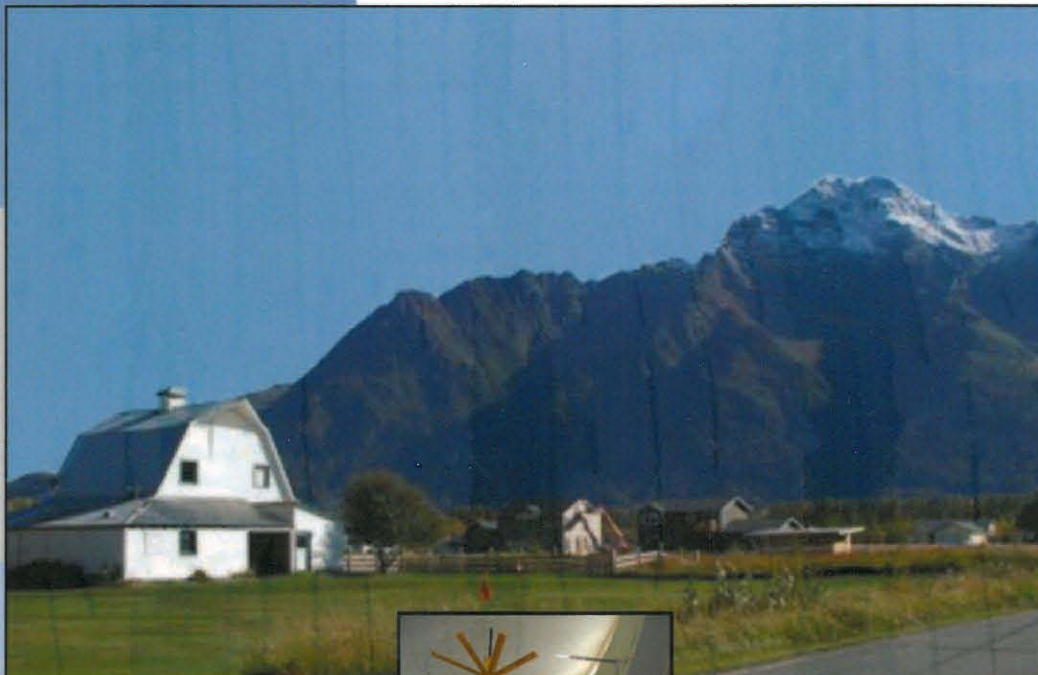




Matanuska-Susitna Borough, Alaska

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2010**



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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**

**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

Table of Contents

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

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

Table of Contents, continued

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

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

Table of Contents, continued

FINANCIAL SECTION, continued	<u>Exhibit</u>	<u>Page</u>
<u>Supplementary Information, continued</u>		
Special Revenue Funds, continued:		
Nonareawide Services and Service Areas, continued:		
Fire Service Areas, continued:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual, continued:		
Fire Service Area 132 – Greater Palmer Consolidated	H-20	82
Fire Service Area 4 – Sutton	H-21	83
Fire Service Area 24 – Talkeetna	H-22	84
Fire Service Area 33 – Big Lake	H-23	85
Fire Service Area 34 – Meadow Lakes	H-24	86
Fire Service Area 136 – West Lakes	H-25	87
Fire Service Area 35 – Willow	H-26	88
Fire Service Area 135 – Caswell	H-27	89
Road Service Areas:		
Combining Balance Sheet	H-28	90-91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-29	92-93
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
Road Service Area 9 – Midway Road	H-30	94
Road Service Area 14 – Fairview Road	H-31	95
Road Service Area 15 – Caswell Lake	H-32	96
Road Service Area 16 – South Colony	H-33	97
Road Service Area 17 – Knik Road	H-34	98
Road Service Area 19 – Lazy Mountain	H-35	99
Road Service Area 20 – Greater Willow	H-36	100
Road Service Area 21 – Big Lake Road	H-37	101
Road Service Area 23 – North Colony	H-38	102
Road Service Area 25 – Bogard Road	H-39	103
Road Service Area 26 – Greater Butte Road	H-40	104
Road Service Area 27 – Meadow Lakes Road	H-41	105
Road Service Area 28 – Gold Trail Road	H-42	106
Road Service Area 29 – Greater Talkeetna Road	H-43	107
Road Service Area 30 – Trapper Creek Road	H-44	108
Road Service Area 31 – Alpine Road	H-45	109
Land Management Special Revenue Fund:		
Balance Sheet	H-46	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	H-47	111

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

Table of Contents, continued

FINANCIAL SECTION, continued	<u>Exhibit</u>	<u>Page</u>
<u>Supplementary Information, continued</u>		
Debt Service Funds:		
School Buildings:		
Balance Sheet	I-1	113
Statement of Revenues, Expenditures, and Changes in Fund Balance	I-2	114
Nonmajor Debt Service Funds:		
Combining Balance Sheet	I-3	115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	I-4	116
Capital Project Funds:		
School Projects:		
Balance Sheet	J-1	118
Statement of Revenues, Expenditures, and Changes in Fund Balance	J-2	119
Nonmajor Capital Project Funds:		
Combining Balance Sheet	J-3	120
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	J-4	121
Project Length of Construction Projects	J-5	122-123
Enterprise Funds:		
Solid Waste:		
Statement of Net Assets	K-1	125
Statement of Revenues, Expenses, and Changes in Net Assets	K-2	126
Statement of Cash Flows	K-3	127
Port:		
Statement of Net Assets	K-4	128
Statement of Revenues, Expenses, and Changes in Net Assets	K-5	129
Statement of Cash Flows	K-6	130
Internal Service Funds:		
Combining Statement of Net Assets	L-1	131
Combining Statement of Revenues, Expenses, and Changes in Net Assets	L-2	132
Combining Statement of Cash Flows	L-3	133

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

Table of Contents, continued

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

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

Table of Contents, continued

SINGLE AUDIT SECTION	<u>Page</u>
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	171-172
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	173-174
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>	175-176
Schedule of Findings and Questioned Costs	177-178
Summary Schedule of Prior Audit Findings	179
Corrective Action Plan	180
 COMPONENT UNIT	
Government-wide Financial Statements:	
Statement of Net Assets	181
Statement of Activities	182
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	183
Reconciliation of Governmental Funds	
Balance Sheet to Statement of Net Assets	184
Statement of Revenues, Expenditures, and Changes in Fund Balances	185
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	186
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General (School Operating) Fund	187
Student Transportation Special Revenue Fund	188
Title VI-B IDEA Special Revenue Fund	189

MATANUSKA-SUSITNA BOROUGH
Comprehensive Annual Financial Report

Table of Contents, continued

COMPONENT UNIT	<u>Page</u>
Proprietary Funds:	
Statement of Net Assets	190
Statement of Revenues, Expenses, and Changes in Fund Net Assets	191
Statement of Cash Flows	192
Student Activities Agency Fund – Statement of Fiduciary Net Assets	193



MATANUSKA-SUSITNA BOROUGH

Department of Finance

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December 21, 2010

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, 2010, 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, 2010, 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, 2010, 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 84,314. 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. In fact, they have continued to expand by renovating the third floor of the hospital building. This renovation will be completed in 2012. In addition, Providence Medical Services, Inc. completed a new medical office building near the Mat-Su Regional Medical Center during 2010. And, the Southcentral Foundation recently announced that they will be building a new \$40 million Native Medical Care Facility that will increase the number of permanent jobs from a current staff of 35 now to 250 medical personnel after the facility is completed in 2013. Furthermore, the Mat-Su College has recently initiated new nursing courses and a new paramedic's curriculum that will provide a four year degree in paramedic medicine. On November 2, 2010, state residents passed a bond measure that will provide new classroom space at the college for these programs.

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. New industry, professional businesses and a variety of new commercial buildings have moved into or expanded in the Borough including several new significant retail developments and entertainment facilities. The new entities serve the growing number of people choosing to reside in the Borough while working elsewhere. Approximately 38% of the workforce commutes to work outside of the Borough. In addition to new construction of commercial buildings, the construction of new residences throughout the Borough has continued to increase year after year.

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

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

Also, the Borough, working with the Alaska Railroad, completed a \$10 million environmental study to extend the Alaska Railroad 30 miles from Willow to Port Mackenzie. The Borough previously acquired \$17.5 million to start construction on the rail loop in the Port District. Then in July, \$35 million more was received for the next phase. The next phase will construct six miles of rail embankment, purchase right-of-way for the remaining rail extension and engineer the route selected by the Environmental Impact Study. 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, 2010 of the investments range from six months to twenty months, with an average maturity of thirteen months. The average yield this fiscal year was .36%.

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

retentions, which is more fully described in Note (1) in the Notes to the Basic Financial Statements.

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

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

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

Relative Financial Policies

The Borough has established a number of reserves for a variety of purposes. The 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 2011 budget excluding the budgeted operating expenditures of the school district. This would provide funds if there is ever a significant shortfall in projected revenues.

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

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

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

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

Long-Term Financial Planning

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

Once complete in 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 are being spent for security upgrades throughout the 40 plus schools in the Borough. The projects will be complete by fiscal year 2012.

The Borough has now received authorization from the State of Alaska for debt service reimbursement for General Obligation Bonds that will be issued to finance the upgrades, major renovation and renewal of school capital projects. The bonds will total \$33,785,000 and are expected to be issued in February 2011. The projects will be completed within the next three years.

Approved in the capital/grant budget was \$1,550,000 for matching grants for numerous grants. These funds will not lapse. The funds will be used to leverage future grant funds for the Borough. Almost all grants now require a monetary match.

Lastly, over \$8,100,000 was budgeted for various small projects throughout the Borough. These funds will be utilized to upgrade various recreational facilities, emergency service facilities and other facilities as well as roads. By so funding, future deferred maintenance costs of buildings will be significantly reduced. Also, maintenance costs will be reduced once the roads are upgraded.

Awards and Acknowledgements

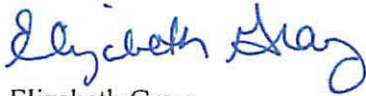
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Matanuska-Susitna Borough for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This is the twenty-fifth 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.

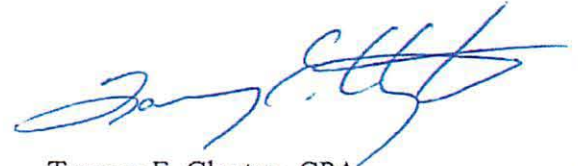
The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Accounting Division. We wish to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report with special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

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

Respectfully submitted,



Elizabeth Gray
Acting 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
Ronald Arvin
Mark Ewing

Cindy L. Bettine
Jim Colver
Vern Halter



Borough Staff

John Duffy
Nicholas Spiropoulos
Lonnie McKechnie
Elizabeth Gray
Linda Brenner
Tammy E. Clayton
Christine Nelson
Shaune O'Neil
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, 2009

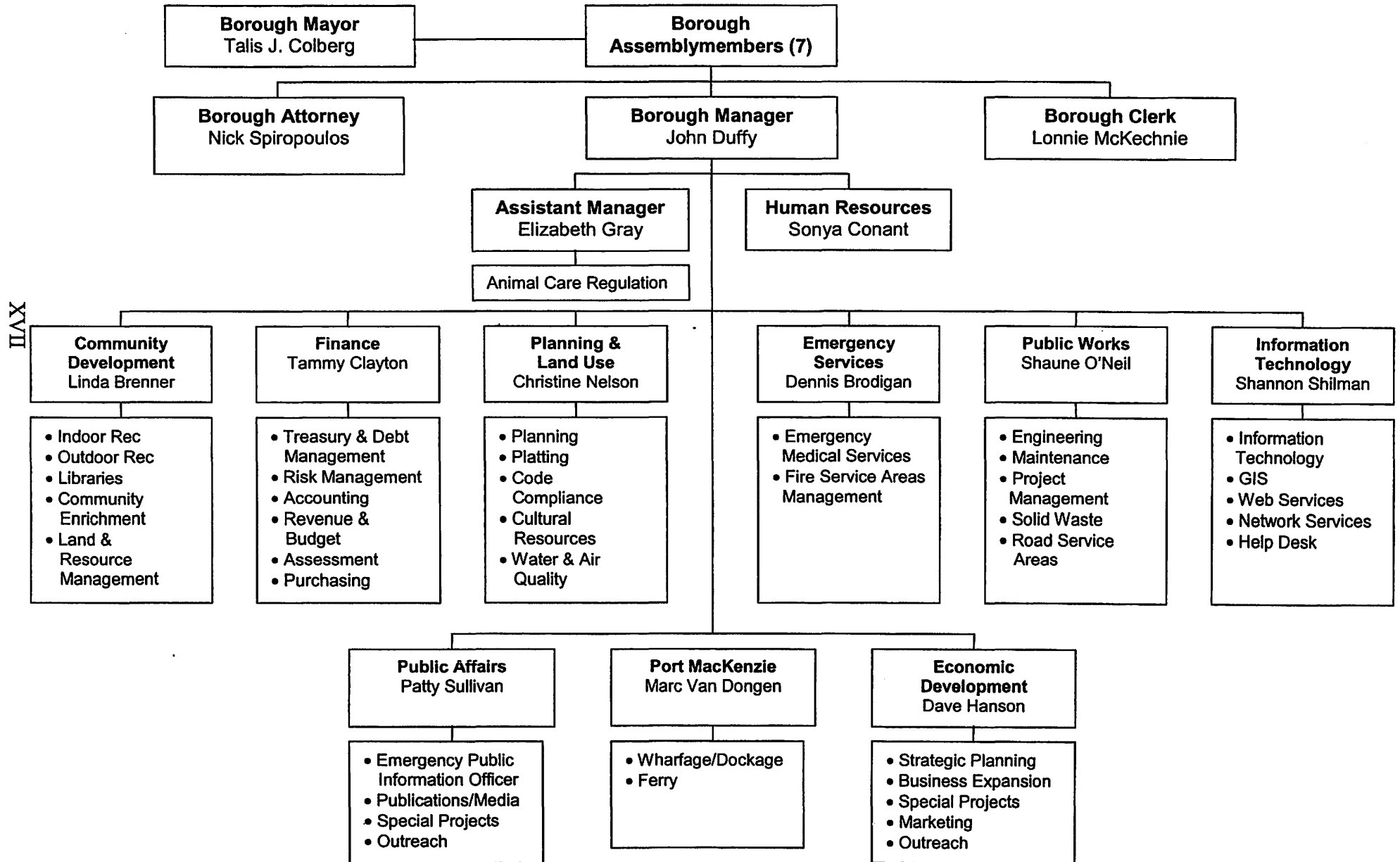
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Matanuska-Susitna Borough Organization Chart Fiscal Year 2010



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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, 2010, 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, 2010, 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 21, 2010 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 21, 2010

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis

June 30, 2010

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, 2010. 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 \$553,326,319. Of this amount, \$50,867,101 (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 \$56,569,091. Of this amount, \$12,097,728 was unreserved, undesignated and available for spending. The unreserved, undesignated fund balance for the General Fund represented 11.85% of total General Fund expenditures and transfers.
- The Borough's total net assets increased by \$37,364,463.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$133,086,995, an increase of \$4,841,093 in comparison to the prior year.
- The Borough's total outstanding debt decreased by \$9,931,450 to a year-end balance of \$192,195,276, due to retirement of debt throughout the year. The Borough's long-term debt table can be found on page 42-48 of the Notes to the Basic Financial Statements.
- In fiscal year 2005, the Borough established two enterprise funds in order to account for the Borough's sanitary landfill and Port MacKenzie activities. Current fiscal year activities of the two funds combined increased total Borough net assets by \$1,316,377.

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.

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the short-term view of the Borough's operations. Because the focus of governmental funds is narrower than that of the

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

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 54 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the School Buildings Debt Service Fund, and the School Capital Projects Fund. The other 51 governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 51 nonmajor funds is presented in Combining Balance Sheets for Nonmajor Governmental Funds and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The basic governmental fund financial statements can be found on pages 17 - 20 of this report. Budgetary comparison statements for the General Fund with annual budgets are provided on pages 56 - 59 to demonstrate compliance with these budgets. The 36 special revenue funds with annual budgets are provided on pages 66 - 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 125 - 130.

The Borough has seven internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Borough's various functions. The Borough uses internal service funds to account for its self insurance program. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 131 - 139.

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

Fiduciary funds

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

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

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

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

Notes to the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets exceeded liabilities by \$553,326,319, at June 30, 2010 compared to \$515,961,856, at June 30, 2009. By far, the largest portion of the Borough's net assets (77%) reflects its investment in capital assets (e.g. land, buildings, machinery, etc.) less any related debt used to acquire those assets that are still outstanding. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Matanuska-Susitna Borough's Net Assets June 30, 2010 and 2009 (in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:						
Current and other assets	\$ 169.2	167.9	0.5	1.5	169.7	169.4
Capital assets	<u>545.0</u>	<u>522.9</u>	<u>48.2</u>	<u>44.9</u>	<u>593.2</u>	<u>567.8</u>
Total assets	<u>714.2</u>	<u>690.8</u>	<u>48.7</u>	<u>46.4</u>	<u>762.9</u>	<u>737.2</u>

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Liabilities:						
Long-term debt outstanding	\$ 177.5	187.2	14.7	14.9	192.2	202.1
Other liabilities	<u>15.4</u>	<u>18.3</u>	<u>2.0</u>	<u>0.8</u>	<u>17.4</u>	<u>19.1</u>
Total liabilities	<u>192.9</u>	<u>205.5</u>	<u>16.7</u>	<u>15.7</u>	<u>209.6</u>	<u>221.2</u>
Net assets:						
Invested in capital assets, net of related debt	389.8	359.0	36.5	32.7	426.3	391.7
Restricted	76.2	74.9	-	-	76.2	74.9
Unrestricted (deficit)	<u>55.3</u>	<u>51.4</u>	<u>(4.5)</u>	<u>(2.0)</u>	<u>50.8</u>	<u>49.4</u>
Total net assets	\$ <u>521.3</u>	<u>485.3</u>	<u>32.0</u>	<u>30.7</u>	<u>553.3</u>	<u>516.0</u>

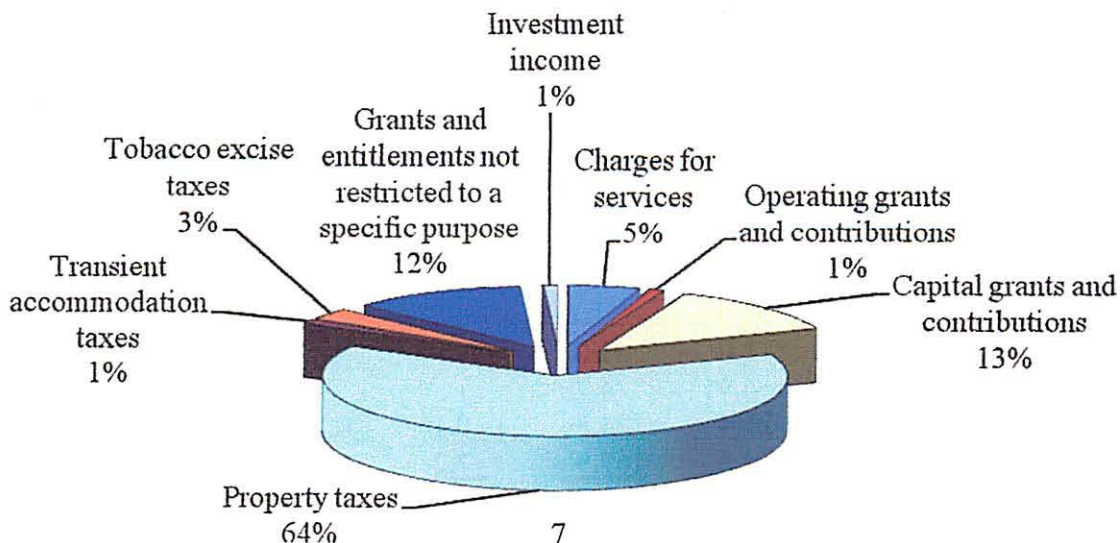
Changes in Net Assets

During the current fiscal year, the Borough's total net assets increased by \$37.3 million. This compares to an increase of \$60.9 million for the year ended June 30, 2009.

Revenues decreased overall by \$12.0 million with the majority of this resulting from a decrease in capital grants and contributions revenues of \$10.9 million due largely to a decreased amount of federal and state funding being provided for Borough capital projects. During fiscal year 2010, approximately 64% 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 \$4.3 million from the prior year. During fiscal year 2010, approximately 40% of the Borough's total expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.

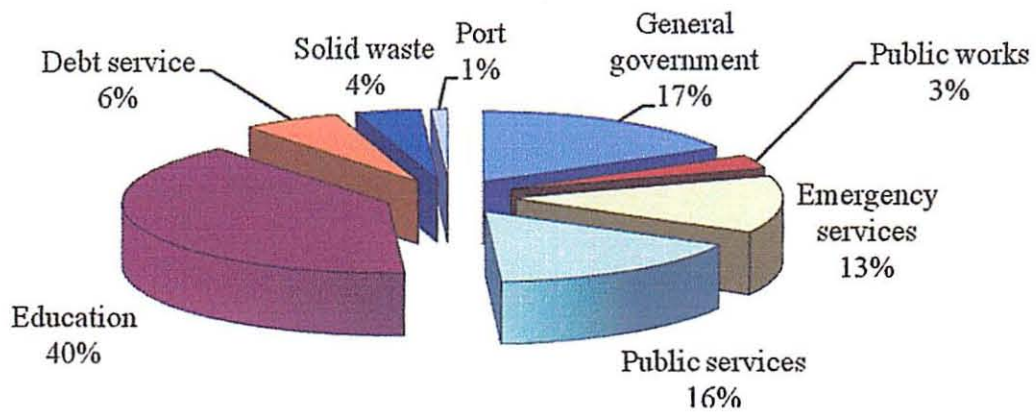
Sources of Revenue for Fiscal Year 2010



MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

Functional Expenses for Fiscal Year 2010



**Changes in Matanuska-Susitna Borough's Net Assets
For Years Ended June 30, 2010 and 2009
(in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5.1	6.6	3.4	3.9	8.5	10.5
Operating grants and contributions	-	-	0.8	0.7	0.8	0.7
Capital grants and contributions	17.7	30.5	2.9	1.0	20.6	31.5
General revenues:						
Property taxes	104.4	100.3	-	-	104.4	100.3
Transient accommodation taxes	1.0	1.0	-	-	1.0	1.0
Tobacco excise taxes	4.9	4.7	-	-	4.9	4.7
Other	<u>21.4</u>	<u>24.8</u>	<u>0.1</u>	<u>0.2</u>	<u>21.5</u>	<u>25.0</u>
Total revenues	<u>154.5</u>	<u>167.9</u>	<u>7.2</u>	<u>5.8</u>	<u>161.7</u>	<u>173.7</u>

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Expenses:						
General government	\$ 21.6	18.4	-	-	21.6	18.4
Public works	3.9	4.0	-	-	3.9	4.0
Emergency services	17.0	15.8	-	-	17.0	15.8
Public services	21.3	22.4	-	-	21.3	22.4
Education	50.6	50.4	-	-	50.6	50.4
Debt service	8.2	7.9	-	-	8.2	7.9
Solid waste	-	-	4.9	4.5	4.9	4.5
Port	-	-	<u>1.8</u>	<u>1.6</u>	<u>1.8</u>	<u>1.6</u>
Total expenses	<u>122.6</u>	<u>118.9</u>	<u>6.7</u>	<u>6.1</u>	<u>129.3</u>	<u>125.0</u>
Excess before transfers, special items, and extraordinary items	31.9	49.0	0.5	(.3)	32.4	48.7
Transfers	(.9)	(.7)	0.9	0.7	-	-
Special items	-	2.0	-	0.1	-	2.1
Extraordinary items	<u>5.0</u>	<u>10.0</u>	<u>-</u>	<u>-</u>	<u>5.0</u>	<u>10.0</u>
Increase in net assets	36.0	60.3	1.4	0.5	37.4	60.8
Beginning 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>
Ending net assets	\$ <u>521.3</u>	<u>485.3</u>	<u>32.0</u>	<u>30.6</u>	<u>553.3</u>	<u>515.9</u>

Governmental activities

Revenues for the Borough's governmental activities decreased by \$13.4 million from the prior year while expenses for governmental activities increased by \$3.7 million. Key elements to the decrease in revenues and increase in expenses include the following:

- Capital grants and contributions revenues decreased by \$12.8 million due largely to a decreased amount of federal and state funding being provided for Borough capital projects.
- As a result of a growing population within the Borough, expenditures for general government services increased by \$3.2 million from the prior fiscal year.

Business-type activities

Revenues for the Borough's business-type activities increased by \$1.4 million from the prior year while expenses for business-type activities increased by \$.6 million. Key elements to the increase in revenues and expenses include the following:

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

- Capital grants and contributions revenues increased by \$1.9 million due to federal and state funding being provided for Port MacKenzie expansion projects.
- As a result of a growing population within the Borough, 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 \$133,086,995, an increase of \$4,841,093 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 (\$8,961,202) to liquidate prepaid expenses, 3) or for other restricted purposes. The remainder of fund balance is unreserved (\$117,052,166); although \$20,797,145 is shown as designated in accordance with the Borough's minimum fund balance policy. Of the \$117,052,166 unreserved fund balance, \$25,070,484 is designated for school capital projects.

The General Fund is the chief operating fund of the Borough. At the end of the current fiscal year, total fund balance was \$56,939,450, unreserved fund balance was \$56,569,091, and unreserved, undesignated fund balance was \$12,097,728. Total fund balance increased by \$6,200,951 from the prior year. Key factors include:

- An increase of \$3,119,115 in current year property tax levy revenue from the prior year due to an increased collection of delinquent taxes.
- An increase of \$213,172 in excise tax from the prior year due to an increase in tobacco purchases.
- Transfers in the amount of \$575,776 into the General Fund due to capital project funds lapsing and the capital contributions being returned to the General Fund.
- A decrease of \$1,132,481 in contributions to the School District from the budgeted amount due to the the lapse of appropriations per MSB Code 3.04.110(C).

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

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

At the end of the current fiscal year, ending total fund balance in the School Buildings Debt Service Fund was \$267,299, with the entire fund balance being unreserved but designated for debt service. Total fund balance decreased by \$507,435 from the prior year. The key factor in the decrease in fund balance was a \$499,108 interest payment on the 2009 general obligation bond which was for school projects.

At the end of the current fiscal year, ending total fund balance in the School Capital Projects Fund was \$25,915,674, with \$25,070,484 of the fund balance being unreserved but designated for subsequent year expenditures. Total fund balance decreased by \$5,202,592 from the prior year. The key factor in the decrease in fund balance was that there was a great deal of capital outlay expenditures as the construction of several school buildings continues.

Proprietary funds

The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the solid waste and port enterprise funds were a deficit of (\$1,463,708) and a deficit of (\$3,036,543), respectively. Unrestricted net assets of the internal service funds at the end of the year were \$8,359,237.

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

At the end of the current fiscal year, ending total net assets in the Solid Waste Enterprise Fund were \$7,686,334, with \$9,150,042 invested in capital assets, net of related debt, and an unrestricted net assets deficit of \$1,463,708. Total net assets increased by \$898,622 from the prior year. The key factor in the increase in fund balance was that there was a large amount of capital contributions due to federal and state funding being provided for capital projects related to the disposal and recycling of solid waste.

At the end of the current fiscal year, ending total net assets in the Port Enterprise Fund were \$24,321,071, with \$27,357,614 invested in capital assets, net of related debt, and an unrestricted net assets deficit of \$3,036,543. Total net assets increased by \$417,755 from the prior year. A key factor to the increase in fund balance was that capital contributions increased by \$403,956 due to federal and state funding being provided for Port MacKenzie expansion projects.

General Fund Budgetary Highlights

At year end, there was a \$1,393,021 difference between the original budget and the final amended budget. Key factors include:

- A \$1,093,021 reappropriation to the School Projects Capital Project Fund to supplement the reconstruction costs of the Su-Valley High School that was destroyed by fire in 2007.
- A \$288,171 reappropriation to the Miscellaneous Capital Project Fund for a variety of planning projects.

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

There was a total difference between the final amended budget and actual results in the amount of \$10,555,595. Key factors include:

- An increase of \$1,238,113 in federal payments in lieu of taxes (PILT) from the budgeted amount due to the Emergency Economic Stabilization Act of 2008.
- An increase of \$2,003,885 in current year property tax levy revenue from the budgeted amount due to an increased collection of delinquent taxes.
- An increase of \$174,445 in transient accommodation tax from the budgeted amount due to a higher than expected amount of tourist activity in the area during the fiscal year.
- An increase of \$392,235 in excise tax from the budgeted amount due to a higher than expected amount of tobacco purchases than was expected for the year.
- An increase of \$575,776 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 \$1,132,481 in contributions to the School District from the budgeted amount due to the 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, 2010 amounts to \$593,222,055 (net of accumulated depreciation), an increase of \$25,414,371 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 Knik Goose Bay Elementary, South Palmer Area Elementary, and District-wide Safety and Security, construction continuing on the two new Wasilla-Lakes Fire Service Area Public Safety Buildings, the construction of the South Central Rail Corridor, and the continuation of road projects including the Point MacKenzie Road, Parks Highway Connections and Bogard/Seldon Road Extensions; increasing the construction in progress for governmental activities.
- Completion of the Wasilla Area Elementary School increasing buildings for governmental activities.
- Construction on the Port MacKenzie Ferry/Intermodal Facility and at the Central Landfill to develop Cell III continued, as well as the construction of a new Recycling Center, increasing the construction in progress for business-type activities.

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land and land improvements	\$ 13.7	13.6	-	-	13.7	13.6
Buildings	247.7	240.3	2.1	2.1	249.8	242.4
Improvements other than buildings	14.3	14.8	0.9	0.9	15.2	15.7
Equipment	12.5	13.1	0.5	0.5	13.0	13.6
Infrastructure	88.3	85.8	22.6	23.3	110.9	109.1
Construction in progress	168.5	155.3	18.4	14.3	186.9	169.6
Landfill cells	-	-	3.7	3.8	3.7	3.8
Total capital assets	\$ <u>545.0</u>	<u>522.9</u>	<u>48.2</u>	<u>44.9</u>	<u>593.2</u>	<u>567.8</u>

Additional information on the Borough's capital assets can be found in on pages 39 - 42 of this report.

Long-term Debt

At the end of the current fiscal year, the Borough had total debt outstanding of \$192,195,276. Of this amount, \$169,325,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$7,775,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, and insurance claims incurred but not reported.

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 161.7	171.9	7.6	8.0	169.3	179.9
Certificates of participation	7.8	8.4	-	-	7.8	8.4
Other debt	8.0	6.9	7.1	6.9	15.1	13.8
Total outstanding debt	\$ <u>177.5</u>	<u>187.2</u>	<u>14.7</u>	<u>14.9</u>	<u>192.2</u>	<u>202.1</u>

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

MATANUSKA SUSITNA BOROUGH

Management's Discussion and Analysis, continued

Economic Factors and the Next Year's Budget and Rates

In setting the budgets for fiscal year 2011, 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 2011. As a result, the fiscal year 2011 budget includes a decrease of .024 mills in the General Fund tax rate from the current rate of 9.98 mills to an approved rate of 9.956 mills. The Nonareawide mill rate decreased by .035 mills in the fiscal year 2011 budget, going from the current rate of .429 mills to an approved rate of .394 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, 2010

Assets	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School District
Cash and investments	\$ 139,956,304	-	139,956,304	5,681,407
Prepaid items	261,658	-	261,658	415,204
Receivables:				
Intergovernmental	7,311,942	2,129,276	9,441,218	4,947,106
Property taxes, net of allowance	10,966,096	-	10,966,096	-
Excise taxes	753,522	-	753,522	-
Accounts, net of allowance	-	226,793	226,793	-
Ambulance, net of allowance	600,123	-	600,123	-
Land sales contracts, net of allowance	18,698	-	18,698	-
Other	1,354,204	-	1,354,204	-
Accrued interest	524,241	-	524,241	-
Interfund note receivable, current	165,900	(165,900)	-	-
Deposits	29,837	-	29,837	-
Inventory	143,389	765	144,154	1,192,209
Restricted cash	1,087,551	2,229,001	3,316,552	-
Internal balances	3,523,542	(3,523,542)	-	-
Long-term portion of interfund note receivable	401,979	(401,979)	-	-
Land sales contracts receivable - long term	552,390	-	552,390	-
Unamortized bond issuance costs	1,563,518	-	1,563,518	-
Capital assets, not being depreciated	182,272,088	18,435,268	200,707,356	-
Capital assets, net of accumulated depreciation	362,728,213	29,786,486	392,514,699	1,571,667
Total assets	\$ 714,215,195	48,716,168	762,931,363	13,807,593
Liabilities				
Accounts, contracts and retentions payable	8,600,815	1,807,118	10,407,933	174,227
Accrued payroll and related liabilities	1,921,206	-	1,921,206	5,158,089
Other liabilities	219,520	-	219,520	-
Deposits	29,598	10,000	39,598	-
Unearned revenue	2,251,032	11,975	2,263,007	279,110
Accrued interest payable	2,417,381	141,123	2,558,504	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	2,209,463	119,671	2,329,134	3,985,797
Bonds and certificates of participation	11,915,000	410,000	12,325,000	-
Loans payable	13,141	44,337	57,478	-
Insurance claims incurred but not reported	1,839,933	-	1,839,933	1,385,314
Due in more than one year:				
Bonds and certificates of participation, net of premium and deferred loss	160,176,136	7,352,948	167,529,084	-
Loans payable	269,851	3,906,813	4,176,664	-
Landfill closure costs payable	-	2,904,778	2,904,778	-
Litigation settlement	750,000	-	750,000	-
Insurance claims incurred but not reported	283,205	-	283,205	-
Total liabilities	192,896,281	16,708,763	209,605,044	10,982,537
Net Assets				
Invested in capital assets, net of related debt	389,804,017	36,507,656	426,311,673	1,571,667
Restricted:				
Capital projects	49,117,967	-	49,117,967	-
Land management	6,955,001	-	6,955,001	-
Debt service	1,427,726	-	1,427,726	-
Service areas	18,646,851	-	18,646,851	-
Other	-	-	-	5,712
Unrestricted (deficit)	55,367,352	(4,500,251)	50,867,101	1,247,677
Total net assets	521,318,914	32,007,405	553,326,319	2,825,056
Total liabilities and net assets	\$ 714,215,195	48,716,168	762,931,363	13,807,593

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Statement of Activities

Year Ended June 30, 2010

Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit School District
	Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business- Type Activities		
Primary government:								
Governmental activities:								
General government \$	21,609,559	384,406	-	75,586	(21,149,567)	-	(21,149,567)	
Public works	3,888,031	69,291	-	1,138,541	(2,680,199)	-	(2,680,199)	
Emergency services	17,038,974	3,383,052	-	1,601,578	(12,054,344)	-	(12,054,344)	
Public services	21,204,922	1,233,744	32,044	14,492,309	(5,446,825)	-	(5,446,825)	
Education	50,612,473	-	-	409,274	(50,203,199)	-	(50,203,199)	
Debt service	8,223,394	-	-	-	(8,223,394)	-	(8,223,394)	
Total governmental activities	<u>122,577,353</u>	<u>5,070,493</u>	<u>32,044</u>	<u>17,717,288</u>	<u>(99,757,528)</u>	<u>-</u>	<u>(99,757,528)</u>	
Business-type activities:								
Solid waste	4,879,075	3,398,656	-	1,526,808	-	46,389	46,389	
Port	1,854,603	52,368	755,120	1,383,894	-	336,779	336,779	
Total business type activities	<u>6,733,678</u>	<u>3,451,024</u>	<u>755,120</u>	<u>2,910,702</u>	<u>-</u>	<u>383,168</u>	<u>383,168</u>	
Total primary government	\$ <u>129,311,031</u>	<u>8,521,517</u>	<u>787,164</u>	<u>20,627,990</u>	<u>(99,757,528)</u>	<u>383,168</u>	<u>(99,374,360)</u>	
Component unit - School district	\$ <u>223,215,458</u>	<u>1,449,019</u>	<u>32,812,129</u>	<u>-</u>				<u>(188,954,310)</u>
General revenues:								
Taxes:								
Property taxes				\$ 104,467,503	-	104,467,503	-	
Excise taxes				4,901,735	-	4,901,735	-	
Transient accommodation taxes				969,945	-	969,945	-	
Contributions from primary government				-	-	-	-	43,964,884
Grants and entitlements not restricted to a specific purpose				19,974,453	56,006	20,030,459	144,179,481	
Investment income				877,430	7,996	885,426	-	
Other				504,237	-	504,237	2,070,900	
Transfers				(869,207)	869,207	-	-	
Extraordinary item - insurance settlement				4,979,518	-	4,979,518	-	
Total general revenues, transfers and extraordinary item				<u>135,805,614</u>	<u>933,209</u>	<u>136,738,823</u>	<u>190,215,265</u>	
Change in net assets				36,048,086	1,316,377	37,364,463	1,260,955	
Net assets (deficit) at beginning of year				<u>485,270,828</u>	<u>30,691,028</u>	<u>515,961,856</u>	<u>1,564,101</u>	
Net assets at end of year				\$ <u>521,318,914</u>	<u>32,007,405</u>	<u>553,326,319</u>	<u>2,825,056</u>	

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Governmental Funds

Balance Sheet

June 30, 2010

<u>Assets</u>	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>School Buildings Debt Service</u>	<u>School Projects Capital Project</u>	<u>Nonmajor Funds</u>	
Cash and investments	\$ 53,279,625	267,299	26,758,260	49,354,468	129,659,652
Prepaid items	226,970	-	-	34,688	261,658
Receivables:					
Intergovernmental	113,274	-	4,552	7,194,116	7,311,942
Property taxes, net of allowance	8,985,526	-	-	1,980,570	10,966,096
Excise taxes	753,522	-	-	-	753,522
Ambulance, net of allowance	600,123	-	-	-	600,123
Land sales contracts, net of allowance	-	-	-	18,698	18,698
Accrued interest	524,241	-	-	-	524,241
Other	390,235	-	-	963,969	1,354,204
Due from other funds	4,446,397	-	-	-	4,446,397
Interfund note receivable	-	-	-	567,879	567,879
Deposits	1,497	-	-	-	1,497
Inventory	143,389	-	-	-	143,389
Restricted cash	-	-	-	1,087,551	1,087,551
Land sales contracts receivable, long term	-	-	-	552,390	552,390
Total assets	\$ 69,464,799	267,299	26,762,812	61,754,329	158,249,239
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts, contracts and retentions payable	1,217,402	-	847,138	6,480,970	8,545,510
Accrued payroll and related liabilities	1,921,206	-	-	-	1,921,206
Other liabilities	219,520	-	-	-	219,520
Due to General Fund	-	-	-	922,855	922,855
Deposits	-	-	-	29,598	29,598
Deferred revenue	9,167,221	-	-	3,860,654	13,027,875
Loans payable to other funds	-	-	-	495,680	495,680
Total liabilities	12,525,349	-	847,138	11,789,757	25,162,244
Fund balances:					
Reserved:					
Inventory and prepaid items	370,359	-	-	34,688	405,047
Land Management Permanent Fund	-	-	-	5,013,130	5,013,130
Interfund note receivable	-	-	-	567,879	567,879
Debt reserve	-	-	-	1,087,571	1,087,571
Encumbrances	-	-	845,190	8,116,012	8,961,202
Unreserved reported in:					
General Fund	56,569,091	-	-	-	56,569,091
Special revenue funds	-	-	-	19,986,155	19,986,155
Debt service funds	-	267,299	-	72,856	340,155
Capital project funds	-	-	25,070,484	15,086,281	40,156,765
Total fund balances	56,939,450	267,299	25,915,674	49,964,572	133,086,995
Total liabilities and fund balances	\$ 69,464,799	267,299	26,762,812	61,754,329	158,249,239

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
 Reconciliation of Governmental Funds Balance Sheet
 to Statement of Net Assets
 June 30, 2010

Total fund balances for governmental funds \$ 133,086,995

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

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

Land and land improvements	\$	13,770,006	
Construction in progress		168,502,082	
Buildings		368,316,580	
Improvements other than buildings		19,879,061	
Equipment		29,541,418	
Infrastructure		201,169,233	
Accumulated depreciation		<u>(256,178,079)</u>	
Total capital assets			545,000,301

Other long-term assets are not available to pay for current period expenditures
 and therefore are deferred in the funds. These assets consist of:

Property taxes receivable		9,898,303	
Special assessments receivable		6,746	
Ambulance receivable		262,088	
Land sale contracts receivable		<u>609,706</u>	
Total long-term assets			10,776,843

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. 1,563,518

Internal service funds are used by the Borough to charge the cost of
 certain activities, such as insurance, to individual funds. The assets
 and liabilities of the internal service funds are included in the
 governmental activities in the Statement of Net Assets. 8,359,237

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		(169,470,000)	
Unamortized bond premium		(5,363,354)	
Deferred loss on bonds		2,742,218	
Accrued interest payable		(2,417,381)	
Compensated absences		(2,209,463)	
Litigation settlement		<u>(750,000)</u>	
Total long term liabilities			<u>(177,467,980)</u>

Total net assets of governmental activities \$ 521,318,914

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, 2010

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>School Buildings Debt Service</u>	<u>School Projects Capital Project</u>	<u>Nonmajor Funds</u>	
Revenues:					
Taxes	\$ 84,285,763	-	-	27,136,519	111,422,282
Intergovernmental	19,065,973	-	400,969	18,203,588	37,670,530
Charges for services	3,698,710	-	-	1,962,102	5,660,812
Investment income	637,258	29	28,061	107,739	773,087
Interest on land sales	-	-	-	79,502	79,502
Other	-	-	-	562,521	562,521
Total revenues	<u>107,687,704</u>	<u>29</u>	<u>429,030</u>	<u>48,051,971</u>	<u>156,168,734</u>
Expenditures:					
Current:					
General government	18,480,701	-	-	2,820,083	21,300,784
Public works	3,891,504	-	-	-	3,891,504
Emergency services	6,411,267	-	-	9,063,274	15,474,541
Public services	3,186,941	-	-	15,145,992	18,332,933
Education	43,964,884	-	486,251	-	44,451,135
Debt service	-	17,397,464	13,155	1,432,753	18,843,372
Capital outlay	-	-	11,029,327	22,918,053	33,947,380
Total expenditures	<u>75,935,297</u>	<u>17,397,464</u>	<u>11,528,733</u>	<u>51,380,155</u>	<u>156,241,649</u>
Excess (deficiency) of revenues over expenditures	31,752,407	(17,397,435)	(11,099,703)	(3,328,184)	(72,915)
Other financing sources (uses):					
Transfers in	580,576	16,890,000	1,093,021	17,379,760	35,943,357
Transfers out	(26,132,032)	-	(175,428)	(9,701,407)	(36,008,867)
Net other financing sources (uses)	<u>(25,551,456)</u>	<u>16,890,000</u>	<u>917,593</u>	<u>7,678,353</u>	<u>(65,510)</u>
Extraordinary item - insurance settlement	-	-	4,979,518	-	4,979,518
Net change in fund balances	6,200,951	(507,435)	(5,202,592)	4,350,169	4,841,093
Fund balances at beginning of year	<u>50,738,499</u>	<u>774,734</u>	<u>31,118,266</u>	<u>45,614,403</u>	<u>128,245,902</u>
Fund balances at end of year	<u>\$ 56,939,450</u>	<u>267,299</u>	<u>25,915,674</u>	<u>49,964,572</u>	<u>133,086,995</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, 2010

Net change in fund balances - total governmental funds	\$	4,841,093
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 (\$32,729,662) exceeded depreciation (\$10,650,173).		
		22,079,489
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in deferred property taxes	\$ (1,083,099)	
Decrease in deferred ambulance revenue	(147,282)	
Decrease in deferred land sales revenue	(447,869)	
Decrease in deferred special assessments	<u>(197)</u>	
		(1,678,447)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Decrease in deferred loss on bonds	(486,341)	
Decrease in unamortized bond premium	643,473	
Decrease in bond issuance costs	(106,385)	
Payments on debt principal	10,800,000	
Increase in litigation settlement payable	<u>(750,000)</u>	
		10,100,747
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	(112,760)	
Increase in accrued interest payable	<u>(230,769)</u>	
		(343,529)
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>1,048,733</u>
Change in net assets of governmental activities	\$	<u>36,048,086</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, 2010

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:				
Taxes	\$ 81,255,000	81,255,000	84,285,763	3,030,763
Intergovernmental	18,246,611	18,246,611	19,065,973	819,362
Charges for services	3,211,450	3,211,450	3,698,710	487,260
Investment income	<u>1,255,500</u>	<u>1,255,500</u>	<u>637,258</u>	<u>(618,242)</u>
Total revenues	<u>103,968,561</u>	<u>103,968,561</u>	<u>107,687,704</u>	<u>3,719,143</u>
Expenditures:				
General government	21,574,340	21,318,169	18,480,701	2,837,468
Public works	4,164,796	4,147,796	3,891,504	256,292
Emergency services	7,833,906	7,833,906	6,411,267	1,422,639
Public services	3,318,077	3,303,077	3,186,941	116,136
Education	<u>45,097,365</u>	<u>45,097,365</u>	<u>43,964,884</u>	<u>1,132,481</u>
Total expenditures	<u>81,988,484</u>	<u>81,700,313</u>	<u>75,935,297</u>	<u>5,765,016</u>
Excess of revenues over expenditures	21,980,077	22,268,248	31,752,407	9,484,159
Other financing sources (uses):				
Proceeds from disposal of capital assets	5,000	5,000	-	(5,000)
Transfers in	4,800	4,800	580,576	575,776
Transfers out	<u>(24,951,500)</u>	<u>(26,632,692)</u>	<u>(26,132,032)</u>	<u>500,660</u>
Net other financing sources (uses)	<u>(24,941,700)</u>	<u>(26,622,892)</u>	<u>(25,551,456)</u>	<u>1,071,436</u>
Net change in fund balance	<u>\$ (2,961,623)</u>	<u>(4,354,644)</u>	6,200,951	<u>10,555,595</u>
Fund balance at beginning of year			<u>50,738,499</u>	
Fund balance at end of year		\$	<u>56,939,450</u>	

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
Proprietary Funds
Statement of Net Assets
June 30, 2010

<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	\$ -	-	-	10,296,652
Receivables:				
Accounts	222,677	4,116	226,793	-
Interfund loans	-	-	-	48,370
Intergovernmental	1,281,468	847,808	2,129,276	-
Deposits with others	-	-	-	28,340
Inventory	-	765	765	-
Total current assets	<u>1,504,145</u>	<u>852,689</u>	<u>2,356,834</u>	<u>10,373,362</u>
Noncurrent assets:				
Restricted cash - landfill closure	<u>2,229,001</u>	-	<u>2,229,001</u>	-
Interfund loans receivable - long-term	-	-	-	<u>447,310</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	1,429,955	41,322	1,471,277	-
Landfill cells	4,519,944	-	4,519,944	-
Infrastructure	-	26,414,621	26,414,621	-
Construction in progress	<u>5,940,163</u>	<u>12,495,105</u>	<u>18,435,268</u>	-
Total property, plant and equipment	15,722,142	38,959,017	54,681,159	-
Accumulated depreciation and amortization	<u>(2,620,950)</u>	<u>(3,838,455)</u>	<u>(6,459,405)</u>	-
Net property, plant and equipment	<u>13,101,192</u>	<u>35,120,562</u>	<u>48,221,754</u>	-
Total noncurrent assets	<u>15,330,193</u>	<u>35,120,562</u>	<u>50,450,755</u>	<u>447,310</u>
Total assets	\$ <u>16,834,338</u>	<u>35,973,251</u>	<u>52,807,589</u>	<u>10,820,672</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	\$ 747,643	1,059,475	1,807,118	55,305
Accrued liabilities	73,343	46,328	119,671	-
Deposit refunds	-	10,000	10,000	-
Unearned revenue	11,974	1	11,975	-
Due to General Fund	1,404,146	2,119,396	3,523,542	-
Accrued interest payable	54,970	86,153	141,123	-
Current portion:				
General obligation bonds	-	410,000	410,000	-
Interfund note payable	-	165,900	165,900	-
Loans payable	44,337	-	44,337	13,141
Insurance claims incurred but not reported	-	-	-	2,123,138
Total current liabilities	<u>2,336,413</u>	<u>3,897,253</u>	<u>6,233,666</u>	<u>2,191,584</u>
Noncurrent liabilities:				
General obligation bonds payable	-	7,220,000	7,220,000	-
Unamortized bond premium	-	132,948	132,948	-
Loans payable	3,906,813	-	3,906,813	269,851
Interfund note payable	-	401,979	401,979	-
Landfill closure costs payable	2,904,778	-	2,904,778	-
Total noncurrent liabilities	<u>6,811,591</u>	<u>7,754,927</u>	<u>14,566,518</u>	<u>269,851</u>
Total liabilities	<u>9,148,004</u>	<u>11,652,180</u>	<u>20,800,184</u>	<u>2,461,435</u>
Net assets:				
Invested in capital assets, net of related debt	9,150,042	27,357,614	36,507,656	-
Unrestricted (deficit)	(1,463,708)	(3,036,543)	(4,500,251)	8,359,237
Total net assets	<u>7,686,334</u>	<u>24,321,071</u>	<u>32,007,405</u>	<u>8,359,237</u>
Total liabilities and net assets	<u>\$ 16,834,338</u>	<u>35,973,251</u>	<u>52,807,589</u>	<u>10,820,672</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, 2010

	<u>Major Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Solid Waste</u>	<u>Port</u>		
Operating revenues:				
Intragovernmental	\$ -	-	-	6,469,018
Charges for services	3,395,693	52,368	3,448,061	-
Interest on loans	-	-	-	4,205
Employee contributions	-	-	-	624,504
Total operating revenues	<u>3,395,693</u>	<u>52,368</u>	<u>3,448,061</u>	<u>7,097,727</u>
Operating expenses:				
Landfill operations	2,891,497	-	2,891,497	-
Transfer sites	1,639,117	-	1,639,117	-
Dock operations	-	798,076	798,076	-
Claims	-	-	-	4,952,650
Depreciation and amortization	227,474	666,934	894,408	-
Administrative fees	66,956	21,000	87,956	1,028,038
Premium	-	-	-	84,737
Total operating expenses	<u>4,825,044</u>	<u>1,486,010</u>	<u>6,311,054</u>	<u>6,065,425</u>
Operating income (loss)	(1,429,351)	(1,433,642)	(2,862,993)	1,032,302
Nonoperating revenues (expenses):				
Investment income	7,996	-	7,996	20,636
Intergovernmental - State sources:				
PERS relief	45,190	10,816	56,006	-
Debt service reimbursement	-	755,120	755,120	-
Miscellaneous income	2,963	-	2,963	-
Interest expense	(54,031)	(368,593)	(422,624)	-
Net nonoperating revenues (expenses)	<u>2,118</u>	<u>397,343</u>	<u>399,461</u>	<u>20,636</u>
Income (loss) before transfers and contributions	(1,427,233)	(1,036,299)	(2,463,532)	1,052,938
Transfers in	-	95,160	95,160	-
Transfers out	(445)	(25,000)	(25,445)	(4,205)
Capital contributions	<u>2,326,300</u>	<u>1,383,894</u>	<u>3,710,194</u>	<u>-</u>
Change in net assets	898,622	417,755	1,316,377	1,048,733
Net assets at beginning of year	<u>6,787,712</u>	<u>23,903,316</u>	<u>30,691,028</u>	<u>7,310,504</u>
Net assets at end of year	\$ <u>7,686,334</u>	<u>24,321,071</u>	<u>32,007,405</u>	<u>8,359,237</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

 Proprietary Funds
 Statement of Cash Flows
 Year Ended June 30, 2010

	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Cash flows from operating activities:				
Receipts from customers	\$ 3,552,012	15,564	3,567,576	-
Receipts from employees and other	-	-	-	627,298
Payments to suppliers	(2,205,851)	(357,567)	(2,563,418)	-
Payments to employees	(1,557,208)	(273,901)	(1,831,109)	-
Proceeds from loans	-	-	-	13,737
Loans made to other funds	-	-	-	(13,737)
Payments for interfund services (used) provided	(66,956)	(21,000)	(87,956)	6,469,018
Principal payments received on loans	-	-	-	48,177
Interest payments received on loans	-	-	-	4,205
Principal payments on loan payable	-	-	-	(12,948)
Payments for claims and services	-	-	-	(5,715,701)
Net cash flows from operating activities	<u>(278,003)</u>	<u>(636,904)</u>	<u>(914,907)</u>	<u>1,420,049</u>
Cash flows from noncapital financing activities:				
Transfers out	(445)	(25,000)	(25,445)	(4,205)
Decrease in due to other funds	(219,700)	-	(219,700)	-
Net cash flows from noncapital financing activities	<u>(220,145)</u>	<u>(25,000)</u>	<u>(245,145)</u>	<u>(4,205)</u>
Cash flows from capital and related financing activities:				
Purchases of property, plant and equipment	(2,801,554)	(736,947)	(3,538,501)	-
Capital contributions received	3,347,636	1,110,888	4,458,524	-
Transfers in	-	95,160	95,160	-
Proceeds from issuance of long term debt	337,594	-	337,594	-
Principal and interest paid on interfund note	-	(189,748)	(189,748)	-
Principal and interest paid on bonds and loans	(385,528)	(752,450)	(1,137,978)	-
Debt service reimbursement	-	755,120	755,120	-
Increase in due to General Fund	-	379,881	379,881	-
Net cash flows from capital and related financing activities	<u>498,148</u>	<u>661,904</u>	<u>1,160,052</u>	<u>-</u>
Cash flows from investing activities - investment income received	<u>7,996</u>	<u>-</u>	<u>7,996</u>	<u>20,636</u>
Net increase in cash and investments	7,996	-	7,996	1,436,480
Cash and investments at beginning of year	<u>2,221,005</u>	<u>-</u>	<u>2,221,005</u>	<u>8,860,172</u>
Cash and investments at end of year	\$ <u>2,229,001</u>	<u>-</u>	<u>2,229,001</u>	<u>10,296,652</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(1,429,351)	(1,433,642)	(2,862,993)	1,032,302
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Miscellaneous nonoperating revenues	2,963	-	2,963	-
Depreciation and amortization	227,474	666,934	894,408	-
Noncash expense - PERS relief	45,190	10,816	56,006	-
(Increase) decrease in assets:				
Accounts receivable	149,171	(4,116)	145,055	2,794
Loans receivable	-	-	-	34,440
Inventory	-	135,000	135,000	-
Increase (decrease) in liabilities:				
Accounts payable	465,524	17,920	483,444	9,156
Accrued liabilities	(13,047)	2,872	(10,175)	-
Landfill closure costs payable	269,888	-	269,888	-
Unearned revenue	4,185	(32,688)	(28,503)	-
Loans payable	-	-	-	789
Insurance claims incurred but not reported	-	-	-	340,568
Net cash flows from operating activities	\$ <u>(278,003)</u>	<u>(636,904)</u>	<u>(914,907)</u>	<u>1,420,049</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH
Agency Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2010

Assets

Cash and investments	\$ 135,881,273
Property taxes receivable:	
Real	74,928
Personal	13,241
Special assessments receivable	635,576
Interest receivable	809,291
Construction in progress	<u>118,260,901</u>
 Total assets	 \$ <u>255,675,210</u>

Liabilities

Accounts payable	12,416,263
Deposits	256,822
Taxes collected in advance	97,092
Intergovernmental	4,096
Notes payable - gas lines	107,836
Notes payable - road improvements	266,672
Due to State of Alaska	<u>242,526,429</u>
 Total liabilities	 \$ <u>255,675,210</u>

See accompanying notes to basic financial statements.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements

June 30, 2010

(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 enterprise funds are reported as separate columns in the fund financial statements. Under accounting principles generally accepted in the United States of America, internal service funds are never considered major funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

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

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

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

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

The Borough reports the following major funds:

Major Governmental Funds

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

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

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

Major Proprietary Funds

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

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

In addition, the Borough reports the following fund types:

Governmental Fund Types

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Type

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

Estimates

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

Budgets and Budgetary Accounting

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

Budgets and Budgetary Accounting, continued

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

Statement of Cash Flows

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

Capital Assets

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

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

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

Prepaid Items

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

Inventories

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

Accrued Leave

The liability reported for compensated absences reported in the government-wide 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.

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

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

Self-Insurance Coverage

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Summary of Significant Accounting Policies, continued

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, 2009 and June 30, 2010 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, 2008	\$ 22,037	832,208	732,491	-	1,586,736
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	46,149	935,784	650,145	196,641	1,828,719
Claims expense	226,011	3,998,129	64,461	664,049	4,952,650
Claims paid	<u>(218,861)</u>	<u>(3,942,121)</u>	<u>(61,100)</u>	<u>(380,844)</u>	<u>(4,602,926)</u>
Balance at June 30, 2010	\$ <u>53,299</u>	<u>991,792</u>	<u>653,506</u>	<u>479,846</u>	<u>2,178,443</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 entire ending balance in the Unemployment Insurance and \$2,006 of the ending balance in the Property and Casualty 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, 2010.

	<u>Pooled Cash and Investments</u>	<u>Other</u>	<u>Totals</u>
Bank deposits	\$ (3,245,488)	676,524	(2,268,964)
Investments	<u>287,404,500</u>	<u>-</u>	<u>287,404,500</u>
	<u>\$ 284,159,012</u>	<u>676,524</u>	<u>284,834,536</u>

Reconciliation to the basic financial statements:

	<u>Borough Accounts</u>	<u>School Accounts</u>	<u>Totals</u>
Primary government cash and investments	\$ 139,956,304	-	139,956,304
Restricted cash	3,316,552	-	3,316,552
Agency funds	135,881,273	-	135,881,273
School District	<u>5,004,883</u>	<u>676,524</u>	<u>5,681,407</u>
	<u>\$ 284,159,012</u>	<u>676,524</u>	<u>284,835,536</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, 2010 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	\$ 237,403,108	217,051,303	20,351,805	-
Repurchase agreement	<u>8,883,858</u>	<u>8,883,858</u>	<u>-</u>	<u>-</u>
Total subject to interest rate risk	246,286,966	<u>225,935,161</u>	<u>20,351,805</u>	<u>-</u>
Pooled investments	<u>41,117,534</u>			
Total investments	\$ <u>287,404,500</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 rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

Custodial credit risk

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

(3) **Fund Balance**

Fund balances are reported as reserved, designated or undesignated as follows:

	Major Funds				Total Govern- mental Funds
	General	School Buildings Debt Service	School Projects Capital Project	Non- major Funds	
Reserved:					
Inventory and prepaid items	\$ 370,359	-	-	34,688	405,047
Land Management Permanent Fund	-	-	-	5,013,130	5,013,130
Interfund note receivable	-	-	-	567,879	567,879
Debt reserve	-	-	-	1,087,571	1,087,571
Encumbrances	-	-	845,190	8,166,012	8,961,202
Unreserved:					
Designated in General Fund:					
Self-insurance	150,000	-	-	-	150,000
Compensated absences	250,000	-	-	-	250,000
Minimum fund balance	20,797,145	-	-	-	20,797,145
Assembly project	57,217	-	-	-	57,217
Subsequent year expenditures	9,589,020	-	-	-	9,589,020
Major repairs and renovations	3,568,000	-	-	-	3,568,000
Capital	1,603,248	-	-	-	1,603,248
Emergency response	2,356,750	-	-	-	2,356,750
Administration office space	1,700,000	-	-	-	1,700,000
School site acquisition	4,177,038	-	-	-	4,177,038
Dispatch services	22,945	-	-	-	22,945
EMS lease/purchase facility	200,000	-	-	-	200,000
Designated in Special Revenue Funds:					
Self-insurance	-	-	-	10,000	10,000
Compensated absences	-	-	-	30,000	30,000
Equipment	-	-	-	1,475,000	1,475,000
Subsequent year expenditures	-	-	-	3,298,826	3,298,826
Subsequent year appropriations	-	-	-	478,407	478,407
Designated in Debt Service Funds –					
Debt Service	-	267,299	-	72,856	340,155
Designated in Capital Project Funds –					
Subsequent year expenditures	-	-	25,070,484	15,086,281	40,156,765
Undesignated, reported in:					
General Fund	12,097,728	-	-	-	12,097,728
Special Revenue Funds	-	-	-	14,693,922	14,693,922
Total fund balance	\$ <u>56,939,450</u>	<u>267,299</u>	<u>25,915,674</u>	<u>49,964,572</u>	<u>133,086,995</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

(4) Property Taxes

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

(5) Interfund Balances and Activities

Balances due to/from other funds at June 30, 2010, consisted of the following:

Due to the General Fund from:

Port Enterprise Fund for advances for operating and capital costs	\$ 2,119,396
Solid Waste Enterprise Fund for advances for capital costs	1,404,146

Nonmajor governmental funds for advances for capital costs	<u>922,855</u>
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Total due to General Fund	\$ <u>4,446,397</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.

Under a similar arrangement in 2010, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation for Talkeetna Community Water Upgrades. Ordinances 09-166 and 10-012 authorized the Borough to enter into the loan which will be paid back by the Talkeetna Water and Sewer Special Revenue Fund. For administrative purposes, the loan was recorded in its entirety in the Service Area Operating Revolving Loan Fund with the associated interfund loan receivable from Talkeetna Water and Sewer Special Revenue Fund. Terms of this loan with ADEC have yet to be established, pending completion of the project, which is estimated to be in 2011. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Interfund Balances and Activities, continued

Amounts distributed at June 30, 2010 were as follows:

Road Service Area 9 – Midway Road	\$ 36,431
Road Service Area 14 – Fairview Road	21,406
Road Service Area 16 – South Colony	78,542
Road Service Area 19 – Lazy Mountain	431
Road Service Area 23 – North Colony	9,694
Road Service Area 25 – Bogard Road	72,807
Road Service Area 26 – Greater Butte Road	4,092
Road Service Area 28 – Gold Trail Road	43,889
Road Service Area 31 – Alpine Road	<u>1,965</u>
Total loans payable from Road Service Areas for ADEC Loan	\$ <u>269,257</u>
Loan payable from Talkeetna Water and Sewer for ADEC loan	\$ <u>13,737</u>

Other advances to/from other funds, representing long-term loans at June 30, 2010 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	\$ 150,000
\$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	12,750
\$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	25,000
\$57,900 Special Service Area – Garden Terrace Estates revolving loan, due in annual installments of \$8,270, plus interest as approved by the Assembly, through 2011	8,270
\$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>16,666</u>
Total loans payable to other funds with established payment terms	<u>212,686</u>
Total loans payable to Revolving Loan Internal Service Funds	\$ <u>495,680</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Interfund Balances and Activities, continued

Transfers to/from other funds for the year ended June 30, 2010 consisted of the following:

From General Fund to:

School Buildings Debt Service Fund for debt service	\$ 16,890,000
School Projects Capital Project Fund for capital project costs	1,093,021
Nonmajor governmental funds for capital project costs	7,516,851
Nonmajor governmental funds for debt service	537,000
Port Enterprise Fund for capital project costs	<u>95,160</u>
Total transfers from General Fund	<u>26,132,032</u>

From School Projects Capital Project Fund to:

General Fund to return capital contributions	1,083
Nonmajor governmental funds to return capital contributions	<u>174,345</u>
Total transfers from School Projects Capital Fund	<u>175,428</u>

From nonmajor governmental funds to:

General Fund to return capital contributions	550,288
Other nonmajor governmental funds for debt service	853,000
Other nonmajor governmental funds for capital acquisitions	7,881,004
Other nonmajor governmental funds to return capital contributions	<u>417,115</u>
Total transfers from nonmajor governmental funds	<u>9,701,407</u>

From Internal Service Funds to General Fund for interest on revolving loans

4,205

From Solid Waste Enterprise Fund to nonmajor governmental funds to return capital contributions

445

From Port Enterprise Fund to General Fund to return capital contributions

25,000

Total transfers

\$ 36,038,517

(6) **Capital Assets**

Capital asset activity for the year ended June 30, 2010 follows:

	Balance July 1, <u>2009</u>	Additions and Reclass- <u>ifications</u>	Deletions and Reclass- <u>ifications</u>	Balance June 30, <u>2010</u>
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 13,610,006	160,000	-	13,770,006
Construction in progress	<u>155,295,136</u>	<u>27,918,383</u>	<u>14,711,437</u>	<u>168,502,082</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Capital Assets, continued

	Balance July 1, <u>2009</u>	Additions and <u>Reclass- ifications</u>	Deletions and <u>Reclass- ifications</u>	Balance June 30, <u>2010</u>
<u>Governmental activities, continued:</u>				
<i>Capital assets not being depreciated, continued:</i>				
Total assets not being depreciated	\$ <u>168,905,142</u>	<u>28,078,383</u>	<u>14,711,437</u>	<u>182,272,088</u>
<i>Capital assets being depreciated:</i>				
Buildings	354,800,857	13,515,723	-	368,316,580
Improvements other than buildings	19,879,061	-	-	19,879,061
Equipment	28,130,332	1,411,086	-	29,541,418
Infrastructure	<u>196,733,326</u>	<u>4,435,907</u>	-	<u>201,169,233</u>
Total assets being depreciated	<u>599,543,576</u>	<u>19,362,716</u>	-	<u>618,906,292</u>
Less accumulated depreciation for:				
Buildings	114,510,971	6,146,973	-	120,657,944
Improvements other than buildings	5,061,635	519,995	-	5,581,630
Equipment	15,049,125	2,045,150	-	17,094,275
Infrastructure	<u>110,906,175</u>	<u>1,938,055</u>	-	<u>112,844,230</u>
Total accumulated depreciation	<u>245,527,906</u>	<u>10,650,173</u>	-	<u>256,178,079</u>
Total capital assets being depreciated, net	<u>354,015,670</u>	<u>8,712,543</u>	-	<u>362,728,213</u>
Governmental activity capital assets, net	\$ <u>522,920,812</u>	<u>36,790,926</u>	<u>14,711,437</u>	<u>545,000,301</u>
<u>Business-type activities:</u>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ <u>14,316,113</u>	<u>4,119,155</u>	-	<u>18,435,268</u>
<i>Capital assets being depreciated:</i>				
Buildings	2,327,196	-	-	2,327,196
Improvements other than buildings	1,512,853	-	-	1,512,853
Equipment	1,361,142	110,135	-	1,471,277
Landfill cells	4,519,944	-	-	4,519,944
Infrastructure	<u>26,414,621</u>	-	-	<u>26,414,621</u>
Total assets being depreciated	<u>36,135,756</u>	<u>110,135</u>	-	<u>36,245,891</u>

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Capital Assets, continued

	Balance July 1, <u>2009</u>	Additions and <u>Reclass- ifications</u>	Deletions and <u>Reclass- ifications</u>	Balance June 30, <u>2010</u>
<u>Business-type activities, continued:</u>				
Less accumulated depreciation for:				
Buildings	\$ 234,508	77,621	-	312,129
Improvements other than buildings	557,855	40,278	-	598,133
Equipment	878,076	64,616	-	942,692
Landfill cells	735,395	51,527	-	786,922
Infrastructure	<u>3,159,163</u>	<u>660,366</u>	-	<u>3,819,529</u>
Total accumulated depreciation	<u>5,564,997</u>	<u>894,408</u>	-	<u>6,459,405</u>
 Total capital assets being depreciated, net	 <u>30,570,759</u>	 <u>(784,273)</u>	 -	 <u>29,786,486</u>
 Business-type activity capital assets, net	 \$ <u>44,886,872</u>	 <u>3,334,882</u>	 -	 <u>48,221,754</u>

Depreciation expense was charged to the functions as follows:

Governmental activities

General government	\$ 415,450
Public works	148,665
Public service	2,643,796
Emergency services	1,765,612
Education	<u>5,676,650</u>
Total depreciation expense – governmental activities	\$ <u>10,650,173</u>

Business-type activities

Solid waste	\$ 227,474
Port	<u>666,934</u>
Total depreciation expense – business-type activities	\$ <u>894,408</u>

Capital projects authorized or in progress are as follows:

	<u>Project Authorization</u>	<u>Expended</u>	<u>Fund Balance Available</u>	<u>Required Future Financing</u>
School projects	\$ 446,869,502	428,778,012	25,915,674	-
Sewage facility	15,848,996	12,601,090	108,641	1,269,842
Fire protection	43,416,226	36,840,190	5,176,482	-

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Capital Assets, continued

	Project <u>Authorization</u>	<u>Expended</u>	Fund Balance <u>Available</u>	Required Future <u>Financing</u>
Road service repair	\$ 90,632,910	76,213,279	7,607,063	-
Sanitary landfills	23,501,622	15,692,541	1,269,371	-
Ambulance and emergency medical services	25,836,963	24,060,302	913,401	-
Roads and bridges	57,392,217	43,794,929	1,008,490	2,310,176
Borough facility	47,153,406	44,673,954	2,343,147	-
Cultural and recreational	11,548,194	10,861,098	744,896	-
Port	59,728,390	42,202,424	2,495,332	960,709
Major maintenance	1,149,094	1,111,716	3	-
Infrastructure	27,845,000	13,772,482	48,202	11,465,027
Miscellaneous	64,271,110	55,904,934	4,972,608	-
Pass-through grants	<u>8,370,844</u>	<u>5,691,003</u>	<u>164,897</u>	<u>64,608</u>
	<u>\$ 923,564,474</u>	<u>812,197,954</u>	<u>52,768,207</u>	<u>16,070,362</u>

(7) **Long-term Debt**

Issuance of New Debt

ADEC Loans

In 2008, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loan will be paid back over twenty years and bears interest at 1.5% with the interest accrual beginning one year following the date of the first draw. The loan is for a maximum of \$3,500,000 and is being used to pay for the landfill expansion project (specifically, Cell 3 construction). During the current year, the Borough drew down \$20,749, but \$348,313 was determined to be ineligible and the loan balance was reduced accordingly. The total loan balance at June 30, 2010 was \$2,705,119. Repayment amortization is yet to be determined. This loan is recorded in the Solid Waste Enterprise Fund.

In 2009, the Borough entered into a new loan agreement with ADEC for a regional resource recovery and training facility. Under similar terms as the loan noted above, the loan is for a maximum amount of \$2,500,000. The Borough drew down \$337,594 during the current year. This loan is recorded in the Solid Waste Enterprise Fund.

In 2010, the Borough entered into a new loan agreement with ADEC for Talkeenta Community Water Upgrades. Under similar terms as the loans noted above, the loan is for a maximum amount of \$105,000. The Borough drew down \$13,737 during the current year. The loan is recorded in the Service Area Operating Revolving Loan Internal Service Fund.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

General Obligation Bonds

In October 2008, voters approved the issuance of \$15,000,000 in areawide general obligation bonds for the purpose of capital improvements to the transportation systems public facilities. As of June 30, 2010, none of the bonds have been issued as the Borough cannot issue the bonds until a 70% match has been approved by the State of Alaska.

A summary of changes in long-term debt for the year ended June 30, 2010 follows:

<u>Governmental activities</u>	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>	<u>Due Within One Year</u>
School projects bonds	\$ 168,800,000	-	9,960,000	158,840,000	11,035,000
Park and recreation bonds	3,050,000	-	195,000	2,855,000	205,000
Certificates of participation	8,420,000	-	645,000	7,775,000	675,000
ADEC salted sand building loan	282,203	-	12,948	269,255	13,141
* ADEC Talkeetna community water upgrade loan	-	13,737	-	13,737	-
Compensated absences	2,096,703	2,160,350	2,047,590	2,209,463	2,209,463
Litigation settlement	-	750,000	-	750,000	750,000
Insurance claims incurred but not reported	<u>1,782,570</u>	<u>4,726,639</u>	<u>4,386,071</u>	<u>2,123,138</u>	<u>1,839,933</u>
	<u>\$ 184,431,476</u>	<u>7,650,726</u>	<u>17,246,609</u>	<u>174,835,593</u>	<u>16,727,537</u>
Plus unamortized bond premium				5,363,354	
Less deferred loss on refunding				<u>(2,742,218)</u>	
				<u>\$ 177,456,729</u>	

<u>Business-type activities</u>	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements and Adjustments</u>	<u>Balance June 30, 2010</u>	<u>Due Within One Year</u>
Port bonds	\$ 8,025,000	-	395,000	7,630,000	410,000
* ADEC solid waste loan – Cell 3 construction	3,032,683	20,749	348,313	2,705,119	-
ADEC solid waste loan – hazardous waste facility	952,119	-	43,682	908,437	44,337
* ADEC solid waste loan – regional resource recovery and training facility	-	337,594	-	337,594	-
Landfill closure and post-closure monitoring costs	2,634,890	269,888	-	2,904,778	-
Compensated absences	<u>129,846</u>	<u>122,006</u>	<u>132,181</u>	<u>119,671</u>	<u>119,671</u>
	<u>\$ 14,774,538</u>	<u>750,237</u>	<u>919,176</u>	<u>14,605,599</u>	<u>574,008</u>
Plus unamortized bond premium				<u>132,948</u>	
				<u>\$ 14,738,547</u>	

* Not yet in repayment status.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

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

Based on an analysis of the actual compensated absence expenditures/expense during the first quarter of the fiscal year 2011, the Borough is reporting the entire amount of the compensated absence liability as a current liability.

At June 30, 2010, long-term debt that is in repayment status 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 2016 plus interest at 4.0% to 5.00% through April 1, 2025	33,505,000
\$20,500,000 2006 Series A School bonds, due in annual installments of \$835,000 to \$1,575,000, plus interest at 4.0% to 4.75% through February 1, 2026	18,510,000
\$19,200,000 2006 Series B School bonds, due in annual installments of \$780,000 to \$1,480,000, plus interest at 4.0% to 4.75% through February 1, 2026	17,345,000
\$27,095,000 2005 Series A School bonds, due in annual installments of \$1,085,000 to \$1,375,000, plus interest at 3.5% to 5.25% through April 1, 2017	8,515,000
\$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	39,870,000
\$15,895,000 2004 Series A School bonds, due in annual installments of \$665,000 to \$890,000, plus interest at 3.75% to 4.75% through April 1, 2018	6,145,000
\$6,305,000 2004 Series B School bonds, due in annual installments of \$265,000 to \$455,000, plus interest at 3.5% to 4.75% through April 1, 2024	4,140,000

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

General obligation bonds, continued:

School projects bonds, continued:

\$14,143,000 2001 Series A School bonds, due in final installment of \$650,000, plus interest at 4.75% through March 1, 2011 \$ 650,000

\$36,745,000 1999 Series A School bonds, due in annual installments of \$2,560,000 to \$3,010,000, plus interest at 5.5% through March 1, 2014 11,130,000
Total school projects bonds 158,840,000

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 \$205,000 to \$225,000, plus interest at 4.7% to 4.8% through March 1, 2013 645,000
Total park bonds 2,855,000

\$9,810,000 2004 Series C Port bonds, due in annual installments of \$410,000 to \$720,000, plus interest at 3.5% to 5.0% through April 1, 2024 7,630,000
Total general obligation bonds \$ 169,325,000

Certificates of participation:

\$5,235,000 2000 Public Safety Building Lease Certificates of Participation, due in annual installments of \$370,000 to \$490,000, plus interest at 5.0% to 5.75% through March 1, 2016 \$ 2,575,000

\$5,750,000 2008 Animal Control Building Certificates of Participation, due in annual installments of \$305,000 to \$535,000, plus interest at 4.0% to 5.75% through March 1, 2023 5,200,000
Total certificates of participation \$ 7,775,000

ADEC loans:

\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$13,141 to \$16,926, plus interest at 1.5% through August 8, 2027 \$ 269,255

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Long-term Debt, continued

ADEC loans, continued:

\$995,155 ADEC loan for Hazardous Materials Facility, due in annual installments of \$44,337 to \$57,107, plus interest at 1.5% through August 31, 2027	\$ <u>908,437</u>
Total ADEC loans	\$ <u>1,177,692</u>

The annual requirements to amortize long-term debt outstanding at June 30, 2010, exclusive of the compensated absences, landfill closure and post closure monitoring costs, insurance claims incurred but not reported, and the ADEC loans that are not yet in repayment status are as follows:

Year Ended June 30	Governmental Activities				Business-type Activities			
	General Obligation Bonds and Certificates of Participation		ADEC Loan		Port Bonds		ADEC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	12,880,000	5,576,963	13,948	3,232	475,000	279,813	47,058	10,906
2016-2020	59,815,000	19,131,547	72,939	12,961	2,730,000	1,037,826	246,090	43,730
2021-2025	36,175,000	7,367,352	78,578	7,322	2,700,000	313,650	265,109	24,711
2026-2030	<u>9,685,000</u>	<u>1,009,294</u>	<u>50,032</u>	<u>1,508</u>	-	-	<u>168,802</u>	<u>5,090</u>
	<u>\$ 169,470,000</u>	<u>61,456,607</u>	<u>269,255</u>	<u>39,985</u>	<u>7,630,000</u>	<u>2,918,691</u>	<u>908,437</u>	<u>134,915</u>

The following summarizes the amounts available for payment of general long-term debt at June 30, 2010:

	<u>Debt Service Funds</u>
School general obligation bonds	\$ 267,299
Parks and recreation bonds	23,896
Certificates of participation	<u>1,136,531</u>
	<u>\$ 1,427,726</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, 2010, 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, 2010, based on landfill capacity used as of that date. The \$2,904,778 reported as landfill closure and postclosure care liability at June 30, 2010 represents the cumulative amount reported to date based on the use of 17.41% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$13,775,575 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, 2010, 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, 2010 follows:

Gas line bonds	\$ 107,836
Road improvement bonds	<u>266,672</u>
Total	\$ <u>374,508</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, 2010, the amount of defeased debt outstanding associated with the refundings was \$31,690,000.

(8) Defined Benefit Pension Plan

The Borough participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

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

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

Conversion to Cost Sharing

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Benefit Pension Plan, continued

Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (2.50% for pension and 4.25% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (2.78% for pension and 4.72% for healthcare).

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

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

The Borough's contribution rates for 2010 were determined as part of the June 30, 2007 actuarial valuation and are as follows:

	<u>Contractual Rate</u>	<u>ARM Board Adopted Rate</u>	<u>GASB 45* Rate</u>
Pension	8.16%	10.25%	10.72%
Postemployment healthcare	<u>13.84%</u>	<u>17.40%</u>	<u>53.96%</u>
Total contribution rate	<u>22.00%</u>	<u>27.65%</u>	<u>64.68%</u>

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

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

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Benefit Pension Plan, continued

Funding Policy, 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 5.65% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the Borough has recorded the State on-behalf payment in the amount of \$928,803 as revenue and expenditure/expense in these financial statements. However, because the Borough is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. Only two years of information are available at this time.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>Borough Contributions</u>	<u>% of TBC Contributed</u>
2010	\$ 1,275,688	\$ 2,163,668	\$ 3,439,356	\$ 3,439,356	100%
2009	\$ 997,448	\$ 2,222,203	\$ 3,219,651	\$ 3,219,651	100%

(9) **Defined Contribution Pension Plan**

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

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Defined Contribution Pension Plan, continued

	<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 average employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The Borough and employee contributions to PERS including the HRA contribution for the year ended June 30, 2010 were \$244,840 and \$211,473, respectively.

(10) Contingencies

On May 16, 2007, a lawsuit was filed by NPI LLC, relating to two contracts at Port McKenzie. The case was aggressively defended with several motions for partial summary judgment being filed. In July 2010, the case was settled for \$1,100,000. At June 30, 2010, \$350,000 of the settlement was recorded in the Port Enterprise Fund and \$750,000 was recorded in general long-term obligations.

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 claimed they were owed approximately \$1.5 million for the work performed before termination of the contract. There were also added claims for overhead and unjust enrichment bringing the total claim to over \$2.2 million. The Borough counterclaimed for fraud, unfair trade practices and spoliation of evidence. The case was defended and disputed aggressively and went to trial in February 2010. The judge issued a ruling in December 2010 that ordered the Borough to pay Steppers Construction, Inc. a total of \$65,350, with all other claims being denied. The appeal period on this case is still open.

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.

MATANUSKA-SUSITNA BOROUGH

Notes to Basic Financial Statements, continued

Contingencies, continued

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

(11) **Subsequent Event**

On August 3, 2010, the Assembly adopted Ordinance 10-068. The ordinance was to authorize the issuance of Areawide General Obligation Bonds in an amount not to exceed \$33,920,000. This ordinance also provided for submission of the question to the voters at the October 5, 2010 regular Borough election. This ballot proposition was approved by the voters. This will finance the upgrades, major renovation and renewal of school capital projects. Authorization has been received from the State of Alaska for debt service reimbursement of \$33,785,000. These bonds are tentatively scheduled to be issued in February 2011.

NON MAJOR FUNDS

MATANUSKA-SUSITNA BOROUGH

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2010

<u>Assets</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and investments	\$ 25,320,119	72,876	23,961,473	49,354,468
Prepaid items	34,688	-	-	34,688
Receivables:				
Intergovernmental	17,895	-	7,176,221	7,194,116
Property taxes	1,980,570	-	-	1,980,570
Land sales contracts, net	18,698	-	-	18,698
Other	955,516	-	8,453	963,969
Interfund note receivable	567,879	-	-	567,879
Restricted cash	-	1,087,551	-	1,087,551
Land sales contracts, long term	552,390	-	-	552,390
Total assets	\$ 29,447,755	1,160,427	31,146,147	61,754,329
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts, contracts and retentions payable	973,928	-	5,507,042	6,480,970
Due to General Fund	-	-	922,855	922,855
Deposits	29,598	-	-	29,598
Deferred revenue	2,346,697	-	1,513,957	3,860,654
Loans payable to other funds	495,680	-	-	495,680
Total liabilities	3,845,903	-	7,943,854	11,789,757
Fund balances:				
Reserved:				
Prepaid items	34,688	-	-	34,688
Land Management Permanent Fund	5,013,130	-	-	5,013,130
Interfund note receivable	567,879	-	-	567,879
Debt reserve	-	1,087,571	-	1,087,571
Encumbrances	-	-	8,116,012	8,116,012
Unreserved:				
Designated:				
Self-insurance	10,000	-	-	10,000
Compensated absences	30,000	-	-	30,000
Equipment	1,475,000	-	-	1,475,000
Debt service	-	72,856	-	72,856
Subsequent year expenditures	3,298,826	-	15,086,281	18,385,107
Subsequent year appropriations	478,407	-	-	478,407
Undesignated	14,693,922	-	-	14,693,922
Total fund balances	25,601,852	1,160,427	23,202,293	49,964,572
Total liabilities and fund balances	\$ 29,447,755	1,160,427	31,146,147	61,754,329

MATANUSKA-SUSITNA BOROUGH
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Year Ended June 30, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues:				
Property taxes	\$ 27,136,519	-	-	27,136,519
Intergovernmental	940,524	-	17,263,064	18,203,588
Charges for services	1,962,102	-	-	1,962,102
Investment income	107,739	-	-	107,739
Interest on land sales	79,502	-	-	79,502
Other	<u>509,266</u>	<u>-</u>	<u>53,255</u>	<u>562,521</u>
Total revenues	<u>30,735,652</u>	<u>-</u>	<u>17,316,319</u>	<u>48,051,971</u>
Expenditures:				
General government	697,201	-	2,122,882	2,820,083
Emergency services	7,630,655	-	1,432,619	9,063,274
Public services	10,450,232	-	4,695,760	15,145,992
Debt service	8,439	1,424,314	-	1,432,753
Capital outlay	<u>-</u>	<u>-</u>	<u>22,918,053</u>	<u>22,918,053</u>
Total expenditures	<u>18,786,527</u>	<u>1,424,314</u>	<u>31,169,314</u>	<u>51,380,155</u>
Excess (deficiency) of revenues over expenditures	11,949,125	(1,424,314)	(13,852,995)	(3,328,184)
Other financing sources (uses):				
Transfers in	591,905	1,390,000	15,397,855	17,379,760
Transfers out	<u>(8,734,004)</u>	<u>-</u>	<u>(967,403)</u>	<u>(9,701,407)</u>
Net other financing sources (uses)	<u>(8,142,099)</u>	<u>1,390,000</u>	<u>14,430,452</u>	<u>7,678,353</u>
Net change in fund balances	3,807,026	(34,314)	577,457	4,350,169
Fund balances at beginning of year	<u>21,794,826</u>	<u>1,194,741</u>	<u>22,624,836</u>	<u>45,614,403</u>
Fund balances at end of year	\$ <u>25,601,852</u>	<u>1,160,427</u>	<u>23,202,293</u>	<u>49,964,572</u>

GENERAL FUND

The General Fund accounts for the financial operations of the borough which are not required to be accounted for in any other fund. Principal sources of revenue are property taxes and intergovernmental revenues. Primary expenditures in the General Fund are for general government, emergency services and public services.

MATANUSKA-SUSITNA BOROUGH
 General Fund
 Balance Sheet
 June 30, 2010
 (With Comparative Amounts for 2009)

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and investments	\$ 53,279,625	50,159,888
Prepaid items	226,970	236,425
Receivables:		
Intergovernmental	113,274	163,218
Delinquent property taxes, including foreclosure costs, penalties and interest, net of allowance for doubtful accounts of \$120,694 (\$88,806 in 2009)	8,985,526	9,605,430
Ambulance, net of allowance for doubtful accounts of \$150,031 (\$148,667 in 2009)	600,123	594,668
Excise taxes	753,522	768,439
Accrued interest	524,241	251,856
Other	390,235	431,468
Due from other funds	4,446,397	4,743,348
Deposits	1,497	1,497
Inventory	<u>143,389</u>	<u>98,008</u>
 Total assets	 \$ <u>69,464,799</u>	 <u>67,054,245</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,217,402	530,867
Accrued payroll and related liabilities	1,921,206	1,798,386
Other liabilities	219,520	204,133
Deferred revenue	<u>9,167,221</u>	<u>13,782,360</u>
Total liabilities	<u>12,525,349</u>	<u>16,315,746</u>
Fund balance:		
Reserved - inventory and prepaid items	370,359	334,433
Unreserved:		
Designated:		
Self-insurance	150,000	150,000
Compensated absences	250,000	250,000
Minimum fund balance	20,797,145	19,700,073
Assembly project	57,217	57,217
Subsequent year expenditures	9,589,020	3,099,000
Major repairs and renovations	3,568,000	3,568,000
Capital	1,603,248	1,603,248
Emergency response	2,356,750	2,356,750
Administration office space	1,700,000	1,500,000
School site acquisition	4,177,038	4,137,577
Dispatch services	22,945	22,945
EMS lease/purchase facility	200,000	200,000
Undesignated	<u>12,097,728</u>	<u>13,759,256</u>
Total fund balance	<u>56,939,450</u>	<u>50,738,499</u>
 Total liabilities and fund balance	 \$ <u>69,464,799</u>	 <u>67,054,245</u>

MATANUSKA-SUSITNA BOROUGH

General Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance - Budget and Actual

Year Ended June 30, 2010

(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Current year property tax levy	\$ 72,175,000	74,178,885	2,003,885	71,059,770
Penalty and interest on taxes	805,000	1,292,966	487,966	1,054,963
Foreclosure costs	85,000	106,196	21,196	98,797
Recording and attorney fees	23,000	31,582	8,582	23,783
Vehicle taxes collected through State of Alaska	2,862,000	2,804,454	(57,546)	2,833,167
Excise taxes	4,509,500	4,901,735	392,235	4,688,563
Transient accommodations tax	795,500	969,945	174,445	1,037,673
Total taxes	81,255,000	84,285,763	3,030,763	80,796,716
Intergovernmental:				
State sources:				
Debt service reimbursement	11,237,580	11,237,576	(4)	11,239,989
Municipal assistance	3,903,063	3,834,043	(69,020)	3,783,562
PERS relief	1,126,718	720,259	(406,459)	1,579,766
In lieu of taxes	4,000	7,476	3,476	6,972
Other	250	3,196	2,946	128
Federal sources:				
In lieu of taxes	1,910,000	3,148,113	1,238,113	3,069,265
Other	65,000	115,310	50,310	150,457
Total intergovernmental	18,246,611	19,065,973	819,362	19,830,139
Charges for services:				
Ambulance	1,907,100	2,316,349	409,249	2,377,666
Engineering inspections	57,500	69,291	11,791	65,411
Computer access fees	500	100	(400)	575
Planning and zoning	143,500	105,867	(37,633)	156,407
Ice arena	310,000	370,982	60,982	333,359
Community pool fees	523,700	557,485	33,785	483,944
Special assessment administration fees	20,000	6,709	(13,291)	9,893
Business licenses	50,000	84,400	34,400	244,100
Other	199,150	187,527	(11,623)	231,838
Total charges for services	3,211,450	3,698,710	487,260	3,903,193

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

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Investment income	\$ 1,255,500	637,258	(618,242)	2,469,345
Other	-	-	-	158,584
Total revenues	<u>103,968,561</u>	<u>107,687,704</u>	<u>3,719,143</u>	<u>107,157,977</u>
Expenditures:				
General government:				
Mayor	101,984	80,862	21,122	71,474
Assembly	531,083	423,768	107,315	384,709
Clerk	442,029	393,534	48,495	396,899
Administration	1,396,397	1,265,811	130,586	1,068,911
Elections	400,150	291,741	108,409	378,041
Records management	363,846	309,769	54,077	402,502
Finance	958,827	649,382	309,445	639,683
Budgeting	1,231,043	1,161,580	69,463	1,120,931
Accounting	1,793,361	1,648,974	144,387	1,640,314
Law	1,177,137	1,086,842	90,295	1,037,959
Human resource	698,445	483,278	215,167	448,608
Common contractual	1,889,450	1,341,816	547,634	921,501
Purchasing	743,009	739,600	3,409	669,920
Code compliance	635,685	567,643	68,042	565,554
Transportation	461,386	301,845	159,541	56,039
Labor relations/ethics board/senior citizens' advisory board	37,950	28,088	9,862	88,593
Adj. and appeals/bid review board	18,200	12,182	6,018	2,589
Planning	1,400,339	1,239,750	160,589	1,672,794
Planning administration	384,603	337,037	47,566	307,920
Platting	756,220	740,732	15,488	697,100
Pass-through to cities	287,630	287,630	-	423,945
Assessments	2,478,187	2,330,598	147,589	2,200,637
Information technology	3,677,408	3,420,950	256,458	3,266,722
Total general government	<u>21,864,369</u>	<u>19,143,412</u>	<u>2,720,957</u>	<u>18,463,345</u>

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

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Less recovery of expenditures from other funds	\$ (546,200)	(662,711)	116,511	(2,257,828)
Net general government	<u>21,318,169</u>	<u>18,480,701</u>	<u>2,837,468</u>	<u>16,205,517</u>
Public works:				
Public works administration	326,887	322,616	4,271	298,226
Maintenance	1,682,238	1,627,107	55,131	1,567,836
Project management and engineering	1,623,417	1,520,033	103,384	1,648,194
Permits and inspections	358,869	279,663	79,206	207,885
Public works operations	<u>156,385</u>	<u>142,085</u>	<u>14,300</u>	<u>134,823</u>
Total public works	<u>4,147,796</u>	<u>3,891,504</u>	<u>256,292</u>	<u>3,856,964</u>
Emergency services:				
Emergency medical services board	900	15	885	748
Local emergency planning board	5,430	1,428	4,002	2,125
Rescue units	545,989	527,057	18,932	381,387
Ambulance services	4,692,331	3,827,136	865,195	3,625,386
Emergency services building	144,150	81,636	62,514	75,527
Telecommunications network	947,046	781,103	165,943	765,534
Emergency services administration	<u>2,138,959</u>	<u>1,851,057</u>	<u>287,902</u>	<u>1,917,957</u>
Total emergency services	<u>8,474,805</u>	<u>7,069,432</u>	<u>1,405,373</u>	<u>6,768,664</u>
Less recovery of expenditures from other funds	<u>(640,899)</u>	<u>(658,165)</u>	<u>17,266</u>	<u>(632,668)</u>
Net emergency services	<u>7,833,906</u>	<u>6,411,267</u>	<u>1,422,639</u>	<u>6,135,996</u>
Public services:				
Community services	62,066	51,997	10,069	29,313
Cultural resources	244,950	201,034	43,916	169,477
Parks and recreation	506,641	487,528	19,113	390,630
Ice arena	651,974	634,170	17,804	626,868
Outdoor ice rinks	7,350	1,352	5,998	915
Recreational services	<u>215,393</u>	<u>199,879</u>	<u>15,514</u>	<u>198,448</u>

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

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public services, continued:				
Community pools	\$ 1,298,192	1,189,685	108,507	1,084,324
Community development administration	278,851	251,302	27,549	237,024
Road service administration	1,395,514	1,397,051	(1,537)	1,336,367
Community enrichment	43,000	23,426	19,574	11,391
Recreation infrastructure maintenance	<u>75,143</u>	<u>64,577</u>	<u>10,566</u>	<u>40,005</u>
Total public services	4,779,074	4,502,001	277,073	4,124,762
Less recovery of expenditures from other funds	<u>(1,475,997)</u>	<u>(1,315,060)</u>	<u>(160,937)</u>	<u>(1,397,845)</u>
Net public services	<u>3,303,077</u>	<u>3,186,941</u>	<u>116,136</u>	<u>2,726,917</u>
Education - contributions to School District	<u>45,097,365</u>	<u>43,964,884</u>	<u>1,132,481</u>	<u>44,012,143</u>
Total expenditures	<u>81,700,313</u>	<u>75,935,297</u>	<u>5,765,016</u>	<u>72,937,537</u>
Excess of revenues over expenditures	22,268,248	31,752,407	9,484,159	34,220,440
Other financing sources (uses):				
Proceeds from disposal of capital assets	5,000	-	(5,000)	13,944
Transfers in	4,800	580,576	575,776	466,744
Transfers out	<u>(26,632,692)</u>	<u>(26,132,032)</u>	<u>500,660</u>	<u>(24,635,882)</u>
Net other financing sources (uses)	<u>(26,622,892)</u>	<u>(25,551,456)</u>	<u>1,071,436</u>	<u>(24,155,194)</u>
Net change in fund balance	\$ <u>(4,354,644)</u>	6,200,951	<u>10,555,595</u>	10,065,246
Fund balance at beginning of year		<u>50,738,499</u>		<u>40,673,253</u>
Fund balance at end of year		\$ <u>56,939,450</u>		<u>50,738,499</u>

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SPECIAL REVENUE FUNDS

These funds account for revenues from specific revenue sources, including grants, land sales, property taxes, service fees and rental charges, which are designated to finance particular functions and activities.

Land Management -- To account for lease, sale, management and development of Borough-owned real estate. Additionally, accounts for economic development.

Nonareawide Services and Service Areas -- To account for the nonareawide operations of the Borough such as animal care and libraries as well as the road, fire, flood control and water and sewer service areas.

Enhanced 911 -- To account for the establishment and maintenance of an enhanced 911 emergency reporting system.

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MATANUSKA-SUSITNA BOROUGH

Special Revenue Funds

Combining Balance Sheet

June 30, 2010

(With Comparative Totals for 2009)

<u>Assets</u>	Nonareawide Services and <u>Service Areas</u>	Land <u>Management</u>	<u>Totals</u>	
			<u>2010</u>	<u>2009</u>
Cash and investments	\$ 18,774,701	6,545,418	25,320,119	21,372,368
Prepaid items	34,688	-	34,688	39,308
Receivables:				
Intergovernmental	17,895	-	17,895	787,514
Property taxes	1,980,570	-	1,980,570	2,247,733
Land sales contracts, net	-	18,698	18,698	25,640
Other	955,066	450	955,516	169,127
Interfund note receivable	-	567,879	567,879	733,779
Land sales contracts, long term	-	552,390	552,390	981,251
Total assets	\$ <u>21,762,920</u>	<u>7,684,835</u>	<u>29,447,755</u>	<u>26,356,720</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	826,082	147,846	973,928	895,313
Deposits	-	29,598	29,598	29,068
Deferred revenue	1,794,307	552,390	2,346,697	3,107,393
Loans payable to other funds	495,680	-	495,680	530,120
Total liabilities	<u>3,116,069</u>	<u>729,834</u>	<u>3,845,903</u>	<u>4,561,894</u>
Fund balances:				
Reserved:				
Prepaid items	34,688	-	34,688	39,308
Land Management Permanent Fund	-	5,013,130	5,013,130	4,738,176
Interfund note receivable	-	567,879	567,879	733,779
Unreserved:				
Designated:				
Self-insurance	10,000	-	10,000	10,000
Compensated absences	20,000	10,000	30,000	30,000
Equipment	1,475,000	-	1,475,000	1,025,000
Subsequent year expenditures	2,621,644	677,182	3,298,826	2,130,597
Subsequent year appropriations	478,407	-	478,407	1,269,500
Undesignated	14,007,112	686,810	14,693,922	11,818,466
Total fund balances	<u>18,646,851</u>	<u>6,955,001</u>	<u>25,601,852</u>	<u>21,794,826</u>
Total liabilities and fund balances	\$ <u>21,762,920</u>	<u>7,684,835</u>	<u>29,447,755</u>	<u>26,356,720</u>

MATANUSKA-SUSITNA BOROUGH
Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended June 30, 2010
(With Comparative Totals for 2009)

	Nonareawide Services and Service Areas		Land Management		Totals	
					<u>2010</u>	<u>2009</u>
Revenues:						
Property taxes	\$	27,136,519	-		27,136,519	24,834,859
Intergovernmental		904,216	36,308		940,524	1,181,431
Charges for services		1,449,083	513,019		1,962,102	2,366,873
Investment income		60,066	47,673		107,739	376,710
Interest on land sales		-	79,502		79,502	81,397
Other		504,237	5,029		509,266	544,564
Total revenues		<u>30,054,121</u>	<u>681,531</u>		<u>30,735,652</u>	<u>29,385,834</u>
Expenditures:						
General government		697,201	-		697,201	752,124
Emergency services		7,630,655	-		7,630,655	7,075,223
Public services		9,141,468	1,308,764		10,450,232	10,721,414
Debt service		8,439	-		8,439	20,169
Total expenditures		<u>17,477,763</u>	<u>1,308,764</u>		<u>18,786,527</u>	<u>18,568,930</u>
Excess (deficiency) of revenues over expenditures		12,576,358	(627,233)		11,949,125	10,816,904
Other financing sources (uses):						
Transfers in		370,484	221,421		591,905	2,019,628
Transfers out		(8,734,004)	-		(8,734,004)	(8,678,567)
Net other financing sources (uses)		<u>(8,363,520)</u>	<u>221,421</u>		<u>(8,142,099)</u>	<u>(6,658,939)</u>
Net change in fund balance		4,212,838	(405,812)		3,807,026	4,157,965
Fund balances at beginning of year		<u>14,434,013</u>	<u>7,360,813</u>		<u>21,794,826</u>	<u>17,636,861</u>
Fund balances at end of year	\$	<u>18,646,851</u>	<u>6,955,001</u>		<u>25,601,852</u>	<u>21,794,826</u>

MATANUSKA-SUSITNA BOROUGH
 Nonareawide Services and Service Areas Special Revenue Funds
 Combining Balance Sheet
 June 30, 2010

	Non-areawide Services	Service Area 7	Service Area 36	Freedom Hills	Garden Terrace Estates	Circle View/Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 MacKenzie	Grid Roller Maintenance	Roads Outside Service Areas	Combined		Totals
		Talkeetna Flood Control	Talkeetna Water and Sewer	Sub-division						Fire Service Areas	Road Service Areas			
Assets														
Cash and investments	\$ 355,345	51,162	58,136	33,496	113,318	25,849	1,878,600	23,055	251,061	35,718	3,224	9,336,049	6,609,688	18,774,701
Prepaid items	19,779	-	-	-	-	-	-	-	-	-	-	14,909	-	34,688
Receivables:														
Intergovernmental	-	-	13,737	-	-	-	-	-	-	-	-	4,158	-	17,895
Property taxes	152,982	875	-	-	217	-	-	20	-	-	-	692,806	1,133,670	1,980,570
Other	755,941	-	57,910	-	-	6,431	134,784	-	-	-	-	-	-	955,066
Total assets	\$ 1,284,047	52,037	129,783	33,496	113,535	32,280	2,013,384	23,075	251,061	35,718	3,224	10,047,922	7,743,358	21,762,920
Liabilities and Fund Balances														
Liabilities:														
Accounts payable	172,741	1,200	27,751	-	135	-	25,353	-	1,158	-	-	112,151	485,593	826,082
Deferred revenue	145,200	497	-	-	217	6,746	-	-	-	-	-	622,620	1,019,027	1,794,307
Loans payable to other funds	-	-	51,487	-	8,270	150,000	-	-	-	-	-	16,666	269,257	495,680
Total liabilities	317,941	1,697	79,238	-	8,622	156,746	25,353	-	1,158	-	-	751,437	1,773,877	3,116,069
Fund balances:														
Reserved for prepaid items	19,779	-	-	-	-	-	-	-	-	-	-	14,909	-	34,688
Unreserved:														
Designated:														
Self-insurance	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Compensated absences	20,000	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Equipment	-	-	-	-	-	-	1,475,000	-	-	-	-	-	-	1,475,000
Subsequent year expenditures	546,301	4,109	17,350	13,895	45,821	-	389,169	3,292	-	-	1,492	803,233	796,982	2,621,644
Subsequent year appropriations	-	-	-	-	-	-	-	-	-	-	-	228,407	250,000	478,407
Undesignated (deficit)	370,026	46,231	33,195	19,601	59,092	(124,466)	123,862	19,783	249,903	35,718	1,732	8,249,936	4,922,499	14,007,112
Total fund balances (deficits)	966,106	50,340	50,545	33,496	104,913	(124,466)	1,988,031	23,075	249,903	35,718	3,224	9,296,485	5,969,481	18,646,851
Total liabilities and fund balances	\$ 1,284,047	52,037	129,783	33,496	113,535	32,280	2,013,384	23,075	251,061	35,718	3,224	10,047,922	7,743,358	21,762,920

64

MATANUSKA-SUSITNA BOROUGH
Nonareawide Services and Service Areas Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit)
Year Ended June 20, 2010

	Non-areawide Services	Service Area 7	Service Area 36	Freedom Hills	Garden Terrace Estates	Circle View/Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Grid Roller Maintenance	Roads Outside Service Areas	Combined		Totals
		Talkeetna Flood Control	Talkeetna Water and Sewer	Sub-division						Fire Service Areas	Road Service Areas			
Revenues:														
Property taxes	\$ 2,843,576	14,122	-	-	74,840	14,233	-	140	53,574	-	-	10,502,313	13,633,721	27,136,519
Intergovernmental	852,058	-	2,477	-	606	-	7,031	-	-	-	-	42,044	-	904,216
Charges for services	228,424	-	207,895	-	-	1,337	1,011,427	-	-	-	-	-	-	1,449,083
Investment income	1,203	159	181	120	360	80	6,032	85	830	113	12	30,590	20,301	60,066
Other	119,241	-	-	-	-	-	-	-	-	9,093	-	375,903	-	504,237
Total revenues	4,044,502	14,281	210,553	120	75,806	15,650	1,024,490	225	54,404	9,206	12	10,950,850	13,654,022	30,054,121
Expenditures:														
General government	697,201	-	-	-	-	-	-	-	-	-	-	-	-	697,201
Emergency services	1,612,463	-	-	-	-	-	623,349	-	-	-	-	5,394,843	-	7,630,655
Public services	1,199,457	1,757	154,747	-	33,474	-	-	1,567	15,161	627	-	-	7,734,678	9,141,468
Debt service	-	-	1,080	-	285	2,683	-	-	-	-	-	157	4,234	8,439
Total expenditures	3,509,121	1,757	155,827	-	33,759	2,683	623,349	1,567	15,161	627	-	5,395,000	7,738,912	17,477,763
Excess (deficiency) of revenues over expenditures	535,381	12,524	54,726	120	42,047	12,967	401,141	(1,342)	39,243	8,579	12	5,555,850	5,915,110	12,576,358
Other financing sources (uses):														
Transfers in	61,238	-	-	-	-	-	-	-	-	-	-	301,471	7,775	370,484
Transfers out	(623,000)	-	(13,737)	-	-	-	-	-	-	-	-	(4,212,388)	(3,884,879)	(8,734,004)
Net other financing sources (uses)	(561,762)	-	(13,737)	-	-	-	-	-	-	-	-	(3,910,917)	(3,877,104)	(8,363,520)
Net change in fund balances	(26,381)	12,524	40,989	120	42,047	12,967	401,141	(1,342)	39,243	8,579	12	1,644,933	2,038,006	4,212,838
Fund balances (deficit) at beginning of year	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
Fund balances (deficit) at end of year	\$ 966,106	50,340	50,545	33,496	104,913	(124,466)	1,988,031	23,075	249,903	35,718	3,224	9,296,485	5,969,481	18,646,851

MATANUSKA-SUSITNA BOROUGH
Nonareawide Services Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 2,715,270	2,843,576	128,306	2,498,985
Intergovernmental:				
State PERS relief	115,102	64,073	(51,029)	156,393
Electric and telephone cooperative shared revenue	706,000	755,941	49,941	787,514
Library grants	31,000	32,044	1,044	32,139
Total intergovernmental	<u>852,102</u>	<u>852,058</u>	<u>(44)</u>	<u>976,046</u>
Charges for services:				
Animal care fees	21,000	202,558	181,558	171,438
User fees	145,700	25,866	(119,834)	26,878
Total charges for services	<u>166,700</u>	<u>228,424</u>	<u>61,724</u>	<u>198,316</u>
Investment income	12,456	1,203	(11,253)	6,871
Other	117,892	119,241	1,349	110,013
Total revenues	<u>3,864,420</u>	<u>4,044,502</u>	<u>180,082</u>	<u>3,790,231</u>
Expenditures:				
General government:				
Administration	104,600	103,620	980	168,500
Information technology	128,904	124,467	4,437	119,124
Economic development	557,540	468,346	89,194	463,737
Animal care board	4,550	768	3,782	763
Common contractual	5,000	-	5,000	-
Total general government	<u>800,594</u>	<u>697,201</u>	<u>103,393</u>	<u>752,124</u>
Emergency services - animal care	1,634,735	1,612,463	22,272	1,472,245
Public services:				
Vehicle removal	36,016	31,505	4,511	30,059
Libraries	1,178,240	1,103,615	74,625	1,080,396
Recreation services	69,602	64,337	5,265	46,997
Total public services	<u>1,283,858</u>	<u>1,199,457</u>	<u>84,401</u>	<u>1,157,452</u>
Total expenditures	<u>3,719,187</u>	<u>3,509,121</u>	<u>210,066</u>	<u>3,381,821</u>
Excess of revenues over expenditures	145,233	535,381	390,148	408,410
Other financing sources (uses):				
Transfers in	-	61,238	61,238	101,732
Transfers out	(623,000)	(623,000)	-	(610,000)
Net other financing sources (uses)	<u>(623,000)</u>	<u>(561,762)</u>	<u>61,238</u>	<u>(508,268)</u>
Net change in fund balance	\$ <u>(477,767)</u>	<u>(26,381)</u>	<u>451,386</u>	<u>(99,858)</u>
Fund balance at beginning of year		992,487		1,092,345
Fund balance at end of year		\$ <u>966,106</u>		<u>992,487</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009 Actual
	Budget	Actual		
Revenues:				
Property taxes	\$ 13,750	14,122	372	14,006
Investment income	<u>188</u>	<u>159</u>	<u>(29)</u>	<u>521</u>
Total revenues	13,938	14,281	343	14,527
Expenditures - public services	<u>15,105</u>	<u>1,757</u>	<u>13,348</u>	<u>558</u>
Net change in fund balance	\$ <u>(1,167)</u>	12,524	<u>13,691</u>	13,969
Fund balance at beginning of year		<u>37,816</u>		<u>23,847</u>
Fund balance at end of year		\$ <u>50,340</u>		<u>37,816</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Charges for services - water and sewer	\$ 222,840	207,895	(14,945)	199,412
Investment income	383	181	(202)	742
Intergovernmental - PERS relief	4,298	2,477	(1,821)	6,623
Total revenues	<u>227,521</u>	<u>210,553</u>	<u>(16,968)</u>	<u>206,777</u>
Expenditures:				
Public services	254,163	154,747	99,416	174,293
Debt service	2,166	1,080	1,086	2,710
Total expenditures	<u>256,329</u>	<u>155,827</u>	<u>100,502</u>	<u>177,003</u>
Excess (deficiency) of revenues over expenditures	(28,808)	54,726	83,534	29,774
Other financing uses - transfers out	<u>(13,737)</u>	<u>(13,737)</u>	-	<u>(19,800)</u>
Net change in fund balance	\$ <u>(42,545)</u>	40,989	<u>83,534</u>	9,974
Fund balance (deficit) at beginning of year		<u>9,556</u>		<u>(418)</u>
Fund balance at end of year	\$	<u>50,545</u>		<u>9,556</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009 Actual
	Budget	Actual		
Revenues - investment income	\$ 519	120	(399)	564
Expenditures - public services	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	\$ <u>(19,481)</u>	120	<u>19,601</u>	564
Fund balance at beginning of year		<u>33,376</u>		<u>32,812</u>
Fund balance at end of year	\$	<u>33,496</u>		<u>33,376</u>

MATANUSKA-SUSITNA BOROUGH
 Garden Terrace Estates Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 69,170	74,840	5,670	70,945
Intergovernmental - PERS relief	1,039	606	(433)	1,570
Investment income	607	360	(247)	1,275
Total revenues	70,816	75,806	4,990	73,790
 Expenditures:				
Public services - water service	50,300	33,474	16,826	39,903
Debt service	711	285	426	1,067
Total expenditures	51,011	33,759	17,252	40,970
 Net change in fund balance	\$ 19,805	42,047	22,242	32,820
 Fund balance at beginning of year		62,866		30,046
 Fund balance at end of year		\$ 104,913		62,866

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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 13,150	14,233	1,083	11,148
Charges for services - special assessments	-	1,337	1,337	2,354
Investment income	194	80	(114)	307
Total revenues	13,344	15,650	2,306	13,809
Expenditures - debt service	6,708	2,683	4,025	6,966
Excess of revenues over expenditures	6,636	12,967	6,331	6,843
Other financing sources - transfers in	-	-	-	83
Net change in fund balance	\$ <u>6,636</u>	12,967	<u>6,331</u>	6,926
Deficit at beginning of year				<u>(144,359)</u>
Deficit at end of year		\$ <u>(124,466)</u>		<u>(137,433)</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental - PERS relief	\$ 8,021	7,031	(990)	9,268
Telephone surcharge	900,000	1,011,427	111,427	927,985
Investment income	13,494	6,032	(7,462)	22,025
Total revenues	<u>921,515</u>	<u>1,024,490</u>	<u>102,975</u>	<u>959,278</u>
Expenditures - emergency services	<u>829,706</u>	<u>623,349</u>	<u>206,357</u>	<u>491,104</u>
Excess of revenues over expenditures	91,809	401,141	309,332	468,174
Other financing sources (uses):				
Transfers in	-	-	-	42,279
Transfers out	-	-	-	(150,000)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(107,721)</u>
Net change in fund balance	<u>\$ 91,809</u>	401,141	<u>309,332</u>	360,453
Fund balance at beginning of year		<u>1,586,890</u>		<u>1,226,437</u>
Fund balance at end of year	\$	<u>1,988,031</u>		<u>1,586,890</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 140	140	-	130
Investment income	<u>245</u>	<u>85</u>	<u>(160)</u>	<u>411</u>
Total revenues	385	225	(160)	541
Expenditures - public services	<u>21,510</u>	<u>1,567</u>	<u>19,943</u>	<u>-</u>
Net change in fund balance	\$ <u>(21,125)</u>	(1,342)	<u>19,783</u>	541
Fund balance at beginning of year		<u>24,417</u>		<u>23,876</u>
Fund balance at end of year		\$ <u>23,075</u>		<u>24,417</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 50,800	53,574	2,774	49,232
Investment income	<u>1,453</u>	<u>830</u>	<u>(623)</u>	<u>3,153</u>
Total revenues	<u>52,253</u>	<u>54,404</u>	<u>2,151</u>	<u>52,385</u>
Expenditures - public services	<u>36,297</u>	<u>15,161</u>	<u>21,136</u>	<u>876</u>
Net change in fund balance	\$ <u>15,956</u>	39,243	<u>23,287</u>	51,509
Fund balance at beginning of year		<u>210,660</u>		<u>159,151</u>
Fund balance at end of year		\$ <u>249,903</u>		<u>210,660</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Investment income	\$ 55	113	58	322
Other	10,000	9,093	(907)	16,820
Total revenues	10,055	9,206	(849)	17,142
Expenditures - public services	10,055	627	9,428	616
Net change in fund balance	\$ -	8,579	8,579	16,526
Fund balance at beginning of year		27,139		10,613
Fund balance at end of year		\$ 35,718		27,139

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, 2010
(With Comparative Amounts for 2009)

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Revenues - investment income	\$ 32	12	(20)	54
Expenditures - public services - road service	1,500	-	1,500	-
Net change in fund balance	\$ <u>(1,468)</u>	12	<u>1,480</u>	54
Fund balance at beginning of year		<u>3,212</u>		<u>3,158</u>
Fund balance at end of year		\$ <u>3,224</u>		<u>3,212</u>

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MATANUSKA-SUSITNA BOROUGH
Fire Service Areas Special Revenue Funds
Combining Balance Sheet
June 30, 2010

	Service Area								Totals
	130 Wasilla- Lakes	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
Assets									
Cash and investments	\$ 4,022,995	769,404	2,355,650	236,718	142,039	1,257,697	399,862	151,684	9,336,049
Prepaid items	1,125	7,255	-	-	6,529	-	-	-	14,909
Receivables:									
Intergovernmental	-	-	-	-	-	4,158	-	-	4,158
Property taxes	<u>331,212</u>	<u>62,488</u>	<u>104,567</u>	<u>26,884</u>	<u>12,727</u>	<u>113,560</u>	<u>20,034</u>	<u>21,334</u>	<u>692,806</u>
Total assets	\$ <u>4,355,332</u>	<u>839,147</u>	<u>2,460,217</u>	<u>263,602</u>	<u>161,295</u>	<u>1,375,415</u>	<u>419,896</u>	<u>173,018</u>	<u>10,047,922</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	65,436	7,247	438	3,047	3,851	18,248	13,453	431	112,151
Deferred revenue - property taxes	286,043	64,519	101,815	28,016	9,193	97,297	15,521	20,216	622,620
Loans payable to other funds	-	-	-	-	-	-	-	16,666	16,666
Total liabilities	<u>351,479</u>	<u>71,766</u>	<u>102,253</u>	<u>31,063</u>	<u>13,044</u>	<u>115,545</u>	<u>28,974</u>	<u>37,313</u>	<u>751,437</u>
Fund balances:									
Reserved for prepaid items	1,125	7,255	-	-	6,529	-	-	-	14,909
Unreserved:									
Designated:									
Subsequent year expenditures	-	349,107	-	132,221	73,017	189,863	59,025	-	803,233
Subsequent year appropriations	-	-	228,407	-	-	-	-	-	228,407
Undesignated	<u>4,002,728</u>	<u>411,019</u>	<u>2,129,557</u>	<u>100,318</u>	<u>68,705</u>	<u>1,070,007</u>	<u>331,897</u>	<u>135,705</u>	<u>8,249,936</u>
Total fund balances (deficit)	<u>4,003,853</u>	<u>767,381</u>	<u>2,357,964</u>	<u>232,539</u>	<u>148,251</u>	<u>1,259,870</u>	<u>390,922</u>	<u>135,705</u>	<u>9,296,485</u>
Total liabilities and fund balances	\$ <u>4,355,332</u>	<u>839,147</u>	<u>2,460,217</u>	<u>263,602</u>	<u>161,295</u>	<u>1,375,415</u>	<u>419,896</u>	<u>173,018</u>	<u>10,047,922</u>

MATANUSKA-SUSITNA BOROUGH
Fire Service Areas Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit)
Year Ended June 30, 2010

	Service Area								Totals
	130 Wasilla- Lakes	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
Revenues:									
Property taxes	\$ 6,521,313	670,230	857,599	155,335	260,883	1,560,365	274,151	202,437	10,502,313
Intergovernmental - PERS relief	38,319	908	-	181	363	1,910	363	-	42,044
Investment income	12,901	2,156	7,648	702	639	4,840	1,387	317	30,590
Other	265,370	-	-	4,000	10,594	63,559	32,380	-	375,903
Total revenues	<u>6,837,903</u>	<u>673,294</u>	<u>865,247</u>	<u>160,218</u>	<u>272,479</u>	<u>1,630,674</u>	<u>308,281</u>	<u>202,754</u>	<u>10,950,850</u>
Expenditures:									
Emergency services:									
Administration	275,928	47,308	24,644	29,616	55,077	133,937	53,197	12,531	632,238
Fire services	2,767,382	305,229	338,470	67,202	153,369	860,273	238,206	32,474	4,762,605
Total emergency services	<u>3,043,310</u>	<u>352,537</u>	<u>363,114</u>	<u>96,818</u>	<u>208,446</u>	<u>994,210</u>	<u>291,403</u>	<u>45,005</u>	<u>5,394,843</u>
Debt service	-	-	-	-	-	-	-	157	157
Total expenditures	<u>3,043,310</u>	<u>352,537</u>	<u>363,114</u>	<u>96,818</u>	<u>208,446</u>	<u>994,210</u>	<u>291,403</u>	<u>45,162</u>	<u>5,395,000</u>
Excess of revenues over expenditures	<u>3,794,593</u>	<u>320,757</u>	<u>502,133</u>	<u>63,400</u>	<u>64,033</u>	<u>636,464</u>	<u>16,878</u>	<u>157,592</u>	<u>5,555,850</u>
Other financing sources (uses):									
Transfers in	6,595	77,521	-	51,247	342	158,652	7,114	-	301,471
Transfers out	(2,936,000)	(58,800)	(48,800)	(34,875)	(132,300)	(975,300)	(4,543)	(21,770)	(4,212,388)
Net other financing sources (uses)	<u>(2,929,405)</u>	<u>18,721</u>	<u>(48,800)</u>	<u>16,372</u>	<u>(131,958)</u>	<u>(816,648)</u>	<u>2,571</u>	<u>(21,770)</u>	<u>(3,910,917)</u>
Net change in fund balances	<u>865,188</u>	<u>339,478</u>	<u>453,333</u>	<u>79,772</u>	<u>(67,925)</u>	<u>(180,184)</u>	<u>19,449</u>	<u>135,822</u>	<u>1,644,933</u>
Fund balances (deficit) at beginning 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>1,440,054</u>	<u>371,473</u>	<u>(117)</u>	<u>7,651,552</u>
Fund balances at end of year	<u>\$ 4,003,853</u>	<u>767,381</u>	<u>2,357,964</u>	<u>232,539</u>	<u>148,251</u>	<u>1,259,870</u>	<u>390,922</u>	<u>135,705</u>	<u>9,296,485</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 6,227,390	6,521,313	293,923	5,839,216
Intergovernmental - PERS relief	56,819	38,319	(18,500)	93,962
Investment income	20,552	12,901	(7,651)	46,033
Other	<u>100,000</u>	<u>265,370</u>	<u>165,370</u>	<u>155,026</u>
Total revenues	<u>6,404,761</u>	<u>6,837,903</u>	<u>433,142</u>	<u>6,134,237</u>
Expenditures - emergency services:				
Administration	281,471	275,928	5,543	304,155
Fire services	<u>3,656,450</u>	<u>2,767,382</u>	<u>889,068</u>	<u>2,725,662</u>
Total expenditures	<u>3,937,921</u>	<u>3,043,310</u>	<u>894,611</u>	<u>3,029,817</u>
Excess of revenues over expenditures	2,466,840	3,794,593	1,327,753	3,104,420
Other financing sources (uses):				
Transfers in	-	6,595	6,595	18,415
Transfers out	<u>(2,936,000)</u>	<u>(2,936,000)</u>	<u>-</u>	<u>(2,165,500)</u>
Net other financing sources (uses)	<u>(2,936,000)</u>	<u>(2,929,405)</u>	<u>6,595</u>	<u>(2,147,085)</u>
Net change in fund balance	\$ <u>(469,160)</u>	865,188	<u>1,334,348</u>	957,335
Fund balance at beginning of year		<u>3,138,665</u>		<u>2,181,330</u>
Fund balance at end of year		\$ <u>4,003,853</u>		<u>3,138,665</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 627,880	670,230	42,350	593,427
Intergovernmental - PERS relief	1,185	908	(277)	2,075
Investment income	2,816	2,156	(660)	6,508
Total revenues	631,881	673,294	41,413	602,010
Expenditures:				
Emergency services:				
Administration	47,402	47,308	94	61,268
Fire services	389,081	305,229	83,852	215,823
Total emergency services	436,483	352,537	83,946	277,091
Debt service	-	-	-	3,218
Total expenditures	436,483	352,537	83,946	280,309
Excess of revenues over expenditures	195,398	320,757	125,359	321,701
Other financing sources (uses):				
Transfers in	-	77,521	77,521	901
Transfers out	(58,800)	(58,800)	-	(139,000)
Net other financing sources (uses)	(58,800)	18,721	77,521	(138,099)
Net change in fund balance	\$ 136,598	339,478	202,880	183,602
Fund balance at beginning of year		427,903		244,301
Fund balance at end of year		\$ 767,381		427,903

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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 814,420	857,599	43,179	779,734
Investment income	12,486	7,648	(4,838)	27,556
Total revenues	<u>826,906</u>	<u>865,247</u>	<u>38,341</u>	<u>807,290</u>
Expenditures - emergency services:				
Administration	24,644	24,644	-	21,287
Fire services	353,704	338,470	15,234	315,709
Total expenditures	<u>378,348</u>	<u>363,114</u>	<u>15,234</u>	<u>336,996</u>
 Excess of revenues over expenditures	 448,558	 502,133	 53,575	 470,294
Other financing sources (uses):				
Transfers in	-	-	-	489,277
Transfers out	(48,800)	(48,800)	-	(385,000)
Net other financing sources (uses)	<u>(48,800)</u>	<u>(48,800)</u>	<u>-</u>	<u>104,277</u>
 Net change in fund balance	 \$ <u>399,758</u>	 453,333	 <u>53,575</u>	 574,571
 Fund balance at beginning of year		 <u>1,904,631</u>		 <u>1,330,060</u>
 Fund balance at end of year		 \$ <u>2,357,964</u>		 <u>1,904,631</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 153,180	155,335	2,155	148,564
Intergovernmental - PERS relief	768	181	(587)	413
Investment income	1,663	702	(961)	2,581
Other	<u>4,000</u>	<u>4,000</u>	-	<u>4,000</u>
Total revenues	<u>159,611</u>	<u>160,218</u>	<u>607</u>	<u>155,558</u>
Expenditures - emergency services:				
Administration	29,617	29,616	1	32,482
Fire services	<u>144,918</u>	<u>67,202</u>	<u>77,716</u>	<u>66,153</u>
Total expenditures	<u>174,535</u>	<u>96,818</u>	<u>77,717</u>	<u>98,635</u>
Excess (deficiency) of revenues over expenditures	(14,924)	63,400	78,324	56,923
Other financing sources (uses):				
Transfers in	-	51,247	51,247	139
Transfers out	<u>(34,875)</u>	<u>(34,875)</u>	-	<u>(49,028)</u>
Net other financing sources (uses)	<u>(34,875)</u>	<u>16,372</u>	<u>51,247</u>	<u>(48,889)</u>
Net change in fund balance	\$ <u>(49,799)</u>	79,772	<u>129,571</u>	8,034
Fund balance at beginning of year		<u>152,767</u>		<u>144,733</u>
Fund balance at end of year		\$ <u>232,539</u>		<u>152,767</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 246,300	260,883	14,583	235,803
Intergovernmental - PERS relief	526	363	(163)	827
Investment income	3,283	639	(2,644)	4,425
Other	<u>10,550</u>	<u>10,594</u>	<u>44</u>	<u>10,598</u>
Total revenues	<u>260,659</u>	<u>272,479</u>	<u>11,820</u>	<u>251,653</u>
Expenditures:				
Emergency services:				
Administration	55,077	55,077	-	43,489
Fire services	<u>196,336</u>	<u>153,369</u>	<u>42,967</u>	<u>134,873</u>
Total emergency services	251,413	208,446	42,967	178,362
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>860</u>
Total expenditures	<u>251,413</u>	<u>208,446</u>	<u>42,967</u>	<u>179,222</u>
Excess of revenues over expenditures	9,246	64,033	54,787	72,431
Other financing sources (uses):				
Transfers in	-	342	342	2,664
Transfers out	<u>(132,300)</u>	<u>(132,300)</u>	<u>-</u>	<u>(140,000)</u>
Net other financing sources (uses)	<u>(132,300)</u>	<u>(131,958)</u>	<u>342</u>	<u>(137,336)</u>
Net change in fund balance	\$ <u>(123,054)</u>	(67,925)	<u>55,129</u>	(64,905)
Fund balance at beginning of year		<u>216,176</u>		<u>281,081</u>
Fund balance at end of year		\$ <u>148,251</u>		<u>216,176</u>

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, 2010
(With Comparative Amounts for 2009)

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Other financing uses - transfers out	\$ -	-	-	<u>(349,546)</u>
Net change in fund balance	\$ <u>-</u>	-	<u>-</u>	<u>(349,546)</u>
Fund balance at beginning of year		-		<u>349,546</u>
Fund balance at end of year		\$ <u>-</u>		<u>-</u>

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, 2010
(With Comparative Amounts for 2009)

	2010		Variance	2009
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Other financing uses - transfers out	\$ -	-	-	(334,858)
Net change in fund balance	\$ <u>-</u>	-	-	(334,858)
Fund balance at beginning of year		-		<u>334,858</u>
Fund balance at end of year	\$	<u>-</u>		<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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,476,540	1,560,365	83,825	1,685,805
Intergovernmental - PERS relief	7,864	1,910	(5,954)	10,320
Investment income	7,638	4,840	(2,798)	18,877
Other	19,800	63,559	43,759	7,938
Total revenues	<u>1,511,842</u>	<u>1,630,674</u>	<u>118,832</u>	<u>1,722,940</u>
Expenditures:				
Emergency services:				
Administration	133,937	133,937	-	124,253
Fire services	1,050,154	860,273	189,881	816,831
Total emergency services	<u>1,184,091</u>	<u>994,210</u>	<u>189,881</u>	<u>941,084</u>
Debt service	-	-	-	3,548
Total expenditures	<u>1,184,091</u>	<u>994,210</u>	<u>189,881</u>	<u>944,632</u>
Excess of revenues over expenditures	327,751	636,464	308,713	778,308
Other financing sources (uses):				
Transfers in	-	158,652	158,652	869,746
Transfers out	(975,300)	(975,300)	-	(208,000)
Net other financing sources (uses)	<u>(975,300)</u>	<u>(816,648)</u>	<u>158,652</u>	<u>661,746</u>
Net change in fund balance	\$ <u>(647,549)</u>	(180,184)	<u>467,365</u>	1,440,054
Fund balance at beginning of year		<u>1,440,054</u>		-
Fund balance at end of year		\$ <u>1,259,870</u>		<u>1,440,054</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 260,310	274,151	13,841	246,030
Intergovernmental - PERS relief	480	363	(117)	827
Investment income	2,976	1,387	(1,589)	5,357
Other	-	32,380	32,380	271
Total revenues	<u>263,766</u>	<u>308,281</u>	<u>44,515</u>	<u>252,485</u>
Expenditures - emergency services:				
Administration	53,197	53,197	-	30,945
Fire services	337,252	238,206	99,046	218,614
Total expenditures	<u>390,449</u>	<u>291,403</u>	<u>99,046</u>	<u>249,559</u>
Excess (deficiency) of revenues over expenditures	(126,683)	16,878	143,561	2,926
Other financing sources (uses):				
Transfers in	-	7,114	7,114	201,336
Transfers out	(4,543)	(4,543)	-	(85,000)
Net other financing sources (uses)	<u>(4,543)</u>	<u>2,571</u>	<u>7,114</u>	<u>116,336</u>
Net change in fund balance	\$ <u>(131,226)</u>	19,449	<u>150,675</u>	119,262
Fund balance at beginning of year		<u>371,473</u>		<u>252,211</u>
Fund balance at end of year		\$ <u>390,922</u>		<u>371,473</u>

MATANUSKA-SUSITNA BOROUGH
 Fire Service Area 135 - Caswell Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance (Deficit) - Budget and Actual
 Year Ended June 30, 2010
 (With Comparative Amounts for 2009)

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 207,640	202,437	(5,203)	-
Investment income	-	317	317	213
Total revenues	207,640	202,754	(4,886)	213
Expenditures:				
Emergency services:				
Administration	14,031	12,531	1,500	-
Fire services	163,151	32,474	130,677	330
Total emergency services	177,182	45,005	132,177	330
Debt service	350	157	193	-
Total expenditures	177,532	45,162	132,370	330
Excess (deficiency) of revenues over expenditures	30,108	157,592	127,484	(117)
Other financing uses - transfer out	(21,770)	(21,770)	-	-
Net change in fund balance	\$ 8,338	135,822	127,484	(117)
Fund balance (deficit) at beginning of year		(117)		-
Fund balance (deficit) at end of year	\$	135,705		(117)

MATANUSKA-SUSITNA BOROUGH
Road Service Areas Special Revenue Funds
Combining Balance Sheet
June 30, 2010

Service Area

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
<u>Assets</u>									
Cash and investments	\$ 684,026	261,294	249,248	1,187,088	502,405	213,777	170,706	605,711	75,386
Receivables - property taxes	<u>69,382</u>	<u>24,424</u>	<u>78,584</u>	<u>216,304</u>	<u>140,013</u>	<u>29,704</u>	<u>56,288</u>	<u>85,856</u>	<u>24,058</u>
Total assets	<u>\$ 753,408</u>	<u>285,718</u>	<u>327,832</u>	<u>1,403,392</u>	<u>642,418</u>	<u>243,481</u>	<u>226,994</u>	<u>691,567</u>	<u>99,444</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	11,599	25,081	44,642	43,235	69,692	6,254	22,133	47,841	3,487
Deferred revenue - property taxes	57,151	24,921	73,253	209,310	117,827	29,078	46,826	75,716	22,616
Loans payable to other funds	<u>36,431</u>	<u>21,406</u>	-	<u>78,542</u>	-	431	-	-	<u>9,694</u>
Total liabilities	<u>105,181</u>	<u>71,408</u>	<u>117,895</u>	<u>331,087</u>	<u>187,519</u>	<u>35,763</u>	<u>68,959</u>	<u>123,557</u>	<u>35,797</u>
Fund balances:									
Unreserved:									
Designated:									
Subsequent year expenditures	-	-	19,211	233,849	221,800	-	-	46,055	-
Subsequent year appropriations	-	-	-	-	-	-	-	250,000	-
Undesignated	<u>648,227</u>	<u>214,310</u>	<u>190,726</u>	<u>838,456</u>	<u>233,099</u>	<u>207,718</u>	<u>158,035</u>	<u>271,955</u>	<u>63,647</u>
Total fund balances	<u>648,227</u>	<u>214,310</u>	<u>209,937</u>	<u>1,072,305</u>	<u>454,899</u>	<u>207,718</u>	<u>158,035</u>	<u>568,010</u>	<u>63,647</u>
Total liabilities and fund balances	<u>\$ 753,408</u>	<u>285,718</u>	<u>327,832</u>	<u>1,403,392</u>	<u>642,418</u>	<u>243,481</u>	<u>226,994</u>	<u>691,567</u>	<u>99,444</u>

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

	Service Area, continued							Totals
	25 Bogard Road	26 Greater Butte Road	27 Meadow Lakes Road	28 Gold Trail Road	29 Greater Talkeetna Road	30 Trapper Creek Road	31 Alpine Road	
<u>Assets</u>								
Cash and investments	\$ 544,298	481,038	697,808	500,764	209,256	110,562	116,321	6,609,688
Receivables - property taxes	<u>67,117</u>	<u>56,061</u>	<u>117,647</u>	<u>77,466</u>	<u>27,015</u>	<u>26,099</u>	<u>37,652</u>	<u>1,133,670</u>
Total assets	\$ <u>611,415</u>	<u>537,099</u>	<u>815,455</u>	<u>578,230</u>	<u>236,271</u>	<u>136,661</u>	<u>153,973</u>	<u>7,743,358</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	53,476	17,479	41,217	44,852	35,419	11,611	7,575	485,593
Deferred revenue - property taxes	62,633	54,627	102,005	67,327	19,471	19,673	36,593	1,019,027
Loans payable to other funds	<u>72,807</u>	<u>4,092</u>	<u>-</u>	<u>43,889</u>	<u>-</u>	<u>-</u>	<u>1,965</u>	<u>269,257</u>
Total liabilities	<u>188,916</u>	<u>76,198</u>	<u>143,222</u>	<u>156,068</u>	<u>54,890</u>	<u>31,284</u>	<u>46,133</u>	<u>1,773,877</u>
Fund balances:								
Unreserved:								
Designated:								
Subsequent year expenditures	-	-	119,683	142,819	13,026	539	-	796,982
Subsequent year appropriations	-	-	-	-	-	-	-	250,000
Undesignated	<u>422,499</u>	<u>460,901</u>	<u>552,550</u>	<u>279,343</u>	<u>168,355</u>	<u>104,838</u>	<u>107,840</u>	<u>4,922,499</u>
Total fund balances	<u>422,499</u>	<u>460,901</u>	<u>672,233</u>	<u>422,162</u>	<u>181,381</u>	<u>105,377</u>	<u>107,840</u>	<u>5,969,481</u>
Total liabilities and fund balances	\$ <u>611,415</u>	<u>537,099</u>	<u>815,455</u>	<u>578,230</u>	<u>236,271</u>	<u>136,661</u>	<u>153,973</u>	<u>7,743,358</u>

MATANUSKA-SUSITNA BOROUGH
Road Service Areas Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2010

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
Revenues:									
Property taxes	\$ 1,197,862	625,306	488,779	1,453,443	2,006,893	202,959	654,192	1,078,755	133,699
Investment income	2,177	836	746	3,718	1,463	623	670	1,863	179
Total revenues	<u>1,200,039</u>	<u>626,142</u>	<u>489,525</u>	<u>1,457,161</u>	<u>2,008,356</u>	<u>203,582</u>	<u>654,862</u>	<u>1,080,618</u>	<u>133,878</u>
Expenditures:									
Public services:									
Administration	126,396	70,016	62,254	135,865	230,637	14,066	61,257	85,893	11,995
Road service	315,788	352,663	366,073	602,419	877,501	87,808	452,960	586,950	68,534
Total public services	<u>442,184</u>	<u>422,679</u>	<u>428,327</u>	<u>738,284</u>	<u>1,108,138</u>	<u>101,874</u>	<u>514,217</u>	<u>672,843</u>	<u>80,529</u>
Debt service	573	337	-	1,235	-	7	-	-	152
Total expenditures	<u>442,757</u>	<u>423,016</u>	<u>428,327</u>	<u>739,519</u>	<u>1,108,138</u>	<u>101,881</u>	<u>514,217</u>	<u>672,843</u>	<u>80,681</u>
Excess of revenues over expenditures	<u>757,282</u>	<u>203,126</u>	<u>61,198</u>	<u>717,642</u>	<u>900,218</u>	<u>101,701</u>	<u>140,645</u>	<u>407,775</u>	<u>53,197</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	62	-	2,661	1,502
Transfers out	(589,270)	(139,141)	-	(407,056)	(700,516)	(16,472)	(156,475)	(237,000)	-
Net other financing sources (uses)	<u>(589,270)</u>	<u>(139,141)</u>	<u>-</u>	<u>(407,056)</u>	<u>(700,516)</u>	<u>(16,410)</u>	<u>(156,475)</u>	<u>(234,339)</u>	<u>1,502</u>
Net change in fund balances	<u>168,012</u>	<u>63,985</u>	<u>61,198</u>	<u>310,586</u>	<u>199,702</u>	<u>85,291</u>	<u>(15,830)</u>	<u>173,436</u>	<u>54,699</u>
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 648,227</u>	<u>214,310</u>	<u>209,937</u>	<u>1,072,305</u>	<u>454,899</u>	<u>207,718</u>	<u>158,035</u>	<u>568,010</u>	<u>63,647</u>

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

	Service Area, continued							Totals
	25	26	27	28	29	30	31	
	<u>Bogard Road</u>	<u>Greater Butte Road</u>	<u>Meadow Lakes Road</u>	<u>Gold Trail Road</u>	<u>Greater Talkeetna Road</u>	<u>Trapper Creek Road</u>	<u>Alpine Road</u>	
Revenues:								
Property taxes	\$ 1,174,646	716,092	1,506,273	1,548,256	466,885	171,235	208,446	13,633,721
Investment income	1,755	1,303	2,237	1,358	651	353	369	20,301
Total revenues	<u>1,176,401</u>	<u>717,395</u>	<u>1,508,510</u>	<u>1,549,614</u>	<u>467,536</u>	<u>171,588</u>	<u>208,815</u>	<u>13,654,022</u>
Expenditures:								
Public services:								
Administration	109,671	67,237	95,869	154,787	52,556	17,567	18,994	1,315,060
Road service	<u>675,705</u>	<u>220,427</u>	<u>620,839</u>	<u>616,423</u>	<u>361,381</u>	<u>108,123</u>	<u>106,024</u>	<u>6,419,618</u>
Total public services	785,376	287,664	716,708	771,210	413,937	125,690	125,018	7,734,678
Debt service	<u>1,145</u>	<u>64</u>	<u>-</u>	<u>690</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>4,234</u>
Total expenditures	<u>786,521</u>	<u>287,728</u>	<u>716,708</u>	<u>771,900</u>	<u>413,937</u>	<u>125,690</u>	<u>125,049</u>	<u>7,738,912</u>
Excess of revenues over expenditures	389,880	429,667	791,802	777,714	53,599	45,898	83,766	5,915,110
Other financing sources (uses):								
Transfers in	-	210	-	-	-	3,340	-	7,775
Transfers out	<u>(271,894)</u>	<u>(184,356)</u>	<u>(579,395)</u>	<u>(524,594)</u>	<u>-</u>	<u>(29,570)</u>	<u>(49,140)</u>	<u>(3,884,879)</u>
Net other financing sources (uses)	<u>(271,894)</u>	<u>(184,146)</u>	<u>(579,395)</u>	<u>(524,594)</u>	<u>-</u>	<u>(26,230)</u>	<u>(49,140)</u>	<u>(3,877,104)</u>
Net change in fund balances	117,986	245,521	212,407	253,120	53,599	19,668	34,626	2,038,006
Fund balances at beginning 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>	<u>3,931,475</u>
Fund balances at end of year	<u>\$ 422,499</u>	<u>460,901</u>	<u>672,233</u>	<u>422,162</u>	<u>181,381</u>	<u>105,377</u>	<u>107,840</u>	<u>5,969,481</u>

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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,142,300	1,197,862	55,562	1,084,051
Investment income	<u>3,425</u>	<u>2,177</u>	<u>(1,248)</u>	<u>8,125</u>
Total revenues	<u>1,145,725</u>	<u>1,200,039</u>	<u>54,314</u>	<u>1,092,176</u>
Expenditures:				
Public services:				
Administration	141,864	126,396	15,468	60,179
Road service	<u>491,129</u>	<u>315,788</u>	<u>175,341</u>	<u>305,881</u>
Total public services	632,993	442,184	190,809	366,060
Debt service	<u>573</u>	<u>573</u>	-	<u>49</u>
Total expenditures	<u>633,566</u>	<u>442,757</u>	<u>190,809</u>	<u>366,109</u>
Excess of revenues over expenditures	512,159	757,282	245,123	726,067
Other financing sources (uses):				
Transfers in	-	-	-	9,497
Transfers out	<u>(589,270)</u>	<u>(589,270)</u>	-	<u>(629,844)</u>
Net other financing sources (uses)	<u>(589,270)</u>	<u>(589,270)</u>	-	<u>(620,347)</u>
Net change in fund balance	\$ <u>(77,111)</u>	168,012	<u>245,123</u>	105,720
Fund balance at beginning of year		<u>480,215</u>		<u>374,495</u>
Fund balance at end of year	\$	<u>648,227</u>		<u>480,215</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 591,610	625,306	33,696	624,850
Investment income	2,311	836	(1,475)	3,920
Total revenues	593,921	626,142	32,221	628,770
Expenditures:				
Public services:				
Administration	78,584	70,016	8,568	66,194
Road service	384,139	352,663	31,476	315,505
Total public services	462,723	422,679	40,044	381,699
Debt service	337	337	-	29
Total expenditures	463,060	423,016	40,044	381,728
Excess of revenues over expenditures	130,861	203,126	72,265	247,042
Other financing sources (uses):				
Transfers in	-	-	-	784
Transfers out	(139,141)	(139,141)	-	(290,709)
Net other financing sources (uses)	(139,141)	(139,141)	-	(289,925)
Net change in fund balance	\$ (8,280)	63,985	72,265	(42,883)
Fund balance at beginning of year		150,325		193,208
Fund balance at end of year	\$	214,310		150,325

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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 459,220	488,779	29,559	465,229
Investment income	<u>1,397</u>	<u>746</u>	<u>(651)</u>	<u>2,711</u>
Total revenues	<u>460,617</u>	<u>489,525</u>	<u>28,908</u>	<u>467,940</u>
Expenditures - public services:				
Administration	69,873	62,254	7,619	102,186
Road service	<u>419,665</u>	<u>366,073</u>	<u>53,592</u>	<u>291,836</u>
Total expenditures	<u>489,538</u>	<u>428,327</u>	<u>61,211</u>	<u>394,022</u>
Excess (deficiency) of revenues over expenditures	(28,921)	61,198	90,119	73,918
Other financing uses - transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,026)</u>
Net change in fund balance	\$ <u>(28,921)</u>	61,198	<u>90,119</u>	14,892
Fund balance at beginning of year		<u>148,739</u>		<u>133,847</u>
Fund balance at end of year		\$ <u>209,937</u>		<u>148,739</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,378,390	1,453,443	75,053	1,321,700
Investment income	4,710	3,718	(992)	12,253
Total revenues	<u>1,383,100</u>	<u>1,457,161</u>	<u>74,061</u>	<u>1,333,953</u>
Expenditures:				
Public services:				
Administration	152,492	135,865	16,627	119,739
Road service	843,674	602,419	241,255	569,568
Total public services	<u>996,166</u>	<u>738,284</u>	<u>257,882</u>	<u>689,307</u>
Debt service	1,235	1,235	-	106
Total expenditures	<u>997,401</u>	<u>739,519</u>	<u>257,882</u>	<u>689,413</u>
Excess of revenues over expenditures	385,699	717,642	331,943	644,540
Other financing sources (uses):				
Transfers in	-	-	-	10,131
Transfers out	(407,056)	(407,056)	-	(333,090)
Net other financing sources (uses)	<u>(407,056)</u>	<u>(407,056)</u>	<u>-</u>	<u>(322,959)</u>
Net change in fund balance	\$ <u>(21,357)</u>	310,586	<u>331,943</u>	321,581
Fund balance at beginning of year		<u>761,719</u>		<u>440,138</u>
Fund balance at end of year	\$	<u><u>1,072,305</u></u>		<u><u>761,719</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,888,680	2,006,893	118,213	1,964,870
Investment income	<u>2,125</u>	<u>1,463</u>	<u>(662)</u>	<u>3,864</u>
Total revenues	<u>1,890,805</u>	<u>2,008,356</u>	<u>117,551</u>	<u>1,968,734</u>
Expenditures - public services:				
Administration	258,862	230,637	28,225	211,020
Road service	<u>964,824</u>	<u>877,501</u>	<u>87,323</u>	<u>897,181</u>
Total expenditures	<u>1,223,686</u>	<u>1,108,138</u>	<u>115,548</u>	<u>1,108,201</u>
Excess of revenues over expenditures	667,119	900,218	233,099	860,533
Other financing sources (uses):				
Transfers in	-	-	-	9,744
Transfers out	<u>(700,516)</u>	<u>(700,516)</u>	<u>-</u>	<u>(722,783)</u>
Net other financing sources (uses)	<u>(700,516)</u>	<u>(700,516)</u>	<u>-</u>	<u>(713,039)</u>
Net change in fund balance	\$ <u>(33,397)</u>	199,702	<u>233,099</u>	147,494
Fund balance at beginning of year		<u>255,197</u>		<u>107,703</u>
Fund balance at end of year		\$ <u>454,899</u>		<u>255,197</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 197,290	202,959	5,669	191,336
Investment income	<u>824</u>	<u>623</u>	<u>(201)</u>	<u>1,875</u>
Total revenues	<u>198,114</u>	<u>203,582</u>	<u>5,468</u>	<u>193,211</u>
Expenditures:				
Public services:				
Administration	15,787	14,066	1,721	19,054
Road service	<u>161,664</u>	<u>87,808</u>	<u>73,856</u>	<u>116,444</u>
Total public services	177,451	101,874	75,577	135,498
Debt service	<u>10</u>	<u>7</u>	<u>3</u>	<u>1</u>
Total expenditures	<u>177,461</u>	<u>101,881</u>	<u>75,580</u>	<u>135,499</u>
Excess of revenues over expenditures	20,653	101,701	81,048	57,712
Other financing sources (uses):				
Transfers in	-	62	62	-
Transfers out	<u>(16,472)</u>	<u>(16,472)</u>	<u>-</u>	<u>(13,698)</u>
Net other financing sources (uses)	<u>(16,472)</u>	<u>(16,410)</u>	<u>62</u>	<u>(13,698)</u>
Net change in fund balance	\$ <u>4,181</u>	85,291	<u>81,110</u>	44,014
Fund balance at beginning of year		<u>122,427</u>		<u>78,413</u>
Fund balance at end of year	\$	<u>207,718</u>		<u>122,427</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 619,530	654,192	34,662	582,780
Investment income	<u>1,484</u>	<u>670</u>	<u>(814)</u>	<u>3,141</u>
Total revenues	<u>621,014</u>	<u>654,862</u>	<u>33,848</u>	<u>585,921</u>
Expenditures - public services:				
Administration	68,754	61,257	7,497	86,825
Road service	<u>523,643</u>	<u>452,960</u>	<u>70,683</u>	<u>393,786</u>
Total expenditures	<u>592,397</u>	<u>514,217</u>	<u>78,180</u>	<u>480,611</u>
Excess of revenues over expenditures	28,617	140,645	112,028	105,310
Other financing sources (uses):				
Transfers in	-	-	-	378
Transfers out	<u>(156,475)</u>	<u>(156,475)</u>	<u>-</u>	<u>(88,280)</u>
Net other financing sources (uses)	<u>(156,475)</u>	<u>(156,475)</u>	<u>-</u>	<u>(87,902)</u>
Net change in fund balance	\$ <u>(127,858)</u>	(15,830)	<u>112,028</u>	17,408
Fund balance at beginning of year		<u>173,865</u>		<u>156,457</u>
Fund balance at end of year		\$ <u>158,035</u>		<u>173,865</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 1,022,630	1,078,755	56,125	1,073,051
Investment income	3,372	1,863	(1,509)	6,613
Total revenues	<u>1,026,002</u>	<u>1,080,618</u>	<u>54,616</u>	<u>1,079,664</u>
Expenditures:				
Public services:				
Administration	96,405	85,893	10,512	141,675
Road service	695,953	586,950	109,003	714,278
Total public services	<u>792,358</u>	<u>672,843</u>	<u>119,515</u>	<u>855,953</u>
Debt service	718	-	718	1,436
Total expenditures	<u>793,076</u>	<u>672,843</u>	<u>120,233</u>	<u>857,389</u>
Excess of revenues over expenditures	232,926	407,775	174,849	222,275
Other financing sources (uses):				
Transfers in	-	2,661	2,661	3,982
Transfers out	(237,000)	(237,000)	-	(91,820)
Net other financing sources (uses)	<u>(237,000)</u>	<u>(234,339)</u>	<u>2,661</u>	<u>(87,838)</u>
Net change in fund balance	\$ <u>(4,074)</u>	173,436	<u>177,510</u>	134,437
Fund balance at beginning of year		<u>394,574</u>		<u>260,137</u>
Fund balance at end of year		\$ <u><u>568,010</u></u>		<u><u>394,574</u></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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 124,170	133,699	9,529	120,699
Investment income	426	179	(247)	544
Total revenues	<u>124,596</u>	<u>133,878</u>	<u>9,282</u>	<u>121,243</u>
Expenditures:				
Public services:				
Administration	13,463	11,995	1,468	19,784
Road service	<u>103,302</u>	<u>68,534</u>	<u>34,768</u>	<u>113,460</u>
Total public services	116,765	80,529	36,236	133,244
Debt service	<u>153</u>	<u>152</u>	<u>1</u>	<u>13</u>
Total expenditures	<u>116,918</u>	<u>80,681</u>	<u>36,237</u>	<u>133,257</u>
Excess of revenues over expenditures	7,678	53,197	45,519	(12,403)
Other financing sources - transfers in	<u>-</u>	<u>1,502</u>	<u>1,502</u>	<u>-</u>
Net change in fund balance	\$ <u>7,678</u>	54,699	<u>47,021</u>	(12,403)
Fund balance at beginning of year		<u>8,948</u>		<u>20,962</u>
Fund balance at end of year	\$	<u>63,647</u>		<u>8,948</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,126,950	1,174,646	47,696	1,071,000
Investment income	3,047	1,755	(1,292)	6,495
Total revenues	<u>1,129,997</u>	<u>1,176,401</u>	<u>46,404</u>	<u>1,077,495</u>
Expenditures:				
Public services:				
Administration	123,092	109,671	13,421	112,463
Road service	735,719	675,705	60,014	628,246
Total public services	<u>858,811</u>	<u>785,376</u>	<u>73,435</u>	<u>740,709</u>
Debt service	1,145	1,145	-	98
Total expenditures	<u>859,956</u>	<u>786,521</u>	<u>73,435</u>	<u>740,807</u>
Excess of revenues over expenditures	270,041	389,880	119,839	336,688
Other financing sources (uses):				
Transfers in	-	-	-	1,484
Transfers out	(271,894)	(271,894)	-	(236,350)
Net other financing sources (uses)	<u>(271,894)</u>	<u>(271,894)</u>	<u>-</u>	<u>(234,866)</u>
Net change in fund balance	\$ <u>(1,853)</u>	117,986	<u>119,839</u>	101,822
Fund balance at beginning of year		<u>304,513</u>		<u>202,691</u>
Fund balance at end of year		\$ <u>422,499</u>		<u>304,513</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 672,110	716,092	43,982	637,415
Investment income	<u>1,699</u>	<u>1,303</u>	<u>(396)</u>	<u>3,686</u>
Total revenues	<u>673,809</u>	<u>717,395</u>	<u>43,586</u>	<u>641,101</u>
Expenditures:				
Public services:				
Administration	75,466	67,237	8,229	64,506
Road service	<u>421,661</u>	<u>220,427</u>	<u>201,234</u>	<u>359,063</u>
Total public services	497,127	287,664	209,463	423,569
Debt service	<u>65</u>	<u>64</u>	<u>1</u>	<u>6</u>
Total expenditures	<u>497,192</u>	<u>287,728</u>	<u>209,464</u>	<u>423,575</u>
Excess of revenues over expenditures	176,617	429,667	253,050	217,526
Other financing sources (uses):				
Transfers in	-	210	210	24,847
Transfers out	<u>(184,356)</u>	<u>(184,356)</u>	<u>-</u>	<u>(154,463)</u>
Net other financing sources (uses)	<u>(184,356)</u>	<u>(184,146)</u>	<u>210</u>	<u>(129,616)</u>
Net change in fund balance	\$ <u>(7,739)</u>	245,521	<u>253,260</u>	87,910
Fund balance at beginning of year		<u>215,380</u>		<u>127,470</u>
Fund balance at end of year		\$ <u><u>460,901</u></u>		<u><u>215,380</u></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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 1,434,330	1,506,273	71,943	1,352,653
Investment income	4,017	2,237	(1,780)	7,755
Total revenues	1,438,347	1,508,510	70,163	1,360,408
Expenditures - public services:				
Administration	107,601	95,869	11,732	123,101
Road service	727,931	620,839	107,092	607,586
Total expenditures	835,532	716,708	118,824	730,687
Excess of revenues over expenditures	602,815	791,802	188,987	629,721
Other financing sources (uses):				
Transfers in	-	-	-	31,675
Transfers out	(579,395)	(579,395)	-	(502,910)
Net other financing sources (uses)	(579,395)	(579,395)	-	(471,235)
Net change in fund balance	\$ 23,420	212,407	188,987	158,486
Fund balance at beginning of year		459,826		301,340
Fund balance at end of year		\$ 672,233		459,826

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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 1,463,090	1,548,256	85,166	1,390,683
Investment income	3,484	1,358	(2,126)	5,286
Total revenues	<u>1,466,574</u>	<u>1,549,614</u>	<u>83,040</u>	<u>1,395,969</u>
Expenditures:				
Public services:				
Administration	173,730	154,787	18,943	138,644
Road service	791,673	616,423	175,250	633,875
Total public services	<u>965,403</u>	<u>771,210</u>	<u>194,193</u>	<u>772,519</u>
Debt service	690	690	-	59
Total expenditures	<u>966,093</u>	<u>771,900</u>	<u>194,193</u>	<u>772,578</u>
Excess of revenues over expenditures	500,481	777,714	277,233	623,391
Other financing sources (uses):				
Transfers in	-	-	-	6,254
Transfers out	(524,594)	(524,594)	-	(712,781)
Net other financing sources (uses)	<u>(524,594)</u>	<u>(524,594)</u>	<u>-</u>	<u>(706,527)</u>
Net change in fund balance	\$ <u>(24,113)</u>	253,120	<u>277,233</u>	(83,136)
Fund balance at beginning of year		<u>169,042</u>		<u>252,178</u>
Fund balance at end of year		<u>\$ 422,162</u>		<u>169,042</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 438,720	466,885	28,165	424,517
Investment income	1,701	651	(1,050)	2,807
Total revenues	<u>440,421</u>	<u>467,536</u>	<u>27,115</u>	<u>427,324</u>
Expenditures - public services:				
Administration	58,988	52,556	6,432	85,688
Road service	389,863	361,381	28,482	347,406
Total expenditures	<u>448,851</u>	<u>413,937</u>	<u>34,914</u>	<u>433,094</u>
Excess (deficiency) of revenues over expenditures	(8,430)	53,599	62,029	(5,770)
Other financing sources (uses):				
Transfers in	-	-	-	1,098
Transfers out	-	-	-	(27,537)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,439)</u>
Net change in fund balance	\$ <u>(8,430)</u>	53,599	<u>62,029</u>	(32,209)
Fund balance at beginning of year		<u>127,782</u>		<u>159,991</u>
Fund balance at end of year		\$ <u>181,381</u>		<u>127,782</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, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 160,140	171,235	11,095	156,546
Investment income	559	353	(206)	1,297
Total revenues	<u>160,699</u>	<u>171,588</u>	<u>10,889</u>	<u>157,843</u>
Expenditures - public services:				
Administration	19,717	17,567	2,150	21,534
Road service	<u>108,585</u>	<u>108,123</u>	<u>462</u>	<u>94,520</u>
Total expenditures	<u>128,302</u>	<u>125,690</u>	<u>2,612</u>	<u>116,054</u>
Excess of revenues over expenditures	32,397	45,898	13,501	41,789
Other financing sources (uses):				
Transfers in	-	3,340	3,340	-
Transfers out	<u>(29,570)</u>	<u>(29,570)</u>	<u>-</u>	<u>(20,765)</u>
Net other financing sources (uses)	<u>(29,570)</u>	<u>(26,230)</u>	<u>3,340</u>	<u>21,024</u>
Net change in fund balance	\$ <u>2,827</u>	19,668	<u>16,841</u>	62,813
Fund balance at beginning of year		<u>85,709</u>		<u>64,685</u>
Fund balance at end of year	\$	<u>105,377</u>		<u>85,709</u>

MATANUSKA-SUSITNA BOROUGH
 Road Service Area 31 - Alpine Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2010
 (With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 208,310	208,446	136	200,454
Investment income	976	369	(607)	1,661
Total revenues	<u>209,286</u>	<u>208,815</u>	<u>(471)</u>	<u>202,115</u>
Expenditures:				
Public services:				
Administration	21,319	18,994	2,325	25,253
Road service	<u>158,583</u>	<u>106,024</u>	<u>52,559</u>	<u>154,210</u>
Total public services	179,902	125,018	54,884	179,463
Debt service	<u>31</u>	<u>31</u>	-	<u>3</u>
Total expenditures	<u>179,933</u>	<u>125,049</u>	<u>54,884</u>	<u>179,466</u>
Excess of revenues over expenditures	29,353	83,766	54,413	22,649
Other financing sources (uses):				
Transfers in	-	-	-	642
Transfers out	<u>(49,140)</u>	<u>(49,140)</u>	-	<u>(40,279)</u>
Net other financing sources (uses)	<u>(49,140)</u>	<u>(49,140)</u>	-	<u>(39,637)</u>
Net change in fund balance	\$ <u>(19,787)</u>	34,626	<u>54,413</u>	(16,988)
Fund balance at beginning of year		<u>73,214</u>		<u>90,202</u>
Fund balance at end of year		\$ <u>107,840</u>		<u>73,214</u>

MATANUSKA-SUSITNA BOROUGH
Land Management Special Revenue Fund
Balance Sheet
June 30, 2010
(With Comparative Amounts for 2009)

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and investments	\$ 6,545,418	6,714,445
Prepaid items	-	1,131
Land sales contracts receivable:		
Current	18,698	25,640
Delinquent	232,422	32,413
Deferred	552,390	981,251
Total land sales contracts receivable	803,510	1,039,304
Less allowance for uncollectible contracts	(232,422)	(32,413)
Net land sales contracts receivable	571,088	1,006,891
Interfund note receivable from Port Enterprise Fund	567,879	733,779
Other receivable	450	450
Total assets	\$ <u>7,684,835</u>	<u>8,456,696</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	147,846	66,555
Deposits	29,598	29,068
Deferred revenue	552,390	1,000,260
Total liabilities	729,834	1,095,883
Fund balance:		
Reserved:		
Prepaid items	-	1,131
Land Management Permanent Fund	5,013,130	4,738,176
Interfund note receivable	567,879	733,779
Unreserved:		
Designated:		
Compensated absences	10,000	10,000
Subsequent year expenditures	677,182	711,831
Undesignated	686,810	1,165,896
Total fund balance	6,955,001	7,360,813
Total liabilities and fund balance	\$ <u>7,684,835</u>	<u>8,456,696</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, 2010
(With Comparative Amounts for 2009)

	2010		Variance Positive (Negative)	2009
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental - PERS relief	\$ 53,962	36,308	(17,654)	79,500
Land sales and leases	1,228,000	502,414	(725,586)	1,025,238
Management fees	3,000	6,850	3,850	9,389
User fees	3,200	3,755	555	4,179
Investment income	111,825	47,673	(64,152)	156,882
Interest on land sales	79,000	79,502	502	81,397
Other	2,200	5,029	2,829	239,898
Total revenues	<u>1,481,187</u>	<u>681,531</u>	<u>(799,656)</u>	<u>1,596,483</u>
Expenditures - public services:				
Land management and development	1,488,346	1,112,362	375,984	1,178,981
Community development administration	399,103	238,816	160,287	228,045
Total expenditures	<u>1,887,449</u>	<u>1,351,178</u>	<u>536,271</u>	<u>1,407,026</u>
Less recovery of expenditures from other funds	-	(42,414)	42,414	-
Net expenditures	<u>1,887,449</u>	<u>1,308,764</u>	<u>578,685</u>	<u>1,407,026</u>
Excess (deficiency) of revenues over expenditures	(406,262)	(627,233)	(220,971)	189,457
Other financing sources (uses):				
Transfers in	-	221,421	221,421	192,540
Transfers out	-	-	-	(118,500)
Net other financing sources (uses)	<u>-</u>	<u>221,421</u>	<u>221,421</u>	<u>74,040</u>
Net change in fund balance	\$ <u>(406,262)</u>	<u>(405,812)</u>	<u>450</u>	263,497
Fund balance at beginning of year		<u>7,360,813</u>		<u>7,097,316</u>
Fund balance at end of year		\$ <u>6,955,001</u>		<u>7,360,813</u>

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DEBT SERVICE FUNDS

To account for the retirement of general obligation debt used for school construction projects, parks and recreational projects, and certificates of participation for a public safety building. In addition, the fund accounts for repayment of special assessments and erosion control loans.

MATANUSKA-SUSITNA BOROUGH
School Buildings Debt Service Fund
Balance Sheet
June 30, 2010
(With Comparative Amounts for 2009)

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and investments	\$ <u>267,299</u>	<u>774,934</u>
<u>Liabilities and Fund Balance</u>		
Liabilities - accounts payable	<u>-</u>	<u>200</u>
Fund balance - unreserved - designated for debt service	<u>267,299</u>	<u>774,734</u>
Total liabilities and fund balance	\$ <u>267,299</u>	<u>774,934</u>

MATANUSKA-SUSITNA BOROUGH
School Buildings Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010
(With Comparative Amounts for 2009)

	<u>2010</u>	<u>2009</u>
Revenues - investment income	\$ <u>29</u>	<u>2,236</u>
Expenditures:		
Redemption of principal	9,960,000	9,535,000
Interest	7,437,464	7,356,368
Other debt service charges	<u>-</u>	<u>3,173</u>
Total expenditures	<u>17,397,464</u>	<u>16,894,541</u>
Deficiency of revenues over expenditures	(17,397,435)	(16,892,305)
Other financing sources:		
Transfers in	16,890,000	16,890,000
Premium on bond issuance	<u>-</u>	<u>499,108</u>
Total other financing sources	<u>16,890,000</u>	<u>17,389,108</u>
Net change in fund balance	(507,435)	496,803
Fund balance at beginning of year	<u>774,734</u>	<u>277,931</u>
Fund balance at end of year	\$ <u><u>267,299</u></u>	<u><u>774,734</u></u>

MATANUSKA-SUSITNA BOROUGH
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2010

<u>Assets</u>	Certi- cates of Partici- pation	Parks and Recreation	Animal Control	<u>Totals</u>
Cash and investments	\$ 42,795	23,896	6,185	72,876
Restricted cash - debt retirement	<u>521,788</u>	<u>-</u>	<u>565,763</u>	<u>1,087,551</u>
 Total assets	 \$ <u>564,583</u>	 <u>23,896</u>	 <u>571,948</u>	 <u>1,160,427</u>
 <u>Fund Balances</u>				
Fund balances:				
Reserved - debt reserve	521,788	-	565,783	1,087,571
Unreserved - designated for debt service	<u>42,795</u>	<u>23,896</u>	<u>6,165</u>	<u>72,856</u>
 Total fund balances	 \$ <u>564,583</u>	 <u>23,896</u>	 <u>571,948</u>	 <u>1,160,427</u>

MATANUSKA-SUSITNA BOROUGH
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2010

	Certifi- cates of Partici- pation	Parks and <u>Recreation</u>	Animal <u>Control</u>	<u>Totals</u>
Revenues	\$ -	-	-	-
Expenditures:				
Redemption of principal	355,000	195,000	290,000	840,000
Interest	165,812	142,715	271,455	579,982
Other debt service charges	<u>2,832</u>	<u>-</u>	<u>1,500</u>	<u>4,332</u>
Total expenditures	<u>523,644</u>	<u>337,715</u>	<u>562,955</u>	<u>1,424,314</u>
Excess (deficiency) of revenues over expenditures	(523,644)	(337,715)	(562,955)	(1,424,314)
Other financing sources - transfers in	<u>480,000</u>	<u>345,000</u>	<u>565,000</u>	<u>1,390,000</u>
Net change in fund balances	(43,644)	7,285	2,045	(34,314)
Fund balances at beginning of year	<u>608,227</u>	<u>16,611</u>	<u>569,903</u>	<u>1,194,741</u>
Fund balances at end of year	\$ <u>564,583</u>	<u>23,896</u>	<u>571,948</u>	<u>1,160,427</u>

CAPITAL PROJECT FUNDS

To account for general government capital projects financed by General Obligation Bond issues, State and Federal grants, contributions from other funds and interest income.

School Project -- To account for the construction, renovation or renewal of school facilities.

Sewage Facility -- To account for the construction of the Houston Pumper Dumper sewage treatment plant.

Fire Protection -- To account for capital improvements to support fire operations within the Borough.

Road Service Areas Repair -- To account for capital improvements of roads for the Borough's road service districts..

Ambulance and Emergency Medical Services -- To account for capital acquisition or improvements related to ambulance and emergency medical services.

Roads and Bridges -- To account for the capital improvements of roads and bridges not accounted for in the Road Services Area Funds.

Borough Facilities -- To account for the construction, renovation or renewal of Boroughwide facilities.

Cultural and Recreational -- To account for various cultural and recreational construction or improvement projects.

Major Maintenance -- To account for renovation and renewal of Borough and School Facilities.

Miscellaneous -- To account for funding for the Matanuska-Susitna Convention & Visitors Bureau and other miscellaneous projects.

Pass-through Grants -- To account for capital projects directed or built by the Borough but owned by other parties.

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MATANUSKA-SUSITNA BOROUGH
School Projects Capital Project Fund
Balance Sheet
June 30, 2010
(With Comparative Amounts for 2009)

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and investments	\$ 26,758,260	31,802,499
Receivables - intergovernmental	<u>4,552</u>	<u>181,965</u>
 Total assets	 \$ <u>26,762,812</u>	 <u>31,984,464</u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accounts, contracts and retentions payable	847,138	473,212
Deferred revenue	<u>-</u>	<u>392,986</u>
Total liabilities	<u>847,138</u>	<u>866,198</u>
 Fund balance:		
Reserved for encumbrances	845,190	6,629,549
Unreserved - designated for subsequent year expenditures	<u>25,070,484</u>	<u>24,488,717</u>
Total fund balance	<u>25,915,674</u>	<u>31,118,266</u>
 Total liabilities and fund balance	 \$ <u>26,762,812</u>	 <u>31,984,464</u>

MATANUSKA-SUSITNA BOROUGH
School Projects Capital Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010
(With Comparative Amounts for 2009)

	<u>2010</u>	<u>2009</u>
Revenues:		
Intergovernmental	\$ 400,969	581,147
Investment income	<u>28,061</u>	<u>182,733</u>
Total revenues	<u>429,030</u>	<u>763,880</u>
Expenditures:		
Education	486,251	906,828
Debt service	13,155	303,986
Capital outlay	<u>11,029,327</u>	<u>28,535,019</u>
Total expenditures	<u>11,528,733</u>	<u>29,745,833</u>
Deficiency of revenues over expenditures	(11,099,703)	(28,981,953)
Other financing sources (uses):		
Transfers in	1,093,021	5,000
Transfers out	(175,428)	(820)
Bond issuance	-	19,030,000
Premium on bond issuance	<u>-</u>	<u>360,318</u>
Net other financing sources (uses)	<u>917,593</u>	<u>19,394,498</u>
Extraordinary item - insurance settlement	<u>4,979,518</u>	<u>10,000,000</u>
Net change in fund balance	(5,202,592)	412,545
Fund balance at beginning of year	<u>31,118,266</u>	<u>30,705,721</u>
Fund balance at end of year	\$ <u><u>25,915,674</u></u>	<u><u>31,118,266</u></u>

MATANUSKA-SUSITNA BOROUGH

Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2010

<u>Assets</u>	<u>Sewage Facility</u>	<u>Fire Protection</u>	<u>Road Service Area Repairs</u>	<u>Ambulance and Emergency Services</u>	<u>Roads and Bridges</u>	<u>Borough Facilities</u>	<u>Cultural and Recreational</u>	<u>Hatcher Pass</u>	<u>Major Maintenance</u>	<u>Infra-structure</u>	<u>Miscellaneous</u>	<u>Pass-through Grants</u>	<u>Totals</u>
Cash and investments	\$ -	5,714,159	7,955,917	482,581	-	2,364,239	813,429	107,671	3	-	5,744,444	779,030	23,961,473
Receivables:													
Intergovernmental	620,959	28,225	983,759	801,616	1,470,951	146	17,202	198,235	-	2,443,028	478,906	133,194	7,176,221
Other	-	-	3,999	4,454	-	-	-	-	-	-	-	-	8,453
Total assets	\$ 620,959	5,742,384	8,943,675	1,288,651	1,470,951	2,364,385	830,631	305,906	3	2,443,028	6,223,350	912,224	31,146,147
Liabilities and Fund Balances													
Liabilities:													
Accounts, contracts and retentions payable	104,620	564,760	1,336,079	375,250	363,433	21,238	85,082	191,443	-	1,966,828	437,582	60,727	5,507,042
Due to General Fund	407,698	-	-	-	87,159	-	-	-	-	427,998	-	-	922,855
Deferred revenue	-	1,142	533	-	11,869	-	653	-	-	-	813,160	686,600	1,513,957
Total liabilities	512,318	565,902	1,336,612	375,250	462,461	21,238	85,735	191,443	-	2,394,826	1,250,742	747,327	7,943,854
Fund balances:													
Reserved - encumbrances	108,641	2,971,808	1,979,700	870,976	1,008,490	159,671	32,873	114,463	-	48,202	656,291	164,897	8,116,012
Unreserved - designated for subsequent year expenditures	-	2,204,674	5,627,363	42,425	-	2,183,476	712,023	-	3	-	4,316,317	-	15,086,281
Total fund balances	108,641	5,176,482	7,607,063	913,401	1,008,490	2,343,147	744,896	114,463	3	48,202	4,972,608	164,897	23,202,293
Total liabilities and fund balances	\$ 620,959	5,742,384	8,943,675	1,288,651	1,470,951	2,364,385	830,631	305,906	3	2,443,028	6,223,350	912,224	31,146,147

MATANUSKA-SUSITNA BOROUGH
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2010

	Sewage Facility	Fire Protection	Road Service Area Repairs	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Hatcher Pass	Major Maint- enance	Infra- structure	Misc- ellaneous	Pass- through Grants	Totals
Revenues:													
Intergovernmental	\$ 979,682	264,143	4,300,342	633,464	3,969,162	245	25,982	227,433	-	5,154,647	1,046,087	661,877	17,263,064
Other	-	-	7,951	-	31,904	-	13,400	-	-	-	-	-	53,255
Total revenues	<u>979,682</u>	<u>264,143</u>	<u>4,308,293</u>	<u>633,464</u>	<u>4,001,066</u>	<u>245</u>	<u>39,382</u>	<u>227,433</u>	<u>-</u>	<u>5,154,647</u>	<u>1,046,087</u>	<u>661,877</u>	<u>17,316,319</u>
Expenditures:													
General government	-	-	-	-	-	14,566	-	-	-	-	2,108,316	-	2,122,882
Emergency services	-	448,601	-	643,091	-	-	-	-	-	-	340,927	-	1,432,619
Public services	-	-	2,749,580	-	22,069	52,351	43,617	-	-	-	841,216	986,927	4,695,760
Capital outlay	1,112,750	2,917,626	6,138,101	860,834	4,046,818	676,434	200,663	232,441	-	5,220,282	1,512,104	-	22,918,053
Total expenditures	<u>1,112,750</u>	<u>3,366,227</u>	<u>8,887,681</u>	<u>1,503,925</u>	<u>4,068,887</u>	<u>743,351</u>	<u>244,280</u>	<u>232,441</u>	<u>-</u>	<u>5,220,282</u>	<u>4,802,563</u>	<u>986,927</u>	<u>31,169,314</u>
Excess (deficiency) of revenues over expenditures	<u>(133,068)</u>	<u>(3,102,084)</u>	<u>(4,579,388)</u>	<u>(870,461)</u>	<u>(67,821)</u>	<u>(743,106)</u>	<u>(204,898)</u>	<u>(5,008)</u>	<u>-</u>	<u>(65,635)</u>	<u>(3,756,476)</u>	<u>(325,050)</u>	<u>(13,852,995)</u>
Other financing sources (uses):													
Transfers in	13,737	3,884,388	5,675,579	689,300	-	822,000	410,000	-	-	-	3,569,180	333,671	15,397,855
Transfers out	-	(314,222)	(7,775)	(1,383)	(13,032)	(213,344)	(104,000)	-	-	-	(300,166)	(13,481)	(967,403)
Net other financing sources (uses)	<u>13,737</u>	<u>3,570,166</u>	<u>5,667,804</u>	<u>687,917</u>	<u>(13,032)</u>	<u>608,656</u>	<u>306,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,269,014</u>	<u>320,190</u>	<u>14,430,452</u>
Net change in fund balances	<u>(119,331)</u>	<u>468,082</u>	<u>1,088,416</u>	<u>(182,544)</u>	<u>(80,853)</u>	<u>(134,450)</u>	<u>101,102</u>	<u>(5,008)</u>	<u>-</u>	<u>(65,635)</u>	<u>(487,462)</u>	<u>(4,860)</u>	<u>577,457</u>
Fund balances at beginning of year	<u>227,972</u>	<u>4,708,400</u>	<u>6,518,647</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>113,837</u>	<u>5,460,070</u>	<u>169,757</u>	<u>22,624,836</u>
Fund balances at end of year \$	<u>108,641</u>	<u>5,176,482</u>	<u>7,607,063</u>	<u>913,401</u>	<u>1,008,490</u>	<u>2,343,147</u>	<u>744,896</u>	<u>114,463</u>	<u>3</u>	<u>48,202</u>	<u>4,972,608</u>	<u>164,897</u>	<u>23,202,293</u>

MATANUSKA-SUSITNA BOROUGH

Capital Projects

Project Length of Construction Projects

Beginning of Projects to June 30, 2010

	<u>School Projects</u>	<u>Sewage Facility</u>	<u>Fire Protection</u>	<u>Road Service Areas Repairs</u>	<u>Sanitary Landfills</u>	<u>Ambulance and Emergency Services</u>	<u>Roads and Bridges</u>	<u>Borough Facilities</u>
Total project authorizations	\$ <u>446,869,502</u>	<u>15,848,996</u>	<u>43,416,226</u>	<u>90,632,910</u>	<u>23,501,622</u>	<u>25,836,963</u>	<u>57,392,217</u>	<u>47,153,406</u>
Revenues and other financing sources:								
Intergovernmental	43,588,933	12,249,951	9,812,594	29,943,332	5,880,889	14,926,130	40,553,734	18,758,870
Local improvement district bonds	-	-	-	186,095	-	-	-	-
Other	385,198,234	100,000	5,145,459	618,855	-	822,361	31,904	8,135,526
Transfers from other funds	<u>25,906,521</u>	<u>359,780</u>	<u>27,058,619</u>	<u>53,072,062</u>	<u>11,081,023</u>	<u>9,225,216</u>	<u>4,217,779</u>	<u>20,122,705</u>
Total revenues and other financing sources	\$ <u>454,693,688</u>	<u>12,709,731</u>	<u>42,016,672</u>	<u>83,820,344</u>	<u>16,961,912</u>	<u>24,973,707</u>	<u>44,803,417</u>	<u>47,017,101</u>
Expenditures and other financing uses:								
Capital projects	427,395,631	12,601,047	36,393,893	75,227,260	15,456,968	23,723,224	43,780,409	42,945,512
Transfers to other funds	<u>1,382,381</u>	<u>43</u>	<u>446,297</u>	<u>986,019</u>	<u>235,573</u>	<u>337,078</u>	<u>14,520</u>	<u>1,728,442</u>
Total expenditures and other financing uses	\$ <u>428,778,012</u>	<u>12,601,090</u>	<u>36,840,190</u>	<u>76,213,279</u>	<u>15,692,541</u>	<u>24,060,302</u>	<u>43,794,929</u>	<u>44,673,954</u>

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

	<u>Cultural and Recreational</u>	<u>Hatcher Pass and Port</u>	<u>Major Maint- enance</u>	<u>Infra- structure</u>	<u>Miscellaneous</u>	<u>Pass- Through Grants</u>	<u>Totals</u>
Total project authorizations	\$ <u>11,548,194</u>	<u>59,728,390</u>	<u>1,149,094</u>	<u>27,845,000</u>	<u>64,271,110</u>	<u>8,370,844</u>	<u>923,564,474</u>
Revenues and other financing sources:							
Intergovernmental	2,652,983	24,566,091	-	13,475,684	23,783,240	4,845,983	245,038,414
Local improvement district bonds	-	-	-	-	-	-	186,095
Other	4,443,875	13,257,570	-	-	1,291,996	-	419,045,780
Transfers from other funds	<u>4,509,135</u>	<u>6,874,095</u>	<u>1,111,719</u>	<u>345,000</u>	<u>35,802,304</u>	<u>1,009,916</u>	<u>200,695,874</u>
Total revenues and other financing sources	<u>11,605,993</u>	<u>44,697,756</u>	<u>1,111,719</u>	<u>13,820,684</u>	<u>60,877,540</u>	<u>5,855,899</u>	<u>864,966,163</u>
Expenditures and other financing uses:							
Capital projects	10,700,000	41,059,803	1,070,827	13,772,482	55,103,726	5,657,789	804,888,571
Transfers to other funds	<u>161,098</u>	<u>1,142,621</u>	<u>40,889</u>	<u>-</u>	<u>801,208</u>	<u>33,214</u>	<u>7,309,383</u>
Total expenditures and other financing uses	\$ <u>10,861,098</u>	<u>42,202,424</u>	<u>1,111,716</u>	<u>13,772,482</u>	<u>55,904,934</u>	<u>5,691,003</u>	<u>812,197,954</u>

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ENTERPRISE FUNDS

The Enterprise Funds account for Borough activities for which a fee is charged to external users for goods and services.

Solid Waste -- To account for activities relating to operations of the Borough's sanitary landfill.

Port -- To account for Borough activities relating to operations of Port MacKenzie.

MATANUSKA-SUSITNA BOROUGH
Solid Waste Enterprise Fund
Statement of Net Assets
June 30, 2010
(With Comparative Amounts for 2009)

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Receivables:		
Accounts	\$ 222,677	371,848
Intergovernmental	<u>1,281,468</u>	<u>2,302,804</u>
Total current assets	<u>1,504,145</u>	<u>2,674,652</u>
Noncurrent assets:		
Restricted cash - landfill closure	<u>2,229,001</u>	<u>2,221,005</u>
Property, plant and equipment:		
Buildings	2,319,227	2,319,227
Improvements other than buildings	1,512,853	1,512,853
Equipment	1,429,955	1,319,820
Landfill cells	4,519,944	4,519,944
Construction in progress	<u>5,940,163</u>	<u>3,248,744</u>
Total property, plant and equipment	15,722,142	12,920,588
Accumulated depreciation and amortization	<u>(2,620,950)</u>	<u>(2,393,476)</u>
Net property, plant and equipment	<u>13,101,192</u>	<u>10,527,112</u>
Total noncurrent assets	<u>15,330,193</u>	<u>12,748,117</u>
Total assets	<u>\$ 16,834,338</u>	<u>15,422,769</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	747,643	282,119
Accrued liabilities	73,343	86,390
Accrued interest payable	54,970	15,221
Unearned revenue	11,974	7,789
Due to General Fund	1,404,146	1,623,846
Current portion of loans payable	<u>44,337</u>	<u>43,682</u>
Total current liabilities	<u>2,336,413</u>	<u>2,059,047</u>
Noncurrent liabilities:		
Loans payable	3,906,813	3,941,120
Landfill closure costs payable	<u>2,904,778</u>	<u>2,634,890</u>
Total noncurrent liabilities	<u>6,811,591</u>	<u>6,576,010</u>
Total liabilities	<u>9,148,004</u>	<u>8,635,057</u>
Net assets:		
Invested in capital assets, net of related debt	9,150,042	6,542,310
Unrestricted (deficit)	<u>(1,463,708)</u>	<u>245,402</u>
Total net assets	<u>7,686,334</u>	<u>6,787,712</u>
Total liabilities and net assets	<u>\$ 16,834,338</u>	<u>15,422,769</u>

MATANUSKA-SUSITNA BOROUGH
Solid Waste Enterprise Fund
Statement of Revenues, Expenses, and
Changes in Net Assets
Year Ended June 30, 2010
(With Comparative Amounts for 2009)

	<u>2010</u>	<u>2009</u>
Operating revenues - charges for services	\$ <u>3,395,693</u>	<u>3,319,865</u>
Operating expenses - public service:		
Landfill operations	2,891,497	2,566,995
Transfer sites	1,639,117	1,626,940
Depreciation and amortization	227,474	232,355
Allocated administrative and billing expenses	<u>66,956</u>	<u>70,066</u>
Total operating expenses	<u>4,825,044</u>	<u>4,496,356</u>
Operating loss	(1,429,351)	(1,176,491)
Nonoperating revenues (expenses):		
Investment income	7,996	37,555
Intergovernmental - PERS relief	45,190	100,548
Interest expense	(54,031)	(17,757)
Miscellaneous income	<u>2,963</u>	<u>38</u>
Net nonoperating revenues (expenses)	<u>2,118</u>	<u>120,384</u>
Loss before transfers, contributions, and special item	(1,427,233)	(1,056,107)
Transfers out	(445)	(1,477)
Capital contributions	2,326,300	-
Special item - write off NPO/OPEB	<u>-</u>	<u>96,461</u>
Change in net assets	898,622	(961,123)
Net assets at beginning of year	<u>6,787,712</u>	<u>7,748,835</u>
Net assets at end of year	\$ <u><u>7,686,334</u></u>	<u><u>6,787,712</u></u>

MATANUSKA-SUSITNA BOROUGH

Solid Waste Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2010

(With Comparative Amounts for 2009)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Receipts from customers	\$ 3,552,012	3,151,288
Payments to suppliers	(2,205,851)	(2,262,108)
Payments to employees	(1,557,208)	(1,490,922)
Payments for interfund services used	<u>(66,956)</u>	<u>(70,066)</u>
Net cash flows from operating activities	<u>(278,003)</u>	<u>(671,808)</u>
Cash flows from noncapital financing activities:		
Transfers out	(445)	(1,477)
Increase (decrease) in due to other funds	<u>(219,700)</u>	<u>853,796</u>
Net cash flows from noncapital financing activities	<u>(220,145)</u>	<u>852,319</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(2,801,554)	(322,646)
Principal and interest paid on loans	(385,528)	(48,762)
Proceeds from issuance of long term debt	337,594	-
Capital contributions received	<u>3,347,636</u>	<u>190,897</u>
Net cash flows from capital and related financing activities	<u>498,148</u>	<u>(180,511)</u>
Cash flows from investing activities - investment income received	<u>7,996</u>	<u>37,555</u>
Net increase in cash and investments	7,996	37,555
Cash and investments at beginning of year	<u>2,221,005</u>	<u>2,183,450</u>
Cash and investments at end of year	\$ <u>2,229,001</u>	<u>2,221,005</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(1,429,351)	(1,176,491)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Miscellaneous nonoperating revenue	2,963	38
Depreciation and amortization	227,474	232,355
Noncash expense - PERS relief	45,190	100,548
(Increase) decrease in assets - accounts receivable	149,171	(168,615)
Increase (decrease) in liabilities:		
Accounts payable	465,524	91,842
Accrued liabilities	(13,047)	6,595
Unearned revenue	4,185	(2,905)
Landfill closure costs payable	<u>269,888</u>	<u>244,825</u>
Net cash flows from operating activities	\$ <u>(278,003)</u>	<u>(671,808)</u>

MATANUSKA-SUSITNA BOROUGH

Port Enterprise Fund

Statement of Net Assets

June 30, 2010

(With Comparative Amounts for 2009)

	<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:			
Receivables:			
Accounts		\$ 4,116	-
Intergovernmental		847,808	574,802
Prepays		-	135,000
Inventory		765	765
Total current assets		<u>852,689</u>	<u>710,567</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>12,495,105</u>	<u>11,067,369</u>
Total property, plant and equipment		38,959,017	37,531,281
Accumulated depreciation		<u>(3,838,455)</u>	<u>(3,171,521)</u>
Net property, plant and equipment		<u>35,120,562</u>	<u>34,359,760</u>
Total assets		<u>\$ 35,973,251</u>	<u>35,070,327</u>
	<u>Liabilities and Net Assets</u>		
Liabilities:			
Current liabilities:			
Accounts payable		1,059,475	350,766
Accrued liabilities		46,328	43,456
Deposit refunds		10,000	10,000
Unearned revenue		1	32,689
Due to General Fund		2,119,396	1,739,515
Accrued interest payable		86,153	89,362
Current portion of general obligation bonds		410,000	395,000
Current portion of interfund note payable		<u>165,900</u>	<u>165,900</u>
Total current liabilities		<u>3,897,253</u>	<u>2,826,688</u>
Noncurrent liabilities:			
General obligation bonds		7,220,000	7,630,000
Unamortized bond premium		132,948	142,444
Interfund note payable		<u>401,979</u>	<u>567,879</u>
Total noncurrent liabilities		<u>7,754,927</u>	<u>8,340,323</u>
Total liabilities		<u>11,652,180</u>	<u>11,167,011</u>
Net assets:			
Invested in capital assets, net of related debt		27,357,614	26,192,316
Unrestricted (deficit)		<u>(3,036,543)</u>	<u>(2,289,000)</u>
Total net assets		<u>24,321,071</u>	<u>23,903,316</u>
Total liabilities and net assets		<u>\$ 35,973,251</u>	<u>35,070,327</u>

MATANUSKA-SUSITNA BOROUGH
 Port Enterprise Fund
 Statement of Revenues, Expenses, and
 Changes in Net Assets
 Year Ended June 30, 2010
 (With Comparative Amounts for 2009)

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Charges for services	\$ 52,368	639,645
Other	-	499
Total operating revenues	<u>52,368</u>	<u>640,144</u>
Operating expenses:		
Dock operations	798,076	515,997
Depreciation	666,934	666,933
Allocated administrative and billing expenses	21,000	20,800
Total operating expenses	<u>1,486,010</u>	<u>1,203,730</u>
Operating loss	(1,433,642)	(563,586)
Nonoperating revenues (expenses):		
Intergovernmental - State sources:		
PERS relief	10,816	23,568
Debt service reimbursement	755,120	754,870
Interest expense	(368,593)	(401,600)
Net nonoperating revenues (expenses)	<u>397,343</u>	<u>376,838</u>
Loss before transfers, contributions, and special item	(1,036,299)	(186,748)
Transfers in	95,160	661,407
Transfers out	(25,000)	-
Capital contributions	1,383,894	979,938
Special item - write off NPO/OPEB	-	20,001
Change in net assets	417,755	1,474,598
Net assets at beginning of year	<u>23,903,316</u>	<u>22,428,718</u>
Net assets at end of year	\$ <u>24,321,071</u>	<u>23,903,316</u>

MATANUSKA-SUSITNA BOROUGH
Port Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2010
(With Comparative Amounts for 2009)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Receipts from customers	\$ 15,564	651,918
Payments to suppliers	(357,567)	(369,096)
Payments to employees	(273,901)	(242,698)
Payments for interfund services used	<u>(21,000)</u>	<u>(20,800)</u>
Net cash flows from operating activities	<u>(636,904)</u>	<u>19,324</u>
Cash flows from noncapital financing activities - transfers out	<u>(25,000)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(736,947)	(695,090)
Capital contributions received	1,110,888	489,795
Transfers in	95,160	661,407
Principal and interest paid on interfund note	(189,748)	(210,884)
Principal and interest paid on bonds	(752,450)	(754,000)
Debt service reimbursement	755,120	754,870
Increase (decrease) in due to General Fund	<u>379,881</u>	<u>(265,422)</u>
Net cash flows from capital and related financing activities	<u>661,904</u>	<u>(19,324)</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	(1,433,642)	(563,586)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	666,934	666,933
Noncash expense - PERS relief	10,816	23,568
(Increase) decrease in assets:		
Accounts receivable	(4,116)	-
Other receivable	-	1,774
Prepays	135,000	(135,000)
Inventory	-	1
Increase (decrease) in liabilities:		
Accounts payable	17,920	13,459
Accrued liabilities	2,872	2,175
Deposit refunds	-	10,000
Unearned revenue	<u>(32,688)</u>	<u>-</u>
Net cash flows from operating activities	\$ <u>(636,904)</u>	<u>19,324</u>

INTERNAL SERVICE FUNDS

These funds account for activities and services performed primarily for other organizational units within the Borough. Charges to other Borough agencies are computed to recover costs incurred.

Revolving Loan -- To account for low-interest loans available to various service areas.

Self-insurance -- To account for the accrual and payment of State unemployment insurance, worker's compensation insurance and health insurance. Also, to account for the deposits and disbursements for property and casualty claims.

MATANUSKA-SUSITNA BOROUGH

Internal Service Funds
 Combining Statement of Net Assets
 June 30, 2010

<u>Assets</u>	<u>Revolving Loan</u>	<u>Self- Insurance</u>	<u>Totals</u>
Current assets:			
Cash and investments	\$ 1,039,312	9,257,340	10,296,652
Deposits with others	-	28,340	28,340
Interfund loans receivable	<u>48,370</u>	<u>-</u>	<u>48,370</u>
Total current assets	1,087,682	9,285,680	10,373,362
Interfund loans receivable, long term	<u>447,310</u>	<u>-</u>	<u>447,310</u>
Total assets	\$ <u><u>1,534,992</u></u>	<u><u>9,285,680</u></u>	<u><u>10,820,672</u></u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Current liabilities:			
Accounts payable	-	55,305	55,305
Insurance claims incurred but not reported	-	2,123,138	2,123,138
Current portion of loan payable	<u>13,141</u>	<u>-</u>	<u>13,141</u>
Total current liabilities	13,141	2,178,443	2,191,584
Noncurrent liabilities - loan payable	<u>269,851</u>	<u>-</u>	<u>269,851</u>
Total liabilities	<u><u>282,992</u></u>	<u><u>2,178,443</u></u>	<u><u>2,461,435</u></u>
Net assets - unrestricted	<u>1,252,000</u>	<u>7,107,237</u>	<u>8,359,237</u>
Total liabilities and net assets	\$ <u><u>1,534,992</u></u>	<u><u>9,285,680</u></u>	<u><u>10,820,672</u></u>

MATANUSKA-SUSITNA BOROUGH
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Year Ended June 30, 2010

	<u>Revolving</u> <u>Loan</u>	<u>Self-</u> <u>Insurance</u>	<u>Totals</u>
Operating revenues:			
Intragovernmental	\$ -	6,469,018	6,469,018
Interest on loans	4,205	-	4,205
Employee contributions	-	624,504	624,504
Total operating revenues	<u>4,205</u>	<u>7,093,522</u>	<u>7,097,727</u>
Operating expenses:			
Claims	-	4,952,650	4,952,650
Administrative fees	-	1,028,038	1,028,038
Premium	-	84,737	84,737
Total operating expenses	<u>-</u>	<u>6,065,425</u>	<u>6,065,425</u>
Operating income	4,205	1,028,097	1,032,302
Nonoperating revenues - investment income	<u>-</u>	<u>20,636</u>	<u>20,636</u>
Income before transfers	4,205	1,048,733	1,052,938
Transfers out	<u>(4,205)</u>	<u>-</u>	<u>(4,205)</u>
Change in net assets	-	1,048,733	1,048,733
Net assets at beginning of year	<u>1,252,000</u>	<u>6,058,504</u>	<u>7,310,504</u>
Net assets at end of year	\$ <u>1,252,000</u>	<u>7,107,237</u>	<u>8,359,237</u>

MATANUSKA-SUSITNA BOROUGH
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2010

	Revolving <u>Loan</u>	Self- <u>Insurance</u>	<u>Totals</u>
Cash flows from operating activities:			
Proceeds from loan	\$ 13,737	-	13,737
Loans made to other funds	(13,737)	-	(13,737)
Principal payments received on loans	48,177	-	48,177
Interest payments received on loans	4,205	-	4,205
Principal payments on loans payable	(12,948)	-	(12,948)
Internal activity - payments from other funds	-	6,469,018	6,469,018
Receipts from employees and other	-	627,298	627,298
Payments for claims and services	-	(5,715,701)	(5,715,701)
Net cash flows from operating activities	<u>39,434</u>	<u>1,380,615</u>	<u>1,420,049</u>
Cash flows from noncapital financing activities -			
transfers out	<u>(4,205)</u>	<u>-</u>	<u>(4,205)</u>
Cash flows from investing activities -			
investment income received	<u>-</u>	<u>20,636</u>	<u>20,636</u>
Net increase in cash and investments	35,229	1,401,251	1,436,480
Cash and investments at beginning of year	<u>1,004,083</u>	<u>7,856,089</u>	<u>8,860,172</u>
Cash and investments at end of year	\$ <u>1,039,312</u>	<u>9,257,340</u>	<u>10,296,652</u>
Reconciliation of operating income to net cash			
provided (used) by operating activities:			
Operating income	4,205	1,028,097	1,032,302
Adjustments to reconcile operating income			
to net cash flows from operating activities:			
(Increase) decrease in assets:			
Accounts receivable	-	2,794	2,794
Loans receivable	34,440	-	34,440
Increase (decrease) in liabilities:			
Accounts payable	-	9,156	9,156
Loans payable	789	-	789
Insurance claims incurred but not reported	-	340,568	340,568
Net cash flows from operating activities	\$ <u>39,434</u>	<u>1,380,615</u>	<u>1,420,049</u>

MATANUSKA-SUSITNA BOROUGH
Revolving Loan Internal Service Funds
Combining Statement of Net Assets
June 30, 2010

<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	\$ 132,528	383,334	523,450	1,039,312
Loans receivable	<u>26,896</u>	<u>8,333</u>	<u>13,141</u>	<u>48,370</u>
Total current assets	159,424	391,667	536,591	1,087,682
 Loans receivable, long-term	 <u>182,863</u>	 <u>8,333</u>	 <u>256,114</u>	 <u>447,310</u>
 Total assets	 \$ <u>342,287</u>	 <u>400,000</u>	 <u>792,705</u>	 <u>1,534,992</u>
 <u>Liabilities and Net Assets</u>				
Liabilities:				
Current liabilities - current portion of loans payable	-	-	13,141	13,141
Noncurrent liabilities - loans payable	<u>13,737</u>	<u>-</u>	<u>256,114</u>	<u>269,851</u>
Total liabilities	<u>13,737</u>	<u>-</u>	<u>269,255</u>	<u>282,992</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>342,287</u>	 <u>400,000</u>	 <u>792,705</u>	 <u>1,534,992</u>

MATANUSKA-SUSITNA BOROUGH
Revolving Loan Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Year Ended June 30, 2010

	<u>Service Area Operating</u>	<u>Fire Capital Equipment</u>	<u>Road Service Areas</u>	<u>Totals</u>
Operating revenues - interest on loans	\$ 4,048	157	-	4,205
Transfers out	<u>(4,048)</u>	<u>(157)</u>	<u>-</u>	<u>(4,205)</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><u>328,550</u></u>	<u><u>400,000</u></u>	<u><u>523,450</u></u>	<u><u>1,252,000</u></u>

MATANUSKA-SUSITNA BOROUGH
Revolving Loan Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2010

	Service Area <u>Operating</u>	Fire Capital <u>Equipment</u>	Road Service <u>Areas</u>	<u>Totals</u>
Cash flows from operating activities:				
Proceeds from loan	\$ 13,737	-	-	13,737
Loans made to other funds	(13,737)	-	-	(13,737)
Principal payments received on loans	26,896	8,334	12,947	48,177
Interest payments received on loans	4,048	157	-	4,205
Principal payments on loans payable	-	-	(12,948)	(12,948)
Net cash flows from operating activities	<u>30,944</u>	<u>8,491</u>	<u>(1)</u>	<u>39,434</u>
Cash flows from noncapital financing activities -				
transfers out	<u>(4,048)</u>	<u>(157)</u>	<u>-</u>	<u>(4,205)</u>
Net increase (decrease) in cash and investments	26,896	8,334	(1)	35,229
Cash and investments at beginning of year	<u>105,632</u>	<u>375,000</u>	<u>523,451</u>	<u>1,004,083</u>
Cash and investments at end of year	\$ <u><u>132,528</u></u>	<u><u>383,334</u></u>	<u><u>523,450</u></u>	<u><u>1,039,312</u></u>
Reconciliation of operating income to net cash				
provided by operating activities:				
Operating income	4,048	157	-	4,205
Adjustments to reconcile operating income to net				
cash flows from operating activities:				
Decrease in loans receivable	13,159	8,334	12,947	34,440
Increase (decrease) in loans payable	<u>13,737</u>	<u>-</u>	<u>(12,948)</u>	<u>789</u>
Net cash flows from operating activities	\$ <u><u>30,944</u></u>	<u><u>8,491</u></u>	<u><u>(1)</u></u>	<u><u>39,434</u></u>

MATANUSKA-SUSITNA BOROUGH
Self Insurance Internal Service Funds
Combining Statement of Net Assets
June 30, 2010

<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	\$ 226,325	6,172,365	1,772,366	1,086,284	9,257,340
Deposits with others	<u>-</u>	<u>3,340</u>	<u>-</u>	<u>25,000</u>	<u>28,340</u>
Total current assets	\$ <u>226,325</u>	<u>6,175,705</u>	<u>1,772,366</u>	<u>1,111,284</u>	<u>9,285,680</u>
 <u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable	53,299	-	2,006	-	55,305
Insurance claims incurred but not reported	<u>-</u>	<u>991,792</u>	<u>651,500</u>	<u>479,846</u>	<u>2,123,138</u>
Total current liabilities	<u>53,299</u>	<u>991,792</u>	<u>653,506</u>	<u>479,846</u>	<u>2,178,443</u>
 Net assets - unrestricted	 <u>173,026</u>	 <u>5,183,913</u>	 <u>1,118,860</u>	 <u>631,438</u>	 <u>7,107,237</u>
 Total liabilities and net assets	 \$ <u>226,325</u>	 <u>6,175,705</u>	 <u>1,772,366</u>	 <u>1,111,284</u>	 <u>9,285,680</u>

MATANUSKA-SUSITNA BOROUGH
Self Insurance Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Year Ended June 30, 2010

	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	\$ 238,038	5,206,509	27,921	996,550	6,469,018
Employee contributions	<u>-</u>	<u>549,504</u>	<u>75,000</u>	<u>-</u>	<u>624,504</u>
Total operating revenues	<u>238,038</u>	<u>5,756,013</u>	<u>102,921</u>	<u>996,550</u>	<u>7,093,522</u>
Operating expenses:					
Claims	226,011	3,998,129	64,461	664,049	4,952,650
Administrative fees	-	977,755	-	50,283	1,028,038
Premium	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,737</u>	<u>84,737</u>
Total operating expenses	<u>226,011</u>	<u>4,975,884</u>	<u>64,461</u>	<u>799,069</u>	<u>6,065,425</u>
Operating income	12,027	780,129	38,460	197,481	1,028,097
Nonoperating revenues - investment income	<u>-</u>	<u>20,636</u>	<u>-</u>	<u>-</u>	<u>20,636</u>
Change in net assets	12,027	800,765	38,460	197,481	1,048,733
Net assets at beginning of year	<u>160,999</u>	<u>4,383,148</u>	<u>1,080,400</u>	<u>433,957</u>	<u>6,058,504</u>
Net assets at end of year	\$ <u>173,026</u>	<u>5,183,913</u>	<u>1,118,860</u>	<u>631,438</u>	<u>7,107,237</u>

MATANUSKA-SUSITNA BOROUGH
Self Insurance Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2010

	<u>Unemploy- ment Insurance</u>	<u>Health Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Workers Comp Insurance</u>	<u>Totals</u>
Cash flows from operating activities:					
Internal activity - payments from other funds	\$ 238,038	5,206,509	27,921	996,550	6,469,018
Receipts from employees and other	-	552,298	75,000	-	627,298
Payments for claims and services	<u>(218,861)</u>	<u>(4,919,876)</u>	<u>(61,100)</u>	<u>(515,864)</u>	<u>(5,715,701)</u>
Net cash flows from operating activities	<u>19,177</u>	<u>838,931</u>	<u>41,821</u>	<u>480,686</u>	<u>1,380,615</u>
Cash flows from investing activities -					
investment income received	<u>-</u>	<u>20,636</u>	<u>-</u>	<u>-</u>	<u>20,636</u>
Net increase in cash					
and investments	19,177	859,567	41,821	480,686	1,401,251
Cash and investments at beginning 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>
Cash and investments at end of year	\$ <u>226,325</u>	<u>6,172,365</u>	<u>1,772,366</u>	<u>1,086,284</u>	<u>9,257,340</u>
Reconciliation of operating income to net cash					
provided (used) by operating activities:					
Operating income	12,027	780,129	38,460	197,481	1,028,097
Adjustments to reconcile operating income					
to net cash flows from operating activities:					
Decrease in assets:					
Accounts receivable	-	2,794	-	-	2,794
Increase in liabilities:					
Accounts payable	7,150	-	2,006	-	9,156
Insurance claims incurred but not reported	<u>-</u>	<u>56,008</u>	<u>1,355</u>	<u>283,205</u>	<u>340,568</u>
Net cash flows from operating activities	\$ <u>19,177</u>	<u>838,931</u>	<u>41,821</u>	<u>480,686</u>	<u>1,380,615</u>

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AGENCY FUNDS

To account for resources received and held by the Borough in a fiduciary capacity. Disbursements from these funds are made in accordance with the applicable legislative enactment for each fund.

Property Tax Agency -- To account for property taxes collected for the cities of Houston, Wasilla and Palmer.

Local Improvements District (LID) Road and Gas Line Agency -- This fund accounts for monies collected from property owners by the Borough for the construction of a natural gas pipeline distribution system and for the paving of roads which benefit those property owners.

Prison Construction Agency -- 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.

MATANUSKA-SUSITNA BOROUGH
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Year Ended June 30, 2010

	Property Tax Agency				Road and Gas Line Agency			
	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Assets								
Cash and investments	\$ 34,192	5,872,387	5,891,656	14,923	2,518	927,971	933,146	(2,657)
Property taxes receivable:								
Real	97,065	39,368	61,505	74,928	-	-	-	-
Personal	16,703	4,979	8,441	13,241	-	-	-	-
Special assessments receivable	-	-	-	-	841,294	267,501	473,219	635,576
Total assets	\$ 147,960	5,916,734	5,961,602	103,092	843,812	1,195,472	1,406,365	632,919
Liabilities								
Accounts payable	132	1,910	138	1,904	12,177	807,134	817,722	1,589
Deposits	-	-	-	-	245,770	295,716	284,664	256,822
Taxes collected in advance	131,338	2,825,017	2,859,263	97,092	-	-	-	-
Intergovernmental	16,490	1,543,732	1,556,126	4,096	-	-	-	-
Notes payable - gas lines	-	-	-	-	203,356	101,000	196,520	107,836
Notes payable - road improvements	-	-	-	-	382,509	14,000	129,837	266,672
Total liabilities	\$ 147,960	4,370,659	4,415,527	103,092	843,812	1,217,850	1,428,743	632,919

MATANUSKA-SUSITNA BOROUGH

Agency Funds

Combining Statement of Changes in Assets and Liabilities, continued

Assets	Prison Agency				Totals			
	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Cash and investments	\$ 213,254,931	192,796,877	270,182,801	135,869,007	213,291,641	199,597,235	277,007,603	135,881,273
Property taxes receivable:								
Real	-	-	-	-	97,065	39,368	61,505	74,928
Personal	-	-	-	-	16,703	4,979	8,441	13,241
Special assessments receivable	-	-	-	-	841,294	267,501	473,219	635,576
Interest receivable	1,585,975	4,098,735	4,875,419	809,291	1,585,975	4,098,735	4,875,419	809,291
Prepaid items	5,352	-	5,352	-	5,352	-	5,352	-
Construction in progress	32,683,112	90,223,374	4,645,585	118,260,901	32,683,112	90,223,374	4,645,585	118,260,901
Total assets	\$ 247,529,370	287,118,986	279,709,157	254,939,199	248,521,142	294,231,192	287,077,124	255,675,210
Liabilities								
Accounts payable	5,002,941	86,897,706	79,487,877	12,412,770	5,015,250	87,706,750	80,305,737	12,416,263
Deposits	-	-	-	-	245,770	295,716	284,664	256,822
Taxes collected in advance	-	-	-	-	131,338	2,825,017	2,859,263	97,092
Intergovernmental	-	-	-	-	16,490	1,543,732	1,556,126	4,096
Notes payable - gas lines	-	-	-	-	203,356	101,000	196,520	107,836
Notes payable - road improvements	-	-	-	-	382,509	14,000	129,837	266,672
Due to State of Alaska	242,526,429	-	-	242,526,429	242,526,429	-	-	242,526,429
Total liability:	\$ 247,529,370	86,897,706	79,487,877	254,939,199	248,521,142	92,486,215	85,332,147	255,675,210

FEDERAL AND STATE EXPENDITURES

The schedules of expenditures of federal awards and state financial assistance itemize the sources of grant funds received by the Borough during the year and corresponding expenditures as required by Government Auditing Standards and State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

MATANUSKA-SUSITNA BOROUGH
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2010

<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				
Sullivan Road Forest Health Protection	10.680	09DG11100100202	\$ 42,698	<u>7,666</u>
Talkeetna Water & Sewer Utility Improvements	10.760	N/A	47,700	<u>40,879</u>
ARRA - Talkeetna Water & Sewer Utility Improvements	10.781	N/A	714,500	<u>75,000</u>
FY05 Spruce Bark Beetle	10.664	N/A	1,679,000	49,616
FY06 Spruce Bark Beetle	10.664	N/A	1,578,000	41,548
FY07 Spruce Bark Beetle	10.664	N/A	1,084,000	200,164
FY08 Spruce Bark Beetle	10.664	N/A	492,000	178,924
Passed through State of Alaska, Department of Natural Resources:				
FY09 Sutton Volunteer Fire Dept.	10.664	39927	4,028	1,834
FY09 Big Lake Fire Dept.	10.664	39927	10,000	3,842
FY09 Butte Fire Dept.	10.664	39927	6,000	548
FY09 Meadow Lakes Fire Dept.	10.664	39927	10,000	4,787
FY10 Sutton Volunteer Fire Assistance	10.664		1,375	1,375
FY10 Butte Volunteer Fire Assistance	10.664		10,000	9,998
FY10 Caswell Volunteer Fire Assistance	10.664		5,000	5,000
FY10 West Lakes Volunteer Fire Assistance	10.664		10,000	9,811
FY10 Willow Volunteer Fire Assistance	10.664		4,543	<u>3,592</u>
Total CFDA 10.664				<u>511,039</u>
ARRA - Hazardous Fuels Mitigation	10.688	09DG11100489-011	1,436,000	<u>204,080</u>
Total Department of Agriculture				<u>838,664</u>
Department of Commerce				
Solid Waste Recycling & Training Park	11.300	07-01-06318	3,000,000	<u>1,526,473</u>
ARRA - Port MacKenzie Barge Dock Expansion	11.307	07-79-73011	3,000,000	<u>571,706</u>
Passed through State of Alaska, Department of Commerce, Community and Economic Development -				
FY10 Alaska Coastal Management	11.419	800464	38,500	<u>38,500</u>
Total Department of Commerce				<u>2,136,679</u>
Department of Defense				
Ft Rich/Elmendorf AFB JT Land Use Study	12.610	EN0410-08-01	107,720	<u>8,228</u>
Department of Homeland Security				
Passed through State of Alaska, Department of Military and Veterans Affairs:				
Mat Su Valley Flooding-August 2006-FEMA (75% Federal)	97.036	N/A	1,199,417	<u>65,253</u>
FY09 Emergency Management Performance Grant	97.042	35565	\$ 100,000	<u>76,078</u>
FY08 Citizen Corp Grant Program	97.053	2007-GE-T7-0003	26,054	912
FY10 Citizen Corp Grant Program	97.053	2009-SS-T9-0007	26,250	<u>23,182</u>
Total CFDA 97.053				<u>24,094</u>

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

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expend- itures</u>
Department of Homeland Security, continued				
Passed through State of Alaska, Department of Military and Veterans Affairs:				
FY09 Citizen Corp Grant Program	97.067	2008-GE-T8-0005	25,000	12,885
2008 State Homeland Security Program (SHSP)	97.067	2008-GE-T8-0005	45,000	<u>18,460</u>
Total CFDA 97.067				<u>31,345</u>
2009 State Homeland Security Program (SHSP)	97.073	2009-SS-T9-0007	20,000	<u>19,585</u>
Total Department of Homeland Security				<u>216,355</u>
Department of Housing and Urban Development				
Agricultural Processing Facility - EDI Special Project	14.246	B-03-SP-AK-0004	447,075	<u>133</u>
Passed through State of Alaska, Department of Commerce, Community, and Economic Development -				
Home Owners Occ Housing FY08	14.228	881451	500,000	<u>132,058</u>
Total Department of Housing and Urban Development				<u>132,191</u>
Department of the Interior				
Payment in Lieu of Taxes	15.226	N/A	3,148,113	<u>3,148,113</u>
Colter Creek at North Sitze Rd	15.630	701817J641	60,000	425
Cottonwood Creek & Engstrom	15.630	701817J642	40,000	21,147
Green Infrastructure Network Design	15.630	701818J739	20,000	<u>9,029</u>
Total CFDA 15.630				<u>30,601</u>
Bryant Rd at Anna Lake Fish Passage Improvements	15.631	701819J006	100,000	14,764
Little Meadow Creek at W. Karen Fish Passage Improvements	15.631	701819J002	50,000	49,731
Edgerton Road Culvert Replacements in Little Su Rvr Wtrshed	15.631	70181AJ003	50,000	21,876
Mat-Su Streambank and Lakeshore Revegetation	15.631	70181AJ010	73,038	35,628
Horseshoe Lake Culverts Replacement in RSA 21	15.631	70181AJ014	70,000	<u>4,687</u>
Total CFDA 15.631				<u>126,686</u>
ARRA - Fish Passage-Little Su Tributary @ Edgerton Parks Rd	15.656	70181RJ006	120,000	109,449
ARRA - Fish Passage-Cottonwood Creek @ Engstrom Rd	15.656	70181RJ005	100,000	100,000
ARRA - Fish Passage-Wasilla Creek @ Grantham Dr	15.656	70181RJ004	256,000	<u>95,078</u>
Total CFDA 15.656				<u>304,527</u>
Crabb/ Weltin/ Edgerton Road Culvert Upgrades	15.608	701818J713	50,000	33,248
Russett Road Area Project Culvert Replacements	15.608	701818J729	40,000	33,613
Wasilla Crk at Weltin Way Fish Passage Improvements	15.608	701819J005	50,000	18,753
Wasilla Crk at Grantham Dr Fish Passage Improvements	15.608	701819J004	100,000	31,234
Edgerton and Sunrise Rd Culvert Replacements in Little Su	15.608	70181AJ002	144,000	12,733
Caswell Lakes Culvert Replacement for Fish Passage	15.608	70181AJ016	75,000	<u>4,859</u>
Total CFDA 15.608				<u>134,440</u>
Passed through State of Alaska, Department of Natural Resources:				
Historic Preservation Fund for No. AK RR/Parks Hwy Corr	15.904	08494	\$ 20,000	14,668
Historic Sites in the City of Wasilla: a Survey	15.904	09513	24,562	<u>1,332</u>
Total CFDA 15.904				<u>16,000</u>
Total Department of Interior				<u>3,760,367</u>

MATANUSKA-SUSITNA BOROUGH

Schedule of Expenditures of Federal Awards, continued

<u>Federal grantor/pass-through grantor program title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
Department of Transportation				
Port MacKenzie Intermodal Env't./PE	20.500	AK-03-0037	17,723,231	334,001
FY05/06 Ferry Construction	20.500	AK-04-0007	1,717,249	352,497
Hatcher Pass Environmental & PE	20.500	AK-55-0006	2,500,000	782,313
Total CFDA 20.500				<u>1,468,811</u>
Passed through State of Alaska Department of Transportation and Public Facilities:				
Park & Ride, Bus Stops/Shelters, and Share-A-Ride Vans	20.509	AK-86-X001	1,661,000	71,921
Non-Urbanized Public Transit - Vans Purchase	20.509	AK 18-X039	114,000	114,000
Total CFDA 20.509				<u>185,921</u>
Knik Arm Crossing Project	20.200	N/A	310,910	<u>18,317</u>
Regional Aviation Systems Plan FY06	20.106	3-02-0469-001-06	673,858	<u>35,826</u>
Total Department of Transportation				<u>1,708,875</u>
Environmental Protection Agency				
Water Quality Protection in the Matanuska-Susitna Borough	66.119	WC-00J04901-0	564,041	<u>160</u>
Passed through State of Alaska, Department of Environmental Conservation:				
Garden Terrace Water Systems Upgrade	66.202	XP-96008001	425,000	50,472
Talkeetna Wastewater Phase II	66.202	XP-96005501	475,000	30,268
Talkeetna Wastewater Improvements (75% Federal)	66.202	56105	1,409,700	22,701
Total CFDA 66.202				<u>103,441</u>
Matsu-Borough Wetlands Program	66.461	CD-00J00301-0	117,788	<u>1,000</u>
Central Landfill/New Lined Cell III-AK Clean Water Fund-DEC Loan (83% Federal)	66.458	561051	2,905,000	<u>(271,878)</u>
Regional Resource Recovery and Training Facility-AK Drinking Water Fund-DEC Loan (83% Federal)	66.468	561061	2,075,000	280,203
ARRA - Talkeetna Public Water Systems Improvements-AK Drinking Water Fund-DEC Loan (90% forgiven)	66.468	561211	1,050,000	<u>137,364</u>
Total CFDA 66.468				<u>417,567</u>
Total Environmental Protection Agency				<u>250,290</u>
Department of Energy				
ARRA - Energy Efficiency & Conservation Block Grant Program	81.128	DE-RW0000088	249,300	<u>141,602</u>
Total Federal Expenditures			\$	<u>9,193,251</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, 2010

<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:			
Revenue Sharing	N/A	\$ 3,834,043	3,834,043
Point MacKenzie Road Upgrade	07-DC-361	15,350,800	1,216,237
Borough Wide Roads Upgrades	07-DC-512	4,000,000	374,895
Southcentral Rail Est-Port MacKenzie to Mainline	08-DC-410	10,000,000	1,840,318
Bridge Repair / Replacement	09-DC-490	3,700,000	441,936
Parks Highway Connectors	09-DC-498	6,000,000	1,253,387
Port MacKenzie Rail Extension	09-DC-499	17,500,000	3,314,328
Repair and Paving of Engstrom Road	09-RR-029	1,000,000	439,298
Culvert Replacement	09-DC-231	500,000	327,447
Total Major Programs			<u>13,041,889</u>
Nonmajor Programs:			
Lake Louise Emergency Response Facility	881447	850,000	272,775
Buffalo/Soapstone Community Council	N/A	20,200	20,200
Knik-Fairview Community Council	N/A	20,200	20,200
Knik-Fairview Community Council	N/A	20,200	20,200
Meadow Lakes Community Council	N/A	20,200	20,200
Trunk Road Ext/Design/RoW Acquisiton	07-DC-371	750,000	39,230
Agricultural Processing & Product Dev Center	07-DC-336	250,000	245
Historical Preservation	00/613-9-004	59,500	6,720
Pt MacKenzie Port Deve. & Assoc. Rail Line Improve.	01-RR-001	4,500,000	53,085
Pt MacKenzie Port Deve. & Assoc. Rail Line Improve.	01-RR-002	2,734,822	51,951
Hatcher Pass Water & Electric Distribution	02-MG-091	175,000	11,684
Port MacKenzie Intermodal Facility	02-MG-092	315,000	20,653
Knik Glacier Trail Improvements	05-DC-079	10,000	9,000
Matanuska River Erosion Control	06-DC-221	200,000	61,243
Iditarod Elementary School Fence	06-DC-219	100,000	17,449
Colony High School Running Track	06-DC-217	172,502	4,900
Regional Fire Training	06-DC-224	50,000	25,291
Meadow Lakes Rescue/Dive	06-DC-223	40,000	2,235
Rescue and Equipment	06-DC-212	75,000	3,528
Economic Development	7/00-001	900,000	215,749
Emergency Access Rds/RSA's 15/17/29	07-DC-345	250,000	105,887
Trapper Creek RSA 30 Trapper Dr/Chulitina Dr Rds Upg	07-DC-370	30,000	25,726
Grtr Willow RSA 20 Stormybrk Dr/Lk Shr Dr Rds	07-DC-351	90,000	33,202
Big Lake RSA 21 Horseshoe Lake Rd	07-DC-339	20,000	9,279
Talkeetna Water and Sewer Utility Improvements	07-DC-368	25,000	11,399
Sutton Ambulance Cardiac Defib Replacement	07-DC-366	26,000	2,716
Lucille Street Rehab	07-DC-357	250,000	44,759
Butte Elementary School Boiler Replacement	07-DC-342	45,000	574
Houston High School Football Field Lights	07-DC-353	40,000	17,946
School District Colony High/Mid Video Surveillance	07-DC-373	75,000	60,367

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 Elementary School Revise Controls	07-DC-358	\$ 10,000	292
Const/Renov of Grtr Palmer Fire Service Area/Equip	07-RR-007	77,639	31,350
Snowshoe Elem Floor Replacement	08-DC-467	80,000	196
School Dist Video Surveillance Eq & Installation	08-DC-466	105,000	90,844
Chickaloon Community Hall (MEAP)	N/A	20,000	7,570
Caswell Lk RSA 15 Upgrd Sbstnd Rds	08-DC-330	25,000	22,800
Knik RSA 17 Upgrd Sbstnd Rds	08-DC-337	25,000	22,800
Willow RSA 20 Upgrd Sbstnd Rds	08-DC-354	25,000	21,401
Big Lake RSA 21 Upgrd Sbstnd Rds	08-DC-325	25,000	4,115
Lazy Mtn RSA 19/ Upgrd Sbstnd Rds	08-DC-339	25,000	18,266
Mid Valley HS Lib/Tech Upgrds	08-DC-344	7,500	27
Pioneer Peak Elem Prom Brd/Cmptr/Lndge	08-DC-345	36,435	58
Houston MS Lib/Tech Upgrds	08-DC-335	7,500	126
Hollywood Rd Imp for Rd Safety	08-RR-010	85,781	315
School District - New Loader	09-DC-097	135,000	128,250
Houston High School Football Field Lights	09-DC-098	100,000	58,667
Big Lk FSA 33 New Equip/Bldg Maint	09-DC-226	30,000	14,475
Big Lake RSA 21 Upgrade Roads	09-DC-227	30,000	28,500
Butte Elem Library/Technology Upgrade	09-DC-228	7,500	9
Caswell Lakes RSA 15 Roads Upgrade	09-DC-230	30,000	25,864
Houston Middle School Library / Technology Upgrades	09-DC-235	7,500	127
Lazy Mtn RSA 19 Upgrade Roads	09-DC-236	30,000	24,543
Meadow Lakes RSA 27 Upgrade Roads	09-DC-237	30,000	28,500
Mid-Valley High School Library/Technology Upgrade	09-DC-238	7,500	1,015
Midnight Sun Library / Technology Upgrades	09-DC-239	7,500	1,116
Rescue Equipment	09-DC-240	100,000	47,754
Sutton Volunteer Fire	09-DC-242	225,000	110,005
Talkeetna Elem Library / Technology Upgrades	09-DC-243	7,500	1,640
Talkeetna FSA 24 New Equip & Building Maintenance	09-DC-244	30,000	16,049
Talkeetna RSA 29 Upgrade Roads	09-DC-245	30,000	28,500
Trapper Creek Elem Library / Technology Upgrade	09-DC-246	7,500	826
Trapper Creek RSA 30 Upgrade Roads	09-DC-247	30,000	3,109
Vocational Training Program Supplies	09-DC-248	28,000	15,276
Willow RSA 20 Upgrade Roads	09-DC-249	30,000	28,500
Willow Elem School Playground Fencing	09-DC-251	2,500	242
Willow FSA 35 New Equipment & Maintenance	09-DC-252	30,000	4,358
Ambulance Replacement	09-DC-489	145,000	137,750
Central Matsu Wastewater Master Plan	09-DC-491	550,000	279,067
Knik RSA 17 Upgrade Roads	09-DC-495	30,000	28,500
Meadow Lakes FSA 34 Equip/Bldg Maintenance	09-DC-497	30,000	21,836
Knik RSA 17 Carmel Road	09-RR-012	92,800	81,660

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:			
Total Nonmajor Programs			\$ <u>2,524,691</u>
Total Department of Commerce, Community and Economic Development			<u>15,566,580</u>
Department of Education and Early Development			
Major Program - Debt Retirement Program	N/A	11,237,576	<u>11,237,576</u>
Nonmajor Programs:			
Continuing Education FY10	N/A	5,000	3,805
Interlibrary Coop Grant-Willow	ILC-10-789-129	1,500	847
2010 Library Conference Travel Grant	N/A	6,000	<u>4,500</u>
Total Nonmajor Programs			<u>9,152</u>
Total Department of Education and Early Development			<u>11,246,728</u>
Department of Environmental Conservation			
Major Programs:			
Talkeetna Wastewater Improvements (25% State)	56105	469,900	7,567
Central Landfill Expansion, Phase IIIB	56107	1,103,500	<u>335</u>
Total Major Programs			<u>7,902</u>
Nonmajor Program -			
Garden Terrace Water System Upgrades	56104	835,000	<u>185,400</u>
Total Department of Environmental Conservation			<u>193,302</u>
Department of Health and Social Services			
Major Program - Human Services Community			
Matching Grant FY10	605-10-013	262,898	<u>262,898</u>
Department of Natural Resources			
Nonmajor Program - Trail Marking and Signing			
	10790905	10,557	<u>9,414</u>
Department of Revenue			
Major Program - FY10 Electric & Telephone			
Shared Revenue	N/A	755,941	<u>755,941</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:			
FY10 Local Emergency Planning Committee	AR35253	\$ 20,180	20,180
Mat Su Valley Flooding-August2006-Fema (25%)		400,632	<u>21,751</u>
Total Department of Military and Veterans Affairs			<u>41,931</u>
Department of Transportation and Public Facilities			
Major Programs:			
FY06 Hiway Projects(DOT)Bogard Road Ext	AKSAS59213	12,950,000	2,074,911
2004 Series C Port Bond	N/A	755,120	<u>755,120</u>
Total Major Programs			<u>2,830,031</u>
Nonmajor Programs:			
Shirley Town Drive Improvements	51905	150,000	146,716
Regional Aviation Systems Plan	59383	17,733	<u>882</u>
Total Nonmajor Programs			<u>147,598</u>
Total Department of Transportation and Public Facilities			<u>2,977,629</u>
Department of Administration			
Major Program - PERS Relief	N/A	2,065,660	<u>928,803</u>
Alaska Energy Authority			
Nonmajor Program - Su-Valley School Wood			
Boiler Assessment	2195327	20,000	<u>706</u>
Total State Expenditures		\$	<u>31,983,932</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*.

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STATISTICAL SECTION

This part of the Matanuska-Susitna Borough's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the borough's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The borough implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

MATANUSKA-SUSITNA BOROUGH

Statistical Section Contents

	<u>Schedules</u>	<u>Pages</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	152-156
<u>Revenue Capacity</u>		
These schedules contain information to help the reader assess the factors affecting the Borough's ability to generate its property taxes.	6-9	157-161
<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	162-165
<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	166-167
<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 relates to the services the Borough provides and the activities it performs.	16-18	168-170

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	389,804,017
Restricted	39,791,341	28,975,508	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428	76,147,545
Unrestricted (deficit)	<u>23,151,054</u>	<u>30,946,988</u>	<u>29,474,971</u>	<u>34,446,371</u>	<u>44,144,618</u>	<u>55,324,817</u>	<u>51,392,992</u>	<u>55,367,352</u>
Total governmental activities net assets	\$ <u>356,859,139</u>	<u>359,079,667</u>	<u>346,644,644</u>	<u>362,849,671</u>	<u>394,333,710</u>	<u>424,957,244</u>	<u>485,270,828</u>	<u>521,318,914</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ -	-	22,834,410	27,898,987	32,107,110	32,968,152	32,734,626	36,507,656
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>-</u>	<u>-</u>	<u>(437,504)</u>	<u>(609,608)</u>	<u>(2,560,708)</u>	<u>(2,790,599)</u>	<u>(2,043,598)</u>	<u>(4,500,251)</u>
Total business-type activities net assets	\$ <u>-</u>	<u>-</u>	<u>22,396,906</u>	<u>27,289,379</u>	<u>29,546,402</u>	<u>30,177,553</u>	<u>30,691,028</u>	<u>32,007,405</u>
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	426,311,673
Restricted	39,791,341	28,975,508	81,078,578	65,852,589	80,870,750	75,227,801	74,897,428	76,147,545
Unrestricted (deficit)	<u>23,151,054</u>	<u>30,946,988</u>	<u>29,037,467</u>	<u>33,836,763</u>	<u>41,583,910</u>	<u>52,534,218</u>	<u>49,349,394</u>	<u>50,867,101</u>
Total primary government net assets	\$ <u>356,859,139</u>	<u>359,079,667</u>	<u>369,041,550</u>	<u>390,139,050</u>	<u>423,880,112</u>	<u>455,134,797</u>	<u>515,961,856</u>	<u>553,326,319</u>

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 Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	21,609,559
Public works	1,778,545	2,009,327	2,316,391	2,760,432	2,917,021	3,250,207	3,971,267	3,888,031
Emergency services	6,683,734	8,695,441	11,262,226	13,113,451	14,834,393	16,595,807	15,760,106	17,038,974
Public services	19,922,995	19,702,728	16,312,233	16,955,767	18,553,900	23,159,984	22,448,088	21,204,922
Education	37,621,944	37,717,398	40,098,352	43,807,106	48,947,042	47,407,612	50,384,218	50,612,473
Debt service	5,833,400	5,777,494	6,014,417	7,468,444	7,240,535	7,991,327	7,868,206	8,223,394
Total governmental activities expenses	81,102,131	84,721,885	87,783,381	97,494,922	107,997,554	116,188,003	118,849,832	122,577,353
Business-type activities:								
Solid waste	-	-	2,730,217	3,032,263	3,587,683	4,041,099	4,514,113	4,879,075
Port	-	-	1,553,345	1,887,155	1,822,002	1,619,559	1,605,330	1,854,603
Total business-type activities expenses	-	-	4,283,562	4,919,418	5,409,685	5,660,658	6,119,443	6,733,678
Total primary government expenses	\$ 81,102,131	84,721,885	92,066,943	102,414,340	113,407,239	121,848,661	124,969,275	129,311,031
Program Revenues (see Schedule 3)								
Governmental activities:								
Fees, fines, and charges for services:								
General government	\$ 457,373	525,185	764,841	1,052,274	987,210	412,218	640,864	384,406
Public works	113,226	109,908	159,313	164,023	130,466	337,856	111,002	69,291
Emergency services	1,915,689	2,227,098	2,475,061	2,921,942	3,228,619	2,768,108	3,525,227	3,383,052
Education	5,989,989	5,660,104	3,047,460	2,323,962	1,841,137	2,393,456	2,324,651	1,233,744
Debt service	-	-	-	-	25,412	-	-	-
Operating grants and contributions	496,138	246,631	33,696	148,260	31,685	31,750	32,139	32,044
Capital grants and other contributions	6,282,741	8,169,306	4,347,926	5,186,795	12,980,511	18,175,331	30,456,461	17,717,288
Total governmental activities program revenues	15,255,156	16,938,232	10,828,297	11,797,256	19,225,040	24,118,719	37,090,344	22,819,825
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	3,398,656
Port	-	-	106,439	157,141	1,205	51,151	640,144	52,368
Operating grants and contributions	-	-	-	754,203	753,788	751,588	754,870	755,120
Capital grants and other contributions	-	-	3,319,456	5,114,836	4,129,148	574,338	979,938	2,910,702
Total business-type activities program revenues	-	-	6,504,835	9,448,526	8,340,608	4,972,249	5,694,855	7,116,846
Total primary government program revenues	\$ 15,255,156	16,938,232	17,333,132	21,245,782	27,565,648	29,090,968	42,785,199	29,936,671
Net (Expenses)/Revenue								
Governmental activities	\$ (65,846,975)	(67,783,653)	(76,955,084)	(85,697,666)	(88,772,514)	(92,069,284)	(81,759,488)	(99,757,528)
Business-type activities	-	-	2,221,273	4,529,108	2,930,923	(688,409)	(424,588)	383,168
Total primary government net expense	\$ (65,846,975)	(67,783,653)	(74,733,811)	(81,168,558)	(85,841,591)	(92,757,693)	(82,184,076)	(99,374,360)
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	104,467,503
Excise taxes	-	-	-	4,527,071	4,845,770	4,528,494	4,688,563	4,901,735
Transient accommodation taxes	684,615	767,579	829,545	915,457	994,443	1,038,308	1,037,673	969,945
Grants and entitlements not restricted to a specific purpose	10,433,815	10,018,848	10,532,145	12,129,576	18,165,087	18,018,590	20,979,431	19,974,453
Investment income	2,032,284	937,431	2,636,700	5,465,983	8,812,643	7,323,727	3,269,398	877,430
Other	133,400	1,119,452	90,478	425,478	277,602	419,868	509,602	504,237
Transfers	-	-	(136,203)	(233,797)	259,878	(1,175,000)	(659,930)	(869,207)
Special items	-	-	-	-	-	-	1,982,862	-
Extraordinary items	-	-	-	-	-	-	10,000,000	4,979,518
Total governmental activities	65,812,162	68,486,153	80,499,401	101,902,693	119,653,697	122,692,818	142,073,072	135,805,614
Business-type activities:								
Grants and entitlements not restricted to a specific purpose	-	-	-	27,350	36,715	54,532	124,116	56,006
Investment income	-	-	84,403	102,218	126,891	90,018	37,555	7,996
Other	-	-	2,655	-	219	10	-	-
Transfers	-	-	136,203	233,797	(259,878)	1,175,000	659,930	869,207
Special items	-	-	-	-	-	-	116,462	-
Total business-type activities	-	-	223,261	363,365	(96,053)	1,319,560	938,063	933,209
Total primary government	\$ 65,812,162	68,486,153	80,722,662	102,266,058	119,557,644	124,012,378	143,011,135	136,738,823
Change in Net Assets								
Governmental activities	\$ (34,813)	702,500	3,544,317	16,205,027	30,881,183	30,623,534	60,313,584	36,048,086
Business-type activities	-	-	2,444,534	4,892,473	2,834,870	631,151	513,475	1,316,377
Total primary government	\$ (34,813)	702,500	5,988,851	21,097,500	33,716,053	31,254,685	60,827,059	37,364,463

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 Eight Fiscal Years
(accrual basis of accounting)

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

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 38,650	45,383	84,323	92,455	179,377	235,766	162,825	214,933	334,433	370,359
Unreserved:										
Designated	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	44,471,363
Undesignated	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	12,097,728
Total general fund	\$ 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	56,939,450
All Other Governmental Funds										
Reserved	\$ 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	15,664,470
Unreserved:										
Designated, reported in:										
Special revenue funds	85,000	90,000	100,000	150,000	1,344,590	2,415,303	4,658,508	3,061,464	4,465,097	5,292,233
Debt service funds	1,780,982	2,004,517	2,246,343	1,976,576	426,127	290,710	322,351	373,413	881,904	340,155
Capital projects funds	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	40,156,765
Undesignated, reported in:										
Special revenue funds	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	14,693,922
Capital projects funds	(225,800)	(1,216,736)	(4,834,499)	(2,529,565)	-	-	-	-	-	-
Total all other governmental funds	\$ 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	76,147,545

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes										
Property	\$ 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	105,550,602
Transient accommodations	542,335	645,423	684,615	767,579	829,545	915,457	994,443	1,038,308	1,037,673	969,945
Excise						4,527,071	4,845,770	4,528,494	4,688,563	4,901,735
Intergovernmental	12,717,598	17,273,517	17,212,694	18,434,785	14,890,894	17,464,631	31,062,486	34,195,182	50,554,373	37,670,530
Charges for services	6,999,831	7,768,793	5,810,563	8,592,013	6,386,902	6,614,210	6,367,223	5,926,147	6,270,066	5,660,812
Investment income	8,166,649	3,685,421	1,776,393	746,593	2,420,819	5,174,554	8,429,002	6,953,114	3,086,763	773,087
Interest on land sales	231,114	207,869	190,329	148,139	142,753	132,349	117,029	96,192	81,397	79,502
Other revenues	211,664	383,599	2,661,110	1,189,809	365,075	425,478	421,751	2,458,760	1,660,498	562,521
Total revenues	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	156,168,734
Expenditures										
General government	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	21,300,784
Public works*	-	-	1,916,150	2,018,205	2,245,812	2,567,832	2,799,373	3,193,543	3,856,964	3,891,504
Emergency services	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	15,474,541
Public services	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	18,332,933
Education	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	44,451,135
Debt service										
Interest	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	8,043,372
Principal	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	10,800,000
Capital outlay	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	33,947,380
Total expenditures	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	156,241,649
Excess of revenues over (under) expenditures	(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)	(72,915)
Other Financing Sources (Uses)										
Proceeds from disposal of capital assets	15,369	-	9,086	-	10,039	5,374	5,558	6,061	13,944	-
Transfers in	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	35,943,357
Transfers out	(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)	(36,008,867)
Bond issuance	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	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	23,137,662	786,805	31,221	32,732,094	28,617,918	(217,903)	41,057,913	4,663,400	19,263,245	(65,510)
Extraordinary items	-	-	-	-	-	-	-	-	10,000,000	4,979,518
Net change in fund balances	\$ 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	4,841,093
Debt service as a percentage of noncapital expenditures	18.9%	19.5%	16.5%	14.0%	15.9%	15.6%	14.7%	15.3%	15.5%	15.3%

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)	Total Taxable Assessed Value	(1)	(2)	Assessed Value as a Percentage of Total Estimated Actual Value
	Real Property	Personal Property	Less: Tax-Exempt Property		Total Direct Tax Rate	Estimated Actual Value	
2001	\$ 3,369,544,700	\$ 32,375,494	\$ 294,919,800	\$ 3,107,000,394	11.94	\$ 3,256,885,340	95.40 %
2002	3,599,400,900	29,854,617	309,630,900	3,319,624,617	13.133	3,468,918,730	95.70
2003	3,874,888,900	33,573,764	325,814,900	3,582,647,764	11.702	3,722,613,180	96.24
2004	4,251,962,200	35,217,516	336,780,900	3,950,398,816	11.483	4,115,271,770	95.99
2005	4,868,060,700	36,492,524	345,987,800	4,558,565,424	11.80	4,842,404,800	94.14
2006	6,736,865,300	53,688,025	1,115,573,100	5,674,980,225	10.88	6,049,408,756	93.81
2007	8,046,203,700	59,026,332	1,176,565,700	6,928,664,332	9.644	7,507,998,500	92.28
2008	8,827,752,800	61,494,174	1,231,388,492	7,657,858,482	9.644	8,580,916,190	89.24
2009	9,160,682,041	66,413,079	1,269,573,453	7,957,521,667	10.326	8,697,868,950	91.49
2010	9,289,426,297	70,605,851	1,288,187,547	8,071,844,601	9.980	8,929,096,710	90.40

Sources:

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

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

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

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

Fiscal Year	Borough Direct Rate Areawide Borough	Overlapping Rates							
		Non-areawide Borough	City of Palmer	City of Wasilla	City of Houston	2	4	7	8
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
2010	9.980	0.429	3.00	-	3.00	2.77	3.55	1.21	8.51

Fiscal Year	Overlapping Rates								
	9	14	15	16	17	19	20	21	23
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
2010	2.18	1.51	4.11	1.78	2.75	2.46	3.17	2.57	3.82

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

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

*In Fiscal Year 2010, FSA #33 and FSA #34 were combined to create FSA # 1

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
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
2010	1.73	1.46	2.86	3.24	2.25	2.73	3.74	3.35

Overlapping Rates

Fiscal Year	33*	34*	35	69	130	131	132	135	136*
2001	1.50	0.90	0.84	-	1.00	-	0.70	-	2.40
2002	1.50	0.90	0.84	5.00	1.00	-	0.70	-	2.40
2003	1.50	1.50	0.84	5.00	1.00	-	0.70	-	3.00
2004	1.50	1.50	1.00	5.00	1.00	-	0.70	-	3.00
2005	2.00	1.50	1.00	5.00	1.50	-	0.70	-	3.50
2006	2.00	1.50	1.00	5.00	1.50	3.00	0.70	-	3.50
2007	1.76	1.37	0.93	4.57	1.42	2.89	0.65	-	3.13
2008	1.82	1.40	0.96	5.26	1.46	3.06	0.68	-	3.22
2009	1.94	1.49	1.02	5.79	1.56	3.07	0.73	-	3.43
2010	-	-	1.14	6.61	1.72	3.51	0.80	3.00	1.49

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

Taxpayer	2010			2001		
	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable Assessed Valuation
Mat-Su Valley Medical Center	\$ 109,016,392	1	1.33 %	\$ -		- %
Enstar Natural Gas	42,678,400	2	0.52	-		-
Fred Meyer Stores, Inc.	40,268,360	3	0.49	-		-
Alaska Hotel Properties, Inc.	38,483,000	4	0.47	15,994,000	3	0.51
DBC, LLC/BDC, LLC/Target	36,966,703	5	0.45	-		-
Wal-Mart Stores, Inc.	30,267,140	6	0.37	15,095,379	4	0.48
Global Finance/Gary Lundgren	25,943,900	7	0.32	-		-
GCI/GCI Cable/Alaska Digitel	24,806,000	8	0.30	-		-
Alaska Pipeline Co.	22,350,300	9	0.27	-		-
Cook Inlet Region, Inc./ CIRI Land Development Co.	21,042,100	10	0.26	-		-
SEMCO Energy Inc.	-		-	63,118,600	1	2.03
Wilmington Trust Co. - Fred Meyer, Inc.	-		-	22,233,434	2	0.72
Cottonwood Creek Mall LLC	-		-	11,355,000	5	0.37
Wasilla LLC	-		-	8,093,600	6	0.26
Settlers Bay Development Inc.	-		-	7,882,100	7	0.25
Alaska Fiber Star LLC	-		-	7,336,200	8	0.24
Floyd and Jean Pedersen Trust	-		-	6,876,400	9	0.22
Newcomb Family Trust	-		-	6,065,200	10	0.20
Total	\$ <u>391,822,295</u>		<u>4.77</u> %	\$ <u>164,049,913</u>		<u>5.28</u> %

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

Note: Includes real and personal property.

MATANUSKA-SUSITNA BOROUGH
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Levy	Unfunded Senior Citizens and Disabled Veterans Levy	Net Levy	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
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
2010	108,123,032	7,386,682	100,736,350	97,109,667	96.40	4,708,924	101,818,591	101.07	9,978,710	9.91

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

Notes: * Represents the amount of total tax collections in the current year (from current and prior year levies) as a percentage of the net levy for the current year.

** 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		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Participation	Notes Payable	Capital Leases	General Obligation Bonds	Notes Payable			
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	5.84	2,334
2010	161,695,000	7,775,000	282,992	-	7,630,000	3,951,150	181,334,142	N/A	2,151

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>
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	157,065,000	373,851	156,691,149	3.44	2,234
2006	149,500,000	244,398	149,255,602	2.63	2,016
2007	180,025,000	258,294	179,766,706	2.59	2,329
2008	170,955,000	291,064	170,663,936	2.23	2,131
2009	179,875,000	791,345	179,083,655	2.25	2,170
2010	169,325,000	299,721	169,025,279	2.09	2,005

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, 2010

<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	\$ 158,840,000	100%	\$ 158,840,000
Parks and Recreation	<u>2,855,000</u>	100%	<u>2,855,000</u>
Total \$	<u>161,695,000</u>		<u>\$ 161,695,000</u>
Cities Within the Borough, (Palmer and Wasilla) General Obligation Bonds as of June 30, 2009			
Palmer Golf Course	\$ 680,000	100%	\$ 680,000
Palmer Ice Rink	1,170,000	100%	1,170,000
Wasilla Road Improvements	3,095,000	100%	3,095,000
Curtis Menard Memorial Sports Center	<u>1,985,000</u>	100%	<u>1,985,000</u>
Total \$	<u>6,930,000</u>		<u>\$ 6,930,000</u>
Net Direct and Overlapping Debt			<u>\$ 168,625,000</u>

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

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

Legal Debt Margin Calculation for Fiscal Year 2010

Total taxable assessed value	\$ 8,071,844,601
Debt Limit (7% of total taxable assessed value)	<u>565,029,122</u>
Total debt applicable to limit	<u>169,325,000</u>
Legal debt margin	\$ <u>395,704,122</u>

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 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	\$ 565,029,122
Total debt applicable to limit	<u>118,948,676</u>	<u>112,530,000</u>	<u>107,805,000</u>	<u>134,875,000</u>	<u>157,065,000</u>	<u>149,500,000</u>	<u>180,025,000</u>	<u>170,955,000</u>	<u>179,875,000</u>	<u>169,325,000</u>
Legal debt margin	\$ <u>98,541,352</u>	\$ <u>119,843,723</u>	\$ <u>142,980,343</u>	\$ <u>141,652,917</u>	\$ <u>162,034,580</u>	\$ <u>247,748,616</u>	\$ <u>304,981,503</u>	\$ <u>365,095,094</u>	\$ <u>377,151,517</u>	\$ <u>395,704,122</u>
Total debt applicable to the limit as a percentage of debt limit	55%	48%	43%	49%	49%	38%	37%	32%	32%	30%

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

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

Fiscal Year	(1) Population	(2) Personal Income <i>(thousands of dollars)</i>	Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
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	3,298,218	39,971	16,464	8.8
2010	84,314	N/A	N/A	16,653	9.6

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>2010 Rank</u>	<u>2001 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	6
Matanuska-Susitna Borough	6	8
Matanuska Telephone Association	7	7
Forsythe Transportation Inc.	8	
Safeway, Inc.	9	5
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 2010 and 2001.

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

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30</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>	<u>2010</u>
General government	86.000	88.000	96.730	99.650	104.150	112.480	114.020	123.520	131.520	132.500
Public works	41.000	42.000	42.000	44.000	46.000	47.000	48.000	50.000	51.000	52.000
Emergency services	22.800	24.500	28.770	33.020	38.520	38.520	41.980	46.980	50.730	49.750
Public services	<u>29.530</u>	<u>29.780</u>	<u>33.030</u>	<u>36.170</u>	<u>40.120</u>	<u>40.740</u>	<u>41.530</u>	<u>41.530</u>	<u>41.690</u>	<u>41.690</u>
Total	<u>179.330</u>	<u>184.280</u>	<u>200.530</u>	<u>212.840</u>	<u>228.790</u>	<u>238.740</u>	<u>245.530</u>	<u>262.030</u>	<u>274.940</u>	<u>275.940</u>

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

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

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

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>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>	<u>2010</u>
General government										
Administration and related buildings	2	2	3	3	3	3	3	3	3	3
Public works										
Utility trailers	5	5	5	5	5	6	6	6	6	
Paved roads (miles)	170	191	217	217	230	244	254	261	270	279
Bridges	21	23	23	23	23	23	23	23	23	23
Public works and related buildings	-	-	-	-	-	-	-	1	1	1
Emergency services										
Ambulances	14	15	19	22	23	23	22	22	27	28
Fire pumper/tankers	38	41	41	41	43	43	47	54	57	57
Tractors, forklifts, and related equipment	1	2	2	2	2	2	2	2	3	6
Utility/Rescue trailers	2	2	2	3	3	4	5	5	10	12
Rescue vehicles	13	15	15	15	15	16	20	24	25	26
Trucks and utility vehicles	32	34	46	52	58	59	59	61	64	74
Rescue boats	-	-	-	-	-	-	1	1	1	2
ATVs and snowmobiles	2	2	3	6	7	8	8	8	20	23
Public safety and related buildings	23	23	26	26	27	27	27	27	27	27
Public services										
Tractors, forklifts, and related equipment	2	2	2	3	3	3	9	17	17	17
Utility trailers	-	-	2	3	4	4	5	5	5	5
Trucks and utility vehicles	6	6	6	8	8	8	7	16	23	25
ATVs and snowmobiles	3	3	3	4	6	6	7	7	7	7
Riverboats	-	-	-	1	1	1	1	1	1	1
Community buildings (libraries, ice arenas, etc.)	10	11	11	11	11	12	12	12	12	13
Education										
Schools and related buildings	37	46	46	46	47	47	47	47	47	48

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, 2010, which collectively comprise Matanuska-Susitna Borough's basic financial statements and have issued our report thereon dated December 21, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

Compliance and Other Matters

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 21, 2010

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

Compliance

We have audited the compliance of Matanuska-Susitna Borough with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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, 2010. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with OMB Circular A-133.

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over compliance.

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

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 21, 2010

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

Compliance

We have audited the compliance of Matanuska-Susitna Borough with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of its major state programs for the year ended June 30, 2010. 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, 2010. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2010.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over compliance.

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

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

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

Mikunda, Cottrell & Co.

Anchorage, Alaska
December 21, 2010

MATANUSKA-SUSITNA BOROUGH

Schedule of Findings and Questioned Costs

Year Ended June 30, 2010

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

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

Federal Financial Assistance

Internal control over major programs:

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

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

Unqualified

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

yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.688	ARRA - Hazardous Fuels Mitigation
15.656	Federal Transit
11.300	Solid Waste and Training Park
11.307	ARRA – Port MacKenzie Barge Dock Expansion
81.128	ARRA – Energy Efficiency & Conservation Block Grant Program

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

\$300,000

Auditee qualified as low-risk auditee?

yes no

MATANUSKA-SUSITNA BOROUGH

Schedule of Findings and Questioned Costs, continued

Summary of Auditor's Results, continued

State 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

Dollar threshold used to distinguish a state
 major program? \$300,000

II. Financial Statement Findings

There are no financial statement findings.

III. Federal Award Findings and Questioned Costs

There are no Federal award findings or questioned costs.

IV. State Award Findings and Questioned Costs

There are no State award findings or questioned costs.

MATANUSKA-SUSITNA BOROUGH

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2010

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, 2010

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, 2010

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments	\$ 6,813,888
Accounts receivable	4,947,106
Inventory	1,192,209
Prepaid expenses	415,204
Capital equipment, net of accumulated depreciation	<u>1,571,667</u>
 Total assets	 \$ <u>14,940,074</u>
 <u>Liabilities and Net Assets</u>	
 Liabilities:	
Accounts payable	174,227
Accrued payroll and related liabilities	5,158,089
Due to Borough	1,132,481
Unearned revenue	279,110
Insurance claims incurred but not reported	1,385,314
Noncurrent liabilities - accrued leave - due within one year	<u>3,985,797</u>
Total liabilities	<u>12,115,018</u>
 Net assets:	
Invested in capital assets	1,571,667
Restricted - endowment	5,712
Unrestricted	<u>1,247,677</u>
Total net assets	<u>2,825,056</u>
 Total liabilities and net assets	 \$ <u>14,940,074</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Statement of Activities
Year Ended June 30, 2010

		<u>Program Revenues</u>		Net (Expense) Revenue and Changes in <u>Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contri- butions</u>	<u>Govern- mental Activities</u>
Governmental activities:				
Instruction	\$ 94,601,470	-	10,618,303	(83,983,167)
Special education instruction	31,328,062	-	756,339	(30,571,723)
Special education support services - students	11,810,969	-	1,071,822	(10,739,147)
Support services - students	7,684,522	-	72,109	(7,612,413)
Support services - instruction	9,619,364	-	2,885,487	(6,733,877)
School administration	7,078,405	-	3,108	(7,075,297)
School administration support services	8,502,451	-	-	(8,502,451)
District administration	1,652,256	-	555,772	(1,096,484)
District administration support services	9,418,471	-	285,187	(9,133,284)
Operations and maintenance of plant	20,764,598	-	1,377,508	(19,387,090)
Student activities	2,853,439	-	-	(2,853,439)
Student transportation	11,954,203	-	11,475,803	(478,400)
Community services	166,234	-	22,277	(143,957)
Food services	5,729,154	1,449,019	3,688,414	(591,721)
Construction and facilities acquisition	51,860	-	-	(51,860)
	<u>\$ 223,215,458</u>	<u>1,449,019</u>	<u>32,812,129</u>	<u>(188,954,310)</u>
General revenues:				
Borough contribution			\$ 43,964,884	
State grants and entitlements not restricted to a specific purpose				144,179,481
E-rate				381,036
Facility use				142,602
Out of District reimbursement				752,689
Gain on disposal of assets				75,300
Other				719,273
				<u>190,215,265</u>
				1,260,955
Change in net assets				1,260,955
Net assets, beginning of year				<u>1,564,101</u>
Net assets, end of year			\$	<u><u>2,825,056</u></u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2010

	Major Funds				Total Govern- mental Funds
	General	Student Trans- portation	Title VI-B IDEA	Nonmajor Funds	
<u>Assets</u>					
Cash and investments	\$ 2,583,380	1,675,402	-	1,062,381	5,321,163
Accounts receivable	92,280	-	1,191,328	3,663,498	4,947,106
Inventory	435,936	-	-	566,793	1,002,729
Prepaid items	415,204	-	-	-	415,204
Due from other funds	<u>5,421,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,421,619</u>
 Total assets	 \$ <u>8,948,419</u>	 <u>1,675,402</u>	 <u>1,191,328</u>	 <u>5,292,672</u>	 <u>17,107,821</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	174,227	-	-	-	174,227
Accrued payroll and related liabilities	5,158,089	-	-	-	5,158,089
Due to Borough	1,132,481	-	-	-	1,132,481
Deferred revenue	-	-	-	180,480	180,480
Due to other funds	<u>-</u>	<u>-</u>	<u>1,191,328</u>	<u>4,230,291</u>	<u>5,421,619</u>
Total liabilities	<u>6,464,797</u>	<u>-</u>	<u>1,191,328</u>	<u>4,410,771</u>	<u>12,066,896</u>
Fund balances:					
Reserved:					
Endowment	-	-	-	5,712	5,712
Inventory	435,936	-	-	-	435,936
Prepaid items	415,204	-	-	-	415,204
Self-insurance	500,000	-	-	-	500,000
Unreserved:					
General Fund	1,132,482	-	-	-	1,132,482
Special Revenue Funds	<u>-</u>	<u>1,675,402</u>	<u>-</u>	<u>876,189</u>	<u>2,551,591</u>
Total fund balances	<u>2,483,622</u>	<u>1,675,402</u>	<u>-</u>	<u>881,901</u>	<u>5,040,925</u>
 Total liabilities and fund balances	 \$ <u>8,948,419</u>	 <u>1,675,402</u>	 <u>1,191,328</u>	 <u>5,292,672</u>	 <u>17,107,821</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2010

Total governmental fund balances	\$	5,040,925
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	\$	7,241,305
Accumulated depreciation		<u>(5,669,638)</u>
		1,571,667
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.		
		(3,985,797)
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		
		<u>198,261</u>
Net assets of governmental activities	\$	<u><u>2,825,056</u></u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balances
Year Ended June 30, 2010

	Major Funds				Total Govern- mental Funds
	General	Student Transpor- tation	Title VI-B IDEA	Nonmajor Funds	
Revenues:					
Local sources:					
Borough appropriation	\$ 43,964,884	-	-	-	43,964,884
E-rate	381,036	-	-	-	381,036
Facility use	142,602	-	-	-	142,602
Other local reimbursement	752,689	-	-	-	752,689
Other	363,427	75,300	-	3,318,615	3,757,342
State of Alaska	144,179,481	11,492,361	-	237,979	155,909,821
Federal sources:					
Direct grants	-	-	-	799,667	799,667
Grants passed through the State of Alaska	362,738	-	3,978,022	14,387,037	18,727,797
Passed through other intermediate agencies	-	-	-	30,194	30,194
Total revenues	<u>190,146,857</u>	<u>11,567,661</u>	<u>3,978,022</u>	<u>18,773,492</u>	<u>224,466,032</u>
Expenditures - current:					
Instruction	88,319,997	-	-	6,277,543	94,597,540
Special education instruction	27,984,384	-	2,582,559	756,339	31,323,282
Special education support services - students	9,547,006	-	1,224,295	1,071,822	11,843,123
Support services - students	7,589,137	-	-	72,109	7,661,246
Support services - instruction	6,829,589	-	-	2,885,487	9,715,076
School administration	7,064,190	-	-	3,108	7,067,298
School administration support services	8,551,391	-	-	-	8,551,391
District administration	1,093,783	-	-	545,391	1,639,174
District administration support services	8,518,390	-	171,168	285,187	8,974,745
Operations and maintenance of plant	19,691,501	16,558	-	1,360,950	21,069,009
Student activities	2,853,439	-	-	-	2,853,439
Student transportation	-	11,860,783	-	-	11,860,783
Community services	143,957	-	-	22,277	166,234
Food services	3,086	-	-	5,602,505	5,605,591
Construction and facilities acquisition	-	-	-	51,860	51,860
Total expenditures	<u>188,189,850</u>	<u>11,877,341</u>	<u>3,978,022</u>	<u>18,934,578</u>	<u>222,979,791</u>
Excess of revenues over (under) expenditures	1,957,007	(309,680)	-	(161,086)	1,486,241
Other financing sources (uses):					
Transfers in	-	-	-	920,072	920,072
Transfers out	(1,211,124)	-	-	-	(1,211,124)
Net other financing sources (uses)	<u>(1,211,124)</u>	<u>-</u>	<u>-</u>	<u>920,072</u>	<u>(291,052)</u>
Net change in fund balances	745,883	(309,680)	-	758,986	1,195,189
Fund balances, beginning of year	<u>1,737,739</u>	<u>1,985,082</u>	<u>-</u>	<u>122,915</u>	<u>3,845,736</u>
Fund balances, end of year	<u>\$ 2,483,622</u>	<u>1,675,402</u>	<u>-</u>	<u>881,901</u>	<u>5,040,925</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, 2010

Net change in fund balances - total governmental funds \$ 1,195,189

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	\$ 984,386	
Depreciation expense	(630,937)	
Disposal of assets	<u>(96,932)</u>	
		256,517

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

(190,751)

Change in net assets of governmental activities

\$ 1,260,955

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, 2010

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Borough appropriation	\$ 45,097,365	45,097,365	43,964,884	(1,132,481)
E-rate	450,000	381,000	381,036	36
Facility use	-	90,692	142,602	51,910
Other local reimbursement	-	-	752,689	752,689
Other	75,000	369,504	363,427	(6,077)
State of Alaska	153,188,171	148,015,539	144,179,481	(3,836,058)
Federal grants passed through the State of Alaska	<u>500,000</u>	<u>125,000</u>	<u>362,738</u>	<u>237,738</u>
Total revenues	<u>199,310,536</u>	<u>194,079,100</u>	<u>190,146,857</u>	<u>(3,932,243)</u>
Expenditures - current:				
Instruction	93,256,705	90,661,644	88,319,997	2,341,647
Special education instruction	30,489,258	29,004,783	27,984,384	1,020,399
Special education support services - students	10,010,427	9,860,086	9,547,006	313,080
Support services - students	8,399,160	7,813,593	7,589,137	224,456
Support services - instruction	7,984,722	7,083,252	6,829,589	253,663
School administration	8,181,040	7,913,626	7,064,190	849,436
School administration support services	8,275,387	7,959,897	8,551,391	(591,494)
District administration	937,977	1,122,841	1,093,783	29,058
District administration support services	8,874,441	9,437,664	8,518,390	919,274
Operations and maintenance of plant	20,228,756	19,698,583	19,691,501	7,082
Student activities	3,022,663	2,960,423	2,853,439	106,984
Community services	-	138,766	143,957	(5,191)
Food services	-	-	3,086	(3,086)
Total expenditures	<u>199,660,536</u>	<u>193,655,158</u>	<u>188,189,850</u>	<u>5,465,308</u>
Excess of revenues over (under) expenditures	(350,000)	423,942	1,957,007	1,533,065
Other financing uses - transfers out	<u>-</u>	<u>(1,123,687)</u>	<u>(1,211,124)</u>	<u>(87,437)</u>
Net change in fund balance	<u>\$ (350,000)</u>	<u>(699,745)</u>	<u>745,883</u>	<u>1,445,628</u>
Fund balance, beginning of year			<u>1,737,739</u>	
Fund balance, end of year		<u>\$ 2,483,622</u>		

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, 2010

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Local sources - other	\$ -	-	75,300	75,300
State of Alaska	<u>11,488,221</u>	<u>11,488,221</u>	<u>11,492,361</u>	<u>4,140</u>
Total revenues	<u>11,488,221</u>	<u>11,488,221</u>	<u>11,567,661</u>	<u>79,440</u>
Expenditures:				
Operations and maintenance of plant	24,142	24,142	16,558	7,584
Student transportation	<u>12,364,079</u>	<u>12,364,079</u>	<u>11,860,783</u>	<u>503,296</u>
Total expenditures	<u>12,388,221</u>	<u>12,388,221</u>	<u>11,877,341</u>	<u>510,880</u>
Net change in fund balance	\$ <u>(900,000)</u>	<u>(900,000)</u>	(309,680)	<u>590,320</u>
Fund balance, beginning of year			<u>1,985,082</u>	
Fund balance, end of year			\$ <u>1,675,402</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, 2010

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues - federal education grants passed through the State of Alaska	\$ 4,618,482	4,618,482	3,978,022	<u>(640,460)</u>
Expenditures:				
Special education instruction	3,062,994	3,062,994	2,582,559	480,435
Special education support services - students	1,375,154	1,374,676	1,224,295	150,381
District administration support services	<u>180,334</u>	<u>180,812</u>	<u>171,168</u>	<u>9,644</u>
Total expenditures	<u>4,618,482</u>	<u>4,618,482</u>	<u>3,978,022</u>	<u>640,460</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	-	<u>-</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year		\$	<u>-</u>	

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Proprietary Funds
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	
	Nonmajor Enterprise Funds	Workers Compensation Self-Insurance Internal Service Fund
<u>Assets</u>		
Cash and investments	\$ 107,411	1,385,314
Inventory	<u>189,480</u>	<u>-</u>
 Total current assets	 \$ <u>296,891</u>	 <u>1,385,314</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Deferred revenue	98,630	-
Insurance claims incurred but not reported	<u>-</u>	<u>1,385,314</u>
Total current liabilities	98,630	1,385,314
 Net assets - unrestricted	 <u>198,261</u>	 <u>-</u>
 Total liabilities and net assets	 \$ <u>296,891</u>	 <u>1,385,314</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2010

	<u>Governmental Activities</u>	
		<u>Workers Compensation Self-Insurance</u>
	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Fund</u>
Operating revenues:		
Interfund charges	\$ -	1,015,837
Sales	10,244	-
Total operating revenues	10,244	1,015,837
Operating expenses:		
Claims expense	-	839,956
General and administrative	10,244	467,070
Total operating expenses	10,244	1,307,026
Operating income (loss)	-	(291,189)
Nonoperating revenue - interest income	-	137
Income (loss) before transfers	-	(291,052)
Transfers in	-	291,052
Change in net assets	-	-
Net assets, beginning of year	198,261	-
Net assets, end of year	\$ 198,261	-

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2010

	<u>Governmental Activities</u>	
		Workers Compensation Self-Insurance
	Nonmajor Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Receipts from interfund charges	\$ -	1,015,837
Receipts from customers and users	23,503	-
Payments to suppliers	<u>(59,085)</u>	<u>(1,325,900)</u>
Net cash flows from operating activities	<u>(35,582)</u>	<u>(310,063)</u>
Cash flows from noncapital financing activities - transfer in	<u>-</u>	<u>291,052</u>
Cash flows from investing activities - interest received	<u>-</u>	<u>137</u>
Net decrease in cash and cash equivalents	(35,582)	(18,874)
Cash and cash equivalents, beginning of year	<u>142,993</u>	<u>1,404,188</u>
Cash and cash equivalents, end of year	\$ <u><u>107,411</u></u>	<u><u>1,385,314</u></u>
Reconciliation of change in net assets to cash flows from operating activities:		
Operating income (loss)	<u>-</u>	<u>(291,189)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Decrease in inventories	(49,135)	-
Decrease in deferred revenue	13,553	-
Increase in insurance claims incurred but not reported	<u>-</u>	<u>(18,874)</u>
Total adjustments	<u>(35,582)</u>	<u>(18,874)</u>
Net cash flows from operating activities	\$ <u><u>(35,582)</u></u>	<u><u>(310,063)</u></u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Student Activities Agency Funds
Statement of Fiduciary Net Assets
June 30, 2010

Assets

Cash and investments	\$ <u>1,377,570</u>
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Liabilities

Due to student activities and community schools	\$ <u>1,377,570</u>
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