



Fiscal Year 2019

CITIZENS' FINANCIAL REPORT

Matanuska-Susitna Borough

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CITIZENS' FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2019

JOHN M. MOOSEY, BOROUGH MANAGER
CHEYENNE HEINDEL, DIRECTOR OF FINANCE

MATANUSKA-SUSITNA BOROUGH

350 E DAHLIA AVENUE • PALMER, ALASKA

WWW.MATSUGOV.US



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Matanuska-Susitna Borough
Alaska**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Matanuska-Susitna Borough
Alaska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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Dear Matanuska-Susitna Borough Residents,


I would like to thank you for taking the time to read this Citizens' Financial Report for the fiscal year ended June 30, 2019, which summarizes the financial activities of the Matanuska-Susitna Borough. The intent of this report is to increase awareness of the financial condition throughout the Borough in a user-friendly manner.

Financial information within this report is derived primarily from the Borough's Comprehensive Annual Financial Report (CAFR). This report is designed to present a condensed overview of the Borough's financial position and practices. Included in the report are additional details outlining how the Borough revenues were generated and how those revenues were spent over the last fiscal year.

In addition to providing financial information, we want to highlight the many services the Borough provides in maintaining healthy communities. The Borough is a great place to live, work and to enjoy a vast array of recreational activities. We are grateful that you have chosen the Matanuska-Susitna Borough to call home. Our residents truly are what make the Borough a great place to live and raise families.

As you review the Citizens' Financial Report please feel free to contact us with questions, concerns, opinions or recommendations - we welcome your feedback and will use your input to improve future reports. A special thank you to the dedicated staff of the Borough's Finance Department for the hard work and dedication required in putting this report together. We hope you find this report a valuable tool in understanding how the finances of the Borough are generated, and expended for the benefit of us all.

Sincerely,



Vern Halter
Mayor



To the Residents of the Matanuska-Susitna Borough:

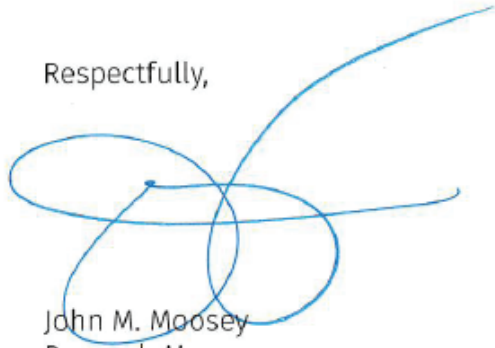
The Matanuska-Susitna Borough is pleased to present its Citizens' Financial Report for the fiscal year ended June 30, 2019. This report is designed to present a user-friendly summary of the Borough's revenue, expenditures, and financial condition, alongside budget data and other information helpful to residents. Our goal for this report is to communicate the Borough's financial position in a format that is accessible to those interested in learning more about Borough finances.

The financial information presented in this report is derived from the Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. BDO USA LLC, a firm of independent certified public accountants, audited the CAFR. They rendered an unmodified opinion that the Borough's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The Citizen's Financial Report itself is unaudited, and presents information in a non-GAAP basis. If you are interested in viewing the CAFR in its entirety, please visit www.matsugov.us/transparency.

Alongside the financial information presented are amounts from the Borough's comprehensive annual budget. The fiscal year 2019 budget was approved by the Assembly and formally adopted on May 3, 2018. The budget provides comprehensive details on how the total budget of \$399.7 million was allocated throughout the fiscal year. We also look ahead to the fiscal year 2020 approved annual budget. The 2020 approved annual budget, as well as previous years' budget documents, are available Online at www.matsugov.us/transparency.

Thank you for taking the time to review our Citizens' Financial Report. Please feel free to contact our offices with any questions, concerns, or recommendations.

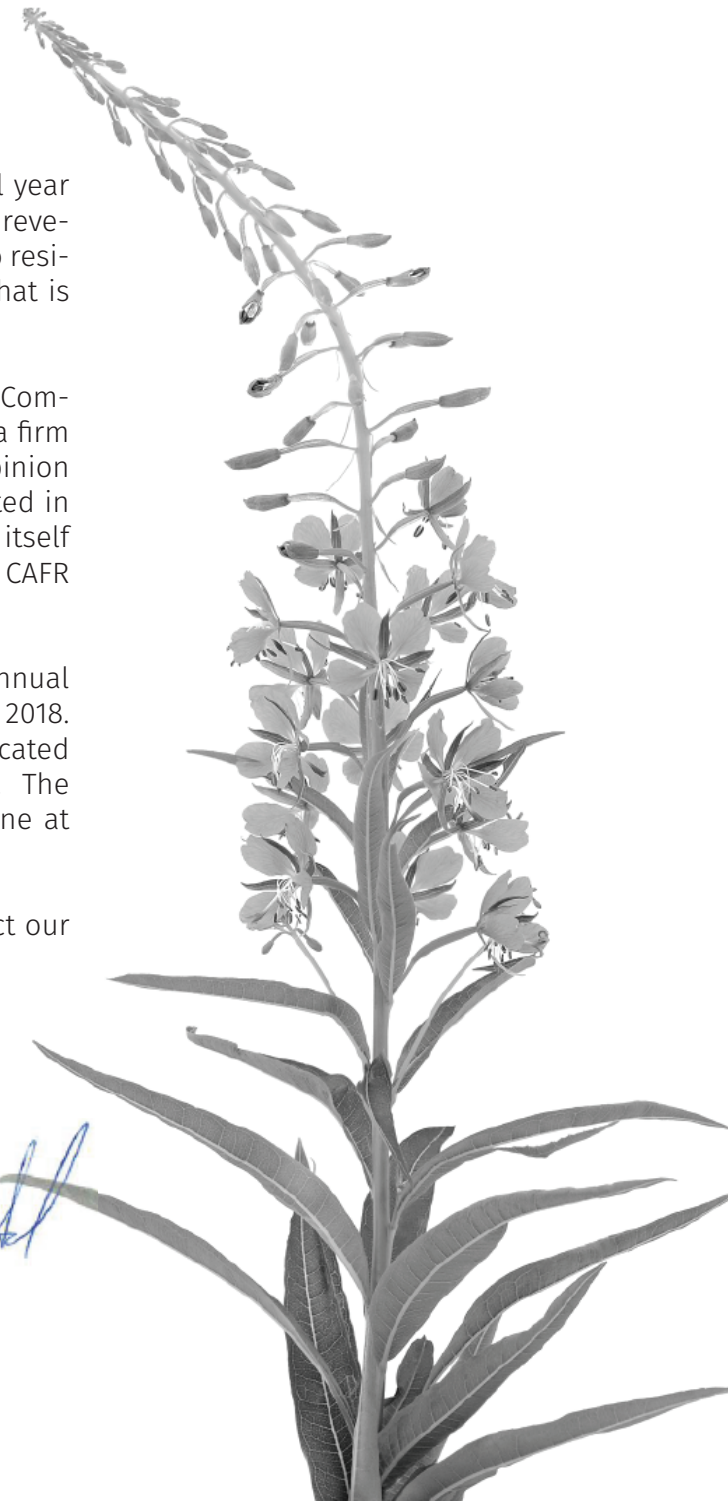
Respectfully,



John M. Moosey
Borough Manager



Cheyenne Heindel
Director of Finance



www.matsugov.us

Visit the Matanuska-Susitna Borough website to find information about Borough Code, Press Releases, Public Notices & Announcements, Public Meetings, Services, your Property, community events, employment opportunities and much more. Residents can also take advantage of the many online services available through www.matsugov.us including, but not limited to, the following:

- Business License Renewal
- Parking Passes
- Bed Tax Payments
- Property Tax Payments
- Ambulance Fees Payments
- Fire Code Fees
- Forms available to download

transparency

Governments exist to serve the people. Information on how officials conduct the public business and spend taxpayers' money must be readily available and easily understood. Visit the **Transparency page** on the Borough's website for more information on the following:

 Budgets	 Audits	 Meetings	 Elected Officials
 Administrative Officials	 Boards	 Development and Permits	 Contracts
 Lobbying	 Public Records Requests, FOIA	 Borough Taxes and Payment Due Dates	 Open Data

popular numbers

Mayor	861-8682
Manager's Office	861-8689
Human Resources	861-8404
Animal Control	761-7501
Public Affairs	861-8577
Purchasing	861-8601
Clerk/Elections	861-8683
Community Development	861-7869
Land Management	861-7869
Recreation Services	861-8578
Libraries	861-8578
Assessments	861-8642
Collections	861-8610
Local Improvement Districts	861-8632
Planning	861-7851
Development Services	861-7822
Platting	861-7874
Emergency Services	861-8000
Capital Projects	861-7702
Pre-Design & Engineering	861-7702
Project Management	861-7705
Operations & Maintenance	861-7753
Road Maintenance	861-7755
Main Phone Line	861-7801

social media

-  **Matanuska-Susitna Borough Facebook Page**
<https://www.facebook.com/MatSuBorough/>
-  **Matanuska-Susitna Borough on Twitter**
<https://www.twitter.com/matsuborough>
-  **Matanuska-Susitna Borough YouTube**
<https://www.youtube.com/user/matsuboroughvideo>



BOROUGH FACTS & NUMBERS

Date of Incorporation: January 1st, 1964

2nd Class Borough

Elected Mayor & 7-member Assembly

25,265

square
miles

105,743

population

23,650

employment

19,101

school
enrollment

2,608 participants in the
Library Summer Reading Program

Refuse Collected Through Community
Cleanup Efforts **115 Tons**

1,782 animals
were **adopted** to new homes

1,216 miles of winter trails groomed
due to Winter Trail Grooming grant

IT Help Desk Responded
To **5,160** Tickets

“Phish Prone Percentage”
has gone from 32% down to **3%**

Ambulance Runs: **8,210**

572 Driveway Permits Issued

2,392 Participants in Swim Lessons

1,400 Parking Passes Sold

Top Ten Taxpayers

- 1 Mat-Su Valley Medical Center
- 2 Enstar Natural Gas
- 3 Fred Meyer Stores, Inc.
- 4 Alaska Hotel Properties, Inc.
- 5 Wal-Mart Stores, Inc.
- 6 Cook Inlet Region, Inc.
- 7 Global Finance & Investments S.A/Gary Lundgren
- 8 GCI Cable / Alaska Wireless
- 9 Maple Springs
- 10 DBC, LLC / Target



BOROUGH ASSEMBLY

The legislative power of the Borough is vested in the Assembly. The Matanuska-Susitna Borough Assembly is comprised of seven members elected from districts for staggered three-year terms for no more than two consecutive full terms. The composition and apportionment of the assembly is consistent with the equal representation standards of the Constitution of the United States.

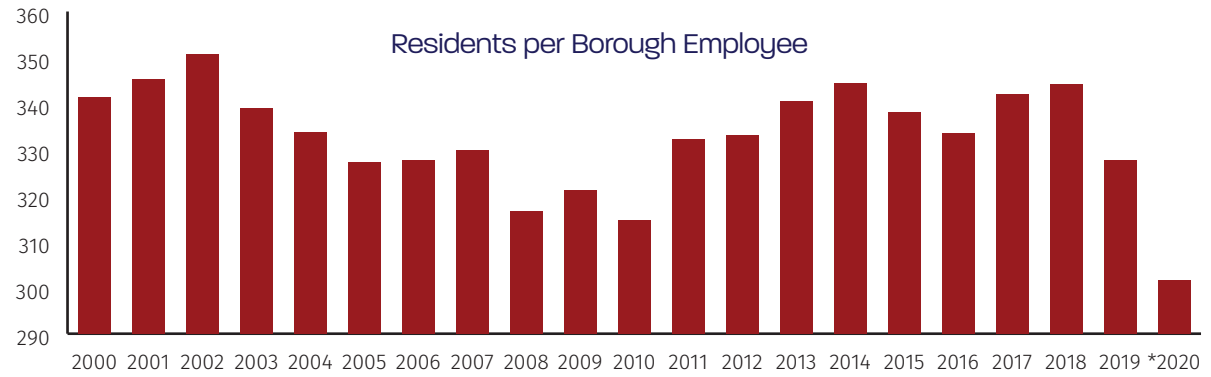
The Assembly approves the budget, sets the mill rate for taxation, appropriates funds to provide for Borough services, and establishes policy which is executed by the administration

CURRENT ELECTED OFFICIALS

Term Ends

Vern Halter	Mayor	2021
Tim Hale	District 1	2022
Stephanie Nowers	District 2	2022
George McKee	District 3	2021
Ted Leonard	District 4	2020
Dan Mayfield	District 5	2020
Jesse Sumner	District 6	2021
Tam Boeve	District 7	2021

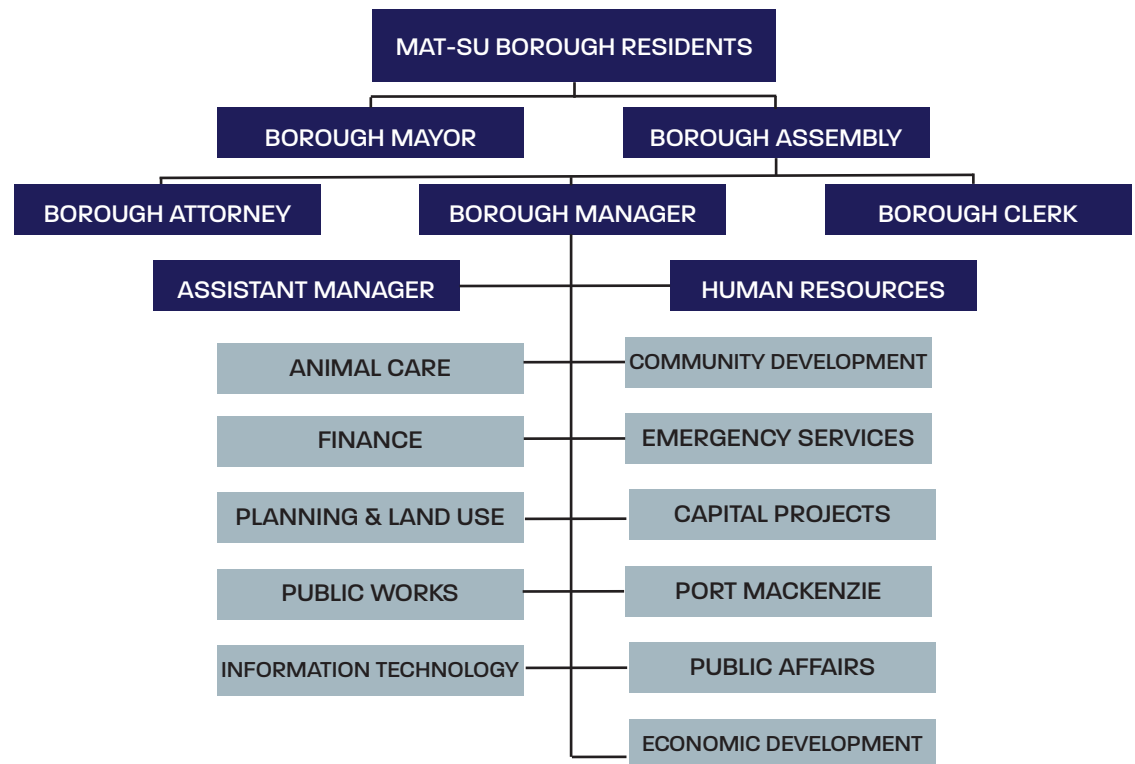
BOROUGH PERSONNEL



*Projected/Budgeted

The Mat-Su Borough currently has a total of 358 FTE (Full-Time Equivalent) positions. Using the most recent population figures, the Mat-Su Borough has one employee for every 302 residents. The ratio of residents to Borough employees in 2018 was more efficient than any other major municipality in the State of Alaska. The chart above shows the MSB Residents per Borough Employee for the past 20 years.

ORGANIZATIONAL CHART



CONTACT YOUR ASSEMBLY MEMBER

District 1

Tim Hale
907-590-8243
Term Ends 11/2022

District 2

Stephanie Nowers
907-831-6299
Term Ends 11/2022

District 3

George McKee
907-373-3630
Term Ends 11/2021

District 4

Ted Leonard
907-373-2860
Term Ends 11/2020

District 5

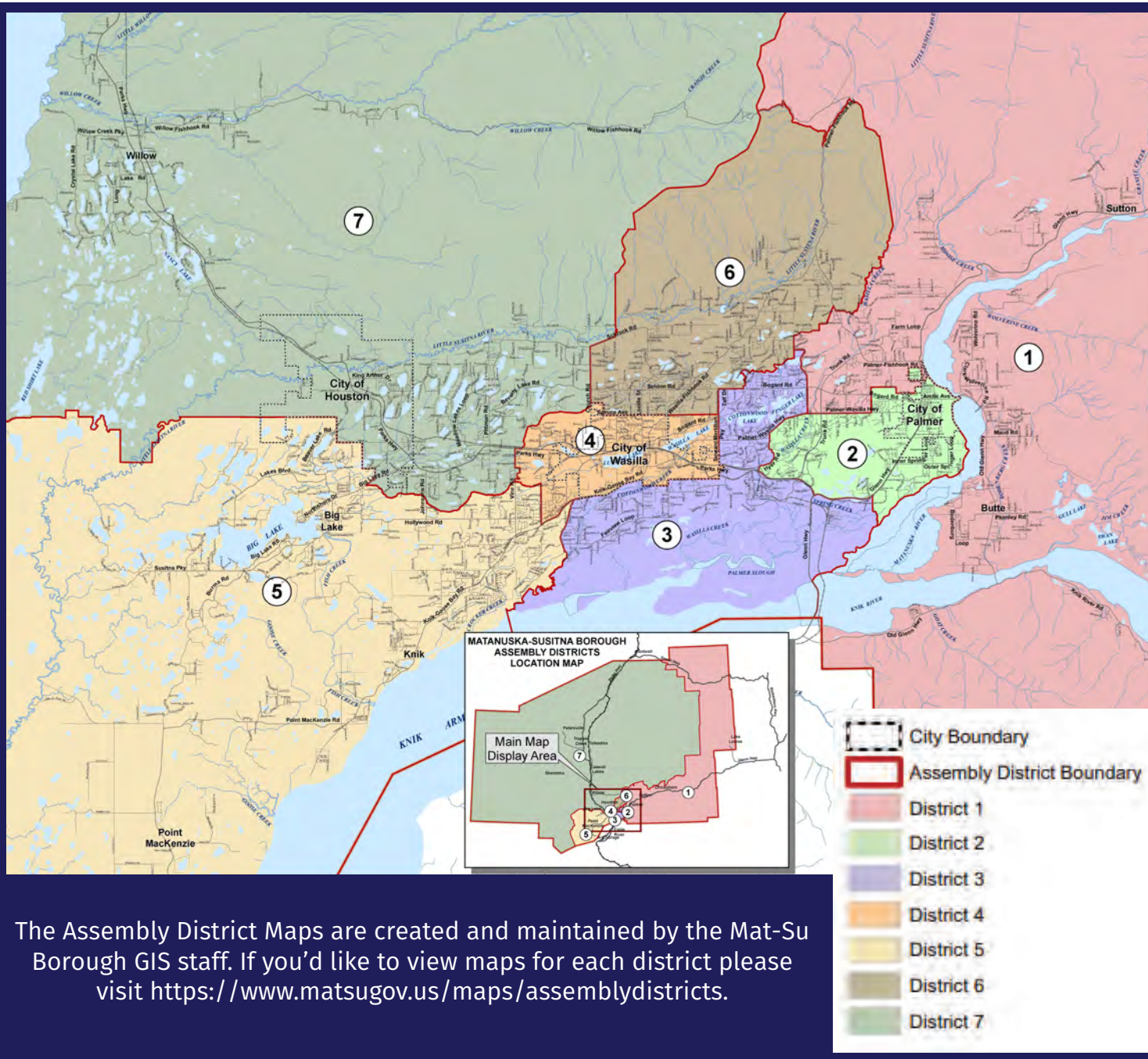
Dan Mayfield
907-892-7406
Term Ends 11/2020

District 6

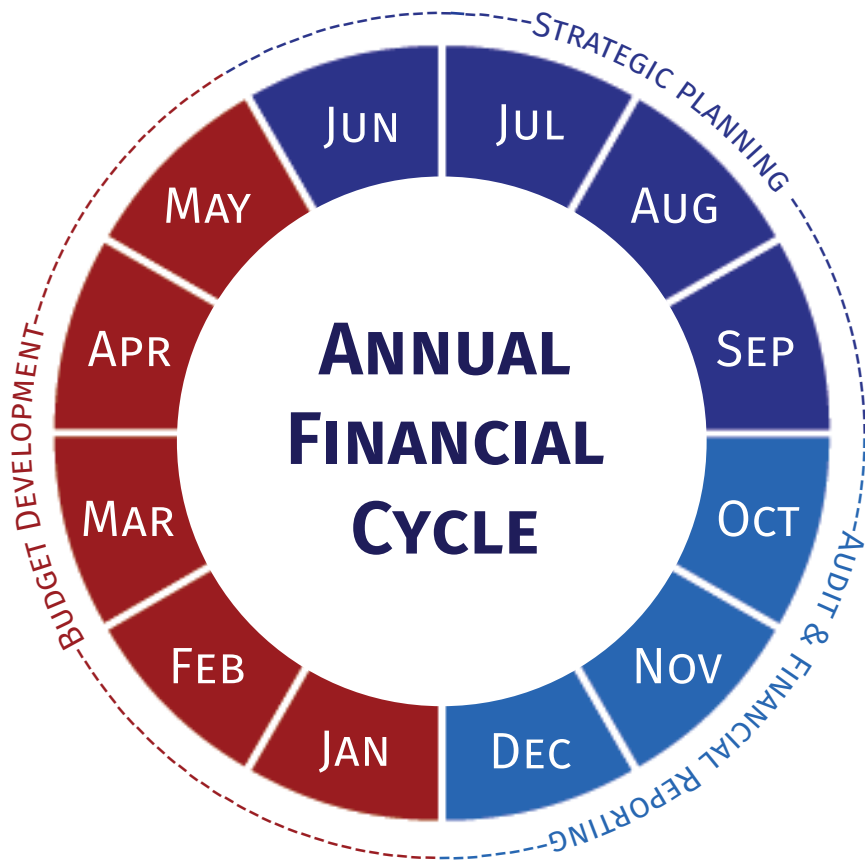
Jesse Sumner
907-715-7388
Term Ends 11/2021

District 7

Tam Boeve
907-354-6744
Term Ends 11/2021



The Assembly District Maps are created and maintained by the Mat-Su Borough GIS staff. If you'd like to view maps for each district please visit <https://www.matsugov.us/maps/assemblydistricts>.



JULY
PROPERTY TAX BILLS MAILED

AUGUST
1ST INSTALLMENT OF PROPERTY TAXES DUE

OCTOBER
ANNUAL INDEPENDENT AUDIT BEGINS
PLANNING COMMISSION REVIEWS CAPITAL IMPROVEMENT PLAN

NOVEMBER
BOND RATING AGENCIES REVIEW

DECEMBER
CAPITAL PROJECT NOMINATIONS SUBMITTED
DEPARTMENTS SUBMIT BUDGET REQUESTS TO MANAGER
CAPITAL IMPROVEMENT PLAN PRESENTED TO ASSEMBLY
CAFR IS COMPLETED & PUBLISHED
CITIZENS' FINANCIAL REPORT IS COMPLETED & PUBLISHED

JANUARY
PRELIMINARY TAX ROLL COMPLETED
NEW PERSONNEL REQUESTS SUBMITTED
ASSESSMENT NOTICES MAILED
ASSESSMENT APPEAL PERIOD BEGINS

FEBRUARY
2ND INSTALLMENT OF PROPERTY TAXES DUE
PROPOSED PERSONNEL BUDGET DRAFTED
TAX REVENUES PROJECTED BASED ON PRELIMINARY TAX ROLL
DIVISIONAL BUDGETS REVIEWED & APPROVED BY DEPARTMENTS
PRELIMINARY MILL RATES PROVIDED BY PUBLIC WORKS
LOCAL EDUCATION FUNDING ALLOCATION CALCULATED
DIVISIONAL BUDGETS REVIEWED ALONGSIDE BOARDS & COMMISSIONS

MARCH
ASSESSOR PREPARES REVISED TAX ROLL FOLLOWING THE APPEAL PERIOD
JOINT MEETING - ASSEMBLY & SCHOOL BOARD
FINAL MILL RATES FOR RSAS, FSAS, & SSAS SUBMITTED TO FINANCE
PERSONAL PROPERTY TAX RETURNS DUE

APRIL
PROPERTY TAX EXEMPTIONS APPLICATIONS DUE
FORECLOSURE LIST PUBLISHED
MAT-SU SCHOOL DISTRICT DELIVERS THEIR BUDGET TO THE BOROUGH
MINIMUM FUNDING RESOLUTION FOR EDUCATION PREPARED
STATE LEGISLATIVE SESSION ENDS
MANAGER'S PROPOSED BUDGET INTRODUCED TO ASSEMBLY
ASSEMBLY WORK SESSION - MANAGER'S PROPOSED BUDGET

MAY
ASSEMBLY SPECIAL MEETING - BUDGET PUBLIC HEARING
ASSEMBLY SPECIAL MEETING - DELIBERATIONS & ADOPTION OF BUDGET AS AMENDED
APPROVED FISCAL YEAR BUDGET COMPLETED & PUBLISHED

JUNE
BOROUGH FISCAL YEAR END, JUNE 30

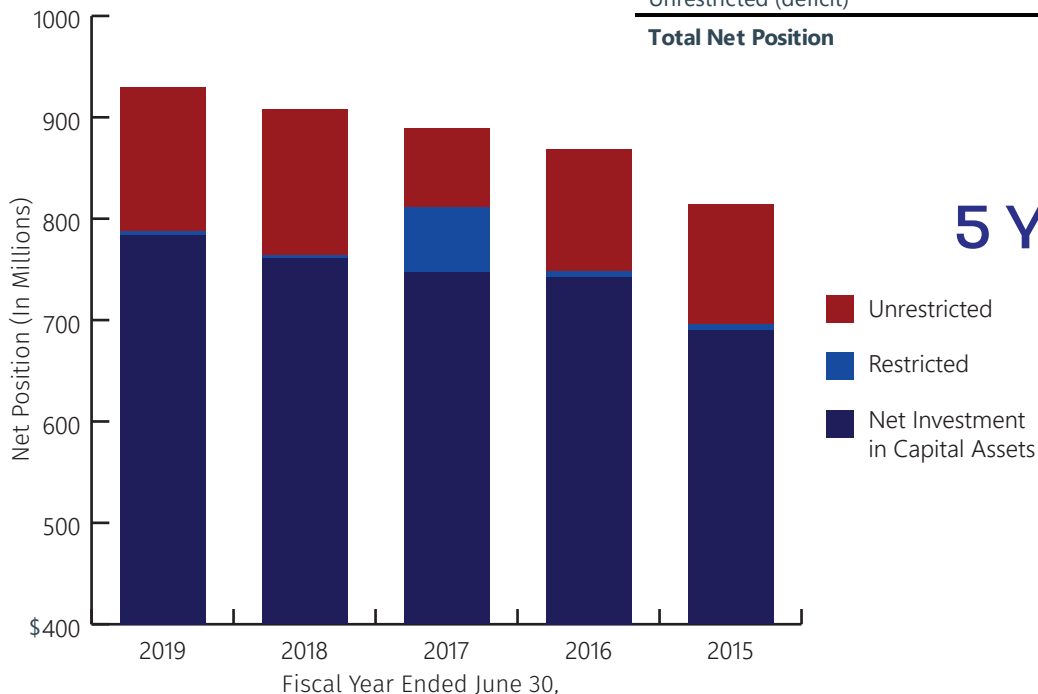
STATEMENT OF NET POSITION

The **Statement of Net Position** presents financial information on all of the Borough's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough is improving or deteriorating.



	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
ASSETS & DEFERRED OUTFLOWS						
Current and other assets	\$245.70	\$258.40	\$3.50	\$2.70	\$249.20	\$261.10
Capital assets	1,054.10	1,047.60	43.10	40.00	1,097.20	1,087.60
Total assets	1,299.80	1,306.00	46.60	42.70	1,346.40	1,348.70
Deferred outflows of resources	12.60	10.80	0.60	0.50	13.20	11.30
Total Assets & Deferred Outflows of Resources	\$1,312.40	\$1,316.80	\$47.20	\$43.20	\$1,359.60	\$1,360.00
LIABILITIES & DEFERRED INFLOWS OF RESOURCES						
Long-term debt outstanding	\$340.40	\$364.10	\$21.50	\$16.80	\$361.90	\$380.90
Net Pension Liability and OPEB	46.20	43.40	2.40	2.20	48.60	45.60
Other liabilities	14.00	16.50	0.50	2.10	14.50	18.60
Total liabilities	400.60	424.00	24.40	21.10	425.00	445.10
Deferred inflows of resources	4.60	6.30	0.20	0.20	4.80	6.50
Total Liabilities & Deferred Inflows of Resources	\$405.20	\$430.30	\$24.60	\$21.30	\$429.80	\$451.60
NET POSITION						
Net investment in capital assets	754.60	731.20	29.20	29.30	783.80	760.50
Restricted	4.00	3.90	-	-	4.00	3.90
Unrestricted (deficit)	148.60	151.40	(6.60)	(7.40)	142.00	144.00
Total Net Position	\$907.20	\$886.50	\$22.60	\$21.90	\$929.80	\$908.40

*Amounts are expressed in millions of dollars



5 Year Comparison of Net Position

By far the largest portion of the Borough's net position of \$783.8 million, or 84.3% of total net position, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF ACTIVITIES

REVENUES	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
PROGRAM REVENUES:						
Charges for services	\$ 8.20	\$9.80	\$9.50	\$8.90	\$17.70	\$18.70
Operating grants and contributions	21.30	23.40	-	3.20	21.30	26.60
Capital grants and contributions	6.50	10.90	0.70	-	7.20	10.90
GENERAL REVENUES:						
Property taxes	137.10	135.10	-	-	137.10	135.10
Transient accommodation taxes	1.40	1.30	-	-	1.40	1.30
Tobacco excise taxes	9.40	7.80	-	-	9.40	7.80
Other	16.90	8.70	-	-	16.90	8.70
Total Revenues	\$200.80	\$197.00	\$10.20	\$12.10	\$211.00	\$209.10
EXPENSES						
General government	\$23.20	\$22.80	\$ -	\$ -	\$23.20	\$22.80
Public works	5.10	6.60	-	-	5.10	6.60
Emergency services	31.30	28.20	-	-	31.30	28.20
Public services	38.20	33.20	-	-	38.20	33.20
Education	70.50	67.80	-	-	70.50	67.80
Interest	11.20	12.80	-	-	11.20	12.80
Solid waste	-	-	6.90	7.80	6.90	7.80
Port	-	-	3.20	2.50	3.20	2.50
Total Expenses	179.50	171.40	10.10	10.30	189.60	181.70
Excess before transfers	21.30	25.60	0.10	1.80	21.40	27.40
Transfers	(0.70)	(0.70)	0.70	0.70	-	-
Increase in Net Position	20.60	24.90	0.80	2.50	21.40	27.40
Net Position, beginning	886.50	869.50	21.90	19.70	908.40	889.20
Restatement *	-	(7.90)	-	(0.30)	-	(8.20)
Net Position, as restated	886.50	861.60	21.90	19.40	908.40	881.00
Net Position, ending	\$907.20	\$886.50	\$22.60	\$21.90	\$929.80	\$908.40

Amounts are expressed in millions of dollars
 *Net position was restated in 2018 with implementation of GASB 75.

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



REVENUES: MONEY IN

During fiscal year 2019, approximately 66% of the Borough's total revenues came from property taxes with the remainder primarily from charges for services provided. Below are descriptions of some of the Borough's revenue sources:

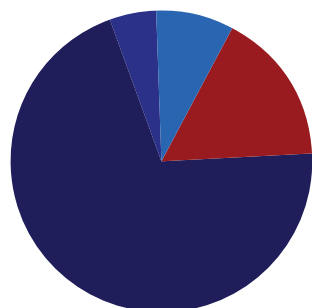
EXCISE TAXES - A tax is collected on any cigarettes or tobacco products acquired within or brought into the Borough.

PROPERTY TAXES - Taxes levied on the assessed value of property. Taxes are levied on January 1st, billed on July 1st and are payable in two installments in August and February.

TRANSIENT ACCOMMODATIONS TAX - A 5% tax on hotel/motel occupancy is levied areawide within the Borough.

GRANTS - Contributions of gifts of cash or other assets from another government or organization to be used for a specified purpose, activity, or facility. Typically, these contributions are made to local governments from the state and federal government.

CHARGES FOR SERVICES - Fees collected for various services provided by the Borough. This includes but is not limited to permit fees, zoning and subdivision fees, foreclosure fees, clerk's office fees, business license fees, emergency services such as ambulance fees, and parks and recreation.

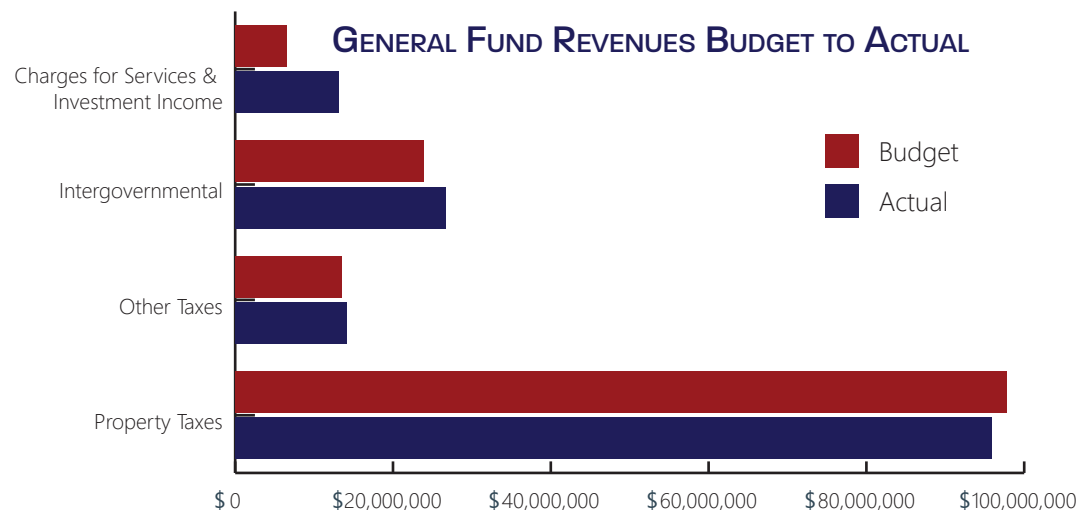


■ Excise Taxes	9,418,381
■ Property Taxes	137,039,299
■ Transient Accommodation Taxes	1,428,373
■ Grants & Entitlements <small>not restricted to a specific purpose</small>	6,438,852
■ Operating Grants & Contributions	21,321,741
■ Capital Grants & Contributions	7,243,624
■ Charges for Services	17,715,443
■ Other Income	1,804,695
■ Investment Income	8,598,388

Total Revenue for FY 2019 **\$211,008,796**

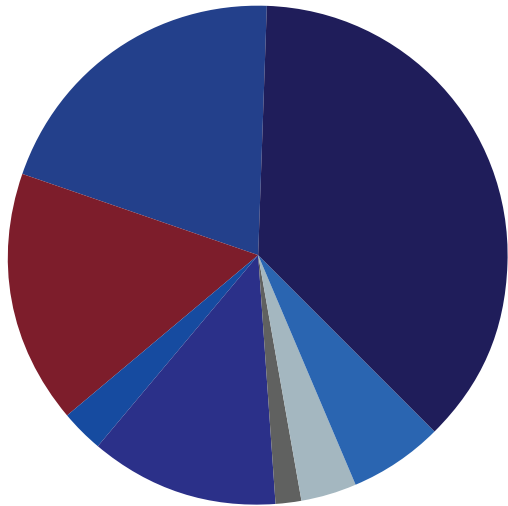
As the Borough continues to grow in population, so does the tax base. Revenues from all taxes increased by \$3.7 million. The strong economy and increased investments led to a \$6.9 million increase in earnings (realized and unrealized) from the prior year.

During the current fiscal year, the Borough's total net position increased by \$21.4 million.



**Total Revenue for
Fiscal Year 2019
\$211,008,796**





Education	70,545,128
Debt service	11,218,029
Solid waste	6,917,118
Port	3,217,373
General government	23,154,030
Public works	5,068,357
Emergency services	31,307,833
Public services	38,217,331

The chart presented above shows Borough expenditures by function for 2019.

Expenses increased overall by \$7.9 million from the prior year. During fiscal year 2019, approximately 37% of the Borough's primary government changes to expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.

Total Expenditures for Fiscal Year 2019: **\$189,645,199**

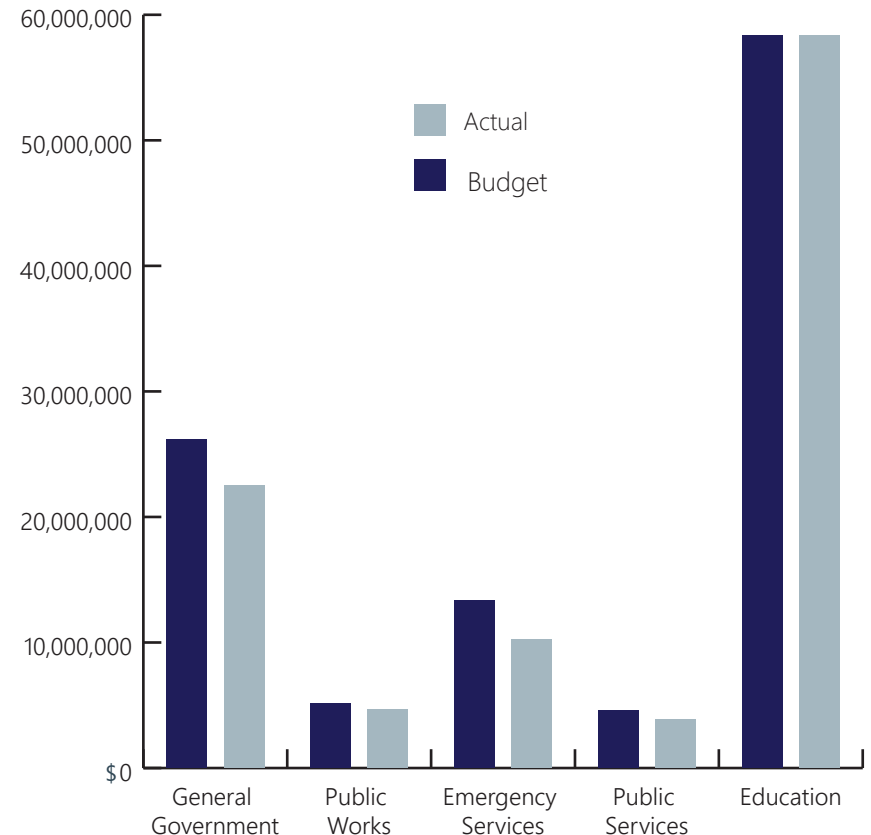
GENERAL FUND EXPENDITURE HIGHLIGHTS

Actual expenditures were \$7.9 million less than the final budget. Actual transfers in and out were over budget, with a net of \$570,944. As a result, the fund balance decreased by \$2.4 million. Key factors include:

- Actual general government expenditures were \$3.7 million less than budgeted. This is due to a continued concerted effort to cut spending.
- Emergency services expenditures were \$3 million less than budgeted, primarily due to increased efficiencies in ambulance operations.

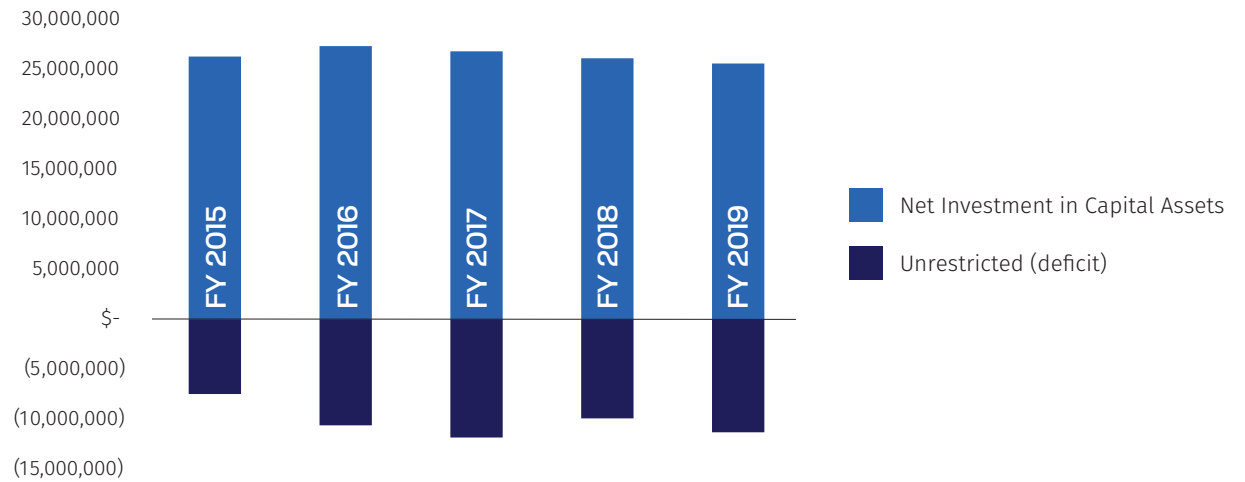


	Budget	Actual
General Government	26,181,536	22,511,853
Public Works	5,151,369	4,696,380
Emergency Services	13,328,422	10,243,170
Public Services	4,551,479	3,837,354
Education	58,374,918	58,374,918
TOTAL	\$107,587,724	\$99,663,675



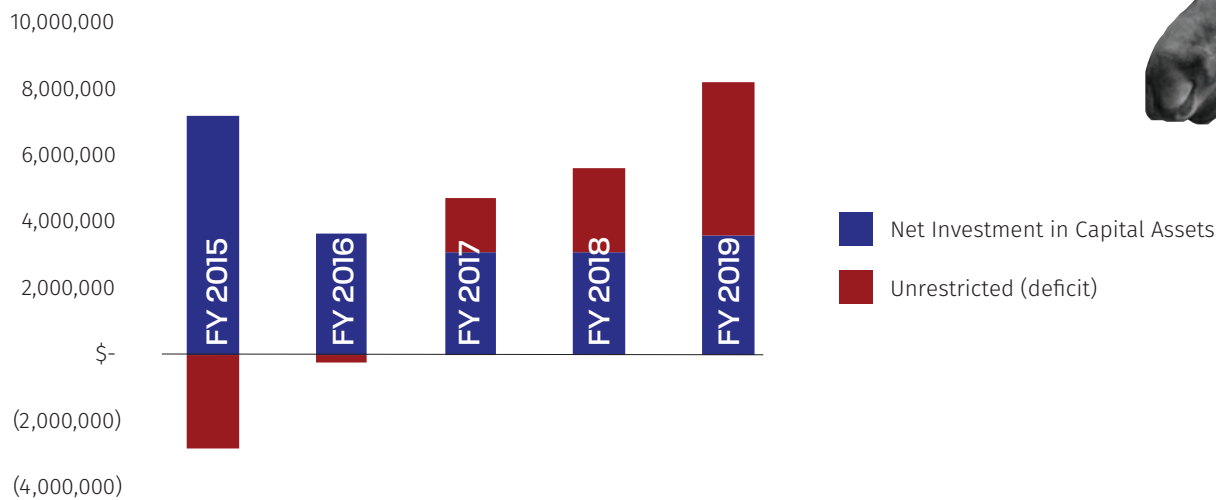
PORT - NET POSITION

The Port's net position decreased by \$1.8 million in FY19. Dock repairs were completed. Significant revenues are not anticipated until the completion of the rail spur from the Port to the Alaska railroad. Port Net Position for FY19 is made up of 1.78% in Net Investment in Capital Assets while (0.78)% is Unrestricted (deficit)



SOLID WASTE - NET POSITION

The Central Landfill's net position increased by \$2.6 million. Operating income increased by \$1.3 million due to increased revenues and decreased expenses. The Central Landfill expansion continues with the construction of a Septage and Leachate facility, and the addition of a new cell. Solid Waste Net Position for FY19 is made up of 44% in Net Investment in Capital Assets while 56% is Unrestricted.

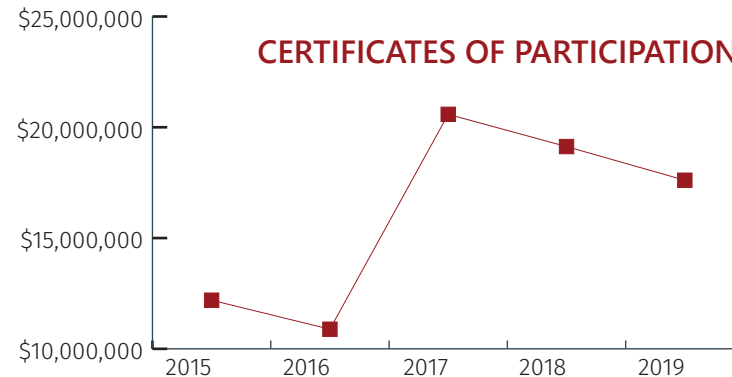
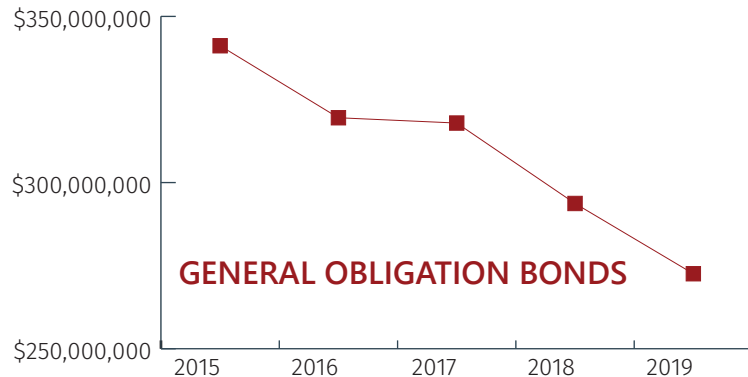
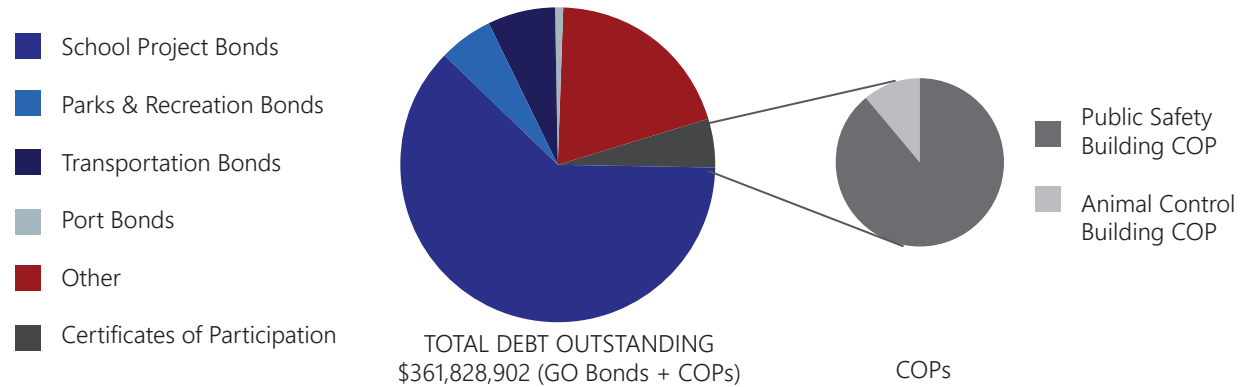


DEBT WHAT WE OWE

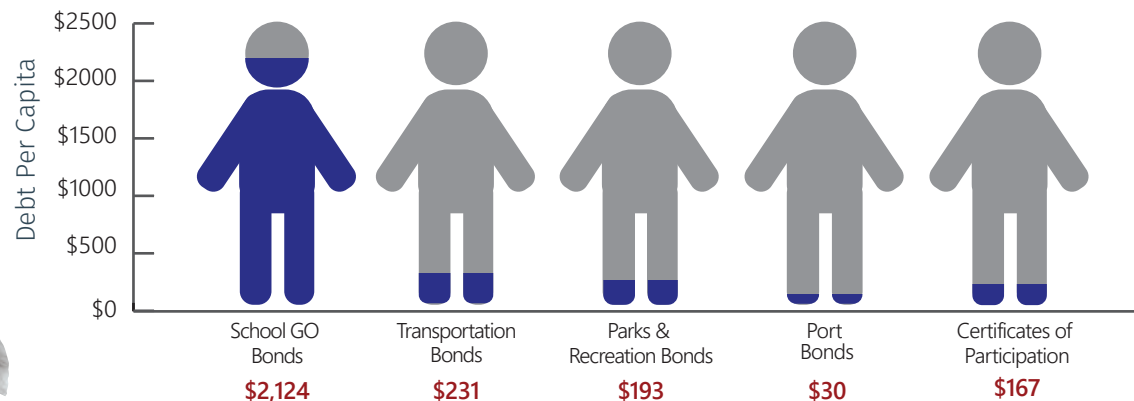
At the end of the current fiscal year, the Borough had total debt outstanding of \$361,828,902. Of this amount, \$272,565,000 was bonded and backed by the full faith and credit of the Borough. The majority of the debt was comprised of General Obligation Bonds (GO Bonds) and Certificates of Participation (COPs).

The remaining debt consists of Alaska Department of Environmental Conservation (ADEC) loans, landfill closure costs, accrued leave, insurance claims incurred but not reported, and net pension/OPEB liability.

The Borough's primary governmental and business-type activity debt consists of General Obligation Bonds and Certificates of Participation. The outstanding balance in 2019 of these bonds was \$272,565,000 and \$17,610,000 respectively. Amounts for the preceding year's are shown in the graph below.



Below is a representation of debt per capita for General Obligation bonds and Certificates of Participation. Outstanding balances of each debt category are displayed at a dollar amount per Matanuska-Susitna Borough resident. Population numbers are provided by the Alaska Department of Labor, Research & Analysis Division.



The Borough's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$1,097,141,351 (net of accumulated depreciation), which is an increase of \$9.5 million from the prior year. Major additions to capital assets during the current fiscal year included the following:

- Completion of the public safety Station 6-2 which serves the Knik-Goose Bay area
- Completion of the public safety station 11-9 which serves the Talkeetna area
- Completion of the Wasilla Pool renovation project. Palmer Pool renovation project is on-going
- Completion of the Bogard Road Phase III project. Road was resurfaced, and a new multi-use paved pedestrian pathway was constructed
- Continuing school renovations including access control for Knik Elementary and Goose Bay Elementary Schools. Projects included fencing, gates, and pedestrian entrances
- Port Mackenzie Dock Repair project complete. Damaged walls were completely rebuilt

CAPITAL ASSETS (net of depreciation, in millions of dollars)	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Land and land improvements	\$20.0	\$19.8	\$-	\$-	\$20.0	\$19.8
Right of Way	79.9	79.5	-	-	79.9	79.5
Buildings	545.8	529.5	12.3	12.7	558.1	542.2
Improvements other than buildings	36.9	27.4	0.9	1.0	37.8	28.4
Equipment	18.0	17.7	1.6	1.2	19.6	18.9
Infrastructure	119.2	100.7	22.8	23.7	142.0	124.4
Construction in progress	234.3	273.0	0.7	0.2	235.0	273.2
Landfill cells	-	-	4.8	1.2	4.8	1.2
	\$1,054.1	\$1,047.6	\$43.1	\$40.0	\$1,097.2	\$1,087.6



Nelson Road Pathway - \$382,061

This project provides a safe area within the road right-of-way for non-motorized traffic. It provides an alternate route for pedestrian & bicycle access to Machtetanz Elementary School from a number of existing large subdivisions and proposed residential and commercial developments south of the Parks Highway. It is another project that encourages walking for a healthy community lifestyle.



Central FSA Fire Station & Training Complex - \$13M

This project constructed a combined fire station, training center, and warehouse totaling approximately 40,000 square feet. It was built at the existing 6-2 location on Knik Goose Bay Road. The facility includes a 210,000 gallon underground water storage tank, apparatus bays, indoor training area, sleeping quarters, kitchen area, work out room, administrative areas, alerting system and a back-up generator. Project was completed summer of 2019 and is operational and being utilized for emergency response operations.



Lake Louise Boat Launch Expansion - 882,280

This boat launch is used to access numerous recreational activities as well as private properties that surround Lake Louise and the adjoining lakes. The project provides significant improvements to an existing boat launch and the adjacent parking area. It extends and doubles the size of the launch to allow for safer and more efficient loading and unloading, it increases the size of the nearby parking areas which reduces the number of vehicles parked on the road shoulder, and it provides better access and maneuverability for maintenance activities.



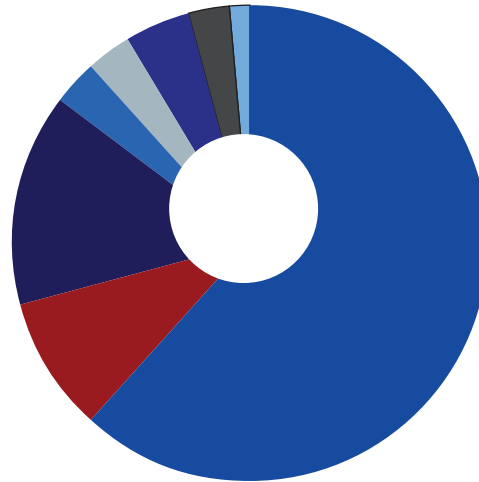
Wasilla Pool Improvements - \$6.5M



This project upgraded the 1984 vintage pool by completely demolishing the existing pool and building a new one. A key part of the project, beyond the new natatorium upgrades and rebuild, separated the utilities from the School. The Pool heating, pumping and filtering equipment were replaced with new technology, low mass boilers, UV water treatment, upgraded filtering, electronically controlled pumps and LED lighting which reduced energy consumption by 50%. The new pool layout allows multiple swimming options to be held at the same time with separate areas for lap swimming, diving, floating therapy, and a shallow area for young children.

The borough budget is developed each year between December and the third week of April, when the manager's proposed budget is presented to the Assembly. Public hearings are held throughout the Borough prior to its adoption. The fiscal year 2019 Comprehensive Annual Budget was adopted by the Assembly on May 3, 2018.

The Borough's budget for FY19 totaled \$399.7 million



FY 2019 BUDGET

- \$247.5 million for school operations
- \$36.5 million for debt service
- \$56.9 million for borough operations
- \$12.2 million for fire service area operations
- \$12.8 million for road service area operations
- \$17.3 million for capital projects
- \$11 million for enterprise operations
- \$5 million for dust control programs
- \$2.8 million for miscellaneous grants
- \$2.2 million for other service areas and E-911 operations

LOOKING AHEAD

The fiscal year 2020 assembly adopted comprehensive budget is approximately \$1.2 million more than the 2019 revised budget. Capital increased by \$3.2 million. Additionally, Education increased \$6 million while general government decreased \$1.7 million as a result of a reduction in debt service for education bonds and various cuts to operations.

In setting the budget for fiscal year 2020, the Borough considered a number of issues with Borough-wide impact, among them:

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



WHAT IS A MILL RATE?

The mill rate, or mill levy, is a rate of tax to be assessed on all taxable property. Mill rates are expressed in terms of \$1 of tax per \$1,000 of assessed value.

The Borough's mill rate (property tax rate) is determined each year and adopted with the approval of the annual budget. The mill rate for the fiscal year 2020 budget is 10.386 mills for the General Fund tax rate. The non-areawide mill rate was set at 0.573 mills. Funding from the general fund property taxes in 2020 were budgeted to the following by mill rate equivalents:

Funding Allocation	2020 Millage	2019 Millage
Contribution to Education	6.30 mills	6.30 mills
Net debt service on education bonds	1.858 mills	.994 mills
Net debt service on all other bonds	.425 mills	.524 mills
Borough Operations and Capital	1.803 mills	2.513 mills
Total	10.386 mills	10.331 mills

YOUR TAX BILL

Assessment notices are mailed the week of January 31st, followed by an appeal period. 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

\$254,845
2019 Average Assessed Value

The typical homeowner in the Matanuska-Susitna Borough would pay an average of \$2,772 in property taxes (both Areawide and Non-Areawide) based on an average assessed value of \$254,845. If a property is located in a Road or Fire Service Area, or within a City, additional taxes are paid.

HOW YOUR AREAWIDE PROPERTY TAXES ARE SPENT



2019 AREAWIDE	AVERAGE	PER \$1
Education Operating	\$ 1,606	\$ 0.61
Education Debt Service	\$ 253	\$ 0.10
Other Debt	\$ 134	\$ 0.05
Borough Operations & Capital Projects	\$ 640	\$ 0.24



2019 NON-AREAWIDE	AVERAGE	PER 25¢
Economic Development	\$ 6	\$0.01
Capital & Transfers	\$ 21	\$0.04
Libraries	\$ 43	\$0.08
Animal Control	\$ 66	\$0.12
Other Services	\$ 3	\$0.01

1) Property tax bills can be paid in person by check, cash, money order, or debit/credit card. Debit and credit cards are also accepted online. There is a 3% processing fee charged per credit card transaction. Payments are not accepted over the phone.

2) Item 2 displays your unique property tax account number. A property tax account number is assigned to each individual property owned by residents.


3) The word "DUPLICATE" will often be displayed in the third column. This indicates that a copy of your bill was requested by a mortgage company or tax service for processing. If your mortgage company remits payment on your behalf, you will receive a copy of the bill for your records, with "DUPLICATE" noted in this right hand corner. If uncertain of payment, contact your mortgage company directly.

4) The Property Valuation section displays the total assessed value for the property by type, less any applicable exemptions (disabled veteran or senior citizen).

5) The Tax Mill Rates section provides applicable mill rates, as well as a breakdown of the tax distribution within the areawide fund. This shows dollar for dollar what borough costs the billed amounts are applied to.

6) Item 6 shows amounts due at each of the two annual due dates. Residents have the option of paying the full amount of the bill before the August 15th due date, or one half of the bill on August 15th and on February 15th.

Official Tax Bill



32486 | IZA

Matanuska-Susitna Borough

350 East Dahlia Avenue
Palmer, Alaska 99645-6411

Finance Department
Telephone (907) 861-8610

NAME
ADDRESS

**1 YOU MAY PAY ONLINE: WWW.MATSUGOV.US
PHONE PAYMENTS NOT ACCEPTED**

TAX ACCOUNT	TAX ROLL	
2 51974B01L005	REAL PROP 2019	3

PROPERTY DESCRIPTION

LONGBEACH DIV 3

PROPERTY VALUATION

LAND	IMPROVEMENTS	EXEMPTION	TOTAL
42,000	178,700	0	220,700

TAX MILL RATES

FUNCTION	TAX AREA	MILL LEVY	TAX DISTRIBUTION
ARAREAL Borough Operations		1.803	397.92
ARAREAL Other Debt		0.425	93.80
ARAREAL School Debt		1.858	410.06
ARAREAL School Operations		6.300	1,390.41
ARA Real	ARA	10.386	2,292.19
NAR Real	NAR	0.573	126.46
Bogard RSA 025	025	1.730	381.81
Wasilla-Lakes FSA	130	2.150	474.50

PROPERTY TAXES

DUE DATE	TAX AMOUNT	INTEREST	PENALTY/CHARGES	TOTAL AMOUNTS
FIRST HALF				
08/15/19	1,637.47			1,637.47
SECOND HALF				
02/15/20	1,637.47			1,637.47
PRIOR YEAR(S)	0.00	0.00	0.00	0.00

IMPORTANT - PLEASE READ

If the word "DUPLICATE" appears in the space to the left, a copy of this tax bill has been provided to the mortgage company or tax service for processing.

This is your 2019 tax bill. This first half payment is due by August 15, 2019 and the second half is due by February 18, 2020. Attached below are "COUPONS" for your use and pre-addressed envelopes are also enclosed for the remittance(s). Please bear in mind that, **NO FURTHER BILLS WILL BE SENT THIS YEAR UNLESS YOUR TAX ACCOUNT BECOMES DELINQUENT.**

Taxes may be paid in full or in two installments for the year as shown. However, if the tax bill is for \$50.00 or less, it must be paid when it is first due. If the first installment is paid on time, the second installment will be due as noted. However, if the first half is not paid on time it is delinquent and the entire tax becomes immediately due plus penalty and interest charges.

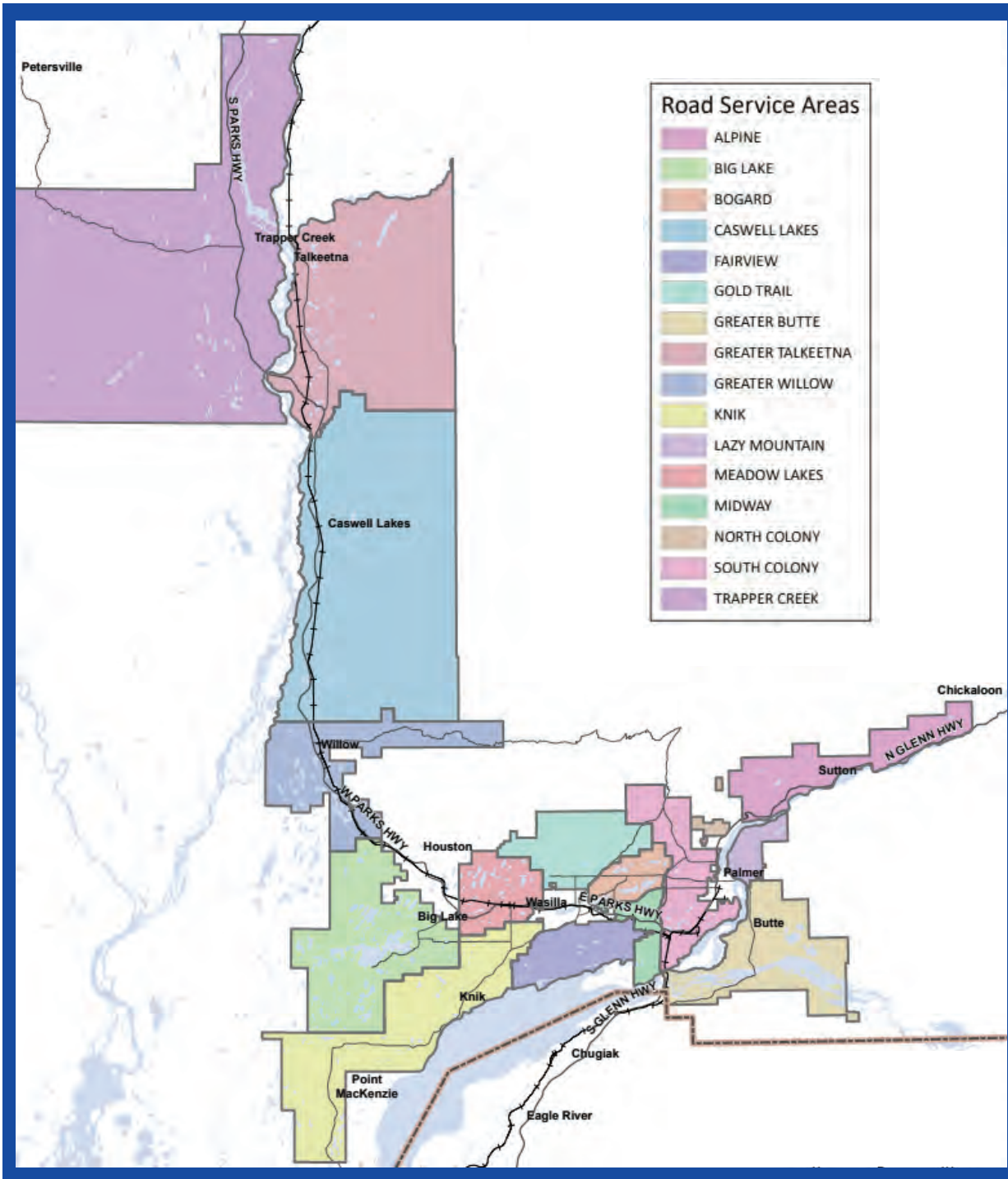
Envelopes **MUST** be postmarked on or before the due date(s) to avoid the penalty and interest charges. The Borough does not assume responsibility for the timeliness of postmarks.

Additionally, if your assessment declaration form was filed late or involuntarily for business property, a penalty has been added to the account and the total tax amount is due on the first due date.

Please contact our office if you have any questions regarding your tax bill. Thank you.

LIDS/Special Assessments: Property owners will be billed separately from this tax bill for any special assessments that may be due. Please contact the Borough at (907) 861-8632 if you have any questions related to this matter.

SEE REVERSE SIDE FOR FURTHER INFORMATION

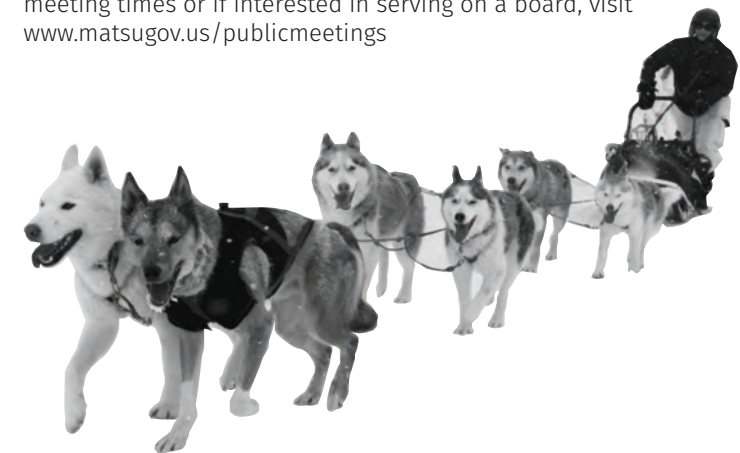


There are **16** active Road Service Areas (RSAs) located throughout the Borough. Each RSA mill rate is determined and set annually by the Assembly during budget deliberations.

Code	Fund	Description	FY 2020 Mill Rate
RSA 9	270	Midway Road Service Area	2.780
RSA 14	271	Fairview Road Service Area	1.850
RSA 15	272	Caswell Road Service Area	4.100
RSA 16	273	South Colony Road Service Area	1.500
RSA 17	274	Knik Road Service Area	2.920
RSA 19	275	Lazy Mountain Road Service Area	2.510
RSA 20	276	Greater Willow Road Service Area	3.500
RSA 21	277	Big Lake Road Service Area	2.570
RSA 23	278	North Colony Road Service Area	4.590
RSA 25	279	Bogard Road Service Area	1.730
RSA 26	280	Greater Butte Road Service Area	3.450
RSA 27	281	Meadow Lakes Road Service Area	3.480
RSA 28	282	Gold Trails Road Service Area	1.990
RSA 29	283	Gr. Talkeetna Road Service Area	3.120
RSA 30	284	Trapper Creek Road Service Area	4.410
RSA 31	285	Alpine Road Service Area	3.680

RSA BOARD OF SUPERVISORS

Each RSA has a board of supervisors composed of three persons that meet quarterly. Each supervisor serves a term of three years and may serve additional terms. For additional information on meeting times or if interested in serving on a board, visit www.matsugov.us/publicmeetings



FIRE SERVICE AREAS

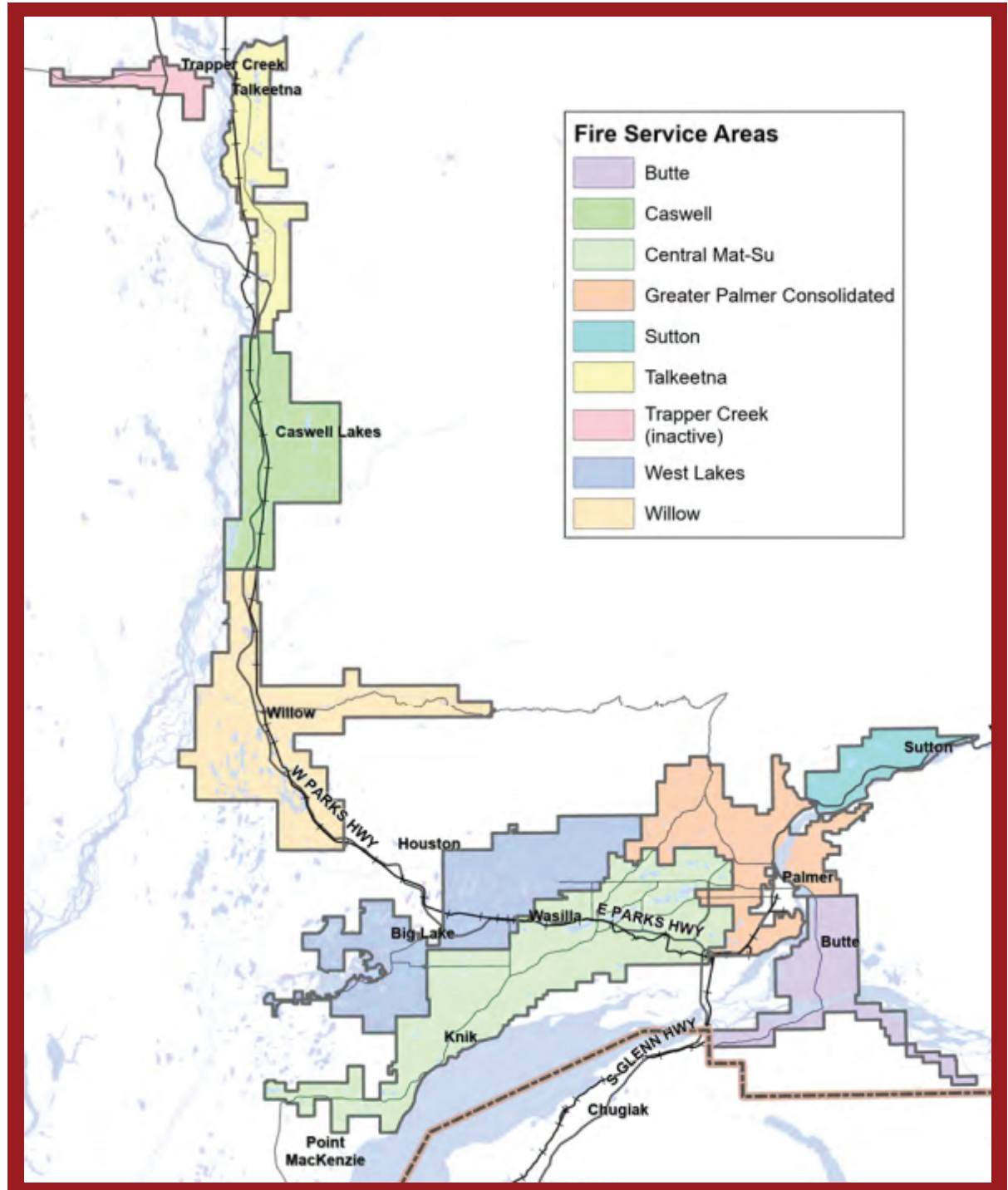
The Borough is responsible for **29** active service areas providing the following services to their residents: fire, roads, water, flood and erosion control.

There are **8** active Fire Service Areas (FSAs) located throughout the Borough. Each FSA mill rate is determined and set annually by the Assembly during budget deliberations.

Code	Fund	Description	FY 2020 Mill Rate
FSA 2	251	Butte Fire Service Area	3.430
FSA 4	253	Sutton Fire Service Area	4.590
FSA 24	254	Talkeetna Fire Service Area	2.040
FSA 35	258	Willow Fire Service Area	2.750
FSA 130	250	Central Mat-Su Fire Service Area	2.150
FSA 132	259	Gr Palmer Cons. Fire Service Area	0.960
FSA 135	248	Caswell Fire Service Area	3.210
FSA 136	249	West Lakes Fire Service Area	2.200

FSA BOARD OF SUPERVISORS

Each FSA has a board of supervisors composed of three persons that meet each month for five months of the year. Each supervisor serves a term of three years and may serve additional terms. For additional information on meeting times or if interested in serving on a board, visit www.matsugov.us/pubicmeetings



WHERE CAN I PAY MY PROPERTY TAXES?

Payment can be made in person, online or by mail. Payments can also be placed in a secure dropbox located at the front of the main Borough building at 350 E Dahlia Avenue in Palmer or at fire station 6-1 at 101 E Swanson Avenue in Wasilla. Payments can not be processed over the phone.

MY MORTGAGE COMPANY PAYS MY PROPERTY TAXES, WHY AM I RECEIVING A BILL?

The Mat-Su Borough sends a copy of all tax bills for residents' personal and income tax records. Those that have been requested by mortgage/escrow company will display "Duplicate" in the top right hand corner of the tax bill.

HOW CAN I PAY MY TAXES? CAN I USE A CREDIT/DEBIT CARD?

All methods of payment are accepted: cash, check, cashier's check, money order, and debit/credit cards. **If a credit/debit card is used (either online or in person), there is a 3% fee.** There is no fee for other methods of payment. Payments are not processed over the phone.

WHEN ARE MY PROPERTY TAXES DUE?

Tax bills are mailed on July 1st every year (as per Borough code). **The first half is always due by August 15th and the second half is always due by February 15th.** If the due date falls on a weekend or holiday, the due date will be the next business day.

The full amount can be paid at any time, however, late fees/penalties apply if at least one half is not paid by the due date.

WHAT ARE THE LATE FEES?

The first day taxes are late (August 16th or February 16th) there will be a 5% penalty on the past due amount. After 30 days an additional 5% penalty will be issued on the past due balance, and again at 60 days past due. Monthly interest is also applied. The interest is determined by what the prime interest rate is on July 1st each year.

HOW OLD DO I HAVE TO BE FOR THE SENIOR EXEMPTION?

Applicants must be 65 years of age on or before December 31st of the prior year for which the exemption is sought. Applicants must own and occupy the property as their permanent place of residence prior to January 1st of the assessment year for which the exemption is sought. For additional information please go to www.matsugov.us/documents/sc-dv-exemption.

HOW MUCH IS THE SENIOR EXEMPTION?

Up to \$150,000 of the assessed value may be exempt under the mandatory senior citizen exemption with up to \$68,000 of the assessed value also being exempt under the optional senior citizen exemption for qualified applicants.

HOW CAN I REMOVE A PERSON FROM THE TITLE TO A PROPERTY?

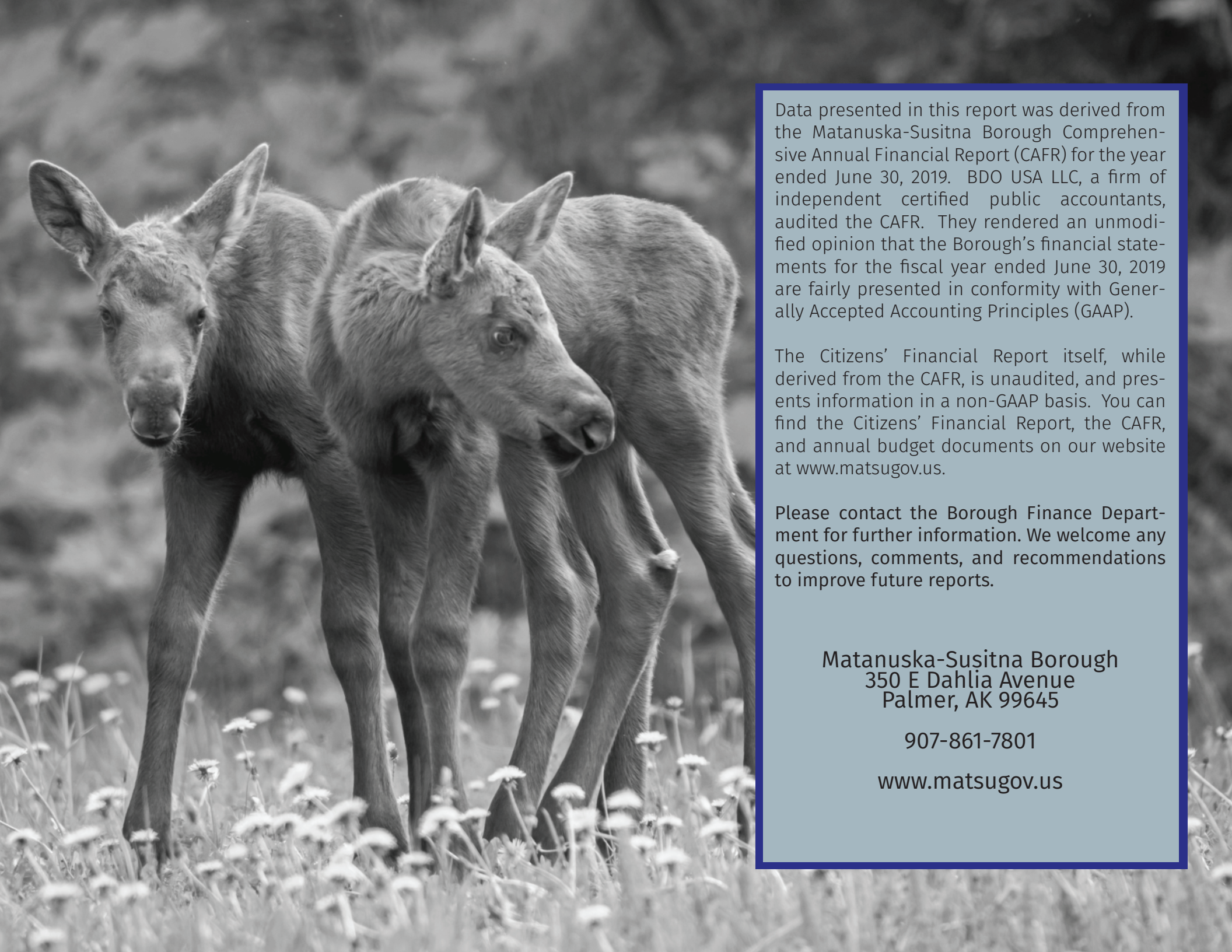
A deed/conveyance document must be recorded with the State of Alaska that changes the name in title.

HOW CAN I UPDATE MY MAILING ADDRESS?

Call the Borough Assessment office or send correspondence requesting the change by mail.

Accrual Basis	The basis of accounting under which the financial effects of a transaction and other events and circumstances that have cash consequences for the governmental entity are recorded in the period in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the entity.
Areawide	Area encompassing the entire area within the boundaries of the Borough.
Assessment	The process of determining taxable property value by government assessors by use of an appraisal.
Capital Assets	Any asset obtained by the borough that exceeds \$25,000 in value and has a life expectancy in excess of 3 years.
Certificate of Participation COP	A financial instrument or form of financing used by municipal or government entities which allows an individual to buy a share of the lease revenue of an agreement made by these entities.
Debt Service	Payment of interest and principal related to long-term debt.
Fiscal Year	The twelve-month period to which the annual operating budget applies and at the end of which a government determines the financial position and results of its operations. The Borough's fiscal year extends from July 1st to June 30th.
Fund Balance	The difference between assets and liabilities reported in a governmental fund.
GAAP	Generally Accepted Accounting Principles (GAAP) are the uniform minimum standards and guidelines for financial account and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time.
General Obligation Bond	Bonds for the payment of which the full faith and credit of the Borough are pledged.
Long-Term Debt Outstanding	Any amount of outstanding debt held by the Borough lasting over one year.
Mill Rate	A mill rate (or mill levy) is a rate of tax to be assessed on all taxable property. Mill rates are expressed in terms of \$1 of tax per \$1,000 of assessed value.
Net Position	Represents the residual interest in the Borough's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Consists of three components: net investment in capital assets, restricted, and unrestricted net position.
Non-Areawide	Borough fund that accounts for the non-areawide operations of the Borough. Exercises powers such as solid waste, port, libraries, septage disposal, animal care and regulation, and economic development.
Net Pensions & OPEB Liability	Deferred outflows and inflows of resources related to pension and other postemployment benefits (OPEB) in relation to the Public Employee's Retirement System.
Restricted Fund Balance	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.
Unrestricted Fund Balance	The residual classification for the general fund, also used to report negative fund balances in other governmental funds.





Data presented in this report was derived from the Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. BDO USA LLC, a firm of independent certified public accountants, audited the CAFR. They rendered an unmodified opinion that the Borough's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

The Citizens' Financial Report itself, while derived from the CAFR, is unaudited, and presents information in a non-GAAP basis. You can find the Citizens' Financial Report, the CAFR, and annual budget documents on our website at www.matsugov.us.

Please contact the Borough Finance Department for further information. We welcome any questions, comments, and recommendations to improve future reports.

Matanuska-Susitna Borough
350 E Dahlia Avenue
Palmer, AK 99645

907-861-7801

www.matsugov.us