,883	\$ (125,773)
Intergovernmental	26,408,857	26,408,857	28,770,200	2,361,343
Charges for services	3,087,200	3,087,200	4,740,534	1,653,334
Investment income	220,000	220,000	736,869	516,869
<b>Total Revenues</b>	<b>120,086,713</b>	<b>120,086,713</b>	<b>124,492,486</b>	<b>4,405,773</b>
<b>Expenditures</b>				
General government	24,327,778	24,166,423	18,823,077	5,343,346
Public works	5,298,112	5,298,294	4,779,986	518,308
Emergency services	9,359,048	9,361,315	8,009,314	1,352,001
Public services	4,462,954	4,167,605	3,932,293	235,312
Education	51,291,720	51,291,720	51,291,720	-
<b>Total Expenditures</b>	<b>94,739,612</b>	<b>94,285,357</b>	<b>86,836,390</b>	<b>7,448,967</b>
<b>Excess of Revenues Over Expenditures</b>	<b>25,347,101</b>	<b>25,801,356</b>	<b>37,656,096</b>	<b>11,854,740</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from disposal of capital assets	10,000	10,000	34,370	24,370
Transfers in	370	152,315	1,158,636	1,006,321
Transfers out	(37,974,771)	(38,652,603)	(37,659,659)	992,944
<b>Net Other Financing Sources (Uses)</b>	<b>(37,964,401)</b>	<b>(38,490,288)</b>	<b>(36,466,653)</b>	<b>2,023,635</b>
<b>Net Change in Fund Balance</b>	<b>\$ (12,617,300)</b>	<b>\$ (12,688,932)</b>	<b>1,189,443</b>	<b>\$ 13,878,375</b>
Fund Balance, beginning			<u>58,578,995</u>	
Fund Balance, ending			<u>\$ 59,768,438</u>	

*See accompanying notes to basic financial statements.*

## Matanuska-Susitna Borough, Alaska

Proprietary Funds  
Statement of Net Position

	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<i>June 30, 2014</i>				
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 17,417,727
Receivables:				
Accounts	338,936	-	338,936	-
Interfund loans	-	-	-	64,282
Intergovernmental	643,130	-	643,130	-
Deposits with others	-	-	-	52,245
Inventory	-	765	765	-
<b>Total Current Assets</b>	<b>982,066</b>	<b>765</b>	<b>982,831</b>	<b>17,534,254</b>
<b>Noncurrent Assets</b>				
Restricted cash - landfill closure	2,243,072	-	2,243,072	-
Interfund loans receivable - long-term	-	-	-	423,400
Ferry vessel	-	4,500,000	4,500,000	-
<b>Property, plant and equipment:</b>				
Buildings	2,420,358	7,948,617	10,368,975	-
Improvements other than buildings	1,790,143	-	1,790,143	-
Equipment	2,157,008	41,322	2,198,330	-
Landfill cells	4,519,944	-	4,519,944	-
Infrastructure	-	29,459,737	29,459,737	-
Construction in progress	9,762,272	261,029	10,023,301	-
<b>Total property, plant and equipment</b>	<b>20,649,725</b>	<b>37,710,705</b>	<b>58,360,430</b>	<b>-</b>
Accumulated depreciation and amortization	(3,738,980)	(7,026,215)	(10,765,195)	-
<b>Net property, plant and equipment</b>	<b>16,910,745</b>	<b>30,684,490</b>	<b>47,595,235</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>19,153,817</b>	<b>35,184,490</b>	<b>54,338,307</b>	<b>423,400</b>
<b>Total Assets</b>	<b>20,135,883</b>	<b>35,185,255</b>	<b>55,321,138</b>	<b>17,957,654</b>
<b>Deferred Outflows of Resources</b>				
Deferred loss on bonds	-	317,455	317,455	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 20,135,883</b>	<b>\$ 35,502,710</b>	<b>\$ 55,638,593</b>	<b>\$ 17,957,654</b>

See accompanying notes to basic financial statements.

## Matanuska-Susitna Borough, Alaska

Proprietary Funds  
Statement of Net Position, continued

<i>June 30, 2014</i>	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<b>Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 414,367	\$ 42,071	\$ 456,438	\$ 15,497
Accrued leave	94,067	30,910	124,977	-
Unearned revenue	1	46,406	46,407	-
Due to General Fund	989,462	7,548,018	8,537,480	-
Accrued interest payable	232,843	74,821	307,664	-
Current portion:				
General obligation bonds	-	485,000	485,000	-
Loans payable	89,418	-	89,418	25,948
Insurance claims incurred but not reported	-	-	-	1,915,341
<b>Total Current Liabilities</b>	<b>1,820,158</b>	<b>8,227,226</b>	<b>10,047,384</b>	<b>1,956,786</b>
<b>Noncurrent Liabilities</b>				
General obligation bonds payable, including unamortized premium of \$566,821	-	5,816,821	5,816,821	-
Loans payable	4,256,948	-	4,256,948	285,399
Lease credits payable	-	1,330,343	1,330,343	-
Landfill closure costs payable	4,262,490	-	4,262,490	-
<b>Total Noncurrent Liabilities</b>	<b>8,519,438</b>	<b>7,147,164</b>	<b>15,666,602</b>	<b>285,399</b>
<b>Total Liabilities</b>	<b>10,339,596</b>	<b>15,374,390</b>	<b>25,713,986</b>	<b>2,242,185</b>
<b>Net Position</b>				
Net investment in capital assets	12,564,379	24,700,124	37,264,503	-
Unrestricted (deficit)	(2,768,092)	(4,571,804)	(7,339,896)	15,715,469
<b>Total Net Position</b>	<b>9,796,287</b>	<b>20,128,320</b>	<b>29,924,607</b>	<b>15,715,469</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 20,135,883</b>	<b>\$ 35,502,710</b>	<b>\$ 55,638,593</b>	<b>\$ 17,957,654</b>

See accompanying notes to basic financial statements.

## Matanuska-Susitna Borough, Alaska

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

	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<i>Year ended June 30, 2014</i>				
<b>Operating Revenues</b>				
Intragovernmental	\$ -	\$ -	\$ -	\$ 8,047,916
Charges for services	5,598,895	22,851	5,621,746	-
Interest on loans	-	-	-	466
Employee contributions	-	-	-	746,351
Other	-	-	-	5,921
<b>Total Operating Revenues</b>	<b>5,598,895</b>	<b>22,851</b>	<b>5,621,746</b>	<b>8,800,654</b>
<b>Operating Expenses</b>				
Landfill operations	3,204,396	-	3,204,396	-
Transfer sites	1,750,125	-	1,750,125	-
Dock operations	-	639,235	639,235	-
Ferry expenses	-	509,581	509,581	-
Claims	-	-	-	5,243,734
Depreciation and amortization	321,643	928,522	1,250,165	-
Administrative fees	52,270	22,400	74,670	1,105,396
Premium	-	-	-	192,711
<b>Total Operating Expenses</b>	<b>5,328,434</b>	<b>2,099,738</b>	<b>7,428,172</b>	<b>6,541,841</b>
<b>Operating Income (Loss)</b>	<b>270,461</b>	<b>(2,076,887)</b>	<b>(1,806,426)</b>	<b>2,258,813</b>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental - State sources:				
PERS relief	99,161	33,180	132,341	-
Debt service reimbursement	-	707,350	707,350	-
Miscellaneous income	460	-	460	-
Interest expense	(76,020)	(233,453)	(309,473)	-
<b>Net Nonoperating Revenues (Expenses)</b>	<b>23,601</b>	<b>507,077</b>	<b>530,678</b>	<b>-</b>
<b>Income (Loss) Before Capital</b>				
Contributions, Transfers and Extraordinary Item	294,062	(1,569,810)	(1,275,748)	2,258,813
Capital contributions	955,250	58,477	1,013,727	-
Transfers out	-	-	-	(466)
Extraordinary item - Fair value adjustment - Ferry	-	(2,598,884)	(2,598,884)	-
<b>Change in Net Position</b>	<b>1,249,312</b>	<b>(4,110,217)</b>	<b>(2,860,905)</b>	<b>2,258,347</b>
<b>Net Position, beginning</b>	<b>8,546,975</b>	<b>24,238,537</b>	<b>32,785,512</b>	<b>13,457,122</b>
<b>Net Position, ending</b>	<b>\$ 9,796,287</b>	<b>\$ 20,128,320</b>	<b>\$ 29,924,607</b>	<b>\$ 15,715,469</b>

*See accompanying notes to basic financial statements.*

## Matanuska-Susitna Borough, Alaska

Proprietary Funds  
Statement of Cash Flows

Year ended June 30, 2014	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
<b>Cash Flows from (for) Operating Activities</b>				
Receipts from customers	\$ 5,611,286	\$ 22,851	\$ 5,634,137	\$ -
Receipts from employees and other	-	-	-	752,272
Payments to suppliers	(2,993,921)	(1,011,666)	(4,005,587)	-
Payments to employees	(1,296,855)	(367,458)	(1,664,313)	-
Payments for interfund services (used) provided	(52,270)	(22,400)	(74,670)	8,047,916
Principal payments received on loans	-	-	-	74,932
Interest payments received on loans	-	-	-	466
Principal payments on loan payable	-	-	-	(18,350)
Payments for claims and services	-	-	-	(6,714,738)
<b>Net cash flows from (for) operating activities</b>	<b>1,268,240</b>	<b>(1,378,673)</b>	<b>(110,433)</b>	<b>2,142,498</b>
<b>Cash Flows for Noncapital Financing Activities</b>				
Transfers out	-	-	-	(466)
<b>Cash Flows from (for) Capital and Related Financing Activities</b>				
Purchases of property, plant and equipment	(1,463,202)	(308,656)	(1,771,858)	-
Capital contributions received	316,667	573,467	890,134	-
Principal and interest paid on interfund note	-	(70,179)	(70,179)	-
Principal and interest paid on bonds and loans	(112,525)	(710,143)	(822,668)	-
Debt service reimbursement	-	707,350	707,350	-
Increase (decrease) in due to General Fund	(9,180)	1,186,834	1,177,654	-
<b>Net cash flows from (for) capital and related financing activities</b>	<b>(1,268,240)</b>	<b>1,378,673</b>	<b>110,433</b>	<b>-</b>
<b>Net Increase in Cash and Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,142,032</b>
<b>Cash and Investments, beginning of year</b>	<b>2,243,072</b>	<b>-</b>	<b>2,243,072</b>	<b>15,275,695</b>
<b>Cash and Investments, end of year</b>	<b>\$ 2,243,072</b>	<b>\$ -</b>	<b>\$ 2,243,072</b>	<b>\$ 17,417,727</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash from (for) Operating Activities</b>				
Operating income (loss)	\$ 270,461	\$ (2,076,887)	\$ (1,806,426)	\$ 2,258,813
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Miscellaneous nonoperating revenue	460	-	460	-
Depreciation and amortization	321,643	928,522	1,250,165	-
Lease credits exercised	-	(3,873)	(3,873)	-
Noncash expense - PERS relief	99,161	33,180	132,341	-
(Increase) decrease in assets:				
Accounts receivable	11,931	-	11,931	-
Loans receivable	-	-	-	74,932
Increase (decrease) in liabilities:				
Accounts payable	162,669	(247,113)	(84,444)	(21,274)
Accrued leave	16,268	(12,502)	3,766	-
Landfill closure costs payable	385,647	-	385,647	-
Loans payable	-	-	-	(18,350)
Insurance claims incurred but not reported	-	-	-	(151,623)
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 1,268,240</b>	<b>\$ (1,378,673)</b>	<b>\$ (110,433)</b>	<b>\$ 2,142,498</b>

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska  
 Agency Funds  
 Statement of Fiduciary Assets and Liabilities

*June 30, 2014*

Assets

Cash and investments	\$ 282,536
Property taxes receivable:	
Real	123,224
Personal	11,288
Other receivable	590,308
Special assessments receivable	1,302,465
<b>Total Assets</b>	<b>\$ 2,309,821</b>

Liabilities

Accounts payable	\$ 13,216
Payable to Mat-Su Borough	280,553
Deposits	427,999
Taxes collected in advance	138,284
Intergovernmental	2,563
Notes payable - gas lines	989,193
Notes payable - road improvements	182,886
Due to State of Alaska	275,127
<b>Total Liabilities</b>	<b>\$ 2,309,821</b>

*See accompanying notes to basic financial statements.*

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements June 30, 2014

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

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

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

#### *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the Borough and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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

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

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 and other 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.



# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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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 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.

The *Roads and Bridges Capital Project Fund* accounts for activities relating to the construction, renovation and repair of roads and bridges.

### *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.

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 accounts for self-insurance activities involving health, unemployment, workers' compensation, and property and casualty insurance.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### *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.
- 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.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### *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 and enterprise fund 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:

	Years
Buildings and improvements	30-40
System infrastructure	15-40
Machinery and equipment	5
Infrastructure	20-30

### *Prepaid Items*

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

### *Inventories*

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

### *Deferred Outflows of Resources*

Deferred outflows consist of deferred charges (deferred losses) on debt refundings. These items are amortized over the shorter of the life of the refunded debt or the new debt. The amortization of the loss results in additional interest expense on an annual basis.

### *Unearned Grant Revenue*

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

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### *Accrued Leave*

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

### *Long-Term Debt*

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

### *Deferred Inflows of Resources*

Deferred inflows, in the government-wide financial statements, are comprised primarily of revenues received in advance of the year in which they were budgeted. Specifically, this includes taxes received in advance of the levy or payment in lieu of tax received in advance of its appropriation year. In the governmental fund financial statements, deferred inflows also include those items that are measurable, but not yet available for revenue recognition under the modified accrual basis of accounting rules.

### *Fund Balances*

The Borough adopted a Fund Balance classification and spending prioritization policy on September 15, 2011 to comply with GASB statement 54.

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 official action, through ordinance, of the Borough’s Assembly. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the constraint through a subsequent formal modification or rescinding action.

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

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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*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*

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

### *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.

The Borough (excluding the School District) provides health insurance on a self-insured basis up to \$100,000 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.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

A schedule of the changes in the claims liability for the years ended June 30, 2013 and June 30, 2014 follows:

	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Total
Balance at June 30, 2012	\$ 28,919	\$ 1,306,564	\$ 225,000	\$ 62,474	\$ 1,622,957
Claims expense	130,505	3,991,658	22,050	929,249	5,073,462
Claims paid	(122,653)	(4,058,733)	(22,050)	(389,248)	(4,592,684)
Balance at June 30, 2013	36,771	1,239,489	225,000	602,475	2,103,735
Claims expense	94,645	4,626,788	372,000	150,301	5,243,734
Claims paid	(115,919)	(4,625,061)	(72,000)	(603,651)	(5,416,631)
Balance at June 30, 2014	\$ 15,497	\$ 1,241,216	\$ 525,000	\$ 149,125	\$ 1,930,838

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 \$15,497, is included in the financial statements as accounts payable. All other funds' liabilities are reported on the statement of net position as insurance claims incurred but not reported. This liability, in the amount of \$1,915,341 is included with the governmental activities noncurrent liabilities.

### *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).

## 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.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

### *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, 2014.

	Pooled Cash And Investments	Other	Totals
Bank deposits	\$ (1,810,103)	\$ 2,047,839	\$ 237,736
Investments	304,367,565	-	304,367,565
	<b>\$ 302,557,462</b>	<b>\$ 2,047,839</b>	<b>\$ 304,605,301</b>

Reconciliation to the basic financial statements:

	Borough Accounts	School Accounts	Totals
Primary government cash and investments	\$ 156,959,611	\$ -	\$ 156,959,611
Restricted cash	126,335,545	-	126,335,545
Agency funds	282,536	-	282,536
School District	18,979,770	2,047,839	21,027,609
	<b>\$ 302,557,462</b>	<b>\$ 2,047,839</b>	<b>\$ 304,605,301</b>

### *Interest Rate Risk*

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

Investment maturities in general investments at June 30, 2014 are as follows:

	Fair Value	Investment Maturity (in years)		
		Less than 1	1-5	More than 5
Investment Type				
U.S. government agencies	\$ 127,149,604	\$ 91,724,311	\$ 35,425,293	\$ -
Bond mutual funds	25,810,710	25,810,710	-	-
Corporate fixed income	16,351,305	14,555,211	1,796,094	-
Repurchase agreement	20,695,742	20,695,742	-	-
Pooled investments (AMLIP)	114,360,204	114,360,204	-	-
<b>Total Investments</b>	<b>\$ 304,367,565</b>	<b>\$ 267,146,178</b>	<b>\$ 37,221,387</b>	<b>\$ -</b>

### *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the U.S. government agency investments are rated AAA by Standard and Poor's. To minimize credit risk, the Borough's investments are limited to those discussed above, under "Investments."

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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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.

### 3. Fund Balances

The Borough applies the provisions of GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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, 2014, consisted of the following:

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#### *Due to the General Fund from:*

Port Enterprise Fund for advances for operating and capital costs	\$ 7,548,018
Solid Waste Enterprise Fund for advances for capital costs	989,462
Roads and Bridges Capital Projects Fund for capital costs	2,227,582
Infrastructure Capital Projects Fund for advances for capital costs	5,002,773
Nonmajor governmental funds for advances for operating and capital costs	14,765

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<b>Total Due To General Fund</b>	<b>\$ 15,782,600</b>
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# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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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.

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. Loan payments are due in twenty annual installments of \$4,541 to \$6,025, plus interest at 1.5% through March 1, 2032. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough.

Amounts distributed at June 30, 2014 were as follows:

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Road Service Area 9 - Midway Road	\$ 29,157
Road Service Area 14 - Fairview Road	17,132
Road Service Area 16 - South Colony	62,861
Road Service Area 19 - Lazy Mountain	345
Road Service Area 23 - North Colony	7,758
Road Service Area 25 - Bogard Road	58,271
Road Service Area 26 - Greater Butte Road	3,275
Road Service Area 28 - Gold Trail Road	35,127
Road Service Area 31 - Alpine Road	1,572
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Total loans payable from Road Service Areas for ADEC Loan	215,498
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Loan payable from Talkeetna Water and Sewer for ADEC loan	\$ 95,850

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# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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Other advances to/from other funds, representing long-term loans at June 30, 2014 with established payment terms, consisted of amounts payable to the Revolving Loan Internal Service Funds from the following special revenue funds:

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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	\$ 126,000
\$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	12,000
\$90,000 Fire Service Area 35 - Caswell revolving loan, due in annual installments of \$30,000, plus interest as approved by the Assembly, through 2015	30,000
\$25,000 Fire Service Area 135 - Willow revolving loan, due in annual installments of \$8,334, plus interest as approved by the Assembly, through 2015	8,334
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Total loans payable to other funds with established payment terms	176,334
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Total Loans Payable To Revolving Loan Internal Service Funds	\$ 487,682

Transfers to/from other funds for the year ended June 30, 2014 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.

*June 30, 2014*

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*From the General Fund to:*

Roads and Bridges Capital Project Fund	\$ 500,000
School Projects Capital Project Fund	65,000
Infrastructure Capital Project Fund	100,000
Nonmajor governmental funds	36,994,659
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Total transfers out of General Fund	37,659,659

*From Roads and Bridges Capital Project Fund to:*

General Fund	19,164
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*From School Projects Capital Project Fund to:*

Nonmajor governmental funds	23,424
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# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

June 30, 2014

*From nonmajor governmental funds to:*

General Fund	\$ 1,139,472
Other nonmajor governmental funds	15,681,656

Total transfers out of nonmajor governmental funds 16,821,128

*From internal service funds to nonmajor governmental funds* 466

**Total Transfers** **\$ 54,523,841**

### 6. Capital Assets

Capital asset activity for the year ended June 30, 2014 follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 17,853,256	\$ 1,334,839	\$ -	\$ 19,188,095
Construction in progress	186,403,318	139,908,287	102,037,875	224,273,730
<b>Total assets not being depreciated</b>	<b>204,256,574</b>	<b>141,243,126</b>	<b>102,037,875</b>	<b>243,461,825</b>
<i>Capital assets being depreciated:</i>				
Buildings	475,264,327	88,290,015	-	563,554,342
Improvements other than buildings	29,063,452	57,342	-	29,120,794
Equipment	38,174,823	4,345,251	180,772	42,339,302
Infrastructure	215,841,155	11,296,437	-	227,137,592
<b>Total assets being depreciated</b>	<b>758,343,757</b>	<b>103,989,045</b>	<b>180,772</b>	<b>862,152,030</b>
<b>Less accumulated depreciation for:</b>				
Buildings	143,159,931	8,763,224	-	151,923,155
Improvements other than buildings	7,302,627	656,661	-	7,959,288
Equipment	23,151,351	3,282,268	179,876	26,253,743
Infrastructure	119,008,945	1,667,921	-	120,676,866
<b>Total accumulated depreciation</b>	<b>292,622,854</b>	<b>14,370,074</b>	<b>179,876</b>	<b>306,813,052</b>
<b>Total capital assets being depreciated, net</b>	<b>465,720,903</b>	<b>89,618,971</b>	<b>896</b>	<b>555,338,978</b>
<b>Governmental Activity Capital Assets, net</b>	<b>\$ 669,977,477</b>	<b>\$ 230,862,097</b>	<b>\$ 102,038,771</b>	<b>\$ 798,800,803</b>

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>Business-type Activities</b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 11,421,646	\$ 1,646,771	\$ 3,045,116	\$ 10,023,301
<i>Capital assets being depreciated:</i>				
Buildings	10,360,251	8,724	-	10,368,975
Improvements other than buildings	1,734,469	55,674	-	1,790,143
Equipment	2,137,641	60,689	-	2,198,330
Landfill cells	4,519,944	-	-	4,519,944
Infrastructure	26,414,621	3,045,116	-	29,459,737
<b>Total assets being depreciated</b>	<b>45,166,926</b>	<b>3,170,203</b>	<b>-</b>	<b>48,337,129</b>
Less accumulated depreciation for:				
Buildings	812,759	345,413	-	1,158,172
Improvements other than buildings	733,743	49,150	-	782,893
Equipment	1,206,512	130,405	-	1,336,917
Landfill cells	961,392	64,832	-	1,026,224
Infrastructure	5,800,624	660,365	-	6,460,989
<b>Total accumulated depreciation</b>	<b>9,515,030</b>	<b>1,250,165</b>	<b>-</b>	<b>10,765,195</b>
<b>Total capital assets being depreciated, net</b>	<b>35,651,896</b>	<b>1,920,038</b>	<b>-</b>	<b>37,571,934</b>
<b>Business-Type Activity Capital Assets, net</b>	<b>\$ 47,073,542</b>	<b>\$ 3,566,809</b>	<b>\$ 3,045,116</b>	<b>\$ 47,595,235</b>

Depreciation expense was charged to the functions as follows for the year ended June 30, 2014:

	Depreciation
<b>Governmental Activities</b>	
General government	\$ 1,204,523
Public works	114,357
Public service	2,627,441
Emergency services	2,330,219
Education	8,093,534
<b>Total Governmental Activities</b>	<b>\$ 14,370,074</b>
<b>Business-type Activities</b>	
Solid waste	\$ 321,643
Port	928,522
<b>Total Business-Type Activities</b>	<b>\$ 1,250,165</b>

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

Capital projects authorized or in progress are as follows:

	Project Authorization	Expended	Fund Balance Available	Required Future Financing
School projects	\$ 617,471,987	\$ 553,258,631	\$ 107,799,130	\$ -
Road service repair	131,576,093	108,633,363	20,094,137	-
Sewage facility	15,595,671	14,800,366	116,750	-
Fire protection	59,133,014	56,441,453	15,335,430	-
Sanitary landfills	15,595,671	20,387,577	1,476,606	-
Ambulance and emergency medical services	30,441,606	30,645,093	962,762	-
Roads and bridges	126,049,795	81,594,848	22,334,802	-
Borough facilities	60,293,570	58,287,644	2,680,404	-
Cultural and recreational	13,984,054	13,298,870	954,733	-
Port	60,958,651	48,704,312	1,942,713	-
Major maintenance	1,149,094	1,111,719	-	-
Infrastructure	147,697,524	130,643,869	570,649	-
Miscellaneous	78,265,586	73,991,455	8,121,302	-
Pass-through grants	11,814,600	11,344,094	11,629	-
	<b>\$1,370,026,916</b>	<b>\$1,203,143,294</b>	<b>\$ 182,401,047</b>	<b>\$ -</b>

### 7. Other Asset - Ferry Vessel

#### M/V Susitna Ferry

In September 2012, the Borough took title to the M/V Susitna, a 195 foot, ice-breaking passenger and vehicle Ferry that was funded over a period of several years in connection with the Port Mackenzie expansion project. This project included the construction of certain building and port infrastructure, rail line extension and connectivity, as well as the Ferry, itself. The original plan anticipated Ferry service across Knik Arm, connecting the Borough to the Municipality of Anchorage. The Ferry was constructed by the Department of Defense and was paid for through Department of Defense and Federal Transit Administration Funding, along with some matching Borough funds. To date the Borough has been unsuccessful at securing a ferry landing site on the Anchorage side of Knik Arm. Without this critical element of the project, the Ferry cannot be operated under its intended purpose.

The vessel has an approximate construction cost of \$74 million according to Department of Defense. The storage and maintenance cost are approximately \$15,000 per month. Given the ongoing storage and maintenance cost, coupled with no landing site to put the Ferry into use, the Borough is investigating its options. If the Ferry is not placed in service for passenger traffic, is sold, or is otherwise disposed, the Borough could be required to pay back some portion or all of those costs funded by the Federal Transit Administration (FTA).

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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As noted above, the Borough took title to the Ferry during the fiscal year 2013; however, because it has not been placed into service as a capital asset, the Borough recorded it in the Port Enterprise Fund as an Other Asset - Ferry Vessel, pending final disposition or resolution. The Ferry was recorded at the Borough's share of the historical cost of \$7,098,884, which includes Federal Transit Administration Funding, along with matching Borough funds.

In August of 2014, the Borough received notice that the FTA wants the Borough to repay \$12,319,299 in connection with both the Ferry itself, as well as the Passenger Terminal Building. The Borough received a temporary postponement of the billing in order to negotiate the amount owed and repayment terms. As of June 30, 2014, the Borough has recorded the \$12 million liability as a governmental long-term debt, pending settlement of final payment terms and amount.

In addition, in December 2014, the Borough has tentatively negotiated the sale of the Ferry Vessel for private purposes. The sale is expected to be finalized some time during calendar year 2015, pending regulatory review. However, because the Borough believes the ultimate sales price will be less than the recorded value, the Borough has recognized a loss of \$2,598,884 on the asset carrying value (a market value adjustment) as of June 30, 2014.

### 8. Long-term Debt

#### *Issuance of New Debt*

##### *General Obligation School Bonds*

In March, 2014 the Borough issued \$29,400,000 of general obligation school bonds. The 2014 bonds were issued with a premium of \$3,645,426.

##### *General Obligation Transportation System Bonds*

In January, 2014 the Borough issued \$17,840,000 of general obligation transportation system bonds. The bonds were issued at a premium of \$1,657,378.

##### *Certificates of Participation*

In October 2013, the Borough issued \$8,585,000 in Public Safety Building Lease Certificates of Participation. The COPs were issued at a premium of \$331,126.

#### *Other Debt Information*

##### *ADEC Loan*

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 did not draw down funds during the current year. The total loan balance at June 30, 2014 was \$2,805,926. Repayment amortization is yet to be determined. This loan is recorded in the Solid Waste Enterprise Fund.

##### *FTA Ferry and Terminal Liability*

As noted earlier, the Borough received notice and demand for repayment of grant funds associated with the M/V Susitna Passenger Ferry and related Terminal Building in the amount of \$12,319,299. Payment terms have not yet been established.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

A summary of changes in long-term debt for the year ended June 30, 2014 follows:

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014	Due Within One Year
<b>Governmental Activities</b>					
School projects bonds	\$ 257,025,000	\$ 29,400,000	\$ 17,515,000	\$ 268,910,000	\$ 17,655,000
Park and recreation bonds	2,210,000	-	240,000	1,970,000	245,000
Transportation bonds	11,175,000	17,840,000	440,000	28,575,000	1,010,000
Certificates of participation	5,645,000	8,585,000	780,000	13,450,000	1,255,000
ADEC salted sand building loan	229,238	-	13,741	215,497	13,948
ADEC Talkeetna community water upgrade loan	100,459	-	4,609	95,850	4,678
FTA liability	-	12,319,299	-	12,319,299	-
Accrued leave **	2,480,184	1,832,110	2,173,462	2,138,832	2,138,832
Insurance claims incurred but not reported & claims payable	2,066,964	5,149,090	5,300,713	1,915,341	1,915,341
	<u>\$ 280,931,845</u>	<u>\$ 75,125,499</u>	<u>\$ 26,467,525</u>	<u>329,589,819</u>	<u>\$ 24,237,799</u>

Plus unamortized bond premium

22,851,440

\$ 352,441,259

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014	Due Within One Year
<b>Business-type Activities</b>					
Port bonds	\$ 6,200,000	\$ -	\$ 465,000	\$ 5,735,000	\$ 485,000
ADEC solid waste loan - Cell 3 construction *	2,805,926	-	-	2,805,926	-
ADEC solid waste loan - hazardous waste facility	773,421	-	46,362	727,059	47,058
ADEC solid waste loan - regional resource recovery and training facility	855,115	-	41,734	813,381	42,360
Lease credits payable	1,334,216	-	3,873	1,330,343	-
Landfill closure and post-closure monitoring costs	3,876,843	385,647	-	4,262,490	-
Accrued leave **	121,211	118,345	114,579	124,977	124,977
	<u>\$ 15,966,732</u>	<u>\$ 503,992</u>	<u>\$ 671,548</u>	<u>15,799,176</u>	<u>\$ 699,395</u>

Plus unamortized bond premium

566,821

\$ 16,365,997

\*Not yet in repayment status.

\*\* Based on an analysis of the actual compensated absence expenditures/expense during the first quarter of the fiscal year 2015, management estimates that \$2,562,605 worth of accrued leave will be used in FY15.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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Therefore the entire balance of accrued leave is reported as due within one year. Other long-term liabilities related to governmental activities such as accrued leave are generally liquidated by the General Fund.

At June 30, 2014, long-term debt in repayment status is comprised of the following individual issues:

### General Obligation Bonds

#### *School projects bonds:*

\$29,400,000 2014 Series A School bonds, due in annual installments of \$820,000 to \$2,190,000, plus interest at 2.0% to 5.0% through November 1, 2034	\$ 29,400,000
\$13,290,000 2013 Series A School bonds, due in annual installments of \$455,000 to \$995,000, plus interest at 3.0% to 5.0% through March 1, 2033	12,805,000
\$91,770,000 2012 Series A School bonds, due in annual installments of \$3,290,000 to \$6,640,000, plus interest at 3.0% to 5.0% through March 2032	85,215,000
\$8,710,000 2012 Series B School refunding bonds, due in annual installments of \$380,000 to \$2,480,000, plus interest at 3.0% to 5.0% through March 1, 2024	8,710,000
\$33,785,000 2011 Series A School bonds, due in annual installments of \$1,310,000 to \$2,490,000, plus interest at 2.0% to 5.0% through April 1, 2031	30,085,000
\$19,030,000 2009 Series A School bonds, due in annual installments of \$715,000 to \$1,465,000, plus interest at 4.0% to 5.5% through April 1, 2030	16,435,000
\$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
\$20,500,000 2006 Series A School bonds, due in annual installments of \$975,000 to \$1,575,000, plus interest at 4.0% to 4.75% through February 1, 2026	14,960,000
\$19,200,000 2006 Series B School bonds, due in annual installments of \$910,000 to \$1,480,000, plus interest at 4.0% to 4.75% through February 1, 2026	14,040,000
\$27,095,000 2005 Series A School bonds, due in final installment of \$1,255,000, plus interest at 4.0% through April 1, 2015	1,255,000
\$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	22,500,000
<b>Total school projects bonds</b>	<b>268,910,000</b>



# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### General Obligation Bonds, continued

#### *Park bonds*

\$2,210,000 2007 Series B Park bonds, due in annual installments of \$245,000 to \$325,000, plus interest at 4.0% to 5.25% through April 1, 2021	\$ 1,970,000
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#### *Transportation bonds:*

\$17,840,000 2014 Series A Transportation bonds, due in annual installments of \$560,000 to \$1,350,000, plus interest at 2.0% to 5.0% through August 1, 2033	17,840,000
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\$11,175,000 2012 Series D Transportation bonds, due in annual installments of \$450,000 to \$845,000, starting 2014 plus interest at 1.25% to 5.0% through April 1, 2032	10,735,000
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<b>Total transportation bonds</b>	<b>28,575,000</b>
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#### *Port bonds*

\$5,770,000 2012 Series C Port refunding bonds, due in annual installments of \$485,000 to \$675,000, plus interest at 3.0% to 5.0% through March 1, 2024	5,735,000
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<b>Total General Obligation Bonds</b>	<b>\$ 305,190,000</b>
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### Certificates of Participation

\$8,585,000 2013 Public Safety Building Lease Certificates of Participation, due in annual installments of \$435,000 to \$745,000, plus interest at 2.5% to 5.0% through October 1, 2024	\$ 8,585,000
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\$5,235,000 2000 Public Safety Building Lease Certificates of Participation, due in annual installments of \$465,000 to \$490,000, plus interest at 5.75% through March 1, 2016	955,000
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\$5,750,000 2008 Animal Control Building Certificates of Participation, due in annual installments of \$355,000 to \$535,000, plus interest at 4.2% to 5.75% through March 1, 2023	3,910,000
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<b>Total Certificates Of Participation</b>	<b>\$ 13,450,000</b>
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# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

*ADEC loans*

\$2,805,926 ADEC loan for Landfill Cell 3 construction due in annual installments of \$121,344 to \$161,018 plus interest at 1.5% beginning July 1, 2015 through July 1, 2034	\$ 2,805,926
\$105,000 ADEC loan for Talkeetna Community Water Upgrade due in annual installments of \$4,609 to \$6,025 plus interest at 1.5% through March 1, 2032	95,850
\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$13,741 to \$16,926, plus interest at 1.5% through August 8, 2027	215,497
\$995,155 ADEC loan for Hazardous Materials Facility, due in annual installments of \$46,362 to \$57,107, plus interest at 1.5% through August 31, 2027	727,059
\$936,743 ADEC loan for Regional Resource Recovery and Training Facility, due in annual installments of \$41,375 to \$53,755, plus interest at 1.5% through June 30, 2031	813,381
<b>Total ADEC Loans</b>	<b>\$ 4,657,713</b>

The annual requirements to amortize long-term debt outstanding at June 30, 2014, exclusive of the accrued leave, landfill closure and post closure monitoring costs, insurance claims incurred but not reported FTA liability and the ADEC loans that are not yet in repayment status are as follows:

**Governmental Activities**

<i>Year Ending June 30:</i>	General Obligation Bonds and Certificates of Participation		ADEC Loans	
	Principal	Interest	Principal	Interest
2015	\$ 20,165,000	\$ 14,100,475	\$ 18,626	\$ 4,670
2016	20,960,000	13,245,739	18,905	4,390
2017	21,290,000	12,386,691	19,188	4,107
2018	22,205,000	11,448,715	19,476	3,820
2019	19,045,000	10,448,575	19,768	3,528
2020-2024	86,525,000	40,868,445	103,383	13,097
2025-2029	73,490,000	22,013,556	94,191	5,109
2030-2034	47,035,000	5,532,138	17,810	536
2035	2,190,000	54,750	-	-
	\$ 312,905,000	\$ 130,099,084	\$ 311,347	\$ 39,257

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

### Business-type Activities

<i>Year Ending June 30:</i>	Port Bonds		ADEC Loans	
	Principal	Interest	Principal	Interest
2015	\$ 485,000	\$ 224,463	\$ 89,418	\$ 23,107
2016	500,000	209,913	212,104	245,520
2017	520,000	189,913	215,285	60,673
2018	540,000	169,113	218,515	57,444
2019	565,000	147,513	221,792	54,166
2020-2024	3,125,000	425,375	1,159,875	219,918
2025-2029	-	-	1,191,551	130,227
2030-2034	-	-	876,807	49,481
2035	-	-	161,019	2,415
	\$ 5,735,000	\$ 1,366,288	\$ 4,346,366	\$ 842,951

The following summarizes the amounts available for payment of general long-term debt at June 30, 2014:

	Debt Service Funds
School general obligation bonds	\$ 314,959
Transportation bonds	758,582
Parks and recreation bonds	33,051
Certificates of participation	2,640,727
	\$ 3,747,319

Any additional monies needed to service the school general obligation bonds or retire other governmental activity debt are provided by transfers to the Debt Service Funds from the General Fund.

The following bond authorizations remain open and unissued:

	Authorized Unissued
October 2008, Transportation Bonds	\$ 15,000,000
October 2011, School Bonds	66,120,000
October 2013, Transportation Bonds	16,215,000
	\$ 97,335,000

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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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, 2014, 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, 2014, based on landfill capacity used as of that date. The \$4,262,490 reported as landfill closure and postclosure care liability at June 30, 2014 represents the cumulative amount reported to date based on the use of 21.27% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$14,511,395 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, 2014, the Borough is required to provide financial assurances for closure and postclosure care of the landfill in accordance with state and federal regulations. There are a number of allowable mechanisms available. The Borough has decided to use the "Local Government Test" financial assurance mechanism to be in compliance with the April 1997 regulations. Future inflation costs and additional costs that might arise from changes in closure and postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers or both.

### *Special Assessment Debt*

From time to time, the Borough will issue non-recourse special assessment bonds to finance road or gas line improvements in local improvement districts within the Borough. Repayment of the bonds is through special assessments levied against the property in the local improvement districts that benefit from the project. The bonds are special obligations of the local improvement districts and are payable solely from the assessments. As such, the Borough is not obligated in any manner for the special assessment debt and is acting solely as agent on behalf of the local improvement districts. The balance of special assessment bonds payable at June 30, 2014 follows:

Gas line bonds	\$ 989,193
Road improvement bonds	182,886
<hr/>	
Total	\$ 1,172,079

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### *Advance Refunding of Bonds*

Historically, the Borough has issued refunding debt when financially advantageous. The purpose of the refundings is to obtain more favorable interest rates, thereby reducing the overall cost of borrowing. At the time of the transactions, the proceeds from the issuance of the new refunding debt has been placed into an irrevocable trust with an escrow paying agent to provide the future debt service payments on the old debt, until the debt is paid in full, generally at a specified call date. For financial accounting purposes, the refunded debt is considered defeased and therefore, removed from the Borough's financial statements. At June 30 2014, defeased debt outstanding and under payment by the escrow agent is as follows:

<i>Date of Refunding</i>	Issue Refunded	Amount Refunded	Amount Outstanding
2012	2004 A School Bonds	\$ 3,325,000	\$ 3,325,000
2012	2004 B School Bonds	3,020,000	3,020,000
2012	2005 A School Bonds	2,680,000	2,680,000
2012	2004 C Port Bonds	5,905,000	5,905,000
2007	2004 A School Bonds	6,315,000	6,315,000
2007	2004 B School Bonds	745,000	745,000
2007	2005 B School Bonds	13,705,000	13,705,000
<b>Total Defeased Debt Outstanding</b>			<b>\$ 35,695,000</b>

### 9. Goose Creek Correctional Facility - Lease Agreement

In 2008, the Borough entered into a lease agreement with the State of Alaska relating to the construction of a correctional facility to be located on Borough property. Connected with the lease agreement, the Borough issued Lease Revenue Bonds in the amount of \$244 million to finance construction of the facility. The lease agreement is considered a "triple net zero" lease, in which lease payment terms mirror the debt payment terms. The lease payments are paid by the State of Alaska directly to the bond trustee for the purpose of making the debt payments. No benefit or cost inures to the Borough. When the debt is paid in full, title to the facility will pass to the State of Alaska. Concurrent with the issuance of the debt, an insurance policy was purchased guaranteeing payment of the bonds in the unlikely event of default by the State. From 2008 through 2014, the Borough has recorded the construction related activities in an Agency fund as it has been acting in an agency capacity during the construction phase. In 2013, construction was completed and the State has taken occupancy of the facility, to include all maintenance and operations. At June 30, 2014, the Borough has removed the construction related agency fund liability and all that remains is a small amount of unspent bond proceeds. Immediately following year end, these unspent funds were paid to the bond trustee for debt service. As the Borough has no future rights or obligations in connection with the facility or the debt repayment, no capital asset and no long-term debt have been recorded in these financial statements.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### 10. 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

#### *Conversion to Cost Sharing*

In April 2008, the Alaska Legislature passed legislation 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.

That same year, the State of Alaska passed additional legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

#### *Employee Contribution Rates*

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (3.29% for pension and 4.21% for healthcare).

#### *Employer and Other Contribution Rates*

There are three contribution rates associated with the pension and healthcare contributions and related liabilities:

*Contractual Rate:* This is the required funding rate for participating employers. The contractual rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate includes all PERS participating wages, including those wages attributable to employees in the defined contribution plan.

*ARM Board Adopted Rate:* This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined to calculate annual funding requirements of the Plan, without regard to the statutory rate cap. There are no constraints or restrictions on the actuarial cost method or other assumptions used in this valuation, other than those established and agreed to by the ARM Board.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

Current legislation provides that the State of Alaska will contribute the difference between the ARM Board adopted rate and the contractual (statutory) rate. These additional contributions are recognized by each employer as an on-behalf payment and are reflected as revenue and expense/expenditures within the financial statements.

*GASB 43 Rate:* This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For FY14, the rate uses an 8.00% pension discount rate and a 5.41% healthcare discount rate. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

The GASB 43 rate differs significantly from the ARM Board adopted rate as a direct result of differences in the actuarial valuation methodology and assumptions.

Contribution rates for the year ended June 30, 2014 were determined as part of the June 30, 2011 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 43 Rate
Pension	10.64%	18.38%	27.94%
Postemployment healthcare	11.36%	17.30%	52.55%
<b>Total contribution rate</b>	<b>22.00%</b>	<b>35.68%</b>	<b>80.49%</b>

### *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 13.68% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, this contribution is considered an on-behalf payment and is recorded as revenue and expense/expenditures in these financial statements. However, because the Borough is not statutorily obligated for these payments, the states contributions in the amounts of \$2,708,817, \$2,712,690 and \$2,067,110 for 2014, 2013, and 2012, respectively have been excluded from pension and OPEB cost as described here.

<i>Year Ended June 30,</i>	Annual Pension Cost	Annual OPEB Total Benefit Cost	Annual Total Benefit Cost (TBC)	Borough Contributions	% of TBC Contributed
2014	\$ 1,769,901	\$ 1,889,943	\$3,659,844	\$ 3,659,844	100%
2013	1,634,619	2,084,267	3,718,886	3,718,886	100%
2012	1,557,753	1,896,941	3,454,694	3,454,694	100%

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### 11. Defined Contribution Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. The Plan is administered by the State of Alaska, Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The 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.

#### *Employee Contribution Rates*

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

#### *Employer Contribution Rates*

For the year ended June 30, 2014 the Borough was required to contribute the following amounts based on covered salary:

	Other Tier IV	Police/Fire Tier IV
Individual account	5.00%	5.00%
Retiree medical plan	0.48%	0.48%
Occupational death and disability benefits	0.20%	1.14%
	5.68%	6.62%

In addition, the employer must contribute to the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2013, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,897 per year for each full-time employee, and \$1.22 per hour for part-time employees.

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, 2014 were \$594,976 and \$553,947, respectively.



# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### 12. Contingencies

#### *Lease Credits Payable*

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 awarded to the contractor. 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. At June 30, 2014, the balance of the lease credits payable was \$1,330,343 and is recorded as a long-term payable in the Port Enterprise Fund.

#### *Other*

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.

### 13. Subsequent Events

The Borough is in the process of issuing general obligation school refunding bonds, as this document goes to print, in an anticipated amount of approximately \$35 million.

# Matanuska-Susitna Borough, Alaska

## Notes to Basic Financial Statements

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### 14. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 68 will result in the biggest reporting change. Actual impacts have not yet been determined:

*GASB 68 - Accounting and Financial Reporting for Pensions* - Effective for year-end June 30, 2015 - This statement changes the reporting and disclosure requirements for governments that participate in pension plans. This statement modifies the participating employer side reporting in connection with the Plan side reporting at GASB 67.

*GASB 69 - Government Combinations and Disposals of Government Operations* - Effective for year-end June 30, 2015 - This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

*GASB 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68 - Effective for year-end June 30, 2015 - The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities.

## Matanuska-Susitna Borough, Alaska

Nonmajor Governmental Funds  
Combining Balance Sheet

<i>June 30, 2014</i>	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Cash and investments	\$ 27,270,309	\$ 1,898,483	\$ 42,843,475	\$ 72,012,267
Prepaid items	180,277	-	175,043	355,320
Receivables:				
Intergovernmental	761,876	-	5,908,951	6,670,827
Property taxes	2,776,449	-	-	2,776,449
Land sales contracts, net	5,687	-	-	5,687
Other	182,105	-	4,454	186,559
Land sales contracts receivable, long term	177,698	-	-	177,698
Restricted cash	-	1,848,836	6,095,813	7,944,649
<b>Total Assets</b>	<b>\$ 31,354,401</b>	<b>\$ 3,747,319</b>	<b>\$ 55,027,736</b>	<b>\$ 90,129,456</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>				
<b>Liabilities</b>				
Accounts, contracts and retentions payable	\$ 1,105,782	\$ -	\$ 5,038,474	\$ 6,144,256
Due to General Fund	14,765	-	-	14,765
Deposits	58,024	-	-	58,024
Unearned revenue	-	-	1,712,115	1,712,115
Loans payable to other funds	487,682	-	-	487,682
<b>Total Liabilities</b>	<b>1,666,253</b>	<b>-</b>	<b>6,750,589</b>	<b>8,416,842</b>
<b>Deferred Inflows</b>				
Delinquent property taxes	2,634,388	-	-	2,634,388
Special assessments	5,795	-	-	5,795
Land sales receivables not yet due	177,698	-	-	177,698
<b>Total Liabilities and Deferred Inflows</b>	<b>4,484,134</b>	<b>-</b>	<b>6,750,589</b>	<b>11,234,723</b>
<b>Fund Balances</b>				
Nonspendable - prepaid items	180,277	-	175,043	355,320
Restricted:				
Debt service	-	1,848,836	-	1,848,836
Capital projects	-	-	6,095,813	6,095,813
Committed:				
Land management	5,984,812	-	-	5,984,812
Self insurance	10,000	-	-	10,000
Accrued leave	30,000	-	-	30,000
Equipment	1,000,000	-	-	1,000,000
Assigned:				
Subsequent year expenditures	2,645,307	-	-	2,645,307
Subsequent year appropriations	1,336,700	-	-	1,336,700
Land management	1,734,422	-	-	1,734,422
Service areas	14,128,857	-	-	14,128,857
Debt service	-	1,898,483	-	1,898,483
Capital projects	-	-	42,006,291	42,006,291
Unassigned (deficits)	(180,108)	-	-	(180,108)
<b>Total Fund Balances</b>	<b>26,870,267</b>	<b>3,747,319</b>	<b>48,277,147</b>	<b>78,894,733</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 31,354,401</b>	<b>\$ 3,747,319</b>	<b>\$ 55,027,736</b>	<b>\$ 90,129,456</b>

**Matanuska-Susitna Borough, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**

<i>Year ended June 30, 2014</i>	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Property taxes	\$ 32,174,125	\$ -	\$ -	\$ 32,174,125
Intergovernmental	1,655,327	-	8,979,846	10,635,173
Charges for services	3,598,005	1,268	-	3,599,273
Investment income	47,480	95	-	47,575
Interest on land sales	16,009	-	-	16,009
Other	719,793	-	-	719,793
<b>Total Revenues</b>	<b>38,210,739</b>	<b>1,363</b>	<b>8,979,846</b>	<b>47,191,948</b>
<b>Expenditures</b>				
General government	644,610	-	1,507,548	2,152,158
Emergency services	9,861,455	-	628,483	10,489,938
Public services	12,699,768	-	9,613,853	22,313,621
Debt service	5,411	31,429,580	800	31,435,791
Capital outlay	-	-	14,020,553	14,020,553
<b>Total Expenditures</b>	<b>23,211,244</b>	<b>31,429,580</b>	<b>25,771,237</b>	<b>80,412,061</b>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	14,999,495	(31,428,217)	(16,791,391)	(33,220,113)
<b>Other Financing Sources (Uses)</b>				
COP issuance	-	585,000	8,000,000	8,585,000
Premium on issuance	-	179,450	151,676	331,126
Transfers in	49,742	31,496,424	21,154,039	52,700,205
Transfers out	(15,352,380)	-	(1,468,748)	(16,821,128)
<b>Net Other Financing Sources (Uses)</b>	<b>(15,302,638)</b>	<b>32,260,874</b>	<b>27,836,967</b>	<b>44,795,203</b>
<b>Net Change in Fund Balances</b>	<b>(303,143)</b>	<b>832,657</b>	<b>11,045,576</b>	<b>11,575,090</b>
<b>Fund Balances, beginning</b>	<b>27,173,410</b>	<b>2,914,662</b>	<b>37,231,571</b>	<b>67,319,643</b>
<b>Fund Balances, ending</b>	<b>\$ 26,870,267</b>	<b>\$ 3,747,319</b>	<b>\$ 48,277,147</b>	<b>\$ 78,894,733</b>

## Matanuska-Susitna Borough, Alaska

General Fund  
Balance Sheet

<i>June 30,</i>	2014	2013
<b>Assets</b>		
Cash and investments	\$ 45,369,437	\$ 43,191,085
Prepaid items	638,888	534,840
Receivables:		
Intergovernmental	5,359	189,530
Delinquent property taxes, including foreclosure costs, penalties and interest net of allowance for doubtful accounts of \$163,963 (\$152,554 in 2013)	9,273,347	9,105,314
Ambulance, net of allowance for doubtful accounts of \$335,232 (\$307,724 in 2013)	1,316,527	1,204,890
Excise taxes	1,300,212	785,277
Accrued interest	279,851	197,054
Other	940,130	464,073
Due from other funds	15,782,600	18,211,656
Deposits	475	475
Inventory	158,619	135,797
<b>Total Assets</b>	<b>\$ 75,065,445</b>	<b>\$ 74,019,991</b>
<b>Liabilities, Deferred Inflows and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,018,925	\$ 792,810
Accrued payroll and related liabilities	1,154,343	1,688,372
Other liabilities	95,453	365,583
<b>Total Liabilities</b>	<b>2,268,721</b>	<b>2,846,765</b>
<b>Deferred Inflows</b>		
Taxes collected in advance	468,890	558,023
Payment in lieu of taxes received in advance	3,450,715	3,216,749
Delinquent property taxes	8,335,333	8,275,884
Delinquent ambulance receivables	716,032	486,259
Delinquent foreclosure property sales	57,316	57,316
<b>Total Liabilities and Deferred Inflows</b>	<b>15,297,007</b>	<b>15,440,996</b>
<b>Fund Balance</b>		
Nonspendable:		
Prepaid items	638,888	534,840
Inventory	158,619	135,797
Committed:		
Self insurance	150,000	150,000
Accrued leave	250,000	250,000
Assembly projects	57,217	57,217
Major repairs and renovations	879,248	879,248
Capital	500,000	500,000
Emergency response	1,200,000	500,000
School site acquisition	3,313,157	4,313,157
Fund balance stabilization	24,943,453	26,301,694
Assigned:		
Subsequent year appropriations	262,500	65,000
Subsequent year expenditures	13,120,761	12,703,069
Unassigned	14,294,595	12,188,973
<b>Total Fund Balance</b>	<b>59,768,438</b>	<b>58,578,995</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<b>\$ 75,065,445</b>	<b>\$ 74,019,991</b>

## Matanuska-Susitna Borough, Alaska

## General Fund

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes:				
Current year property tax levy	\$ 77,716,258	\$ 77,785,235	\$ 68,977	\$ 74,909,082
Penalty and interest on taxes	900,000	1,072,172	172,172	1,025,646
Foreclosure costs	95,000	157,361	62,361	157,216
Recording and attorney fees	7,000	4,267	(2,733)	6,482
Vehicle taxes collected through State of Alaska	2,538,398	2,786,211	247,813	2,650,894
Excise taxes	8,009,000	7,326,269	(682,731)	4,913,901
Transient accommodations tax	1,105,000	1,113,368	8,368	1,099,803
<b>Total taxes</b>	<b>90,370,656</b>	<b>90,244,883</b>	<b>(125,773)</b>	<b>84,763,024</b>
Intergovernmental:				
State sources:				
Debt service reimbursement	19,679,468	19,679,679	211	18,932,007
Revenue sharing	3,551,289	3,620,793	69,504	5,769,785
PERS relief	-	2,154,400	2,154,400	2,174,451
In lieu of taxes	7,000	8,268	1,268	9,055
Other	100	126	26	65
Federal sources:				
In lieu of taxes	3,120,000	3,216,649	96,649	3,289,009
Other	51,000	90,285	39,285	96,003
<b>Total intergovernmental</b>	<b>26,408,857</b>	<b>28,770,200</b>	<b>2,361,343</b>	<b>30,270,375</b>
Charges for services:				
Ambulance	1,854,000	3,148,721	1,294,721	3,250,194
Engineering inspections	50,500	58,610	8,110	77,374
Computer access fees	-	-	-	125
Planning and zoning	67,100	79,636	12,536	88,899
Ice arena	400,000	417,058	17,058	410,999
Community pool fees	480,000	621,936	141,936	510,664
Business licenses	100,000	136,150	36,150	246,048
Other	135,600	278,423	142,823	140,921
<b>Total charges for services</b>	<b>3,087,200</b>	<b>4,740,534</b>	<b>1,653,334</b>	<b>4,725,224</b>
Investment income	220,000	736,869	516,869	282,740
<b>Total Revenues</b>	<b>120,086,713</b>	<b>124,492,486</b>	<b>4,405,773</b>	<b>120,041,363</b>

## Matanuska-Susitna Borough, Alaska

## General Fund

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Expenditures</b>				
<b>General government:</b>				
Mayor	\$ 74,961	\$ 71,734	\$ 3,227	\$ 70,496
Assembly	475,713	407,127	68,586	368,350
Clerk	537,934	512,111	25,823	512,155
Administration	1,853,288	1,470,470	382,818	1,286,687
Elections	396,202	391,840	4,362	356,143
Records management	462,759	445,416	17,343	361,583
Finance	867,967	646,305	221,662	607,453
Budgeting	1,541,459	1,535,574	5,885	1,517,556
Accounting	2,132,331	2,066,791	65,540	2,100,119
Law	1,348,582	1,127,062	221,520	1,059,249
Human resources	774,691	622,725	151,966	674,748
Common contractual	1,580,190	1,032,512	547,678	1,210,319
Purchasing	839,317	835,018	4,299	786,491
Adj. and appeals/bid review board	20,300	11,481	8,819	4,979
Planning	2,748,923	2,634,271	114,652	2,540,571
Planning administration	363,166	343,975	19,191	332,650
Economic development	757,680	754,744	2,936	737,499
Pass-through to cities	525,565	525,565	-	250,000
Assessments	3,066,277	2,559,030	507,247	2,692,588
Information technology	4,817,518	4,171,506	646,012	3,639,424
<b>Total general government</b>	<b>25,184,823</b>	<b>22,165,257</b>	<b>3,019,566</b>	<b>21,109,060</b>
Less recovery of expenditures from other funds	(1,018,400)	(3,342,180)	2,323,780	(6,526,250)
<b>Net general government</b>	<b>24,166,423</b>	<b>18,823,077</b>	<b>5,343,346</b>	<b>14,582,810</b>
<b>Public works:</b>				
Public works administration	248,390	171,719	76,671	213,999
Maintenance	2,306,414	2,114,144	192,270	1,994,870
Project management and engineering	2,626,901	2,378,901	248,000	2,463,861
Public works operations	116,589	115,222	1,367	95,787
<b>Total public works</b>	<b>5,298,294</b>	<b>4,779,986</b>	<b>518,308</b>	<b>4,768,517</b>

## Matanuska-Susitna Borough, Alaska

## General Fund

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Expenditures, continued</b>				
<b>Emergency services:</b>				
Local emergency planning board	\$ 9,960	\$ 4,621	\$ 5,339	\$ 76
Rescue units	714,624	593,631	120,993	553,217
Rural ambulance	1,666,793	1,470,254	196,539	-
Ambulance services	4,840,822	3,983,820	857,002	5,241,568
Emergency services building	120,666	68,173	52,493	76,172
Telecommunications network	1,174,747	1,033,705	141,042	1,055,393
Emergency services administration	1,934,953	1,881,878	53,075	1,872,590
<b>Total emergency services</b>	<b>10,462,565</b>	<b>9,036,082</b>	<b>1,426,483</b>	<b>8,799,016</b>
Less recovery of expenditures from other funds	(1,101,250)	(1,026,768)	(74,482)	(928,358)
<b>Net emergency services</b>	<b>9,361,315</b>	<b>8,009,314</b>	<b>1,352,001</b>	<b>7,870,658</b>
<b>Public services:</b>				
Vehicle removal	26,160	23,426	2,734	-
Community services	73,883	45,717	28,166	51,551
Cultural resources	296,058	241,448	54,610	252,073
Parks and recreation	330,177	320,401	9,776	540,667
Trails management	176,327	148,448	27,879	173,108
Ice arena	829,147	825,009	4,138	789,627
Outdoor ice rinks	1,950	645	1,305	2,585
Recreational services	256,694	252,397	4,297	220,867
Community pools	1,567,069	1,396,809	170,260	1,435,175
Community development administration	740,396	704,874	35,522	474,140
Road service administration	1,878,239	1,666,064	212,175	1,612,474
Community enrichment	-	-	-	24,135
Recreation infrastructure maintenance	262,513	183,212	79,301	61,515
<b>Total public services</b>	<b>6,438,613</b>	<b>5,808,450</b>	<b>630,163</b>	<b>5,637,917</b>
Less recovery of expenditures from other funds	(2,271,008)	(1,876,157)	(394,851)	(1,722,887)
<b>Net public services</b>	<b>4,167,605</b>	<b>3,932,293</b>	<b>235,312</b>	<b>3,915,030</b>



**Matanuska-Susitna Borough, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual, continued**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Expenditures, continued</b>				
Education - contributions to School District	\$ 51,291,720	\$ 51,291,720	\$ -	\$ 49,045,260
<b>Total Expenditures</b>	<b>94,285,357</b>	<b>86,836,390</b>	<b>7,448,967</b>	<b>80,182,275</b>
Excess of Revenues Over Expenditures	25,801,356	37,656,096	11,854,740	39,859,088
<b>Other Financing Sources (Uses)</b>				
Proceeds from disposal of capital assets	10,000	34,370	24,370	50,165
Transfers in	152,315	1,158,636	1,006,321	859,828
Transfers out	(38,652,603)	(37,659,659)	992,944	(36,222,529)
<b>Net Other Financing Sources (Uses)</b>	<b>(38,490,288)</b>	<b>(36,466,653)</b>	<b>2,023,635</b>	<b>(35,312,536)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (12,688,932)</u></b>	<b>1,189,443</b>	<b><u>\$ 13,878,375</u></b>	<b>4,546,552</b>
Fund Balance, beginning		<u>58,578,995</u>		<u>54,032,443</u>
Fund Balance, ending		<u>\$ 59,768,438</u>		<u>\$ 58,578,995</u>

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## Matanuska-Susitna Borough, Alaska

Special Revenue Funds  
Combining Balance Sheet

June 30,	Nonareawide Services and Service Areas	Land Management	Totals	
			2014	2013
<b>Assets</b>				
Cash and investments	\$ 18,941,972	\$ 8,328,337	\$ 27,270,309	\$ 27,502,195
Prepaid items	180,277	-	180,277	161,997
Receivables:				
Intergovernmental	761,876	-	761,876	803,052
Property taxes	2,776,449	-	2,776,449	2,723,680
Land sales contracts, net	-	5,687	5,687	9,526
Other	182,105	-	182,105	151,671
Interfund note receivable	-	-	-	70,179
Land sales contracts receivable, long term	-	177,698	177,698	189,600
<b>Total Assets</b>	<b>\$ 22,842,679</b>	<b>\$ 8,511,722</b>	<b>\$ 31,354,401</b>	<b>\$ 31,611,900</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,057,640	\$ 48,142	\$ 1,105,782	\$ 1,103,388
Deposits	-	58,024	58,024	78,024
Loans payable to other funds	487,682	-	487,682	562,614
Due to General Fund	14,765	-	14,765	69,287
<b>Total Liabilities</b>	<b>1,560,087</b>	<b>106,166</b>	<b>1,666,253</b>	<b>1,813,313</b>
<b>Deferred Inflows</b>				
Special assessments	5,795	-	5,795	5,712
Delinquent property taxes	2,634,388	-	2,634,388	2,429,865
Land sales receivables not yet due	-	177,698	177,698	189,600
<b>Total Liabilities and Deferred Inflows</b>	<b>4,200,270</b>	<b>283,864</b>	<b>4,484,134</b>	<b>4,438,490</b>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Prepaid items	180,277	-	180,277	161,997
<b>Committed:</b>				
Land management	-	5,984,812	5,984,812	5,914,633
Self insurance	10,000	-	10,000	10,000
Accrued leave	20,000	10,000	30,000	30,000
Equipment	1,000,000	-	1,000,000	1,000,000
<b>Assigned:</b>				
Subsequent year expenditures	2,146,683	498,624	2,645,307	4,925,080
Subsequent year appropriations	1,336,700	-	1,336,700	942,500
Land management	-	1,734,422	1,734,422	100,402
Service areas	14,128,857	-	14,128,857	14,321,996
Interfund note receivable, current portion	-	-	-	70,179
Unassigned (deficits)	(180,108)	-	(180,108)	(303,377)
<b>Total Fund Balances</b>	<b>18,642,409</b>	<b>8,227,858</b>	<b>26,870,267</b>	<b>27,173,410</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 22,842,679</b>	<b>\$ 8,511,722</b>	<b>\$ 31,354,401</b>	<b>\$ 31,611,900</b>

**Matanuska-Susitna Borough, Alaska**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**

<i>Years ended June 30,</i>	Nonareawide		Totals	
	Services and Service Areas	Land Management	2014	2013
<b>Revenues</b>				
Property taxes	\$ 32,174,125	\$ -	\$ 32,174,125	\$ 31,192,565
Intergovernmental	1,627,058	28,269	1,655,327	1,209,970
Charges for services	1,678,394	1,919,611	3,598,005	2,143,838
Investment income	27,013	20,467	47,480	66,091
Interest on land sales	-	16,009	16,009	25,332
Other	717,893	1,900	719,793	347,299
<b>Total Revenues</b>	<b>36,224,483</b>	<b>1,986,256</b>	<b>38,210,739</b>	<b>34,985,095</b>
<b>Expenditures</b>				
General government	644,610	-	644,610	700,510
Emergency services	9,861,455	-	9,861,455	9,583,398
Public services	12,171,063	528,705	12,699,768	11,028,977
Debt service	5,411	-	5,411	5,419
<b>Total Expenditures</b>	<b>22,682,539</b>	<b>528,705</b>	<b>23,211,244</b>	<b>21,318,304</b>
<b>Excess of Revenues Over Expenditures</b>	<b>13,541,944</b>	<b>1,457,551</b>	<b>14,999,495</b>	<b>13,666,791</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	49,742	-	49,742	107,230
Transfers out	(15,227,380)	(125,000)	(15,352,380)	(17,689,647)
<b>Net Other Financing Sources (Uses)</b>	<b>(15,177,638)</b>	<b>(125,000)</b>	<b>(15,302,638)</b>	<b>(17,582,417)</b>
<b>Net Change in Fund Balances</b>	<b>(1,635,694)</b>	<b>1,332,551</b>	<b>(303,143)</b>	<b>(3,915,626)</b>
<b>Fund Balances, beginning</b>	<b>20,278,103</b>	<b>6,895,307</b>	<b>27,173,410</b>	<b>31,089,036</b>
<b>Fund Balances, ending</b>	<b>\$ 18,642,409</b>	<b>\$ 8,227,858</b>	<b>\$ 26,870,267</b>	<b>\$ 27,173,410</b>

**Matanuska-Susitna Borough, Alaska**  
**Nonareawide Services and Service Areas Special Revenue Funds**  
**Combining Balance Sheet**

	Non-areawide Services	Service Area 7	Service Area 36	Freedom Hills Sub-division	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									Fire Service Areas	Road Service Areas	
<i>June 30, 2014</i>														
<b>Assets</b>														
Cash and investments	\$ 276,648	\$ 71,030	\$ -	\$ 29,566	\$ 105,076	\$ 68,759	\$ 1,053,296	\$ 6,251	\$ 438,576	\$ 27,680	\$ 326	\$ 13,313,278	\$ 3,551,486	\$ 18,941,972
Prepaid items	15,954	-	470	-	-	-	127,783	-	-	-	-	36,070	-	180,277
<b>Receivables:</b>														
Intergovernmental	751,540	-	-	-	-	-	-	-	-	-	-	10,336	-	761,876
Property taxes	320,668	677	-	-	166	269	-	10	-	-	-	991,886	1,462,773	2,776,449
Other	-	-	32,392	-	-	2,409	147,304	-	-	-	-	-	-	182,105
<b>Total Assets</b>	<b>\$ 1,364,810</b>	<b>\$ 71,707</b>	<b>\$ 32,862</b>	<b>\$ 29,566</b>	<b>\$ 105,242</b>	<b>\$ 71,437</b>	<b>\$ 1,328,383</b>	<b>\$ 6,261</b>	<b>\$ 438,576</b>	<b>\$ 27,680</b>	<b>\$ 326</b>	<b>\$ 14,351,570</b>	<b>\$ 5,014,259</b>	<b>\$ 22,842,679</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>														
<b>Liabilities</b>														
Accounts payable	\$ 51,282	\$ -	\$ 29,258	\$ -	\$ -	\$ -	\$ 17,619	\$ -	\$ -	\$ 1,010	\$ -	\$ 128,899	\$ 829,572	\$ 1,057,640
Due to General Fund	-	-	14,765	-	-	-	-	-	-	-	-	-	-	14,765
Loans payable to other funds	-	-	107,850	-	-	126,000	-	-	-	-	-	38,334	215,498	487,682
<b>Total Liabilities</b>	<b>51,282</b>	<b>-</b>	<b>151,873</b>	<b>-</b>	<b>-</b>	<b>126,000</b>	<b>17,619</b>	<b>-</b>	<b>-</b>	<b>1,010</b>	<b>-</b>	<b>167,233</b>	<b>1,045,070</b>	<b>1,560,087</b>
<b>Deferred Inflows</b>														
Special assessments	-	-	-	-	-	5,795	-	-	-	-	-	-	-	5,795
Delinquent property taxes	313,864	677	-	-	166	269	-	10	-	-	-	889,517	1,429,885	2,634,388
<b>Total Liabilities and Deferred Inflows</b>	<b>365,146</b>	<b>677</b>	<b>151,873</b>	<b>-</b>	<b>166</b>	<b>132,064</b>	<b>17,619</b>	<b>10</b>	<b>-</b>	<b>1,010</b>	<b>-</b>	<b>1,056,750</b>	<b>2,474,955</b>	<b>4,200,270</b>
<b>Fund Balances</b>														
Nonspendable - prepaid items	15,954	-	470	-	-	-	127,783	-	-	-	-	36,070	-	180,277
<b>Committed:</b>														
Self-insurance	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Accrued leave	20,000	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Equipment	-	-	-	-	-	-	1,000,000	-	-	-	-	-	-	1,000,000
<b>Assigned:</b>														
Subsequent year expenditures	479,409	6,458	-	9,930	92,320	-	182,981	2,020	11,875	9,980	232	1,272,957	78,521	2,146,683
Subsequent year appropriations	-	-	-	-	-	-	-	-	-	-	-	675,400	661,300	1,336,700
Service areas	474,301	64,572	-	19,636	12,756	-	-	4,231	426,701	16,690	94	11,310,393	1,799,483	14,128,857
Unassigned (deficits)	-	-	(119,481)	-	-	(60,627)	-	-	-	-	-	-	-	(180,108)
<b>Total Fund Balances (Deficits)</b>	<b>999,664</b>	<b>71,030</b>	<b>(119,011)</b>	<b>29,566</b>	<b>105,076</b>	<b>(60,627)</b>	<b>1,310,764</b>	<b>6,251</b>	<b>438,576</b>	<b>26,670</b>	<b>326</b>	<b>13,294,820</b>	<b>2,539,304</b>	<b>18,642,409</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 1,364,810</b>	<b>\$ 71,707</b>	<b>\$ 32,862</b>	<b>\$ 29,566</b>	<b>\$ 105,242</b>	<b>\$ 71,437</b>	<b>\$ 1,328,383</b>	<b>\$ 6,261</b>	<b>\$ 438,576</b>	<b>\$ 27,680</b>	<b>\$ 326</b>	<b>\$ 14,351,570</b>	<b>\$ 5,014,259</b>	<b>\$ 22,842,679</b>

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

Year Ended June 30, 2014	Non-	Service	Service	Freedom	Garden	Circle	Enhanced	Chase	Service	Grid	Roads	Combined		Totals
	areawide	Area 7	Area 36	Hills	Terrace	View/ Stampede	911	Trail	Area 69	Roller	Outside	Fire	Road	
	Services	Talkeetna Flood Control	Talkeetna Water and Sewer	Sub- division	Estates	Estates	Service		Point MacKenzie	Maint- enance	Service Areas	Service Areas	Service Areas	
<b>Revenues</b>														
Property taxes	\$ 3,565,812	\$ 16,199	\$ -	\$ -	\$ 34,698	\$ 18,969	\$ -	\$ 471	\$ 60,963	\$ -	\$ -	\$ 12,675,729	\$ 15,801,284	\$ 32,174,125
Intergovernmental	1,367,449	-	78,779	-	-	-	25,599	-	-	-	-	155,231	-	1,627,058
Charges for services	269,047	-	222,544	-	-	-	1,186,803	-	-	-	-	-	-	1,678,394
Investment income	-	-	-	-	-	-	1,990	-	-	-	-	25,023	-	27,013
Other	134,032	-	-	-	-	-	-	-	-	-	-	581,461	2,400	717,893
<b>Total Revenues</b>	<b>5,336,340</b>	<b>16,199</b>	<b>301,323</b>	<b>-</b>	<b>34,698</b>	<b>18,969</b>	<b>1,214,392</b>	<b>471</b>	<b>60,963</b>	<b>-</b>	<b>-</b>	<b>13,437,444</b>	<b>15,803,684</b>	<b>36,224,483</b>
<b>Expenditures</b>														
General government	644,610	-	-	-	-	-	-	-	-	-	-	-	-	644,610
Emergency services	2,012,343	-	-	-	-	-	756,271	-	-	-	-	7,092,841	-	9,861,455
Public services	1,419,883	440	234,088	4,141	125,380	25	-	-	13,514	5,701	-	-	10,367,891	12,171,063
Debt service	-	-	1,556	-	-	263	-	-	-	-	-	153	3,439	5,411
<b>Total Expenditures</b>	<b>4,076,836</b>	<b>440</b>	<b>235,644</b>	<b>4,141</b>	<b>125,380</b>	<b>288</b>	<b>756,271</b>	<b>-</b>	<b>13,514</b>	<b>5,701</b>	<b>-</b>	<b>7,092,994</b>	<b>10,371,330</b>	<b>22,682,539</b>
<b>Excess (Deficiency) of Revenues</b>														
Over Expenditures	1,259,504	15,759	65,679	(4,141)	(90,682)	18,681	458,121	471	47,449	(5,701)	-	6,344,450	5,432,354	13,541,944
<b>Other Financing Sources (Uses)</b>														
Transfers in	-	-	-	-	-	-	-	-	-	-	-	49,742	-	49,742
Transfers out	(1,043,724)	-	-	-	-	-	(1,000,000)	-	-	-	-	(5,412,156)	(7,771,500)	(15,227,380)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,043,724)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,362,414)</b>	<b>(7,771,500)</b>	<b>(15,177,638)</b>
<b>Net Change in Fund Balances</b>	<b>215,780</b>	<b>15,759</b>	<b>65,679</b>	<b>(4,141)</b>	<b>(90,682)</b>	<b>18,681</b>	<b>(541,879)</b>	<b>471</b>	<b>47,449</b>	<b>(5,701)</b>	<b>-</b>	<b>982,036</b>	<b>(2,339,146)</b>	<b>(1,635,694)</b>
<b>Fund Balances (Deficits), beginning</b>	<b>783,884</b>	<b>55,271</b>	<b>(184,690)</b>	<b>33,707</b>	<b>195,758</b>	<b>(79,308)</b>	<b>1,852,643</b>	<b>5,780</b>	<b>391,127</b>	<b>32,371</b>	<b>326</b>	<b>12,312,784</b>	<b>4,878,450</b>	<b>20,278,103</b>
<b>Fund Balances (Deficits), ending</b>	<b>\$ 999,664</b>	<b>\$ 71,030</b>	<b>\$ (119,011)</b>	<b>\$ 29,566</b>	<b>\$ 105,076</b>	<b>\$ (60,627)</b>	<b>\$ 1,310,764</b>	<b>\$ 6,251</b>	<b>\$ 438,576</b>	<b>\$ 26,670</b>	<b>\$ 326</b>	<b>\$ 13,294,820</b>	<b>\$ 2,539,304</b>	<b>\$ 18,642,409</b>

**Matanuska-Susitna Borough, Alaska**  
**Nonareawide Services Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 3,568,437	\$ 3,565,812	\$ (2,625)	\$ 3,344,379
Intergovernmental:				
State PERS relief	-	209,198	209,198	197,156
Electric and telephone cooperative shared revenue	740,000	751,540	11,540	789,158
Library grants	32,000	33,000	1,000	32,500
State sources - revenue sharing	373,711	373,711	-	-
<b>Total intergovernmental</b>	<b>1,145,711</b>	<b>1,367,449</b>	<b>221,738</b>	<b>1,018,814</b>
Charges for services:				
Animal care fees	224,610	245,012	20,402	232,380
User fees	20,000	24,035	4,035	24,633
<b>Total charges for services</b>	<b>244,610</b>	<b>269,047</b>	<b>24,437</b>	<b>257,013</b>
Other	125,306	134,032	8,726	129,262
<b>Total Revenues</b>	<b>5,084,064</b>	<b>5,336,340</b>	<b>252,276</b>	<b>4,749,468</b>
<b>Expenditures</b>				
General government:				
Administration	85,000	85,000	-	85,000
Information technology	282,790	257,150	25,640	257,672
Economic development	397,431	302,026	95,405	355,228
Animal care board	4,550	434	4,116	2,610
<b>Total general government</b>	<b>769,771</b>	<b>644,610</b>	<b>125,161</b>	<b>700,510</b>
Emergency services - animal care	2,043,153	2,012,343	30,810	1,954,084
Public services:				
Vehicle removal	45,832	17,816	28,016	21,569
Libraries	1,450,327	1,402,067	48,260	1,336,496
<b>Total public services</b>	<b>1,496,159</b>	<b>1,419,883</b>	<b>76,276</b>	<b>1,358,065</b>
<b>Total Expenditures</b>	<b>4,309,083</b>	<b>4,076,836</b>	<b>232,247</b>	<b>4,012,659</b>
<b>Excess of Revenues Over Expenditures</b>	<b>774,981</b>	<b>1,259,504</b>	<b>484,523</b>	<b>736,809</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	20,202
Transfers out	(1,044,724)	(1,043,724)	1,000	(657,187)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,044,724)</b>	<b>(1,043,724)</b>	<b>1,000</b>	<b>(636,985)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (269,743)</b>	<b>215,780</b>	<b>\$ 485,523</b>	<b>99,824</b>
Fund Balance, beginning		783,884		684,060
Fund Balance, ending		<u>\$ 999,664</u>		<u>\$ 783,884</u>

Matanuska-Susitna Borough, Alaska

Service Area 7 - Talkeetna Flood Control Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 9,598	\$ 16,199	\$ 6,601	\$ 15,286
Investment income	-	-	-	97
<b>Total Revenues</b>	<b>9,598</b>	<b>16,199</b>	<b>6,601</b>	<b>15,383</b>
Expenditures				
Public services	16,480	440	16,040	1,352
<b>Net Change in Fund Balance</b>	<b>\$ (6,882)</b>	<b>15,759</b>	<b>\$ 22,641</b>	<b>14,031</b>
Fund Balance, beginning		<u>55,271</u>		<u>41,240</u>
Fund Balance, ending		<u>\$ 71,030</u>		<u>\$ 55,271</u>



## Matanuska-Susitna Borough, Alaska

Service Area 36 - Talkeetna Water and Sewer Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Deficit - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Charges for services - water and sewer	\$ 232,800	\$ 222,544	\$ (10,256)	\$ 205,496
Intergovernmental - PERS relief	-	3,779	3,779	3,587
Intergovernmental - state sources	75,000	75,000	-	-
<b>Total Revenues</b>	<b>307,800</b>	<b>301,323</b>	<b>(6,477)</b>	<b>209,083</b>
<b>Expenditures</b>				
Public services	327,924	234,088	93,836	264,017
Debt service	1,556	1,556	-	1,555
<b>Total Expenditures</b>	<b>329,480</b>	<b>235,644</b>	<b>93,836</b>	<b>265,572</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(21,680)	65,679	87,359	(56,489)
<b>Net Change in Fund Deficit</b>	<b>\$ (21,680)</b>	<b>65,679</b>	<b>\$ 87,359</b>	<b>(56,489)</b>
Fund Deficit, beginning		(184,690)		(128,201)
Fund Deficit, ending		<b>\$ (119,011)</b>		<b>\$ (184,690)</b>

Matanuska-Susitna Borough, Alaska  
 Freedom Hills Subdivision Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Investment income	\$ 40	\$ -	\$ (40)	\$ 67
<b>Expenditures</b>				
Public services	10,000	4,141	5,859	-
Net Change in Fund Balance	<u>\$ (9,960)</u>	(4,141)	<u>\$ 5,819</u>	67
Fund Balance, beginning		<u>33,707</u>		<u>33,640</u>
Fund Balance, ending		<u>\$ 29,566</u>		<u>\$ 33,707</u>

Matanuska-Susitna Borough, Alaska  
 Garden Terrace Estates Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 33,080	\$ 34,698	\$ 1,618	\$ 34,380
Investment income	-	-	-	383
<b>Total Revenues</b>	<b>33,080</b>	<b>34,698</b>	<b>1,618</b>	<b>34,763</b>
<b>Expenditures</b>				
Public services - water service	125,400	125,380	20	1,309
<b>Net Change in Fund Balance</b>	<b><u>\$ (92,320)</u></b>	<b>(90,682)</b>	<b><u>\$ 1,638</u></b>	<b>33,454</b>
Fund Balance, beginning		<u>195,758</u>		<u>162,304</u>
Fund Balance, ending		<u><b>\$ 105,076</b></u>		<u><b>\$ 195,758</b></u>

Matanuska-Susitna Borough, Alaska

Circle View/ Stampede Estates Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Deficit - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 19,140	\$ 18,969	\$ (171)	\$ 17,048
Investment income	-	-	-	99
<b>Total Revenues</b>	<b>19,140</b>	<b>18,969</b>	<b>(171)</b>	<b>17,147</b>
Expenditures				
Public services	5,947	25	5,922	1,000
Debt service	264	263	1	221
<b>Total Expenditures</b>	<b>6,211</b>	<b>288</b>	<b>5,923</b>	<b>1,221</b>
Net Change in Fund Deficit	<u>\$ 12,929</u>	18,681	<u>\$ 5,752</u>	15,926
Fund Deficit, beginning		<u>(79,308)</u>		<u>(95,234)</u>
Fund Deficit, ending		<u>\$ (60,627)</u>		<u>\$ (79,308)</u>

**Matanuska-Susitna Borough, Alaska**  
**Enhanced 911 Service Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental - PERS relief	\$ -	\$ 25,599	\$ 25,599	\$ 27,078
Telephone surcharge	1,200,000	1,186,803	(13,197)	897,034
Investment income	2,500	1,990	(510)	3,529
<b>Total Revenues</b>	<b>1,202,500</b>	<b>1,214,392</b>	<b>11,892</b>	<b>927,641</b>
<b>Expenditures</b>				
Emergency services	880,687	756,271	124,416	721,441
<b>Excess of Revenues Over Expenditures</b>	<b>321,813</b>	<b>458,121</b>	<b>136,308</b>	<b>206,200</b>
<b>Other Financing Uses</b>				
Transfers out	(1,000,000)	(1,000,000)	-	(500,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (678,187)</u></b>	<b>(541,879)</b>	<b><u>\$ 136,308</u></b>	<b>(293,800)</b>
Fund Balance, beginning		<u>1,852,643</u>		<u>2,146,443</u>
Fund Balance, ending		<u><b>\$ 1,310,764</b></u>		<u><b>\$ 1,852,643</b></u>

Matanuska-Susitna Borough, Alaska  
 Chase Trail Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 490	\$ 471	\$ (19)	\$ 460
Investment income	-	-	-	11
<b>Total Revenues</b>	490	471	(19)	471
<b>Expenditures</b>				
Public services	2,500	-	2,500	-
<b>Net Change in Fund Balance</b>	<u>\$ (2,010)</u>	471	<u>\$ 2,481</u>	471
Fund Balance, beginning		<u>5,780</u>		<u>5,309</u>
Fund Balance, ending		<u>\$ 6,251</u>		<u>\$ 5,780</u>

**Matanuska-Susitna Borough, Alaska**  
**Service Area 69 Point MacKenzie Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 58,900	\$ 60,963	\$ 2,063	\$ 63,928
Investment income	-	-	-	739
<b>Total Revenues</b>	<b>58,900</b>	<b>60,963</b>	<b>2,063</b>	<b>64,667</b>
<b>Expenditures</b>				
Public services	73,547	13,514	60,033	22,197
<b>Net Change in Fund Balance</b>	<b><u>\$ (14,647)</u></b>	<b>47,449</b>	<b><u>\$ 62,096</u></b>	<b>42,470</b>
Fund Balance, beginning		<u>391,127</u>		<u>348,657</u>
Fund Balance, ending		<b><u>\$ 438,576</u></b>		<b><u>\$ 391,127</u></b>

Matanuska-Susitna Borough, Alaska  
 Grid Roller Maintenance Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ -	\$ -	\$ -	\$ 70
Expenditures				
Public services	4,950	5,701	(751)	5,216
Net Change in Fund Balance	<u>\$ (4,950)</u>	(5,701)	<u>\$ (751)</u>	(5,146)
Fund Balance, beginning		<u>32,371</u>		<u>37,517</u>
Fund Balance, ending		<u>\$ 26,670</u>		<u>\$ 32,371</u>



Matanuska-Susitna Borough, Alaska  
 Roads Outside Service Areas Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ -	\$ 1
<b>Expenditures</b>				
Public services - road service	94	-	94	-
Net Change in Fund Balance	<u>\$ (94)</u>	-	<u>\$ 94</u>	1
Fund Balance, beginning		<u>326</u>		<u>325</u>
Fund Balance, ending		<u>\$ 326</u>		<u>\$ 326</u>

**Matanuska-Susitna Borough, Alaska**  
**Fire Service Areas Special Revenue Funds**  
**Combining Balance Sheet**

	Service Area									Totals
	130 Wasilla- Lakes	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell		
<i>June 30, 2014</i>										
<b>Assets</b>										
Cash and investments	\$ 6,849,619	\$ 700,412	\$ 3,047,010	\$ 141,807	\$ 423,481	\$ 1,298,597	\$ 406,638	\$ 445,714	\$ 13,313,278	
Prepaid items	-	26,254	-	-	9,816	-	-	-	36,070	
Receivables:										
Intergovernmental	5,202	4,978	-	-	-	156	-	-	10,336	
Property taxes	468,921	79,943	178,062	23,306	14,848	152,702	26,019	48,085	991,886	
<b>Total Assets</b>	<b>\$ 7,323,742</b>	<b>\$ 811,587</b>	<b>\$ 3,225,072</b>	<b>\$ 165,113</b>	<b>\$ 448,145</b>	<b>\$ 1,451,455</b>	<b>\$ 432,657</b>	<b>\$ 493,799</b>	<b>\$ 14,351,570</b>	
<b>Liabilities, Deferred Inflows and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ 66,892	\$ 6,460	\$ 18,194	\$ 2,361	\$ 3,363	\$ 20,606	\$ 2,981	\$ 8,042	\$ 128,899	
Loans payable to other funds	-	-	-	-	-	-	8,334	30,000	38,334	
<b>Total Liabilities</b>	<b>66,892</b>	<b>6,460</b>	<b>18,194</b>	<b>2,361</b>	<b>3,363</b>	<b>20,606</b>	<b>11,315</b>	<b>38,042</b>	<b>167,233</b>	
<b>Deferred Inflows</b>										
Delinquent property taxes	420,520	71,341	170,530	20,920	11,848	132,529	18,510	43,319	889,517	
<b>Total Liabilities and Deferred Inflows</b>	<b>487,412</b>	<b>77,801</b>	<b>188,724</b>	<b>23,281</b>	<b>15,211</b>	<b>153,135</b>	<b>29,825</b>	<b>81,361</b>	<b>1,056,750</b>	
<b>Fund Balances</b>										
Nonspendable - prepaid items	-	26,254	-	-	9,816	-	-	-	36,070	
Assigned:										
Subsequent year expenditures	1,040,834	47,531	-	34,344	-	33,511	81,081	35,656	1,272,957	
Subsequent year appropriations	450,000	-	90,000	-	-	75,000	30,200	30,200	675,400	
Service areas	5,345,496	660,001	2,946,348	107,488	423,118	1,189,809	291,551	346,582	11,310,393	
<b>Total Fund Balances</b>	<b>6,836,330</b>	<b>733,786</b>	<b>3,036,348</b>	<b>141,832</b>	<b>432,934</b>	<b>1,298,320</b>	<b>402,832</b>	<b>412,438</b>	<b>13,294,820</b>	
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 7,323,742</b>	<b>\$ 811,587</b>	<b>\$ 3,225,072</b>	<b>\$ 165,113</b>	<b>\$ 448,145</b>	<b>\$ 1,451,455</b>	<b>\$ 432,657</b>	<b>\$ 493,799</b>	<b>\$ 14,351,570</b>	

**Matanuska-Susitna Borough, Alaska**  
**Fire Service Areas Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**

	Service Area								Totals
	130 Wasilla- Lakes	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
<i>Year ended June 30, 2014</i>									
<b>Revenues</b>									
Property taxes	\$ 7,866,050	\$ 731,072	\$ 1,024,472	\$ 211,202	\$ 299,397	\$ 1,909,953	\$ 378,532	\$ 255,051	\$ 12,675,729
Intergovernmental - PERS relief	148,118	1,498	-	373	748	3,746	374	374	155,231
Investment income	11,659	1,371	6,550	199	836	2,387	1,074	947	25,023
Other	370,712	35,008	-	11,000	13,027	108,274	43,440	-	581,461
<b>Total Revenues</b>	<b>8,396,539</b>	<b>768,949</b>	<b>1,031,022</b>	<b>222,774</b>	<b>314,008</b>	<b>2,024,360</b>	<b>423,420</b>	<b>256,372</b>	<b>13,437,444</b>
<b>Expenditures</b>									
Emergency services:									
Administration	539,517	105,696	25,863	26,246	45,330	204,858	73,447	16,661	1,037,618
Fire services	3,477,376	402,604	385,776	95,444	119,894	1,196,110	266,198	111,821	6,055,223
<b>Total emergency services</b>	<b>4,016,893</b>	<b>508,300</b>	<b>411,639</b>	<b>121,690</b>	<b>165,224</b>	<b>1,400,968</b>	<b>339,645</b>	<b>128,482</b>	<b>7,092,841</b>
Debt service	-	-	-	-	-	-	33	120	153
<b>Total Expenditures</b>	<b>4,016,893</b>	<b>508,300</b>	<b>411,639</b>	<b>121,690</b>	<b>165,224</b>	<b>1,400,968</b>	<b>339,678</b>	<b>128,602</b>	<b>7,092,994</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,379,646</b>	<b>260,649</b>	<b>619,383</b>	<b>101,084</b>	<b>148,784</b>	<b>623,392</b>	<b>83,742</b>	<b>127,770</b>	<b>6,344,450</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	4,143	9,485	9,250	16,612	8,422	1,830	-	-	49,742
Transfers out	(3,453,818)	(512,000)	(647,000)	(222,030)	(100,000)	(324,708)	(150,000)	(2,600)	(5,412,156)
<b>Net Other Financing Sources (Uses)</b>	<b>(3,449,675)</b>	<b>(502,515)</b>	<b>(637,750)</b>	<b>(205,418)</b>	<b>(91,578)</b>	<b>(322,878)</b>	<b>(150,000)</b>	<b>(2,600)</b>	<b>(5,362,414)</b>
<b>Net Change in Fund Balances</b>	<b>929,971</b>	<b>(241,866)</b>	<b>(18,367)</b>	<b>(104,334)</b>	<b>57,206</b>	<b>300,514</b>	<b>(66,258)</b>	<b>125,170</b>	<b>982,036</b>
<b>Fund Balances, beginning</b>	<b>5,906,359</b>	<b>975,652</b>	<b>3,054,715</b>	<b>246,166</b>	<b>375,728</b>	<b>997,806</b>	<b>469,090</b>	<b>287,268</b>	<b>12,312,784</b>
<b>Fund Balances, ending</b>	<b>\$ 6,836,330</b>	<b>\$ 733,786</b>	<b>\$ 3,036,348</b>	<b>\$ 141,832</b>	<b>\$ 432,934</b>	<b>\$ 1,298,320</b>	<b>\$ 402,832</b>	<b>\$ 412,438</b>	<b>\$ 13,294,820</b>

## Matanuska-Susitna Borough, Alaska

## Fire Service Area 130 - Wasilla-Lakes Special Revenue Fund

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 7,800,396	\$ 7,866,050	\$ 65,654	\$ 7,730,390
Intergovernmental - PERS relief	-	148,118	148,118	129,512
Investment income	6,000	11,659	5,659	11,686
Other	126,000	370,712	244,712	153,687
<b>Total Revenues</b>	<b>7,932,396</b>	<b>8,396,539</b>	<b>464,143</b>	<b>8,025,275</b>
<b>Expenditures</b>				
Emergency services:				
Administration	564,878	539,517	25,361	466,336
Fire services	5,634,346	3,477,376	2,156,970	3,410,599
<b>Total Expenditures</b>	<b>6,199,224</b>	<b>4,016,893</b>	<b>2,182,331</b>	<b>3,876,935</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,733,172</b>	<b>4,379,646</b>	<b>2,646,474</b>	<b>4,148,340</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	4,143	4,143	10,468
Transfers out	(3,571,058)	(3,453,818)	117,240	(3,895,352)
<b>Net Other Financing Sources (Uses)</b>	<b>(3,571,058)</b>	<b>(3,449,675)</b>	<b>121,383</b>	<b>(3,884,884)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,837,886)</b>	<b>929,971</b>	<b>\$ 2,767,857</b>	<b>263,456</b>
Fund Balance, beginning		5,906,359		5,642,903
Fund Balance, ending		<b>\$ 6,836,330</b>		<b>\$ 5,906,359</b>

**Matanuska-Susitna Borough, Alaska**  
**Fire Service Area 2 - Butte Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 737,333	\$ 731,072	\$ (6,261)	\$ 739,126
Intergovernmental - PERS relief	-	1,498	1,498	1,542
Investment income	750	1,371	621	1,608
Other	-	35,008	35,008	5,007
<b>Total Revenues</b>	<b>738,083</b>	<b>768,949</b>	<b>30,866</b>	<b>747,283</b>
<b>Expenditures</b>				
Emergency services:				
Administration	112,943	105,696	7,247	74,998
Fire services	512,553	402,604	109,949	372,375
<b>Total Expenditures</b>	<b>625,496</b>	<b>508,300</b>	<b>117,196</b>	<b>447,373</b>
<b>Excess of Revenues Over Expenditures</b>	<b>112,587</b>	<b>260,649</b>	<b>148,062</b>	<b>299,910</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	9,485	9,485	3,103
Transfers out	(512,000)	(512,000)	-	(2,222)
<b>Net Other Financing Sources (Uses)</b>	<b>(512,000)</b>	<b>(502,515)</b>	<b>9,485</b>	<b>881</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (399,413)</u></b>	<b>(241,866)</b>	<b><u>\$ 157,547</u></b>	<b>300,791</b>
Fund Balance, beginning		<u>975,652</u>		<u>674,861</u>
Fund Balance, ending		<u><b>\$ 733,786</b></u>		<u><b>\$ 975,652</b></u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 995,051	\$ 1,024,472	\$ 29,421	\$ 995,024
Investment income	4,000	6,550	2,550	5,946
Other	-	-	-	376
<b>Total Revenues</b>	<b>999,051</b>	<b>1,031,022</b>	<b>31,971</b>	<b>1,001,346</b>
<b>Expenditures</b>				
Emergency services:				
Administration	31,655	25,863	5,792	22,791
Fire services	446,678	385,776	60,902	339,537
<b>Total Expenditures</b>	<b>478,333</b>	<b>411,639</b>	<b>66,694</b>	<b>362,328</b>
<b>Excess of Revenues Over Expenditures</b>	<b>520,718</b>	<b>619,383</b>	<b>98,665</b>	<b>639,018</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	9,250	9,250	12,776
Transfers out	(647,000)	(647,000)	-	(500,000)
<b>Net Other Financing Sources (Uses)</b>	<b>(647,000)</b>	<b>(637,750)</b>	<b>9,250</b>	<b>(487,224)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (126,282)</u></b>	<b>(18,367)</b>	<b><u>\$ 107,915</u></b>	<b>151,794</b>
Fund Balance, beginning		<u>3,054,715</u>		<u>2,902,921</u>
Fund Balance, ending		<u>\$ 3,036,348</u>		<u>\$ 3,054,715</u>

Matanuska-Susitna Borough, Alaska  
 Fire Service Area 4 - Sutton Special Revenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 218,931	\$ 211,202	\$ (7,729)	\$ 202,112
Intergovernmental - PERS relief	-	373	373	384
Investment income	300	199	(101)	510
Other	11,000	11,000	-	5,441
<b>Total Revenues</b>	<b>230,231</b>	<b>222,774</b>	<b>(7,457)</b>	<b>208,447</b>
<b>Expenditures</b>				
Emergency services:				
Administration	29,165	26,246	2,919	36,106
Fire services	157,882	95,444	62,438	102,731
<b>Total Expenditures</b>	<b>187,047</b>	<b>121,690</b>	<b>65,357</b>	<b>138,837</b>
<b>Excess of Revenues Over Expenditures</b>	<b>43,184</b>	<b>101,084</b>	<b>57,900</b>	<b>69,610</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	16,612	16,612	-
Transfers out	(227,030)	(222,030)	5,000	(91,717)
<b>Net Other Financing Sources (Uses)</b>	<b>(227,030)</b>	<b>(205,418)</b>	<b>21,612</b>	<b>(91,717)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (183,846)</b>	<b>(104,334)</b>	<b>\$ 79,512</b>	<b>(22,107)</b>
<b>Fund Balance, beginning</b>		<b>246,166</b>		<b>268,273</b>
<b>Fund Balance, ending</b>		<b>\$ 141,832</b>		<b>\$ 246,166</b>

Matanuska-Susitna Borough, Alaska

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 300,213	\$ 299,397	\$ (816)	\$ 303,871
Intergovernmental - PERS relief	-	748	748	769
Investment income	250	836	586	611
Other	13,000	13,027	27	13,224
<b>Total Revenues</b>	<b>313,463</b>	<b>314,008</b>	<b>545</b>	<b>318,475</b>
<b>Expenditures</b>				
Emergency services:				
Administration	51,940	45,330	6,610	50,966
Fire services	260,013	119,894	140,119	138,774
<b>Total Expenditures</b>	<b>311,953</b>	<b>165,224</b>	<b>146,729</b>	<b>189,740</b>
Excess of Revenues Over Expenditures	1,510	148,784	147,274	128,735
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	8,422	8,422	2,845
Transfers out	(105,000)	(100,000)	5,000	-
<b>Net Other Financing Sources (Uses)</b>	<b>(105,000)</b>	<b>(91,578)</b>	<b>13,422</b>	<b>2,845</b>
<b>Net Change in Fund Balance</b>	<b>\$ (103,490)</b>	<b>57,206</b>	<b>\$ 160,696</b>	<b>131,580</b>
Fund Balance, beginning		<u>375,728</u>		<u>244,148</u>
Fund Balance, ending		<u>\$ 432,934</u>		<u>\$ 375,728</u>



Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,899,256	\$ 1,909,953	\$ 10,697	\$ 1,865,457
Intergovernmental - PERS relief	-	3,746	3,746	3,874
Investment income	1,800	2,387	587	2,264
Other	43,000	108,274	65,274	32,812
<b>Total Revenues</b>	<b>1,944,056</b>	<b>2,024,360</b>	<b>80,304</b>	<b>1,904,407</b>
<b>Expenditures</b>				
Emergency services:				
Administration	223,016	204,858	18,158	177,384
Fire services	1,727,887	1,196,110	531,777	1,207,374
<b>Total Expenditures</b>	<b>1,950,903</b>	<b>1,400,968</b>	<b>549,935</b>	<b>1,384,758</b>
Excess (Deficiency) of Revenues Over Expenditures	(6,847)	623,392	630,239	519,649
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	1,830	1,830	56,350
Transfers out	(325,000)	(324,708)	292	(832,500)
<b>Net Other Financing Sources (Uses)</b>	<b>(325,000)</b>	<b>(322,878)</b>	<b>2,122</b>	<b>(776,150)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (331,847)</u></b>	<b>300,514</b>	<b><u>\$ 632,361</u></b>	<b>(256,501)</b>
Fund Balance, beginning		<u>997,806</u>		<u>1,254,307</u>
Fund Balance, ending		<u><b>\$ 1,298,320</b></u>		<u><b>\$ 997,806</b></u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 377,652	\$ 378,532	\$ 880	\$ 354,407
Intergovernmental - PERS relief	-	374	374	384
Investment income	600	1,074	474	935
Other	12,148	43,440	31,292	311
<b>Total Revenues</b>	<b>390,400</b>	<b>423,420</b>	<b>33,020</b>	<b>356,037</b>
<b>Expenditures</b>				
Emergency services:				
Administration	78,164	73,447	4,717	56,752
Fire services	400,239	266,198	134,041	251,884
<b>Total emergency services</b>	<b>478,403</b>	<b>339,645</b>	<b>138,758</b>	<b>308,636</b>
Debt service	60	33	27	-
<b>Total Expenditures</b>	<b>478,463</b>	<b>339,678</b>	<b>138,785</b>	<b>308,636</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(88,063)	83,742	171,805	47,401
<b>Other Financing Uses</b>				
Transfers out	(150,000)	(150,000)	-	(1,319)
<b>Net Change in Fund Balance</b>	<b><u>\$ (238,063)</u></b>	<b>(66,258)</b>	<b><u>\$ 171,805</u></b>	<b>46,082</b>
Fund Balance, beginning		<u>469,090</u>		<u>423,008</u>
Fund Balance, ending		<u>\$ 402,832</u>		<u>\$ 469,090</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 267,260	\$ 255,051	\$ (12,209)	\$ 265,086
Intergovernmental - PERS relief	-	374	374	384
Investment income	250	947	697	556
Other	-	-	-	69
<b>Total Revenues</b>	<b>267,510</b>	<b>256,372</b>	<b>(11,138)</b>	<b>266,095</b>
<b>Expenditures</b>				
Emergency services:				
Administration	19,518	16,661	2,857	16,291
Fire services	261,407	111,821	149,586	182,975
<b>Total emergency services</b>	<b>280,925</b>	<b>128,482</b>	<b>152,443</b>	<b>199,266</b>
Debt service	120	120	-	-
<b>Total Expenditures</b>	<b>281,045</b>	<b>128,602</b>	<b>152,443</b>	<b>199,266</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(13,535)</b>	<b>127,770</b>	<b>141,305</b>	<b>66,829</b>
<b>Other Financing Uses</b>				
Transfers out	(2,800)	(2,600)	200	(946)
<b>Net Change in Fund Balance</b>	<b><u>\$ (16,335)</u></b>	<b>125,170</b>	<b><u>\$ 141,505</u></b>	<b>65,883</b>
Fund Balance, beginning		<u>287,268</u>		<u>221,385</u>
Fund Balance, ending		<u>\$ 412,438</u>		<u>\$ 287,268</u>

**Matanuska-Susitna Borough, Alaska**  
**Road Service Areas Special Revenue Funds**  
**Combining Balance Sheet**

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
<i>June 30, 2014</i>									
<b>Assets</b>									
Cash and investments	\$ 307,345	\$ 265,375	\$ 78,297	\$ 586,065	\$ 352,370	\$ 97,670	\$ 211,893	\$ 201,145	\$ 99,294
Receivables - property taxes	195,800	36,309	103,510	337,671	112,403	33,655	59,767	89,748	25,238
<b>Total Assets</b>	<b>\$ 503,145</b>	<b>\$ 301,684</b>	<b>\$ 181,807</b>	<b>\$ 923,736</b>	<b>\$ 464,773</b>	<b>\$ 131,325</b>	<b>\$ 271,660</b>	<b>\$ 290,893</b>	<b>\$ 124,532</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 31,363	\$ 89,996	\$ 31,330	\$ 77,004	\$ 144,792	\$ 8,374	\$ 58,288	\$ 55,988	\$ 8,409
Loans payable to other funds	29,157	17,132	-	62,861	-	345	-	-	7,758
<b>Total Liabilities</b>	<b>60,520</b>	<b>107,128</b>	<b>31,330</b>	<b>139,865</b>	<b>144,792</b>	<b>8,719</b>	<b>58,288</b>	<b>55,988</b>	<b>16,167</b>
<b>Deferred Inflows</b>									
Delinquent property taxes	189,413	35,860	101,981	336,878	108,697	33,253	54,746	87,567	25,066
<b>Total Liabilities and Deferred Inflows</b>	<b>249,933</b>	<b>142,988</b>	<b>133,311</b>	<b>476,743</b>	<b>253,489</b>	<b>41,972</b>	<b>113,034</b>	<b>143,555</b>	<b>41,233</b>
<b>Fund Balances</b>									
<b>Assigned:</b>									
Subsequent year expenditures	5,744	3,473	3,514	4,990	10,902	703	3,883	5,439	548
Subsequent year appropriations	83,000	34,552	-	280,000	40,000	-	50,000	50,000	-
Service areas	164,468	120,671	44,982	162,003	160,382	88,650	104,743	91,899	82,751
<b>Total Fund Balances</b>	<b>253,212</b>	<b>158,696</b>	<b>48,496</b>	<b>446,993</b>	<b>211,284</b>	<b>89,353</b>	<b>158,626</b>	<b>147,338</b>	<b>83,299</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 503,145</b>	<b>\$ 301,684</b>	<b>\$ 181,807</b>	<b>\$ 923,736</b>	<b>\$ 464,773</b>	<b>\$ 131,325</b>	<b>\$ 271,660</b>	<b>\$ 290,893</b>	<b>\$ 124,532</b>

**Matanuska-Susitna Borough, Alaska**  
**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	
<i>June 30, 2014</i>								
<b>Assets</b>								
Cash and investments	\$ 348,438	\$ 119,188	\$ 215,428	\$ 290,368	\$ 124,656	\$ 153,500	\$ 100,454	\$ 3,551,486
Receivables - property taxes	74,665	86,657	125,718	99,941	31,291	24,308	26,092	1,462,773
<b>Total Assets</b>	<b>\$ 423,103</b>	<b>\$ 205,845</b>	<b>\$ 341,146</b>	<b>\$ 390,309</b>	<b>\$ 155,947</b>	<b>\$ 177,808</b>	<b>\$ 126,546</b>	<b>\$ 5,014,259</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 94,405	\$ 15,148	\$ 53,428	\$ 88,224	\$ 34,039	\$ 24,713	\$ 14,071	\$ 829,572
Loans payable to other funds	58,271	3,275	-	35,127	-	-	1,572	215,498
<b>Total Liabilities</b>	<b>152,676</b>	<b>18,423</b>	<b>53,428</b>	<b>123,351</b>	<b>34,039</b>	<b>24,713</b>	<b>15,643</b>	<b>1,045,070</b>
<b>Deferred Inflows</b>								
Delinquent property taxes	73,933	85,185	122,261	95,652	30,059	23,679	25,655	1,429,885
<b>Total Liabilities and Deferred Inflows</b>	<b>226,609</b>	<b>103,608</b>	<b>175,689</b>	<b>219,003</b>	<b>64,098</b>	<b>48,392</b>	<b>41,298</b>	<b>2,474,955</b>
<b>Fund Balances</b>								
<b>Assigned:</b>								
Subsequent year expenditures	4,998	3,521	7,001	6,562	15,402	988	853	78,521
Subsequent year appropriations	46,000	-	26,000	-	-	51,748	-	661,300
Service areas	145,496	98,716	132,456	164,744	76,447	76,680	84,395	1,799,483
<b>Total Fund Balances</b>	<b>196,494</b>	<b>102,237</b>	<b>165,457</b>	<b>171,306</b>	<b>91,849</b>	<b>129,416</b>	<b>85,248</b>	<b>2,539,304</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 423,103</b>	<b>\$ 205,845</b>	<b>\$ 341,146</b>	<b>\$ 390,309</b>	<b>\$ 155,947</b>	<b>\$ 177,808</b>	<b>\$ 126,546</b>	<b>\$ 5,014,259</b>

**Matanuska-Susitna Borough, Alaska**  
**Road Service Areas Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
<i>Year ended June 30, 2014</i>									
<b>Revenues</b>									
Property taxes	\$ 1,501,462	\$ 845,752	\$ 559,092	\$ 1,350,569	\$ 2,377,411	\$ 242,615	\$ 859,665	\$ 1,194,653	\$ 171,741
Miscellaneous income	-	-	-	-	-	-	-	2,400	-
<b>Total Revenues</b>	1,501,462	845,752	559,092	1,350,569	2,377,411	242,615	859,665	1,197,053	171,741
<b>Expenditures</b>									
Public services:									
Administration	171,022	99,821	97,082	133,958	301,742	25,544	112,701	157,830	17,382
Road service	451,663	451,845	426,651	884,684	1,213,537	169,029	514,838	708,484	126,393
<b>Total public services</b>	622,685	551,666	523,733	1,018,642	1,515,279	194,573	627,539	866,314	143,775
Debt service	465	273	-	1,003	-	6	-	-	124
<b>Total Expenditures</b>	623,150	551,939	523,733	1,019,645	1,515,279	194,579	627,539	866,314	143,899
<b>Excess of Revenues Over Expenditures</b>	878,312	293,813	35,359	330,924	862,132	48,036	232,126	330,739	27,842
<b>Other Financing Uses</b>									
Transfers out	(942,500)	(443,000)	(160,000)	(377,500)	(1,259,500)	(89,000)	(249,500)	(406,000)	(36,000)
<b>Net Change in Fund Balances</b>	(64,188)	(149,187)	(124,641)	(46,576)	(397,368)	(40,964)	(17,374)	(75,261)	(8,158)
<b>Fund Balances, beginning</b>	317,400	307,883	173,137	493,569	608,652	130,317	176,000	222,599	91,457
<b>Fund Balances, ending</b>	\$ 253,212	\$ 158,696	\$ 48,496	\$ 446,993	\$ 211,284	\$ 89,353	\$ 158,626	\$ 147,338	\$ 83,299

## Matanuska-Susitna Borough, Alaska

## 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	
<i>Year ended June 30, 2014</i>								
<b>Revenues</b>								
Property taxes	\$ 1,495,759	\$ 875,064	\$ 1,729,991	\$ 1,593,601	\$ 518,209	\$ 223,233	\$ 262,467	\$ 15,801,284
Miscellaneous income	-	-	-	-	-	-	-	2,400
<b>Total Revenues</b>	<b>1,495,759</b>	<b>875,064</b>	<b>1,729,991</b>	<b>1,593,601</b>	<b>518,209</b>	<b>223,233</b>	<b>262,467</b>	<b>15,803,684</b>
<b>Expenditures</b>								
Public services:								
Administration	143,507	106,537	206,124	172,531	74,756	33,830	26,688	1,881,055
Road service	769,108	355,731	782,196	855,962	468,262	129,721	178,732	8,486,836
<b>Total public services</b>	<b>912,615</b>	<b>462,268</b>	<b>988,320</b>	<b>1,028,493</b>	<b>543,018</b>	<b>163,551</b>	<b>205,420</b>	<b>10,367,891</b>
Debt service	930	52	-	561	-	-	25	3,439
<b>Total Expenditures</b>	<b>913,545</b>	<b>462,320</b>	<b>988,320</b>	<b>1,029,054</b>	<b>543,018</b>	<b>163,551</b>	<b>205,445</b>	<b>10,371,330</b>
<b>Excess of Revenues Over Expenditures</b>	<b>582,214</b>	<b>412,744</b>	<b>741,671</b>	<b>564,547</b>	<b>(24,809)</b>	<b>59,682</b>	<b>57,022</b>	<b>5,432,354</b>
<b>Other Financing Uses</b>								
Transfers out	(1,058,500)	(701,500)	(992,000)	(896,500)	(60,000)	(29,500)	(70,500)	(7,771,500)
<b>Net Change in Fund Balances</b>	<b>(476,286)</b>	<b>(288,756)</b>	<b>(250,329)</b>	<b>(331,953)</b>	<b>(84,809)</b>	<b>30,182</b>	<b>(13,478)</b>	<b>(2,339,146)</b>
<b>Fund Balances, beginning</b>	<b>672,780</b>	<b>390,993</b>	<b>415,786</b>	<b>503,259</b>	<b>176,658</b>	<b>99,234</b>	<b>98,726</b>	<b>4,878,450</b>
<b>Fund Balances, ending</b>	<b>\$ 196,494</b>	<b>\$ 102,237</b>	<b>\$ 165,457</b>	<b>\$ 171,306</b>	<b>\$ 91,849</b>	<b>\$ 129,416</b>	<b>\$ 85,248</b>	<b>\$ 2,539,304</b>

**Matanuska-Susitna Borough, Alaska**  
**Road Service Area 9 - Midway Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,480,230	\$ 1,501,462	\$ 21,232	\$ 1,488,566
Investment income	-	-	-	1,690
<b>Total Revenues</b>	<b>1,480,230</b>	<b>1,501,462</b>	<b>21,232</b>	<b>1,490,256</b>
<b>Expenditures</b>				
<b>Public services:</b>				
Administration	207,015	171,022	35,993	174,029
Road service	506,627	451,663	54,964	365,811
<b>Total public services</b>	<b>713,642</b>	<b>622,685</b>	<b>90,957</b>	<b>539,840</b>
Debt service	466	465	1	493
<b>Total Expenditures</b>	<b>714,108</b>	<b>623,150</b>	<b>90,958</b>	<b>540,333</b>
<b>Excess of Revenues Over Expenditures</b>	<b>766,122</b>	<b>878,312</b>	<b>112,190</b>	<b>949,923</b>
<b>Other Financing Uses</b>				
Transfers out	(942,500)	(942,500)	-	(1,925,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (176,378)</u></b>	<b>(64,188)</b>	<b><u>\$ 112,190</u></b>	<b>(975,077)</b>
Fund Balance, beginning		<u>317,400</u>		<u>1,292,477</u>
Fund Balance, ending		<u>\$ 253,212</u>		<u>\$ 317,400</u>



**Matanuska-Susitna Borough, Alaska**  
**Road Service Area 14 - Fairview Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 839,765	\$ 845,752	\$ 5,987	\$ 801,048
Investment income	-	-	-	777
<b>Total Revenues</b>	<b>839,765</b>	<b>845,752</b>	<b>5,987</b>	<b>801,825</b>
<b>Expenditures</b>				
<b>Public services:</b>				
Administration	120,829	99,821	21,008	80,525
Road service	497,991	451,845	46,146	372,446
<b>Total public services</b>	<b>618,820</b>	<b>551,666</b>	<b>67,154</b>	<b>452,971</b>
Debt service	274	273	1	290
<b>Total Expenditures</b>	<b>619,094</b>	<b>551,939</b>	<b>67,155</b>	<b>453,261</b>
<b>Excess of Revenues Over Expenditures</b>	<b>220,671</b>	<b>293,813</b>	<b>73,142</b>	<b>348,564</b>
<b>Other Financing Uses</b>				
Transfers out	(443,000)	(443,000)	-	(420,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (222,329)</u></b>	<b>(149,187)</b>	<b><u>\$ 73,142</u></b>	<b>(71,436)</b>
Fund Balance, beginning		<u>307,883</u>		<u>379,319</u>
Fund Balance, ending		<u>\$ 158,696</u>		<u>\$ 307,883</u>

**Matanuska-Susitna Borough, Alaska**  
**Road Service Area 15 - Caswell Lake Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 596,785	\$ 559,092	\$ (37,693)	\$ 565,226
Investment income	-	-	-	309
<b>Total Revenues</b>	<b>596,785</b>	<b>559,092</b>	<b>(37,693)</b>	<b>565,535</b>
<b>Expenditures</b>				
Public services:				
Administration	117,513	97,082	20,431	89,332
Road service	452,423	426,651	25,772	356,195
<b>Total Expenditures</b>	<b>569,936</b>	<b>523,733</b>	<b>46,203</b>	<b>445,527</b>
Excess of Revenues Over Expenditures	26,849	35,359	8,510	120,008
<b>Other Financing Uses</b>				
Transfers out	(160,000)	(160,000)	-	(50,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (133,151)</u></b>	<b>(124,641)</b>	<b><u>\$ 8,510</u></b>	<b>70,008</b>
Fund Balance, beginning		<u>173,137</u>		<u>103,129</u>
Fund Balance, ending		<u>\$ 48,496</u>		<u>\$ 173,137</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,332,095	\$ 1,350,569	\$ 18,474	\$ 1,285,109
Investment income	-	-	-	2,009
<b>Total Revenues</b>	<b>1,332,095</b>	<b>1,350,569</b>	<b>18,474</b>	<b>1,287,118</b>
<b>Expenditures</b>				
Public services:				
Administration	162,150	133,958	28,192	138,528
Road service	936,612	884,684	51,928	694,389
<b>Total public services</b>	<b>1,098,762</b>	<b>1,018,642</b>	<b>80,120</b>	<b>832,917</b>
Debt service	1,004	1,003	1	1,062
<b>Total Expenditures</b>	<b>1,099,766</b>	<b>1,019,645</b>	<b>80,121</b>	<b>833,979</b>
<b>Excess of Revenues Over Expenditures</b>	<b>232,329</b>	<b>330,924</b>	<b>98,595</b>	<b>453,139</b>
<b>Other Financing Uses</b>				
Transfers out	(377,500)	(377,500)	-	(1,250,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (145,171)</u></b>	<b>(46,576)</b>	<b><u>\$ 98,595</u></b>	<b>(796,861)</b>
Fund Balance, beginning		<u>493,569</u>		<u>1,290,430</u>
Fund Balance, ending		<u>\$ 446,993</u>		<u>\$ 493,569</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 2,379,013	\$ 2,377,411	\$ (1,602)	\$ 2,276,319
Investment income	-	-	-	1,352
<b>Total Revenues</b>	<b>2,379,013</b>	<b>2,377,411</b>	<b>(1,602)</b>	<b>2,277,671</b>
<b>Expenditures</b>				
Public services:				
Administration	365,246	301,742	63,504	239,887
Road service	1,262,512	1,213,537	48,975	1,038,480
<b>Total Expenditures</b>	<b>1,627,758</b>	<b>1,515,279</b>	<b>112,479</b>	<b>1,278,367</b>
Excess of Revenues Over Expenditures	751,255	862,132	110,877	999,304
<b>Other Financing Uses</b>				
Transfers out	(1,259,500)	(1,259,500)	-	(1,025,000)
<b>Net Change in Fund Balance</b>	<b>\$ (508,245)</b>	<b>(397,368)</b>	<b>\$ 110,877</b>	<b>(25,696)</b>
Fund Balance, beginning		608,652		634,348
Fund Balance, ending		<b>\$ 211,284</b>		<b>\$ 608,652</b>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 237,485	\$ 242,615	\$ 5,130	\$ 237,403
Investment income	-	-	-	537
<b>Total Revenues</b>	<b>237,485</b>	<b>242,615</b>	<b>5,130</b>	<b>237,940</b>
<b>Expenditures</b>				
Public services:				
Administration	30,920	25,544	5,376	23,147
Road service	189,970	169,029	20,941	130,823
<b>Total public services</b>	<b>220,890</b>	<b>194,573</b>	<b>26,317</b>	<b>153,970</b>
Debt service	6	6	-	6
<b>Total Expenditures</b>	<b>220,896</b>	<b>194,579</b>	<b>26,317</b>	<b>153,976</b>
<b>Excess of Revenues Over Expenditures</b>	<b>16,589</b>	<b>48,036</b>	<b>31,447</b>	<b>83,964</b>
<b>Other Financing Uses</b>				
Transfers out	(89,000)	(89,000)	-	(325,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (72,411)</u></b>	<b>(40,964)</b>	<b><u>\$ 31,447</u></b>	<b>(241,036)</b>
Fund Balance, beginning		<u>130,317</u>		<u>371,353</u>
Fund Balance, ending		<u><b>\$ 89,353</b></u>		<u><b>\$ 130,317</b></u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 857,505	\$ 859,665	\$ 2,160	\$ 841,146
Investment income	-	-	-	523
Other	-	-	-	5,000
<b>Total Revenues</b>	<b>857,505</b>	<b>859,665</b>	<b>2,160</b>	<b>846,669</b>
<b>Expenditures</b>				
Public services:				
Administration	136,419	112,701	23,718	100,487
Road service	525,022	514,838	10,184	391,250
<b>Total Expenditures</b>	<b>661,441</b>	<b>627,539</b>	<b>33,902</b>	<b>491,737</b>
Excess of Revenues Over Expenditures	196,064	232,126	36,062	354,932
<b>Other Financing Uses</b>				
Transfers out	(249,500)	(249,500)	-	(475,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (53,436)</u></b>	<b>(17,374)</b>	<b><u>\$ 36,062</u></b>	<b>(120,068)</b>
Fund Balance, beginning		<u>176,000</u>		<u>296,068</u>
Fund Balance, ending		<u>\$ 158,626</u>		<u>\$ 176,000</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,203,100	\$ 1,194,653	\$ (8,447)	\$ 1,126,894
Investment income	-	-	-	969
Miscellaneous	-	2,400	2,400	-
<b>Total Revenues</b>	<b>1,203,100</b>	<b>1,197,053</b>	<b>(6,047)</b>	<b>1,127,863</b>
<b>Expenditures</b>				
Public services:				
Administration	191,048	157,830	33,218	149,504
Road service	725,468	708,484	16,984	705,804
<b>Total Expenditures</b>	<b>916,516</b>	<b>866,314</b>	<b>50,202</b>	<b>855,308</b>
Excess of Revenues Over Expenditures	286,584	330,739	44,155	272,555
<b>Other Financing Uses</b>				
Transfers out	(406,000)	(406,000)	-	(725,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (119,416)</u></b>	<b>(75,261)</b>	<b><u>\$ 44,155</u></b>	<b>(452,445)</b>
Fund Balance, beginning		<u>222,599</u>		<u>675,044</u>
Fund Balance, ending		<u>\$ 147,338</u>		<u>\$ 222,599</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 165,875	\$ 171,741	\$ 5,866	\$ 159,817
Investment income	-	-	-	245
<b>Total Revenues</b>	<b>165,875</b>	<b>171,741</b>	<b>5,866</b>	<b>160,062</b>
<b>Expenditures</b>				
Public services:				
Administration	21,041	17,382	3,659	19,442
Road service	144,113	126,393	17,720	98,425
<b>Total public services</b>	<b>165,154</b>	<b>143,775</b>	<b>21,379</b>	<b>117,867</b>
Debt service	124	124	-	131
<b>Total Expenditures</b>	<b>165,278</b>	<b>143,899</b>	<b>21,379</b>	<b>117,998</b>
Excess of Revenues Over Expenditures	597	27,842	27,245	42,064
<b>Other Financing Uses</b>				
Transfers out	(36,000)	(36,000)	-	(75,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (35,403)</u></b>	<b>(8,158)</b>	<b><u>\$ 27,245</u></b>	<b>(32,936)</b>
Fund Balance, beginning		<u>91,457</u>		<u>124,393</u>
Fund Balance, ending		<u><u>\$ 83,299</u></u>		<u><u>\$ 91,457</u></u>



## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,474,967	\$ 1,495,759	\$ 20,792	\$ 1,443,718
Investment income	-	-	-	1,972
<b>Total Revenues</b>	<b>1,474,967</b>	<b>1,495,759</b>	<b>20,792</b>	<b>1,445,690</b>
<b>Expenditures</b>				
Public services:				
Administration	173,710	143,507	30,203	143,319
Road service	809,305	769,108	40,197	652,145
<b>Total public services</b>	<b>983,015</b>	<b>912,615</b>	<b>70,400</b>	<b>795,464</b>
Debt service	930	930	-	985
<b>Total Expenditures</b>	<b>983,945</b>	<b>913,545</b>	<b>70,400</b>	<b>796,449</b>
<b>Excess of Revenues Over Expenditures</b>	<b>491,022</b>	<b>582,214</b>	<b>91,192</b>	<b>649,241</b>
<b>Other Financing Uses</b>				
Transfers out	(1,058,500)	(1,058,500)	-	(1,075,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (567,478)</u></b>	<b>(476,286)</b>	<b><u>\$ 91,192</u></b>	<b>(425,759)</b>
Fund Balance, beginning		<u>672,780</u>		<u>1,098,539</u>
Fund Balance, ending		<u>\$ 196,494</u>		<u>\$ 672,780</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 886,230	\$ 875,064	\$ (11,166)	\$ 868,345
Investment income	-	-	-	1,282
<b>Total Revenues</b>	<b>886,230</b>	<b>875,064</b>	<b>(11,166)</b>	<b>869,627</b>
<b>Expenditures</b>				
Public services:				
Administration	128,960	106,537	22,423	93,019
Road service	384,487	355,731	28,756	271,472
<b>Total public services</b>	<b>513,447</b>	<b>462,268</b>	<b>51,179</b>	<b>364,491</b>
Debt service	53	52	1	55
<b>Total Expenditures</b>	<b>513,500</b>	<b>462,320</b>	<b>51,180</b>	<b>364,546</b>
Excess of Revenues Over Expenditures	372,730	412,744	40,014	505,081
<b>Other Financing Uses</b>				
Transfers out	(701,500)	(701,500)	-	(980,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (328,770)</u></b>	<b>(288,756)</b>	<b><u>\$ 40,014</u></b>	<b>(474,919)</b>
Fund Balance, beginning		<u>390,993</u>		<u>865,912</u>
Fund Balance, ending		<u>\$ 102,237</u>		<u>\$ 390,993</u>

## Matanuska-Susitna Borough, Alaska

## Road Service Area 27 - Meadow Lakes Road Special Revenue Fund

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,741,557	\$ 1,729,991	\$ (11,566)	\$ 1,693,148
Investment income	-	-	-	1,611
<b>Total Revenues</b>	<b>1,741,557</b>	<b>1,729,991</b>	<b>(11,566)</b>	<b>1,694,759</b>
<b>Expenditures</b>				
Public services:				
Administration	249,504	206,124	43,380	192,930
Road service	839,747	782,196	57,551	588,634
<b>Total Expenditures</b>	<b>1,089,251</b>	<b>988,320</b>	<b>100,931</b>	<b>781,564</b>
Excess of Revenues Over Expenditures	652,306	741,671	89,365	913,195
<b>Other Financing Uses</b>				
Transfers out	(992,000)	(992,000)	-	(1,625,000)
<b>Net Change in Fund Balance</b>	<b>\$ (339,694)</b>	<b>(250,329)</b>	<b>\$ 89,365</b>	<b>(711,805)</b>
Fund Balance, beginning		415,786		1,127,591
Fund Balance, ending		\$ 165,457		\$ 415,786

**Matanuska-Susitna Borough, Alaska**  
**Road Service Area 28 - Gold Trail Road Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 1,574,035	\$ 1,593,601	\$ 19,566	\$ 1,499,963
Investment income	-	-	-	1,506
<b>Total Revenues</b>	<b>1,574,035</b>	<b>1,593,601</b>	<b>19,566</b>	<b>1,501,469</b>
<b>Expenditures</b>				
<b>Public services:</b>				
Administration	208,842	172,531	36,311	160,780
Road service	908,699	855,962	52,737	805,667
<b>Total public services</b>	<b>1,117,541</b>	<b>1,028,493</b>	<b>89,048</b>	<b>966,447</b>
Debt service	561	561	-	594
<b>Total Expenditures</b>	<b>1,118,102</b>	<b>1,029,054</b>	<b>89,048</b>	<b>967,041</b>
<b>Excess of Revenues Over Expenditures</b>	<b>455,933</b>	<b>564,547</b>	<b>108,614</b>	<b>534,428</b>
<b>Other Financing Uses</b>				
Transfers out	(896,500)	(896,500)	-	(800,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (440,567)</u></b>	<b>(331,953)</b>	<b><u>\$ 108,614</u></b>	<b>(265,572)</b>
Fund Balance, beginning		<u>503,259</u>		<u>768,831</u>
Fund Balance, ending		<u>\$ 171,306</u>		<u>\$ 503,259</u>

## Matanuska-Susitna Borough, Alaska

## Road Service Area 29 - Greater Talkeetna Road Special Revenue Fund

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 524,045	\$ 518,209	\$ (5,836)	\$ 511,799
Investment income	-	-	-	392
<b>Total Revenues</b>	<b>524,045</b>	<b>518,209</b>	<b>(5,836)</b>	<b>512,191</b>
<b>Expenditures</b>				
Public services:				
Administration	90,488	74,756	15,732	68,872
Road service	484,717	468,262	16,455	421,441
<b>Total Expenditures</b>	<b>575,205</b>	<b>543,018</b>	<b>32,187</b>	<b>490,313</b>
Excess (Deficiency) of Revenues Over Expenditures	(51,160)	(24,809)	26,351	21,878
<b>Other Financing Uses</b>				
Transfers out	(60,000)	(60,000)	-	-
<b>Net Change in Fund Balance</b>	<b>\$ (111,160)</b>	<b>(84,809)</b>	<b>\$ 26,351</b>	<b>21,878</b>
Fund Balance, beginning		176,658		154,780
Fund Balance, ending		\$ 91,849		\$ 176,658

## Matanuska-Susitna Borough, Alaska

## Road Service Area 30 - Trapper Creek Road Special Revenue Fund

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

Years ended June 30,	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 220,080	\$ 223,233	\$ 3,153	\$ 210,312
Investment income	-	-	-	234
<b>Total Revenues</b>	<b>220,080</b>	<b>223,233</b>	<b>3,153</b>	<b>210,546</b>
<b>Expenditures</b>				
Public services:				
Administration	40,418	33,830	6,588	20,674
Road service	144,166	129,721	14,445	161,313
<b>Total Expenditures</b>	<b>184,584</b>	<b>163,551</b>	<b>21,033</b>	<b>181,987</b>
Excess of Revenues Over Expenditures	35,496	59,682	24,186	28,559
<b>Other Financing Uses</b>				
Transfers out	(29,500)	(29,500)	-	(25,000)
<b>Net Change in Fund Balance</b>	<b>\$ 5,996</b>	<b>30,182</b>	<b>\$ 24,186</b>	<b>3,559</b>
Fund Balance, beginning		<u>99,234</u>		<u>95,675</u>
Fund Balance, ending		<u>\$ 129,416</u>		<u>\$ 99,234</u>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Property taxes	\$ 267,840	\$ 262,467	\$ (5,373)	\$ 252,798
Investment income	-	-	-	319
<b>Total Revenues</b>	<b>267,840</b>	<b>262,467</b>	<b>(5,373)</b>	<b>253,117</b>
<b>Expenditures</b>				
Public services:				
Administration	32,305	26,688	5,617	28,411
Road service	221,560	178,732	42,828	158,711
<b>Total public services</b>	<b>253,865</b>	<b>205,420</b>	<b>48,445</b>	<b>187,122</b>
Debt service	26	25	1	27
<b>Total Expenditures</b>	<b>253,891</b>	<b>205,445</b>	<b>48,446</b>	<b>187,149</b>
Excess of Revenues Over Expenditures	13,949	57,022	43,073	65,968
<b>Other Financing Uses</b>				
Transfers out	(70,500)	(70,500)	-	(150,000)
<b>Net Change in Fund Balance</b>	<b><u>\$ (56,551)</u></b>	<b>(13,478)</b>	<b><u>\$ 43,073</u></b>	<b>(84,032)</b>
Fund Balance, beginning		<u>98,726</u>		<u>182,758</u>
Fund Balance, ending		<u>\$ 85,248</u>		<u>\$ 98,726</u>

**Matanuska-Susitna Borough, Alaska**  
**Land Management Special Revenue Fund**  
**Balance Sheet**

<i>June 30,</i>	2014	2013
<b>Assets</b>		
Cash and investments	\$ 8,328,337	\$ 6,969,657
<b>Land Sales Contracts Receivable</b>		
Current	5,687	9,526
Delinquent	226,126	260,218
Unbilled	177,698	189,600
Total land sales contracts receivable	409,511	459,344
Less allowance for uncollectible contracts	(226,126)	(260,218)
<b>Net Land Sales Contracts Receivable</b>	<b>183,385</b>	<b>199,126</b>
Interfund note receivable from Port Enterprise Fund	-	70,179
<b>Total Assets</b>	<b>\$ 8,511,722</b>	<b>\$ 7,238,962</b>
<b>Liabilities, Deferred Inflows and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 48,142	\$ 76,031
Deposits	58,024	78,024
<b>Total Liabilities</b>	<b>106,166</b>	<b>154,055</b>
<b>Deferred Inflows</b>		
Land sales receivables not yet due	177,698	189,600
<b>Total Liabilities and Deferred Inflows</b>	<b>283,864</b>	<b>343,655</b>
<b>Fund Balance</b>		
<b>Committed:</b>		
Land management	5,984,812	5,914,633
Accrued leave	10,000	10,000
<b>Assigned:</b>		
Subsequent year expenditures	498,624	800,093
Land management	1,734,422	100,402
Interfund note receivable, current portion	-	70,179
<b>Total Fund Balance</b>	<b>8,227,858</b>	<b>6,895,307</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<b>\$ 8,511,722</b>	<b>\$ 7,238,962</b>



**Matanuska-Susitna Borough, Alaska**  
**Land Management Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years ended June 30,</i>	2014			2013
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental - PERS relief	\$ -	\$ 28,269	\$ 28,269	\$ 23,642
Land sales and leases	281,000	1,907,241	1,626,241	775,542
Management fees	5,000	9,350	4,350	5,425
User fees	2,500	3,020	520	3,328
Investment income	11,081	20,467	9,386	21,252
Interest on land sales	30,000	16,009	(13,991)	25,332
Other	1,500	1,900	400	2,110
<b>Total Revenues</b>	<b>331,081</b>	<b>1,986,256</b>	<b>1,655,175</b>	<b>856,631</b>
<b>Expenditures</b>				
Public services:				
Land management and development	683,850	414,928	268,922	337,864
Community development administration	265,199	113,777	151,422	102,065
<b>Total expenditures</b>	<b>949,049</b>	<b>528,705</b>	<b>420,344</b>	<b>439,929</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(617,968)</b>	<b>1,457,551</b>	<b>2,075,519</b>	<b>416,702</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	1,486
Transfers out	(125,000)	(125,000)	-	(283,404)
<b>Net Other Financing Sources (Uses)</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>-</b>	<b>(281,918)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (742,968)</u></b>	<b>1,332,551</b>	<b><u>\$ 2,075,519</u></b>	<b>134,784</b>
Fund Balance, beginning		<u>6,895,307</u>		<u>6,760,523</u>
Fund Balance, ending		<u>\$ 8,227,858</u>		<u>\$ 6,895,307</u>

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## Matanuska-Susitna Borough, Alaska

Nonmajor Debt Service Funds  
Combining Balance Sheet

<i>June 30, 2014</i>	Public Safety Building 61	Public Safety Building 51	Public Safety Building 62	School Buildings	Parks and Recreation	Animal Control	Transpor- tation System	Totals
<b>Assets</b>								
Cash and investments	\$ 42,004	\$ 544,838	\$ 185,000	\$ 314,959	\$ 33,051	\$ 20,049	\$ 758,582	\$ 1,898,483
Restricted cash - debt retirement	518,691	764,450	-	-	-	565,695	-	1,848,836
<b>Total Assets</b>	<b>\$ 560,695</b>	<b>\$ 1,309,288</b>	<b>\$ 185,000</b>	<b>\$ 314,959</b>	<b>\$ 33,051</b>	<b>\$ 585,744</b>	<b>\$ 758,582</b>	<b>\$ 3,747,319</b>
<b>Fund Balances</b>								
Restricted - debt service	\$ 518,691	\$ 764,450	\$ -	\$ -	\$ -	\$ 565,695	\$ -	\$ 1,848,836
Assigned - debt service	42,004	544,838	185,000	314,959	33,051	20,049	758,582	1,898,483
<b>Total Fund Balances</b>	<b>\$ 560,695</b>	<b>\$ 1,309,288</b>	<b>\$ 185,000</b>	<b>\$ 314,959</b>	<b>\$ 33,051</b>	<b>\$ 585,744</b>	<b>\$ 758,582</b>	<b>\$ 3,747,319</b>

**Matanuska-Susitna Borough, Alaska**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**

<i>Year ended June 30, 2014</i>	Public Safety Building 61	Public Safety Building 51	Public Safety Building 62	School Buildings	Parks and Recreation	Animal Control	Transpor- tation System	Totals
<b>Revenues</b>								
Investment income	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ 49	\$ -	\$ 95
Charges for service	-	-	-	1,268	-	-	-	1,268
<b>Total Revenues</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>1,268</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>1,363</b>
<b>Expenditures</b>								
Redemption of principal	440,000	-	-	17,515,000	240,000	340,000	440,000	18,975,000
Interest	80,213	150,162	-	11,452,775	103,400	221,855	446,175	12,454,580
<b>Total Expenditures</b>	<b>520,213</b>	<b>150,162</b>	<b>-</b>	<b>28,967,775</b>	<b>343,400</b>	<b>561,855</b>	<b>886,175</b>	<b>31,429,580</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(520,167)</b>	<b>(150,162)</b>	<b>-</b>	<b>(28,966,507)</b>	<b>(343,400)</b>	<b>(561,806)</b>	<b>(886,175)</b>	<b>(31,428,217)</b>
<b>Other Financing Sources</b>								
COP issuance	-	585,000	-	-	-	-	-	585,000
Premium on COP issuance	-	179,450	-	-	-	-	-	179,450
Transfers in	520,000	151,000	-	28,523,424	340,000	562,000	1,400,000	31,496,424
<b>Total Other Financing Sources</b>	<b>520,000</b>	<b>915,450</b>	<b>-</b>	<b>28,523,424</b>	<b>340,000</b>	<b>562,000</b>	<b>1,400,000</b>	<b>32,260,874</b>
<b>Net Change in Fund Balances</b>	<b>(167)</b>	<b>765,288</b>	<b>-</b>	<b>(443,083)</b>	<b>(3,400)</b>	<b>194</b>	<b>513,825</b>	<b>832,657</b>
<b>Fund Balances, beginning</b>	<b>560,862</b>	<b>544,000</b>	<b>185,000</b>	<b>758,042</b>	<b>36,451</b>	<b>585,550</b>	<b>244,757</b>	<b>2,914,662</b>
<b>Fund Balances, ending</b>	<b>\$ 560,695</b>	<b>\$ 1,309,288</b>	<b>\$ 185,000</b>	<b>\$ 314,959</b>	<b>\$ 33,051</b>	<b>\$ 585,744</b>	<b>\$ 758,582</b>	<b>\$ 3,747,319</b>

**Matanuska-Susitna Borough, Alaska**  
**School Projects Capital Project Fund**  
**Balance Sheet**

<i>June 30,</i>	2014	2013
<b>Assets</b>		
Cash and investments	\$ 22,160,180	\$ 18,345,658
Prepaid items	140,061	-
Receivables:		
Intergovernmental	1,589,967	2,938,250
Accrued interest	205,606	331,841
Restricted cash	94,713,413	119,971,539
<b>Total Assets</b>	<b>\$ 118,809,227</b>	<b>\$ 141,587,288</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts, contracts and retentions payable	\$ 8,724,858	\$ 8,848,224
Payable to School District	1,973,205	1,352,343
Unearned revenue	312,034	143,241
<b>Total Liabilities</b>	<b>11,010,097</b>	<b>10,343,808</b>
<b>Fund Balance</b>		
Nonspendable - prepaid items	140,061	-
Restricted for school construction	94,713,413	119,971,539
Assigned for capital projects	12,945,656	11,271,941
<b>Total Fund Balance</b>	<b>107,799,130</b>	<b>131,243,480</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 118,809,227</b>	<b>\$ 141,587,288</b>

Matanuska-Susitna Borough, Alaska  
 School Projects Capital Project Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance

<i>Years ended June 30,</i>	2014	2013
<b>Revenues</b>		
Intergovernmental	\$ 5,037,886	\$ 6,319,045
Investment income	91,704	224,394
<b>Total Revenues</b>	<b>5,129,590</b>	<b>6,543,439</b>
<b>Expenditures</b>		
Education	4,274,158	4,486,868
Debt service	214,524	204,237
Capital outlay	57,172,260	28,952,254
<b>Total Expenditures</b>	<b>61,660,942</b>	<b>33,643,359</b>
Deficiency of Revenues Over Expenditures	(56,531,352)	(27,099,920)
<b>Other Financing Sources (Uses)</b>		
Transfers in	65,000	-
Transfers out	(23,424)	(389,542)
Bond issuance	29,400,000	13,290,000
Premium on bond issuance	3,645,426	2,217,667
<b>Net Other Financing Sources (Uses)</b>	<b>33,087,002</b>	<b>15,118,125</b>
Net Change in Fund Balance	(23,444,350)	(11,981,795)
Fund Balance, beginning	131,243,480	143,225,275
Fund Balance, ending	\$ 107,799,130	\$ 131,243,480

Matanuska-Susitna Borough, Alaska  
Infrastructure Capital Project Fund  
Balance Sheet

<i>June 30,</i>	2014	2013
<b>Assets</b>		
Receivables - intergovernmental	\$ 15,961,005	\$ 11,177,694
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts, contracts and retentions payable	\$ 10,386,876	\$ 4,838,911
Deposits	707	-
Due to General Fund	5,002,773	5,286,080
<b>Total Liabilities</b>	<b>15,390,356</b>	<b>10,124,991</b>
Fund Balance - assigned for capital projects	570,649	1,052,703
<b>Total Liabilities and Fund Balance</b>	<b>\$ 15,961,005</b>	<b>\$ 11,177,694</b>

**Matanuska-Susitna Borough, Alaska**  
**Infrastructure Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**

<i>Years ended June 30,</i>	2014	2013
<b>Revenues</b>		
Intergovernmental	\$ 60,911,190	\$ 24,760,358
Charges for services	707	-
<b>Total Revenues</b>	<b>60,911,897</b>	<b>24,760,358</b>
<b>Expenditures</b>		
Capital outlay	61,493,951	24,830,726
<b>Total Expenditures</b>	<b>61,493,951</b>	<b>24,830,726</b>
Deficiency of Revenues Over Expenditures	(582,054)	(70,368)
<b>Other Financing Sources</b>		
Transfers in	100,000	316,000
<b>Net Change in Fund Balance</b>	<b>(482,054)</b>	<b>245,632</b>
<b>Fund Balance, beginning</b>	<b>1,052,703</b>	<b>807,071</b>
<b>Fund Balance, ending</b>	<b>\$ 570,649</b>	<b>\$ 1,052,703</b>



Matanuska-Susitna Borough, Alaska  
Roads and Bridges Capital Project Fund  
Balance Sheet

<i>June 30,</i>	2014	2013
<b>Assets</b>		
Receivables - intergovernmental	\$ 11,190,876	\$ 8,563,455
Prepaid items	8,152	-
Restricted cash	21,434,411	11,440,690
<b>Total Assets</b>	<b>\$ 32,633,439</b>	<b>\$ 20,004,145</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts, contracts and retentions payable	\$ 8,071,055	\$ 1,309,320
Due to General Fund	2,227,582	5,496,463
<b>Total Liabilities</b>	<b>10,298,637</b>	<b>6,805,783</b>
<b>Fund Balance</b>		
Nonspendable - prepaid items	8,152	-
Restricted - transportation	21,434,411	11,440,690
Assigned - capital projects	892,239	1,757,672
<b>Total Fund Balance</b>	<b>22,334,802</b>	<b>13,198,362</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 32,633,439</b>	<b>\$ 20,004,145</b>

**Matanuska-Susitna Borough, Alaska**  
**Roads and Bridges Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**

<i>Years ended June 30,</i>	2014	2013
<b>Revenues</b>		
Intergovernmental	\$ 8,880,161	\$ 6,634,494
Other	23,965	20,349
<b>Total Revenues</b>	<b>8,904,126</b>	<b>6,654,843</b>
<b>Expenditures</b>		
Public services	115,458	210,043
Capital outlay	19,630,442	8,395,388
<b>Total Expenditures</b>	<b>19,745,900</b>	<b>8,605,431</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(10,841,774)</b>	<b>(1,950,588)</b>
<b>Other Financing Sources (Uses)</b>		
Bond issuance	17,840,000	11,175,000
Premium on issuance	1,657,378	1,937,380
Transfers in	500,000	1,103,410
Transfers out	(19,164)	(82,195)
<b>Net Other Financing Sources (Uses)</b>	<b>19,978,214</b>	<b>14,133,595</b>
<b>Net Change in Fund Balance</b>	<b>9,136,440</b>	<b>12,183,007</b>
<b>Fund Balance, beginning</b>	<b>13,198,362</b>	<b>1,015,355</b>
<b>Fund Balance, ending</b>	<b>\$ 22,334,802</b>	<b>\$ 13,198,362</b>

**Matanuska-Susitna Borough, Alaska**  
**Nonmajor Capital Project Funds**  
**Combining Balance Sheet**

<i>June 30, 2014</i>	Sewage Facility	Fire Protection	Road Service Area Repairs	Ambulance and Emergency Services	Borough Facilities	Cultural and Recreational	Misc- ellaneous	Pass- through Grants	Totals
<b>Assets</b>									
Cash and investments	\$ 79,763	\$ 9,986,534	\$ 19,177,869	\$ 450,131	\$ 2,548,187	\$ 976,676	\$ 8,253,147	\$ 1,371,168	\$ 42,843,475
Receivables:									
Intergovernmental	50,182	787,242	4,153,565	576,039	158,794	-	166,268	16,861	5,908,951
Other	-	-	-	4,454	-	-	-	-	4,454
Prepaid items	-	80,368	94,675	-	-	-	-	-	175,043
Restricted cash	-	6,095,813	-	-	-	-	-	-	6,095,813
<b>Total Assets</b>	<b>\$ 129,945</b>	<b>\$ 16,949,957</b>	<b>\$ 23,426,109</b>	<b>\$ 1,030,624</b>	<b>\$ 2,706,981</b>	<b>\$ 976,676</b>	<b>\$ 8,419,415</b>	<b>\$ 1,388,029</b>	<b>\$ 55,027,736</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts, contracts and retentions payable	\$ 13,195	\$ 1,614,036	\$ 3,097,191	\$ 67,862	\$ 26,577	\$ 21,943	\$ 197,670	\$ -	\$ 5,038,474
Unearned revenue	-	491	234,781	-	-	-	100,443	1,376,400	1,712,115
<b>Total Liabilities</b>	<b>13,195</b>	<b>1,614,527</b>	<b>3,331,972</b>	<b>67,862</b>	<b>26,577</b>	<b>21,943</b>	<b>298,113</b>	<b>1,376,400</b>	<b>6,750,589</b>
<b>Fund Balances</b>									
Nonspendable - prepaid items	-	80,368	94,675	-	-	-	-	-	175,043
Restricted - capital projects	-	6,095,813	-	-	-	-	-	-	6,095,813
Assigned - capital projects	116,750	9,159,249	19,999,462	962,762	2,680,404	954,733	8,121,302	11,629	42,006,291
<b>Total Fund Balances</b>	<b>116,750</b>	<b>15,335,430</b>	<b>20,094,137</b>	<b>962,762</b>	<b>2,680,404</b>	<b>954,733</b>	<b>8,121,302</b>	<b>11,629</b>	<b>48,277,147</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 129,945</b>	<b>\$ 16,949,957</b>	<b>\$ 23,426,109</b>	<b>\$ 1,030,624</b>	<b>\$ 2,706,981</b>	<b>\$ 976,676</b>	<b>\$ 8,419,415</b>	<b>\$ 1,388,029</b>	<b>\$ 55,027,736</b>

**Matanuska-Susitna Borough, Alaska**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**

<i>Year ended June 30, 2014</i>	Sewage Facility	Fire Protection	Road Service Area Repairs	Ambulance and Emergency Services	Borough Facilities	Cultural and Recreational	Misc- ellaneous	Pass- through Grants	Totals
<b>Revenues</b>									
Intergovernmental	\$ 55,169	\$ 852,326	\$ 4,843,976	\$ 757,046	\$ 1,037,948	\$ 22,051	\$ 625,506	\$ 785,824	\$ 8,979,846
<b>Expenditures</b>									
General government	-	-	-	-	16,578	-	1,490,970	-	1,507,548
Emergency services	-	-	-	503,776	58,910	-	65,797	-	628,483
Public services	-	650,820	7,075,759	-	-	112,965	850,114	924,195	9,613,853
Capital outlay	55,169	5,111,231	4,781,271	520,953	2,506,859	278,530	766,540	-	14,020,553
Debt service	-	-	-	800	-	-	-	-	800
<b>Total Expenditures</b>	<b>55,169</b>	<b>5,762,051</b>	<b>11,857,030</b>	<b>1,025,529</b>	<b>2,582,347</b>	<b>391,495</b>	<b>3,173,421</b>	<b>924,195</b>	<b>25,771,237</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>(4,909,725)</b>	<b>(7,013,054)</b>	<b>(268,483)</b>	<b>(1,544,399)</b>	<b>(369,444)</b>	<b>(2,547,915)</b>	<b>(138,371)</b>	<b>(16,791,391)</b>
<b>Other Financing Sources (Uses)</b>									
COP issuance	-	8,000,000	-	-	-	-	-	-	8,000,000
Premium on issuance	-	151,676	-	-	-	-	-	-	151,676
Transfers in	100,000	5,052,854	8,961,157	450,000	2,184,971	208,840	4,046,217	150,000	21,154,039
Transfers out	-	(49,742)	(52)	(91,814)	(138,747)	(3,129)	(1,185,264)	-	(1,468,748)
<b>Net Other Financing Sources (Uses)</b>	<b>100,000</b>	<b>13,154,788</b>	<b>8,961,105</b>	<b>358,186</b>	<b>2,046,224</b>	<b>205,711</b>	<b>2,860,953</b>	<b>150,000</b>	<b>27,836,967</b>
<b>Net Change in Fund Balances</b>	<b>100,000</b>	<b>8,245,063</b>	<b>1,948,051</b>	<b>89,703</b>	<b>501,825</b>	<b>(163,733)</b>	<b>313,038</b>	<b>11,629</b>	<b>11,045,576</b>
<b>Fund Balances, beginning</b>	<b>16,750</b>	<b>7,090,367</b>	<b>18,146,086</b>	<b>873,059</b>	<b>2,178,579</b>	<b>1,118,466</b>	<b>7,808,264</b>	<b>-</b>	<b>37,231,571</b>
<b>Fund Balances, ending</b>	<b>\$ 116,750</b>	<b>\$ 15,335,430</b>	<b>\$ 20,094,137</b>	<b>\$ 962,762</b>	<b>\$ 2,680,404</b>	<b>\$ 954,733</b>	<b>\$ 8,121,302</b>	<b>\$ 11,629</b>	<b>\$ 48,277,147</b>

## Matanuska-Susitna Borough, Alaska

## Capital Projects

## Project Length of Construction Projects

<i>Beginning of Projects to June 30, 2014</i>	School Projects	Fire Protection	Road Service Areas Repairs	Sewage Facility	Sanitary Landfills	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities
<b>Total Project Authorizations</b>	\$ 617,471,987	\$ 59,133,014	\$ 131,576,093	\$ 15,595,671	\$ 27,951,119	\$ 30,441,606	\$ 126,049,795	\$ 60,293,570
<b>Revenues and Other Financing Sources</b>								
Intergovernmental	\$ 62,914,299	\$ 12,660,122	\$ 40,585,683	\$ 14,266,073	\$ 8,162,113	\$ 16,916,041	\$ 65,166,086	\$ 21,885,226
LID bonds	-	-	186,095	-	-	-	-	-
Other	570,202,821	13,297,135	969,713	100,000	225,091	822,356	32,685,983	8,356,224
Transfers from other funds	27,744,486	45,819,626	86,986,008	551,043	13,476,979	13,869,457	6,085,007	30,726,599
<b>Total Revenues and Other Financing Sources</b>	\$ 660,861,606	\$ 71,776,883	\$ 128,727,499	\$ 14,917,116	\$ 21,864,183	\$ 31,607,854	\$ 103,937,076	\$ 60,968,049
<b>Expenditures and Other Financing Sources</b>								
Capital projects	\$ 550,553,088	\$ 55,293,027	\$ 107,601,359	\$ 14,739,641	\$ 19,980,716	\$ 30,123,500	\$ 81,402,120	\$ 56,278,476
Transfers to other funds	2,509,388	1,148,426	1,032,003	60,725	406,861	521,592	200,154	2,009,169
<b>Total Expenditures and Other Financing Uses</b>	\$ 553,062,476	\$ 56,441,453	\$ 108,633,362	\$ 14,800,366	\$ 20,387,577	\$ 30,645,092	\$ 81,602,274	\$ 58,287,645

**Matanuska-Susitna Borough, Alaska**  
**Capital Projects**  
**Project Length of Construction Projects, continued**

<i>Beginning of Projects to June 30, 2014</i>	Cultural and Recreational	Port	Pass- Through Grants	Miscellaneous	Infra- structure	Maintenance	Totals
<b>Total Project Authorizations</b>	\$ 13,984,054	\$ 60,958,651	\$ 11,814,600	\$ 78,265,586	\$ 147,697,524	\$ 1,149,094	\$ 1,382,382,364
<b>Revenues and Other Financing Sources</b>							
Intergovernmental	\$ 2,792,549	\$ 30,344,319	\$ 9,579,783	\$ 29,811,236	\$ 129,474,210	\$ -	\$ 444,557,740
LID bonds	-	-	-	-	-	-	186,095
Other	4,474,078	13,257,570	14,387	1,299,491	707	-	645,705,556
Transfers from other funds	6,986,975	7,045,136	1,761,553	51,133,110	1,741,000	1,111,719	295,038,698
<b>Total Revenues and Other Financing Sources</b>	\$ 14,253,602	\$ 50,647,025	\$ 11,355,723	\$ 82,243,837	\$ 131,215,917	\$ 1,111,719	\$ 1,385,488,089
<b>Expenditures and Other Financing Sources</b>							
Capital projects	\$ 13,057,034	\$ 47,452,369	\$ 11,308,001	\$ 69,918,260	\$ 130,645,268	\$ 1,070,827	\$ 1,189,423,686
Transfers to other funds	241,835	1,251,943	36,093	4,204,275	-	40,892	13,663,356
<b>Total Expenditures and Other Financing Uses</b>	\$ 13,298,869	\$ 48,704,312	\$ 11,344,094	\$ 74,122,535	\$ 130,645,268	\$ 1,111,719	\$ 1,203,087,042

## Matanuska-Susitna Borough, Alaska

Solid Waste Enterprise Fund  
Statement of Net Position

<i>June 30,</i>	2014	2013
<b>Assets</b>		
<b>Current Assets</b>		
Receivables:		
Accounts	\$ 338,936	\$ 350,867
Intergovernmental	643,130	4,547
<b>Total Current Assets</b>	<b>982,066</b>	<b>355,414</b>
<b>Noncurrent Assets</b>		
Restricted cash - landfill closure	2,243,072	2,243,072
Property, plant and equipment:		
Buildings	2,420,358	2,411,634
Improvements other than buildings	1,790,143	1,734,469
Equipment	2,157,008	2,096,319
Landfill cells	4,519,944	4,519,944
Construction in progress	9,762,272	8,424,157
Total property, plant and equipment	20,649,725	19,186,523
Accumulated depreciation and amortization	(3,738,980)	(3,417,337)
<b>Net property, plant and equipment</b>	<b>16,910,745</b>	<b>15,769,186</b>
<b>Total Noncurrent Assets</b>	<b>19,153,817</b>	<b>18,012,258</b>
<b>Total Assets</b>	<b>\$ 20,135,883</b>	<b>\$ 18,367,672</b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 414,367	\$ 251,698
Accrued leave	94,067	77,799
Accrued interest payable	232,843	181,252
Unearned revenue	1	1
Due to General Fund	989,462	998,642
Current portion of loans payable	89,418	88,097
<b>Total Current Liabilities</b>	<b>1,820,158</b>	<b>1,597,489</b>
<b>Noncurrent Liabilities</b>		
Loans payable	4,256,948	4,346,365
Landfill closure costs payable	4,262,490	3,876,843
<b>Total Noncurrent Liabilities</b>	<b>8,519,438</b>	<b>8,223,208</b>
<b>Total Liabilities</b>	<b>10,339,596</b>	<b>9,820,697</b>
<b>Net Position</b>		
Net investment in capital assets	12,564,379	11,334,724
Unrestricted (deficit)	(2,768,092)	(2,787,749)
<b>Total Net Position</b>	<b>9,796,287</b>	<b>8,546,975</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 20,135,883</b>	<b>\$ 18,367,672</b>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014	2013
Operating Revenues		
Charges for services	\$ 5,598,895	\$ 5,586,782
Operating Expenses		
Public service:		
Landfill operations	3,204,396	2,714,920
Transfer sites	1,750,125	1,750,565
Depreciation and amortization	321,643	225,494
Allocated administrative and billing expenses	52,270	50,089
Total Operating Expenses	5,328,434	4,741,068
Operating Income	270,461	845,714
Nonoperating Revenues (Expenses)		
Investment income	-	4,477
Intergovernmental - PERS relief	99,161	106,856
Interest expense	(76,020)	(59,815)
Miscellaneous income	460	678
Net Nonoperating Revenues (Expenses)	23,601	52,196
Income Before Capital Contributions	294,062	897,910
Capital contributions	955,250	166,441
Change in Net Position	1,249,312	1,064,351
Net Position, beginning	8,546,975	7,482,624
Net Position, ending	\$ 9,796,287	\$ 8,546,975



## Matanuska-Susitna Borough, Alaska

## Solid Waste Enterprise Fund

## Statement of Cash Flows

<i>Years ended June 30,</i>	2014	2013
<b>Cash Flows for Operating Activities</b>		
Receipts from customers	\$ 5,611,286	\$ 5,481,672
Payments to suppliers	(2,993,921)	(3,329,984)
Payments to employees	(1,296,855)	(870,863)
Payments for interfund services used	(52,270)	(50,089)
<b>Net cash flows from operating activities</b>	<b>1,268,240</b>	<b>1,230,736</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Purchases of property, plant and equipment	(1,463,202)	(550,816)
Principal and interest paid on loans	(112,525)	(145,596)
Capital contributions received	316,667	315,980
Increase (decrease) in due to General Fund	(9,180)	(850,304)
<b>Net cash flows for capital and related financing activities</b>	<b>(1,268,240)</b>	<b>(1,230,736)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income received	-	4,477
<b>Net Increase in Cash and Investments</b>	<b>-</b>	<b>4,477</b>
<b>Cash and Investments, beginning of year</b>	<b>2,243,072</b>	<b>2,238,595</b>
<b>Cash and Investments, end of year</b>	<b>\$ 2,243,072</b>	<b>\$ 2,243,072</b>
<b>Reconciliation of Operating Income to Net Cash from (for) Operating Activities</b>		
Operating income	\$ 270,461	\$ 845,714
Adjustments to reconcile operating income to net cash flows from operating activities:		
Miscellaneous nonoperating revenue	460	678
Depreciation and amortization	321,643	225,494
Noncash expense - PERS relief	99,161	106,856
(Increase) decrease in assets - accounts receivable	11,931	(105,789)
Increase (decrease) in liabilities:		
Accounts payable	162,669	(203,996)
Accrued leave	16,268	7,930
Unearned revenue	-	1
Landfill closure costs payable	385,647	353,848
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 1,268,240</b>	<b>\$ 1,230,736</b>

## Matanuska-Susitna Borough, Alaska

Port Enterprise Fund  
Statement of Net Position

<i>June 30,</i>	2014	2013
<b>Assets and Deferred Outflows</b>		
<b>Current Assets</b>		
Intergovernmental accounts receivable	\$ -	\$ 468,584
Inventory	765	765
<b>Total Current Assets</b>	<b>765</b>	<b>469,349</b>
<b>Noncurrent Assets</b>		
Ferry vessel	4,500,000	7,098,884
<b>Property, plant and equipment:</b>		
Buildings	7,948,617	7,948,617
Equipment	41,322	41,322
Infrastructure	29,459,737	26,414,621
Construction in progress	261,029	2,997,489
<b>Total property, plant and equipment</b>	<b>37,710,705</b>	<b>37,402,049</b>
Accumulated depreciation	(7,026,215)	(6,097,693)
<b>Net property, plant and equipment</b>	<b>30,684,490</b>	<b>31,304,356</b>
<b>Total Assets</b>	<b>35,185,255</b>	<b>38,872,589</b>
<b>Deferred Outflows</b>		
Unamortized deferred loss on bonds	317,455	350,296
<b>Total Assets and Deferred Outflows</b>	<b>\$ 35,502,710</b>	<b>\$ 39,222,885</b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 42,071	\$ 289,184
Unearned grant revenue	46,406	-
Accrued leave	30,910	43,412
Due to General Fund	7,548,018	6,361,184
Accrued interest payable	74,821	60,716
Current portion of general obligation bonds	485,000	465,000
Current portion of interfund note payable	-	70,179
<b>Total Current Liabilities</b>	<b>8,227,226</b>	<b>7,289,675</b>
<b>Noncurrent liabilities:</b>		
Lease credits payable	1,330,343	1,334,216
General obligation bonds, including unamortized premium of \$566,821 (\$625,457 in 2013)	5,816,821	6,360,457
<b>Total Noncurrent Liabilities</b>	<b>7,147,164</b>	<b>7,694,673</b>
<b>Total Liabilities</b>	<b>15,374,390</b>	<b>14,984,348</b>
<b>Net Position</b>		
Net Investment in capital assets	24,700,124	24,829,195
Unrestricted (deficit)	(4,571,804)	(590,658)
<b>Total Net Position</b>	<b>20,128,320</b>	<b>24,238,537</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 35,502,710</b>	<b>\$ 39,222,885</b>

## Matanuska-Susitna Borough, Alaska

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

<i>Years ended June 30,</i>	2014	2013
<b>Operating Revenues</b>		
Charges for services	\$ 22,851	\$ 74,737
<b>Operating Expenses</b>		
Dock operations	639,235	869,005
Depreciation	928,522	928,522
Ferry expenses	509,581	922,449
Allocated administrative and billing expenses	22,400	22,000
<b>Total Operating Expenses</b>	<b>2,099,738</b>	<b>2,741,976</b>
<b>Operating Loss</b>	<b>(2,076,887)</b>	<b>(2,667,239)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Intergovernmental - State sources:		
PERS relief	33,180	43,071
Debt service reimbursement	707,350	750,263
Shoal study grant	-	475,000
Shoal study	-	(479,016)
Miscellaneous income	-	666
Interest expense	(233,453)	(228,734)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>507,077</b>	<b>561,250</b>
<b>Loss Before Capital Contributions</b>	<b>(1,569,810)</b>	<b>(2,105,989)</b>
<b>Capital contributions</b>	<b>58,477</b>	<b>576,498</b>
<b>Extraordinary Item - Fair value adjustment- Ferry</b>	<b>(2,598,884)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(4,110,217)</b>	<b>(1,529,491)</b>
<b>Net Position, beginning</b>	<b>24,238,537</b>	<b>25,768,028</b>
<b>Net Position, ending</b>	<b>\$ 20,128,320</b>	<b>\$ 24,238,537</b>

## Matanuska-Susitna Borough, Alaska

Port Enterprise Fund  
Statement of Cash Flows

<i>Years ended June 30,</i>	2014	2013
<b>Cash Flows for Operating Activities</b>		
Receipts for customers	\$ 22,851	\$ 75,403
Payments to suppliers	(1,011,666)	(1,304,816)
Payments to employees	(367,458)	(220,562)
Payments for interfund services used	(22,400)	(22,000)
<b>Net cash flows for operating activities</b>	<b>(1,378,673)</b>	<b>(1,471,975)</b>
<b>Cash Flows for Noncapital Financing Activities</b>		
Nonoperating grant received - shoal study	-	475,000
Shoal study expenses	-	(479,016)
<b>Net cash funds from noncapital financing activities</b>	<b>-</b>	<b>(4,016)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of property, plant and equipment	(308,656)	(586,733)
Capital contributions received	573,467	721,637
Principal and interest paid on interfund note	(70,179)	(173,573)
Principal and interest paid on bonds	(710,143)	(707,351)
Debt service reimbursement	707,350	750,263
Increase in due to General Fund	1,186,834	1,471,748
<b>Net cash flows from capital and related financing activities</b>	<b>1,378,673</b>	<b>1,475,991</b>
<b>Net Increase in Cash and Investments</b>	<b>-</b>	<b>-</b>
<b>Cash and Investments, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and Investments, end of year</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation of Operating Loss to Net Cash for Operating Activities</b>		
Operating loss	\$ (2,076,887)	\$ (2,667,239)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Miscellaneous nonoperating revenue	-	666
Depreciation	928,522	928,522
Lease credits exercised	(3,873)	(3,873)
Noncash expense - PERS relief	33,180	43,071
(Increase) decrease in assets:		
Prepaid items	-	21,100
Increase (decrease) in liabilities:		
Accounts payable	(247,113)	218,558
Accrued leave	(12,502)	(12,779)
Unearned revenue	-	(1)
<b>Net Cash Flows for Operating Activities</b>	<b>\$ (1,378,673)</b>	<b>\$ (1,471,975)</b>

## Matanuska-Susitna Borough, Alaska

Internal Service Funds  
Combining Statement of Net Position

<i>June 30, 2014</i>	Revolving Loan	Self- Insurance	Totals
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 1,075,665	\$ 16,342,062	\$ 17,417,727
Interfund loans receivable	64,282	-	64,282
Deposits with others	-	52,245	52,245
<b>Total Current Assets</b>	<b>1,139,947</b>	<b>16,394,307</b>	<b>17,534,254</b>
<b>Interfund Loans Receivable, long-term</b>	<b>423,400</b>	<b>-</b>	<b>423,400</b>
<b>Total Assets</b>	<b>\$ 1,563,347</b>	<b>\$ 16,394,307</b>	<b>\$ 17,957,654</b>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ -	\$ 15,497	\$ 15,497
Insurance claims incurred but not reported	-	1,915,341	1,915,341
Current portion of loans payable	25,948	-	25,948
<b>Total current liabilities</b>	<b>25,948</b>	<b>1,930,838</b>	<b>1,956,786</b>
<b>Noncurrent Liabilities - loans payable</b>	<b>285,399</b>	<b>-</b>	<b>285,399</b>
<b>Total Liabilities</b>	<b>311,347</b>	<b>1,930,838</b>	<b>2,242,185</b>
<b>Net Position</b>			
Unrestricted	1,252,000	14,463,469	15,715,469
<b>Total Liabilities and Net Position</b>	<b>\$ 1,563,347</b>	<b>\$ 16,394,307</b>	<b>\$ 17,957,654</b>

Matanuska-Susitna Borough, Alaska  
 Internal Service Funds  
 Combining Statement of Revenues, Expenses, and  
 Changes in Net Position

<i>Year ended June 30, 2014</i>	Revolving Loan	Self- Insurance	Totals
<b>Operating Revenues</b>			
Intragovernmental	\$ -	\$ 8,047,916	\$ 8,047,916
Interest on loans	466	-	466
Employee contributions	-	746,351	746,351
Other	-	5,921	5,921
<b>Total Operating Revenues</b>	<b>466</b>	<b>8,800,188</b>	<b>8,800,654</b>
<b>Operating Expenses</b>			
Claims	-	5,243,734	5,243,734
Administrative fees	-	1,105,396	1,105,396
Premium	-	192,711	192,711
<b>Total Operating Expenses</b>	<b>-</b>	<b>6,541,841</b>	<b>6,541,841</b>
Operating Income Before Transfers	466	2,258,347	2,258,813
Transfers out	(466)	-	(466)
Change in Net Position	-	2,258,347	2,258,347
Net Position, beginning	1,252,000	12,205,122	13,457,122
Net Position, ending	\$ 1,252,000	\$ 14,463,469	\$ 15,715,469

## Matanuska-Susitna Borough, Alaska

Internal Service Funds  
Combining Statement of Cash Flows

<i>Year ended June 30, 2014</i>	Revolving Loan	Self- Insurance	Totals
<b>Cash Flows from Operating Activities</b>			
Principal payments received on loans	\$ 74,932	\$ -	\$ 74,932
Interest payments received on loans	466	-	466
Principal payments on loans payable	(18,350)	-	(18,350)
Internal activity - payments from other funds	-	8,047,916	8,047,916
Receipts from employees and other	-	752,272	752,272
Payments for claims and services	-	(6,714,738)	(6,714,738)
<b>Net cash flows from operating activities</b>	<b>57,048</b>	<b>2,085,450</b>	<b>2,142,498</b>
<b>Cash Flows for Noncapital Financing Activities</b>			
Transfers out	(466)	-	(466)
<b>Net Increase in Cash and Investments</b>	<b>56,582</b>	<b>2,085,450</b>	<b>2,142,032</b>
<b>Cash and Investments, beginning of year</b>	<b>1,019,083</b>	<b>14,256,612</b>	<b>15,275,695</b>
<b>Cash and Investments, end of year</b>	<b>\$ 1,075,665</b>	<b>\$ 16,342,062</b>	<b>\$ 17,417,727</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 466	\$ 2,258,347	2,258,813
Adjustments to reconcile operating income to net cash flows from operating activities:			
Decrease in assets - loans receivable	74,932	-	74,932
Increase (decrease) in liabilities:			
Accounts payable	-	(21,274)	(21,274)
Loans payable	(18,350)	-	(18,350)
Insurance claims incurred but not reported	-	(151,623)	(151,623)
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 57,048</b>	<b>\$ 2,085,450</b>	<b>\$ 2,142,498</b>

## Matanuska-Susitna Borough, Alaska

## Revolving Loan Internal Service Funds

## Combining Statement of Net Position

<i>June 30, 2014</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 190,549	\$ 361,666	\$ 523,450	\$ 1,075,665
Interfund loans receivable	12,000	38,334	13,948	64,282
<b>Total Current Assets</b>	<b>202,549</b>	<b>400,000</b>	<b>537,398</b>	<b>1,139,947</b>
Interfund Loans Receivable, long-term	221,851	-	201,549	423,400
<b>Total Assets</b>	<b>\$ 424,400</b>	<b>\$ 400,000</b>	<b>\$ 738,947</b>	<b>\$ 1,563,347</b>
<b>Liabilities and Net Position</b>				
<b>Liabilities</b>				
Current liabilities - current portion of loans payable	\$ 12,000	\$ -	\$ 13,948	\$ 25,948
Noncurrent liability - loans payable	83,850	-	201,549	285,399
<b>Total Liabilities</b>	<b>95,850</b>	<b>-</b>	<b>215,497</b>	<b>311,347</b>
<b>Net Position</b>				
Unrestricted	328,550	400,000	523,450	1,252,000
<b>Total Liabilities and Net Position</b>	<b>\$ 424,400</b>	<b>\$ 400,000</b>	<b>\$ 738,947</b>	<b>\$ 1,563,347</b>



**Matanuska-Susitna Borough, Alaska**  
**Revolving Loan Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**

<i>Year ended June 30, 2014</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
<b>Operating Revenues</b>				
Interest on loans	\$ 313	\$ 153	\$ -	\$ 466
Transfers out	(313)	(153)	-	(466)
Change in Net Position	-	-	-	-
Net Position, beginning	328,550	400,000	523,450	1,252,000
Net Position, ending	\$ 328,550	\$ 400,000	\$ 523,450	\$ 1,252,000

## Matanuska-Susitna Borough, Alaska

## Revolving Loan Internal Service Funds

## Combining Statement of Cash Flows

<i>Year ended June 30, 2014</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
<b>Cash Flows from Operating Activities</b>				
Principal payments received on loans	\$ 22,858	\$ 38,333	\$ 13,741	\$ 74,932
Interest payments received on loans	313	153	-	466
Principal payments on loans payable	(4,609)	-	(13,741)	(18,350)
<b>Net cash flows from operating activities</b>	<b>18,562</b>	<b>38,486</b>	<b>-</b>	<b>57,048</b>
<b>Cash Flows for Noncapital Financing Activities</b>				
Transfers out	(313)	(153)	-	(466)
<b>Net Increase in Cash and Investments</b>	<b>18,249</b>	<b>38,333</b>		<b>56,582</b>
Cash and Investments, beginning of year	172,300	323,333	523,450	1,019,083
<b>Cash and Investments, end of year</b>	<b>\$ 190,549</b>	<b>\$ 361,666</b>	<b>\$ 523,450</b>	<b>\$ 1,075,665</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>				
Operating income	\$ 313	\$ 153	\$ -	\$ 466
Adjustments to reconcile operating income to net cash flows from operating activities:				
(Increase) decrease in loans receivable	22,858	38,333	13,741	74,932
Increase (decrease) in loans payable	(4,609)	-	(13,741)	(18,350)
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 18,562</b>	<b>\$ 38,486</b>	<b>\$ -</b>	<b>\$ 57,048</b>

## Matanuska-Susitna Borough, Alaska

Self Insurance Internal Service Funds  
Combining Statement of Net Position

<i>June 30, 2014</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
<b>Assets</b>					
<b>Current Assets</b>					
Cash and investments	\$ 181,395	\$ 11,132,899	\$ 1,790,587	\$ 3,237,181	\$ 16,342,062
Deposits with others	-	3,340	-	48,905	52,245
<b>Total Assets</b>	<b>\$ 181,395</b>	<b>\$ 11,136,239</b>	<b>\$ 1,790,587</b>	<b>\$ 3,286,086</b>	<b>\$ 16,394,307</b>
<b>Liabilities and Net Position</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 15,497	\$ -	\$ -	\$ -	\$ 15,497
Insurance claims incurred but not reported	-	1,241,216	525,000	149,125	1,915,341
<b>Total Current Liabilities</b>	<b>15,497</b>	<b>1,241,216</b>	<b>525,000</b>	<b>149,125</b>	<b>1,930,838</b>
<b>Net Position</b>					
Unrestricted	165,898	9,895,023	1,265,587	3,136,961	14,463,469
<b>Total Liabilities and Net Position</b>	<b>\$ 181,395</b>	<b>\$ 11,136,239</b>	<b>\$ 1,790,587</b>	<b>\$ 3,286,086</b>	<b>\$ 16,394,307</b>

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

<i>Year ended June 30, 2014</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
<b>Operating Revenues</b>					
Intragovernmental	\$ 131,201	\$ 6,249,611	100,000	\$ 1,567,104	\$ 8,047,916
Employee contributions	-	746,351	-	-	746,351
Other	-	-	-	5,921	5,921
<b>Total Operating Revenues</b>	<b>131,201</b>	<b>6,995,962</b>	<b>100,000</b>	<b>1,573,025</b>	<b>8,800,188</b>
<b>Operating Expenses</b>					
Claims	94,645	4,626,788	372,000	150,301	5,243,734
Administrative fees	-	1,025,256	-	80,140	1,105,396
Premium	-	-	-	192,711	192,711
<b>Total Operating Expenses</b>	<b>94,645</b>	<b>5,652,044</b>	<b>372,000</b>	<b>423,152</b>	<b>6,541,841</b>
<b>Change in Net Position</b>	<b>36,556</b>	<b>1,343,918</b>	<b>(272,000)</b>	<b>1,149,873</b>	<b>2,258,347</b>
<b>Net Position, beginning</b>	<b>129,342</b>	<b>8,551,105</b>	<b>1,537,587</b>	<b>1,987,088</b>	<b>12,205,122</b>
<b>Net Position, ending</b>	<b>\$ 165,898</b>	<b>\$ 9,895,023</b>	<b>\$ 1,265,587</b>	<b>\$ 3,136,961</b>	<b>\$ 14,463,469</b>

## Matanuska-Susitna Borough, Alaska

Self Insurance Internal Service Funds  
Combining Statement of Cash Flows

<i>Year ended June 30, 2014</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
<b>Cash Flows from Operating Activities</b>					
Internal activity - payments from other funds	\$ 131,201	\$ 6,249,611	\$ 100,000	\$ 1,567,104	\$ 8,047,916
Receipts from employees and other	-	746,351	-	5,921	752,272
Payments for claims and services	(115,919)	(5,650,317)	(72,000)	(876,502)	(6,714,738)
<b>Net cash flows from operating activities</b>	<b>15,282</b>	<b>1,345,645</b>	<b>28,000</b>	<b>696,523</b>	<b>2,085,450</b>
<b>Net Increase in Cash and Investments</b>	<b>15,282</b>	<b>1,345,645</b>	<b>28,000</b>	<b>696,523</b>	<b>2,085,450</b>
<b>Cash and Investments, beginning of year</b>	<b>166,113</b>	<b>9,787,254</b>	<b>1,762,587</b>	<b>2,540,658</b>	<b>14,256,612</b>
<b>Cash and Investments, end of year</b>	<b>\$ 181,395</b>	<b>\$ 11,132,899</b>	<b>\$ 1,790,587</b>	<b>\$ 3,237,181</b>	<b>\$ 16,342,062</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>					
Operating income(loss)	\$ 36,556	\$ 1,343,918	\$ (272,000)	\$ 1,149,873	\$ 2,258,347
Adjustments to reconcile operating income(loss) to net cash flows from operating activities:					
Increase (decrease) in liabilities:					
Accounts payable	(21,274)	-	-	-	(21,274)
Insurance claims incurred but not reported	-	1,727	300,000	(453,350)	(151,623)
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 15,282</b>	<b>\$ 1,345,645</b>	<b>\$ 28,000</b>	<b>\$ 696,523</b>	<b>\$ 2,085,450</b>

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## Matanuska-Susitna Borough, Alaska

## Agency Funds

## Combining Statement of Changes in Assets and Liabilities

<i>Year ended June 30, 2014</i>	Property Tax Agency			Balance at June 30, 2014
	Balance at July 1, 2013	Additions	Deletions	
<b>Assets</b>				
Cash and investments	\$ 22,587	\$ 3,226,554	\$ 3,241,732	\$ 7,409
Property taxes receivable:				
Real	126,461	50,460	53,697	123,224
Personal	11,567	-	279	11,288
<b>Total Assets</b>	<b>\$ 160,615</b>	<b>\$ 3,277,014</b>	<b>\$ 3,295,708</b>	<b>\$ 141,921</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,736	\$ 3,529	\$ 9,191	\$ 1,074
Taxes collected in advance	143,621	2,079,257	2,084,594	138,284
Intergovernmental	10,258	3,547,136	3,554,831	2,563
<b>Total Liabilities</b>	<b>\$ 160,615</b>	<b>\$ 5,629,922</b>	<b>\$ 5,648,616</b>	<b>\$ 141,921</b>
<b>Road and Gas Line Agency</b>				
<i>Year ended June 30, 2014</i>	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
<b>Assets</b>				
Cash and investments	\$ 456,820	\$ 1,039,733	\$ 1,496,553	\$ -
Other receivable	-	590,308	-	590,308
Special assessments receivable	1,279,528	579,609	556,672	1,302,465
<b>Total Assets</b>	<b>\$ 1,736,348</b>	<b>\$ 2,209,650</b>	<b>\$ 2,053,225</b>	<b>\$ 1,892,773</b>
<b>Liabilities</b>				
Accounts payable	\$ 9,720	\$ 30,533	\$ 28,111	\$ 12,142
Payable to Mat-Su Borough	-	280,553	-	280,553
Deposits	346,952	99,935	18,888	427,999
Notes payable - gas lines	1,059,746	411,000	481,553	989,193
Notes payable - road improvements	319,930	-	137,044	182,886
<b>Total Liabilities</b>	<b>\$ 1,736,348</b>	<b>\$ 822,021</b>	<b>\$ 665,596</b>	<b>\$ 1,892,773</b>

## Matanuska-Susitna Borough, Alaska

## Agency Funds

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

<i>Year ended June 30, 2014</i>	Prison Agency			Balance at June 30, 2014
	Balance at July 1, 2013	Additions	Deletions	
<b>Assets</b>				
Cash and investments	\$ 275,122	\$ 5	\$ -	\$ 275,127
<b>Total Assets</b>	<b>\$ 275,122</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 275,127</b>
<b>Liabilities</b>				
Due to State of Alaska	\$ 275,122	\$ 5	\$ -	\$ 275,127
<b>Total Liabilities</b>	<b>\$ 275,122</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 275,127</b>
<b>Totals</b>				
<i>Year ended June 30, 2014</i>	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
<b>Assets</b>				
Cash and investments	\$ 754,529	\$ 4,266,292	\$ 4,738,285	\$ 282,536
Property taxes receivable:				
Real	126,461	50,460	53,697	123,224
Personal	11,567	-	279	11,288
Other receivable	-	590,308	-	590,308
Special assessments receivable	1,279,528	579,609	556,672	1,302,465
<b>Total Assets</b>	<b>\$ 2,172,085</b>	<b>\$ 5,486,669</b>	<b>\$ 5,348,933</b>	<b>\$ 2,309,821</b>
<b>Liabilities</b>				
Accounts payable	\$ 16,456	\$ 34,062	\$ 37,302	\$ 13,216
Payable to Mat-Su Borough	-	280,553	-	280,553
Deposits	346,952	99,935	18,888	427,999
Taxes collected in advance	143,621	2,079,257	2,084,594	138,284
Intergovernmental	10,258	3,547,136	3,554,831	2,563
Notes payable - gas lines	1,059,746	411,000	481,553	989,193
Notes payable - road improvements	319,930	-	137,044	182,886
Due to State of Alaska	275,122	5	-	275,127
<b>Total Liabilities</b>	<b>\$ 2,172,085</b>	<b>\$ 6,451,948</b>	<b>\$ 6,314,212</b>	<b>\$ 2,309,821</b>



**Matanuska-Susitna Borough, Alaska**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2014**

Federal grantor/pass-through grantor program title	Catalog of Federal Domestic Assistance Number	Grant Number	Award Amount	Federal Expend- itures
<b>Department of Agriculture</b>				
FY06 Spruce Bark Beetle	10.664	N/A	\$ 1,578,000	\$ 27,569
FY07 Spruce Bark Beetle	10.664	N/A	1,084,000	233,386
FY08 Spruce Bark Beetle	10.664	08DG11100100208	492,000	48,261
Passed through State of Alaska, Department of Natural Resources:				
FY12 Caswell Lakes VFA	10.664	08DG11100100210	4,428	46
FY13 Butte Volunteer Fire Assistance	10.664	09DG11100100209	20,000	230
FY13 Caswell Lakes VFA	10.664	10DG11100100210	8,512	8,512
FY14 Sutton VFA	10.664	09DG11100100209	18,268	18,268
Total CFDA 10.664				<u>336,272</u>
FY14 National Forestry Share Tax	10.665	841097	19,285	<u>19,285</u>
ARRA - Hazardous Fuels Mitigation	10.688	09DG11100489-011	1,436,000	<u>29,596</u>
<b>Total Department of Agriculture</b>				<u><b>385,153</b></u>
<b>Department of Commerce</b>				
Solid Waste Recycling & Training Park	11.300	07-01-06318	3,000,000	<u>595,657</u>
Passed through State of Alaska, Department of Fish and Game - Mat-Su Borough Fish Passage Restoration	11.438	NA11NMF4380268	1,080,000	<u>199,871</u>
<b>Total Department of Commerce</b>				<u><b>795,528</b></u>
<b>Department of Homeland Security</b>				
Passed through State of Alaska, Department of Military and Veterans Affairs:				
FY12 Caswell Lakes FSA Assistance to Firefighters	97.044	EMW-2012-FO-01740	49,400	<u>46,550</u>
Mat Su Valley Flooding-September 2012-FEMA (75% Federal)	97.036	FEMA-DR-4094-AK	518,768	<u>317,252</u>
FY13 Emergency Management Performance Grant	97.042	34457	71,000	<u>71,000</u>

Matanuska-Susitna Borough, Alaska

Exhibit N-1, continued

Schedule of Expenditures of Federal Awards, continued  
Year ended June 30, 2014

Federal grantor/pass-through grantor program title	Catalog of Federal Domestic Assistance Number	Grant Number	Award Amount	Federal Expenditures
Department of Homeland Security, continued				
Passed through State of Alaska, Department of Military and Veterans Affairs:				
2011 State Homeland Security Program (SHSP)	97.067	EMW-2011-SS-00053	\$ 314,876	\$ 94,381
2012 State Homeland Security Program (SHSP)	97.067	EMW-2012-SS-00127	225,480	223,320
2013 State Homeland Security Program (SHSP)	97.067	EMW-2013-SS-00098	87,667	12,844
Total CFDA 97.067				330,545
2012 Earthquake Hazards Reduction Program	97.082	EMS-2012-CA-0018	50,910	50,600
Staffing for Adequate Fire & Emergency Response - SAFER	97.083	EMW-2011-FF-00676	490,067	6,287
Passed through State of Alaska, Department of Commerce, Community, and Economic Development-				
CAP-SSSE Program Travel / Training	97.023	AR#29820	6,000	6,000
Total Department of Homeland Security				828,234
Department of the Interior				
Payment in Lieu of Taxes	15.226	N/A	3,224,917	3,224,917
Mat-Su Wetland Hydrology	15.630	F14AC00169	55,000	3,500
Culvert Replacement Meadow Lks Area & Settlers Bay Rd	15.631	F11AC00665	180,000	36
Low Impact Development Program	15.631	F12AC00119	25,000	1,264
Total CFDA 15.631				1,300
Fish Passage Improvements	15.608	F12AC00291	240,000	51,622
Fish Passage Restoration	15.608	F13AC00418	245,000	6,061
Total CFDA 15.608				57,683
Passed through State of Alaska, Department of Natural Resources -				
Middle Susitna Rvr Valley: Archaeological Survey & Inventory	15.904	12561	20,000	6,606
Natl Reg Nom: Cottonwood Crk Archaeological District	15.904	HPF #13597	20,000	3,044
Total CFDA 15.904				9,650
Total Department of the Interior				3,297,050

Matanuska-Susitna Borough, Alaska

Exhibit N-1, continued

Schedule of Expenditures of Federal Awards, continued  
Year ended June 30, 2014

Federal grantor/pass-through grantor program title	Catalog of Federal Assistance Number	Grant Number	Award Amount	Federal Expenditures
<b>Department of Transportation</b>				
Hatcher Pass Environmental & PE	20.500	AK-55-0006	\$ 4,275,579	\$ 517,774
Port MacKenzie Intermodal Env't/PE	20.500	AK-03-0037-04	17,723,231	(250,180)
<b>Passed through State of Alaska Department of Transportation and Public Facilities-</b>				
FY04 Long Range Transportation Plan/Alaska Railroad	20.500	FTA5307	25,000	(5,000)
<b>Total CFDA 20.500</b>				<u>262,594</u>
<b>Consolidated Permitting Process</b>				
Update of the MSB Long-Range Transportation Plan	20.205	HPRL-001(365)	301,358	37,379
	20.205	ACSPR-2000(37)	100,000	15,042
<b>Total CFDA 20.205</b>				<u>52,421</u>
<b>Passed through State of Alaska, Department of Natural Resources -</b>				
Matanuska Greenbelt Central Single Track-Crevasse Moraine	20.219	10793118	20,939	20,939
<b>Total Department of Transportation</b>				<u>335,954</u>
<b>Environmental Protection Agency</b>				
Water Quality Protection in the Matanuska-Susitna Borough	66.119	WC-00J04901-0	564,041	71,103
<b>Total Expenditures of Federal Awards</b>				<u>\$ 5,713,022</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Matanuska-Susitna Borough under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Matanuska-Susitna Borough, it is not intended to and does not present the financial position, changes in net assets or cash flows of Matanuska-Susitna Borough.

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

## Matanuska-Susitna Borough, Alaska

## Schedule of State Financial Assistance

Year ended June 30, 2014

State grantor/ pass-through grantor program title	Grant Number	Award Amount	State Share of Expend- itures
Department of Commerce, Community and Economic Development			
Major Programs:			
Point MacKenzie Road Upgrade	07-DC-361	\$ 15,350,800	\$ 595,726
Parks Highway Connectors	09-DC-498	6,000,000	1,127,494
Knik River Rd Milepost 0 to 11.2 Reconstruction	11-DC-280	2,100,000	566,479
Rail Ext to Port MacKenzie from the AK RR Main Line	11-DC-291	35,000,000	8,259,131
Port MacKenzie Rail Extension	12-DC-398	30,000,000	14,591,221
Substandard Roads and Bridges Replacement Repair	12-DC-403	3,000,000	719,421
School District Network Wiring and Infrastructure Improvements	12-DC-626	6,000,000	1,452,000
Academy Charter Classrooms	13-DC-506	2,000,000	1,264,685
Port MacKenzie Rail Extension	13-DC-630	23,500,000	17,662,274
Road Bond Package State Match	13-DC-632	32,200,000	5,793,753
Bogard Road Extension East	13-GO-009	13,500,000	312,884
Port MacKenzie Rail Extension	13-GO-010	30,000,000	10,200,982
South Big Lake Road Construction	13-RR-015	5,000,000	2,095,107
Bogard Road Extension East	14-DC-076	8,200,000	417,410
Convention & Visitors Bureau Gateway Center Project	14-DC-079	1,000,000	1,000,000
Rail Extension to Port MacKenzie	14-DC-086	25,000,000	9,848,149
River Management	14-DC-087	2,500,000	349,433
School District Alaska Middle College School	14-DC-088	750,000	522,113
School District Preschool Program	14-DC-090	500,000	415,169
Willow Fire Service Area Tanker	14-DC-103	470,000	470,000
State Revenue Sharing	FY14	4,518,142	4,518,142
Total Major Programs			<u>82,181,573</u>
Nonmajor Programs:			
Trunk Road Extension/Design/ROW Acquisition	07-DC-371	750,000	1
Sutton Volunteer Fire	09-DC-242	225,000	495
Big Lk Elem PTA Playground Equipment	11-DC-262	10,000	763
Big Lake Service Area Road Upgrades	11-DC-264	50,000	512
Buffalo Mine Road Street Light Installation	11-DC-265	15,000	(750)
Caswell Lakes Service Area Roads Upgrade	11-DC-269	50,000	14,970
Horseshoe Lake Roads Upgrade	11-DC-274	700,000	3,150
Knik Elem School Library & Tech Upgrade	11-DC-279	7,500	104
North Nancy Lake Peninsula Road Rehabilitation	11-DC-288	850,000	63,171
Parks Highway Connectors	11-DC-289	2,000,000	15,778
Port MacKenzie Expansion	11-DC-290	750,000	47,627
School Dist Library/Tech Upgrades	11-DC-293	110,000	55
Snowshoe Elem Library/Tech Upgrades	11-DC-295	7,500	42
Trapper Creek Elementary Roof Replacement	11-DC-300	100,000	2,705
Wasilla - Iditarod Elem School Playground & Equip	11-DC-302	30,000	1,153
Wolverine Creek Dry Hydrant Project	11-DC-308	50,000	(2,500)
Big Lake Community Impact Assessment	12-DC-393	250,000	59,587
Bodenburg Creek Bridge Replacements and Rprs	12-DC-394	1,000,000	165,502
School District Library & Technology Upgrade	12-DC-399	120,000	9,599
School District Technology Upgrade	12-DC-401	100,000	(37,235)
School District Wireless Access	12-DC-402	500,000	35,923
Willow Road Service Area Upgrade	12-DC-404	220,000	8,288
Caswell Lakes Fire Service Area Equipment	12-DM-115	20,000	9,947
Caswell Lakes Service Area Roads Upgrade	12-DM-116	30,000	14,561
Greater Butte Service Area Roads Upgrade	12-DM-118	30,000	4,450
Talkeetna Fire Service Area Equipment	12-DM-123	20,000	18,509
Talkeetna Service Area Roads Upgrade	12-DM-124	30,000	250
Trapper Creek Service Area Roads Upgrade	12-DM-125	30,000	7,600
Parks Hwy Frontage Rd & Intersection Impr Trunk Rd	12-RR-015	2,000,000	240
Burchell High School Equipment & Improvements	13-DC-019	60,000	738
Fronteras Spanish Immersion Charter School Comp Labs	13-DC-020	60,000	19,614

**Matanuska-Susitna Borough, Alaska**  
**Schedule of State Financial Assistance, continued**  
**Year ended June 30, 2014**

State grantor/ pass-through grantor program title	Grant Number	Award Amount	State Share of Expend- itures
<b>Department of Commerce, Community and Economic Development, continued</b>			
<b>Nonmajor Programs, continued:</b>			
Sutton Elem School Equipment and Upgrades	13-DC-038	\$ 65,500	\$ 12,707
Glacier View Elem School Gym Floor Upgrade	13-DC-062	75,000	23,379
School Library & Technology Upgrades	13-DC-122	99,000	27,669
West Lakes Firefighting Equipment	13-DC-204	150,000	11,282
Air Force JROTC Aerospace Science and Leadership	13-DC-354	400,000	76,481
High School Cyber Centers	13-DC-363	425,500	19,789
Alaska Middle College	13-DC-378	500,000	32,130
Charter Technology & Physical Education Eq Upgrds	13-DC-379	500,000	61,820
Science Tech Engr & Math (STEM) Exp Initiative	13-DC-380	500,000	159,959
Talkeetna Public Library & Comm Resource Ctr	13-DC-532	2,800,000	19,434
Pioneer Peak Elem Equipment and Supplies	13-DM-006	5,000	217
Goose Bay Elem School Equipment	13-DM-090	25,000	(1,831)
Big Lake Service Area Roads Upgrade	13-DM-125	30,000	480
Greater Butte Svs Area Roads Upgrade	13-DM-129	30,000	61
Knik Service Area Roads Upgrade	13-DM-130	30,000	8,517
Lazy Mtn Service Area Roads Upgrade	13-DM-131	30,000	23,755
Meadow Lakes Service Area Roads Upgrade	13-DM-132	30,000	3,701
Talkeetna Service Area Roads Upgrade	13-DM-133	30,000	28,163
Trapper Creek Service Area Roads Upgrade	13-DM-134	30,000	25,250
Big Lk Elem School Equipment & Improvements	13-DM-162	35,000	476
Glacier View School Improvements & Equipment	13-DM-163	35,000	20,329
Wasilla High School Sports Equipment	13-DM-164	35,000	(795)
Amer Charter Academy Science Equip & Supplies	13-DM-204	45,000	21,346
South Big Lake Road Realignment	13-RR-016	4,704,775	164,853
Butte Volunteer Fire Dept Mobile Treatment Center	14-DC-077	70,000	3,500
Caswell Lakes Fire Station	14-DC-078	2,000,000	100,000
Fisheries and Fish Protection	14-DC-080	2,500,000	179,804
Fronteras Charter School Rural Dev Application Costs	14-DC-081	150,000	50,369
Meadow Lakes RSA 27 N Gunflint Trail Upgrade	14-DC-082	150,000	7,500
Michelle Dr and Gina Circle Reconstruction	14-DC-083	160,000	8,000
Permanent Emergency Operations Center Planning	14-DC-084	300,000	15,264
Port MacKenzie Cathodic Protection	14-DC-085	2,500,000	261,029
School District Cyber Centers	14-DC-089	500,000	124,715
School District STEM Initiative	14-DC-091	750,000	177,680
Self-Contained Breathing Apparatus Upgrade	14-DC-092	140,000	7,000
Sushana Drive Improvements	14-DC-093	75,000	75,000
Sitze Road Drainage Improvements	14-DC-094	125,000	6,250
Substandard Roads and Bridges	14-DC-095	2,500,000	238,412
Talkeetna Planning Ph Water & Sewer Improvements	14-DC-096	100,000	55,169
Warm Storage Fire Station -Crystal Lakes Area	14-DC-097	350,000	17,699
West Lakes Fire Service Area Station 7-3	14-DC-099	2,700,000	135,000
Willow Community Center Area Improvements	14-DC-100	65,000	3,250
Willow Elementary School Roof Replacement	14-DC-101	758,000	146,481
Willow Fire Service Area Fire Station Addition Construction	14-DC-102	100,000	5,000
Academy Charter Classroom Exp & Library	14-DM-025	45,000	45,000
Amer Charter Academy STEM Equip & Materials	14-DM-026	35,000	1,750
Big Lake Elem School Digital Literacy and Story	14-DM-027	6,300	315
Big Lk Elem Indoor Physical Ed Equipment	14-DM-028	5,000	250
Butte Elem Portable Labs/Ipads	14-DM-029	35,000	28,206
Butte Elem School Sidewalks	14-DM-030	40,000	2,000
Cottonwood Creek Elem Outdoor Signage	14-DM-031	35,000	16,712
Glacier View School Van	14-DM-032	45,000	2,250
Goose Bay Elem Library & Tech Upgrade	14-DM-033	5,000	4,998

**Matanuska-Susitna Borough, Alaska**  
**Schedule of State Financial Assistance, continued**  
**Year ended June 30, 2014**

State grantor/ pass-through grantor program title	Grant Number	Award Amount	State Share of Expend- itures
<b>Department of Commerce, Community and Economic Development, continued</b>			
Nonmajor Programs, continued:			
Knik Elem School Library & Tech Upgrade	14-DM-034	\$ 5,000	\$ 4,707
Meadow Lks Elem School Library & Tech Upgrd	14-DM-035	5,000	250
Midnight Sun Family Learning Crisis Preparedness	14-DM-036	25,000	1,250
Palmer High Swim Dive Team Scoreboard	14-DM-037	40,000	30,655
Sutton Elem School Carpet Replacement	14-DM-038	30,000	22,466
MSB School District Expand Air Force JROTC Program	14-RR-014	705,059	<u>186,129</u>
Total Nonmajor Programs			<u>3,168,081</u>
Total Department of Commerce, Community and Economic Development			<u>85,349,654</u>
<b>Department of Education and Early Development</b>			
Major Program -			
FY14 Debt Retirement Program	N/A	19,679,679	<u>19,679,679</u>
Nonmajor Programs:			
Big Lake Library	N/A	6,600	6,600
Sutton Library	N/A	6,600	6,600
Talkeetna Library	N/A	6,600	6,600
Trapper Creek Library	N/A	6,600	6,600
Willow Library	N/A	6,600	6,600
Sutton Library/Comm Ctr Early Literacy Minigrant -Play Box	ELM-14-775-10	1,112	1,112
FY14 Continuing Education Grants	N/A	6,000	<u>4,622</u>
Total Nonmajor Programs			<u>38,734</u>
Total Department of Education and Early Development			<u>19,718,413</u>
<b>Department of Environmental Conservation</b>			
Nonmajor Programs:			
Central Landfill Expansion Phase IIIB	56107	1,103,500	33,404
Central Landfill Cell 2 Closure	56109	528,000	<u>101,098</u>
Total Department of Environmental Conservation			<u>134,502</u>
<b>Department of Health and Social Services</b>			
Major Program - Human Services Community Matching Grant FY14			
	605-14-013	337,186	<u>337,186</u>
<b>Department of Revenue</b>			
Major Program - Electric & Telephone Shared Revenue			
	FY14	751,540	<u>751,540</u>
Nonmajor Program - Fisheries Bus Share Tax			
	FY14	126	<u>126</u>
Total Department of Revenue			<u>751,666</u>

**Matanuska-Susitna Borough, Alaska**  
**Schedule of State Financial Assistance, continued**  
**Year ended June 30, 2014**

State grantor/ pass-through grantor program title	Grant Number	Award Amount	State Share of Expend- itures
<b>Department of Transportation and Public Facilities</b>			
Major program - 2004 Series C Port Bond	N/A	\$ 2,259,579	\$ 707,350
Nonmajor Programs:			
FY06 Hiway Projects(DOT)Bogard Road Ext	AKSAS59213	12,950,000	245,302
Safe Routes to School	LU20-12-0006	75,000	63,252
Trunk Road Connector Project	N/A	300,000	<u>248</u>
<b>Total Department of Transportation and Public Facilities</b>			<u><u>1,016,152</u></u>
<b>Department of Military and Veterans Affairs</b>			
Nonmajor Programs:			
FY14 Local Emergency Planning Committee	14LEPC-GR35602	19,018	19,018
Mat Su Valley Flooding-September 2012-FEMA(25%)	FEMA-DR-4094-AK	172,923	<u>105,750</u>
<b>Total Department of Military and Veterans Affairs</b>			<u><u>124,768</u></u>
<b>Department of Administration</b>			
Major Program - PERS Relief	FY14	2,708,817	<u>2,708,817</u>
<b>Total State Financial Assistance</b>			<u><u>\$ 110,141,158</u></u>

**Basis of Presentation**

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Matanuska-Susitna Borough under programs of the state government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. Because the Schedule presents only a selected portion of the operations of Matanuska-Susitna Borough, it is not intended to and does not present the financial position, changes in net assets or cash flows of Matanuska-Susitna Borough.

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

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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	163-167
<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	168-169
<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	170-172

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

	2005	2006	2007	2008	2009	2010	2011*	2012*	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 236,091,095	\$ 262,550,711	\$ 269,318,342	\$ 294,404,626	\$ 358,980,408	\$ 389,804,017	\$ 382,358,825	\$ 457,114,641	\$ 508,684,140	586,832,955
Restricted	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428	76,147,545	1,087,682	1,085,976	1,084,439	1,848,836
Unrestricted (deficit)	<u>29,474,971</u>	<u>34,446,371</u>	<u>44,144,618</u>	<u>55,324,817</u>	<u>51,392,992</u>	<u>55,367,352</u>	<u>189,689,534</u>	<u>154,048,260</u>	<u>157,745,476</u>	<u>154,221,875</u>
Total governmental activities net assets	<u>\$ 346,644,644</u>	<u>\$ 362,849,671</u>	<u>\$ 394,333,710</u>	<u>\$ 424,957,244</u>	<u>\$ 485,270,828</u>	<u>\$ 521,318,914</u>	<u>\$ 573,136,041</u>	<u>\$ 612,248,877</u>	<u>\$ 667,514,055</u>	<u>742,903,666</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 22,834,410	\$ 27,898,987	\$ 32,107,110	\$ 32,968,152	\$ 32,734,626	\$ 36,507,656	\$ 41,544,009	\$ 42,661,168	\$ 36,163,919	37,264,503
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>(437,504)</u>	<u>(609,608)</u>	<u>(2,560,708)</u>	<u>(2,790,599)</u>	<u>(2,043,598)</u>	<u>(4,500,251)</u>	<u>(8,145,505)</u>	<u>(9,410,516)</u>	<u>(3,378,407)</u>	<u>(7,339,896)</u>
Total business-type activities net assets	<u>\$ 22,396,906</u>	<u>\$ 27,289,379</u>	<u>\$ 29,546,402</u>	<u>\$ 30,177,553</u>	<u>\$ 30,691,028</u>	<u>\$ 32,007,405</u>	<u>\$ 33,398,504</u>	<u>\$ 33,250,652</u>	<u>\$ 32,785,512</u>	<u>29,924,607</u>
Primary government										
Invested in capital assets, net of related debt	\$ 258,925,505	\$ 290,449,698	\$ 301,425,452	\$ 327,372,778	\$ 391,715,034	\$ 426,311,673	\$ 423,902,834	\$ 499,775,809	\$ 544,848,059	624,097,458
Restricted	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428	76,147,545	1,087,682	1,085,976	1,084,439	1,848,836
Unrestricted (deficit)	<u>29,037,467</u>	<u>33,836,763</u>	<u>41,583,910</u>	<u>52,534,218</u>	<u>49,349,394</u>	<u>50,867,101</u>	<u>181,544,029</u>	<u>144,637,744</u>	<u>154,367,069</u>	<u>146,881,979</u>
Total primary government net assets	<u>\$ 369,041,550</u>	<u>\$ 390,139,050</u>	<u>\$ 423,880,112</u>	<u>\$ 455,134,797</u>	<u>\$ 515,961,856</u>	<u>\$ 553,326,319</u>	<u>\$ 606,534,545</u>	<u>\$ 645,499,529</u>	<u>\$ 700,299,567</u>	<u>772,828,273</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. \*Prior year amounts have not been restated for the implementation of Statement 54.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	11,779,762	13,389,722	15,504,663	17,783,066	18,417,947	21,609,559	18,348,693	19,309,310	15,984,170	20,704,665
Public works	2,316,391	2,760,432	2,917,021	3,250,207	3,971,267	3,888,031	3,600,452	4,115,712	4,526,024	4,276,429
Emergency services	11,262,226	13,113,451	14,834,393	16,595,807	15,760,106	17,038,974	18,214,176	19,608,706	21,757,841	20,545,881
Public services	16,312,233	16,955,767	18,553,900	23,159,984	22,448,088	21,204,922	21,086,908	24,115,247	26,512,370	28,059,904
Education	40,098,352	43,807,106	48,947,042	47,407,612	50,384,218	50,612,473	55,239,633	58,291,435	60,903,056	73,489,025
Interest	6,014,417	7,468,444	7,240,535	7,991,327	7,868,206	8,223,394	8,464,045	9,199,614	11,621,596	12,361,995
Total governmental activities expenses	87,783,381	97,494,922	107,997,554	116,188,003	118,849,832	122,577,353	124,953,907	134,640,024	141,305,057	159,437,899
<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	4,826,419	4,800,883	5,404,454
Port	1,553,345	1,887,155	1,822,002	1,619,559	1,605,330	1,854,603	1,698,154	1,833,823	3,449,726	2,333,191
Total business-type activities expenses	4,283,562	4,919,418	5,409,685	5,660,658	6,119,443	6,733,678	6,373,122	6,660,242	8,250,609	7,737,645
Total primary government expenses	92,066,943	102,414,340	113,407,239	121,848,661	124,969,275	129,311,031	131,327,029	141,300,266	149,555,666	167,175,544
<b>Program Revenues (see Schedule 3)</b>										
<b>Governmental activities:</b>										
Fees, fines, and charges for services:										
General government	764,841	1,052,274	987,210	412,218	640,864	384,406	602,252	424,821	526,033	528,579
Public works	159,313	164,023	130,466	337,856	111,002	69,291	62,032	60,634	77,374	59,317
Emergency services	2,475,061	2,921,942	3,228,619	2,768,108	3,525,227	3,383,052	3,688,584	3,642,523	3,915,237	4,810,309
Education	3,047,460	2,323,962	1,841,137	2,393,456	2,324,651	1,233,744	1,822,252	1,499,207	1,809,999	3,193,367
Interest	-	-	25,412	-	-	-	-	-	-	8,904,126
Operating grants and contributions	33,696	148,260	31,685	31,750	32,139	32,044	12,312,812	16,098,041	21,534,532	22,293,350
Capital grants and other contributions	4,347,926	5,186,795	12,980,511	18,175,331	30,456,461	17,717,288	32,873,329	31,327,802	44,236,489	74,515,466
Total governmental activities program revenues	10,828,297	11,797,256	19,225,040	24,118,719	37,090,344	22,819,825	51,361,261	53,053,028	72,099,664	114,304,514
<b>Business-type activities:</b>										
Fees, fines, and charges for services:										
Solid waste	3,078,940	3,422,346	3,456,467	3,595,172	3,319,903	3,398,656	3,510,305	4,268,602	5,586,782	5,598,895
Port	106,439	157,141	1,205	51,151	640,144	52,368	51,333	24,505	74,737	22,851
Operating grants and contributions	-	754,203	753,788	751,588	754,870	755,120	752,450	754,613	1,225,263	707,350
Capital grants and other contributions	3,319,456	5,114,836	4,129,148	574,338	979,938	2,910,702	4,797,253	1,245,246	742,939	1,013,727
Total business-type activities program revenues	6,504,835	9,448,526	8,340,608	4,972,249	5,694,855	7,116,846	9,111,341	6,292,966	7,629,721	7,342,823
Total primary government program revenues	17,333,132	21,245,782	27,565,648	29,090,968	42,785,199	29,936,671	60,472,602	59,345,994	79,729,385	121,647,337
<b>Net (Expenses)/Revenue</b>										
Governmental activities	(76,955,084)	(85,697,666)	(88,772,514)	(92,069,284)	(81,759,488)	(99,757,528)	(73,592,646)	(81,586,996)	(69,205,393)	(45,133,385)
Business-type activities	2,221,273	4,529,108	2,930,923	(688,409)	(424,588)	383,168	2,738,219	(367,276)	(620,888)	(394,822)
Total primary government net expense	(74,733,811)	(81,168,558)	(85,841,591)	(92,757,693)	(82,184,076)	(99,374,360)	(70,854,427)	(81,954,272)	(69,826,281)	(45,528,207)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	66,546,736	78,672,925	86,298,274	92,538,831	100,265,473	104,151,614	107,145,689	104,693,752	110,238,571	114,243,341
Excise taxes	-	4,527,071	4,845,770	4,528,494	4,688,563	4,901,735	4,927,058	4,871,649	4,913,901	7,326,269
Transient accommodation taxes	829,545	915,457	994,443	1,038,308	1,037,673	1,285,834	957,362	1,084,282	1,099,803	1,113,368
Grants and entitlements not restricted to a specific purpose										
Investment income	10,532,145	12,129,576	18,165,087	18,018,590	20,979,431	19,974,453	11,269,679	9,413,627	9,945,813	8,132,177
Other	2,636,700	5,465,983	8,812,643	7,323,727	3,269,398	877,430	619,682	443,957	483,938	1,306,079
Transfers	90,478	425,478	277,602	419,868	509,602	504,237	426,584	292,565	347,299	721,061
Special items	(136,203)	(233,797)	259,878	(1,175,000)	(659,930)	(869,207)	63,719	(100,000)	-	-
Extraordinary items	-	-	-	-	1,982,862	-	-	-	-	-
Total governmental activities	-	-	-	-	10,000,000	4,979,518	-	-	-	(12,319,299)
Total governmental activities	80,499,401	101,902,693	119,653,697	122,692,818	142,073,072	135,805,614	125,409,773	120,699,832	127,029,325	120,522,996
Business-type activities:										
Grants and entitlements not restricted to a specific purpose										
Investment income	-	27,350	36,715	54,532	124,116	56,006	84,909	111,833	149,927	132,341
Other	84,403	102,218	126,891	90,018	37,555	7,996	6,018	3,576	4,477	-
Transfers	2,655	-	219	10	-	-	672	4,015	1,344	460
Special items	136,203	233,797	(259,878)	1,175,000	659,930	869,207	(63,719)	100,000	-	-
Extraordinary items	-	-	-	-	116,462	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	(1,375,000)	-	-	(2,598,884)
Total business-type activities	223,261	363,365	(96,053)	1,319,560	938,063	933,209	(1,347,120)	219,424	155,748	(2,466,083)
Total primary government	80,722,662	102,266,058	119,557,644	124,012,378	143,011,135	136,738,823	124,062,653	120,919,256	127,185,073	118,056,913
Change in Net Assets										
Governmental activities	3,544,317	16,205,027	30,881,183	30,623,534	60,313,584	36,048,086	51,817,127	39,112,836	57,823,932	75,389,611
Business-type activities	2,444,534	4,892,473	2,834,870	631,151	513,475	1,316,377	1,391,099	(147,852)	(465,140)	(2,860,905)
Total primary government	5,988,851	21,097,500	33,716,053	31,254,685	60,827,059	37,364,463	53,208,226	38,964,984	57,358,792	72,528,706

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 Ten Fiscal Years  
 (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Governmental activities:										
General government	\$ 790,160	1,169,534	2,043,471	793,235	1,795,781	459,992	989,981	1,427,941	1,835,073	1,824,014
Public works	159,313	164,023	261,264	671,629	1,597,735	1,207,832	1,672,553	7,871,216	10,130,146	5,234,620
Emergency services	3,828,311	3,936,565	6,590,556	7,701,696	5,279,540	4,984,630	6,367,187	5,359,587	4,996,193	6,989,455
Public services	6,043,568	4,858,220	7,420,764	12,268,078	27,833,504	15,758,097	25,187,846	21,172,198	29,754,735	67,048,190
Education	6,945	1,668,914	2,883,573	2,684,081	583,784	409,274	17,143,694	17,222,086	25,383,518	33,208,235
Interest	-	-	25,412	-	-	-	-	-	-	-
Subtotal governmental activities	<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>	<u>53,053,028</u>	<u>72,099,665</u>	<u>114,304,514</u>
Business-type activities:										
Solid waste	3,236,939	3,553,257	4,225,749	3,602,790	3,319,903	4,925,464	4,721,503	4,442,028	5,753,223	6,554,145
Port	3,267,896	5,895,269	4,114,859	1,369,459	2,374,952	2,191,382	4,389,838	1,850,938	1,876,498	788,678
Subtotal business-type activities	<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>	<u>6,292,966</u>	<u>7,629,721</u>	<u>7,342,823</u>
Total primary government	<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>	<u>59,345,994</u>	<u>79,729,386</u>	<u>121,647,337</u>

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

	2005	2006	2007	2008	2009	2010	2011*	2012*	2013	2014
General Fund										
Reserved	\$ 179,377	\$ 235,766	\$ 162,825	\$ 214,933	\$ 334,433	\$ 370,359				
Unreserved	15,904,590	21,748,415	33,471,213	40,458,320	50,404,066	56,569,091				
Nonspendable							\$ 609,888	\$ 754,433	\$ 535,315	797,507
Restricted										
Committed							35,963,397	30,555,043	32,922,316	31,293,075
Assigned							13,255,252	10,445,811	12,703,069	13,383,261
Unassigned							15,135,905	12,277,156	12,418,295	14,294,595
Total general fund	<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>	<u>\$ 54,032,443</u>	<u>\$ 58,578,995</u>	<u>\$ 59,768,438</u>
All Other Governmental Funds										
Reserved	\$ 19,726,398	\$ 32,488,785	\$ 24,623,604	\$ 41,031,714	\$ 22,074,484	\$ 15,664,470				
Unreserved, reported in:										
Special revenue funds	9,435,015	10,978,373	12,138,347	12,339,189	16,283,563	19,986,155				
Debt service funds	426,127	290,710	322,351	373,413	881,904	340,155				
Capital projects funds	<u>54,882,917</u>	<u>26,546,047</u>	<u>44,522,895</u>	<u>24,141,484</u>	<u>38,267,452</u>	<u>40,156,765</u>				
Nonspendable							\$ 417,866	\$ 316,604	\$ 161,997	503,533
Restricted							1,087,550	131,923,349	132,496,668	124,092,473
Committed							6,881,400	6,689,183	6,954,633	7,024,812
Assigned							100,523,387	75,850,146	73,504,267	78,158,604
Unassigned (deficit)							(182,245)	(227,590)	(303,377)	(180,108)
Total all other governmental fun	<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>	<u>\$ 214,551,692</u>	<u>\$ 212,814,188</u>	<u>\$ 209,599,314</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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes										
Property	\$ 66,197,370	79,534,151	83,932,620	91,308,732	99,905,339	105,234,713	107,616,264	103,712,415	109,941,885	113,979,370
Transient accommodations	829,545	915,457	994,443	1,038,308	1,037,673	1,285,834	957,362	1,084,282	1,099,803	1,113,369
Excise	-	4,527,071	4,845,770	4,528,494	4,688,563	4,901,735	4,723,063	5,075,644	4,913,901	7,326,269
Intergovernmental	14,890,894	17,464,631	31,062,486	34,195,182	50,554,373	37,670,530	56,442,470	56,583,156	75,538,593	114,234,610
Charges for services	6,386,902	6,614,210	6,367,223	5,926,147	6,270,066	5,660,812	5,898,919	5,411,508	6,869,062	8,340,514
Investment income	2,420,819	5,174,554	8,429,002	6,953,114	3,086,763	773,087	542,742	389,963	573,412	876,148
Interest on land sales	142,753	132,349	117,029	96,192	81,397	79,502	59,575	42,442	25,332	16,009
Other revenues	365,075	425,478	421,751	2,458,760	1,660,498	562,521	457,206	548,879	393,074	743,758
<b>Total revenues</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>172,848,289</b>	<b>199,355,062</b>	<b>246,630,047</b>
<b>Expenses</b>										
General government	11,666,781	12,930,989	15,268,807	17,496,266	18,885,357	21,300,784	19,646,372	19,853,424	17,009,544	20,975,235
Public works	2,245,812	2,567,832	2,799,373	3,193,543	3,856,964	3,891,504	3,626,363	4,177,386	4,460,596	4,779,986
Emergency services	10,323,145	11,912,887	13,535,264	15,164,406	14,223,772	15,474,541	16,533,229	18,147,836	20,431,796	18,499,252
Public services	12,857,123	13,307,713	15,390,465	20,360,389	19,914,633	18,332,933	18,551,909	21,755,463	24,006,043	26,361,372
Education	34,754,381	38,366,900	40,580,815	42,150,523	44,918,971	44,451,135	48,601,849	51,177,721	53,532,128	55,565,878
Debt service										
Interest	7,159,662	7,117,600	7,253,073	8,733,002	8,283,862	8,043,372	8,261,914	9,742,827	12,018,693	12,675,315
Principal	6,390,000	7,500,000	7,890,000	9,015,000	10,325,000	10,800,000	11,915,000	13,560,000	17,645,000	18,975,000
Capital outlay	11,844,890	29,132,405	52,160,157	31,737,382	66,452,509	33,947,380	43,987,644	40,718,502	76,112,705	152,317,206
<b>Total expenditures</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>	<b>179,133,159</b>	<b>225,216,505</b>	<b>310,149,244</b>
Excess of revenues over (under) expenditures	(6,008,436)	(8,048,425)	(18,707,630)	(1,345,582)	(19,576,396)	(72,915)	5,573,321	(6,284,870)	(25,861,443)	(63,519,197)
<b>Other Financing Sources (Uses)</b>										
Proceeds from disposal of capital assets	10,039	5,374	5,558	6,061	13,944	-	12,921	10,756	50,165	34,370
Transfers in	22,651,335	28,955,746	34,766,734	35,915,180	34,455,025	35,943,357	40,209,920	51,837,142	54,882,849	54,523,841
Transfers out	(22,776,949)	(29,179,023)	(34,475,707)	(37,058,626)	(35,095,150)	(36,008,867)	(40,045,435)	(51,936,582)	(54,882,570)	(54,523,375)
Bond issuance	71,670,000	-	75,415,000	5,750,000	19,030,000	-	33,785,000	100,480,000	24,465,000	47,240,000
Premium on bond issuance	4,248,846	-	3,893,629	50,785	859,426	-	1,069,678	10,691,728	4,155,047	5,302,804
COP Issuance	-	-	-	-	-	-	-	-	-	8,585,000
Premium on COP issuance	-	-	-	-	-	-	-	-	-	331,126
Payment to refunded debt escrow agent	(47,185,353)	-	(38,547,301)	-	-	-	-	(9,906,439)	-	-
<b>Total other financing sources (uses)</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>	<b>101,176,605</b>	<b>28,670,491</b>	<b>61,493,766</b>
Extraordinary items	-	-	-	-	10,000,000	4,979,518	-	-	-	-
<b>Net change in fund balances</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>	<b>94,891,735</b>	<b>2,809,048</b>	<b>(2,025,431)</b>
Debt service as a percentage of noncapital expenditures	15.9%	15.6%	14.7%	15.3%	15.5%	15.4%	15.9%	16.8%	19.9%	20.1%

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	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
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
2012	9,844,733,062	71,482,452	1,532,187,448	8,384,028,066	10.051	9,063,680,270	92.50
2013	10,083,251,287	50,340,319	1,600,527,289	8,533,064,317	9.691	9,568,003,300	89.18
2014	10,350,396,337	63,442,515	1,711,599,833	8,702,239,019	9.852	10,064,353,720	86.47

## 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	
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	
2012	10.051	0.425	3.00	-	3.00	2.94	3.96	1.32	8.22	
2013	9.691	0.489	3.00	-	3.00	3.05	4.06	1.39	4.00	
2014	9.852	0.520	3.00	-	3.00	3.05	4.41	1.39	4.00	

Fiscal Year	Overlapping Rates									
	9	14	15	16	17	19	20	21	23	
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	
2012	2.58	1.66	4.11	1.50	2.75	2.51	3.62	2.57	4.29	
2013	2.78	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59	
2014	2.78	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59	

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								
Fiscal Year	24	25	26	27	28	29	30	31
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
2012	1.84	1.61	3.23	3.24	2.00	2.73	3.97	3.68
2013	1.95	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2014	1.95	1.73	3.45	3.48	2.00	2.89	4.41	3.68

Overlapping Rates									
Fiscal Year	33*	34*	35	69	130	131	132	135	136*
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
2012	-	-	1.29	8.21	1.92	3.68	0.88	3.00	1.56
2013	-	-	1.37	9.12	1.97	4.13	0.88	2.96	1.67
2014	-	-	1.46	9.12	1.99	3.24	0.90	2.96	1.67

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

Taxpayer	2014			2005		
	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	\$ 102,515,900	1	1.17 %	\$ 43,444,700	1	0.95 %
Enstar Natural Gas	42,382,000	2	0.49	38,323,900	2	0.84
Alaska Hotel Properties, Inc.	41,309,200	3	0.47	23,025,900	5	0.51
Fred Meyer Stores, Inc.	39,408,610	4	0.45	35,734,073	3	0.78
Wal-Mart Stores, Inc.	29,114,166	5	0.32	17,857,466	7	0.39
GCI Cable/Alaska Wireless	27,961,937	6	0.31			-
Cook Inlet Region, Inc.	27,222,894	7	0.31			-
Global Finance & Investments S.A./Gary Lundgren	25,777,900	8	0.30	13,117,800	10	0.29
DBC, LLC/Target	20,918,015	9	0.24			-
Alaska Pipeline Co.	16,695,700	10	0.19	29,742,500	4	0.65
Cottonwood Creek Mall LLC	-		-	14,799,100	8	0.32
Wasilla LLC/Pioneer Square LLC	-		-	10,783,200	11	0.24
Home Depot USA, Inc.	-		-	13,157,855	9	0.29
Lowe's HIW Inc.	-		-	20,797,014	6	0.46
<b>Total</b>	<b>\$ 373,306,322</b>		<b>4.26 %</b>	<b>\$ 260,783,508</b>		<b>5.72 %</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		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Net Levy		Amount	Percentage of Net Levy
2004	\$ 56,488,089	\$ 4,414,910	\$ 52,073,179	\$ 51,345,575	98.60 %	\$ 714,226	\$ 52,059,801	99.97 %
2005	67,902,130	5,084,978	62,817,152	60,369,329	96.10	2,390,348	62,759,677	99.91
2006	79,509,819	5,354,913	74,154,906	71,450,048	96.35	2,606,474	74,056,522	99.87
2007	87,063,129	5,264,801	81,798,328	77,652,943	94.93	3,907,644	81,560,587	99.71
2008	97,208,979	5,841,939	91,367,040	87,627,539	95.91	3,436,819	91,064,358	99.67
2009	107,223,469	6,790,265	100,433,204	96,318,045	95.90	3,655,116	99,973,161	99.54
2010	108,123,032	7,386,682	100,736,350	97,109,667	96.40	2,940,021	100,049,688	99.32
2011	110,203,515	7,743,976	102,459,539	98,954,998	96.58	2,394,130	101,349,128	98.92
2012	114,442,314	8,325,740	106,116,574	101,881,857	96.01	2,311,732	104,193,589	98.19
2013	114,904,572	8,834,593	106,069,979	102,321,617	96.47	1,138,009	103,459,626	97.54
2014	118,906,810	8,920,224	109,986,586	106,109,708	96.48	-	106,109,708	96.48

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			
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	5.58	2,287
2012	262,845,000	6,390,000	347,777	-	6,665,000	4,561,767	280,809,544	7.29	3,062
2013	270,410,000	5,645,000	329,698	-	6,200,000	4,434,462	287,019,160	6.74	3,060
2014	299,455,000	13,450,000	311,347	-	5,735,000	4,346,366	323,297,713	N/A	3,365

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.

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>
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
2012	269,510,000	1,038,091	268,471,909	3.20	2,928
2013	276,610,000	1,041,305	275,568,695	3.23	2,938
2014	299,455,000	1,106,592	298,348,408	3.43	3,105

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 population data.

MATANUSKA-SUSITNA BOROUGH  
Direct and Overlapping Debt  
As of June 30, 2014

Governmental Unit	Debt Outstanding	Percentage Applicable to the Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 268,910,000	100%	\$ 268,910,000
Certificates of Participations-Public Safety Building	955,000	100%	955,000
Certificates of Participations-Animal Care Facility	3,910,000	100%	3,910,000
Notes Payable-Ak Clean Water Fund Loans	311,347	100%	311,347
Parks and Recreation	1,970,000	100%	1,970,000
Transportation	<u>28,575,000</u>	100%	<u>28,575,000</u>
Total	<u>\$ 304,631,347</u>		<u>\$ 304,631,347</u>
Cities Within the Borough, (Palmer and Wasilla) General Obligation Bonds as of June 30, 2014			
Palmer Golf Course	\$ 150,000	100%	\$ 150,000
Palmer Ice Rink	860,000	100%	860,000
Wasilla Road Improvements	<u>1,880,000</u>	100%	<u>1,880,000</u>
Total	<u>\$ 2,890,000</u>		<u>\$ 2,890,000</u>
Net Direct and Overlapping Debt			<u>\$ 307,521,347</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 2014	
Total taxable assessed value	\$ 8,939,882,493
Debt Limit (7% of total taxable assessed value)	<u>625,791,775</u>
 Total debt applicable to limit	 <u>299,455,000</u>
 Legal debt margin	 <u>\$ 326,336,775</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 319,099,580	\$ 397,248,616	\$ 485,006,503	\$ 536,050,094	\$ 557,026,517	\$ 565,029,122	\$ 574,678,482	\$ 586,881,965	\$ 597,314,502	\$ 625,791,775
Total debt applicable to limit	<u>157,065,000</u>	<u>149,500,000</u>	<u>180,025,000</u>	<u>170,955,000</u>	<u>179,875,000</u>	<u>169,325,000</u>	<u>191,460,000</u>	<u>269,510,000</u>	<u>276,610,000</u>	<u>299,455,000</u>
Legal debt margin	<u>\$ 162,034,580</u>	<u>\$ 247,748,616</u>	<u>\$ 304,981,503</u>	<u>\$ 365,095,094</u>	<u>\$ 377,151,517</u>	<u>\$ 395,704,122</u>	<u>\$ 383,218,482</u>	<u>\$ 317,371,965</u>	<u>\$ 320,704,502</u>	<u>\$ 326,336,775</u>
Total debt applicable to the as a percentage of debt limit	49%	38%	37%	32%	32%	30%	33%	46%	46%	48%

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
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	3,649,774	41,011	16,962	8.9
2012	91,697	3,852,961	42,018	17,338	8.6
2013	93,801	4,257,875	45,333	17,247	7.3
2014	96,074	N/A	N/A	17,500	7.2

N/A - Not available

Sources:

- (1) Alaska Department of Labor, Research and Analysis Division
- (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  
Total Employment by Type of Employer  
Current Year and Nine Years Ago

Employer Type	2014		2005	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	4,611	1	4,090	1
Educational and Health Services	4,014	2	2,608	2
Local Government	3,180	3	2,457	3
Leisure and Hospitality	2,520	4	2,053	4
Construction	1,799	5	1,850	5
State Government	1,423	6	990	6
Professional and Business Services	1,243	7	912	7
Financial Activities	744	9	589	9
Other Services	749	8	572	8
Information	510	10	534	10
Federal Government	197	11	203	12
Manufacturing	207	12	218	11
Natural Resources and Mining	159	13	132	13
Unclassified Employers	44	14	8	14
Total	<u>21,400</u>		<u>17,216</u>	

Source: Alaska Department of Labor, Research and Analysis

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

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government	104.150	112.480	114.020	123.520	131.520	132.500	136.280	148.550	149.700	145.590
Public works	46.000	47.000	48.000	50.000	51.000	52.000	51.000	54.000	54.000	54.010
Emergency services	38.520	38.520	41.980	46.980	50.730	49.750	50.650	45.000	49.850	51.850
Public services	40.120	40.740	41.530	41.530	41.690	41.690	36.590	36.690	36.940	37.290
Total	<u>228.790</u>	<u>238.740</u>	<u>245.530</u>	<u>262.030</u>	<u>274.940</u>	<u>275.940</u>	<u>274.520</u>	<u>284.240</u>	<u>290.490</u>	<u>288.740</u>

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

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

Function/Program	Fiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General government</b>									
<b>Planning</b>									
Comprehensive and special land use district plans in process	10	11	13	11	11	4	4	4	3
<b>Finance</b>									
Number of purchasing solicitations processed	172	203	166	170	150	158	202	156	168
Number of vendor/employee payments processed	24,220	24,903	28,580	26,057	26,493	27,387	27,665	27,386	27,474
Collections of delinquent land lease accounts (in dollars)	\$ 280,840	\$ 194,033	\$ 58,552	\$ 64,578	\$ 87,263	\$ 156,842	\$ 100,463	\$ 114,934	\$ 61,108
Real property assessments	69,732	72,841	73,947	74,588	74,990	75,321	75,540	75,913	76,283
Property sales analyzed for assessment purposes	2,883	2,409	2,762	2,911	2,453	1,503	1,560	1,628	3,413
<b>Code Compliance</b>									
Code violation complaints received	443	386	428	230	265	578	237	246	373
<b>Public works</b>									
<b>Road maintenance (monthly average)</b>									
Citizen requests for repairs requiring action	157	234	164	165	141	158	333	285	225
<b>Surveying and right-of-way</b>									
Platting actions	180	202	164	99	88	65	77	98	92
Utility permits issued	448	478	441	378	275	323	293	335	358
Driveway permits issued	396	450	538	371	291	483	553	615	608
Construction permits issued	36	29	46	24	33	23	12	49	55
Encroachment permits issued	12	9	15	32	36	11	3	19	21
<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	1,349	1,444	1,532
Refuse collected through community clean-up efforts (in tons)	207	292	198	158	192	205	63	122	80
Abandoned vehicles removed	266	273	334	381	366	529	130	137	115
Hazardous waste processed (in pounds)	20,050	114,590	618,180	589,078	625,000	102,672	85,664	136,533	156,735
<b>Emergency services</b>									
<b>Ambulance Runs</b>									
Ambulance Runs	5,645	5,349	5,558	4,890	4,894	5,380	5,971	6,314	7,972
<b>Animal Shelter</b>									
Animals lodged at shelter	3,629	3,672	3,502	3,377	3,494	3,994	3,786	3,219	3,159
Animals adopted to new homes	1,054	1,029	1,273	1,405	1,534	1,645	1,457	1,364	1,266
Animals adopted by local rescue groups	374	301	231	134	216	402	455	462	420
Animals euthanized at shelter	1,408	1,519	1,336	1,123	832	1,000	675	469	568
<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	2,141	2,209	2,209
Asset management plans completed for Borough owned land (in acres)	17,080	20,332	20,332	20,332	20,332	164,018	164,018	164,018	164,018
Land classifications (in acres)	188,990	190,230	190,691	190,691	208,465	352,165	361,320	361,428	361,846
Parcels sold (annually)	26	114	29	36	43	17	9	28	37
<b>Community enrichment and development</b>									
Community enrichment class varieties offered	93	83	47	68	69	79	52	44	35
Total contact hours with public	1,252	1,179	1,035	830	1,302	1,464	1,280	794	673
<b>Libraries</b>									
Participants in summer reading program	2,326	2,713	2,848	2,446	3,820	2,865	2,552	2,982	2,693
Participants in pre-school story time	2,230	1,857	3,345	2,672	3,382	3,683	3,511	2,464	2,470
Volunteer hours utilized	2,148	2,218	1,866	1,839	2,311	3,193	2,649	3,466	1,808
<b>Pools</b>									
Participants in swim lesson programs (quarterly average)	499	673	538	747	696	708	650	711	1,220

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Administration and related buildings	3	3	3	3	3	3	3	3	3	3
Public works										
Utility trailers	5	6	6	6	6	6	6	11	11	11
Paved roads (miles)	230	244	254	261	270	279	287	291	295	303
Bridges	23	23	23	23	23	23	23	23	23	23
Public works and related buildings	-	-	-	1.00	1	1	1	1	3	3
Emergency services										
Ambulances	23	23	22	22	27	28	27	30	30	29
Fire pumper/tankers	43	43	47	54	57	57	61	64	67	68
Tractors, forklifts, and related equipment	2	2	2	2	3	6	8	12	12	12
Utility/Rescue trailers	3	4	5	5	10	12	14	16	16	17
Rescue vehicles	15	16	20	24	25	26	29	29	31	31
Trucks and utility vehicles	58	59	59	61	64	74	75	80	81	81
Rescue boats	-	-	1.00	1	1	2	2	2	2	2
ATVs and snowmobiles	7	8	8	8	20	23	26	29	29	30
Public safety and related buildings	27	27	27	27	27	27	29	30	32	33
Public services										
Tractors, forklifts, and related equipment	3	3	9	17	17	17	17	20	23	22
Utility trailers	4	4	5	5	5	5	5	5	7	8
Trucks and utility vehicles	8	8	7	16	23	25	26	29	31	34
ATVs and snowmobiles	6	6	7	7	7	7	8	8	8	8
Riverboats	1	1	1	1	1	1	1	1	1	1
Community buildings (libraries, ice arenas, etc.)	11	12	12	12	12	13	13	13	14	14
Education										
Schools and related buildings	47	47	47	47	47	48	51	52	53	55

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough's basic financial statements, and have issued our report thereon dated January 30, 2015.

### Internal Control Over Financial Reporting

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Matanuska-Susitna Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## Matanuska-Susitna Borough's Response to Findings

Matanuska-Susitna Borough's response to the finding identified in our audit is described in the accompanying corrective action plan. Matanuska-Susitna Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on it.

## Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska  
January 30, 2015





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## Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

### Report on Compliance for Each Major Federal Program

We have audited Matanuska-Susitna Borough's compliance 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 Matanuska-Susitna Borough's major federal programs for the year ended June 30, 2014. Matanuska-Susitna Borough's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Matanuska-Susitna Borough's basic financial statements include the operations of the Matanuska-Susitna Borough School District which received \$17,710,451 in federal awards which is not included in the schedule during the year ended June 30, 2014. 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.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

## Opinion on Each Major Federal Program

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Matanuska-Susitna Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*BDO USA, LLP*

Anchorage, Alaska  
January 30, 2015



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

3601 C Street, Suite 600  
Anchorage, AK 99503

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

Honorable Mayor and  
Members of the Assembly  
Matanuska-Susitna Borough

### Report on Compliance for Each Major State Program

We have audited Matanuska-Susitna Borough's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Matanuska-Susitna Borough's major state programs for the year ended June 30, 2014. Matanuska-Susitna Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance. Matanuska-Susitna Borough's basic financial statements include the operations of the Matanuska-Susitna Borough School District which received \$206,997,272 in state awards which is not included in the schedule during the year ended June 30, 2014. 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*.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

### *Opinion on Each Major State Program*

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

### Report on Internal Control Over Compliance

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Matanuska-Susitna Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program, and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*BDO USA, LLP*

Anchorage, Alaska  
January 30, 2015

Matanuska-Susitna Borough, Alaska

Schedule of Findings and Questioned Costs  
Year ended June 30, 2014

Section I - Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

*Federal Financial Assistance*

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
10.664	Cooperative Forestry Assistance
15.226	Payment in Lieu of Taxes
20.500	Federal Transit Cluster
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 300,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

*State Financial Assistance*

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)
Type of auditor's report issued on compliance for major programs:	Unmodified	
Dollar threshold used to distinguish a major state program:		\$ 300,000

# Matanuska-Susitna Borough, Alaska

## Schedule of Findings and Questioned Costs, Continued Year ended June 30, 2014

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

<i>2014-001</i>	<i>Timely Reconciliation and Close - Material Weakness</i>
Criteria:	Adequate internal control over financial reporting requires the timely reconciliation and close of the books and records.
Condition:	Cash and investments were not reconciled and adjusted timely for the year end close.
Context:	Although the basic bank reconciliations were completed throughout the year, the end reconciliation and adjustments were not fully finalized until well past audit fieldwork dates.
Effect:	Borough cash and investment accounts required adjustments to allocate income and to record the year end market value adjustments. Audit completion was delayed as a result.
Cause:	Turnover in staffing appears to have been a contributing factor.
Recommendation:	We recommend the Borough establish formal internal due dates for these tasks. Management should train, monitor, and review these activities to ensure timeliness and accuracy.
Views of responsible officials and planned corrective actions:	See the corrective action plan.

### Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in section .510(a) of the OMB Circular A-133) that are required to be reported.

### Section IV - State Award Findings and Questioned Costs

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

Matanuska-Susitna Borough, Alaska

Summary Schedule of Prior Audit Findings  
Year ended June 30, 2014

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Federal Award Findings and Questioned Costs

None noted.

State of Alaska Award Findings and Questioned Costs

None noted.

# Matanuska-Susitna Borough, Alaska

## Corrective Action Plan Year ended June 30, 2014

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*Name of Contact Person:* Barbara Baumgartner  
Matanuska-Susitna Borough Comptroller  
350 E. Dahlia Avenue  
Palmer, AK 99645  
Phone: (907) 861-8624

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**Finding 2014-001**                      **Timely Reconciliation and Close - Material Weakness**

*Corrective Action:*                      The Borough has established procedures to address the issues of timely reconciliations and adjustments of cash and investment accounts. The procedures include regular review of the cash and investment accounts to insure all transactions and adjustments have been made. The timeline and procedures for fiscal year end have been enhanced to include these procedures.

*Proposed Completion Date:*                      The Corrective Action plan will be completed in Fiscal Year 2015.



# Matanuska-Susitna Borough School District

## Statement of Net Position

<i>June 30, 2014</i>	Governmental Activities
<hr/>	
<b>Assets</b>	
Cash and investments	\$ 21,027,609
Accounts receivable:	
Federal and state grants	5,464,702
Other	1,139,330
Receivable from the Borough	1,842,051
Inventory	1,619,558
Prepaid items	725,275
Capital assets, net of accumulated depreciation	6,659,975
<hr/>	
<b>Total Assets</b>	<b>\$ 38,478,500</b>
<hr/>	
<b>Liabilities and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 3,214,395
Accrued payroll and related liabilities	5,855,343
Payable to student activities fund	40,000
Unearned revenue	887,430
Insurance claims incurred but not reported	1,077,344
Noncurrent liabilities - accrued leave - due within one year	4,284,630
<hr/>	
<b>Total Liabilities</b>	<b>15,359,142</b>
<hr/>	
<b>Net Position</b>	
Net investment in capital assets	6,659,975
Restricted - scholarships	5,772
Unrestricted	16,453,611
<hr/>	
<b>Total Net Position</b>	<b>23,119,358</b>
<hr/>	
<b>Total Liabilities and Net Position</b>	<b>\$ 38,478,500</b>
<hr/>	

# Matanuska-Susitna Borough School District

## Statement of Activities

<i>Year Ended June 30, 2014</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contri- butions	Govern- mental Activities
<b>Governmental Activities</b>				
Instruction	\$ 115,177,488	\$ -	\$ 27,389,972	\$ (87,787,516)
Special education instruction	39,598,495	-	8,506,039	(31,092,456)
Special education support services - students	14,890,203	-	3,401,421	(11,488,782)
Support services - students	10,221,597	-	2,260,446	(7,961,151)
Support services - instruction	11,920,978	-	4,822,563	(7,098,415)
School administration	9,750,103	-	2,702,721	(7,047,382)
School administration support services	10,237,800	-	-	(10,237,800)
District administration	2,381,199	-	2,689,953	308,754
District administration support services	11,473,216	-	1,304,641	(10,168,575)
Operations and maintenance of plant	23,899,444	-	191,661	(23,707,783)
Student activities	4,261,180	-	1,382,446	(2,878,734)
Student transportation	14,625,526	-	15,069,807	444,281
Community services	33,206	-	24,704	(8,502)
Food services	6,158,475	1,143,678	4,432,958	(581,839)
Construction and facilities acquisition	2,561,948	-	-	(2,561,948)
	<b>\$ 277,190,858</b>	<b>\$ 1,143,678</b>	<b>\$ 74,179,332</b>	<b>(201,867,848)</b>
<b>General Revenues</b>				
Borough contribution				51,226,720
State grants and entitlements not restricted to a specific purpose				152,514,643
E-rate				977,158
Medicaid reimbursement				166,098
Facility use				159,835
Out of district reimbursement				1,500,450
Other				264,808
<b>Total General Revenues</b>				<b>206,809,712</b>
Change in net position				4,941,864
Net Position, beginning of year				18,177,494
Net Position, end of year				\$ 23,119,358

# Matanuska-Susitna Borough School District

## Governmental Funds

### Balance Sheet

<i>June 30, 2014</i>	Major Funds				Nonmajor Funds	Total Govern- mental Funds
	General	Title I-A Basic Special Revenue	Capital Improvement Projects Capital Project			
<b>Assets</b>						
Cash and investments	\$ 10,812,660	\$ -	\$ 6,020,725		\$ 2,009,690	\$ 18,843,075
Accounts receivable:						
Federal and state grants	-	2,112,914	-		3,351,788	5,464,702
Other	695,471	-	-		2,285,910	2,981,381
Inventory	779,789	-	-		630,557	1,410,346
Prepaid items	723,275	-	-		-	723,275
Due from other funds	8,343,533	-	-		-	8,343,533
<b>Total Assets</b>	<b>\$ 21,354,728</b>	<b>\$ 2,112,914</b>	<b>\$ 6,020,725</b>		<b>\$ 8,277,945</b>	<b>\$ 37,766,312</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 2,639,517	\$ 48,304	\$ 124,899		\$ 384,726	\$ 3,197,446
Accrued payroll and related liabilities	5,855,343	-	-		-	5,855,343
Unearned revenue	7,079	-	-		745,511	752,590
Due to other funds	-	2,064,610	-		5,315,889	7,380,499
Payable to student activities fund	40,000	-	-		-	40,000
<b>Total Liabilities</b>	<b>8,541,939</b>	<b>2,112,914</b>	<b>124,899</b>		<b>6,446,126</b>	<b>17,225,878</b>
<b>Fund Balances</b>						
Nonspendable	1,503,064	-	-		630,557	2,133,621
Restricted	-	-	-		5,772	5,772
Committed	500,000	-	5,895,826		-	6,395,826
Assigned	-	-	-		1,195,490	1,195,490
Unassigned	10,809,725	-	-		-	10,809,725
<b>Total Fund Balances</b>	<b>12,812,789</b>	<b>-</b>	<b>5,895,826</b>		<b>1,831,819</b>	<b>20,540,434</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,354,728</b>	<b>\$ 2,112,914</b>	<b>\$ 6,020,725</b>		<b>\$ 8,277,945</b>	<b>\$ 37,766,312</b>

**Matanuska-Susitna Borough School District**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Position**

*June 30, 2014*

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Total fund balances of governmental funds		\$ 20,540,434
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.		
Furnishings and equipment	\$ 13,985,080	
Accumulated depreciation	(7,325,105)	
		6,659,975
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.		
		(4,284,630)
Amounts reported in the Proprietary Funds of the District are used to support ongoing educational programs. Their activities are appropriately recorded with governmental activities in the statement of net position.		
		203,579
Net position of governmental activities		\$ 23,119,358

**Matanuska-Susitna Borough School District**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances**

	Major Funds				Total Govern- mental Funds
	General	Title I-A Basic Special Revenue	Capital Improvement Projects Capital Project	Nonmajor Funds	
<i>Year Ended June 30, 2014</i>					
<b>Revenues</b>					
Local sources:					
Borough appropriation	\$ 51,226,720	\$ -	\$ -	\$ -	\$ 51,226,720
Facility use	159,835	-	-	-	159,835
Other local	1,500,450	-	-	1,296,546	2,796,996
Borough capital projects	-	-	-	5,426,465	5,426,465
Other	264,808	-	-	-	264,808
State of Alaska	190,832,893	-	-	16,164,379	206,997,272
Federal sources:					
E-rate	977,158	-	-	-	977,158
Medicaid reimbursement	166,098	-	-	-	166,098
Direct grants	-	-	-	1,073,904	1,073,904
Grants passed through the State of Alaska	-	3,428,826	-	12,558,439	15,987,265
Grants passed through intermediate agencies	-	-	-	653,930	653,930
<b>Total Revenues</b>	<b>245,127,962</b>	<b>3,428,826</b>	<b>-</b>	<b>37,173,663</b>	<b>285,730,451</b>
<b>Expenditures</b>					
Current:					
Instruction	108,679,976	3,247,609	7,000	4,074,375	116,008,960
Special education instruction	36,873,242	-	-	2,722,750	39,595,992
Special education support services - students	13,852,749	-	-	1,124,724	14,977,473
Support services - students	10,296,301	-	-	-	10,296,301
Support services - instruction	9,186,510	-	-	2,694,780	11,881,290
School administration	9,727,761	-	-	-	9,727,761
School administration support services	10,349,865	-	-	-	10,349,865
District administration	1,846,213	-	-	495,669	2,341,882
District administration support services	9,094,755	181,217	-	532,162	9,808,134
Operations and maintenance of plant	23,506,360	-	-	548,068	24,054,428
Student activities	4,260,872	-	-	28,655	4,289,527
Student transportation	-	-	-	14,628,406	14,628,406
Community services	-	-	-	24,700	24,700
Food services	9,547	-	-	6,301,244	6,310,791
Non-current - construction and facilities acquisition	-	-	2,677,967	4,378,238	7,056,205
<b>Total Expenditures</b>	<b>237,684,151</b>	<b>3,428,826</b>	<b>2,684,967</b>	<b>37,553,771</b>	<b>281,351,715</b>
Excess (deficiency) of revenues over expenditures	7,443,811	-	(2,684,967)	(380,108)	4,378,736
<b>Other Financing Sources (Uses)</b>					
Transfers in	167,000	-	2,500,000	724,608	3,391,608
Transfers out	(3,224,608)	-	-	-	(3,224,608)
<b>Net Other Financing Sources (Uses)</b>	<b>(3,057,608)</b>	<b>-</b>	<b>2,500,000</b>	<b>724,608</b>	<b>167,000</b>
Net change in fund balances	4,386,203	-	(184,967)	344,500	4,545,736
Fund Balances, beginning of year	8,426,586	-	6,080,793	1,487,319	15,994,698
<b>Fund Balances, end of year</b>	<b>\$ 12,812,789</b>	<b>\$ -</b>	<b>\$ 5,895,826</b>	<b>\$ 1,831,819</b>	<b>\$ 20,540,434</b>

# 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, 2014

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Net change in fund balances - total governmental funds \$ 4,545,736

The change in net position reported for governmental activities in the statement  
of activities is different because:

Governmental Funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which depreciation  
exceeded capital outlays:

Capital outlay	\$ 774,314	
Depreciation expense	<u>(1,050,115)</u>	
		(275,801)

Amounts reported in the Proprietary Funds of the District are  
used to support ongoing educational programs. Their activities  
are appropriately recorded with governmental activities in  
the statement of activities. (167,000)

Amount reported in the Governmental Funds includes revenues and  
expenditures for Borough funded capital projects. However, in the  
statement of activities, the revenues and expenditures are  
eliminated. These amounts consisted of:

Revenues	\$ 5,426,465	
Expenditures	<u>(5,426,465)</u>	
		-

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. 838,929

Change in Net Position of Governmental Activities \$ 4,941,864

# Matanuska-Susitna Borough School District

## Proprietary Funds Statement of Net Position

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Funds
<i>June 30, 2014</i>		
<b>Assets</b>		
Cash and investments	\$ 139,940	\$ 2,044,594
Prepaid items	2,000	-
Inventory	209,212	-
<b>Total Assets</b>	<b>\$ 351,152</b>	<b>\$ 2,044,594</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,109	\$ 11,840
Due to other funds	7,624	955,410
Unearned revenue	134,840	-
Insurance claims incurred but not reported	-	1,077,344
<b>Total Current Liabilities</b>	<b>147,573</b>	<b>2,044,594</b>
<b>Net Position - unrestricted</b>	<b>203,579</b>	<b>-</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 351,152</b>	<b>\$ 2,044,594</b>

# Matanuska-Susitna Borough School District

## Proprietary Funds

### Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Funds
<i>Year Ended June 30, 2014</i>		
<hr/>		
Operating Revenues		
Interfund charges	\$ -	\$ 1,819,236
Sales	9,411	-
<hr/>		
Total Operating Revenues	9,411	1,819,236
<hr/>		
Operating Expenses		
Claims expense	-	1,651,477
Instruction	5,311	-
Support services - instruction	4,100	-
General and administrative	-	167,848
<hr/>		
Total Operating Expenses	9,411	1,819,325
<hr/>		
Operating loss	-	(89)
Nonoperating revenue - interest income	-	89
Transfers out	-	(167,000)
<hr/>		
Change in net position	-	(167,000)
Net Position, beginning of year	203,579	167,000
<hr/>		
Net Position, end of year	\$ 203,579	\$ -
<hr/>		



# Matanuska-Susitna Borough School District

## Proprietary Funds Statement of Cash Flows

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Funds
<i>Year Ended June 30, 2014</i>		
<b>Cash Flows from (for) Operating Activities</b>		
Receipts from interfund charges	\$ -	\$ 2,536,786
Receipts from customers and users	15,600	-
Payments to suppliers	(28,419)	(1,594,382)
<b>Net cash flows from (for) operating activities</b>	<b>(12,819)</b>	<b>942,404</b>
<b>Cash Flows for Noncapital Financing Activities</b>		
Transfer out	-	(167,000)
<b>Cash Flows from Investing Activities</b>		
Interest received	-	89
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12,819)</b>	<b>775,493</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>152,759</b>	<b>1,269,101</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 139,940</b>	<b>\$ 2,044,594</b>
<b>Reconciliation of Change in Net Position to Cash Flows from (for) Operating Activities:</b>		
Operating loss	\$ -	\$ (89)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Increase in inventories	(31,741)	-
Increase in due to other funds	7,624	717,550
Increase in accounts payable	5,109	11,840
Increase in unearned revenue	6,189	-
Increase in insurance claims incurred but not reported	-	213,103
<b>Total adjustments</b>	<b>(12,819)</b>	<b>942,493</b>
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ (12,819)</b>	<b>\$ 942,404</b>

Matanuska-Susitna Borough School District  
Student Activities Agency Fund  
Statement of Fiduciary Assets and Liabilities

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*June 30, 2014*

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Assets

Cash and investments	\$ 1,686,140
Receivable from general fund	40,000

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Total Assets	\$ 1,726,140
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Liabilities

Due to student activities and community schools	\$ 1,726,140
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