



Matanuska-Susitna Borough, Alaska

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
MATANUSKA-SUSITNA BOROUGH
ALASKA**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

**JOHN DUFFY
BOROUGH MANAGER**

**PREPARED BY:
DEPARTMENT OF FINANCE**

**TAMMY E. CLAYTON, CPA
DIRECTOR OF FINANCE**

**ELIZABETH C. HARTLEY, CPA
BOROUGH COMPTROLLER**

INTRODUCTORY

SECTION

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

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MATANUSKA-SUSITNA BOROUGH

Department of Finance

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December 18, 2009

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, 2009, is hereby submitted. The financial statements were prepared in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The Borough's financial statements have been audited by Mikunda, Cottrell & Company, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Borough for the fiscal year ended June 30, 2009, 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, 2009, 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 82,515. The Borough is empowered to levy a property tax on both real and personal properties located within its boundaries. State of Alaska law mandates that second-class Boroughs provide certain services on an areawide basis to all taxpayers.

The Borough exercises the following areawide powers: general administration, education, property assessment and collection of taxes, education, planning and zoning, parks and recreation, ports, emergency medical services and historic preservation. The Borough also exercises the following non-areawide powers: solid waste, libraries, septage disposal, animal care and regulation and economic development. Additionally, following voter approval, the Borough is now responsible for 30 active service areas for water, sewer, flood, water erosion, fire, and/or roads. Service area boards of supervisors are appointed by the assembly to oversee the affairs of each service area. This report includes the financial data for these service areas.

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

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

The annual budget serves as the foundation for the Borough's financial planning and control. All departments and service areas submit budgets to the Manager on or about January 31st. 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 31st. The budget is appropriated by fund (Areawide), department (Emergency Services), and division (Dive Rescue). The Manager is authorized to make transfers within a department within any fund. Assembly action is required to transfer between funds or departments within a fund. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund, this comparison is presented on pages 56, 57, 58 and 59. For governmental funds, other than the General Fund, these comparisons start on page 66.

Economic Condition of the Matanuska-Susitna Borough

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

The Borough's economy began experiencing growth in the early 1990's. In fact, in the last ten years the growth has been described as "rapid" by State economists. During the last decade, no other area of the state came close to the Borough's track record of population and employment growth.

The communities of the Borough were historically established to support farming and still continue to be the largest agricultural producer in the state. However, farming is now overshadowed by other economic players. There are a number of factors driving the Borough's dynamic economy. In brief, one of these factors is health care. The Mat Su Regional Medical Center, which opened in 2006, has grown much faster than expected. Space within the hospital reserved for future use has now opened with the initiation of the Hospitalist Program. This program has On-Site physicians who specialize in taking care of acutely ill or injured inpatients within the hospital setting and do not have an outpatient practice. A new industrial medicine program was also added to existing cardiac, physical, speech-language pathology and occupational therapy rehabilitation programs. Talented staff and state-of-the-art diagnostic tools enabled surgeons to expand into more specialized procedures such as neurospine, thoracic, capsular and hand surgeries.

Also, an ever growing sector is the businesses in the Borough that provide expanded services to Borough residents as well as the rest of the state. With the completion of the new medical facility, other health care related entities have purchased land next to the hospital and plan on developing additional medical related services and retail orientated services. Additionally, 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. The new entities serve the growing number of people choosing to reside in the Borough while working elsewhere has rapidly grown. 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.

To further economic development, the Borough finalized an update of the Mat-Su Comprehensive Development Strategy (CEDS) dated December 2008. This planning effort combined and updated the results of recent planning efforts, reflected input from various government organizations, business interests, and public groups, and resulted in a current economic development strategy. The plan identifies economic development goals and objectives as well as specific task recommendations for accomplishing economic development objectives. The document also provides an overview of the status and rapid growth of the Borough economy. The strategy goals continue to focus on the previously defined economic clusters (health care, tourism, and marine related industrial development), as well as focusing on significant infrastructure development, general business expansion, industrial and commercial expansion to broaden the tax base, workforce development, and provision of facilities required to meet the needs of the rapidly growing population. The Borough is aggressively working to implement this strategy.

Several significant projects identified in the CEDS are proceeding including development of ferry service between Anchorage and Port MacKenzie, the design and construction of the new 1,536 bed medium security prison at Point MacKenzie and the continued development of the industrial district of Port MacKenzie.

Additionally, the Borough, working with the Alaska Railroad, completed a \$10 million environmental study to extend the Alaska Railroad 43 miles from Willow to Port Mackenzie. The Borough has acquired the funds to start construction on the rail loop in the Port District. The third phase will be the completion of the line from Willow to the loop. This will greatly increase natural resource development within the Valley and rail freight transport through the Port.

Cash from all Borough funds as well as the operating cash of the School District is held in a central treasury and managed by the Borough Administration. Interest income on investments is allocated to participating funds based on its average cash balance. The Investment Policy approved by the Borough Assembly authorizes cash temporarily idle during the year to be invested in the United States Treasury, its agencies and instrumentalities, Repurchase Agreements, fully collateralized Certificates of Deposit, bank or credit union accounts, provided the accounts are insured, money market mutual funds, provided they are comprised entirely of United States Treasury, its agencies or instrumentalities, taxable General Obligation Bonds of a Borough/County or State which has two ratings AA or higher and the Alaska Municipal League Investment Pool. The maturities at June 30, 2009 of the investments range from three months to twenty-three months, with an average maturity of nine months. The average yield this fiscal year was 1.72%.

In accordance with Code, the Borough has a self insurance program for property and casualty coverage. This program is administered by a risk management committee. As part of this program, resources are accumulated in an internal service fund to meet potential claims and associated costs. In addition, the Borough employs a loss control specialist to prevent risk of accidental losses or claims. The Borough has third party coverage subject to the self-insured retentions, which is more fully described in Note (1) in the Notes to the Basic Financial Statements.

The Borough provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The Borough has no obligations in connection

with employee benefits offered through this plan beyond its annual required payment to the pension plan.

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

Additional information on pension arrangements and postemployment benefits can be found in Note (7) in the Notes to the Basic Financial Statements.

Relative Financial Policies

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

The major reserve of the Areawide Fund is the Reservation of the General Fund Balance. This reserve is equal to a minimum of 25 percent of all operating budgeted expenditures of the fiscal year 2010 budget excluding the budgeted operating expenditures of the school district. This would provide funds if there is ever a significant shortfall in projected revenues.

Other reserves have 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 be expended after the issuance of the formal declaration of emergency.

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

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

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

Long-Term Financial Planning

On December 22, 2008, the Borough issued the Series 2008 Lease Revenue Bonds in the amount of \$244,285,000. The funds will be utilized to design, construct and equip the Goose Creek Correctional Center. This 1,536 bed facility once complete will be leased to and operated by the State of Alaska. The State's lease payment will be equal to the debt service payment. Construction will occur over the next 2 ½ years and generate approximately 650 construction jobs. Once complete in December 2011, it is estimated that 350 permanent positions will be needed to operate the facility.

Additionally, the Borough issued the 2009 Series A, General Obligation School Bonds in the amount of \$19,030,000. The bonds were issued May 27, 2009. These funds will be spent for security upgrades throughout the 40 plus schools in the Borough. The projects will be complete within the next 2 ½ years.

Approved in the capital/grant budget was \$3,341,000 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, almost \$10,000,000 was budgeted for various small projects throughout the Borough. These funds will be utilized to upgrade various recreational facilities, emergency service facilities and other facilities as well as roads. By so funding, future deferred maintenance costs of buildings will be significantly reduced. Also, maintenance costs will be reduced once the roads are upgraded.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Matanuska-Susitna Borough for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This is the twenty-fourth consecutive year that the Borough has received this prestigious award. In order to be awarded a Certificate of Achievement, the Borough published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

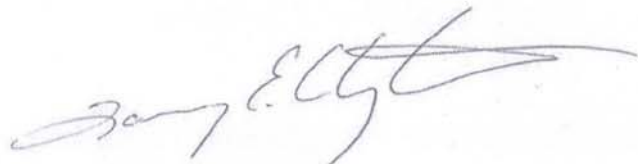
The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Accounting Division. We wish to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report with special thanks to Elizabeth Hartley, Tyrone Hodge, Melanie Schoppe, Kathleen Thornlow, Lisa Reeves, Cindy Loyer, Eileen Pickett, Jeff Krueger, Cheyenne Heindel, Jennifer Ballinger and Mary Jo Lentz. 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 Duffy
Borough Manager



Tammy E. Clayton, CPA
Director of Finance

MATANUSKA-SUSITNA BOROUGH

PRINCIPAL OFFICIALS

MAYOR AND ASSEMBLY

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

Talis J Colberg, Mayor
Lynne Woods, Deputy Mayor

Pete Houston
Michelle R. Church
Mark Ewing

Cindy L. Bettine
Robert F. Wells
Tom Kluberton



Borough Staff

John Duffy
Nicholas Spiropoulos
Lonnie McKechnie
Elizabeth Gray
Linda Brenner
Tammy E. Clayton
Mark Mayo
Keith Rountree
Dennis Brodigan
David Dunivan
Elizabeth Hartley

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Matanuska-Susitna Borough
Alaska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



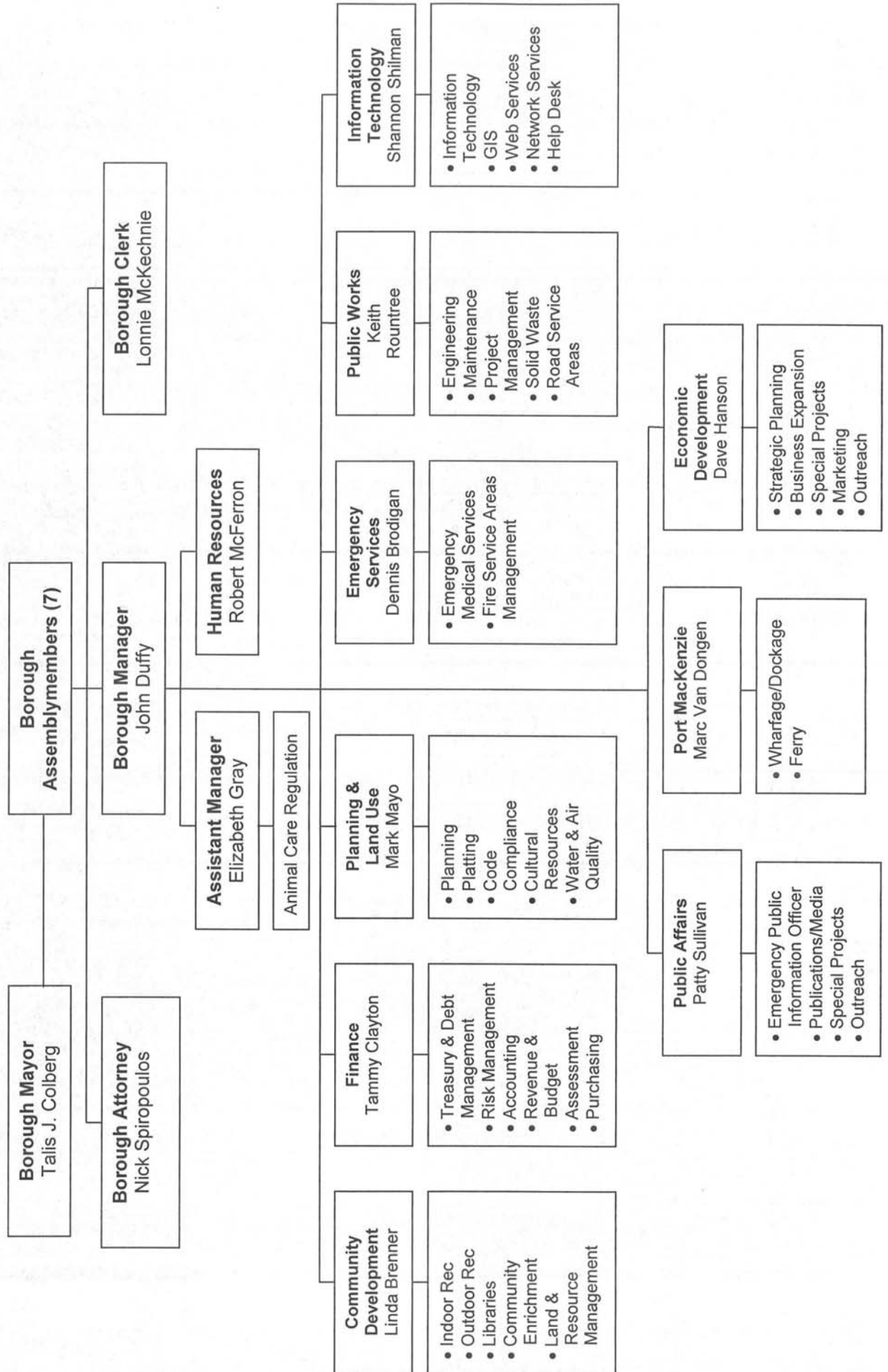
A handwritten signature in black ink, appearing to read "M. L. R. R.", positioned above the title "President".

President

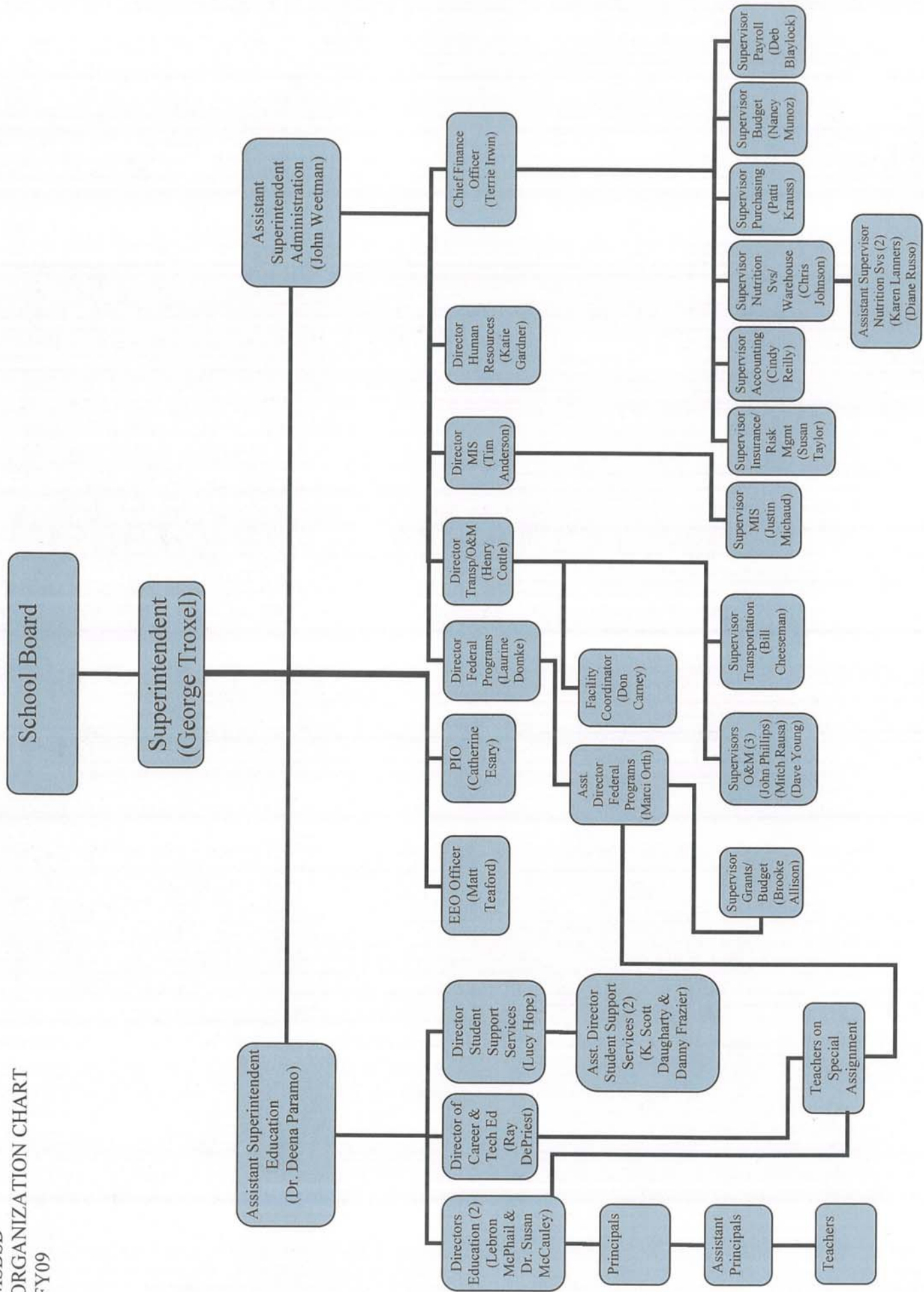
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

Matanuska-Susitna Borough Organization Chart Fiscal Year 2009



MSBSD
ORGANIZATION CHART
FY09



Matanuska-Susitna Borough School District
501 N. Gulkana Street * Palmer, AK 99645

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FINANCIAL

SECTION

INDEPENDENT

AUDITOR'S

REPORT

Independent Auditor's Report

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2009, which collectively comprise the Borough's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Matanuska-Susitna Borough, Alaska, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009 on our consideration of the Matanuska-Susitna Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

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

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 18, 2009

MANAGEMENT'S

DISCUSSION

AND ANALYSIS

MATANUSKA-SUSITNA BOROUGH

Management's Discussion and Analysis

June 30, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page VIII of this report.

Financial Highlights

- The assets of the Matanuska-Susitna Borough exceeded its liabilities at the close of the most recent year by \$515,961,856. Of this amount, \$49,349,394 (unrestricted net assets) is legally unreserved and may therefore be used to meet the Borough's ongoing obligations to citizens and creditors. Much of this amount has been previously designated by the Borough Assembly for specific purposes and is discussed in more detail on page 10.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$50,404,066. Of this amount, \$13,759,256 was unreserved, undesignated and available for spending. The unreserved, undesignated fund balance for the General Fund represented 14.1% of total General Fund expenditures and transfers.
- The Borough's total net assets increased by \$60,827,059.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$128,245,902, an increase of \$9,686,849 in comparison to the prior year.
- The Borough's total outstanding debt increased by \$8,597,244 to a year-end balance of \$202,126,726. The primary reason was that new debt was issued in the amount of \$19 million for the purpose of upgrades, major renovations, and renewal projects for various Borough schools. The Borough's long-term debt table can be found on page 41 - 47 of the Notes to the Basic Financial Statements.
- In fiscal year 2005, the Borough established two enterprise funds in order to account for the Borough's sanitary landfill and Port MacKenzie activities. Current fiscal year activities of the two funds combined increased total Borough net assets by \$513,475.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements report information about the overall finances of the Borough similar to a business enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations. The government-wide financial statements can be found on pages 15 and 16 of this report.

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

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

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

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

Fund Financial Statements

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

Overview of the Financial Statements, continued

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the short-term view of the Borough's operations. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Borough maintains 55 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the School Buildings Debt Service Fund, the School Capital Projects Fund, and the Road Service Area Repairs Capital Projects Fund. The other 51 governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Fund Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 51 nonmajor funds is presented in Combining Balance Sheets for Nonmajor Governmental Funds and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The basic governmental fund financial statements can be found on pages 17 - 20 of this report. A budgetary comparison statement for the General Fund with annual budget is provided on pages 56 - 59 to demonstrate compliance with the budget. The 38 special revenue funds with annual budgets are provided on pages 66 - 111.

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 127 - 132.

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 133 - 141.

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 22 - 25 of this report.

Overview of the Financial Statements, continued

Fiduciary funds

Fiduciary funds are used to account for assets held by the Borough in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the Borough cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds.

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

The basic fiduciary aggregated fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Included in the notes to the financial statements is the required supplementary information. The notes to the financial statements can be found on pages 27 - 52 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 53 - 54. Individual governmental funds can be found on pages 55 - 125 and proprietary funds can be found on pages 127 - 141 of this report.

Government-Wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets exceeded liabilities by \$515,961,856, at June 30, 2009 compared to \$455,134,797, at June 30, 2008. By far, the largest portion of the Borough's net assets (76%) 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.

Government-Wide Financial Analysis, continued

**Matanuska-Susitna Borough's Net Assets
June 30, 2009 and 2008
(in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets:						
Current and other assets	\$ 167.9	157.9	1.5	0.2	169.4	158.1
Capital assets	<u>522.9</u>	<u>466.9</u>	<u>44.9</u>	<u>44.5</u>	<u>567.8</u>	<u>511.4</u>
Total assets	<u>690.8</u>	<u>624.8</u>	<u>46.4</u>	<u>44.7</u>	<u>737.2</u>	<u>669.5</u>
Liabilities:						
Long-term debt outstanding	187.2	179.4	14.9	14.1	202.1	193.5
Other liabilities	<u>18.3</u>	<u>20.5</u>	<u>0.8</u>	<u>0.4</u>	<u>19.1</u>	<u>20.9</u>
Total liabilities	<u>205.5</u>	<u>199.9</u>	<u>15.7</u>	<u>14.5</u>	<u>221.2</u>	<u>214.4</u>
Net assets:						
Invested in capital assets, net of related debt	359.0	294.4	32.7	33.0	391.7	327.4
Restricted	74.9	75.2	-	-	74.9	75.2
Unrestricted	<u>51.4</u>	<u>55.3</u>	<u>(2.0)</u>	<u>(2.8)</u>	<u>49.4</u>	<u>52.5</u>
Total net assets	\$ <u>485.3</u>	<u>424.9</u>	<u>30.7</u>	<u>30.2</u>	<u>516.0</u>	<u>455.1</u>

Changes in Net Assets

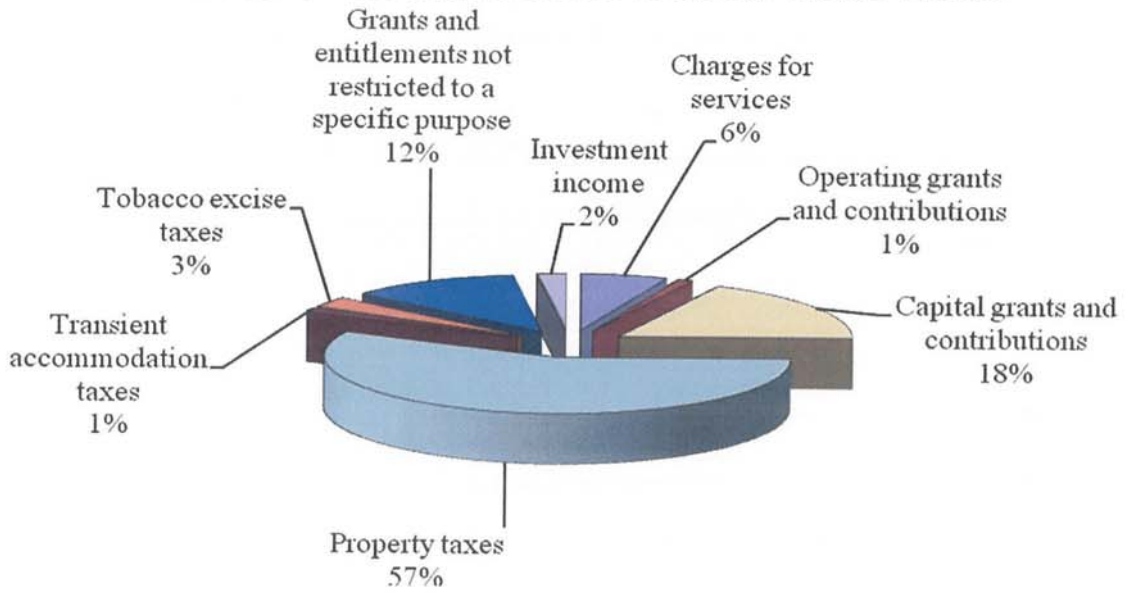
During the current fiscal year, the Borough's total net assets increased by \$60.9 million. This compares to an increase of \$31.3 million for the year ended June 30, 2008.

Revenues increased overall by \$20.6 million with the majority of this resulting from an increase in capital grants and contributions revenues of \$12.7 million due largely to an increased amount of federal and state funding being provided for necessary Borough road projects. Additionally, property tax revenues increased by \$7.8 million, due to a rise in the total assessed value of property within the Borough. During fiscal year 2009, approximately 57% 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.

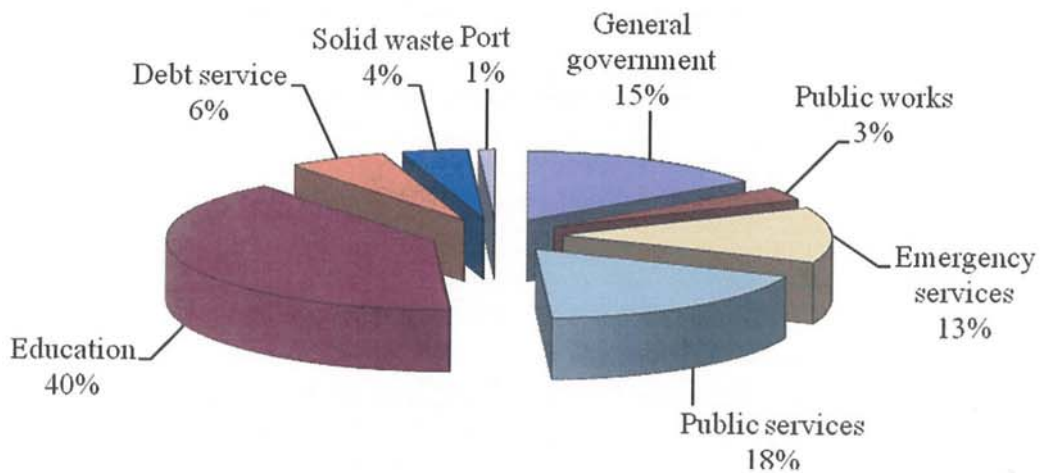
Expenses increased overall by \$3.2 million from the prior year, specifically education. During fiscal year 2009, approximately 40% of the Borough's total expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.

Government-Wide Financial Analysis, continued

Sources of Revenue for Fiscal Year 2009



Functional Expenses for Fiscal Year 2009



Government-Wide Financial Analysis, continued

**Changes in Matanuska-Susitna Borough's Net Assets
For Years Ended June 30, 2009 and 2008
(in millions of dollars)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 6.6	5.9	3.9	3.6	10.5	9.5
Operating grants and contributions	-	-	0.7	0.8	0.7	0.8
Capital grants and contributions	30.5	18.2	1.0	0.6	31.5	18.8
General revenues:						
Property taxes	100.3	92.5	-	-	100.3	92.5
Transient accommodation taxes	1.0	1.0	-	-	1.0	1.0
Tobacco excise taxes	4.7	4.5	-	-	4.7	4.5
Other	24.8	25.9	0.2	0.1	25.0	26.0
Total revenues	<u>167.9</u>	<u>148.0</u>	<u>5.8</u>	<u>5.1</u>	<u>173.7</u>	<u>153.1</u>
Expenses:						
General government	18.4	17.8	-	-	18.4	17.8
Public works	4.0	3.2	-	-	4.0	3.2
Emergency services	15.8	16.6	-	-	15.8	16.6
Public services	22.4	23.1	-	-	22.4	23.1
Education	50.4	47.4	-	-	50.4	47.4
Debt service	7.9	8.0	-	-	7.9	8.0
Solid waste	-	-	4.5	4.1	4.5	4.1
Port	-	-	1.6	1.6	1.6	1.6
Total expenses	<u>118.9</u>	<u>116.1</u>	<u>6.1</u>	<u>5.7</u>	<u>125.0</u>	<u>121.8</u>
Excess before transfers, special item, and extraordinary item	49.0	31.9	(0.3)	(0.6)	48.7	31.3
Transfers	(0.7)	(1.2)	0.7	1.2	-	-
Special item	2.0	-	0.1	-	2.1	-
Extraordinary item	10.0	-	-	-	10.0	-
Increase in net assets	60.3	30.7	0.5	0.6	60.8	31.3
Beginning net assets	425.0	394.3	30.1	29.5	455.1	423.8
Ending net assets	\$ <u>485.3</u>	<u>425.0</u>	<u>30.6</u>	<u>30.1</u>	<u>515.9</u>	<u>455.1</u>

Government-Wide Financial Analysis, continued

Governmental activities

Revenues for the Borough's governmental activities increased by \$19.9 million from the prior year while expenses for governmental activities increased by \$2.8 million. Key elements to the increases in both revenues and expenses include the following:

- Capital grants and contributions revenues increased by \$12.3 million due largely to an increased amount of federal and state funding being provided for necessary Borough road projects.
- Property tax revenues grew by \$7.8 million due to an increase in the assessed values of property within the Borough.
- As a result of a growing population within the Borough, expenditures for education increased by \$3 million from the prior fiscal year.

Business-type activities

Revenues for the Borough's business-type activities increased by \$.7 million from the prior year while expenses for business-type activities increased by \$.4 million. Key elements to the increase in revenues and expenses include the following:

- Capital grants and contributions revenues increased by \$.4 million due to federal and state funding being provided for Port MacKenzie expansion projects.
- As a result of increased fuel prices and other contractual obligations, expenditures for services provided by the Solid Waste Enterprise Fund continue to increase.

Financial Analysis of the Borough's Funds

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

Governmental funds

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

At the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$128,245,902, an increase of \$9,686,849 in comparison with the prior year. A portion of this amount is reserved to indicate it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$15,475,650), 2) to liquidate prepaid expenses, 3) or for other restricted purposes. The remainder of fund balance is unreserved (\$105,836,985); although \$19,700,073 is shown as designated in accordance with the Borough's minimum fund balance policy. Of the \$105,836,985 unreserved fund balance, \$24,488,717 is designated for school capital projects.

Financial Analysis of the Borough's Funds, continued

The General Fund is the chief operating fund of the Borough. At the end of the current fiscal year, total fund balance was \$50,738,499, unreserved fund balance was \$50,404,066, and unreserved, undesignated fund balance was \$13,759,256. Total fund balance increased by \$10,065,246 from the prior year. Key factors include:

- An increase of \$1,134,265 in federal payments in lieu of taxes (PILT) from the budgeted amount due to the Emergency Economic Stabilization Act of 2008 authorizing full funding of the PILT program for the first time since 1994.
- An increase of \$1,529,269 in recovery of expenditures from other funds from the budgeted amount due to an increase of General Fund employee wages being charged to other funds for project management of various capital projects.
- An increase of \$443,244 in transfers into the General Fund from the budgeted amount due to capital project funds lapsing and the capital contributions being returned to the General Fund.
- A decrease of \$699,745 in contributions to the School District from the budgeted amount due to the lapse of appropriations per MSB Code 3.04.110(C).
- Revenues from PERS Relief were \$538,092 over the budgeted amount.
- The fiscal year 2009 General Fund originally budgeted for an increase of \$2,627,417 to the fund balance.

The other major governmental funds in the current fiscal year were the School Buildings Debt Service Fund, the School Projects Capital Project Fund, and the Road Service Area Repairs Capital Project Fund.

At the end of the current fiscal year, ending total fund balance in the School Building Debt Service Fund was \$774,734, with the entire fund balance being unreserved but designated for debt service. Total fund balance increased by \$496,803 from the prior year. The key factor in the increase in fund balance was a \$499,108 premium on bond issuance from the \$19 million bond issuance for school projects.

At the end of the current fiscal year, ending total fund balance in the School Projects Capital Project Fund was \$31,118,266, with \$24,488,717 of the fund balance being unreserved but designated for subsequent year expenditures. Total fund balance increased by \$412,545 from the prior year. The key factor in the increase in fund balance was a \$360,318 premium on bond issuance from the \$19 million bond issuance for school projects.

At the end of the current fiscal year, ending total fund balance in the Road Service Area Repairs Capital Project Fund was \$6,518,647, with \$2,696,424 of the fund balance being unreserved but designated for subsequent year expenditures. Total fund balance decreased by \$324,950 from the prior year. A key factor in the decrease in fund balance was transfers in the total amount of \$162,428 were made out of the Road Service Area Repairs Capital Project Fund back to nonmajor governmental funds due to capital project funds lapsing and the capital contributions being returned to the miscellaneous originating funds.

Financial Analysis of the Borough's Funds, continued

Proprietary funds

The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the solid waste and port enterprise funds were \$245,402 and a deficit of (\$2,289,000), respectively. Unrestricted net assets of the internal service funds at the end of the year were \$7,310,504.

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

At the end of the current fiscal year, ending total net assets in the Solid Waste Enterprise Fund were \$6,787,712, with \$6,542,310 invested in capital assets, net of related debt, and the remainder of net assets being unrestricted. Total net assets decreased by \$961,123 from the prior year. The key factors in the decrease in net assets were that operating expenses increased by \$458,447 from the prior year due to increased landfill operations costs, while operating revenues decreased by \$275,307 from the prior year due to a decrease in landfill user fee revenue.

At the end of the current fiscal year, ending total net assets in the Port Enterprise Fund were \$23,903,316, with \$26,192,316 invested in capital assets, net of related debt, and an unrestricted net assets deficit of \$2,289,000. Total net assets increased by \$1,474,598 from the prior year. A key factor to the increase in net assets was that operating revenues increased by \$588,993 from the prior year due to increased port wharfage fee revenue generated from the barge export of gravel to the Port of Anchorage. Also, capital contributions increased by \$413,218 due to federal and state funding being provided for Port MacKenzie expansion projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor with a \$328,961 reappropriation to the miscellaneous capital project fund for a variety of planning projects being the key factor.

There was a total difference between the final amended budget and actual results in the amount of \$7,902,482. Key factors include:

- An increase of \$1,134,265 in federal payments in lieu of taxes (PILT) from the budgeted amount due to the Emergency Economic Stabilization Act of 2008.
- An increase of \$1,529,269 in recovery of expenditures from other funds from the budgeted amount due to an increase of General Fund employee wages being charged to other funds for project management of various capital projects.
- An increase of \$443,244 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.
- Revenues from PERS Relief were \$538,092 over the budgeted amount.
- A decrease of \$699,745 in contribution to the School District for education from the budgeted amount due to the lapse of appropriations per MSB Code 3.04.110(C).

Capital Assets and Debt Administration

Capital Assets

The Borough's investment in capital assets for its governmental and business-like activities as of June 30, 2009 amounts to \$567,807,684 (net of accumulated depreciation), an increase of \$56,485,299 from the prior year. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure, and landfill cells.

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

- Continuation of school construction projects, primarily among Su-Valley Elementary, South Palmer Area Elementary, and the Wasilla High Remodel, construction continuing on the new Animal Control Building, and the continuation of road projects including the Point MacKenzie Road and Bogard/Seldon Road Extensions; increasing the construction in progress for governmental activities.
- Construction on the Port MacKenzie Ferry/Intermodal Facility and at the Central Landfill to develop Cell III continued, increasing the construction in progress for business-type activities.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land and land improvements	\$ 13.6	13.6	-	-	13.6	13.6
Buildings	240.3	246.2	2.1	2.2	242.4	248.4
Improvements other than buildings	14.8	15.1	0.9	1.0	15.7	16.1
Equipment	13.1	11.5	0.5	0.6	13.6	12.1
Infrastructure	85.8	83.4	23.3	23.9	109.1	107.3
Construction in progress	155.3	97.1	14.3	13.0	169.6	110.1
Landfill cells	-	-	<u>3.8</u>	<u>3.8</u>	<u>3.8</u>	<u>3.8</u>
Total capital assets	\$ <u>522.9</u>	<u>466.9</u>	<u>44.9</u>	<u>44.5</u>	<u>567.8</u>	<u>511.4</u>

Additional information on the Borough's capital assets can be found in on pages 38 - 41 of this report.

Long-term Debt

At the end of the current fiscal year, the Borough had total debt outstanding of \$202,126,726. Of this amount, \$179,875,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$8,420,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, and insurance claims incurred but not reported.

Capital Assets and Debt Administration, continued

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds	\$ 171.9	162.6	8.0	8.4	179.9	171.0
Certificates of participation	8.4	9.0	-	-	8.4	9.0
Other debt	<u>6.9</u>	<u>7.8</u>	<u>6.9</u>	<u>5.7</u>	<u>13.8</u>	<u>13.5</u>
Total outstanding debt	\$ <u>187.2</u>	<u>179.4</u>	<u>14.9</u>	<u>14.1</u>	<u>202.1</u>	<u>193.5</u>

Additional information on the Borough's long-term debt can be found on pages 41 - 47 of this report.

Economic Factors and the Next Year's Budget and Rates

In setting the budgets for fiscal year 2010, the Borough considered a number of issues with Borough-wide impact, among them:

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

All of these factors were considered in preparing the Borough's budget for fiscal year 2010. As a result, the fiscal year 2010 budget includes a decrease of .346 mills in the General Fund tax rate from the current rate of 10.326 mills to an approved rate of 9.98 mills. The Nonareawide mill rate increased by .046 mills in the fiscal year 2010 budget, going from the current rate of .383 mills to an approved rate of .429 mills.

Request for Information

This financial report is designed to provide a general overview of the Borough's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of Finance, Matanuska-Susitna Borough, 350 East Dahlia Avenue, Palmer, Alaska 99645-6488.

BASIC

FINANCIAL

STATEMENTS

MATANUSKA-SUSITNA BOROUGH
Statement of Net Assets
June 30, 2009

Exhibit A-1

<u>Assets</u>	<u>Primary Government</u>			Component Unit
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>School District</u>
Cash and investments	\$ 137,906,896	-	137,906,896	7,071,443
Prepaid items	275,733	135,000	410,733	341,516
Receivables:				
Intergovernmental	7,640,856	2,877,606	10,518,462	4,758,478
Property taxes, net of allowance	11,853,163	-	11,853,163	-
Excise taxes	768,439	-	768,439	-
Accounts, net of allowance	2,794	371,848	374,642	-
Ambulance, net of allowance	594,668	-	594,668	-
Land sales contracts, net of allowance	25,640	-	25,640	-
Other	605,049	-	605,049	-
Accrued interest	251,856	-	251,856	-
Interfund note receivable, current	165,900	(165,900)	-	-
Deposits	29,837	-	29,837	-
Inventory	98,008	765	98,773	793,223
Restricted cash	1,101,019	2,221,005	3,322,024	-
Internal balances	3,363,361	(3,363,361)	-	-
Long-term portion of interfund note receivable	567,879	(567,879)	-	-
Land sales contracts receivable - long term	981,251	-	981,251	-
Unamortized bond issuance costs	1,669,903	-	1,669,903	-
Capital assets, not being depreciated	168,905,142	14,316,113	183,221,255	-
Capital assets, net of accumulated depreciation	354,015,670	30,570,759	384,586,429	1,315,150
Total assets	\$ 690,823,064	46,395,956	737,219,020	14,279,810
	<u>Liabilities</u>			
Accounts, contracts and retentions payable	6,930,838	632,885	7,563,723	153,919
Accrued payroll and related liabilities	1,798,386	-	1,798,386	7,207,795
Other liabilities	204,133	-	204,133	-
Deposits	29,068	10,000	39,068	-
Unearned revenue	7,193,455	40,478	7,233,933	154,761
Accrued interest payable	2,186,612	104,583	2,291,195	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	2,096,703	129,846	2,226,549	3,795,046
Bonds and certificates of participation	10,800,000	395,000	11,195,000	-
Notes payable	12,947	43,682	56,629	-
Insurance claims incurred but not reported	1,332,425	-	1,332,425	1,404,188
Due in more than one year:				
Bonds and certificates of participation	169,470,000	7,630,000	177,100,000	-
Notes payable	269,256	3,941,120	4,210,376	-
Deferred loss on bonds	(3,228,559)	-	(3,228,559)	-
Unamortized bond premium	6,006,827	142,444	6,149,271	-
Landfill closure costs payable	-	2,634,890	2,634,890	-
Insurance claims incurred but not reported	450,145	-	450,145	-
Total liabilities	205,552,236	15,704,928	221,257,164	12,715,709
	<u>Net Assets</u>			
Invested in capital assets, net of related debt	358,980,408	32,734,626	391,715,034	1,315,150
Restricted:				
Capital projects	53,743,102	-	53,743,102	-
Land management	7,360,813	-	7,360,813	-
Debt service	1,969,475	-	1,969,475	-
Service areas	11,824,038	-	11,824,038	-
Other	-	-	-	5,677
Unrestricted (deficit)	51,392,992	(2,043,598)	49,349,394	243,274
Total net assets	485,270,828	30,691,028	515,961,856	1,564,101
Total liabilities and net assets	\$ 690,823,064	46,395,956	737,219,020	14,279,810

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
Statement of Activities
Year Ended June 30, 2009

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit School District
		Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government		
						Business- Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 18,417,947	640,864	-	1,154,917	(16,622,166)	-	(16,622,166)	
Public works	3,971,267	111,002	-	1,486,733	(2,373,532)	-	(2,373,532)	
Emergency services	15,760,106	3,525,227	-	1,754,313	(10,480,566)	-	(10,480,566)	
Public services	22,448,088	2,324,651	32,139	25,476,714	5,385,416	-	5,385,416	
Education	50,384,218	-	-	583,784	(49,800,434)	-	(49,800,434)	
Debt service	7,868,206	-	-	-	(7,868,206)	-	(7,868,206)	
Total governmental activities	<u>118,849,832</u>	<u>6,601,744</u>	<u>32,139</u>	<u>30,456,461</u>	<u>(81,759,488)</u>	<u>-</u>	<u>(81,759,488)</u>	
Business-type activities:								
Solid waste	4,514,113	3,319,903	-	-	-	(1,194,210)	(1,194,210)	
Port	1,605,330	640,144	754,870	979,938	-	769,622	769,622	
Total business type activities	<u>6,119,443</u>	<u>3,960,047</u>	<u>754,870</u>	<u>979,938</u>	<u>-</u>	<u>(424,588)</u>	<u>(424,588)</u>	
Total primary government	\$ <u>124,969,275</u>	<u>10,561,791</u>	<u>787,009</u>	<u>31,436,399</u>	<u>(81,759,488)</u>	<u>(424,588)</u>	<u>(82,184,076)</u>	
Component unit - School district	\$ <u>217,278,363</u>	<u>1,555,972</u>	<u>26,897,652</u>	<u>-</u>				<u>(188,824,739)</u>
General revenues:								
Taxes:								
Property taxes				\$ 100,265,473	-	100,265,473	-	
Excise taxes				4,688,563	-	4,688,563	-	
Transient accommodation taxes				1,037,673	-	1,037,673	-	
Contributions from primary government				-	-	-	44,012,143	
Grants and entitlements not restricted to a specific purpose				20,979,431	124,116	21,103,547	139,211,733	
Investment income				3,269,398	37,555	3,306,953	-	
Other				509,602	-	509,602	1,695,054	
Transfers				(659,930)	659,930	-	-	
Special item - write off NPO/OPEB				1,982,862	116,462	2,099,324	3,606,719	
Extraordinary item - insurance settlement				10,000,000	-	10,000,000	-	
Total general revenues, transfers, special item and extraordinary item				<u>142,073,072</u>	<u>938,063</u>	<u>143,011,135</u>	<u>188,525,649</u>	
Change in net assets				60,313,584	513,475	60,827,059	(299,090)	
Net assets (deficit) at beginning of year				<u>424,957,244</u>	<u>30,177,553</u>	<u>455,134,797</u>	<u>1,863,191</u>	
Net assets at end of year				\$ <u>485,270,828</u>	<u>30,691,028</u>	<u>515,961,856</u>	<u>1,564,101</u>	

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Governmental Funds

Balance Sheet

June 30, 2009

	Major Funds					Total Governmental Funds
	General	School Buildings Debt Service	School Projects Capital Project	Road Service Areas Repairs Capital Project	Nonmajor Funds	
<u>Assets</u>						
Cash and investments	\$ 50,159,888	774,934	31,802,499	6,889,878	39,419,525	129,046,724
Prepaid items	236,425	-	-	-	39,308	275,733
Receivables:						
Intergovernmental	163,218	-	181,965	851,245	6,444,428	7,640,856
Property taxes, net of allowance	9,605,430	-	-	-	2,247,733	11,853,163
Excise taxes	768,439	-	-	-	-	768,439
Ambulance, net of allowance	594,668	-	-	-	-	594,668
Land sales contracts, net of allowance	-	-	-	-	25,640	25,640
Accrued interest	251,856	-	-	-	-	251,856
Other	431,468	-	-	-	173,581	605,049
Due from other funds	4,743,348	-	-	-	-	4,743,348
Interfund note receivable	-	-	-	-	733,779	733,779
Deposits	1,497	-	-	-	-	1,497
Inventory	98,008	-	-	-	-	98,008
Restricted cash	-	-	-	-	1,101,019	1,101,019
Land sales contracts receivable, long term	-	-	-	-	981,251	981,251
Total assets	\$ 67,054,245	774,934	31,984,464	7,741,123	51,166,264	158,721,030
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts, contracts and retentions payable	530,867	200	473,212	1,219,350	4,661,060	6,884,689
Accrued payroll and related liabilities	1,798,386	-	-	-	-	1,798,386
Other liabilities	204,133	-	-	-	-	204,133
Due to General Fund	-	-	-	-	1,379,987	1,379,987
Deposits	-	-	-	-	29,068	29,068
Deferred revenue	13,782,360	-	392,986	3,126	5,470,273	19,648,745
Loans payable to other funds	-	-	-	-	530,120	530,120
Total liabilities	16,315,746	200	866,198	1,222,476	12,070,508	30,475,128
Fund balances:						
Reserved :						
Inventory and prepaid items	334,433	-	-	-	39,308	373,741
Land Management Permanent Fund	-	-	-	-	4,738,176	4,738,176
Interfund note receivable	-	-	-	-	733,779	733,779
Debt reserve	-	-	-	-	1,087,571	1,087,571
Encumbrances	-	-	6,629,549	3,822,223	5,023,878	15,475,650
Unreserved reported in:						
General Fund	50,404,066	-	-	-	-	50,404,066
Special revenue funds	-	-	-	-	16,283,563	16,283,563
Debt service funds	-	774,734	-	-	107,170	881,904
Capital project funds	-	-	24,488,717	2,696,424	11,082,311	38,267,452
Total fund balances	50,738,499	774,734	31,118,266	6,518,647	39,095,756	128,245,902
Total liabilities and fund balances	\$ 67,054,245	774,934	31,984,464	7,741,123	51,166,264	158,721,030

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
 Reconciliation of Governmental Funds Balance Sheet
 to Statement of Net Assets
 June 30, 2009

Total fund balances for governmental funds \$ 128,245,902

Total net assets reported for governmental activities in the
 Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources
 and therefore are not reported in the funds. These assets, net of
 accumulated depreciation consist of:

Land and land improvements	\$ 13,610,006	
Construction in progress	155,295,136	
Buildings	354,800,857	
Improvements other than buildings	19,879,061	
Equipment	28,130,332	
Infrastructure	196,733,326	
Accumulated depreciation	<u>(245,527,906)</u>	
Total capital assets		522,920,812

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	10,981,402	
Special assessments receivable	6,943	
Ambulance receivable	409,370	
Land sale contracts receivable	<u>1,057,575</u>	
Total long-term assets		12,455,290

Governmental funds report the effect of bond issuance costs, premiums
 and deferred losses when debt is first issued, whereas these amounts
 are deferred and amortized in the Statement of Net Assets. 1,669,903

Internal service funds are used by the Borough to charge the cost of
 certain activities, such as insurance, to individual funds. The assets
 and liabilities of the internal service funds are included in the
 governmental activities in the Statement of Net Assets. 7,310,504

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

Bonds and certificates of participation	(180,270,000)	
Unamortized bond premium	(6,006,827)	
Deferred loss on bonds	3,228,559	
Accrued interest payable	(2,186,612)	
Compensated absences	<u>(2,096,703)</u>	
Total long term liabilities		<u>(187,331,583)</u>

Total net assets of governmental activities \$ 485,270,828

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2009

	Major Funds					Total Governmental Funds
	General	School Buildings Debt Service	School Projects Capital Project	Road Service Areas Repairs Capital Project	Nonmajor Funds	
Revenues:						
Taxes	\$ 80,796,716	-	-	-	24,834,859	105,631,575
Intergovernmental	19,830,139	-	581,147	13,442,272	16,700,815	50,554,373
Charges for services	3,903,193	-	-	-	2,366,873	6,270,066
Investment income	2,469,345	2,236	182,733	-	432,449	3,086,763
Interest on land sales	-	-	-	-	81,397	81,397
Other	158,584	-	-	43,692	1,458,222	1,660,498
Total revenues	<u>107,157,977</u>	<u>2,236</u>	<u>763,880</u>	<u>13,485,964</u>	<u>45,874,615</u>	<u>167,284,672</u>
Expenditures:						
Current:						
General government	16,205,517	-	-	-	2,679,840	18,885,357
Public works	3,856,964	-	-	-	-	3,856,964
Emergency services	6,135,996	-	-	-	8,087,776	14,223,772
Public services	2,726,917	-	-	3,621,631	13,566,085	19,914,633
Education	44,012,143	-	906,828	-	-	44,918,971
Debt service	-	16,894,541	303,986	-	1,410,335	18,608,862
Capital outlay	-	-	28,535,019	15,260,550	22,656,940	66,452,509
Total expenditures	<u>72,937,537</u>	<u>16,894,541</u>	<u>29,745,833</u>	<u>18,882,181</u>	<u>48,400,976</u>	<u>186,861,068</u>
Excess (deficiency) of revenues over expenditures	34,220,440	(16,892,305)	(28,981,953)	(5,396,217)	(2,526,361)	(19,576,396)
Other financing sources (uses):						
Proceeds from disposal of capital assets	13,944	-	-	-	-	13,944
Transfers in	466,744	16,890,000	5,000	5,233,695	11,859,586	34,455,025
Transfers out	(24,635,882)	-	(820)	(162,428)	(10,296,020)	(35,095,150)
Bond issuance	-	-	19,030,000	-	-	19,030,000
Premium on bond issuance	-	499,108	360,318	-	-	859,426
Net other financing sources (uses)	<u>(24,155,194)</u>	<u>17,389,108</u>	<u>19,394,498</u>	<u>5,071,267</u>	<u>1,563,566</u>	<u>19,263,245</u>
Extraordinary item - insurance settlement	-	-	10,000,000	-	-	10,000,000
Net change in fund balances	10,065,246	496,803	412,545	(324,950)	(962,795)	9,686,849
Fund balances at beginning of year	<u>40,673,253</u>	<u>277,931</u>	<u>30,705,721</u>	<u>6,843,597</u>	<u>40,058,551</u>	<u>118,559,053</u>
Fund balances at end of year	<u>\$ 50,738,499</u>	<u>774,734</u>	<u>31,118,266</u>	<u>6,518,647</u>	<u>39,095,756</u>	<u>128,245,902</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
 Reconciliation of Change in Fund Balances of Governmental Funds
 to Statement of Activities
 Year Ended June 30, 2009

Net change in fund balances - total governmental funds		\$ 9,686,849
The change in net assets reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays (\$66,797,124) exceeded depreciation (\$10,723,529) and loss on disposal of assets (\$11,282).		
		56,062,313
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Increase in deferred property taxes	\$ 360,133	
Increase in deferred ambulance revenue	45,591	
Increase in deferred land sales revenue	48,138	
Decrease in deferred special assessments	<u>(1,948)</u>	
		451,914
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Payments on capital lease	18,939	
Decrease in deferred loss on bonds	(487,260)	
Increase in unamortized bond premium	(258,206)	
Increase in bond issuance costs	212,077	
Issuance of long term debt	(19,030,000)	
Payments on debt principal	<u>10,325,000</u>	
		(9,219,450)
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.		
Increase in accrued leave	(149,818)	
Decrease in accrued interest payable	70,680	
Decrease in net pension/OPEB obligation	<u>1,982,862</u>	
		1,903,724
Internal service funds are used by management to charge the costs of health insurance to individual funds. Net income of these activities is reported with governmental activities.		
		<u>1,428,234</u>
Change in net assets of governmental activities		\$ <u>60,313,584</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

General Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget and Actual

Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	\$ 79,585,430	79,585,430	80,796,716	1,211,286
Intergovernmental	18,049,870	18,049,870	19,830,139	1,780,269
Charges for services	4,276,100	4,276,100	3,903,193	(372,907)
Investment income	2,500,000	2,500,000	2,469,345	(30,655)
Other	-	-	158,584	158,584
Total revenues	<u>104,411,400</u>	<u>104,411,400</u>	<u>107,157,977</u>	<u>2,746,577</u>
Expenditures:				
General government	19,144,222	18,707,384	16,205,517	2,501,867
Public works	3,822,706	3,857,309	3,856,964	345
Emergency services	6,958,510	7,335,565	6,135,996	1,199,569
Public services	2,948,267	2,921,638	2,726,917	194,721
Education	44,711,888	44,711,888	44,012,143	699,745
Total expenditures	<u>77,585,593</u>	<u>77,533,784</u>	<u>72,937,537</u>	<u>4,596,247</u>
Excess of revenues over expenditures	26,825,807	26,877,616	34,220,440	7,342,824
Other financing sources (uses):				
Proceeds from disposal of capital assets	5,000	5,000	13,944	8,944
Transfers in	23,500	23,500	466,744	443,244
Transfers out	<u>(24,226,890)</u>	<u>(24,743,352)</u>	<u>(24,635,882)</u>	<u>107,470</u>
Net other financing sources (uses)	<u>(24,198,390)</u>	<u>(24,714,852)</u>	<u>(24,155,194)</u>	<u>559,658</u>
Net change in fund balance	\$ <u>2,627,417</u>	<u>2,162,764</u>	10,065,246	<u>7,902,482</u>
Fund balance at beginning of year			<u>40,673,253</u>	
Fund balance at end of year		\$	<u>50,738,499</u>	

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

 Proprietary Funds
 Statement of Net Assets
 June 30, 2009

<u>Assets</u>	<u>Major Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Solid Waste</u>	<u>Port</u>		
Current assets:				
Cash and investments	\$ -	-	-	8,860,172
Receivables:				
Accounts	371,848	-	371,848	2,794
Interfund loans	-	-	-	48,177
Intergovernmental	2,302,804	574,802	2,877,606	-
Deposits with others	-	-	-	28,340
Prepaid items	-	135,000	135,000	-
Inventory	-	765	765	-
Total current assets	<u>2,674,652</u>	<u>710,567</u>	<u>3,385,219</u>	<u>8,939,483</u>
Noncurrent assets:				
Restricted cash - landfill closure	<u>2,221,005</u>	<u>-</u>	<u>2,221,005</u>	<u>-</u>
Interfund loans receivable - long-term	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,943</u>
Property, plant and equipment:				
Buildings	2,319,227	7,969	2,327,196	-
Improvements other than buildings	1,512,853	-	1,512,853	-
Equipment	1,319,820	41,322	1,361,142	-
Landfill cells	4,519,944	-	4,519,944	-
Infrastructure	-	26,414,621	26,414,621	-
Construction in progress	<u>3,248,744</u>	<u>11,067,369</u>	<u>14,316,113</u>	<u>-</u>
Total property, plant and equipment	12,920,588	37,531,281	50,451,869	-
Accumulated depreciation and amortization	<u>(2,393,476)</u>	<u>(3,171,521)</u>	<u>(5,564,997)</u>	<u>-</u>
Net property, plant and equipment	<u>10,527,112</u>	<u>34,359,760</u>	<u>44,886,872</u>	<u>-</u>
Total noncurrent assets	<u>12,748,117</u>	<u>34,359,760</u>	<u>47,107,877</u>	<u>481,943</u>
Total assets	\$ <u>15,422,769</u>	<u>35,070,327</u>	<u>50,493,096</u>	<u>9,421,426</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Proprietary Funds

Statement of Net Assets, continued

<u>Liabilities and Net Assets</u>	<u>Major Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Solid Waste</u>	<u>Port</u>		
Liabilities:				
Current liabilities:				
Accounts payable	\$ 282,119	350,766	632,885	46,149
Accrued liabilities	86,390	43,456	129,846	-
Deposit refunds	-	10,000	10,000	-
Unearned revenue	7,789	32,689	40,478	-
Due to General Fund	1,623,846	1,739,515	3,363,361	-
Accrued interest payable	15,221	89,362	104,583	-
Current portion:				
General obligation bonds	-	395,000	395,000	-
Interfund note payable	-	165,900	165,900	-
Loans payable	43,682	-	43,682	12,947
Insurance claims incurred but not reported	-	-	-	1,782,570
Total current liabilities	<u>2,059,047</u>	<u>2,826,688</u>	<u>4,885,735</u>	<u>1,841,666</u>
Noncurrent liabilities:				
General obligation bonds payable	-	7,630,000	7,630,000	-
Unamortized bond premium	-	142,444	142,444	-
Loans payable	3,941,120	-	3,941,120	269,256
Interfund note payable	-	567,879	567,879	-
Landfill closure costs payable	2,634,890	-	2,634,890	-
Total noncurrent liabilities	<u>6,576,010</u>	<u>8,340,323</u>	<u>14,916,333</u>	<u>269,256</u>
Total liabilities	<u>8,635,057</u>	<u>11,167,011</u>	<u>19,802,068</u>	<u>2,110,922</u>
Net assets:				
Invested in capital assets, net of related debt	6,542,310	26,192,316	32,734,626	-
Unrestricted (deficit)	<u>245,402</u>	<u>(2,289,000)</u>	<u>(2,043,598)</u>	<u>7,310,504</u>
Total net assets	<u>6,787,712</u>	<u>23,903,316</u>	<u>30,691,028</u>	<u>7,310,504</u>
Total liabilities and net assets	\$ <u>15,422,769</u>	<u>35,070,327</u>	<u>50,493,096</u>	<u>9,421,426</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2009

	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Operating revenues:				
Intragovernmental	\$ -	-	-	5,814,600
Charges for services	3,319,865	639,645	3,959,510	-
Interest on loans	-	-	-	19,805
Employee contributions	-	-	-	471,047
Other	-	499	499	-
Total operating revenues	<u>3,319,865</u>	<u>640,144</u>	<u>3,960,009</u>	<u>6,305,452</u>
Operating expenses:				
Landfill operations	2,566,995	-	2,566,995	-
Transfer sites	1,626,940	-	1,626,940	-
Dock operations	-	515,997	515,997	-
Claims	-	-	-	3,983,404
Depreciation and amortization	232,355	666,933	899,288	-
Administrative fees	70,066	20,800	90,866	887,587
Premium	-	-	-	67,855
Total operating expenses	<u>4,496,356</u>	<u>1,203,730</u>	<u>5,700,086</u>	<u>4,938,846</u>
Operating income (loss)	(1,176,491)	(563,586)	(1,740,077)	1,366,606
Nonoperating revenues (expenses):				
Investment income	37,555	-	37,555	81,433
Intergovernmental - State sources:				
PERS relief	100,548	23,568	124,116	-
Debt service reimbursement	-	754,870	754,870	-
Miscellaneous income	38	-	38	-
Interest expense	(17,757)	(401,600)	(419,357)	-
Net nonoperating revenues (expenses)	<u>120,384</u>	<u>376,838</u>	<u>497,222</u>	<u>81,433</u>
Income (loss) before transfers, contributions, and special item	(1,056,107)	(186,748)	(1,242,855)	1,448,039
Transfers in	-	661,407	661,407	-
Transfers out	(1,477)	-	(1,477)	(19,805)
Capital contributions	-	979,938	979,938	-
Special item - write off NPO/OPEB	<u>96,461</u>	<u>20,001</u>	<u>116,462</u>	<u>-</u>
Change in net assets	(961,123)	1,474,598	513,475	1,428,234
Net assets at beginning of year	<u>7,748,835</u>	<u>22,428,718</u>	<u>30,177,553</u>	<u>5,882,270</u>
Net assets at end of year	\$ <u>6,787,712</u>	<u>23,903,316</u>	<u>30,691,028</u>	<u>7,310,504</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

 Proprietary Funds
 Statement of Cash Flows
 Year Ended June 30, 2009

	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Cash flows from operating activities:				
Receipts from customers	\$ 3,151,288	651,918	3,803,206	-
Receipts from employees and other	-	-	-	468,253
Payments to suppliers	(2,262,108)	(369,096)	(2,631,204)	-
Payments to employees	(1,490,922)	(242,698)	(1,733,620)	-
Loans made to other funds	-	-	-	(25,000)
Payments for interfund services (used) provided	(70,066)	(20,800)	(90,866)	5,814,600
Principal payments received on loans	-	-	-	250,383
Interest payments received on loans	-	-	-	19,805
Principal payments on loan payable	-	-	-	(12,755)
Payments for claims and services	-	-	-	(4,704,513)
Net cash flows from operating activities	<u>(671,808)</u>	<u>19,324</u>	<u>(652,484)</u>	<u>1,810,773</u>
Cash flows from noncapital financing activities:				
Transfers out	(1,477)	-	(1,477)	(19,805)
Increase in due to other funds	853,796	-	853,796	-
Net cash flows from noncapital financing activities	<u>852,319</u>	<u>-</u>	<u>852,319</u>	<u>(19,805)</u>
Cash flows from capital and related financing activities:				
Purchases of property, plant and equipment	(322,646)	(695,090)	(1,017,736)	-
Capital contributions received	190,897	489,795	680,692	-
Transfers in	-	661,407	661,407	-
Proceeds from issuance of long term debt	-	-	-	-
Principal and interest paid on interfund note	-	(210,884)	(210,884)	-
Principal and interest paid on bonds and loans	(48,762)	(754,000)	(802,762)	-
Debt service reimbursement	-	754,870	754,870	-
Decrease in due to General Fund	-	(265,422)	(265,422)	-
Net cash flows from capital and related financing activities	<u>(180,511)</u>	<u>(19,324)</u>	<u>(199,835)</u>	<u>-</u>
Cash flows from investing activities - investment income received	<u>37,555</u>	<u>-</u>	<u>37,555</u>	<u>81,433</u>
Net increase in cash and investments	37,555	-	37,555	1,872,401
Cash and investments at beginning of year	<u>2,183,450</u>	<u>-</u>	<u>2,183,450</u>	<u>6,987,771</u>
Cash and investments at end of year	\$ <u>2,221,005</u>	<u>-</u>	<u>2,221,005</u>	<u>8,860,172</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(1,176,491)	(563,586)	(1,740,077)	1,366,606
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Miscellaneous nonoperating revenues	38	-	38	-
Depreciation and amortization	232,355	666,933	899,288	-
Noncash expense - PERS relief	100,548	23,568	124,116	-
(Increase) decrease in assets:				
Accounts receivable	(168,615)	-	(168,615)	(2,794)
Prepaid items	-	(135,000)	(135,000)	20,690
Deposits with others	-	-	-	(28,340)
Other receivable	-	1,774	1,774	-
Loans receivable	-	-	-	225,383
Inventory	-	1	1	-
Increase (decrease) in liabilities:				
Accounts payable	91,842	13,459	105,301	24,112
Accrued liabilities	6,595	2,175	8,770	-
Landfill closure costs payable	244,825	-	244,825	-
Unearned revenue	(2,905)	-	(2,905)	-
Loan payable	-	-	-	(12,755)
Deposit refunds	-	10,000	10,000	-
Insurance claims incurred but not reported	-	-	-	217,871
Net cash flows from operating activities	\$ <u>(671,808)</u>	<u>19,324</u>	<u>(652,484)</u>	<u>1,810,773</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
 Agency Funds
 Statement of Fiduciary Assets and Liabilities
 June 30, 2009

Assets

Cash and investments	\$ 213,291,641
Property taxes receivable:	
Real	97,065
Personal	16,703
Special assessments receivable	841,294
Interest receivable	1,585,975
Prepaid items	5,352
Construction in progress	<u>32,683,112</u>
 Total assets	 \$ <u>248,521,142</u>

Liabilities

Accounts payable	5,015,250
Deposits	245,770
Taxes collected in advance	131,338
Intergovernmental	16,490
Notes payable - gas lines	203,356
Notes payable - road improvements	382,509
Bonds payable, net of discount	<u>242,526,429</u>
 Total liabilities	 \$ <u>248,521,142</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements

June 30, 2009

(1) **Summary of Significant Accounting Policies**

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

The accounting policies of the Borough conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies.

Reporting Entity

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

In conformity with Governmental Accounting Standards Board Statement No. 14, the financial data of the component unit of the Borough is discretely presented in the component unit column in the basic financial statements. The School District is reported in a separate column to emphasize that it is legally separate from the Borough. Copies of the School District's component unit financial statements may be requested from the School District at 501 North Gulkana, Palmer, Alaska, 99645.

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

Government-Wide and Fund Financial Statements

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

Government-Wide and Fund Financial Statements, continued

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to accrued leave are recorded only to the extent they have matured.

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

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

The Borough reports the following major funds:

Major Governmental Funds

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *School Buildings Debt Service Fund* accounts for bond redemption activities relating to bonded debt issued to finance the activities of construction, renovation, and repair of school facilities throughout the Borough.

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

The *Road Service Areas Repairs Capital Project Fund* accounts for activities relating to road repairs and paving of roads throughout the Borough.

Major Proprietary Funds

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

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

In addition, the Borough reports the following fund types:

Governmental Fund Types

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

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

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

Proprietary Fund Type

Internal Service Funds – The Borough reports on six Internal Service Funds. Three of the funds make low interest loans to other funds of the Borough and the other three account for self insurance activities involving health, unemployment, and property and casualty insurance.

Fiduciary Fund Type

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

Estimates

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

Budgets and Budgetary Accounting

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

- a. Prior to or on the third Tuesday of April, the Borough Manager submits to the Assembly a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

Budgets and Budgetary Accounting, continued

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

Statement of Cash Flows

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of infrastructure assets, the Borough chose to include all such items, regardless of their acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

Prepaid Items

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

Inventories

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

Accrued Leave

The liability reported for compensated absences reported in the government-wide statements consists of unpaid, vested annual leave.

Long-Term Debt

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The various designations of fund balance can be located in the combining and individual fund financial statements beginning on page 53.

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 general liability, errors and omissions, worker's compensation (as required by statute), and professional liability.

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

Self-Insurance Coverage

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

The Borough (excluding the School District) provides health insurance on a self-insured basis up to \$85,000 each occurrence or \$1 million in aggregate for all medical claims during the year. Coverage in excess of these amounts is insured by a private carrier. The Borough contracts with a third party administrator for health claims servicing. The Borough charges each department and employee a premium based on the actual claims paid by the Borough. The Borough accrues a liability for claims incurred but not reported at year end.

A schedule of the changes in the claims liability for the years ended June 30, 2008 and June 30, 2009 follows:

	<u>Unemploy- ment Insurance</u>	<u>Health Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Worker's Comp Insurance</u>	<u>Total</u>
Balance at June 30, 2007	\$ 28,796	682,984	623,000	-	1,334,780
Claims expense	118,425	4,001,330	312,832	-	4,432,587
Claims paid	<u>(125,184)</u>	<u>(3,852,106)</u>	<u>(203,341)</u>	<u>-</u>	<u>(4,180,631)</u>
Balance at June 30, 2008	<u>22,037</u>	<u>832,208</u>	<u>732,491</u>	<u>-</u>	<u>1,586,736</u>
Claims expense	147,784	3,473,524	118,113	243,983	3,983,404
Claims paid	<u>(123,672)</u>	<u>(3,369,948)</u>	<u>(200,459)</u>	<u>(47,342)</u>	<u>(3,741,421)</u>
Balance at June 30, 2009	\$ <u>46,149</u>	<u>935,784</u>	<u>650,145</u>	<u>196,641</u>	<u>1,828,719</u>

It is estimated that all of the Health Insurance and Worker's Comp Insurance claims liability and \$200,000 of the Property and Casualty Insurance claims liability is due within one year. The ending balance in the Unemployment Insurance is included in accounts payable.

Deferred Compensation

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

Retirement Plan

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

(2) **Cash and Investments**

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

Investments

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

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2009.

	<u>Pooled Cash and Investments</u>	<u>Other</u>	<u>Totals</u>
Bank deposits	\$ (5,165,373)	512,810	(4,652,563)
Investments	366,244,567	-	366,244,567
	<u>\$ 361,079,194</u>	<u>512,810</u>	<u>361,592,004</u>

Reconciliation to the basic financial statements:

	<u>Borough Accounts</u>	<u>School Accounts</u>	<u>Totals</u>
Primary government cash and investments	\$ 137,906,896	-	137,906,896
Restricted cash	3,322,024	-	3,322,024
Agency funds	213,291,641	-	213,291,641
School District	<u>6,558,633</u>	<u>512,810</u>	<u>7,071,443</u>
	<u>\$ 361,079,194</u>	<u>512,810</u>	<u>361,592,004</u>

Interest Rate Risk

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Cash and Investments, continued

Reconciliation of Deposit and Investment Balances, continued

Interest Rate Risk, continued

Investment maturities in general investments at June 30, 2009 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>More Than 5</u>
U.S. government agencies	\$ 249,077,490	249,077,490	-	-
Repurchase agreement	<u>8,980,187</u>	<u>8,980,187</u>	<u>-</u>	<u>-</u>
Total subject to interest rate risk	258,057,677	<u>258,057,677</u>	<u>-</u>	<u>-</u>
Pooled investments	<u>108,186,890</u>			
Total investments	\$ <u>366,244,567</u>			

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the U.S. government agency investments are rated AAA by Standard and Poor's. To minimize credit risk, the Borough's investments are limited to those discussed on page 34, under "Investments."

The Alaska Municipal League Investment Pool (AMLIP) is an external investment pool which is not SEC registered and is not rated for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

Custodial credit risk

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

(3) **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.

(4) **Interfund Balances and Activities**

Balances due to/from other funds at June 30, 2009, consisted of the following:

Due to the General Fund from:

Port Enterprise Fund for advances for capital costs	\$ 1,739,515
Solid Waste Enterprise Fund for advances for capital costs	1,623,846

Nonmajor governmental funds for advances for capital costs	<u>1,379,987</u>
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Total due to General Fund	<u>\$ 4,743,348</u>
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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 \$12,947 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. Amounts distributed at June 30, 2009 were as follows:

Road Service Area 9 – Midway Road	\$ 38,182
Road Service Area 14 – Fairview Road	22,435
Road Service Area 16 – South Colony	82,318
Road Service Area 19 – Lazy Mountain	452
Road Service Area 23 – North Colony	10,160
Road Service Area 25 – Bogard Road	76,308
Road Service Area 26 – Greater Butte Road	4,289
Road Service Area 28 – Gold Trail Road	46,000
Road Service Area 31 – Alpine Road	<u>2,059</u>
Total loans payable to other funds associated with ADEC loan	<u>\$ 282,203</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Interfund Balances and Activities, continued

Other advances to/from other funds, representing long-term loans at June 30, 2009 with established payment terms, consisted of amounts payable to the Revolving Loan Internal Service Funds from the following special revenue funds:

Loans payable with established payment terms:

\$180,000 Service Area 131 – Circle View revolving loan, due in annual installments of \$6,000, plus interest approved by the Assembly through 2035	\$ 156,000
\$51,000 Service Area 36 – Talkeetna Water and Sewer revolving loan, due in annual installments of \$6,375 plus interest as approved by the Assembly, through 2012	19,125
\$50,000 Service Area 36 – Talkeetna Water and Sewer revolving loan, due in annual installments of \$6,250, plus interest as approved by the Assembly, through 2014	31,250
\$57,900 Special Service Area – Garden Terrace Estates revolving loan, due in annual installments of \$8,272, plus interest as approved by the Assembly, through 2011	16,542
\$25,000 Fire Service Area – Caswell Lakes revolving loan, due in annual installments of \$8,333, plus interest as approved by the Assembly, through 2012	<u>25,000</u>
Total loans payable to other funds with established payment terms	<u>247,917</u>
Total loans payable to Revolving Loan Internal Service Funds	\$ <u>530,120</u>

Transfers to/from other funds for the year ended June 30, 2009 consisted of the following:

From General Fund to:	
School Buildings Debt Service Fund for debt service	\$ 16,890,000
Road Service Areas Repairs Capital Project Fund for capital project costs	1,309,360
Nonmajor governmental funds for capital projects costs	5,228,130
Nonmajor governmental funds for debt service	547,000
Port Enterprise Fund for capital project costs	<u>661,392</u>
Total transfers from General Fund	<u>24,635,882</u>
From School Projects Capital Project Fund to General Fund to return capital contributions	<u>820</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Interfund Balances and Activities, continued

From Road Service Areas Repairs Capital Project Fund to:	
General Fund to return capital contributions	\$ 57,832
Nonmajor governmental funds to return capital contributions	<u>104,596</u>
Total transfers from Road Service Areas Repairs Capital Project Fund	<u>162,428</u>
From nonmajor governmental funds to:	
General Fund to return capital contributions	388,287
School Projects Capital Project Fund for capital project costs	5,000
Road Service Areas Repairs Capital Project Fund for capital project costs	3,924,335
Port Enterprise Fund to return capital contributions	15
Other nonmajor governmental funds for operating costs	83
Other nonmajor governmental funds for debt service	823,000
Other nonmajor governmental funds for capital project costs	3,926,232
Other nonmajor governmental funds to return capital contributions	<u>1,229,068</u>
Total transfers from nonmajor governmental funds	<u>10,296,020</u>
From Solid Waste Enterprise Fund to nonmajor governmental funds to return capital contributions	<u>1,477</u>
From Internal Service Funds to General Fund for interest on revolving loans	<u>19,805</u>
Total transfers	\$ <u>35,116,432</u>

(5) **Capital Assets**

Capital asset activity for the year ended June 30, 2009 follows:

	Balance July 1, <u>2008</u>	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, <u>2009</u>
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 13,559,635	50,371	-	13,610,006
Construction in progress	<u>97,076,602</u>	<u>58,625,065</u>	<u>406,531</u>	<u>155,295,136</u>
Total assets not being depreciated	<u>110,636,237</u>	<u>58,675,436</u>	<u>406,531</u>	<u>168,905,142</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Capital Assets, continued

	Balance July 1, <u>2008</u>	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, <u>2009</u>
<u>Governmental activities, continued:</u>				
<i>Capital assets being depreciated:</i>				
Buildings	\$ 354,800,857	-	-	354,800,857
Improvements other than buildings	19,642,334	236,727	-	19,879,061
Equipment	24,740,556	3,630,582	240,806	28,130,332
Infrastructure	<u>192,072,416</u>	<u>4,660,910</u>	<u>-</u>	<u>196,733,326</u>
Total assets being depreciated	<u>591,256,163</u>	<u>8,528,219</u>	<u>240,806</u>	<u>599,543,576</u>
Less accumulated depreciation for:				
Buildings	108,593,989	5,916,982	-	114,510,971
Improvements other than buildings	4,535,662	525,973	-	5,061,635
Equipment	13,249,040	2,029,609	229,524	15,049,125
Infrastructure	<u>108,655,210</u>	<u>2,250,965</u>	<u>-</u>	<u>110,906,175</u>
Total accumulated depreciation	<u>235,033,901</u>	<u>10,723,529</u>	<u>229,524</u>	<u>245,527,906</u>
 Total capital assets being depreciated, net	 <u>356,222,262</u>	 <u>(2,195,310)</u>	 <u>11,282</u>	 <u>354,015,670</u>
 Governmental activity capital assets, net	 \$ <u>466,858,499</u>	 <u>56,480,126</u>	 <u>417,813</u>	 <u>522,920,812</u>
 <u>Business-type activities:</u>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ <u>12,998,322</u>	<u>1,322,274</u>	<u>4,483</u>	<u>14,316,113</u>
<i>Capital assets being depreciated:</i>				
Buildings	2,327,196	-	-	2,327,196
Improvements other than buildings	1,508,370	4,483	-	1,512,853
Equipment	1,361,142	-	-	1,361,142
Landfill cells	4,519,944	-	-	4,519,944
Infrastructure	<u>26,414,621</u>	<u>-</u>	<u>-</u>	<u>26,414,621</u>
Total assets being depreciated	<u>36,131,273</u>	<u>4,483</u>	<u>-</u>	<u>36,135,756</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Capital Assets, continued

	Balance July 1, <u>2008</u>	Additions and <u>Reclass- ifications</u>	Deletions and <u>Reclass- ifications</u>	Balance June 30, <u>2009</u>
<u>Business-type activities:</u>				
Less accumulated depreciation for:				
Buildings	\$ 156,887	77,621	-	234,508
Improvements other than buildings	517,577	40,278	-	557,855
Equipment	805,417	72,659	-	878,076
Landfill cells	687,031	48,364	-	735,395
Infrastructure	<u>2,498,797</u>	<u>660,366</u>	<u>-</u>	<u>3,159,163</u>
Total accumulated depreciation	<u>4,665,709</u>	<u>899,288</u>	<u>-</u>	<u>5,564,997</u>
 Total capital assets being depreciated, net	 <u>31,465,564</u>	 <u>(894,805)</u>	 <u>-</u>	 <u>30,570,759</u>
 Business-type activity capital assets, net	 <u>\$ 44,463,886</u>	 <u>427,469</u>	 <u>4,483</u>	 <u>44,886,872</u>

Depreciation expense was charged to the functions as follows:

Governmental activities

General government	\$ 418,100
Public works	150,292
Public service	2,926,342
Emergency services	1,763,548
Education	<u>5,465,247</u>
Total depreciation expense – governmental activities	\$ <u>10,723,529</u>

Business-type activities

Solid Waste	\$ 232,355
Port	<u>666,933</u>
Total depreciation expense – business-type activities	\$ <u>899,288</u>

Capital projects authorized or in progress are as follows:

	Project <u>Authorization</u>	<u>Expended</u>	Fund Balance <u>Available</u>	Required Future <u>Financing</u>
School projects	\$ 427,111,728	417,073,851	31,118,268	-
Sewage facility	13,207,166	11,488,340	227,972	234,346
Fire protection	39,594,617	33,473,963	4,708,400	-

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Capital Assets, continued

	<u>Project</u>		<u>Fund</u>	<u>Required</u>
	<u>Authorization</u>	<u>Expended</u>	<u>Balance</u>	<u>Future</u>
			<u>Available</u>	<u>Financing</u>
Road service repair	\$ 83,611,052	67,325,598	6,518,649	-
Sanitary landfills	18,295,686	14,064,062	1,131,012	-
Ambulance and emergency medical services	24,316,567	22,554,994	1,095,949	-
Roads and bridges	57,395,257	39,713,010	1,089,341	1,676,060
Borough facility	46,331,406	43,717,259	2,447,597	-
Cultural and recreational	11,115,755	10,512,818	643,793	-
Port	56,660,093	40,517,247	2,474,022	396,978
Major maintenance	1,149,094	1,111,716	3	-
Infrastructure	27,845,000	8,552,200	113,837	16,252,469
Miscellaneous	57,993,318	50,802,205	5,460,068	-
Pass-through grants	<u>5,543,746</u>	<u>4,690,595</u>	<u>169,756</u>	<u>98,791</u>
	\$ <u>870,170,485</u>	<u>765,597,858</u>	<u>57,228,667</u>	<u>18,658,644</u>

(6) **Long-term Debt**

Issuance of New Debt

ADEC Loans

In 2008, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loan will be paid back over twenty years and bears interest at 1.5% with the interest accrual beginning one year following the date of the first draw. The loan is for a maximum of \$3,500,000 and is being used to pay for the landfill expansion project (specifically, Cell 3 construction). During the current year, the Borough drew down funds against the loan in the amount of \$1,094,044, bringing the total loan balance to \$3,032,683. Repayment amortization is yet to be determined. This loan is recorded in the Solid Waste Enterprise Fund.

General Obligation Bonds

In 2009, the Borough issued \$19,030,000 of general obligation school bonds to finance upgrades, major renovations, and renewal projects for various Borough schools.

In October 2008, voters approved the issuance of \$15,000,000 in areawide general obligation bonds for the purpose of capital improvements to the transportation systems public facilities. As of June 30, 2009, none of the bonds have been issued.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

A summary of changes in long-term debt for the year ended June 30, 2009 follows:

<u>Governmental activities</u>	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2009</u>	Due Within <u>One Year</u>
School projects bonds	\$ 159,305,000	19,030,000	9,535,000	168,800,000	9,960,000
Park and recreation bonds	3,240,000	-	190,000	3,050,000	195,000
Certificates of participation	9,020,000	-	600,000	8,420,000	645,000
ADEC salted sand building loan	294,958	-	12,755	282,203	12,947
Capital lease – telephones	18,939	-	18,939	-	-
Compensated absences	1,946,885	1,974,065	1,824,247	2,096,703	2,096,703
Net pension/OPEB obligation	1,982,862	-	1,982,862	-	-
Insurance claims incurred but not reported	<u>1,564,699</u>	<u>3,835,620</u>	<u>3,617,749</u>	<u>1,782,570</u>	<u>1,332,425</u>
	<u>\$ 177,373,343</u>	<u>24,839,685</u>	<u>17,781,552</u>	184,431,476	<u>14,242,075</u>
Plus unamortized bond premium				6,006,827	
Less deferred loss on refunding				<u>(3,228,559)</u>	
				<u>\$ 187,209,744</u>	

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

<u>Business-type activities</u>	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2009</u>	Due Within <u>One Year</u>
Port bonds	\$ 8,410,000	-	385,000	8,025,000	395,000
ADEC solid waste loan – Cell 3 construction	1,938,639	1,094,044	-	3,032,683	-
ADEC solid waste loan – hazardous waste facility	995,155	-	43,036	952,119	43,682
Landfill closure and post-closure monitoring costs	2,390,065	244,825	-	2,634,890	-
Compensated absences	121,076	111,431	102,661	129,846	129,846
Net pension/OPEB obligation	<u>116,462</u>	<u>-</u>	<u>116,462</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,971,397</u>	<u>1,450,300</u>	<u>647,159</u>	14,774,538	<u>568,528</u>
Plus unamortized bond premium				142,444	
				<u>\$ 14,916,982</u>	

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

At June 30, 2009, long-term debt, other than the ADEC solid waste loan for Cell 3 construction, compensated absences, and landfill closure and post closure monitoring costs, is comprised of the following individual issues:

General obligation bonds:

School projects bonds:

\$19,030,000 2009 Series A School bonds, due in annual installments of \$615,000 to \$1,465,000, plus interest at 3.0% to 5.5% through April 1, 2030	\$ 19,030,000
\$33,505,000 2007 Series A School refunding bonds, due in annual installments of \$1,960,000 to \$5,360,000, starting 2014 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 \$805,000 to \$1,575,000, plus interest at 4.0% to 4.75% through February 1, 2026	19,315,000
\$19,200,000 2006 Series B School bonds, due in annual installments of \$750,000 to \$1,480,000, plus interest at 4.0% to 4.75% through February 1, 2026	18,095,000
\$27,095,000 2005 Series A School bonds, due in annual installments of \$1,050,000 to \$1,375,000, plus interest at 3.25% to 5.25% through April 1, 2017	9,565,000
\$44,575,000 2004 Series D School refunding bonds, due in annual installments of \$845,000 to \$6,880,000, plus interest at 3.15% to 5.0% through April 1, 2020	42,795,000
\$15,895,000 2004 Series A School bonds, due in annual installments of \$640,000 to \$890,000, plus interest at 3.75% to 4.75% through April 1, 2018	6,785,000
\$6,305,000 2004 Series B School bonds, due in annual installments of \$255,000 to \$455,000, plus interest at 3.25% to 4.75% through April 1, 2024	4,395,000
\$14,143,000 2001 Series A School bonds, due in annual installments of \$625,000 to \$650,000, plus interest at 4.50% to 4.75% through March 1, 2011	1,275,000
\$10,500,000 2000 Series A School bonds, due in final installment of \$480,000, plus interest at 5.35% on March 1, 2010	480,000

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

General obligation bonds, continued:

School projects bonds, continued:

\$36,745,000 1999 Series A School bonds, due in annual installments of \$2,430,000 to \$3,010,000, plus interest at 5.5% through March 1, 2014 \$ 13,560,000
Total school projects bonds 168,800,000

Park bonds:

\$2,210,000 2007 Series B Park bonds, due in annual installments of \$240,000 to \$325,000, starting 2014 plus interest at 4.0% to 5.25% through April 1, 2021 2,210,000

\$4,400,000 2001 Series B Park bonds, due in annual installments of \$195,000 to \$225,000, plus interest at 4.5% to 4.8% through March 1, 2013 840,000
Total park bonds 3,050,000

\$9,810,000 2004 Series C Port bonds, due in annual installments of \$395,000 to \$720,000, plus interest at 3.25% to 5.0% through April 1, 2024 8,025,000
Total general obligation bonds \$ 179,875,000

Certificates of participation:

\$5,235,000 2000 Public Safety Building Lease Certificates of Participation, due in annual installments of \$355,000 to \$490,000, plus interest at 4.8% to 5.75% through March 1, 2016 \$ 2,930,000

\$5,750,000 2008 Animal Control Building Certificates of Participation, due in annual installments of \$290,000 to \$535,000, plus interest at 4.0% to 5.75% through March 1, 2023 5,490,000
Total certificates of participation \$ 8,420,000

ADEC loans:

\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$12,947 to \$16,926, plus interest at 1.5% through August 8, 2027 \$ 282,203

\$995,155 ADEC loan for Hazardous Materials Facility, due in annual installments of \$43,682 to \$57,107, plus interest at 1.5% through August 31, 2027 952,119
Total ADEC loans \$ 1,234,322

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

The annual requirements to amortize long-term debt outstanding at June 30, 2009, other than the compensated absences, landfill closure and post closure monitoring costs, insurance claims incurred but not reported, and the ADEC loan for Cell 3 construction which is not yet in repayment status are as follows:

Year Ended June 30	<u>Governmental Activities</u>				<u>Business-type Activities</u>			
	<u>General Obligation Bonds and Certificates of Participation</u>		<u>ADEC Loan</u>		<u>Port Bonds</u>		<u>ADEC Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 10,800,000	8,017,448	12,947	4,233	395,000	357,450	43,682	14,282
2011	11,915,000	7,900,997	13,141	4,039	410,000	344,613	44,337	13,627
2012	12,405,000	7,416,242	13,338	3,842	420,000	330,263	45,002	12,962
2013	12,995,000	6,833,462	13,538	3,642	440,000	314,513	45,677	12,287
2014	13,600,000	6,220,750	13,741	3,439	455,000	298,013	46,362	11,602
2015-2019	64,075,000	22,064,797	71,861	14,039	2,605,000	1,162,989	242,454	47,366
2020-2024	38,790,000	9,276,996	77,417	8,483	3,300,000	468,300	261,191	28,629
2025-2029	14,225,000	1,706,738	66,220	2,501	-	-	223,414	8,442
2030	<u>1,465,000</u>	<u>36,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>180,270,000</u>	<u>69,474,055</u>	<u>282,203</u>	<u>44,218</u>	<u>8,025,000</u>	<u>3,276,141</u>	<u>952,119</u>	<u>149,197</u>

The following summarizes the amounts available for payment of general long-term debt at June 30, 2009:

	<u>Debt Service Funds</u>
School general obligation bonds	\$ 774,734
Parks and recreation bonds	16,611
Certificates of participation	<u>1,178,130</u>
	\$ <u>1,969,475</u>

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

There is no legal debt margin for municipalities in the State of Alaska. In 1983, the Borough Assembly adopted an ordinance limiting outstanding general obligation debt to 7% of the Borough's assessed value. At June 30, 2009, the Borough was in compliance.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

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, 2009, based on landfill capacity used as of that date. The \$2,634,890 reported as landfill closure and postclosure care liability at June 30, 2009 represents the cumulative amount reported to date based on the use of 16.27% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$13,559,628 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, 2009, 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 improvements districts and are payable solely from the assessments. As such, the Borough is not obligated in any manner for the special assessment debt and is acting solely as agent on behalf of the local improvement districts. The balance of special assessment bonds payable at June 30, 2009 follows:

Gas line bonds	\$ 203,356
Road improvement bonds	<u>382,509</u>
Total	\$ <u>585,865</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

Advance Refunding of Bonds

In 2005 and 2007, the Borough issued \$44,575,000 and \$33,505,000, respectively, of general obligation refunding bonds for the purpose of refunding \$43,070,000 and \$34,695,000, respectively, of outstanding general obligation school bonds. In 2007, the Borough also issued \$2,210,000 of general obligation refunding bonds for the purpose of refunding \$2,245,000 of outstanding park bonds. Proceeds from these refundings were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. For financial reporting purposes, this debt has been considered defeased and therefore, removed as a liability. As of June 30, 2009, the amount of defeased debt outstanding associated with the 2005 and 2007 refundings was \$38,310,000.

(7) **Defined Benefit Pension Plan**

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Benefit Pension Plan, continued

Conversion to Cost Sharing, continued

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

As a result of the conversion to cost-sharing, the Borough will not be obligated to pay or to continue amortizing any prior recorded Net Pension/OPEB obligation. Accordingly, the Borough has written off its June 30, 2008 net pension/OPEB obligation and has recognized a special item (gain) in the amount of \$2,099,324 in these financial statements.

Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (2.09% for pension and 4.66% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (2.32% for pension and 5.18% for healthcare). The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due.

Under the recently adopted cost sharing arrangement, the employer contribution rate is statutorily capped at 22%, although State legislation currently provides that the State of Alaska will contribute any amount over 22% such that the total contribution equals the Alaska Retirement Management Board adopted rate. This rate will be consistent with the actuarially determined rate, but not the same as the Governmental Accounting Standards Board (GASB) Statement 45 accounting rate.

The Borough's contribution rates for 2009 were determined as part of the June 30, 2006 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 45* Rate
Pension	6.82%	10.91%	8.47%
Postemployment healthcare	<u>15.18%</u>	<u>24.31%</u>	<u>37.25%</u>
Total contribution rate	<u>22.00%</u>	<u>35.22%</u>	<u>45.72%</u>

*Using the 4.5% OPEB discount rate and disregarding future Medicare Part D payments.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Benefit Pension Plan, continued

The significant actuarial information and assumptions used in the most recent valuation of the plan follow:

Valuation Date	June 30, 2008
Actuarial Cost Method	Entry age normal Level percentage of pay for pension Level dollar for healthcare
Amortization Method	Level dollar, closed
Equivalent Single Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	8.25% pension, 4.5% healthcare
Salary Scale	<i>Peace Officers/Firefighters</i> Merit: 2.5% per year for first 6 years, 0.5% thereafter Productivity: 0.5% per year <i>Others</i> Merit: 5.5% per year grading down to 1.5% after 5 years, for more than 6 years of service, 1.0% grading down to 0% Productivity: 0.5% per year
Payroll Growth	4.0%
Inflation	3.5%
Health Cost Trend	Medical: 8.0% in FY09 trending downward by variable amounts to 5.9% in FY15, 5.8% through FY25, 5.7% through FY50, and 5.1% through FY100 Prescription Drugs: 10.8% in FY09 trending downward by variable amounts to 5.9% in FY15, 5.8% through FY25, 5.7% through FY50 and 5.1% through FY100

The State of Alaska Public Employees' Retirement System retiree healthcare benefits are partially funded. The PERS plan uses the percentage of ARC methodology in the development of the investment rate of return.

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Benefit Pension Plan, continued

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

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

Annual Pension and Postemployment Healthcare Cost

The Borough is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.22% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the Borough has recorded the State contribution in the amount of \$2,065,660 as a PERS on-behalf payment. However, because the Borough is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. Only one year of information is available at this time.

<u>Year</u> <u>Ended</u> <u>June 30</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Total</u> <u>Benefit</u> <u>Cost</u> <u>(TBC)</u>	<u>Borough</u> <u>Contri-</u> <u>butions</u>	<u>% of</u> <u>TBC</u> <u>Contributed</u>
2009	\$ 997,448	\$ 2,222,203	\$ 3,219,651	\$ 3,219,651	100%

The total benefit cost includes \$254,694 of Borough contributions attributable to the PERS Tier IV defined contribution plan wages.

(8) Defined Contribution Pension Plan

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Contribution Pension Plan, continued

Employees are required to contribute 8.0% of their annual covered salary and the Borough is required to make the following contributions:

	<u>Others</u> <u>Tier IV</u>	<u>Police/Fire</u> <u>Tier IV</u>
Individual account	5.00%	5.00%
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	0.99	0.99
Occupational death and disability benefits	<u>0.58</u>	<u>1.33</u>
	<u>9.57</u> %	<u>10.32</u> %

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

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The Borough and employee contributions to PERS including the HRA contribution for the year ended June 30, 2009 were \$207,755 and \$167,984, respectively.

(9) **Contingencies**

On May 16, 2007, a lawsuit was filed by NPI LLC, relating to two contracts at Port McKenzie. The suit seeks recession of one of the contracts, claims breach and demands damages. Extensive discovery involving tens of thousands of documents is proceeding as well as depositions and expert reports. The case is being aggressively defended with several motions for partial summary judgment being filed and several more pending. The initial complaint sought \$150,000 in damages as well as recoupment of a \$3,000,000 participation payment. Since then, indicators are that damages claimed have reached approximately \$14 million. The Borough expects to prevail and trial is expected in the second half of 2010.

On April 24, 2008, a construction litigation claim was filed against the Borough by Steppers Construction, Inc. regarding work performed at the Borough’s Central Landfill. The contractor claims they are owed approximately \$1.5 million for the work performed before termination of the contract. There are added claims for overhead and unjust enrichment. The Borough counterclaimed for fraud, unfair trade practices and spoliation of evidence alleging that Steppers Construction, Inc. intentionally bid the project to be able to attempt to increase project cost by 50% after work began and then failed to keep proper records in an attempt to cover it up. The case is being defended and disputed aggressively and no realistic offers of settlement have been entertained. Indicators are that the plaintiffs are seeking in excess of \$2 million. The Borough expects to prevail and trial is set for February of 2010.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Contingencies, continued

Due to the uncertainty of the outcome of these two cases, no liability has been reflected in these financial statements.

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.

NONMAJOR

FUNDS

MATANUSKA-SUSITNA BOROUGH
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2009

<u>Assets</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and investments	\$ 21,372,368	93,722	17,953,435	39,419,525
Prepaid items	39,308	-	-	39,308
Receivables:				
Intergovernmental	787,514	-	5,656,914	6,444,428
Property taxes	2,247,733	-	-	2,247,733
Land sales contracts, net	25,640	-	-	25,640
Other	169,127	-	4,454	173,581
Interfund note receivable	733,779	-	-	733,779
Restricted cash	-	1,101,019	-	1,101,019
Land sales contracts, long term	981,251	-	-	981,251
	<u>26,356,720</u>	<u>1,194,741</u>	<u>23,614,803</u>	<u>51,166,264</u>
Total assets	\$			
	<u>26,356,720</u>	<u>1,194,741</u>	<u>23,614,803</u>	<u>51,166,264</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts, contracts and retentions payable	895,313	-	3,765,747	4,661,060
Due to General Fund	-	-	1,379,987	1,379,987
Deposits	29,068	-	-	29,068
Deferred revenue	3,107,393	-	2,362,880	5,470,273
Loans payable to other funds	530,120	-	-	530,120
	<u>4,561,894</u>	<u>-</u>	<u>7,508,614</u>	<u>12,070,508</u>
Total liabilities				
Fund balances:				
Reserved:				
Prepaid items	39,308	-	-	39,308
Land Management Permanent Fund	4,738,176	-	-	4,738,176
Interfund note receivable	733,779	-	-	733,779
Debt reserve	-	1,087,571	-	1,087,571
Encumbrances	-	-	5,023,878	5,023,878
Unreserved:				
Designated:				
Self-insurance	10,000	-	-	10,000
Compensated absences	30,000	-	-	30,000
Equipment	1,025,000	-	-	1,025,000
Debt service	-	107,170	-	107,170
Subsequent year expenditures	2,130,597	-	11,082,311	13,212,908
Subsequent year appropriations	1,269,500	-	-	1,269,500
Undesignated	11,818,466	-	-	11,818,466
	<u>21,794,826</u>	<u>1,194,741</u>	<u>16,106,189</u>	<u>39,095,756</u>
Total fund balances				
	<u>21,794,826</u>	<u>1,194,741</u>	<u>16,106,189</u>	<u>39,095,756</u>
Total liabilities and fund balances	\$			
	<u>26,356,720</u>	<u>1,194,741</u>	<u>23,614,803</u>	<u>51,166,264</u>

MATANUSKA-SUSITNA BOROUGH
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Year Ended June 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues:				
Property taxes	\$ 24,834,859	-	-	24,834,859
Intergovernmental	1,181,431	-	15,519,384	16,700,815
Charges for services	2,366,873	-	-	2,366,873
Investment income	376,710	17,055	38,684	432,449
Interest on land sales	81,397	-	-	81,397
Other	<u>544,564</u>	<u>-</u>	<u>913,658</u>	<u>1,458,222</u>
Total revenues	<u>29,385,834</u>	<u>17,055</u>	<u>16,471,726</u>	<u>45,874,615</u>
Expenditures:				
General government	752,124	-	1,927,716	2,679,840
Emergency services	7,075,223	-	1,012,553	8,087,776
Public services	10,721,414	-	2,844,671	13,566,085
Debt service	20,169	1,390,166	-	1,410,335
Capital outlay	<u>-</u>	<u>-</u>	<u>22,656,940</u>	<u>22,656,940</u>
Total expenditures	<u>18,568,930</u>	<u>1,390,166</u>	<u>28,441,880</u>	<u>48,400,976</u>
Excess (deficiency) of revenues over expenditures	10,816,904	(1,373,111)	(11,970,154)	(2,526,361)
Other financing sources (uses):				
Transfers in	2,019,628	1,370,000	8,469,958	11,859,586
Transfers out	<u>(8,678,567)</u>	<u>(83)</u>	<u>(1,617,370)</u>	<u>(10,296,020)</u>
Net other financing sources (uses)	<u>(6,658,939)</u>	<u>1,369,917</u>	<u>6,852,588</u>	<u>1,563,566</u>
Net change in fund balances	4,157,965	(3,194)	(5,117,566)	(962,795)
Fund balances at beginning of year	<u>17,636,861</u>	<u>1,197,935</u>	<u>21,223,755</u>	<u>40,058,551</u>
Fund balances at end of year	\$ <u>21,794,826</u>	<u>1,194,741</u>	<u>16,106,189</u>	<u>39,095,756</u>

GENERAL

FUND

MATANUSKA-SUSITNA BOROUGH
 General Fund
 Balance Sheet
 June 30, 2009
 (With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 50,159,888	37,867,428
Prepaid items	236,425	106,897
Receivables:		
Intergovernmental	163,218	190,393
Delinquent property taxes, including foreclosure costs, penalties and interest, net of allowance for doubtful accounts of \$88,806 (\$85,808 in 2008)	9,605,430	8,991,318
Ambulance, net of allowance for doubtful accounts of \$148,667 (\$126,313 in 2008)	594,668	505,253
Excise taxes	768,439	665,252
Accrued interest	251,856	1,008,547
Other	431,468	543,500
Due from other funds	4,743,348	5,439,092
Deposits	1,497	1,497
Inventory	<u>98,008</u>	<u>108,036</u>
Total assets	<u>\$ 67,054,245</u>	<u>55,427,213</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	530,867	1,189,039
Accrued payroll and related liabilities	1,798,386	1,717,913
Other liabilities	204,133	201,413
Deferred revenue	<u>13,782,360</u>	<u>11,645,595</u>
Total liabilities	<u>16,315,746</u>	<u>14,753,960</u>
Fund balance:		
Reserved - inventory and prepaid items	334,433	214,933
Unreserved:		
Designated:		
Self-insurance	150,000	150,000
Compensated absences	250,000	250,000
Minimum fund balance	19,700,073	18,078,733
Assembly project	57,217	-
Subsequent year expenditures	3,099,000	-
Major repairs and renovations	3,568,000	2,568,000
Capital	1,603,248	853,248
Emergency response	2,356,750	1,606,750
2009 tax relief	-	4,771,700
Administration office space	1,500,000	1,000,000
School site acquisition	4,137,577	3,437,832
Dispatch services	22,945	400,000
EMS lease/purchase facility	200,000	200,000
Undesignated	<u>13,759,256</u>	<u>7,142,057</u>
Total fund balance	<u>50,738,499</u>	<u>40,673,253</u>
Total liabilities and fund balance	<u>\$ 67,054,245</u>	<u>55,427,213</u>

MATANUSKA-SUSITNA BOROUGH

General Fund

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended June 30, 2009
(With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Current year property tax levy	\$ 69,647,100	71,059,770	1,412,670	64,812,877
Penalty and interest on taxes	900,000	1,054,963	154,963	1,045,350
Foreclosure costs	85,000	98,797	13,797	117,349
Recording and attorney fees	17,000	23,783	6,783	26,721
Vehicle taxes collected through State of Alaska	2,857,430	2,833,167	(24,263)	2,758,779
Excise taxes	5,012,000	4,688,563	(323,437)	4,528,494
Transient accommodations tax	1,066,900	1,037,673	(29,227)	1,038,308
Total taxes	<u>79,585,430</u>	<u>80,796,716</u>	<u>1,211,286</u>	<u>74,327,878</u>
Intergovernmental:				
State sources:				
Debt service reimbursement	11,258,746	11,239,989	(18,757)	11,216,715
Municipal assistance	3,784,000	3,783,562	(438)	3,223,175
PERS relief	1,041,674	1,579,766	538,092	674,365
In lieu of taxes	4,000	6,972	2,972	291
Other	250	128	(122)	216
Federal sources:				
In lieu of taxes	1,935,000	3,069,265	1,134,265	1,935,514
Other	26,200	150,457	124,257	96,046
Total intergovernmental	<u>18,049,870</u>	<u>19,830,139</u>	<u>1,780,269</u>	<u>17,146,322</u>
Charges for services:				
Ambulance	2,685,100	2,377,666	(307,434)	1,940,070
Engineering inspections	121,500	65,411	(56,089)	143,428
Computer access fees	200	575	375	1,281
Planning and zoning	162,500	156,407	(6,093)	150,617
Ice arena	340,000	333,359	(6,641)	308,763
Community pool fees	485,000	483,944	(1,056)	541,559
Special assessment administration fees	30,000	9,893	(20,107)	21,944
Business licenses	250,000	244,100	(5,900)	48,738
Other	201,800	231,838	30,038	190,116
Total charges for services	<u>4,276,100</u>	<u>3,903,193</u>	<u>(372,907)</u>	<u>3,346,516</u>

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Investment income	\$ 2,500,000	2,469,345	(30,655)	5,022,057
Other	-	158,584	158,584	-
Total revenues	<u>104,411,400</u>	<u>107,157,977</u>	<u>2,746,577</u>	<u>99,842,773</u>
Expenditures:				
General government:				
Mayor	97,834	71,474	26,360	72,777
Assembly	389,276	384,709	4,567	358,848
Clerk	401,654	396,899	4,755	384,003
Administration	1,091,655	1,068,911	22,744	848,579
Elections	417,645	378,041	39,604	238,425
Records management	411,075	402,502	8,573	270,360
Finance	700,258	639,683	60,575	723,631
Budgeting	1,136,082	1,120,931	15,151	1,081,405
Accounting	1,659,081	1,640,314	18,767	1,378,172
Law	1,066,736	1,037,959	28,777	790,850
Human resource	483,861	448,608	35,253	353,765
Common contractual	1,245,400	921,501	323,899	909,393
Purchasing	702,904	669,920	32,984	573,937
Code compliance	566,465	565,554	911	473,223
Transportation	252,283	56,039	196,244	-
Labor relations/ethics board/senior citizens' advisory board	90,185	88,593	1,592	1,392
Adj. and appeals/bid review board	4,700	2,589	2,111	4,002
Planning	1,680,893	1,672,794	8,099	1,302,453
Planning administration	315,038	307,920	7,118	213,830
Platting	704,173	697,100	7,073	693,126
Pass-through to cities	423,945	423,945	-	554,955
Assessments	2,321,131	2,200,637	120,494	1,954,838
Information technology	3,273,910	3,266,722	7,188	2,564,590
Total general government	<u>19,436,184</u>	<u>18,463,345</u>	<u>972,839</u>	<u>15,746,554</u>

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

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Less recovery of expenditures from other funds	\$ (728,800)	(2,257,828)	1,529,028	(983,513)
Net general government	<u>18,707,384</u>	<u>16,205,517</u>	<u>2,501,867</u>	<u>14,763,041</u>
Public works:				
Public works administration	298,498	298,226	272	245,656
Maintenance	1,567,880	1,567,836	44	1,308,498
Project management and engineering	1,648,211	1,648,194	17	1,515,551
Permits and inspections	207,889	207,885	4	-
Public works operations	<u>134,831</u>	<u>134,823</u>	<u>8</u>	<u>123,838</u>
Total public works	<u>3,857,309</u>	<u>3,856,964</u>	<u>345</u>	<u>3,193,543</u>
Emergency services:				
Emergency medical services board	912	748	164	836
Local emergency planning board	5,430	2,125	3,305	740
Rescue units	445,435	381,387	64,048	362,011
Ambulance services	4,302,105	3,625,386	676,719	3,483,540
Emergency services building	123,188	75,527	47,661	68,032
Telecommunications network	915,006	765,534	149,472	660,513
Emergency services administration	<u>2,160,909</u>	<u>1,917,957</u>	<u>242,952</u>	<u>1,582,685</u>
Total emergency services	<u>7,952,985</u>	<u>6,768,664</u>	<u>1,184,321</u>	<u>6,158,357</u>
Less recovery of expenditures from other funds	<u>(617,420)</u>	<u>(632,668)</u>	<u>15,248</u>	<u>(566,798)</u>
Net emergency services	<u>7,335,565</u>	<u>6,135,996</u>	<u>1,199,569</u>	<u>5,591,559</u>
Public services:				
Community services	29,318	29,313	5	51,620
Cultural resources	179,765	169,477	10,288	172,920
Parks and recreation	442,257	390,630	51,627	424,504
Ice arena	634,655	626,868	7,787	548,607
Outdoor ice rinks	1,000	915	85	2,827
Recreational services	<u>226,229</u>	<u>198,448</u>	<u>27,781</u>	<u>191,758</u>

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

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
Expenditures, continued:				
Public services, continued:				
Community pools	\$ 1,224,598	1,084,324	140,274	983,600
Community development administration	257,752	237,024	20,728	198,937
Road service administration	1,270,711	1,336,367	(65,656)	1,228,608
Community enrichment	28,000	11,391	16,609	-
Recreation infrastructure maintenance	40,205	40,005	200	2,324
Total public services	4,334,490	4,124,762	209,728	3,805,705
Less recovery of expenditures from other funds	(1,412,852)	(1,397,845)	(15,007)	(1,481,378)
Net public services	2,921,638	2,726,917	194,721	2,324,327
Education - contributions to School District	44,711,888	44,012,143	699,745	41,758,621
Total expenditures	77,533,784	72,937,537	4,596,247	67,631,091
Excess of revenues over expenditures	26,877,616	34,220,440	7,342,824	32,211,682
Other financing sources (uses):				
Proceeds from disposal of capital assets	5,000	13,944	8,944	6,061
Transfers in	23,500	466,744	443,244	1,246,565
Transfers out	(24,743,352)	(24,635,882)	107,470	(26,425,093)
Net other financing sources (uses)	(24,714,852)	(24,155,194)	559,658	(25,172,467)
Net change in fund balance	\$ 2,162,764	10,065,246	7,902,482	7,039,215
Fund balance at beginning of year		40,673,253		33,634,038
Fund balance at end of year	\$	50,738,499		40,673,253

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SPECIAL

REVENUE

FUNDS

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MATANUSKA-SUSITNA BOROUGH

Special Revenue Funds

Combining Balance Sheet

June 30, 2009

(With Comparative Totals for 2008)

<u>Assets</u>	Nonareawide		Totals	
	<u>Services and Service Areas</u>	<u>Land Management</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 14,657,923	6,714,445	21,372,368	17,534,548
Prepaid items	38,177	1,131	39,308	3,567
Receivables:				
Intergovernmental	787,514	-	787,514	706,081
Property taxes	2,247,733	-	2,247,733	1,937,274
Land sales contracts, net	-	25,640	25,640	84,389
Other	168,677	450	169,127	175,472
Interfund note receivable	-	733,779	733,779	899,679
Land sales contracts, long term	-	981,251	981,251	819,136
Total assets	\$ 17,900,024	8,456,696	26,356,720	22,160,146
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	828,758	66,555	895,313	871,239
Deposits	-	29,068	29,068	27,107
Deferred revenue	2,107,133	1,000,260	3,107,393	2,869,436
Loans payable to other funds	530,120	-	530,120	755,503
Total liabilities	3,466,011	1,095,883	4,561,894	4,523,285
Fund balances:				
Reserved:				
Prepaid items	38,177	1,131	39,308	3,567
Land Management Permanent Fund	-	4,738,176	4,738,176	4,394,426
Interfund note receivable	-	733,779	733,779	899,679
Unreserved:				
Designated:				
Self-insurance	10,000	-	10,000	20,000
Compensated absences	20,000	10,000	30,000	40,000
Equipment	1,025,000	-	1,025,000	725,000
Subsequent year expenditures	1,418,766	711,831	2,130,597	2,002,436
Subsequent year appropriations	1,269,500	-	1,269,500	274,028
Undesignated	10,652,570	1,165,896	11,818,466	9,277,725
Total fund balances	14,434,013	7,360,813	21,794,826	17,636,861
Total liabilities and fund balances	\$ 17,900,024	8,456,696	26,356,720	22,160,146

MATANUSKA-SUSITNA BOROUGH
Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended June 30, 2009
(With Comparative Totals for 2008)

	Nonareawide Services and Service Areas	Land Management	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
Revenues:				
Property taxes	\$ 24,834,859	-	24,834,859	22,547,656
Intergovernmental	1,101,931	79,500	1,181,431	904,018
Charges for services	1,328,067	1,038,806	2,366,873	2,579,631
Investment income	219,828	156,882	376,710	825,653
Interest on land sales	-	81,397	81,397	96,192
Other	304,666	239,898	544,564	327,271
Total revenues	<u>27,789,351</u>	<u>1,596,483</u>	<u>29,385,834</u>	<u>27,280,421</u>
Expenditures:				
General government	752,124	-	752,124	972,850
Emergency services	7,075,223	-	7,075,223	6,535,903
Public services	9,314,388	1,407,026	10,721,414	9,851,009
Debt service	20,169	-	20,169	31,555
Total expenditures	<u>17,161,904</u>	<u>1,407,026</u>	<u>18,568,930</u>	<u>17,391,317</u>
Excess of revenues over expenditures	10,627,447	189,457	10,816,904	9,889,104
Other financing sources (uses):				
Transfers in	1,827,088	192,540	2,019,628	17,492
Transfers out	<u>(8,560,067)</u>	<u>(118,500)</u>	<u>(8,678,567)</u>	<u>(9,401,030)</u>
Net other financing sources (uses)	<u>(6,732,979)</u>	<u>74,040</u>	<u>(6,658,939)</u>	<u>(9,383,538)</u>
Net change in fund balance	3,894,468	263,497	4,157,965	505,566
Fund balances at beginning of year	<u>10,539,545</u>	<u>7,097,316</u>	<u>17,636,861</u>	<u>17,131,295</u>
Fund balances at end of year	<u>\$ 14,434,013</u>	<u>7,360,813</u>	<u>21,794,826</u>	<u>17,636,861</u>

MATANUSKA-SUSTINA BOROUGH
 Nonarea-wide Services and Service Areas Special Revenue Funds
 Combining Balance Sheet
 June 30, 2009

	<u>Assets</u>											<u>Totals</u>		
	Non- areawide Services	Service Area 7 Talketna Flood Control	Service Area 36 Talketna Water and Sewer	Freedom Hills Sub- division	Garden Terrace Estates	Circle View/ Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Grid Roller Mainte- enance	Roads Outside Service Areas		Combined Fire Service Areas	Road Service Areas
Cash and investments	\$ 316,358	37,514	42,645	33,376	87,028	18,494	1,478,460	24,397	210,660	27,139	3,212	7,689,984	4,688,656	14,657,923
Prepaid items	18,910	-	-	-	-	-	6,396	-	-	-	-	12,871	-	38,177
Receivables:														
Intergovernmental	787,514	-	-	-	-	-	-	-	-	-	-	-	-	787,514
Property taxes	221,854	553	-	-	1,210	105	-	20	-	-	-	747,684	1,276,307	2,247,733
Other	4,554	-	46,992	-	-	7,016	110,115	-	-	-	-	-	-	168,677
Total assets	\$ 1,349,190	38,067	89,637	33,376	88,238	25,615	1,594,971	24,417	210,660	27,139	3,212	8,450,539	5,964,963	17,900,024
	<u>Liabilities and Fund Balances</u>													
Liabilities:														
Accounts payable	137,857	-	29,706	-	7,620	-	8,081	-	-	-	-	72,363	573,131	828,758
Deferred revenue	218,846	251	-	-	1,210	7,048	-	-	-	-	-	701,624	1,178,154	2,107,133
Loans payable to other funds	-	-	50,375	-	16,542	156,000	-	-	-	-	-	25,000	282,203	530,120
Total liabilities	356,703	251	80,081	-	25,372	163,048	8,081	-	-	-	-	798,987	2,033,488	3,466,011
Fund balances:														
Reserved for prepaid items	18,910	-	-	-	-	-	6,396	-	-	-	-	12,871	-	38,177
Unreserved:														
Designated:														
Self-insurance	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Compensated absences	20,000	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Equipment	-	-	-	-	-	-	1,025,000	-	-	-	-	-	-	1,025,000
Subsequent year expenditures	477,767	1,167	-	19,481	-	-	208,191	3,625	-	-	1,468	462,726	244,341	1,418,766
Subsequent year appropriations	-	-	-	-	-	-	-	17,500	-	-	-	1,202,000	50,000	1,269,500
Undesignated (deficit)	465,810	36,649	9,556	13,895	62,866	(137,433)	347,303	3,292	210,660	27,139	1,744	5,973,955	3,637,134	10,652,570
Total fund balances (deficits)	992,487	37,816	9,556	33,376	62,866	(137,433)	1,586,890	24,417	210,660	27,139	3,212	7,651,552	3,931,475	14,434,013
Total liabilities and fund balances	\$ 1,349,190	38,067	89,637	33,376	88,238	25,615	1,594,971	24,417	210,660	27,139	3,212	8,450,539	5,964,963	17,900,024

MATANUSKA-SUSITNA BOROUGH

Nonareawide Services and Service Areas Special Revenue Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Deficits)
 Year Ended June 20, 2009

	Non-areawide Services	Service Area 7 Talketna Flood Control	Service Area 36 Talketna Water and Sewer	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
												Fire Service Areas	Road Service Areas	
Revenues:														
Property taxes	\$ 2,498,985	14,006	-	-	70,945	11,148	-	130	49,232	-	-	9,528,579	12,661,834	24,834,859
Intergovernmental	976,046	-	6,623	-	1,570	-	9,268	-	-	-	-	108,424	-	1,101,931
Charges for services	198,316	-	199,412	-	-	2,354	927,985	-	-	-	-	-	-	1,328,067
Investment income	6,871	521	742	564	1,275	307	22,025	411	3,153	322	54	111,550	72,033	219,828
Other	110,013	-	-	-	-	-	-	-	-	16,820	-	177,833	-	304,666
Total revenues	<u>3,790,231</u>	<u>14,527</u>	<u>206,777</u>	<u>564</u>	<u>73,790</u>	<u>13,809</u>	<u>959,278</u>	<u>541</u>	<u>52,385</u>	<u>17,142</u>	<u>54</u>	<u>9,926,386</u>	<u>12,733,867</u>	<u>27,789,351</u>
Expenditures:														
General government	752,124	-	-	-	-	-	-	-	-	-	-	-	-	752,124
Emergency services	1,472,245	-	-	-	-	-	491,104	-	-	-	-	5,111,874	-	7,075,223
Public services	1,157,452	558	174,293	-	39,903	-	-	-	876	616	-	-	7,940,690	9,314,388
Debt service	-	-	2,710	-	1,067	6,966	-	-	-	-	-	7,626	1,800	20,169
Total expenditures	<u>3,381,821</u>	<u>558</u>	<u>177,003</u>	<u>-</u>	<u>40,970</u>	<u>6,966</u>	<u>491,104</u>	<u>-</u>	<u>876</u>	<u>616</u>	<u>-</u>	<u>5,119,500</u>	<u>7,942,490</u>	<u>17,161,904</u>
Excess of revenues over expenditures	408,410	13,969	29,774	564	32,820	6,843	468,174	541	51,509	16,526	54	4,806,886	4,791,377	10,627,447
Other financing sources (uses):														
Transfers in	101,732	-	-	-	-	83	42,279	-	-	-	-	1,582,478	100,516	1,827,088
Transfers out	(610,000)	-	(19,800)	-	-	-	(150,000)	-	-	-	-	(3,855,932)	(3,924,335)	(8,560,067)
Net other financing sources (uses)	<u>(508,268)</u>	<u>-</u>	<u>(19,800)</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>(107,721)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,273,454)</u>	<u>(3,823,819)</u>	<u>(6,732,979)</u>
Net change in fund balances	(99,858)	13,969	9,974	564	32,820	6,926	360,453	541	51,509	16,526	54	2,533,432	967,558	3,894,468
Fund balances (deficits) at beginning of year	<u>1,092,345</u>	<u>23,847</u>	<u>(418)</u>	<u>32,812</u>	<u>30,046</u>	<u>(144,359)</u>	<u>1,226,437</u>	<u>23,876</u>	<u>159,151</u>	<u>10,613</u>	<u>3,158</u>	<u>5,118,120</u>	<u>2,963,917</u>	<u>10,539,545</u>
Fund balances (deficits) at end of year	\$ <u>992,487</u>	\$ <u>37,816</u>	\$ <u>9,556</u>	\$ <u>33,376</u>	\$ <u>62,866</u>	\$ <u>(137,433)</u>	\$ <u>1,586,890</u>	\$ <u>24,417</u>	\$ <u>210,660</u>	\$ <u>27,139</u>	\$ <u>3,212</u>	\$ <u>7,651,552</u>	\$ <u>3,931,475</u>	\$ <u>14,434,013</u>

MATANUSKA-SUSITNA BOROUGH
 Nonareawide Services Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 2,424,800	2,498,985	74,185	2,400,848
Intergovernmental:				
State PERS relief	109,403	156,393	46,990	83,035
Electric and telephone cooperative shared revenue	700,000	787,514	87,514	706,081
Library grants	31,000	32,139	1,139	31,750
Total intergovernmental	<u>840,403</u>	<u>976,046</u>	<u>135,643</u>	<u>820,866</u>
Charges for services:				
Animal care fees	155,400	171,438	16,038	149,115
User fees	20,800	26,878	6,078	22,480
Total charges for services	<u>176,200</u>	<u>198,316</u>	<u>22,116</u>	<u>171,595</u>
Investment income	50,000	6,871	(43,129)	49,825
Other	104,146	110,013	5,867	109,082
Total revenues	<u>3,595,549</u>	<u>3,790,231</u>	<u>194,682</u>	<u>3,552,216</u>
Expenditures:				
General government:				
Administration	173,500	168,500	5,000	208,000
Information technology	125,330	119,124	6,206	117,515
Economic development	502,474	463,737	38,737	647,318
Animal care board	4,500	763	3,737	17
Common contractual	5,000	-	5,000	-
Total general government	<u>810,804</u>	<u>752,124</u>	<u>58,680</u>	<u>972,850</u>
Emergency services - animal care	<u>1,634,028</u>	<u>1,472,245</u>	<u>161,783</u>	<u>1,458,716</u>
Public services:				
Vehicle removal	50,921	30,059	20,862	27,615
Libraries	1,116,415	1,080,396	36,019	1,011,999
Recreation services	51,857	46,997	4,860	3,889
Total public services	<u>1,219,193</u>	<u>1,157,452</u>	<u>61,741</u>	<u>1,043,503</u>
Total expenditures	<u>3,664,025</u>	<u>3,381,821</u>	<u>282,204</u>	<u>3,475,069</u>
Excess (deficiency) of revenues over expenditures	(68,476)	408,410	476,886	77,147
Other financing sources (uses):				
Transfers in	-	101,732	101,732	-
Transfers out	(610,000)	(610,000)	-	(717,183)
Net other financing sources (uses)	<u>(610,000)</u>	<u>(508,268)</u>	<u>101,732</u>	<u>(717,183)</u>
Net change in fund balance	\$ <u>(678,476)</u>	(99,858)	<u>578,618</u>	(640,036)
Fund balance at beginning of year		<u>1,092,345</u>		<u>1,732,381</u>
Fund balance at end of year		\$ <u>992,487</u>		<u>1,092,345</u>

MATANUSKA-SUSITNA BOROUGH
 Service Area 7 - Talkeetna Flood Control Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 12,630	14,006	1,376	12,311
Investment income	<u>400</u>	<u>521</u>	<u>121</u>	<u>752</u>
Total revenues	13,030	14,527	1,497	13,063
 Expenditures - public services	 <u>10,239</u>	 <u>558</u>	 <u>9,681</u>	 <u>1,342</u>
 Net change in fund balance	 \$ <u><u>2,791</u></u>	 13,969	 <u><u>11,178</u></u>	 11,721
 Fund balance at beginning of year		 <u>23,847</u>		 <u>12,126</u>
 Fund balance at end of year		 \$ <u><u>37,816</u></u>		 <u><u>23,847</u></u>

MATANUSKA-SUSITNA BOROUGH
 Service Area 36 - Talkeetna Water and Sewer Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance (Deficit) - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Charges for services - water and sewer	\$ 215,600	199,412	(16,188)	198,814
Investment income	-	742	742	1,534
Intergovernmental - PERS relief	3,732	6,623	2,891	4,081
Total revenues	<u>219,332</u>	<u>206,777</u>	<u>(12,555)</u>	<u>204,429</u>
Expenditures:				
Public services	183,423	174,293	9,130	171,683
Debt service	3,300	2,710	590	3,865
Total expenditures	<u>186,723</u>	<u>177,003</u>	<u>9,720</u>	<u>175,548</u>
Excess of revenues over expenditures	32,609	29,774	(2,835)	28,881
Other financing uses - transfers out	<u>-</u>	<u>(19,800)</u>	<u>(19,800)</u>	<u>-</u>
Net change in fund balance	\$ <u>32,609</u>	9,974	<u>(22,635)</u>	28,881
Deficit at beginning of year		<u>(418)</u>		<u>(29,299)</u>
Fund balance (deficit) at end of year	\$	<u>9,556</u>		<u>(418)</u>

MATANUSKA-SUSITNA BOROUGH
 Freedom Hills Subdivision Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
Revenues - investment income	\$ 900	564	(336)	2,079
Expenditures - public services	10,000	-	10,000	35,000
Net change in fund balance	\$ (9,100)	564	9,664	(32,921)
Fund balance at beginning of year		32,812		65,733
Fund balance at end of year		\$ 33,376		32,812

MATANUSKA-SUSITNA BOROUGH
 Garden Terrace Estates Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 67,460	70,945	3,485	63,818
Intergovernmental - PERS relief	862	1,570	708	1,139
Investment income	1,000	1,275	275	2,428
Total revenues	69,322	73,790	4,468	67,385
Expenditures:				
Public services - water service	50,523	39,903	10,620	49,185
Debt service	1,300	1,067	233	1,691
Total expenditures	51,823	40,970	10,853	50,876
Net change in fund balance	\$ <u>17,499</u>	32,820	<u>15,321</u>	16,509
Fund balance at beginning of year		30,046		13,537
Fund balance at end of year		\$ <u>62,866</u>		30,046

MATANUSKA-SUSITNA BOROUGH

Circle View/ Stampede Estates Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Deficit - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 10,640	11,148	508	10,122
Charges for services - special assessments	-	2,354	2,354	908
Investment income	-	307	307	778
Total revenues	10,640	13,809	3,169	11,808
Expenditures - debt service	8,300	6,966	1,334	8,586
Excess of revenues over expenditures	2,340	6,843	4,503	3,222
Other financing sources - transfers in	83	83	-	470
Net change in fund balance	\$ <u>2,423</u>	6,926	<u>4,503</u>	3,692
Deficit at beginning of year		<u>(144,359)</u>		<u>(148,051)</u>
Deficit at end of year	\$	<u>(137,433)</u>		<u>(144,359)</u>

MATANUSKA-SUSITNA BOROUGH
Enhanced 911 Service Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2009
(With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental - PERS relief	\$ 7,734	9,268	1,534	3,640
Telephone surcharge	852,000	927,985	75,985	895,785
Investment income	<u>15,000</u>	<u>22,025</u>	<u>7,025</u>	<u>53,978</u>
Total revenues	874,734	959,278	84,544	953,403
Expenditures - emergency services	<u>755,965</u>	<u>491,104</u>	<u>264,861</u>	<u>443,044</u>
Excess of revenues over expenditures	118,769	468,174	349,405	510,359
Other financing sources (uses):				
Transfers in	-	42,279	42,279	-
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>(732,445)</u>
Net other financing sources (uses)	<u>(150,000)</u>	<u>(107,721)</u>	<u>42,279</u>	<u>(732,445)</u>
Net change in fund balance	\$ <u><u>(31,231)</u></u>	360,453	<u><u>391,684</u></u>	(222,086)
Fund balance at beginning of year		<u>1,226,437</u>		<u>1,448,523</u>
Fund balance at end of year		\$ <u><u>1,586,890</u></u>		<u><u>1,226,437</u></u>

MATANUSKA-SUSITNA BOROUGH
 Chase Trail Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 130	130	-	150
Investment income	<u>500</u>	<u>411</u>	<u>(89)</u>	<u>981</u>
Total revenues	630	541	(89)	1,131
 Expenditures - public services	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
 Net change in fund balance	\$ <u>(2,370)</u>	541	<u>2,911</u>	1,131
 Fund balance at beginning of year		<u>23,876</u>		<u>22,745</u>
 Fund balance at end of year		\$ <u>24,417</u>		<u>23,876</u>

MATANUSKA-SUSITNA BOROUGH
 Service Area 69 Point MacKenzie Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 46,500	49,232	2,732	43,102
Investment income	<u>2,000</u>	<u>3,153</u>	<u>1,153</u>	<u>5,815</u>
Total revenues	<u>48,500</u>	<u>52,385</u>	<u>3,885</u>	<u>48,917</u>
 Expenditures - public services	 <u>35,000</u>	 <u>876</u>	 <u>34,124</u>	 <u>6,549</u>
 Net change in fund balance	 \$ <u>13,500</u>	 51,509	 <u>38,009</u>	 42,368
 Fund balance at beginning of year		 <u>159,151</u>		 <u>116,783</u>
 Fund balance at end of year		 \$ <u>210,660</u>		 <u>159,151</u>

MATANUSKA-SUSITNA BOROUGH
 Grid Roller Maintenance Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009			2008 Actual
	Budget	Actual	Variance Positive (Negative)	
Revenues:				
Investment income	\$ -	322	322	223
Other	-	<u>16,820</u>	<u>16,820</u>	<u>10,390</u>
Total revenues	<u>-</u>	<u>17,142</u>	<u>17,142</u>	<u>10,613</u>
 Expenditures - public services	<u>10,613</u>	<u>616</u>	<u>9,997</u>	<u>-</u>
 Net change in fund balance	\$ <u><u>(10,613)</u></u>	16,526	<u><u>27,139</u></u>	10,613
 Fund balance at beginning of year		<u>10,613</u>		<u>-</u>
 Fund balance at end of year		\$ <u><u>27,139</u></u>		<u><u>10,613</u></u>

MATANUSKA-SUSITNA BOROUGH
 Roads Outside Service Areas Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues - investment income	\$ <u>100</u>	<u>54</u>	<u>(46)</u>	<u>130</u>
Expenditures - public services - road service	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(400)</u></u>	54	<u><u>454</u></u>	130
Fund balance at beginning of year		<u>3,158</u>		<u>3,028</u>
Fund balance at end of year		\$ <u><u>3,212</u></u>		<u><u>3,158</u></u>

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MATANUSKA-SUSITNA BOROUGH
 Fire Service Areas Special Revenue Funds
 Combining Balance Sheet
 June 30, 2009

	Service Area										Totals
	130		132		136		35		135		
Assets	Wasilla-Lakes	Butte	Greater Palmer Consolidated	Sutton	Talkeetna	West Lakes	Willow	Caswell			
Cash and investments	\$ 3,157,341	430,617	1,901,074	154,214	213,394	1,436,223	372,151	24,970		7,689,984	
Prepaid items	-	6,746	-	-	6,125	-	-	-		12,871	
Receivables - property taxes	352,697	78,539	146,196	23,764	11,284	118,443	16,761	-		747,684	
Total assets	\$ 3,510,038	515,902	2,047,270	177,978	230,803	1,554,666	388,912	24,970		8,450,539	
<u>Liabilities and Fund Balances</u>											
Liabilities:											
Accounts payable	38,271	8,329	552	2,121	6,005	13,550	3,448	87		72,363	
Deferred revenue - property taxes	333,102	79,670	142,087	23,090	8,622	101,062	13,991	-		701,624	
Loans payable to other funds	-	-	-	-	-	-	-	25,000		25,000	
Total liabilities	371,373	87,999	142,639	25,211	14,627	114,612	17,439	25,087		798,987	
Fund balances:											
Reserved for prepaid items	-	6,746	-	-	6,125	-	-	-		12,871	
Unreserved:											
Designated:											
Subsequent year expenditures	-	-	34,473	49,799	123,054	147,549	107,851	-		462,726	
Subsequent year appropriations	665,000	37,000	-	-	-	500,000	-	-		1,202,000	
Undesignated	2,473,665	384,157	1,870,158	102,968	86,997	792,505	263,622	(117)		5,973,955	
Total fund balances (deficit)	3,138,665	427,903	1,904,631	152,767	216,176	1,440,054	371,473	(117)		7,651,552	
Total liabilities and fund balances	\$ 3,510,038	515,902	2,047,270	177,978	230,803	1,554,666	388,912	24,970		8,450,539	

MATANUSKA-SUSITNA BOROUGH
 Fire Service Areas Special Revenue Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Deficit)
 Year Ended June 30, 2009

	Service Area										Totals
	130 Wasilla- Lakes	2 Butte	Greater Palmer Consolidated	4 Sutton	24 Talkeetna	33 Big Lake	34 Meadow Lakes	136 West Lakes	35 Willow	135 Caswell	
Revenues:											
Property taxes	\$ 5,839,216	593,427	779,734	148,564	235,803	-	-	1,685,805	246,030	-	9,528,579
Intergovernmental - PERS relief	93,962	2,075	-	413	827	-	-	10,320	827	-	108,424
Investment income	46,033	6,508	27,556	2,581	4,425	-	-	18,877	5,357	213	111,550
Other	155,026	-	-	4,000	10,598	-	-	7,938	271	-	177,833
Total revenues	<u>6,134,237</u>	<u>602,010</u>	<u>807,290</u>	<u>155,558</u>	<u>251,653</u>	<u>-</u>	<u>-</u>	<u>1,722,940</u>	<u>252,485</u>	<u>213</u>	<u>9,926,386</u>
Expenditures:											
Emergency services:											
Administration	304,155	61,268	21,287	32,482	43,489	-	-	124,253	30,945	-	617,879
Fire services	2,725,662	215,823	315,709	66,153	134,873	-	-	816,831	218,614	330	4,493,995
Total emergency services	3,029,817	277,091	336,996	98,635	178,362	-	-	941,084	249,559	330	5,111,874
Debt service	-	3,218	-	-	860	-	-	3,548	-	-	7,626
Total expenditures	<u>3,029,817</u>	<u>280,309</u>	<u>336,996</u>	<u>98,635</u>	<u>179,222</u>	<u>-</u>	<u>-</u>	<u>944,632</u>	<u>249,559</u>	<u>330</u>	<u>5,119,500</u>
Excess (deficiency) of revenues over expenditures	3,104,420	321,701	470,294	56,923	72,431	-	-	778,308	2,926	(117)	4,806,886
Other financing sources (uses):											
Transfers in	18,415	901	489,277	139	2,664	-	-	869,746	201,336	-	1,582,478
Transfers out	(2,165,500)	(139,000)	(385,000)	(49,028)	(140,000)	(349,546)	(334,858)	(208,000)	(85,000)	-	(3,855,932)
Net other financing sources (uses)	<u>(2,147,085)</u>	<u>(138,099)</u>	<u>104,277</u>	<u>(48,889)</u>	<u>(137,336)</u>	<u>(349,546)</u>	<u>(334,858)</u>	<u>661,746</u>	<u>116,336</u>	<u>-</u>	<u>(2,273,454)</u>
Net change in fund balances	957,335	183,602	574,571	8,034	(64,905)	(349,546)	(334,858)	1,440,054	119,262	(117)	2,533,432
Fund balances at beginning of year	2,181,330	244,301	1,330,060	144,733	281,081	349,546	334,858	-	252,211	-	5,118,120
Fund balances (deficit) at end of year	<u>\$ 3,138,665</u>	<u>427,903</u>	<u>1,904,631</u>	<u>152,767</u>	<u>216,176</u>	<u>-</u>	<u>-</u>	<u>1,440,054</u>	<u>371,473</u>	<u>(117)</u>	<u>7,651,552</u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 130 - Wasilla-Lakes Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 5,632,800	5,839,216	206,416	5,298,302
Intergovernmental - PERS relief	52,693	93,962	41,269	32,358
Investment income	30,000	46,033	16,033	82,208
Other	100,500	155,026	54,526	174,872
Total revenues	5,815,993	6,134,237	318,244	5,587,740
Expenditures - emergency services:				
Administration	306,513	304,155	2,358	261,745
Fire services	2,924,838	2,725,662	199,176	2,232,543
Total expenditures	3,231,351	3,029,817	201,534	2,494,288
Excess of revenues over expenditures	2,584,642	3,104,420	519,778	3,093,452
Other financing sources (uses):				
Transfers in	-	18,415	18,415	-
Transfers out	(2,165,500)	(2,165,500)	-	(2,493,196)
Net other financing sources (uses)	(2,165,500)	(2,147,085)	18,415	(2,493,196)
Net change in fund balance	\$ <u>419,142</u>	957,335	<u>538,193</u>	600,256
Fund balance at beginning of year		2,181,330		1,581,074
Fund balance at end of year		\$ <u>3,138,665</u>		<u>2,181,330</u>

MATANUSKA-SUSITNA BOROUGH

Fire Service Area 2 - Butte Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 568,350	593,427	25,077	533,331
Intergovernmental - PERS relief	1,049	2,075	1,026	781
Investment income	3,000	6,508	3,508	11,266
Other	-	-	-	1,000
Total revenues	<u>572,399</u>	<u>602,010</u>	<u>29,611</u>	<u>546,378</u>
Expenditures:				
Emergency services:				
Administration	61,268	61,268	-	51,066
Fire services	<u>380,356</u>	<u>215,823</u>	<u>164,533</u>	<u>272,404</u>
Total emergency services	<u>441,624</u>	<u>277,091</u>	<u>164,533</u>	<u>323,470</u>
Debt service	<u>3,900</u>	<u>3,218</u>	<u>682</u>	<u>7,648</u>
Total expenditures	<u>445,524</u>	<u>280,309</u>	<u>165,215</u>	<u>331,118</u>
Excess of revenues over expenditures	126,875	321,701	194,826	215,260
Other financing sources (uses):				
Transfers in	-	901	901	11
Transfers out	<u>(139,000)</u>	<u>(139,000)</u>	<u>-</u>	<u>(7,500)</u>
Net other financing sources (uses)	<u>(139,000)</u>	<u>(138,099)</u>	<u>901</u>	<u>(7,489)</u>
Net change in fund balance	\$ <u>(12,125)</u>	183,602	<u>195,727</u>	207,771
Fund balance at beginning of year		<u>244,301</u>		<u>36,530</u>
Fund balance at end of year	\$	<u>427,903</u>		<u>244,301</u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 132 - Greater Palmer Consolidated Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 744,560	779,734	35,174	692,533
Investment income	10,000	27,556	17,556	49,945
Total revenues	<u>754,560</u>	<u>807,290</u>	<u>52,730</u>	<u>742,478</u>
Expenditures - emergency services:				
Administration	21,287	21,287	-	17,908
Fire services	357,081	315,709	41,372	400,638
Total expenditures	<u>378,368</u>	<u>336,996</u>	<u>41,372</u>	<u>418,546</u>
Excess of revenues over expenditures	376,192	470,294	94,102	323,932
Other financing sources (uses):				
Transfers in	-	489,277	489,277	-
Transfers out	(385,000)	(385,000)	-	(35,000)
Net other financing sources (uses)	<u>(385,000)</u>	<u>104,277</u>	<u>489,277</u>	<u>(35,000)</u>
Net change in fund balance	\$ <u>(8,808)</u>	574,571	<u>583,379</u>	288,932
Fund balance at beginning of year		<u>1,330,060</u>		<u>1,041,128</u>
Fund balance at end of year	\$	<u>1,904,631</u>		<u>1,330,060</u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 4 - Sutton Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 143,470	148,564	5,094	133,361
Intergovernmental - PERS relief	210	413	203	155
Investment income	3,000	2,581	(419)	6,653
Other	4,000	4,000	-	4,000
Total revenues	<u>150,680</u>	<u>155,558</u>	<u>4,878</u>	<u>144,169</u>
Expenditures - emergency services:				
Administration	33,715	32,482	1,233	31,214
Fire services	124,726	66,153	58,573	71,027
Total expenditures	<u>158,441</u>	<u>98,635</u>	<u>59,806</u>	<u>102,241</u>
Excess (deficiency) of revenues over expenditures	(7,761)	56,923	64,684	41,928
Other financing sources (uses):				
Transfers in	-	139	139	-
Transfers out	(49,028)	(49,028)	-	(63,500)
Net other financing sources (uses)	<u>(49,028)</u>	<u>(48,889)</u>	<u>139</u>	<u>(63,500)</u>
Net change in fund balance	\$ <u>(56,789)</u>	8,034	<u>64,823</u>	(21,572)
Fund balance at beginning of year		144,733		166,305
Fund balance at end of year		\$ <u>152,767</u>		<u>144,733</u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 24 - Talkeetna Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 220,860	235,803	14,943	213,807
Intergovernmental - PERS relief	505	827	322	311
Investment income	6,000	4,425	(1,575)	13,134
Other	11,050	10,598	(452)	11,303
Total revenues	238,415	251,653	13,238	238,555
Expenditures:				
Emergency services:				
Administration	43,489	43,489	-	30,731
Fire services	190,396	134,873	55,523	101,600
Total emergency services	233,885	178,362	55,523	132,331
Debt service	1,100	860	240	2,044
Total expenditures	234,985	179,222	55,763	134,375
Excess of revenues over expenditures	3,430	72,431	69,001	104,180
Other financing sources (uses):				
Transfers in	-	2,664	2,664	-
Transfers out	(140,000)	(140,000)	-	(99,500)
Net other financing sources (uses)	(140,000)	(137,336)	2,664	(99,500)
Net change in fund balance	\$ <u>(136,570)</u>	(64,905)	<u>71,665</u>	4,680
Fund balance at beginning of year		281,081		276,401
Fund balance at end of year		\$ 216,176		281,081

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 33 - Big Lake Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ -	-	-	538,549
Intergovernmental - PERS relief	-	-	-	2,373
Investment income	-	-	-	18,069
Other	-	-	-	4,621
Total revenues	-	-	-	563,612
Expenditures:				
Emergency services:				
Administration	-	-	-	63,492
Fire services	-	-	-	427,103
Total emergency services	-	-	-	490,595
Debt service	-	-	-	5,059
Total expenditures	-	-	-	495,654
Excess of revenues over expenditures	-	-	-	67,958
Other financing sources (uses):				
Transfers in	-	-	-	16,981
Transfers out	(349,546)	(349,546)	-	(52,294)
Net other financing sources (uses)	(349,546)	(349,546)	-	(35,313)
Net change in fund balance	\$ (349,546)	(349,546)	-	32,645
Fund balance at beginning of year		349,546		316,901
Fund balance at end of year	\$	-		349,546

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 34 - Meadow Lakes Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009			2008 <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	
Revenues:				
Property taxes	\$ -	-	-	993,419
Intergovernmental - PERS relief	-	-	-	2,918
Investment income	-	-	-	12,483
Other	-	-	-	3,600
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,420</u>
Expenditures:				
Emergency services:				
Administration	-	-	-	70,095
Fire services	-	-	-	353,988
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,083</u>
Excess of revenues over expenditures	-	-	-	588,337
Other financing uses - transfers out	<u>(334,858)</u>	<u>(334,858)</u>	<u>-</u>	<u>(491,253)</u>
Net change in fund balance	\$ <u><u>(334,858)</u></u>	<u>(334,858)</u>	<u><u>-</u></u>	97,084
Fund balance at beginning of year		<u>334,858</u>		<u>237,774</u>
Fund balance at end of year	\$	<u><u>-</u></u>		<u><u>334,858</u></u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 136 - West Lakes Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,602,770	1,685,805	83,035	-
Intergovernmental - PERS relief	5,414	10,320	4,906	-
Investment income	9,500	18,877	9,377	-
Other	7,800	7,938	138	-
Total revenues	<u>1,625,484</u>	<u>1,722,940</u>	<u>97,456</u>	<u>-</u>
Expenditures:				
Emergency services:				
Administration	124,253	124,253	-	-
Fire services	940,069	816,831	123,238	-
Total emergency services	<u>1,064,322</u>	<u>941,084</u>	<u>123,238</u>	<u>-</u>
Debt service	4,300	3,548	752	-
Total expenditures	<u>1,068,622</u>	<u>944,632</u>	<u>123,990</u>	<u>-</u>
Excess of revenues over expenditures	556,862	778,308	221,446	-
Other financing sources (uses):				
Transfers in	684,404	869,746	185,342	-
Transfers out	(208,000)	(208,000)	-	-
Net other financing sources (uses)	<u>476,404</u>	<u>661,746</u>	<u>185,342</u>	<u>-</u>
Net change in fund balance	\$ <u>1,033,266</u>	1,440,054	<u>406,788</u>	-
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance at end of year	\$	<u>1,440,054</u>		<u>-</u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 35 - Willow Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 234,640	246,030	11,390	225,060
Intergovernmental - PERS relief	419	827	408	311
Investment income	7,000	5,357	(1,643)	11,905
Other	-	271	271	-
Total revenues	242,059	252,485	10,426	237,276
Expenditures - emergency services:				
Administration	30,945	30,945	-	31,678
Fire services	269,956	218,614	51,342	216,911
Total expenditures	300,901	249,559	51,342	248,589
Excess (deficiency) of revenues over expenditures	(58,842)	2,926	61,768	(11,313)
Other financing sources (uses):				
Transfers in	-	201,336	201,336	30
Transfers out	(85,000)	(85,000)	-	(68,400)
Net other financing sources (uses)	(85,000)	116,336	201,336	(68,370)
Net change in fund balance	\$ (143,842)	119,262	263,104	(79,683)
Fund balance at beginning of year		252,211		331,894
Fund balance at end of year		\$ 371,473		252,211

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 135 - Caswell Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance (Deficit) - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	
Revenues - investment income	\$ -	213	213	-
Expenditures - emergency services - fire services	<u>25,000</u>	<u>330</u>	<u>24,670</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(25,000)</u></u>	(117)	<u>24,883</u>	-
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance (deficit) at end of year		\$ <u><u>(117)</u></u>		<u><u>-</u></u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Areas Special Revenue Funds
 Combining Balance Sheet
 June 30, 2009

	Service Area									
	9	14	15	16	17	19	20	21	23	
<u>Assets</u>	Midway Road	Fairview Road	Caswell Lake	South Colony	Knik Road	Lazy Mountain	Greater Willow	Big Lake Road	North Colony	
Cash and investments	\$ 527,422	203,850	166,037	882,078	311,561	133,036	202,311	430,936	23,962	
Receivables - property taxes	124,985	28,011	81,387	299,013	138,462	29,120	50,843	81,572	31,593	
Total assets	\$ 652,407	231,861	247,424	1,181,091	450,023	162,156	253,154	512,508	55,555	
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	11,381	30,966	25,400	43,211	69,821	10,235	35,317	52,166	8,373	
Deferred revenue - property taxes	122,629	28,135	73,285	293,843	125,005	29,042	43,972	65,768	28,074	
Loans payable to other funds	38,182	22,435	-	82,318	-	452	-	-	10,160	
Total liabilities	172,192	81,536	98,685	419,372	194,826	39,729	79,289	117,934	46,607	
Fund balances:										
Unreserved:										
Designated:										
Subsequent year expenditures	78,863	9,309	28,921	25,134	33,397	-	-	20,774	-	
Subsequent year appropriations	-	-	-	-	-	-	50,000	-	-	
Undesignated	401,352	141,016	119,818	736,585	221,800	122,427	123,865	373,800	8,948	
Total fund balances	480,215	150,325	148,739	761,719	255,197	122,427	173,865	394,574	8,948	
Total liabilities and fund balances	\$ 652,407	231,861	247,424	1,181,091	450,023	162,156	253,154	512,508	55,555	

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

	Service Area, continued					Totals		
	25	26	27	28	29		30	31
<u>Assets</u>	Bogard Road	Greater Butte Road	Meadow Lakes Road	Gold Trail Road	Greater Talkeetna Road	Trapper Creek Road	Alpine Road	
Cash and investments	\$ 432,688	244,364	547,305	255,109	152,817	85,956	89,224	4,688,656
Receivables - property taxes	65,332	70,673	102,357	88,946	27,208	28,861	27,944	1,276,307
Total assets	\$ 498,020	315,037	649,662	344,055	180,025	114,817	117,168	5,964,963
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	56,511	26,508	97,816	48,567	33,005	7,877	15,977	573,131
Deferred revenue - property taxes	60,688	68,860	92,020	80,446	19,238	21,231	25,918	1,178,154
Loans payable to other funds	76,308	4,289	-	46,000	-	-	2,059	282,203
Total liabilities	193,507	99,657	189,836	175,013	52,243	29,108	43,954	2,033,488
Fund balances:								
Unreserved:								
Designated:								
Subsequent year expenditures	5,354	7,936	-	26,223	8,430	-	-	244,341
Subsequent year appropriations	-	-	-	-	-	-	-	50,000
Undesignated	299,159	207,444	459,826	142,819	119,352	85,709	73,214	3,637,134
Total fund balances	304,513	215,380	459,826	169,042	127,782	85,709	73,214	3,931,475
Total liabilities and fund balances	\$ 498,020	315,037	649,662	344,055	180,025	114,817	117,168	5,964,963

MATANUSKA-SUSITNA BOROUGH
 Road Service Areas Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2009

	Service Area									
	9	14	15	16	17	19	20	21	23	
	Midway Road	Fairview Road	Caswell Lake	South Colony	Knik Road	Lazy Mountain	Greater Willow	Big Lake Road	North Colony	
Revenues:										
Property taxes	\$ 1,084,051	624,850	465,229	1,321,700	1,964,870	191,336	582,780	1,073,051	120,699	
Investment income	8,125	3,920	2,711	12,253	3,864	1,875	3,141	6,613	544	
Total revenues	<u>1,092,176</u>	<u>628,770</u>	<u>467,940</u>	<u>1,333,953</u>	<u>1,968,734</u>	<u>193,211</u>	<u>585,921</u>	<u>1,079,664</u>	<u>121,243</u>	
Expenditures:										
Public services:										
Administration	60,179	66,194	102,186	119,739	211,020	19,054	86,825	141,675	19,784	
Road service	305,881	315,505	291,836	569,568	897,181	116,444	393,786	714,278	113,460	
Total public services	<u>366,060</u>	<u>381,699</u>	<u>394,022</u>	<u>689,307</u>	<u>1,108,201</u>	<u>135,498</u>	<u>480,611</u>	<u>855,953</u>	<u>133,244</u>	
Debt service	49	29	-	106	-	1	-	1,436	13	
Total expenditures	<u>366,109</u>	<u>381,728</u>	<u>394,022</u>	<u>689,413</u>	<u>1,108,201</u>	<u>135,499</u>	<u>480,611</u>	<u>857,389</u>	<u>133,257</u>	
Excess (deficiency) of revenues over expenditures	726,067	247,042	73,918	644,540	860,533	57,712	105,310	222,275	(12,014)	
Other financing sources (uses):										
Transfers in	9,497	784	-	10,131	9,744	-	378	3,982	-	
Transfers out	<u>(629,844)</u>	<u>(290,709)</u>	<u>(59,026)</u>	<u>(333,090)</u>	<u>(722,783)</u>	<u>(13,698)</u>	<u>(88,280)</u>	<u>(91,820)</u>	<u>-</u>	
Net other financing sources (uses)	<u>(620,347)</u>	<u>(289,925)</u>	<u>(59,026)</u>	<u>(322,959)</u>	<u>(713,039)</u>	<u>(13,698)</u>	<u>(87,902)</u>	<u>(87,838)</u>	<u>-</u>	
Net change in fund balances	105,720	(42,883)	14,892	321,581	147,494	44,014	17,408	134,437	(12,014)	
Fund balances at beginning of year	374,495	193,208	133,847	440,138	107,703	78,413	156,457	260,137	20,962	
Fund balances at end of year	<u>\$ 480,215</u>	<u>150,325</u>	<u>148,739</u>	<u>761,719</u>	<u>255,197</u>	<u>122,427</u>	<u>173,865</u>	<u>394,574</u>	<u>8,948</u>	

MATANUSKA-SUSITNA BOROUGH

Road Service Areas Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued

	Service Area, continued					Totals	
	26	27	28	29	30		
	25	Greater Butte Road	Meadow Lakes Road	Gold Trail Road	Greater Talkeetna Road	Trapper Creek Road	31 Alpine Road
Revenues:							
Property taxes	\$ 1,071,000	637,415	1,352,653	1,390,683	424,517	156,546	200,454
Investment income	6,495	3,686	7,755	5,286	2,807	1,297	1,661
Total revenues	<u>1,077,495</u>	<u>641,101</u>	<u>1,360,408</u>	<u>1,395,969</u>	<u>427,324</u>	<u>157,843</u>	<u>202,115</u>
Expenditures:							
Public services:							
Administration	112,463	64,506	123,101	138,644	85,688	21,534	25,253
Road service	628,246	359,063	607,586	633,875	347,406	94,520	154,210
Total public services	<u>740,709</u>	<u>423,569</u>	<u>730,687</u>	<u>772,519</u>	<u>433,094</u>	<u>116,054</u>	<u>179,463</u>
Debt service	98	6	-	59	-	-	3
Total expenditures	<u>740,807</u>	<u>423,575</u>	<u>730,687</u>	<u>772,578</u>	<u>433,094</u>	<u>116,054</u>	<u>179,466</u>
Excess (deficiency) of revenues over expenditures	336,688	217,526	629,721	623,391	(5,770)	41,789	22,649
Other financing sources (uses):							
Transfers in	1,484	24,847	31,675	6,254	1,098	-	642
Transfers out	<u>(236,350)</u>	<u>(154,463)</u>	<u>(502,910)</u>	<u>(712,781)</u>	<u>(27,537)</u>	<u>(20,765)</u>	<u>(40,279)</u>
Net other financing sources (uses)	<u>(234,866)</u>	<u>(129,616)</u>	<u>(471,235)</u>	<u>(706,527)</u>	<u>(26,439)</u>	<u>(20,765)</u>	<u>(39,637)</u>
Net change in fund balances	101,822	87,910	158,486	(83,136)	(32,209)	21,024	(16,988)
Fund balances at beginning of year	202,691	127,470	301,340	252,178	159,991	64,685	90,202
Fund balances at end of year	<u>\$ 304,513</u>	<u>215,380</u>	<u>459,826</u>	<u>169,042</u>	<u>127,782</u>	<u>85,709</u>	<u>73,214</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 9 - Midway Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,045,160	1,084,051	38,891	1,003,217
Investment income	<u>5,000</u>	<u>8,125</u>	<u>3,125</u>	<u>13,702</u>
Total revenues	<u>1,050,160</u>	<u>1,092,176</u>	<u>42,016</u>	<u>1,016,919</u>
Expenditures:				
Public services:				
Administration	60,829	60,179	650	69,510
Road service	<u>457,102</u>	<u>305,881</u>	<u>151,221</u>	<u>257,047</u>
Total public services	<u>517,931</u>	<u>366,060</u>	<u>151,871</u>	<u>326,557</u>
Debt service	<u>389</u>	<u>49</u>	<u>340</u>	<u>-</u>
Total expenditures	<u>518,320</u>	<u>366,109</u>	<u>152,211</u>	<u>326,557</u>
Excess of revenues over expenditures	531,840	726,067	194,227	690,362
Other financing sources (uses):				
Transfers in	-	9,497	9,497	-
Transfers out	<u>(629,844)</u>	<u>(629,844)</u>	<u>-</u>	<u>(520,359)</u>
Net other financing sources (uses)	<u>(629,844)</u>	<u>(620,347)</u>	<u>9,497</u>	<u>(520,359)</u>
Net change in fund balance	\$ <u><u>(98,004)</u></u>	105,720	<u><u>203,724</u></u>	170,003
Fund balance at beginning of year		<u>374,495</u>		<u>204,492</u>
Fund balance at end of year		\$ <u><u>480,215</u></u>		<u><u>374,495</u></u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 14 - Fairview Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 590,640	624,850	34,210	541,948
Investment income	<u>4,000</u>	<u>3,920</u>	<u>(80)</u>	<u>9,247</u>
Total revenues	<u>594,640</u>	<u>628,770</u>	<u>34,130</u>	<u>551,195</u>
Expenditures:				
Public services:				
Administration	66,887	66,194	693	71,827
Road service	<u>385,541</u>	<u>315,505</u>	<u>70,036</u>	<u>228,398</u>
Total public services	<u>452,428</u>	<u>381,699</u>	<u>70,729</u>	<u>300,225</u>
Debt service	<u>330</u>	<u>29</u>	<u>301</u>	<u>-</u>
Total expenditures	<u>452,758</u>	<u>381,728</u>	<u>71,030</u>	<u>300,225</u>
Excess of revenues over expenditures	141,882	247,042	105,160	250,970
Other financing sources (uses):				
Transfers in	-	784	784	-
Transfers out	<u>(290,709)</u>	<u>(290,709)</u>	<u>-</u>	<u>(225,043)</u>
Net other financing sources (uses)	<u>(290,709)</u>	<u>(289,925)</u>	<u>784</u>	<u>(225,043)</u>
Net change in fund balance	\$ <u>(148,827)</u>	(42,883)	<u>105,944</u>	25,927
Fund balance at beginning of year		<u>193,208</u>		<u>167,281</u>
Fund balance at end of year	\$	<u><u>150,325</u></u>		<u><u>193,208</u></u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 15 - Caswell Lake Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 457,110	465,229	8,119	399,665
Investment income	<u>2,800</u>	<u>2,711</u>	<u>(89)</u>	<u>5,591</u>
Total revenues	<u>459,910</u>	<u>467,940</u>	<u>8,030</u>	<u>405,256</u>
Expenditures:				
Public services:				
Administration	103,289	102,186	1,103	99,615
Road service	<u>307,595</u>	<u>291,836</u>	<u>15,759</u>	<u>260,027</u>
Total public services	<u>410,884</u>	<u>394,022</u>	<u>16,862</u>	<u>359,642</u>
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>102</u>
Total expenditures	<u>410,884</u>	<u>394,022</u>	<u>16,862</u>	<u>359,744</u>
Excess of revenues over expenditures	49,026	73,918	24,892	45,512
Other financing uses - transfers out	<u>(59,026)</u>	<u>(59,026)</u>	<u>-</u>	<u>(13,967)</u>
Net change in fund balance	\$ <u>(10,000)</u>	14,892	<u>24,892</u>	31,545
Fund balance at beginning of year		<u>133,847</u>		<u>102,302</u>
Fund balance at end of year		\$ <u><u>148,739</u></u>		<u><u>133,847</u></u>

MATANUSKA-SUSITNA BOROUGH

Road Service Area 16 - South Colony Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	
Revenues:				
Property taxes	\$ 1,255,800	1,321,700	65,900	1,175,530
Investment income	<u>6,000</u>	<u>12,253</u>	<u>6,253</u>	<u>18,843</u>
Total revenues	<u>1,261,800</u>	<u>1,333,953</u>	<u>72,153</u>	<u>1,194,373</u>
Expenditures:				
Public services:				
Administration	121,017	119,739	1,278	138,998
Road service	<u>802,343</u>	<u>569,568</u>	<u>232,775</u>	<u>411,886</u>
Total public services	923,360	689,307	234,053	550,884
Debt service	<u>1,048</u>	<u>106</u>	<u>942</u>	<u>-</u>
Total expenditures	<u>924,408</u>	<u>689,413</u>	<u>234,995</u>	<u>550,884</u>
Excess of revenues over expenditures	337,392	644,540	307,148	643,489
Other financing sources (uses):				
Transfers in	-	10,131	10,131	-
Transfers out	<u>(333,090)</u>	<u>(333,090)</u>	<u>-</u>	<u>(491,080)</u>
Net other financing sources (uses)	<u>(333,090)</u>	<u>(322,959)</u>	<u>10,131</u>	<u>(491,080)</u>
Net change in fund balance	\$ <u>4,302</u>	321,581	<u>317,279</u>	152,409
Fund balance at beginning of year		<u>440,138</u>		<u>287,729</u>
Fund balance at end of year		\$ <u><u>761,719</u></u>		<u><u>440,138</u></u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 17 - Knik Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,855,460	1,964,870	109,410	1,705,670
Investment income	<u>5,000</u>	<u>3,864</u>	<u>(1,136)</u>	<u>8,503</u>
Total revenues	<u>1,860,460</u>	<u>1,968,734</u>	<u>108,274</u>	<u>1,714,173</u>
Expenditures - public services:				
Administration	213,277	211,020	2,257	221,169
Road service	<u>949,400</u>	<u>897,181</u>	<u>52,219</u>	<u>743,725</u>
Total expenditures	<u>1,162,677</u>	<u>1,108,201</u>	<u>54,476</u>	<u>964,894</u>
Excess of revenues over expenditures	697,783	860,533	162,750	749,279
Other financing sources (uses):				
Transfers in	-	9,744	9,744	-
Transfers out	<u>(722,783)</u>	<u>(722,783)</u>	<u>-</u>	<u>(865,173)</u>
Net other financing sources (uses)	<u>(722,783)</u>	<u>(713,039)</u>	<u>9,744</u>	<u>(865,173)</u>
Net change in fund balance	\$ <u>(25,000)</u>	147,494	<u>172,494</u>	(115,894)
Fund balance at beginning of year		<u>107,703</u>		<u>223,597</u>
Fund balance at end of year		\$ <u>255,197</u>		<u>107,703</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 19 - Lazy Mountain Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 181,080	191,336	10,256	169,475
Investment income	<u>1,500</u>	<u>1,875</u>	<u>375</u>	<u>3,296</u>
Total revenues	<u>182,580</u>	<u>193,211</u>	<u>10,631</u>	<u>172,771</u>
Expenditures:				
Public services:				
Administration	19,260	19,054	206	18,622
Road service	<u>149,469</u>	<u>116,444</u>	<u>33,025</u>	<u>102,004</u>
Total public services	168,729	135,498	33,231	120,626
Debt service	<u>10</u>	<u>1</u>	<u>9</u>	<u>-</u>
Total expenditures	<u>168,739</u>	<u>135,499</u>	<u>33,240</u>	<u>120,626</u>
Excess of revenues over expenditures	13,841	57,712	43,871	52,145
Other financing uses - transfers out	<u>(13,698)</u>	<u>(13,698)</u>	<u>-</u>	<u>(38,078)</u>
Net change in fund balance	\$ <u>143</u>	44,014	<u>43,871</u>	14,067
Fund balance at beginning of year		<u>78,413</u>		<u>64,346</u>
Fund balance at end of year		\$ <u>122,427</u>		<u>78,413</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 20 - Greater Willow Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 558,980	582,780	23,800	536,549
Investment income	<u>2,000</u>	<u>3,141</u>	<u>1,141</u>	<u>5,936</u>
Total revenues	<u>560,980</u>	<u>585,921</u>	<u>24,941</u>	<u>542,485</u>
Expenditures - public services:				
Administration	87,762	86,825	937	90,539
Road service	<u>445,057</u>	<u>393,786</u>	<u>51,271</u>	<u>249,654</u>
Total expenditures	<u>532,819</u>	<u>480,611</u>	<u>52,208</u>	<u>340,193</u>
Excess of revenues over expenditures	28,161	105,310	77,149	202,292
Other financing sources (uses):				
Transfers in	-	378	378	-
Transfers out	<u>(88,280)</u>	<u>(88,280)</u>	<u>-</u>	<u>(155,482)</u>
Net other financing sources (uses)	<u>(88,280)</u>	<u>(87,902)</u>	<u>378</u>	<u>(155,482)</u>
Net change in fund balance	\$ <u>(60,119)</u>	17,408	<u>77,527</u>	46,810
Fund balance at beginning of year		<u>156,457</u>		<u>109,647</u>
Fund balance at end of year		\$ <u>173,865</u>		<u>156,457</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 21 - Big Lake Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,017,270	1,073,051	55,781	983,242
Investment income	<u>6,000</u>	<u>6,613</u>	<u>613</u>	<u>13,490</u>
Total revenues	<u>1,023,270</u>	<u>1,079,664</u>	<u>56,394</u>	<u>996,732</u>
Expenditures:				
Public services:				
Administration	143,201	141,675	1,526	145,082
Road service	<u>869,849</u>	<u>714,278</u>	<u>155,571</u>	<u>722,675</u>
Total public services	1,013,050	855,953	157,097	867,757
Debt service	<u>5,700</u>	<u>1,436</u>	<u>4,264</u>	<u>2,560</u>
Total expenditures	<u>1,018,750</u>	<u>857,389</u>	<u>161,361</u>	<u>870,317</u>
Excess of revenues over expenditures	4,520	222,275	217,755	126,415
Other financing sources (uses):				
Transfers in	-	3,982	3,982	-
Transfers out	<u>(91,820)</u>	<u>(91,820)</u>	<u>-</u>	<u>(71,063)</u>
Net other financing sources (uses)	<u>(91,820)</u>	<u>(87,838)</u>	<u>3,982</u>	<u>(71,063)</u>
Net change in fund balance	\$ <u>(87,300)</u>	134,437	<u>221,737</u>	55,352
Fund balance at beginning of year		<u>260,137</u>		<u>204,785</u>
Fund balance at end of year		\$ <u>394,574</u>		<u>260,137</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 23 - North Colony Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 117,010	120,699	3,689	107,791
Investment income	<u>1,000</u>	<u>544</u>	<u>(456)</u>	<u>1,707</u>
Total revenues	<u>118,010</u>	<u>121,243</u>	<u>3,233</u>	<u>109,498</u>
Expenditures:				
Public services:				
Administration	19,998	19,784	214	21,643
Road service	<u>118,256</u>	<u>113,460</u>	<u>4,796</u>	<u>100,258</u>
Total public services	138,254	133,244	5,010	121,901
Debt service	<u>150</u>	<u>13</u>	<u>137</u>	<u>-</u>
Total expenditures	<u>138,404</u>	<u>133,257</u>	<u>5,147</u>	<u>121,901</u>
Net change in fund balance	\$ <u><u>(20,394)</u></u>	(12,014)	<u><u>8,380</u></u>	(12,403)
Fund balance at beginning of year		<u>20,962</u>		<u>33,365</u>
Fund balance at end of year	\$	<u><u>8,948</u></u>		<u><u>20,962</u></u>

MATANUSKA-SUSITNA BOROUGH

Road Service Area 25 - Bogard Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,022,710	1,071,000	48,290	986,072
Investment income	<u>5,000</u>	<u>6,495</u>	<u>1,495</u>	<u>12,188</u>
Total revenues	<u>1,027,710</u>	<u>1,077,495</u>	<u>49,785</u>	<u>998,260</u>
Expenditures:				
Public services:				
Administration	113,678	112,463	1,215	131,848
Road service	<u>672,574</u>	<u>628,246</u>	<u>44,328</u>	<u>564,896</u>
Total expenditures	<u>786,252</u>	<u>740,709</u>	<u>45,543</u>	<u>696,744</u>
Debt service	<u>1,120</u>	<u>98</u>	<u>1,022</u>	<u>-</u>
Total expenditures	<u>787,372</u>	<u>740,807</u>	<u>46,565</u>	<u>696,744</u>
Excess of revenues over expenditures	240,338	336,688	96,350	301,516
Other financing sources (uses):				
Transfers in	-	1,484	1,484	-
Transfers out	<u>(236,350)</u>	<u>(236,350)</u>	<u>-</u>	<u>(312,164)</u>
Net other financing sources (uses)	<u>(236,350)</u>	<u>(234,866)</u>	<u>1,484</u>	<u>(312,164)</u>
Net change in fund balance	\$ <u>3,988</u>	101,822	<u>97,834</u>	(10,648)
Fund balance at beginning of year		<u>202,691</u>		<u>213,339</u>
Fund balance at end of year	\$	<u>304,513</u>		<u>202,691</u>

MATANUSKA-SUSITNA BOROUGH

Road Service Area 26 - Greater Butte Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 608,780	637,415	28,635	578,273
Investment income	<u>3,000</u>	<u>3,686</u>	<u>686</u>	<u>6,796</u>
Total revenues	<u>611,780</u>	<u>641,101</u>	<u>29,321</u>	<u>585,069</u>
Expenditures:				
Public services:				
Administration	65,202	64,506	696	65,896
Road service	<u>391,823</u>	<u>359,063</u>	<u>32,760</u>	<u>363,657</u>
Total public services	457,025	423,569	33,456	429,553
Debt service	<u>67</u>	<u>6</u>	<u>61</u>	-
Total expenditures	<u>457,092</u>	<u>423,575</u>	<u>33,517</u>	<u>429,553</u>
Excess of revenues over expenditures	154,688	217,526	62,838	155,516
Other financing sources (uses):				
Transfers in	-	24,847	24,847	-
Transfers out	<u>(154,463)</u>	<u>(154,463)</u>	<u>-</u>	<u>(141,797)</u>
Net other financing sources (uses)	<u>(154,463)</u>	<u>(129,616)</u>	<u>24,847</u>	<u>(141,797)</u>
Net change in fund balance	\$ <u>225</u>	87,910	<u>87,685</u>	13,719
Fund balance at beginning of year		<u>127,470</u>		<u>113,751</u>
Fund balance at end of year		\$ <u>215,380</u>		<u>127,470</u>

MATANUSKA-SUSITNA BOROUGH
Road Service Area 27 - Meadow Lakes Road Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2009
(With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,286,150	1,352,653	66,503	1,225,426
Investment income	<u>8,000</u>	<u>7,755</u>	<u>(245)</u>	<u>16,070</u>
Total revenues	<u>1,294,150</u>	<u>1,360,408</u>	<u>66,258</u>	<u>1,241,496</u>
Expenditures - public services:				
Administration	124,430	123,101	1,329	128,503
Road service	<u>706,810</u>	<u>607,586</u>	<u>99,224</u>	<u>519,626</u>
Total expenditures	<u>831,240</u>	<u>730,687</u>	<u>100,553</u>	<u>648,129</u>
Excess of revenues over expenditures	462,910	629,721	166,811	593,367
Other financing sources (uses):				
Transfers in	-	31,675	31,675	-
Transfers out	<u>(502,910)</u>	<u>(502,910)</u>	<u>-</u>	<u>(645,226)</u>
Net other financing sources (uses)	<u>(502,910)</u>	<u>(471,235)</u>	<u>31,675</u>	<u>(645,226)</u>
Net change in fund balance	\$ <u>(40,000)</u>	158,486	<u>198,486</u>	(51,859)
Fund balance at beginning of year		<u>301,340</u>		<u>353,199</u>
Fund balance at end of year		\$ <u>459,826</u>		<u>301,340</u>

MATANUSKA-SUSITNA BOROUGH

Road Service Area 28 - Gold Trail Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,327,990	1,390,683	62,693	1,272,538
Investment income	6,000	5,286	(714)	13,939
Total revenues	<u>1,333,990</u>	<u>1,395,969</u>	<u>61,979</u>	<u>1,286,477</u>
Expenditures:				
Public services:				
Administration	140,124	138,644	1,480	148,961
Road service	<u>698,006</u>	<u>633,875</u>	<u>64,131</u>	<u>551,981</u>
Total public services	838,130	772,519	65,611	700,942
Debt service	<u>675</u>	<u>59</u>	<u>616</u>	<u>-</u>
Total expenditures	<u>838,805</u>	<u>772,578</u>	<u>66,227</u>	<u>700,942</u>
Excess of revenues over expenditures	495,185	623,391	128,206	585,535
Other financing sources (uses):				
Transfers in	-	6,254	6,254	-
Transfers out	<u>(712,781)</u>	<u>(712,781)</u>	<u>-</u>	<u>(581,077)</u>
Net other financing sources (uses)	<u>(712,781)</u>	<u>(706,527)</u>	<u>6,254</u>	<u>(581,077)</u>
Net change in fund balance	\$ <u>(217,596)</u>	(83,136)	<u>134,460</u>	4,458
Fund balance at beginning of year		<u>252,178</u>		<u>247,720</u>
Fund balance at end of year		\$ <u><u>169,042</u></u>		<u><u>252,178</u></u>

MATANUSKA-SUSITNA BOROUGH

Road Service Area 29 - Greater Talkeetna Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 391,870	424,517	32,647	379,753
Investment income	<u>2,000</u>	<u>2,807</u>	<u>807</u>	<u>6,807</u>
Total revenues	<u>393,870</u>	<u>427,324</u>	<u>33,454</u>	<u>386,560</u>
Expenditures - public services:				
Administration	86,606	85,688	918	83,214
Road service	<u>359,727</u>	<u>347,406</u>	<u>12,321</u>	<u>248,070</u>
Total expenditures	<u>446,333</u>	<u>433,094</u>	<u>13,239</u>	<u>331,284</u>
Excess (deficiency) of revenues over expenditures	(52,463)	(5,770)	46,693	55,276
Other financing sources (uses):				
Transfers in	-	1,098	1,098	-
Transfers out	<u>(27,537)</u>	<u>(27,537)</u>	<u>-</u>	<u>(24,764)</u>
Net other financing sources (uses)	<u>(27,537)</u>	<u>(26,439)</u>	<u>1,098</u>	<u>(24,764)</u>
Net change in fund balance	\$ <u>(80,000)</u>	(32,209)	<u>47,791</u>	30,512
Fund balance at beginning of year		<u>159,991</u>		<u>129,479</u>
Fund balance at end of year	\$	<u>127,782</u>		<u>159,991</u>

MATANUSKA-SUSITNA BOROUGH

Road Service Area 30 - Trapper Creek Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 143,100	156,546	13,446	144,880
Investment income	800	1,297	497	2,238
Total revenues	143,900	157,843	13,943	147,118
Expenditures - public services:				
Administration	21,766	21,534	232	20,932
Road service	101,369	94,520	6,849	80,558
Total expenditures	123,135	116,054	7,081	101,490
Excess of revenues over expenditures	20,765	41,789	21,024	45,628
Other financing uses - transfers out	(20,765)	(20,765)	-	(19,852)
Net change in fund balance	\$ -	21,024	21,024	25,776
Fund balance at beginning of year		64,685		38,909
Fund balance at end of year		\$ 85,709		64,685

MATANUSKA-SUSITNA BOROUGH

Road Service Area 31 - Alpine Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 198,080	200,454	2,374	178,914
Investment income	<u>1,500</u>	<u>1,661</u>	<u>161</u>	<u>3,905</u>
Total revenues	<u>199,580</u>	<u>202,115</u>	<u>2,535</u>	<u>182,819</u>
Expenditures:				
Public services:				
Administration	25,526	25,253	273	25,017
Road service	<u>163,636</u>	<u>154,210</u>	<u>9,426</u>	<u>131,114</u>
Total public services	189,162	179,463	9,699	156,131
Debt service	<u>31</u>	<u>3</u>	<u>28</u>	<u>-</u>
Total expenditures	<u>189,193</u>	<u>179,466</u>	<u>9,727</u>	<u>156,131</u>
Excess of revenues over expenditures	10,387	22,649	12,262	26,688
Other financing sources (uses):				
Transfers in	-	642	642	-
Transfers out	<u>(40,279)</u>	<u>(40,279)</u>	<u>-</u>	<u>(8,862)</u>
Net other financing sources (uses)	<u>(40,279)</u>	<u>(39,637)</u>	<u>642</u>	<u>(8,862)</u>
Net change in fund balance	\$ <u>(29,892)</u>	(16,988)	<u>12,904</u>	17,826
Fund balance at beginning of year		<u>90,202</u>		<u>72,376</u>
Fund balance at end of year		\$ <u><u>73,214</u></u>		<u><u>90,202</u></u>

MATANUSKA-SUSITNA BOROUGH
 Land Management Special Revenue Fund
 Balance Sheet
 June 30, 2009
 (With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 6,714,445	6,408,879
Prepaid items	1,131	2,934
Land sales contracts receivable:		
Current	25,640	84,389
Delinquent	32,413	51,421
Deferred	981,251	819,136
Total land sales contracts receivable	1,039,304	954,946
Less allowance for uncollectible contracts	(32,413)	(51,421)
Net land sales contracts receivable	1,006,891	903,525
Interfund note receivable from Port Enterprise Fund	733,779	899,679
Other receivable	450	-
Total assets	\$ <u>8,456,696</u>	<u>8,215,017</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	66,555	138,472
Deposits	29,068	27,107
Deferred revenue	1,000,260	952,122
Total liabilities	1,095,883	1,117,701
Fund balance:		
Reserved:		
Prepaid items	1,131	2,934
Land Management Permanent Fund	4,738,176	4,394,426
Interfund note receivable	733,779	899,679
Unreserved:		
Designated:		
Compensated absences	10,000	10,000
Subsequent year expenditures	711,831	806,196
Undesignated	1,165,896	984,081
Total fund balance	7,360,813	7,097,316
Total liabilities and fund balance	\$ <u>8,456,696</u>	<u>8,215,017</u>

MATANUSKA-SUSITNA BOROUGH
 Land Management Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental - PERS relief	\$ 50,614	79,500	28,886	35,085
Land sales and leases	1,207,000	1,025,238	(181,762)	1,303,826
Management fees	3,000	9,389	6,389	4,400
User fees	3,250	4,179	929	4,303
Investment income	240,000	156,882	(83,118)	359,209
Interest on land sales	96,000	81,397	(14,603)	96,192
Other	2,500	239,898	237,398	8,403
Total revenues	<u>1,602,364</u>	<u>1,596,483</u>	<u>(5,881)</u>	<u>1,811,418</u>
Expenditures - public services:				
Land management and development	1,568,001	1,178,981	389,020	1,359,036
Community development administration	376,684	228,045	148,639	167,759
Total expenditures	<u>1,944,685</u>	<u>1,407,026</u>	<u>537,659</u>	<u>1,526,795</u>
Excess (deficiency) of revenues over expenditures	(342,321)	189,457	531,778	284,623
Other financing sources (uses):				
Transfers in	-	192,540	192,540	-
Transfers out	(118,500)	(118,500)	-	(526,772)
Net other financing sources (uses)	<u>(118,500)</u>	<u>74,040</u>	<u>192,540</u>	<u>(526,772)</u>
Net change in fund balance	\$ <u>(460,821)</u>	263,497	<u>724,318</u>	(242,149)
Fund balance at beginning of year		<u>7,097,316</u>		<u>7,339,465</u>
Fund balance at end of year	\$	<u>7,360,813</u>		<u>7,097,316</u>

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DEBT

SERVICE

FUNDS

MATANUSKA-SUSITNA BOROUGH
School Buildings Debt Service Fund
Balance Sheet
June 30, 2009
(With Comparative Amounts for 2008)

	<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash and investments		\$ <u>774,934</u>	<u>278,131</u>
<u>Liabilities and Fund Balance</u>			
Liabilities - accounts payable		<u>200</u>	<u>200</u>
Fund balance - unreserved - designated for debt service		<u>774,734</u>	<u>277,931</u>
Total liabilities and fund balance		\$ <u><u>774,934</u></u>	<u><u>278,131</u></u>

MATANUSKA-SUSITNA BOROUGH
 School Buildings Debt Service Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Revenues - investment income	\$ <u>2,236</u>	<u>3,194</u>
Expenditures:		
Redemption of principal	9,535,000	8,515,000
Interest	7,356,368	8,340,519
Other debt service charges	<u>3,173</u>	<u>2,923</u>
Total expenditures	<u>16,894,541</u>	<u>16,858,442</u>
Deficiency of revenues over expenditures	(16,892,305)	(16,855,248)
Other financing sources:		
Transfers in	16,890,000	16,885,000
Premium on bond issuance	<u>499,108</u>	<u>-</u>
Total other financing sources	<u>17,389,108</u>	<u>16,885,000</u>
Net change in fund balance	496,803	29,752
Fund balance at beginning of year	<u>277,931</u>	<u>248,179</u>
Fund balance at end of year	\$ <u><u>774,734</u></u>	<u><u>277,931</u></u>

MATANUSKA-SUSITNA BOROUGH

Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2009

<u>Assets</u>	Certifi- cates of Partici- pation	Parks and Recreation	Animal Control	<u>Totals</u>
Cash and investments	\$ 73,294	16,611	3,817	93,722
Restricted cash - debt retirement	<u>534,933</u>	<u>-</u>	<u>566,086</u>	<u>1,101,019</u>
Total assets	\$ <u>608,227</u>	<u>16,611</u>	<u>569,903</u>	<u>1,194,741</u>
 <u>Fund Balances</u> 				
Fund balances:				
Reserved - debt reserve	521,788	-	565,783	1,087,571
Unreserved - designated for debt service	<u>86,439</u>	<u>16,611</u>	<u>4,120</u>	<u>107,170</u>
Total fund balances	\$ <u>608,227</u>	<u>16,611</u>	<u>569,903</u>	<u>1,194,741</u>

MATANUSKA-SUSITNA BOROUGH
 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Year Ended June 30, 2009

	Circle View/ Stampede Erosion Control	Certifi- cates of Partici- pation	Parks and Recreation	Animal Control	Totals
Revenues - investment income	\$ <u>-</u>	<u>11,873</u>	<u>-</u>	<u>5,182</u>	<u>17,055</u>
Expenditures:					
Redemption of principal	-	340,000	190,000	260,000	790,000
Interest	-	182,813	151,265	261,499	595,577
Other debt service charges	-	2,833	257	1,499	4,589
Total expenditures	<u>-</u>	<u>525,646</u>	<u>341,522</u>	<u>522,998</u>	<u>1,390,166</u>
Excess (deficiency) of revenues over expenditures	-	(513,773)	(341,522)	(517,816)	(1,373,111)
Other financing sources (uses):					
Transfers in	-	505,000	345,000	520,000	1,370,000
Transfers out	<u>(83)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83)</u>
Net other financing sources (uses)	<u>(83)</u>	<u>505,000</u>	<u>345,000</u>	<u>520,000</u>	<u>1,369,917</u>
Net change in fund balances	(83)	(8,773)	3,478	2,184	(3,194)
Fund balances at beginning of year	<u>83</u>	<u>617,000</u>	<u>13,133</u>	<u>567,719</u>	<u>1,197,935</u>
Fund balances at end of year	\$ <u><u>-</u></u>	<u><u>608,227</u></u>	<u><u>16,611</u></u>	<u><u>569,903</u></u>	<u><u>1,194,741</u></u>

CAPITAL

PROJECT

FUNDS

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MATANUSKA-SUSITNA BOROUGH
 School Projects Capital Project Fund
 Balance Sheet
 June 30, 2009
 (With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 31,802,499	32,632,914
Receivables - intergovernmental	<u>181,965</u>	<u>254,899</u>
Total assets	<u>\$ 31,984,464</u>	<u>32,887,813</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts, contracts and retentions payable	473,212	1,595,742
Deferred revenue	<u>392,986</u>	<u>586,350</u>
Total liabilities	<u>866,198</u>	<u>2,182,092</u>
Fund balance:		
Reserved for encumbrances	6,629,549	18,365,679
Unreserved - designated for subsequent year expenditures	<u>24,488,717</u>	<u>12,340,042</u>
Total fund balance	<u>31,118,266</u>	<u>30,705,721</u>
Total liabilities and fund balance	<u>\$ 31,984,464</u>	<u>32,887,813</u>

MATANUSKA-SUSITNA BOROUGH
 School Projects Capital Project Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Revenues:		
Intergovernmental	\$ 581,147	680,691
Investment income	182,733	1,052,189
Other	-	101,000
Total revenues	<u>763,880</u>	<u>1,833,880</u>
Expenditures:		
Education	906,828	391,902
Debt service	303,986	-
Capital outlay	<u>28,535,019</u>	<u>16,076,216</u>
Total expenditures	<u>29,745,833</u>	<u>16,468,118</u>
Deficiency of revenues over expenditures	(28,981,953)	(14,634,238)
Other financing sources (uses):		
Transfers in	5,000	-
Transfers out	(820)	-
Bond issuance	19,030,000	-
Premium on bond issuance	<u>360,318</u>	-
Net other financing sources (uses)	<u>19,394,498</u>	<u>-</u>
Extraordinary item - insurance settlement	<u>10,000,000</u>	<u>2,000,000</u>
Net change in fund balance	412,545	(12,634,238)
Fund balance at beginning of year	<u>30,705,721</u>	<u>43,339,959</u>
Fund balance at end of year	\$ <u><u>31,118,266</u></u>	<u><u>30,705,721</u></u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Areas Repairs Capital Project Fund
 Balance Sheet
 June 30, 2009
 (With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 6,889,878	7,298,660
Receivables - intergovernmental	851,245	1,331,937
Other	<u>-</u>	<u>29,200</u>
 Total assets	 \$ <u>7,741,123</u>	 <u>8,659,797</u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accounts, contracts and retentions payable	1,219,350	1,815,975
Deposits	-	225
Deferred revenue	<u>3,126</u>	<u>-</u>
Total liabilities	<u>1,222,476</u>	<u>1,816,200</u>
 Fund balance:		
Reserved for encumbrances	3,822,223	6,843,597
Unreserved - designated for subsequent year expenditures	<u>2,696,424</u>	<u>-</u>
Total fund balance	<u>6,518,647</u>	<u>6,843,597</u>
 Total liabilities and fund balances	 \$ <u>7,741,123</u>	 <u>8,659,797</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Areas Repairs Capital Project Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Revenues:		
Intergovernmental	\$ 13,442,272	3,495,799
Other	43,692	17,149
Total revenues	<u>13,485,964</u>	<u>3,512,948</u>
Expenditures:		
Public services	3,621,631	3,938,722
Capital outlay	15,260,550	3,487,690
Total expenditures	<u>18,882,181</u>	<u>7,426,412</u>
Deficiency of revenues over expenditures	(5,396,217)	(3,913,464)
Other financing sources (uses):		
Transfers in	5,233,695	5,459,580
Transfers out	(162,428)	-
Net other financing sources (uses)	<u>5,071,267</u>	<u>5,459,580</u>
Net change in fund balance	(324,950)	1,546,116
Fund balances at beginning of year	<u>6,843,597</u>	<u>5,297,481</u>
Fund balances at end of year	\$ <u>6,518,647</u>	<u>6,843,597</u>

MATANUSKA-SUSITNA BOROUGH
 Nonmajor Capital Project Funds
 Combining Balance Sheet
 June 30, 2009

<u>Assets</u>	<u>Sewage Facility</u>	<u>Fire Protection</u>	<u>Ambulance and Emergency Services</u>	<u>Roads and Bridges</u>	<u>Borough Facilities</u>	<u>Cultural and Recreational</u>	<u>Hatcher Pass</u>	<u>Major Maintenance</u>	<u>Infrastructure</u>	<u>Miscellaneous</u>	<u>Pass-through Grants</u>	<u>Totals</u>
Cash and investments	\$ -	4,726,082	821,571	1,136,845	3,025,830	671,744	241,891	3	-	6,907,338	422,131	17,953,435
Receivables:												
Intergovernmental	876,309	107,818	278,859	1,209,454	3,350	12,529	-	-	2,597,719	354,245	216,631	5,656,914
Other	-	-	4,454	-	-	-	-	-	-	-	-	4,454
Total assets	\$ 876,309	4,833,900	1,104,884	2,346,299	3,029,180	684,273	241,891	3	2,597,719	7,261,583	638,762	23,614,803

Liabilities and Fund Balances

<u>Liabilities:</u>												
Accounts, contracts and retentions payable	278,082	113,164	8,939	303,124	551,583	37,953	122,420	-	1,474,150	730,527	145,805	3,765,747
Due to General Fund	370,255	-	-	-	-	-	-	-	1,009,732	-	-	1,379,987
Deferred revenue	-	12,336	-	953,832	-	2,526	-	-	-	1,070,986	323,200	2,362,880
Total liabilities	648,337	125,500	8,939	1,256,956	551,583	40,479	122,420	-	2,483,882	1,801,513	469,005	7,508,614
Fund balances:												
Reserved - encumbrances	227,972	344,188	558,107	1,089,343	272,138	117,872	119,471	-	113,837	2,011,193	169,757	5,023,878
Unreserved - designated for subsequent year expenditures	-	4,364,212	537,838	-	2,205,459	525,922	-	3	-	3,448,877	-	11,082,311
Total fund balances	227,972	4,708,400	1,095,945	1,089,343	2,477,597	643,794	119,471	3	113,837	5,460,070	169,757	16,106,189
Total liabilities and fund balances	\$ 876,309	4,833,900	1,104,884	2,346,299	3,029,180	684,273	241,891	3	2,597,719	7,261,583	638,762	23,614,803

MATANUSKA-SUSITNA BOROUGH
 Nonmajor Capital Project Funds
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Year Ended June 30, 2009

	Sewage Facility	Fire Protection	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Hatch er Pass	Major Maint- enance	Prison	Infra- structure	Misc- ellaneous	Pass- through Grants	Totals
Revenues:													
Intergovernmental	\$ 1,266,598	605,747	296,895	4,481,804	54,050	45,822	9,510	-	-	6,474,231	1,350,550	934,177	15,519,384
Investment income	-	-	-	-	38,684	-	-	-	-	-	-	-	38,684
Other	100,000	-	-	-	-	13,658	-	-	-	-	800,000	-	913,658
Total revenues	<u>1,366,598</u>	<u>605,747</u>	<u>296,895</u>	<u>4,481,804</u>	<u>92,734</u>	<u>59,480</u>	<u>9,510</u>	<u>-</u>	<u>-</u>	<u>6,474,231</u>	<u>2,150,550</u>	<u>934,177</u>	<u>16,471,726</u>
Expenditures:													
General government	-	-	-	-	8,142	-	-	-	-	-	1,919,574	-	1,927,716
Emergency services	-	391,773	240,487	-	16,828	-	-	-	-	-	363,465	-	1,012,553
Public services	-	-	-	177	76,908	78,345	-	-	225,000	-	1,233,353	1,230,888	2,844,671
Capital outlay	1,312,596	1,610,933	1,364,103	4,520,199	5,754,648	293,934	240,777	-	-	6,577,586	982,164	-	22,656,940
Total expenditures	<u>1,312,596</u>	<u>2,002,706</u>	<u>1,604,590</u>	<u>4,520,376</u>	<u>5,856,526</u>	<u>372,279</u>	<u>240,777</u>	<u>-</u>	<u>225,000</u>	<u>6,577,586</u>	<u>4,498,556</u>	<u>1,230,888</u>	<u>28,441,880</u>
Excess (deficiency) of revenues over expenditures	54,002	(1,396,959)	(1,307,695)	(38,572)	(5,763,792)	(312,799)	(231,267)	-	(225,000)	(103,355)	(2,348,006)	(296,711)	(11,970,154)
Other financing sources (uses):													
Transfers in	50,000	2,818,528	980,240	84,374	725,714	134,286	-	-	-	20,000	3,323,742	333,074	8,469,958
Transfers out	-	(900,013)	(49,583)	-	(225,387)	(48,805)	(6,000)	-	-	-	(377,849)	(9,733)	(1,617,370)
Net other financing sources (uses)	<u>50,000</u>	<u>1,918,515</u>	<u>930,657</u>	<u>84,374</u>	<u>500,327</u>	<u>85,481</u>	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>2,945,893</u>	<u>323,341</u>	<u>6,852,588</u>
Net change in fund balances	104,002	521,556	(377,038)	45,802	(5,263,465)	(227,318)	(237,267)	-	(225,000)	(83,355)	597,887	26,630	(5,117,566)
Fund balances at beginning of year	<u>123,970</u>	<u>4,186,844</u>	<u>1,472,983</u>	<u>1,043,541</u>	<u>7,741,062</u>	<u>871,112</u>	<u>356,738</u>	<u>3</u>	<u>225,000</u>	<u>197,192</u>	<u>4,862,183</u>	<u>143,127</u>	<u>21,223,755</u>
Fund balances at end of year	<u>\$ 227,972</u>	<u>4,708,400</u>	<u>1,095,945</u>	<u>1,089,343</u>	<u>2,477,597</u>	<u>643,794</u>	<u>119,471</u>	<u>3</u>	<u>-</u>	<u>113,837</u>	<u>5,460,070</u>	<u>169,757</u>	<u>16,106,189</u>

MATANUSKA-SUSITNA BOROUGH

Capital Projects

Project Length of Construction Projects
Beginning of Projects to June 30, 2009

	School Projects	Sewage Facility	Fire Protection	Road Service Areas Repairs	Sanitary Landfills	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities
Total project authorizations	\$ 427,111,728	13,207,166	39,594,617	83,611,052	18,295,686	24,316,567	57,395,257	46,331,406
Revenues and other financing sources:								
Intergovernmental	43,187,964	11,270,269	9,548,451	25,642,990	4,354,081	14,292,666	36,584,572	18,758,625
Local improvement district bonds	-	-	-	186,095	-	-	-	-
Other	385,170,173	100,000	5,145,459	610,904	-	822,361	-	8,135,526
Transfers from other funds	19,833,982	346,043	23,488,453	47,404,258	10,840,993	8,535,916	4,217,779	19,300,705
Total revenues and other financing sources	\$ 448,192,119	11,716,312	38,182,363	73,844,247	15,195,074	23,650,943	40,802,351	46,194,856
Expenditures and other financing uses:								
Capital projects	415,866,898	11,488,297	33,027,666	66,339,579	13,828,943	22,219,299	39,711,522	42,202,161
Transfers to other funds	1,206,953	43	446,297	986,019	235,119	335,695	1,488	1,515,098
Total expenditures and other financing uses	\$ 417,073,851	11,488,340	33,473,963	67,325,598	14,064,062	22,554,994	39,713,010	43,717,259

MATANUSKA-SUSITNA BOROUGH

Capital Projects

Project Length of Construction Projects, continued

	Cultural and Recreational	Hatcher Pass and Port	Major Maint- enance	Infra- structure	Miscellaneous	Pass- Through Grants	Totals
Total project authorizations	\$ 11,115,755	56,660,093	1,149,094	27,845,000	57,993,318	5,543,746	870,170,485
Revenues and other financing sources:							
Intergovernmental	2,627,001	22,954,764	-	8,321,037	22,737,153	4,184,106	224,463,679
Local improvement district bonds	-	-	-	-	-	-	186,095
Other	4,430,475	13,257,570	-	-	1,291,996	-	418,964,464
Transfers from other funds	4,099,135	6,778,935	1,111,719	345,000	32,233,124	676,245	179,212,287
Total revenues and other financing sources	11,156,611	42,991,269	1,111,719	8,666,037	56,262,273	4,860,351	822,826,525
Expenditures and other financing uses:							
Capital projects	10,455,720	39,399,626	1,070,827	8,552,200	50,301,163	4,670,862	759,134,763
Transfers to other funds	57,098	1,117,621	40,889	-	501,042	19,733	6,463,095
Total expenditures and other financing uses	\$ 10,512,818	40,517,247	1,111,716	8,552,200	50,802,205	4,690,595	765,597,858

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ENTERPRISE

FUNDS

MATANUSKA-SUSITNA BOROUGH
Solid Waste Enterprise Fund
Statement of Net Assets
June 30, 2009
(With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Receivables:		
Accounts	\$ 371,848	203,233
Intergovernmental	2,302,804	1,399,657
Total current assets	<u>2,674,652</u>	<u>1,602,890</u>
Noncurrent assets:		
Restricted cash - landfill closure	<u>2,221,005</u>	<u>2,183,450</u>
Property, plant and equipment:		
Buildings	2,319,227	2,319,227
Improvements other than buildings	1,512,853	1,508,370
Equipment	1,319,820	1,319,820
Landfill cells	4,519,944	4,519,944
Construction in progress	<u>3,248,744</u>	<u>2,930,581</u>
Total property, plant and equipment	12,920,588	12,597,942
Accumulated depreciation and amortization	<u>(2,393,476)</u>	<u>(2,161,121)</u>
Net property, plant and equipment	<u>10,527,112</u>	<u>10,436,821</u>
Total noncurrent assets	<u>12,748,117</u>	<u>12,620,271</u>
Total assets	<u>\$ 15,422,769</u>	<u>14,223,161</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	282,119	190,277
Accrued liabilities	86,390	79,795
Accrued interest payable	15,221	3,190
Unearned revenue	7,789	10,694
Due to General Fund	1,623,846	770,050
Current portion of loans payable	<u>43,682</u>	<u>43,046</u>
Total current liabilities	<u>2,059,047</u>	<u>1,097,052</u>
Noncurrent liabilities:		
Net pension/OPEB obligation	-	96,461
Loans payable	3,941,120	2,890,748
Landfill closure costs payable	<u>2,634,890</u>	<u>2,390,065</u>
Total noncurrent liabilities	<u>6,576,010</u>	<u>5,377,274</u>
Total liabilities	<u>8,635,057</u>	<u>6,474,326</u>
Net assets:		
Invested in capital assets, net of related debt	6,542,310	7,503,027
Unrestricted	<u>245,402</u>	<u>245,808</u>
Total net assets	<u>6,787,712</u>	<u>7,748,835</u>
Total liabilities and net assets	<u>\$ 15,422,769</u>	<u>14,223,161</u>

MATANUSKA-SUSITNA BOROUGH
Solid Waste Enterprise Fund
Statement of Revenues, Expenses, and
Changes in Net Assets
Year Ended June 30, 2009
(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Operating revenues - charges for services	\$ <u>3,319,865</u>	<u>3,595,172</u>
Operating expenses - public service:		
Landfill operations	2,566,995	2,118,466
Transfer sites	1,626,940	1,640,528
Depreciation and amortization	232,355	218,524
Allocated administrative and billing expenses	<u>70,066</u>	<u>60,391</u>
Total operating expenses	<u>4,496,356</u>	<u>4,037,909</u>
Operating loss	(1,176,491)	(442,737)
Nonoperating revenues (expenses):		
Investment income	37,555	90,018
Intergovernmental - PERS relief	100,548	45,126
Interest expense	(17,757)	(3,190)
Miscellaneous income	<u>38</u>	<u>10</u>
Net nonoperating revenues (expenses)	<u>120,384</u>	<u>131,964</u>
Loss before transfers, contributions, and special item	(1,056,107)	(310,773)
Transfers out	(1,477)	(25,000)
Capital contributions	-	7,618
Special item - write off NPO/OPEB	<u>96,461</u>	<u>-</u>
Change in net assets	(961,123)	(328,155)
Net assets at beginning of year	<u>7,748,835</u>	<u>8,076,990</u>
Net assets at end of year	\$ <u><u>6,787,712</u></u>	<u><u>7,748,835</u></u>

MATANUSKA-SUSITNA BOROUGH

Solid Waste Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2009

(With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers	\$ 3,151,288	3,606,127
Payments to suppliers	(2,262,108)	(2,198,266)
Payments to employees	(1,490,922)	(1,579,344)
Payments for interfund services used	<u>(70,066)</u>	<u>(60,391)</u>
Net cash flows from operating activities	<u>(671,808)</u>	<u>(231,874)</u>
Cash flows from noncapital financing activities:		
Transfers out	(1,477)	(25,000)
Increase in due to other funds	<u>853,796</u>	<u>770,050</u>
Net cash flows from noncapital financing activities	<u>852,319</u>	<u>745,050</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(322,646)	(2,782,686)
Principal and interest paid on loans	(48,762)	-
Proceeds from issuance of long term debt	-	834,358
Capital contributions received	<u>190,897</u>	<u>1,148,234</u>
Net cash flows from capital and related financing activities	<u>(180,511)</u>	<u>(800,094)</u>
Cash flows from investing activities -		
investment income received	<u>37,555</u>	<u>90,018</u>
Net increase (decrease) in cash and investments	37,555	(196,900)
Cash and investments at beginning of year	<u>2,183,450</u>	<u>2,380,350</u>
Cash and investments at end of year	\$ <u>2,221,005</u>	<u>2,183,450</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(1,176,491)	(442,737)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Miscellaneous nonoperating revenue	38	10
Depreciation and amortization	232,355	218,524
Noncash expense - PERS relief	100,548	45,126
(Increase) decrease in assets - accounts receivable	(168,615)	10,944
Increase (decrease) in liabilities:		
Accounts payable	91,842	(298,469)
Accrued liabilities	6,595	13,065
Unearned revenue	(2,905)	1
Landfill closure costs payable	244,825	220,717
Net pension/OPEB obligation	<u>-</u>	<u>945</u>
Net cash flows from operating activities	\$ <u>(671,808)</u>	<u>(231,874)</u>

MATANUSKA-SUSITNA BOROUGH

Port Enterprise Fund
Statement of Net Assets
June 30, 2009

(With Comparative Amounts for 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Receivables:		
Intergovernmental	\$ 574,802	84,659
Other	-	1,774
Prepays	135,000	-
Inventory	<u>765</u>	<u>766</u>
Total current assets	<u>710,567</u>	<u>87,199</u>
Property, plant and equipment:		
Buildings	7,969	7,969
Equipment	41,322	41,322
Infrastructure	26,414,621	26,414,621
Construction in progress	<u>11,067,369</u>	<u>10,067,741</u>
Total property, plant and equipment	37,531,281	36,531,653
Accumulated depreciation	<u>(3,171,521)</u>	<u>(2,504,588)</u>
Net property, plant and equipment	<u>34,359,760</u>	<u>34,027,065</u>
Total assets	<u>\$ 35,070,327</u>	<u>34,114,264</u>
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Current liabilities:		
Accounts payable	350,766	32,769
Accrued liabilities	43,456	41,281
Deposit refunds	10,000	-
Unearned revenue	32,689	32,689
Due to General Fund	1,739,515	2,004,937
Accrued interest payable	89,362	92,250
Current portion of general obligation bonds	395,000	385,000
Current portion of interfund note payable	<u>165,900</u>	<u>165,900</u>
Total current liabilities	<u>2,826,688</u>	<u>2,754,826</u>
Noncurrent liabilities:		
Net pension/OPEB obligation	-	20,001
General obligation bonds	7,630,000	8,025,000
Unamortized bond premium	142,444	151,940
Interfund note payable	<u>567,879</u>	<u>733,779</u>
Total noncurrent liabilities	<u>8,340,323</u>	<u>8,930,720</u>
Total liabilities	<u>11,167,011</u>	<u>11,685,546</u>
Net assets:		
Invested in capital assets, net of related debt	26,192,316	25,465,125
Unrestricted (deficit)	<u>(2,289,000)</u>	<u>(3,036,407)</u>
Total net assets	<u>23,903,316</u>	<u>22,428,718</u>
Total liabilities and net assets	<u>\$ 35,070,327</u>	<u>34,114,264</u>

MATANUSKA-SUSITNA BOROUGH
 Port Enterprise Fund
 Statement of Revenues, Expenses, and
 Changes in Net Assets
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Charges for services	\$ 639,645	51,151
Other	499	-
Total operating revenues	<u>640,144</u>	<u>51,151</u>
Operating expenses:		
Dock operations	515,997	481,168
Depreciation	666,933	663,196
Allocated administrative and billing expenses	20,800	20,750
Total operating expenses	<u>1,203,730</u>	<u>1,165,114</u>
Operating loss	(563,586)	(1,113,963)
Nonoperating revenues (expenses):		
Intergovernmental - State sources:		
PERS relief	23,568	9,406
Debt service reimbursement	754,870	751,588
Interest expense	(401,600)	(454,445)
Net nonoperating revenues (expenses)	<u>376,838</u>	<u>306,549</u>
Loss before transfers, contributions, and special item	(186,748)	(807,414)
Transfers in	661,407	1,200,000
Capital contributions	979,938	566,720
Special item - write off NPO/OPEB	<u>20,001</u>	<u>-</u>
Change in net assets	1,474,598	959,306
Net assets at beginning of year	<u>22,428,718</u>	<u>21,469,412</u>
Net assets at end of year	\$ <u>23,903,316</u>	<u>22,428,718</u>

MATANUSKA-SUSITNA BOROUGH
 Port Enterprise Fund
 Statement of Cash Flows
 Year Ended June 30, 2009
 (With Comparative Amounts for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers	\$ 651,918	49,526
Payments to suppliers	(369,096)	(419,329)
Payments to employees	(242,698)	(226,103)
Payments for interfund services used	(20,800)	(20,750)
Net cash flows from operating activities	<u>19,324</u>	<u>(616,656)</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(695,090)	(602,696)
Capital contributions received	489,795	685,717
Transfers in	661,407	1,200,000
Principal and interest paid on interfund note	(210,884)	(253,810)
Principal and interest paid on bonds	(754,000)	(753,375)
Debt service reimbursement	754,870	751,588
Decrease in due to General Fund	(265,422)	(410,768)
Net cash flows from capital and related financing activities	<u>(19,324)</u>	<u>616,656</u>
Net increase in cash and investments	-	-
Cash and investments at beginning of year	<u>-</u>	<u>-</u>
Cash and investments at end of year	\$ <u>-</u>	<u>-</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(563,586)	(1,113,963)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	666,933	663,196
Noncash expense - PERS relief	23,568	9,406
(Increase) decrease in assets:		
Accounts receivable	-	149
Other receivable	1,774	(1,774)
Prepays	(135,000)	-
Inventory	1	-
Increase (decrease) in liabilities:		
Accounts payable	13,459	(187,598)
Accrued liabilities	2,175	7,365
Deposit refunds	10,000	-
Unearned revenue	-	6,261
Net pension/OPEB obligation	-	302
Net cash flows from operating activities	\$ <u>19,324</u>	<u>(616,656)</u>

INTERNAL

SERVICE

FUNDS

MATANUSKA-SUSITNA BOROUGH

Internal Service Funds

Combining Statement of Net Assets

June 30, 2009

<u>Assets</u>	<u>Revolving Loan</u>	<u>Self- Insurance</u>	<u>Totals</u>
Current assets:			
Cash and investments	\$ 1,004,083	7,856,089	8,860,172
Accounts receivable	-	2,794	2,794
Deposits with others	-	28,340	28,340
Interfund loans receivable	<u>48,177</u>	<u>-</u>	<u>48,177</u>
Total current assets	1,052,260	7,887,223	8,939,483
Interfund loans receivable, long term	<u>481,943</u>	<u>-</u>	<u>481,943</u>
Total assets	\$ <u><u>1,534,203</u></u>	<u><u>7,887,223</u></u>	<u><u>9,421,426</u></u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Current liabilities:			
Accounts payable	-	46,149	46,149
Insurance claims incurred but not reported	-	1,782,570	1,782,570
Current portion of loan payable	<u>12,947</u>	<u>-</u>	<u>12,947</u>
Total current liabilities	12,947	1,828,719	1,841,666
Noncurrent liabilities - loan payable	<u>269,256</u>	<u>-</u>	<u>269,256</u>
Total liabilities	<u>282,203</u>	<u>1,828,719</u>	<u>2,110,922</u>
Net assets - unrestricted	<u>1,252,000</u>	<u>6,058,504</u>	<u>7,310,504</u>
Total liabilities and net assets	\$ <u><u>1,534,203</u></u>	<u><u>7,887,223</u></u>	<u><u>9,421,426</u></u>

MATANUSKA-SUSITNA BOROUGH
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Year Ended June 30, 2009

	Revolving <u>Loan</u>	Self- <u>Insurance</u>	<u>Totals</u>
Operating revenues:			
Intragovernmental	\$ -	5,814,600	5,814,600
Interest on loans	19,805	-	19,805
Employee contributions	-	471,047	471,047
Total operating revenues	<u>19,805</u>	<u>6,285,647</u>	<u>6,305,452</u>
Operating expenses:			
Claims	-	3,983,404	3,983,404
Administrative fees	-	887,587	887,587
Premium	-	67,855	67,855
Total operating expenses	<u>-</u>	<u>4,938,846</u>	<u>4,938,846</u>
Operating income	19,805	1,346,801	1,366,606
Nonoperating revenues - investment income	<u>-</u>	<u>81,433</u>	<u>81,433</u>
Income before transfers	19,805	1,428,234	1,448,039
Transfers out	<u>(19,805)</u>	<u>-</u>	<u>(19,805)</u>
Change in net assets	-	1,428,234	1,428,234
Net assets at beginning of year	<u>1,252,000</u>	<u>4,630,270</u>	<u>5,882,270</u>
Net assets at end of year	\$ <u>1,252,000</u>	<u>6,058,504</u>	<u>7,310,504</u>

MATANUSKA-SUSITNA BOROUGH

Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2009

	Revolving <u>Loan</u>	Self- <u>Insurance</u>	<u>Totals</u>
Cash flows from operating activities:			
Loans made to other funds	\$ (25,000)	-	(25,000)
Principal payments received on loans	250,383	-	250,383
Interest payments received on loans	19,805	-	19,805
Principal payments on loan payable	(12,755)	-	(12,755)
Internal activity - payments from other funds	-	5,814,600	5,814,600
Receipts from employees and other	-	468,253	468,253
Payments for claims and services	-	(4,704,513)	(4,704,513)
Net cash flows from operating activities	<u>232,433</u>	<u>1,578,340</u>	<u>1,810,773</u>
Cash flows from noncapital financing activities - transfers out	<u>(19,805)</u>	<u>-</u>	<u>(19,805)</u>
Cash flows from investing activities - investment income received	<u>-</u>	<u>81,433</u>	<u>81,433</u>
Net increase in cash and investments	212,628	1,659,773	1,872,401
Cash and investments at beginning of year	<u>791,455</u>	<u>6,196,316</u>	<u>6,987,771</u>
Cash and investments at end of year	\$ <u><u>1,004,083</u></u>	<u><u>7,856,089</u></u>	<u><u>8,860,172</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	19,805	1,346,801	1,366,606
Adjustments to reconcile operating income to net cash flows from operating activities:			
(Increase) decrease in assets:			
Prepaid items	-	20,690	20,690
Accounts receivable	-	(2,794)	(2,794)
Deposits with others	-	(28,340)	(28,340)
Loans receivable	225,383	-	225,383
Increase (decrease) in liabilities:			
Accounts payable	-	24,112	24,112
Loan payable	(12,755)	-	(12,755)
Insurance claims incurred but not reported	-	217,871	217,871
Net cash flows from operating activities	\$ <u><u>232,433</u></u>	<u><u>1,578,340</u></u>	<u><u>1,810,773</u></u>

MATANUSKA-SUSITNA BOROUGH
 Revolving Loan Internal Service Funds
 Combining Statement of Net Assets
 June 30, 2009

<u>Assets</u>	<u>Service Area Operating</u>	<u>Fire Capital Equipment</u>	<u>Road Service Areas</u>	<u>Totals</u>
Current assets:				
Cash and investments	\$ 105,632	375,000	523,451	1,004,083
Loans receivable	<u>26,896</u>	<u>8,334</u>	<u>12,947</u>	<u>48,177</u>
Total current assets	132,528	383,334	536,398	1,052,260
Loans receivable, long-term	<u>196,022</u>	<u>16,666</u>	<u>269,255</u>	<u>481,943</u>
Total assets	\$ <u><u>328,550</u></u>	<u><u>400,000</u></u>	<u><u>805,653</u></u>	<u><u>1,534,203</u></u>
<u>Liabilities and Net Assets</u>				
Liabilities:				
Current liabilities - current portion of loan payable	-	-	12,947	12,947
Noncurrent liabilities - loan payable	<u>-</u>	<u>-</u>	<u>269,256</u>	<u>269,256</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>282,203</u>	<u>282,203</u>
Net assets - unrestricted	<u>328,550</u>	<u>400,000</u>	<u>523,450</u>	<u>1,252,000</u>
Total liabilities and net assets	\$ <u><u>328,550</u></u>	<u><u>400,000</u></u>	<u><u>805,653</u></u>	<u><u>1,534,203</u></u>

MATANUSKA-SUSITNA BOROUGH
 Revolving Loan Internal Service Funds
 Combining Statement of Revenues, Expenses, and
 Changes in Net Assets
 Year Ended June 30, 2009

	Service Area <u>Operating</u>	Fire Capital <u>Equipment</u>	Road Service <u>Areas</u>	<u>Totals</u>
Operating revenues - interest on loans	\$ 10,743	7,626	1,436	19,805
Transfers out	<u>(10,743)</u>	<u>(7,626)</u>	<u>(1,436)</u>	<u>(19,805)</u>
Change in net assets	-	-	-	-
Net assets at beginning of year	<u>328,550</u>	<u>400,000</u>	<u>523,450</u>	<u>1,252,000</u>
Net assets at end of year	\$ <u>328,550</u>	<u>400,000</u>	<u>523,450</u>	<u>1,252,000</u>

MATANUSKA-SUSITNA BOROUGH
 Revolving Loan Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2009

	Service Area <u>Operating</u>	Fire Capital <u>Equipment</u>	Road Service <u>Areas</u>	<u>Totals</u>
Cash flows from operating activities:				
Loans made to other funds	\$ -	(25,000)	-	(25,000)
Principal payments received on loans	26,896	177,332	46,155	250,383
Interest payments received on loans	10,743	7,626	1,436	19,805
Principal payments on loan payable	-	-	(12,755)	(12,755)
Net cash flows from operating activities	<u>37,639</u>	<u>159,958</u>	<u>34,836</u>	<u>232,433</u>
Cash flows from noncapital financing activities - transfers out				
	<u>(10,743)</u>	<u>(7,626)</u>	<u>(1,436)</u>	<u>(19,805)</u>
Net increase in cash and investments	26,896	152,332	33,400	212,628
Cash and investments at beginning of year	<u>78,736</u>	<u>222,668</u>	<u>490,051</u>	<u>791,455</u>
Cash and investments at end of year	\$ <u>105,632</u>	<u>375,000</u>	<u>523,451</u>	<u>1,004,083</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	10,743	7,626	1,436	19,805
Adjustments to reconcile operating income to net cash flows from operating activities:				
Decrease in loans receivable	26,896	152,332	46,155	225,383
Decrease in loan payable	-	-	(12,755)	(12,755)
Net cash flows from operating activities	\$ <u>37,639</u>	<u>159,958</u>	<u>34,836</u>	<u>232,433</u>

MATANUSKA-SUSITNA BOROUGH
 Self Insurance Internal Service Funds
 Combining Statement of Net Assets
 June 30, 2009

<u>Assets</u>	<u>Unemploy- ment Insurance</u>	<u>Health Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Workers Comp Insurance</u>	<u>Totals</u>
Current assets:					
Cash and investments	\$ 207,148	5,312,798	1,730,545	605,598	7,856,089
Accounts receivable	-	2,794	-	-	2,794
Deposits with others	-	3,340	-	25,000	28,340
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current assets	\$ <u>207,148</u>	<u>5,318,932</u>	<u>1,730,545</u>	<u>630,598</u>	<u>7,887,223</u>
 <u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable	46,149	-	-	-	46,149
Insurance claims incurred but not reported	-	935,784	650,145	196,641	1,782,570
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	<u>46,149</u>	<u>935,784</u>	<u>650,145</u>	<u>196,641</u>	<u>1,828,719</u>
 Net assets - unrestricted	 <u>160,999</u>	 <u>4,383,148</u>	 <u>1,080,400</u>	 <u>433,957</u>	 <u>6,058,504</u>
 Total liabilities and net assets	 \$ <u>207,148</u>	 <u>5,318,932</u>	 <u>1,730,545</u>	 <u>630,598</u>	 <u>7,887,223</u>

MATANUSKA-SUSITNA BOROUGH
 Self Insurance Internal Service Funds
 Combining Statement of Revenues, Expenses, and
 Changes in Net Assets
 Year Ended June 30, 2009

	Unemploy- ment <u>Insurance</u>	Health <u>Insurance</u>	Property and Casualty <u>Insurance</u>	Workers Comp <u>Insurance</u>	<u>Totals</u>
Operating revenues:					
Intragovernmental	\$ 162,218	4,763,660	120,150	768,572	5,814,600
Employee contributions	-	471,047	-	-	471,047
Total operating revenues	<u>162,218</u>	<u>5,234,707</u>	<u>120,150</u>	<u>768,572</u>	<u>6,285,647</u>
Operating expenses:					
Claims	147,784	3,473,524	118,113	243,983	3,983,404
Administrative fees	-	864,810	-	22,777	887,587
Premium	-	-	-	67,855	67,855
Total operating expenses	<u>147,784</u>	<u>4,338,334</u>	<u>118,113</u>	<u>334,615</u>	<u>4,938,846</u>
Operating income	14,434	896,373	2,037	433,957	1,346,801
Nonoperating revenues - investment income	-	81,433	-	-	81,433
Change in net assets	14,434	977,806	2,037	433,957	1,428,234
Net assets at beginning of year	<u>146,565</u>	<u>3,405,342</u>	<u>1,078,363</u>	-	<u>4,630,270</u>
Net assets at end of year	\$ <u><u>160,999</u></u>	<u><u>4,383,148</u></u>	<u><u>1,080,400</u></u>	<u><u>433,957</u></u>	<u><u>6,058,504</u></u>

MATANUSKA-SUSITNA BOROUGH

Self Insurance Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2009

	Unemploy- ment <u>Insurance</u>	Health <u>Insurance</u>	Property and Casualty <u>Insurance</u>	Workers Comp <u>Insurance</u>	<u>Totals</u>
Cash flows from operating activities:					
Internal activity - payments from other funds	\$ 162,218	4,763,660	120,150	768,572	5,814,600
Receipts from employees and other	-	468,253	-	-	468,253
Payments for claims and services	<u>(102,982)</u>	<u>(4,238,098)</u>	<u>(200,459)</u>	<u>(162,974)</u>	<u>(4,704,513)</u>
Net cash flows from operating activities	<u>59,236</u>	<u>993,815</u>	<u>(80,309)</u>	<u>605,598</u>	<u>1,578,340</u>
Cash flows from investing activities -					
investment income received	<u>-</u>	<u>81,433</u>	<u>-</u>	<u>-</u>	<u>81,433</u>
Net increase (decrease) in cash					
and investments	59,236	1,075,248	(80,309)	605,598	1,659,773
Cash and investments at beginning of year					
	<u>147,912</u>	<u>4,237,550</u>	<u>1,810,854</u>	<u>-</u>	<u>6,196,316</u>
Cash and investments at end of year					
	\$ <u>207,148</u>	<u>5,312,798</u>	<u>1,730,545</u>	<u>605,598</u>	<u>7,856,089</u>
Reconciliation of operating income to net cash					
provided (used) by operating activities:					
Operating income	14,434	896,373	2,037	433,957	1,346,801
Adjustments to reconcile operating income					
to net cash flows from operating activities:					
(Increase) decrease in assets:					
Prepaid items	20,690	-	-	-	20,690
Accounts receivable	-	(2,794)	-	-	(2,794)
Deposits with others	-	(3,340)	-	(25,000)	(28,340)
Increase (decrease) in liabilities:					
Accounts payable	24,112	-	-	-	24,112
Insurance claims incurred but not reported	<u>-</u>	<u>103,576</u>	<u>(82,346)</u>	<u>196,641</u>	<u>217,871</u>
Net cash flows from operating activities	\$ <u>59,236</u>	<u>993,815</u>	<u>(80,309)</u>	<u>605,598</u>	<u>1,578,340</u>

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AGENCY

FUNDS

MATANUSKA-SUSITNA BOROUGH
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Year Ended June 30, 2009

	Property Tax Agency				Road and Gas Line Agency			
	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Assets								
Cash and investments	\$ 9,427	3,264,277	3,239,512	34,192	449,733	2,385,725	2,832,940	2,518
Property taxes receivable:								
Real	79,304	35,393	17,632	97,065	-	-	-	-
Personal	14,856	2,158	311	16,703	-	-	-	-
Special assessments receivable	-	-	-	-	1,036,113	1,205,778	1,400,597	841,294
Total assets	\$ 103,587	3,301,828	3,257,455	147,960	1,485,846	3,591,503	4,233,537	843,812
Liabilities								
Accounts payable	1,782	853	2,503	132	3,312	1,010,318	1,001,453	12,177
Deposits	-	-	-	-	1,023,512	228,834	1,006,576	245,770
Taxes collected in advance	99,359	2,683,237	2,651,258	131,338	-	-	-	-
Intergovernmental	2,446	1,546,670	1,532,626	16,490	-	-	-	-
Notes payable - gas lines	-	-	-	-	174,781	200,000	171,425	203,356
Notes payable - road improvements	-	-	-	-	284,241	369,000	270,732	382,509
Total liabilities	\$ 103,587	4,230,760	4,186,387	147,960	1,485,846	1,808,152	2,450,186	843,812

MATANUSKA-SUSITNA BOROUGH

Agency Funds

Combining Statement of Changes in Assets and Liabilities, continued

Assets	Prison Agency			Totals				
	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Cash and investments	\$ -	242,526,429	29,271,498	213,254,931	459,160	248,176,431	35,343,950	213,291,641
Property taxes receivable:								
Real	-	-	-	-	79,304	35,393	17,632	97,065
Personal	-	-	-	-	14,856	2,158	311	16,703
Special assessments receivable	-	-	-	-	1,036,113	1,205,778	1,400,597	841,294
Interest receivable	-	1,613,512	27,537	1,585,975	-	1,613,512	27,537	1,585,975
Prepaid items	-	5,352	-	5,352	-	5,352	-	5,352
Construction in progress	-	32,683,112	-	32,683,112	-	32,683,112	-	32,683,112
Total assets	\$ -	276,828,405	29,299,035	247,529,370	1,589,433	283,721,736	36,790,027	248,521,142
Liabilities								
Accounts payable	-	34,521,624	29,518,683	5,002,941	5,094	35,532,795	30,522,639	5,015,250
Deposits	-	-	-	-	1,023,512	228,834	1,006,576	245,770
Taxes collected in advance	-	-	-	-	99,359	2,683,237	2,651,258	131,338
Intergovernmental	-	-	-	-	2,446	1,546,670	1,532,626	16,490
Notes payable - gas lines	-	-	-	-	174,781	200,000	171,425	203,356
Notes payable - road improvements	-	-	-	-	284,241	369,000	270,732	382,509
Bonds payable, net of discount	-	242,526,429	-	242,526,429	-	242,526,429	-	242,526,429
Total liabilities	\$ -	277,048,053	29,518,683	247,529,370	1,589,433	283,086,965	36,155,256	248,521,142

FEDERAL
AND STATE
EXPENDITURES

MATANUSKA-SUSITNA BOROUGH
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2009

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expend- itures</u>
Department of Agriculture				
Direct Programs:				
Matanuska River Water Shed	10.904	68-0150-6-017	\$ 355,000	38,168
FY08 Spruce Bark Beetle	10.664	N/A	492,000	125,356
FY07 Spruce Bark Beetle	10.664	N/A	1,084,000	327,181
FY06 Spruce Bark Beetle	10.664	N/A	1,578,000	334,019
FY05 Spruce Bark Beetle	10.664	N/A	1,679,000	33,083
Total Direct Programs				<u>857,807</u>
Passed through State of Alaska, Department of Natural Resources:				
FY09 Sutton Volunteer Fire Dept.	10.664	39927	4,028	2,099
FY09 Big Lake Volunteer Fire Dept.	10.664	39927	10,000	6,152
FY09 Butte Volunteer Fire Dept.	10.664	39927	6,000	5,343
FY09 Meadow Lakes Volunteer Fire Dept.	10.664	39927	10,000	4,098
FY08 Butte Volunteer Fire Dept.	10.664	39879	7,500	3,870
FY08 Sutton Volunteer Fire Dept.	10.664	39809	6,000	1,575
FY08 Willow Volunteer Fire Dept.	10.664	39809	5,400	2,132
Total Passed Through				<u>25,269</u>
Total Department of Agriculture				<u>883,076</u>
Department of Commerce				
Passed through State of Alaska, Department of Commerce, Community and Economic Development -				
FY09 Alaska Coastal Management (306)	11.419	N/A	38,555	<u>38,555</u>
Department of Defense				
Direct Program -				
Ft. Rich/Elmendorf AFB JT Land Use Study	12.610	EN0410-08-01	107,720	<u>90,299</u>
Department of Homeland Security				
Passed through State of Alaska, Department of Military and Veterans Affairs:				
Mat-Su Valley Flooding-August 2006-FEMA (75%)	97.036	N/A	1,199,417	115,178
All Hazard Mitigation Plan	97.039	1571	15,450	744
FY08 Emergency Management Performance Grant	97.042	35569	135,000	57,947
FY09 Emergency Management Performance Grant	97.042	35565	100,000	48,922
FY 07 Central Assist to FF	97.044	EMW-2006-FG-13938	208,764	4,500
FY 07 Talkeetna Assist to FF	97.044	EMW-2007-FO-06973	31,806	25,464
FY 07 Big Lake Assist to FF	97.044	EMW-2007-FO-10528	91,093	1,131
FY 07 Meadow Lakes Assist to FF	97.044	EMW-2007-FO-10300	118,817	1,130
FY08 Citizen Corp Grant Program	97.053	2007-GE-T7-0003	26,054	10,869
FY09 Citizen Corp Grant Program	97.067	2008-GE-T8-0005	25,000	11,527
2008 State Homeland Security Program (SHSP)	97.067	2008-GE-T8-0005	45,000	110
2007 State Homeland Security Program (SHSP)	97.073	2007-GE-T7-0003	1,500	1,500
2006 State Homeland Security Program (SHSP)	97.073	2006-GE-T6-0015	1,108	1,108
Total Department of Homeland Security				<u>280,130</u>

MATANUSKA-SUSITNA BOROUGH

Schedule of Expenditures of Federal Awards, continued

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development				
Direct Program - Agricultural Processing Facility - EDI Special Project	14.246	B-03-SP-AK-0004	\$ 447,075	<u>23,951</u>
Passed through State of Alaska, Department of Commerce, Community and Economic Development - Home Owners Occ Housing FY06	14.228	881451	500,000	<u>284,872</u>
Total Department of Housing and Urban Development				<u>308,823</u>
Department of Interior				
Direct Programs:				
Government Creek at Edgerton Park	15.608	701817J668	63,188	63,188
Crabb/Weltin/Edgerton Road Culvert Upgrades	15.608	701818J713	50,000	16,752
Russett Road Area Project Culvert Replacements	15.608	701818J729	40,000	6,387
Wasilla Creek at Weltin Way Fish Passage Improvements	15.608	701819J005	50,000	26,247
Colter Creek at North Sitze Rd	15.630	701817J641	60,000	33,644
Cottonwood Creek & Engstrom	15.630	701817J642	40,000	18,853
Green Infrastructure Network Design	15.630	701818J739	20,000	9,275
Little Meadow Creek at W. Karen Fish Passage Improvements	15.631	701819J002	50,000	269
Strategic Conservation Planning/Green Infrastructure	15.631	701817G457	22,081	20,561
Schwald/East Coles Rd Culvert Replacements	15.631	701818J684	70,000	52,300
Kime Lane Culvert Replacement	15.631	701818J706	50,000	50,000
South Denali Implementation Plan	15.aav	H9837-04-1015	324,000	<u>82,928</u>
Total Direct Programs				<u>380,404</u>
Passed through State of Alaska, Department of Natural Resources:				
National Heritage Areas Designation Study Grant PH II	15.904	7484	16,500	9,105
Historic Preservation Fund for No. AK RR/Parks Hwy Corr	15.904	8494	20,000	<u>3,152</u>
Total Passed Through				<u>12,257</u>
Total Department of Interior				<u>392,661</u>
Department of Justice				
Direct Program - Law Enforcement Technology (COPS) FY05	16.710	2005ckwx0056	1,479,965	<u>2,817</u>
Department of Transportation				
Direct Programs:				
Port MacKenzie Intermodal Env't./PE	20.500	AK-03-0037-00	17,723,231	732,113
MASCOT	20.500	AK-04-0014-00	361,850	302,090
FY05/06 Ferry Construction	20.500	AK-04-0007	1,717,249	78,444
Hatcher Pass Environmental & PE	20.500	AK-55-0006	2,500,000	<u>386,800</u>
Total Direct Programs				<u>1,499,447</u>

MATANUSKA-SUSITNA BOROUGH

Schedule of Expenditures of Federal Awards, continued

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
Department of Transportation, continued				
Passed through State of Alaska Department of Transportation and Public Facilities:				
Regional Aviation Systems Plan FY06	20.106	3-02-0469-001-06	\$ 673,858	78,311
Little Susitna River Access	20.205	57048	2,312,500	<u>(22,172)</u>
Total Department of Transportation				<u>1,555,586</u>
Environmental Protection Agency				
Passed through State of Alaska, Department of Environmental Conservation:				
Wetlands Program Development Grant	66.479	CD-96043101-0	30,000	2,711
Garden Terrace Water Systems Upgrade	66.202	XP-96008001-0	425,000	168,764
Talkeetna Wastewater Phase II	66.202	XP-96005501-0	475,000	329,047
Clean Water Loan (83% portion)	66.458	561051		<u>908,057</u>
Total Environmental Protection Agency				<u>1,408,579</u>
General Services Administration				
Direct Program - Federal Surplus Property	39.003	N/A	7,915	<u>7,915</u>
Institute of Museum and Library Services				
Passed through State of Alaska, Department of Education and Early Development:				
Interlibrary Coop Grant - Sutton Family				
Reading Program	45.310	N/A	10,745	8,220
Interlibrary Coop Grant - Talkeetna				
Bookmobile Feasibility	45.310	N/A	12,000	<u>11,999</u>
Total Institute of Museum and Library Services				<u>20,219</u>
Total Federal Expenditures			\$	<u><u>4,988,660</u></u>

Basis of Presentation

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

MATANUSKA-SUSITNA BOROUGH, ALASKA

Schedule of State Financial Assistance

Year Ended June 30, 2009

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
Department of Commerce, Community and Economic Development			
Major Programs:			
Point MacKenzie Road Upgrade	07-DC-361	\$ 15,350,800	11,747,273
Southcentral Rail Est-Pt MacKenzie to Mainline	08-DC-410	10,000,000	3,774,538
Port MacKenzie Rail Extension	09-DC-499	17,500,000	2,699,693
Bridge Repair/Replacement	09-DC-490	3,700,000	339,827
Borough Wide Roads Upgrades	07-DC-512	4,000,000	714,054
Parks Highway Connectors	09-DC-498	6,000,000	382,646
Revenue Sharing	N/A	3,783,562	<u>3,783,562</u>
Total Major Programs			<u>23,441,593</u>
Nonmajor Programs:			
Pt MacKenzie Port Deve. & Assoc.			
Rail Line Improve.	01-RR-001	4,500,000	140,949
Wolverine VFD-Facility Const & Reno/Fire Fighting Equip	03-DC-079	70,000	4,942
Chickaloon Trail Road Improvements	04-DC-012	85,000	44,210
Butte Community Center	05-DC-077	5,000	4,150
Historical Preservation	00/613-9-004	59,500	119
Talkeetna Historic Preservation	02-MG-095	21,000	6,279
Hatcher Pass Water & Electric Distribution	02-MG-091	175,000	9,510
Port MacKenzie Intermodal Facility	02-MG-092	315,000	27,773
Rescue and Equipment	06-DC-212	75,000	67,722
Colony High School Running Track	06-DC-217	172,502	20,375
Iditarod Elementary School Fence	06-DC-219	100,000	22,100
Matanuska River Erosion Control	06-DC-221	200,000	3,052
Meadow Lakes Medic Vehicle	06-DC-222	40,000	32
Meadow Lakes Rescue/Dive	06-DC-223	40,000	2,989
Rescue Equipment	06-DC-225	25,000	20,013
Trunk Road Ext/Design/RoW Acquisition	07-DC-371	750,000	199,277
Meadow Lakes RSA #27 Sky Vw to Maryann	07-DC-360	100,000	90
Emergency Access Rds/RSA's 15/17/29	07-DC-345	250,000	77,455
Grtr Willow RSA 20 Stormybrk Dr/Lk Shr Dr Rds	07-DC-351	90,000	3,235
Lucille Street Rehab	07-DC-357	250,000	157,638
Big Lake Elementary School Asbestos Abatement	07-DC-337	20,000	17,257
Big Lake School Reroof	07-DC-341	65,000	59,900
Talkeetna Water and Sewer Utility Improvements	07-DC-368	25,000	43
South Big Lake Boat Launch Improvement	07-DC-364	25,000	6
Sunshine VFD Equipment	07-DC-365	25,000	77
Willow VFD Equipment	07-DC-372	25,000	483

MATANUSKA-SUSITNA BOROUGH, ALASKA

Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
Department of Commerce, Community and Economic Development, continued			
Nonmajor Programs, continued:			
Houston High School Football Field Lights	07-DC-353	\$ 40,000	20,000
Ladder Truck for Core Area of Palmer/Wasilla	08-DC-338	1,200,000	260,641
Willow Community Center Emergency Equipment	08-DC-353	60,000	49,900
Willow RSA 20 Upgrd Sbstnd Rds	08-DC-354	25,000	1,399
Big Lake RSA 21 Upgrd Sbstnd Rds	08-DC-325	25,000	18,633
Butte RSA 26 Upgrd Sbstnd Rds	08-DC-333	25,000	22,800
Meadows Lake Dr Cmpltd 3-yr Paving Prjct	08-DC-340	60,000	54,991
Meadow Lakes RSA 27 Upgrd Sbstnd Rds	08-DC-342	25,000	22,800
Trapper Crk RSA 30 Upgrd Sbstnd Rds	08-DC-352	25,000	22,800
Lazy Mtn RSA 19 Upgrd Sbstnd Rds	08-DC-339	25,000	3,417
Sunshine VFD Equipment Upgrd	08-DC-348	30,000	8,580
Butte VFD Equipment Upgrd	08-DC-329	75,000	2,035
Sutton Elem Playground Equipment	08-DC-349	25,000	2,720
Big Lake Elem Lib/Tech Upgrds	08-DC-323	7,500	6,300
Butte Elem Lib/Tech Upgrds	08-DC-328	7,500	33
Houston MS Elem Lib/Tech Upgrds	08-DC-335	7,500	650
Willow Elem Plygrnd Fence	08-DC-356	10,000	1,656
Willow Elem Lib/Tech Upgrds	08-DC-355	7,500	52
Meadow Lks Elem Lib/Tech Upgrds	08-DC-341	7,500	86
School District Video Surveillance Equip & Installation	08-DC-466	105,000	5,250
Snowshoe Elem Floor Replacement	08-DC-467	80,000	79,804
School District - New Loader	09-DC-097	135,000	6,750
Houston High School Football Field Lights	09-DC-098	100,000	5,236
Big Lake Elementary Library/Technology Upgrade	09-DC-225	7,500	7,149
Big Lake FSA 33 New Equipment/Building Maintenance	09-DC-226	30,000	15,525
Big Lake RSA 21 Upgrade Roads	09-DC-227	30,000	1,500
Butte Elementary Library/Technology Upgrade	09-DC-228	7,500	7,491
Butte VFD Fire Safety Equipment Upgrade	09-DC-229	30,000	30,000
Caswell Lakes RSA 15 Roads Upgrade	09-DC-230	30,000	4,136
Culvert Replacement	09-DC-231	500,000	74,134
Goose Bay Elem Lib/Tech Upgrds	09-DC-232	7,500	7,417
Greater Butte RSA 26 Upgrade	09-DC-233	30,000	1,500
Houston High School Lib/Tech Upgrades	09-DC-234	7,500	7,482
Houston MS Elem Lib/Tech Upgrds	09-DC-235	7,500	7,371
Lazy Mtn RSA 19 Upgrade Roads	09-DC-236	30,000	1,629

MATANUSKA-SUSITNA BOROUGH, ALASKA

Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
Department of Commerce, Community and Economic Development, continued			
Nonmajor Programs, continued:			
Meadow Lakes RSA 27 Upgrade Roads	09-DC-237	\$ 30,000	1,500
Mid Valley HS Lib/Tech Upgrds	09-DC-238	7,500	6,484
Midnight Sun Lib/Tech Upgrds	09-DC-239	7,500	6,069
Rescue Equipment	09-DC-240	100,000	41,050
Snowshoe Elem Lib/Tech Upgrds	09-DC-241	7,500	7,493
Sutton Volunteer Fire	09-DC-242	225,000	13,182
Talkeetna Elem Lib/Tech Upgrds	09-DC-243	7,500	5,767
Talkeetna FSA 24 New Equip & Building Maintenance	09-DC-244	30,000	11,277
Talkeetna RSA 29 Upgrade Roads	09-DC-245	30,000	1,500
Trapper Crk Elem Lib/Tech Upgrds	09-DC-246	7,500	6,637
Trapper Crk RSA 30 Upgrd Rds	09-DC-247	30,000	1,500
Vocational Training Program Supplies	09-DC-248	28,000	1,500
Willow RSA 20 Upgrd Rds	09-DC-249	30,000	1,500
Willow Elem Lib/Tech Upgrds	09-DC-250	7,500	7,396
Willow Elem School Playground Fencing	09-DC-251	2,500	2,258
Willow FSA 35 New Equipment & Maintenance	09-DC-252	30,000	4,984
Palmer High School Field Turf Project	09-DC-257	500,000	25,000
Ambulance Replacement	09-DC-489	145,000	7,250
Fairview RSA 14 Upgrade Roads	09-DC-492	30,000	1,500
Greater Palmer FSA Tanker Replacement	09-DC-493	190,000	190,000
Knik Elem Lib/Tech Upgrds	09-DC-494	7,500	7,497
Knik RSA 17 Upgrade Roads	09-DC-495	30,000	1,500
Meadow Lakes Elem Lib/Tech Upgrds	09-DC-496	7,500	7,409
Meadow Lakes FSA 34 Equip/Bldg Maintenance	09-DC-497	30,000	6,525
Central Matsu Wastewater Master Plan	09-DC-491	550,000	270,933
Knik RSA 17 Carmel Road	09-RR-012	92,800	11,140
Repair and Paving of Engstrom Road	09-RR-029	1,000,000	72,051
Chickaloon Community Hall	N/A	20,000	6,791
Chickaloon Community Council	N/A	20,200	20,200
Lake Louise Non-Profit Corporation	N/A	20,200	20,200
Meadow Lake Community Council	N/A	20,200	20,200
Sutton Community Council	N/A	20,200	20,200
Willow Area Community Organization	N/A	20,200	20,200
Total Nonmajor Programs			<u>2,480,236</u>
Total Department of Commerce, Community and Economic Development			<u>25,921,829</u>

MATANUSKA-SUSITNA BOROUGH, ALASKA

Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
Department of Education and Early Development			
Major Program -			
Debt Retirement Program	N/A	\$ 11,239,989	<u>11,239,989</u>
Nonmajor Programs:			
SuValley High Roof Replacement DOE	GR06-027	3,850,000	193,364
Continuing Education FY09	N/A	5,000	2,637
Big Lake Library	N/A	6,350	6,350
Sutton Library	N/A	6,350	6,350
Talkeetna Library	N/A	6,350	6,350
Trapper Creek Library	N/A	6,350	6,350
Willow Library	N/A	6,350	<u>6,350</u>
Total Nonmajor Programs			<u>227,751</u>
Total Department of Education and Early Development			<u>11,467,740</u>
Department of Environmental Conservation			
Major Program -			
Talkeetna Wastewater Improvements (25% State)	56105	469,900	<u>329,047</u>
Nonmajor Program -			
Garden Terrace Water System Upgrades	56104	491,000	<u>168,764</u>
Total Department of Environmental Conservation			<u>497,811</u>
Department of Health and Social Services			
Nonmajor Program - Human Services Community			
Matching Grant FY09	N/A	258,086	<u>246,215</u>
Department of Natural Resources			
Nonmajor Program - Trail Marking and Signing	10790645	20,855	<u>19,199</u>
Department of Revenue			
Major Program - FY09 Electric & Telephone			
Shared Revenue	N/A	787,514	<u>787,514</u>

MATANUSKA-SUSITNA BOROUGH, ALASKA

Schedule of State Financial Assistance, continued

<u>State grantor/ pass-through grantor program title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>State Share of Expenditures</u>
Department of Military and Veterans Affairs			
Nonmajor Programs:			
FY09 Local Emergency Planning Committee	N/A	\$ 20,180	20,180
Mat Su Valley Flooding - August 2006-FEMA (25%)	N/A	432,656	<u>38,391</u>
Total Department of Military and Veterans Affairs			<u>58,571</u>
Department of Transportation and Public Facilities			
Major Programs:			
FY06 Highway Projects (DOT) - Bogard Road Ext	AKSAS59213	12,950,000	3,302,520
2004 Series C Port Bond	N/A	754,870	<u>754,870</u>
Total Major Programs			<u>4,057,390</u>
Nonmajor Programs:			
FY06 Hiway Projects (DOT) Seldon Road Ext	AKSAS59213	1,500,000	1,653
Long Range Transportation Plan	N/A	75,000	75,000
Regional Aviation Systems Plan	59383	17,733	<u>2,119</u>
Total Nonmajor Programs			<u>78,772</u>
Total Department of Transportation and Public Facilities			<u>4,136,162</u>
Department of Administration			
Major Program - PERS Relief	N/A	2,065,660	<u>2,065,660</u>
Alaska Energy Authority			
Nonmajor Program - Su-Valley School Wood			
Boiler Assessment	2195327	20,000	<u>19,294</u>
Total State Expenditures		\$	<u>45,219,995</u>

Basis of Presentation

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

STATISTICAL

SECTION

MATANUSKA-SUSITNA BOROUGH
Statistical Section Contents

	<u>Schedule(s)</u>	<u>Page(s)</u>
<u>Financial Trends</u>		
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	154-158
<u>Revenue Capacity</u>		
These schedules contain information to help the reader assess the factors affecting the Borough's ability to generate it's property taxes.	6-9	159-163
<u>Debt Capacity</u>		
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	164-167
<u>Demographic and Economic Information</u>		
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
<u>Operating Information</u>		
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 Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets,							
net of related debt	\$ 293,916,744	299,157,171	236,091,095	262,550,711	269,318,342	294,404,626	358,980,408
Restricted	39,791,341	28,975,508	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428
Unrestricted (deficit)	23,151,054	30,946,988	29,474,971	34,446,371	44,144,618	55,324,817	51,392,992
Total governmental activities net assets	\$ 356,859,139	359,079,667	346,644,644	362,849,671	394,333,710	424,957,244	485,270,828
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
Restricted	-	-	-	-	-	-	-
Unrestricted (deficit)	-	-	(437,504)	(609,608)	(2,560,708)	(2,790,599)	(2,043,598)
Total business-type activities net assets	\$ -	-	22,396,906	27,289,379	29,546,402	30,177,553	30,691,028
Primary government							
Invested in capital assets,							
net of related debt	\$ 293,916,744	299,157,171	258,925,505	290,449,698	301,425,452	327,372,778	391,715,034
Restricted	39,791,341	28,975,508	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428
Unrestricted (deficit)	23,151,054	30,946,988	29,037,467	33,836,763	41,583,910	52,534,218	49,349,394
Total primary government net assets	\$ 356,859,139	359,079,667	369,041,550	390,139,050	423,880,112	455,134,797	515,961,856

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 9,261,513	10,819,497	11,779,762	13,389,722	15,504,663	17,783,066	18,417,947
Public works	1,778,545	2,009,327	2,316,391	2,760,432	2,917,021	3,250,207	3,971,267
Emergency services	6,683,734	8,695,441	11,262,226	13,113,451	14,834,393	16,595,807	15,760,106
Public services	19,922,995	19,702,728	16,312,233	16,955,767	18,553,900	23,159,984	22,448,088
Education	37,621,944	37,717,398	40,098,352	43,807,106	48,947,042	47,407,612	50,384,218
Debt service	-	-	6,014,417	7,468,444	7,240,535	7,991,327	7,868,206
Total governmental activities expenses	<u>75,268,731</u>	<u>78,944,391</u>	<u>87,783,381</u>	<u>97,494,922</u>	<u>107,997,554</u>	<u>116,188,003</u>	<u>118,849,832</u>
Business-type activities:							
Solid waste	-	-	2,730,217	3,032,263	3,587,683	4,041,099	4,514,113
Port	-	-	1,553,345	1,887,155	1,822,002	1,619,559	1,605,330
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>4,283,562</u>	<u>4,919,418</u>	<u>5,409,685</u>	<u>5,660,658</u>	<u>6,119,443</u>
Total primary government expenses	<u>\$ 75,268,731</u>	<u>78,944,391</u>	<u>92,066,943</u>	<u>102,414,340</u>	<u>113,407,239</u>	<u>121,848,661</u>	<u>124,969,275</u>
Program Revenues (see Schedule 3)							
Governmental activities:							
Fees, fines, and charges for services	\$ 8,476,277	8,522,295	6,446,675	6,462,201	6,212,844	5,911,638	6,601,744
Operating grants and contributions	496,138	246,631	33,696	148,260	31,685	31,750	32,139
Capital grants and other contributions	6,282,741	8,169,306	4,347,926	5,186,795	12,980,511	18,175,331	30,456,461
Total governmental activities program revenues	<u>15,255,156</u>	<u>16,938,232</u>	<u>10,828,297</u>	<u>11,797,256</u>	<u>19,225,040</u>	<u>24,118,719</u>	<u>37,090,344</u>
Business-type activities:							
Fees, fines, and charges for services:							
Solid waste	-	-	3,078,940	3,422,346	3,456,467	3,595,172	3,319,903
Port	-	-	106,439	157,141	1,205	51,151	640,144
Operating grants and contributions	-	-	-	754,203	753,788	751,588	754,870
Capital grants and other contributions	-	-	3,319,456	5,114,836	4,129,148	574,338	979,938
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>6,504,835</u>	<u>9,448,526</u>	<u>8,340,608</u>	<u>4,972,249</u>	<u>5,694,855</u>
Total primary government program revenues	<u>\$ 15,255,156</u>	<u>16,938,232</u>	<u>17,333,132</u>	<u>21,245,782</u>	<u>27,565,648</u>	<u>29,090,968</u>	<u>42,785,199</u>
Net (Expenses)/Revenue							
Governmental activities	\$ (60,013,575)	(62,006,159)	(76,955,084)	(85,697,666)	(88,772,514)	(92,069,284)	(81,759,488)
Business-type activities	-	-	2,221,273	4,529,108	2,930,923	(688,409)	(424,588)
Total primary government net expense	<u>\$ (60,013,575)</u>	<u>(62,006,159)</u>	<u>(74,733,811)</u>	<u>(81,168,558)</u>	<u>(85,841,591)</u>	<u>(92,757,693)</u>	<u>(82,184,076)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 52,528,048	55,642,843	66,546,736	78,672,925	86,298,274	92,538,831	100,265,473
Excise taxes	-	-	-	4,527,071	4,845,770	4,528,494	4,688,563
Transient accommodation taxes	684,615	767,579	829,545	915,457	994,443	1,038,308	1,037,673
Grants and entitlements not restricted to a specific purpose	10,433,815	10,018,848	10,532,145	12,129,576	18,165,087	18,018,590	20,979,431
Investment income	2,032,284	937,431	2,636,700	5,465,983	8,812,643	7,323,727	3,269,398
Other	133,400	1,119,452	90,478	425,478	277,602	419,868	509,602
Transfers	-	-	(136,203)	(233,797)	259,878	(1,175,000)	(659,930)
Special items	-	-	-	-	-	-	1,982,862
Extraordinary items	-	-	-	-	-	-	10,000,000
Total governmental activities	<u>65,812,162</u>	<u>68,486,153</u>	<u>80,499,401</u>	<u>101,902,693</u>	<u>119,653,697</u>	<u>122,692,818</u>	<u>142,073,072</u>
Business-type activities:							
Grants and entitlements not restricted to a specific purpose	-	-	-	27,350	36,715	54,532	124,116
Investment income	-	-	84,403	102,218	126,891	90,018	37,555
Other	-	-	2,655	-	219	10	-
Transfers	-	-	136,203	233,797	(259,878)	1,175,000	659,930
Special items	-	-	-	-	-	-	116,462
Total business-type activities	<u>-</u>	<u>-</u>	<u>223,261</u>	<u>363,365</u>	<u>(96,053)</u>	<u>1,319,560</u>	<u>938,063</u>
Total primary government	<u>\$ 65,812,162</u>	<u>68,486,153</u>	<u>80,722,662</u>	<u>102,266,058</u>	<u>119,557,644</u>	<u>124,012,378</u>	<u>143,011,135</u>
Change in Net Assets							
Governmental activities	\$ 5,798,587	6,479,994	3,544,317	16,205,027	30,881,183	30,623,534	60,313,584
Business-type activities	-	-	2,444,534	4,892,473	2,834,870	631,151	513,475
Total primary government	<u>\$ 5,798,587</u>	<u>6,479,994</u>	<u>5,988,851</u>	<u>21,097,500</u>	<u>33,716,053</u>	<u>31,254,685</u>	<u>60,827,059</u>

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

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

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

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

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 37,365	38,650	45,383	84,323	92,455	179,377	235,766	162,825	214,933	334,433
Unreserved:										
Designated	550,000	550,000	17,161,271	17,253,462	11,956,311	15,156,321	16,763,199	25,208,514	33,316,263	36,644,810
Undesignated	14,570,711	18,294,193	5,095,685	2,274,059	4,108,167	748,269	4,985,216	8,262,699	7,142,057	13,759,256
Total general fund	\$ 15,158,076	18,882,843	22,302,339	19,611,844	16,156,933	16,083,967	21,984,181	33,634,038	40,673,253	50,738,499
All Other Governmental Funds										
Reserved	\$ 29,064,055	25,307,709	24,560,012	12,419,634	18,588,254	19,726,398	32,488,785	24,623,604	41,031,714	22,074,484
Unreserved:										
Designated, reported in:										
Special revenue funds	85,000	85,000	90,000	100,000	150,000	1,344,590	2,415,303	4,658,508	3,061,464	4,465,097
Debt service funds	1,081,951	1,780,982	2,004,517	2,246,343	1,976,576	426,127	290,710	322,351	373,413	881,904
Capital projects funds	50,752,472	51,645,110	30,100,704	24,490,081	44,769,287	54,882,917	26,546,047	44,522,895	24,141,484	38,267,452
Undesignated, reported in:										
Special revenue funds	7,086,399	7,677,680	8,401,816	9,360,302	9,430,678	8,090,425	8,563,070	7,479,839	9,277,725	11,818,466
Capital projects funds	(691,969)	(225,800)	(1,216,736)	(4,834,499)	(2,529,565)	-	-	-	-	-
Total all other governmental funds	\$ 87,377,908	86,270,681	63,940,313	43,781,861	72,385,230	84,470,457	70,303,915	81,607,197	77,885,800	77,507,403

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes										
Property	\$ 43,386,293	45,645,559	52,593,898	51,997,129	56,129,509	66,197,370	79,534,151	83,932,620	91,308,732	99,905,339
Transient accommodations	481,776	542,335	645,423	684,615	767,579	829,545	915,457	994,443	1,038,308	1,037,673
Excise										
Intergovernmental	17,899,641	12,717,598	17,273,517	17,212,694	18,434,785	14,890,894	17,464,631	4,845,770	4,528,494	4,688,563
Charges for services	6,800,074	6,999,831	7,768,793	5,810,563	8,592,013	6,386,902	6,614,210	31,062,486	34,195,182	50,554,373
Investment income	6,302,119	8,166,649	3,685,421	1,776,393	746,593	2,420,819	5,174,554	6,367,223	5,926,147	6,270,066
Interest on land sales	195,981	231,114	207,869	190,329	148,139	142,753	132,349	117,029	6,953,114	3,086,763
Other revenues	167,381	211,664	383,599	2,661,110	1,189,809	365,075	425,478	421,751	96,192	81,397
Total revenues	75,233,265	74,514,750	82,558,520	80,332,833	86,008,427	91,233,358	114,787,901	136,170,324	146,504,929	167,284,672
Expenses										
General government	8,383,989	8,816,139	9,378,528	8,732,610	10,926,703	11,666,781	12,930,989	15,268,807	17,496,266	18,885,357
Public works*	-	-	-	1,916,150	2,018,205	2,245,812	2,567,832	2,799,373	3,193,543	3,856,964
Emergency services	3,511,779	3,640,576	4,152,888	5,563,132	7,862,746	10,323,145	11,912,887	13,535,264	15,164,406	14,223,772
Public services	8,799,643	9,245,238	9,678,780	9,640,320	15,530,080	12,857,123	13,307,713	15,390,465	20,360,389	19,914,633
Education	24,738,885	26,662,255	30,018,493	30,412,815	33,036,064	34,754,381	38,366,900	40,580,815	42,150,523	44,918,971
Debt service										
Interest	6,654,701	6,463,691	7,141,019	6,068,058	6,071,791	7,159,662	7,117,600	7,253,073	8,733,002	8,283,862
Principal	3,915,668	4,770,693	5,759,199	5,075,113	5,205,000	6,390,000	7,500,000	7,890,000	9,015,000	10,325,000
Capital outlay	35,423,708	36,853,395	36,832,996	36,078,395	12,438,341	11,844,890	29,132,405	52,160,157	31,737,382	66,452,509
Total expenditures	91,428,373	96,451,987	102,961,903	103,486,593	93,088,930	97,241,794	122,836,326	154,877,954	147,850,511	186,861,068
Excess of revenues over (under) expenditures	(16,195,108)	(21,937,237)	(20,403,383)	(23,153,760)	(7,080,503)	(6,008,436)	(8,048,425)	(18,707,630)	(1,345,582)	(19,576,396)
Other Financing Sources (Uses)										
Proceeds from disposal of capital assets	2,589	15,369	-	9,086	-	10,039	5,374	5,558	6,061	13,944
Transfers in	17,040,445	18,719,279	19,751,090	18,822,550	19,602,662	22,651,335	28,955,746	34,766,734	35,915,180	34,455,025
Transfers out	(16,986,076)	(18,677,100)	(19,718,406)	(18,800,415)	(19,590,842)	(22,776,949)	(29,179,023)	(34,475,707)	(37,058,626)	(35,095,150)
Bond issuance	10,482,280	23,080,114	754,121	-	32,010,000	71,670,000	-	75,415,000	5,750,000	19,030,000
Premium on bond issuance	-	-	-	-	710,274	4,248,846	-	3,893,629	50,785	859,426
Payment to refunded debt escrow agent	-	-	-	-	-	(47,185,353)	-	(38,547,301)	-	-
Other	(226,812)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,312,426	23,137,662	786,805	31,221	32,732,094	28,617,918	(217,903)	41,057,913	4,663,400	19,263,245
Extraordinary items	-	-	-	-	-	-	-	-	-	10,000,000
Net change in fund balances	\$ (5,882,682)	1,200,425	(19,616,578)	(23,122,539)	25,651,591	22,609,482	(8,266,328)	22,350,283	3,317,818	9,686,849
Debt service as a percentage of noncapital expenditures	18.9%	18.9%	19.5%	16.5%	14.0%	15.9%	15.6%	14.7%	15.3%	15.5%

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

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

Fiscal Year	(1)		(1)		(1)		(1)		(2)		Total Taxable Assessed Value as a Percentage of Total Estimated Actual Value
	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate	Total Rate	Estimated Actual Value	Estimated Actual Value	Actual Value	%	
2000	\$ 3,067,863,000	\$ 21,044,859	\$ 253,274,900	\$ 2,835,632,959	12.50	12.50	\$ 2,979,782,820	\$ 2,979,782,820	95.16	95.16	
2001	3,369,544,700	32,375,494	294,919,800	3,107,000,394	11.94	11.94	3,256,885,340	3,256,885,340	95.40	95.40	
2002	3,599,400,900	29,854,617	309,630,900	3,319,624,617	13.133	13.133	3,468,918,730	3,468,918,730	95.70	95.70	
2003	3,874,888,900	33,573,764	325,814,900	3,582,647,764	11.702	11.702	3,722,613,180	3,722,613,180	96.24	96.24	
2004	4,251,962,200	35,217,516	336,780,900	3,950,398,816	11.483	11.483	4,115,271,770	4,115,271,770	95.99	95.99	
2005	4,868,060,700	36,492,524	345,987,800	4,558,565,424	11.80	11.80	4,842,404,800	4,842,404,800	94.14	94.14	
2006	6,736,865,300	53,688,025	1,115,573,100	5,674,980,225	10.88	10.88	6,049,408,756	6,049,408,756	93.81	93.81	
2007	8,046,203,700	59,026,332	1,176,565,700	6,928,664,332	9.644	9.644	7,507,998,500	7,507,998,500	92.28	92.28	
2008	8,827,752,800	61,494,174	1,231,388,492	7,657,858,482	9.644	9.644	8,580,916,190	8,580,916,190	89.24	89.24	
2009	9,160,682,041	66,413,079	1,269,573,453	7,957,521,667	10.326	10.326	8,697,868,950	8,697,868,950	91.49	91.49	

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,

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
2000	12.50	0.36	3.00	1.20	2.50	2.40	3.00	0.50	4.00
2001	11.94	0.35	3.00	1.00	2.50	2.40	3.00	1.00	4.00
2002	13.133	0.35	3.00	0.90	3.00	2.40	3.00	1.00	5.00
2003	11.702	0.443	3.00	0.50	3.00	2.40	3.00	1.00	6.60
2004	11.483	0.428	3.00	0.50	3.00	2.40	3.00	1.00	7.80
2005	11.800	0.380	3.00	0.40	3.00	2.40	3.00	1.00	8.50
2006	10.880	0.380	3.00	0.30	3.00	2.40	3.00	1.00	8.50
2007	9.644	0.351	3.00	-	3.00	2.18	2.98	0.96	8.34
2008	9.644	0.370	3.00	-	3.00	2.35	3.05	1.02	8.48
2009	10.326	0.383	3.00	-	3.00	2.51	3.18	1.08	8.51

Fiscal Year	Overlapping Rates								
	9	14	15	16	17	19	20	21	23
2000	1.50	1.00	3.61	2.00	1.80	1.53	2.26	2.65	5.19
2001	1.50	1.00	3.74	2.50	1.80	1.53	2.52	2.65	5.19
2002	1.75	1.50	3.74	2.50	1.80	1.53	2.72	2.65	5.19
2003	1.75	1.50	3.74	2.00	2.00	1.53	2.72	2.65	5.19
2004	1.75	1.50	3.80	1.50	2.00	1.53	2.72	2.65	3.50
2005	1.75	1.50	3.80	1.50	2.75	2.00	2.72	2.65	3.50
2006	1.75	1.50	3.80	1.50	2.75	2.00	2.72	2.65	3.50
2007	1.76	1.39	3.49	1.40	2.48	1.89	2.53	2.32	3.18
2008	1.82	1.44	3.83	1.47	2.54	2.08	2.66	2.41	3.36
2009	1.97	1.51	4.13	1.60	2.75	2.23	2.83	2.57	3.48

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

Note: Fire Service Areas (FSA), Road Service Areas (RSA), and Service Areas (SA) are identified by service area numbers.

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
2000	1.70	2.00	1.75	3.00	2.00	2.67	3.00	1.86
2001	1.70	1.50	1.75	3.00	2.00	2.67	3.00	1.95
2002	1.70	1.50	1.75	3.00	2.00	2.67	3.00	1.95
2003	1.70	1.50	1.75	3.00	2.00	2.67	3.40	2.25
2004	1.70	1.25	1.75	3.00	2.00	2.67	3.40	2.25
2005	1.70	1.25	2.25	3.00	2.00	2.67	3.40	2.75
2006	1.70	1.25	2.50	3.00	2.00	2.67	3.40	2.75
2007	1.41	1.20	2.27	2.70	1.85	2.22	3.17	2.74
2008	1.51	1.25	2.43	2.76	1.89	2.38	3.28	2.86
2009	1.60	1.33	2.59	2.93	2.01	2.53	3.53	3.12

Overlapping Rates

Fiscal Year	33	34	35	69	130	131	132
2000	1.50	0.90	1.10	-	1.00	-	0.70
2001	1.50	0.90	0.84	-	1.00	-	0.70
2002	1.50	0.90	0.84	5.00	1.00	-	0.70
2003	1.50	1.50	0.84	5.00	1.00	-	0.70
2004	1.50	1.50	1.00	5.00	1.00	-	0.70
2005	2.00	1.50	1.00	5.00	1.50	-	0.70
2006	2.00	1.50	1.00	5.00	1.50	3.00	0.70
2007	1.76	1.37	0.93	4.57	1.42	2.89	0.65
2008	1.82	1.40	0.96	5.26	1.46	3.06	0.68
2009	1.94	1.49	1.02	5.79	1.56	3.07	0.73

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

Taxpayer	2009			2000		
	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable
Mat-Su Valley Medical Center	\$ 111,371,636	1	1.38 %	\$ -	-	- %
Enstar Natural Gas	42,168,500	2	0.52	-	-	-
Alaska Hotel Properties, Inc.	38,459,800	3	0.48	15,927,400	3	0.56
Fred Meyer Stores, Inc.	37,634,889	4	0.47	-	-	-
DBC, LLC	35,490,013	5	0.44	-	-	-
Wal-Mart Stores, Inc.	31,930,902	6	0.40	14,612,100	4	0.52
Alaska Pipeline Co.	22,932,000	7	0.28	-	-	-
GCI Cable	22,546,500	8	0.28	-	-	-
Lowe's HIW Inc.	22,371,337	9	0.28	-	-	-
Cook Inlet Region, Inc.	17,936,950	10	0.22	-	-	-
SEMCO Energy Inc.	-	-	-	61,571,700	1	2.17
Wilmington Trust Co. - Fred Meyer, Inc.	-	-	-	20,485,000	2	0.72
Alaska Fiber Star LLC	-	-	-	13,478,700	5	0.48
Cottonwood Creek Mall LLC	-	-	-	11,376,800	6	0.40
Settlers Bay Development Inc.	-	-	-	8,970,500	7	0.32
Floyd and Jean Pedersen Trust	-	-	-	8,804,100	8	0.31
Wasilla LLC	-	-	-	7,780,100	9	0.27
Newcomb Family Trust	-	-	-	6,814,400	10	0.24
Total	\$ 382,842,527		4.74 %	\$ 169,820,800		5.99 %

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	Unfunded Senior Citizens and Disabled Veterans Levy		Net Levy	Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Net Levy	Outstanding Delinquent Taxes and Tax Liens*	Outstanding Delinquent Taxes as Percent of Net Levy
	Tax Levy	Levy								
2000	\$ 44,206,008	\$ 3,159,914	\$ 41,046,094	\$ 38,795,947	94.52 %	\$ 1,683,277	\$ 40,479,224	98.62 %	\$ 6,184,437	15.07 %
2001	46,594,720	3,403,761	43,190,959	40,996,694	94.92	1,888,387	42,885,081	99.29	6,417,211	14.86
2002	52,875,949	3,953,729	48,922,220	46,336,010	94.71	1,892,670	48,228,680	98.58	6,598,807	13.49
2003	52,305,229	3,933,494	48,371,735	46,097,985	95.30	2,503,881	48,601,866	100.48	6,628,721	13.70
2004	56,488,089	4,414,910	52,073,179	51,345,575	98.60	597,852	51,943,427	99.75	6,766,508	12.99
2005	67,902,130	5,084,978	62,817,152	60,369,329	96.10	1,522,480	61,891,809	98.53	7,575,720	12.06
2006	79,509,819	5,354,913	74,154,906	71,450,048	96.35	2,815,410	74,265,458	100.15	7,384,960	9.96
2007	87,063,129	5,264,801	81,798,328	77,652,943	94.93	2,864,824	80,517,767	98.43	8,591,605	10.50
2008	97,208,979	5,841,939	91,367,040	87,627,539	95.91	2,655,968	90,283,507	98.81	9,725,479	10.64
2009	107,223,469	6,790,265	100,433,204	96,318,045	95.90	2,813,769	99,131,814	98.70	11,031,012	10.98

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

Notes: *Includes foreclosed real property upon which the Borough has a tax deed. This property will be sold in future years.

MATANUSKA-SUSITNA BOROUGH
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities					Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Participation	Notes Payable	Capital Leases	General Obligation Bonds	Notes Payable	Total Primary Government	Income*				
2000	\$ 106,849,965	\$ -	\$ -	\$ -	\$ -	\$ -	106,849,965	7.63	%	\$ 1,865		
2001	118,948,676	5,235,000	-	-	-	-	124,183,676	8.00		2,066		
2002	112,530,000	4,990,000	-	-	-	-	117,520,000	6.58		1,981		
2003	107,805,000	4,735,000	-	-	-	-	112,540,000	5.95		1,725		
2004	134,875,000	4,470,000	-	192,000	-	-	139,537,000	7.05		2,068		
2005	147,555,000	4,190,000	-	90,164	9,510,000	-	161,345,164	7.61		2,300		
2006	140,350,000	3,895,000	-	68,748	9,150,000	-	153,463,748	6.66		2,073		
2007	171,240,000	3,590,000	-	45,085	8,785,000	-	183,660,085	7.05		2,380		
2008	162,545,000	9,020,000	294,958	18,938	8,410,000	995,155	181,284,051	6.40		2,264		
2009	171,850,000	8,420,000	282,203	-	8,025,000	3,984,802	192,562,005	N/A		2,334		

N/A - Not available

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

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

<u>Net General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Debt Service Monies Available</u>	<u>Total</u>	<u>Percentage of Total Taxable Assessed Value of Property*</u>	<u>Per Capita**</u>
2000	\$ 106,849,965	\$ 75,003	\$ 106,774,962	3.77 %	\$ 1,864
2001	118,948,676	389,539	118,559,137	3.82	1,973
2002	112,530,000	386,045	112,143,955	3.38	1,890
2003	107,805,000	386,045	107,418,955	3.00	1,646
2004	134,875,000	211,359	134,663,641	3.41	1,996
2005	147,555,000	373,851	147,181,149	3.23	2,098
2006	140,350,000	244,398	140,105,602	2.47	1,892
2007	171,240,000	258,294	170,981,706	2.47	2,216
2008	162,545,000	291,064	162,253,936	2.12	2,026
2009	171,850,000	791,345	171,058,655	2.15	2,073

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

*See Schedule 6 for property value data.

**See Schedule 14 for personal income and population data.

MATANUSKA-SUSITNA BOROUGH
Direct and Overlapping Debt
As of June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to the Governmental Unit</u>	<u>Share of Direct and Overlapping Debt</u>
Education Debt	\$ 168,800,000	100%	\$ 168,800,000
Parks and Recreation	3,050,000	100%	3,050,000
Port	<u>8,025,000</u>	100%	<u>8,025,000</u>
Total \$	<u><u>179,875,000</u></u>		<u><u>\$ 179,875,000</u></u>
Cities Within the Borough, (Palmer and Wasilla) General Obligation Bonds as of June 30, 2009			
Palmer Golf Course	795,000	100%	\$ 795,000
Palmer Ice Rink	1,290,000	100%	1,290,000
Wasilla Road Improvements	3,370,000	100%	3,370,000
Curtis Menard Memorial Sports Center	<u>3,790,000</u>	100%	<u>3,790,000</u>
Total \$	<u><u>9,245,000</u></u>		<u><u>\$ 9,245,000</u></u>
Net Direct and Overlapping Debt			<u><u>\$ 189,120,000</u></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 2009

Total taxable assessed value	\$ 7,957,521,667
Debt Limit (7% of total taxable assessed value)	557,026,517
Total debt applicable to limit	<u>179,875,000</u>
Legal debt margin	<u>\$ 377,151,517</u>

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 198,494,307	\$ 217,490,028	\$ 232,373,723	\$ 250,785,343	\$ 276,527,917	\$ 319,099,580	\$ 397,248,616	\$ 485,006,503	\$ 536,050,094	\$ 557,026,517
Total debt applicable to limit	106,849,965	118,948,676	112,530,000	107,805,000	134,875,000	157,065,000	149,500,000	180,025,000	170,955,000	179,875,000
Legal debt margin	\$ 91,644,342	\$ 98,541,352	\$ 119,843,723	\$ 142,980,343	\$ 141,652,917	\$ 162,034,580	\$ 247,748,616	\$ 304,981,503	\$ 365,095,094	\$ 377,151,517
Total debt applicable to the limit as a percentage of debt limit	54%	55%	48%	43%	49%	49%	38%	37%	32%	32%

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 (thousands of dollars)	Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
2000	57,288	\$ 1,400,918	\$ 24,454	12,513	7.4 %
2001	60,094	1,551,632	25,820	12,826	7.3
2002	59,322	1,784,703	30,085	13,006	7.3
2003	65,241	1,890,572	28,978	13,555	8.5
2004	67,473	1,979,698	29,341	14,315	7.8
2005	70,148	2,119,931	30,221	14,662	7.7
2006	74,041	2,304,566	31,126	15,440	7.5
2007	77,174	2,603,465	33,735	15,847	7.4
2008	80,088	2,834,775	35,396	16,115	7.4
2009	82,515	N/A	N/A	16,464	8.8

N/A - Not available

Sources:

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

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

<u>Employer</u>	<u>2009 Rank</u>	<u>2000 Rank</u>
Matanuska-Susitna Borough School District	1	1
State of Alaska	2	2
Palmer-Wasilla Health System LLC	3	
Wal-Mart Stores, Inc.	4	4
Fred Meyer Stores	5	7
Matanuska-Susitna Borough	6	8
Matanuska Telephone Association	7	6
Safeway, Inc.	8	5
Forsythe Transportation Inc.	9	
Federal Government	10	10
Valley Hospital Association		3
University of Alaska		9

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

Note: According to the Alaska Department of Labor, with the adoption of Senate Bill 120 by the Legislature of the State of Alaska on May 30, 2008, they are no longer able to provide employment information (including the number of employees employed by a specific employer). Therefore, we are only able to provide the top ten employer information with their associated rankings for 2009 and 2000.

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

Function/ Program	Full-time-Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	82.500	86.000	88.000	96.730	99.650	104.150	112.480	114.020	123.520	131.520
Public works	40.500	41.000	42.000	42.000	44.000	46.000	47.000	48.000	50.000	51.000
Emergency services	22.150	22.800	24.500	28.770	33.020	38.520	38.520	41.980	46.980	50.730
Public services	28.650	29.530	29.780	33.030	36.170	40.120	40.740	41.530	41.530	41.690
Total	173.800	179.330	184.280	200.530	212.840	228.790	238.740	245.530	262.030	274.940

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

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

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

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

Notes: There are no operating indicators available for fiscal years prior to 2006. Also, the above indicators should not be construed as the only functions/programs being provided by the Borough as it is only a listing of those functions/programs for which operating indicators have been established and are available for.

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government										
Administration and related buildings	2	2	2	3	3	3	3	3	3	3
Public works										
Utility trailers	5	5	5	5	5	5	6	6	6	6
Paved roads (miles)	150	170	191	217	217	230	244	254	261	270
Bridges	18	21	23	23	23	23	23	23	23	23
Public works and related buildings	-	-	-	-	-	-	-	-	1	1
Emergency services										
Ambulances	14	14	15	19	22	23	23	22	22	27
Fire pumper/tankers	36	38	41	41	41	43	43	47	54	57
Tractors, forklifts, and related equipment	1	1	2	2	2	2	2	2	2	3
Utility/Rescue trailers	2	2	2	2	3	3	4	5	5	10
Rescue vehicles	12	13	15	15	15	15	16	20	24	25
Trucks and utility vehicles	32	32	34	46	52	58	59	59	61	64
Rescue boats	-	-	-	-	-	-	-	1	1	1
ATVs and snowmobiles	2	2	2	3	6	7	8	8	8	20
Public safety and related buildings	23	23	23	26	26	27	27	27	27	27
Public services										
Tractors, forklifts, and related equipment	1	2	2	2	3	3	3	9	17	17
Utility trailers	-	-	-	2	3	4	4	5	5	5
Trucks and utility vehicles	5	6	6	6	8	8	8	7	16	23
ATVs and snowmobiles	3	3	3	3	4	6	6	7	7	7
Riverboats	-	-	-	-	1	1	1	1	1	1
Community buildings (libraries, ice arenas, etc.)	10	10	11	11	11	11	12	12	12	12
Education										
Schools and related buildings	37	37	46	46	46	47	47	47	47	47

Source: Matanuska-Susitna Borough capital asset records.

SINGLE

AUDIT

SECTION

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough as of and for the year ended June 30, 2009, which collectively comprise Matanuska-Susitna Borough's basic financial statements and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

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

Compliance and Other Matters

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 18, 2009

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

Compliance

We have audited the compliance of Matanuska-Susitna Borough with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Matanuska-Susitna Borough's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Matanuska-Susitna Borough's management. Our responsibility is to express an opinion on Matanuska-Susitna Borough's compliance based on our audit.

Matanuska-Susitna Borough's basic financial statements include the operations of its component unit, Matanuska-Susitna Borough School District, which received federal awards that are not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2009. Our audit, described below, does not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with OMB Circular A-133.

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Matanuska-Susitna Borough's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 18, 2009

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

Compliance

We have audited the compliance of Matanuska-Susitna Borough with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that are applicable to each of its major state programs for the year ended June 30, 2009. Matanuska-Susitna Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of Matanuska-Susitna Borough's management. Our responsibility is to express an opinion on Matanuska-Susitna Borough's compliance based on our audit.

Matanuska-Susitna Borough's basic financial statements include the operations of its component unit, Matanuska-Susitna Borough School District, which received State awards that are not included in the Schedule of State Financial Assistance for the year ended June 30, 2009. Our audit, described below, does not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered Matanuska-Susitna Borough's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 18, 2009

MATANUSKA-SUSITNA BOROUGH

Schedule of Findings and Questioned Costs

Year Ended June 30, 2009

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

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

Unqualified

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

_____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.202	Waste Water Improvements
20.500	Federal Transit

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

\$300,000

Auditee qualified as low-risk auditee?

 X yes _____ no

MATANUSKA-SUSITNA BOROUGH

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2009

Federal

There were no prior year audit findings.

State of Alaska

There were no prior year audit findings.

MATANUSKA-SUSITNA BOROUGH

Corrective Action Plan

Year Ended June 30, 2009

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

COMPONENT

UNIT

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Statement of Net Assets

June 30, 2009

	<u>Assets</u>	Governmental <u>Activities</u>
Cash and investments		\$ 7,771,188
Accounts receivable		4,758,478
Inventory		793,223
Prepaid expenses		341,516
Capital equipment, net of accumulated depreciation		<u>1,315,150</u>
 Total assets		 \$ <u><u>14,979,555</u></u>
	 <u>Liabilities and Net Assets</u>	
Liabilities:		
Accounts payable		153,919
Accrued payroll and related liabilities		7,207,795
Due to Borough		699,745
Deferred revenue		154,761
Insurance claims incurred but not reported		1,404,188
Noncurrent liabilities - accrued leave - due within one year		<u>3,795,046</u>
Total liabilities		<u>13,415,454</u>
Net assets:		
Invested in capital assets		1,315,150
Restricted:		
Endowment		2,100
Scholarships		3,577
Unrestricted		<u>243,274</u>
Total net assets		<u>1,564,101</u>
 Total liabilities and net assets		 \$ <u><u>14,979,555</u></u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Statement of Activities
Year Ended June 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contri- butions</u>	
					<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 94,133,794	-	8,169,896	-	(85,963,898)
Special education instruction	29,629,313	-	241,547	-	(29,387,766)
Special education support services - students	10,652,847	-	5,866	-	(10,646,981)
Support services - students	7,783,258	-	80,747	-	(7,702,511)
Support services - instruction	10,201,097	-	2,855,456	-	(7,345,641)
School administration	7,492,197	-	-	-	(7,492,197)
School administration support services	8,083,649	-	-	-	(8,083,649)
District administration	1,420,554	-	774,909	-	(645,645)
District administration support services	8,676,686	-	305,053	-	(8,371,633)
Operations and maintenance of plant	19,326,776	-	269,599	-	(19,057,177)
Student activities	2,952,583	-	10,026	-	(2,942,557)
Student transportation	11,174,965	-	10,861,062	-	(313,903)
Community services	12,288	-	12,217	-	(71)
Food services	5,683,849	1,555,972	3,311,274	-	(816,603)
Construction and facilities acquisition	54,507	-	-	-	(54,507)
	<u>\$ 217,278,363</u>	<u>1,555,972</u>	<u>26,897,652</u>	<u>-</u>	<u>(188,824,739)</u>
General revenues:					
Borough contribution				\$	44,012,143
State grants and entitlements not restricted to a specific purpose					139,211,733
E-rate					320,588
Facility use					107,845
Out of District reimbursement					816,872
Gain on disposal of assets					23,750
Other					425,999
Total general revenues					<u>184,918,930</u>
Special item - NPO write off					<u>3,606,719</u>
Change in net assets					(299,090)
Net assets, beginning of year					<u>1,863,191</u>
Net assets, end of year				\$	<u>1,564,101</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2009

	Major Funds				Total Govern- mental Funds
	General	Student Trans- portation	Title VI-B IDEA	Nonmajor Funds	
<u>Assets</u>					
Cash and investments	\$ 4,034,067	1,985,824	-	204,116	6,224,007
Accounts receivable	89,358	-	1,559,260	3,109,860	4,758,478
Inventory	148,404	-	-	504,474	652,878
Prepaid items	341,516	-	-	-	341,516
Due from other funds	<u>5,159,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,159,326</u>
 Total assets	 \$ <u>9,772,671</u>	 <u>1,985,824</u>	 <u>1,559,260</u>	 <u>3,818,450</u>	 <u>17,136,205</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	127,392	742	15	25,770	153,919
Accrued payroll and related liabilities	7,207,795	-	-	-	7,207,795
Due to Borough	699,745	-	-	-	699,745
Deferred revenue	-	-	-	69,684	69,684
Due to other funds	<u>-</u>	<u>-</u>	<u>1,559,245</u>	<u>3,600,081</u>	<u>5,159,326</u>
Total liabilities	<u>8,034,932</u>	<u>742</u>	<u>1,559,260</u>	<u>3,695,535</u>	<u>13,290,469</u>
Fund balances:					
Reserved:					
Endowment	-	-	-	2,100	2,100
Scholarships	-	-	-	3,577	3,577
Inventory	148,404	-	-	-	148,404
Prepaid items	341,516	-	-	-	341,516
Self-insurance	500,000	-	-	-	500,000
Unreserved:					
General Fund	747,819	-	-	-	747,819
Special Revenue Funds	<u>-</u>	<u>1,985,082</u>	<u>-</u>	<u>117,238</u>	<u>2,102,320</u>
Total fund balances	<u>1,737,739</u>	<u>1,985,082</u>	<u>-</u>	<u>122,915</u>	<u>3,845,736</u>
 Total liabilities and fund balances	 \$ <u>9,772,671</u>	 <u>1,985,824</u>	 <u>1,559,260</u>	 <u>3,818,450</u>	 <u>17,136,205</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet

to Statement of Net Assets

June 30, 2009

Total governmental fund balances \$ 3,845,736

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

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

Furnishings and equipment

\$ 6,797,189

Accumulated depreciation

(5,482,039)

1,315,150

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.

(3,795,046)

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

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

198,261

Net assets of governmental activities

\$ 1,564,101

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes
in Fund Balances

Year Ended June 30, 2009

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Student Transportation	Title VI-B IDEA		
Revenues:					
Local sources:					
Borough appropriation	\$ 44,012,143	-	-	-	44,012,143
E-rate	320,588	-	-	-	320,588
Facility use	107,845	-	-	-	107,845
Out of District reimbursement	816,872	-	-	-	816,872
Other	425,910	23,750	-	1,800,384	2,250,044
State of Alaska	139,211,733	10,888,098	-	365,029	150,464,860
Federal sources:					
Direct grants	-	-	-	569,630	569,630
Grants passed through the State of Alaska	-	-	4,167,081	10,371,178	14,538,259
Passed through other intermediate agencies	-	-	-	6,064	6,064
Total revenues	<u>184,895,091</u>	<u>10,911,848</u>	<u>4,167,081</u>	<u>13,112,285</u>	<u>213,086,305</u>
Expenditures - current:					
Instruction	89,464,208	-	-	4,002,815	93,467,023
Special education instruction	26,428,794	-	2,503,039	241,547	29,173,380
Special education support services - students	9,193,813	-	1,428,286	5,866	10,627,965
Support services - students	7,635,074	-	-	80,747	7,715,821
Support services - instruction	7,259,858	-	-	2,855,456	10,115,314
School administration	7,399,050	-	-	-	7,399,050
School administration support services	7,851,254	-	-	-	7,851,254
District administration	925,340	-	-	488,660	1,414,000
District administration support services	7,619,700	-	235,756	305,053	8,160,509
Operations and maintenance of plant	19,366,203	21,510	-	248,089	19,635,802
Student activities	2,932,555	5,526	-	4,500	2,942,581
Student transportation	-	11,116,394	-	-	11,116,394
Community services	-	-	-	12,217	12,217
Food services	4,358	-	-	5,514,856	5,519,214
Construction and facilities acquisition	-	-	-	54,507	54,507
Total expenditures	<u>186,080,207</u>	<u>11,143,430</u>	<u>4,167,081</u>	<u>13,814,313</u>	<u>215,205,031</u>
Excess of revenues over (under) expenditures	(1,185,116)	(231,582)	-	(702,028)	(2,118,726)
Other financing sources (uses):					
Transfers in	-	-	-	819,355	819,355
Transfers out	(1,503,166)	-	-	-	(1,503,166)
Net other financing sources (uses)	<u>(1,503,166)</u>	<u>-</u>	<u>-</u>	<u>819,355</u>	<u>(683,811)</u>
Net change in fund balances	(2,688,282)	(231,582)	-	117,327	(2,802,537)
Fund balances, beginning of year	<u>4,426,021</u>	<u>2,216,664</u>	<u>-</u>	<u>5,588</u>	<u>6,648,273</u>
Fund balances, end of year	\$ <u>1,737,739</u>	<u>1,985,082</u>	<u>-</u>	<u>122,915</u>	<u>3,845,736</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2009

Net change in fund balances - total governmental funds \$ (2,802,537)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and loss on disposal of assets.

Capital outlay	\$	574,740	
Depreciation expense		(488,640)	
Loss on disposal of assets		<u>(6,025)</u>	
			80,075

Some expenses reported in the statement of activities such as compensated absences and net pension obligation do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount of the change in:

Annual leave		(1,231,200)	
Net pension/OPEB obligation write off		<u>3,606,719</u>	
			2,375,519

Amounts reported in the Enterprise Funds of the District are used to support educational costs of programs. These activities are appropriately reported with the governmental activities in the government-wide statement of activities.

Change in net assets of governmental activities			<u><u>\$ (299,090)</u></u>
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MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General (School Operating) Fund
Year Ended June 30, 2009

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Borough appropriation	\$ 44,711,888	44,711,888	44,012,143	(699,745)
E-rate	475,000	375,000	320,588	(54,412)
Facility use	-	50,000	107,845	57,845
Out of District reimbursement	-	-	816,872	816,872
Other	50,000	303,873	425,910	122,037
State of Alaska	138,655,767	141,895,547	139,211,733	(2,683,814)
Federal grants passed through the State of Alaska	-	9,308	-	(9,308)
Total revenues	183,892,655	187,345,616	184,895,091	(2,450,525)
Expenditures - current:				
Instruction	89,420,730	92,279,649	89,464,208	2,815,441
Special education instruction	25,708,361	26,866,268	26,428,794	437,474
Special education support services - students	8,803,875	9,413,573	9,193,813	219,760
Support services - students	7,887,032	8,043,722	7,635,074	408,648
Support services - instruction	7,208,204	7,123,394	7,259,858	(136,464)
School administration	7,518,890	7,520,614	7,399,050	121,564
School administration support services	7,929,080	7,942,735	7,851,254	91,481
District administration	765,592	945,587	925,340	20,247
District administration support services	7,332,010	7,717,869	7,619,700	98,169
Operations and maintenance of plant	18,656,803	19,648,896	19,366,203	282,693
Student activities	2,788,362	2,535,039	2,932,555	(397,516)
Food services	-	-	4,358	(4,358)
Total expenditures	184,018,939	190,037,346	186,080,207	3,957,139
Excess of revenues over (under) expenditures	(126,284)	(2,691,730)	(1,185,116)	1,506,614
Other financing uses - transfers out	-	-	(1,503,166)	(1,503,166)
Net change in fund balance	\$ (126,284)	(2,691,730)	(2,688,282)	3,448
Fund balance, beginning of year			4,426,021	
Fund balance, end of year		\$	1,737,739	

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Student Transportation Special Revenue Fund
Year Ended June 30, 2009

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Local sources - other	\$ -	-	23,750	23,750
State of Alaska	<u>10,643,886</u>	<u>10,643,886</u>	<u>10,888,098</u>	<u>244,212</u>
Total revenues	<u>10,643,886</u>	<u>10,643,886</u>	<u>10,911,848</u>	<u>267,962</u>
Expenditures:				
Operations and maintenance of plant	39,192	39,192	21,510	17,682
Student activities	-	3,921	5,526	(1,605)
Student transportation	<u>11,504,694</u>	<u>11,500,773</u>	<u>11,116,394</u>	<u>384,379</u>
Total expenditures	<u>11,543,886</u>	<u>11,543,886</u>	<u>11,143,430</u>	<u>400,456</u>
Net change in fund balance	\$ <u>(900,000)</u>	<u>(900,000)</u>	(231,582)	<u>668,418</u>
Fund balance, beginning of year			<u>2,216,664</u>	
Fund balance, end of year		\$	<u>1,985,082</u>	

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Title VI-B IDEA Special Revenue Fund
Year Ended June 30, 2009

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues - federal education grants passed through the State of Alaska	\$ 4,838,853	4,838,853	4,167,081	(671,772)
Expenditures:				
Special education instruction	2,551,560	3,114,178	2,503,039	611,139
Special education support services - students	1,196,211	1,471,815	1,428,286	43,529
District administration support services	1,091,082	252,860	235,756	17,104
Total expenditures	4,838,853	4,838,853	4,167,081	671,772
Net change in fund balance	\$ -	-	-	-
Fund balance, beginning of year			-	
Fund balance, end of year		\$	-	

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Proprietary Funds
Statement of Net Assets
June 30, 2009

		<u>Governmental Activities</u>	
			Workers Compensation Self-Insurance
		Nonmajor Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
	<u>Assets</u>		
Cash and investments		\$ 142,993	1,404,188
Inventory		<u>140,345</u>	<u>-</u>
Total current assets		\$ <u>283,338</u>	<u>1,404,188</u>
	<u>Liabilities and Net Assets</u>		
Current liabilities:			
Deferred revenue		85,077	-
Insurance claims incurred but not reported		<u>-</u>	<u>1,404,188</u>
Total current liabilities		85,077	1,404,188
Net assets - unrestricted		<u>198,261</u>	<u>-</u>
Total liabilities and net assets		\$ <u>283,338</u>	<u>1,404,188</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2009

	<u>Governmental Activities</u>	
	Nonmajor Enterprise Funds	Workers Compensation Self-Insurance Internal Service Fund
Operating revenues:		
Interfund charges	\$ -	1,239,067
Sales	<u>285,855</u>	<u>-</u>
Total operating revenues	<u>285,855</u>	<u>1,239,067</u>
 Operating expenses:		
Claims expense	-	1,533,826
General and administrative	<u>238,002</u>	<u>389,446</u>
Total operating expenses	<u>238,002</u>	<u>1,923,272</u>
 Operating income (loss)	47,853	(684,205)
 Nonoperating revenue - interest income	<u>-</u>	<u>394</u>
 Income (loss) before transfers	47,853	(683,811)
 Transfers in	<u>-</u>	<u>683,811</u>
 Change in net assets	47,853	-
 Net assets, beginning of year	<u>150,408</u>	<u>-</u>
 Net assets, end of year	\$ <u><u>198,261</u></u>	<u><u>-</u></u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2009

	Governmental Activities	
	Nonmajor Enterprise Funds	Workers Compensation Self-Insurance Internal Service Fund
Cash flows from operating activities:		
Receipts from interfund charges	\$ -	1,890,665
Receipts from customers and users	276,145	-
Payments to suppliers	<u>(237,242)</u>	<u>(1,645,386)</u>
Net cash flows from operating activities	<u>38,903</u>	<u>245,279</u>
Cash flows from noncapital financing activities - transfer in	<u>-</u>	<u>683,811</u>
Cash flows from investing activities - interest received	<u>-</u>	<u>394</u>
Net increase in cash and cash equivalents	38,903	929,484
Cash and cash equivalents, beginning of year	<u>104,090</u>	<u>474,704</u>
Cash and cash equivalents, end of year	\$ <u><u>142,993</u></u>	<u><u>1,404,188</u></u>
Reconciliation of change in net assets to cash flows from operating activities:		
Operating income (loss)	<u>47,853</u>	<u>(684,205)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Decrease in inventories	760	-
Decrease in due from other funds	-	651,598
Decrease in accounts payable	-	(7,385)
Decrease in deferred revenue	(9,710)	-
Increase in insurance claims incurred but not reported	<u>-</u>	<u>285,271</u>
Total adjustments	<u>(8,950)</u>	<u>929,484</u>
Net cash flows from operating activities	\$ <u><u>38,903</u></u>	<u><u>245,279</u></u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Student Activities Agency Funds

Statement of Fiduciary Net Assets

June 30, 2009

Assets

Cash and investments	\$ <u>1,380,138</u>
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Liabilities

Due to student activities and community schools	\$ <u>1,380,138</u>
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