

# Matanuska-Susitna Borough

# 2018

FISCAL YEAR



## POPULAR ANNUAL FINANCIAL REPORT



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# POPULAR ANNUAL FINANCIAL REPORT 2018 FISCAL YEAR

# BOROUGH FACTS & INFORMATION

## www.matsugov.us

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

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

## Transparency

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



## Popular Numbers

Mayor	861-8682
Manager's Office	861-8689
Human Resources	861-8404
Animal Control	761-7501
Public Affairs	861-8577
Purchasing	861-8601
Clerk/Elections	861-8683
Community Development	861-7869
Land Management	861-7869
Recreation Services	861-8578
Libraries	861-8578
Assessments	861-8642
Collections	861-8610
Local Improvement Districts	861-8632
Planning	861-7851
Development Services	861-7822
Platting	861-7874
Emergency Services	861-8000
Capital Projects	861-7723
Pre-Design & Engineering	861-7716
Operations & Maintenance	861-7753
Road Maintenance	861-7755
Main Phone Line	861-7801

**25,265**  
Square Miles

**104,166**  
Population

**22,519**  
Employment

**19,369**  
School Enrollment

### Find us on Social Media



Matanuska-Susitna Borough Facebook Page  
<https://www.facebook.com/MatSuBorough/>



Matanuska-Susitna Borough on Twitter  
<https://twitter.com/matsuborough>



Matanuska-Susitna Borough YouTube  
<https://www.youtube.com/user/matsuboroughvideo>

### Top 10 Taxpayers

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



To the Residents of the Matanuska-Susitna Borough:

**The Matanuska-Susitna Borough** is pleased to present its first ever Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2018. This report is designed to present a user-friendly summary of the Borough's revenue, expenditures, and financial condition, alongside budget data and other information helpful to residents. Our goal for this report is to communicate the Borough's financial position in a format that is accessible to those interested in learning more about Borough finances.

The financial information presented in this report is derived from the Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. BDO USA LLC, a firm of independent certified public accountants, audited the CAFR. They rendered an unmodified opinion that the Borough's financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The PAFR itself is unaudited, and presents information in a non-GAAP basis. If you are interested in viewing the CAFR in its entirety, please visit [www.matsugov.us](http://www.matsugov.us).

Alongside the financial information presented are amounts from the Borough's comprehensive annual budget. The fiscal year 2018 budget was approved by the Assembly and formally adopted on May 3, 2017. The budget provides comprehensive details on how the total budget of \$392.4 million was allocated throughout the fiscal year. We also look ahead to the fiscal year 2019 approved annual budget. The 2019 approved annual budget, as well as previous years' budget documents, are available online at [www.matsugov.us/2019budget](http://www.matsugov.us/2019budget).

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

Respectfully,



John M. Moesey  
Borough Manager



Cheyenne Heindel  
Director of Finance

*"Providing outstanding Borough services to the Matanuska-Susitna community"*



## MATANUSKA-SUSITNA BOROUGH

### Office of the Borough Mayor

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8682 • Fax (907) 861-8669

[Vern.Halter@matsugov.us](mailto:Vern.Halter@matsugov.us)

Dear Matanuska-Susitna Borough Residents,

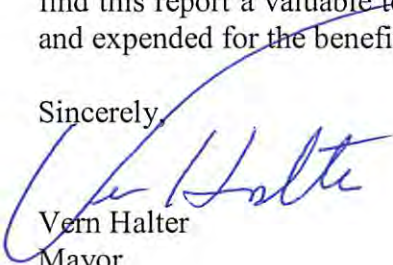
I would like to thank you for taking the time to read this Popular Annual Financial Report for Fiscal year ended June 30, 2018, which summarizes the financial activities of the Matanuska-Susitna Borough (Borough). The intent of this report is to increase awareness of the financial condition throughout the Borough in a user-friendly manner.

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

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

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

Sincerely,

  
Vern Halter  
Mayor

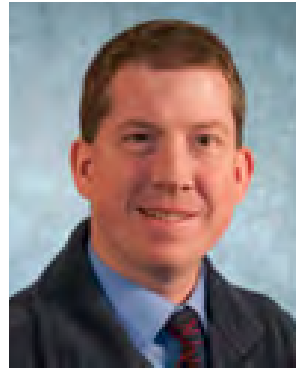
# PRINCIPAL OFFICIALS



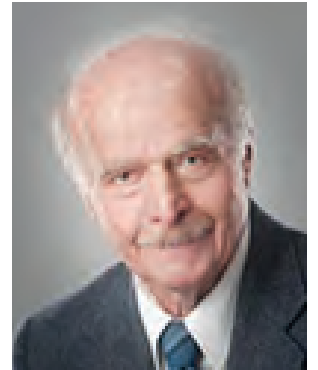
Vern Halter  
Mayor



Jim Sykes  
District 1



Matthew Beck  
District 2



George McKee  
District 3



Ted Leonard  
District 4



Dan Mayfield  
District 5

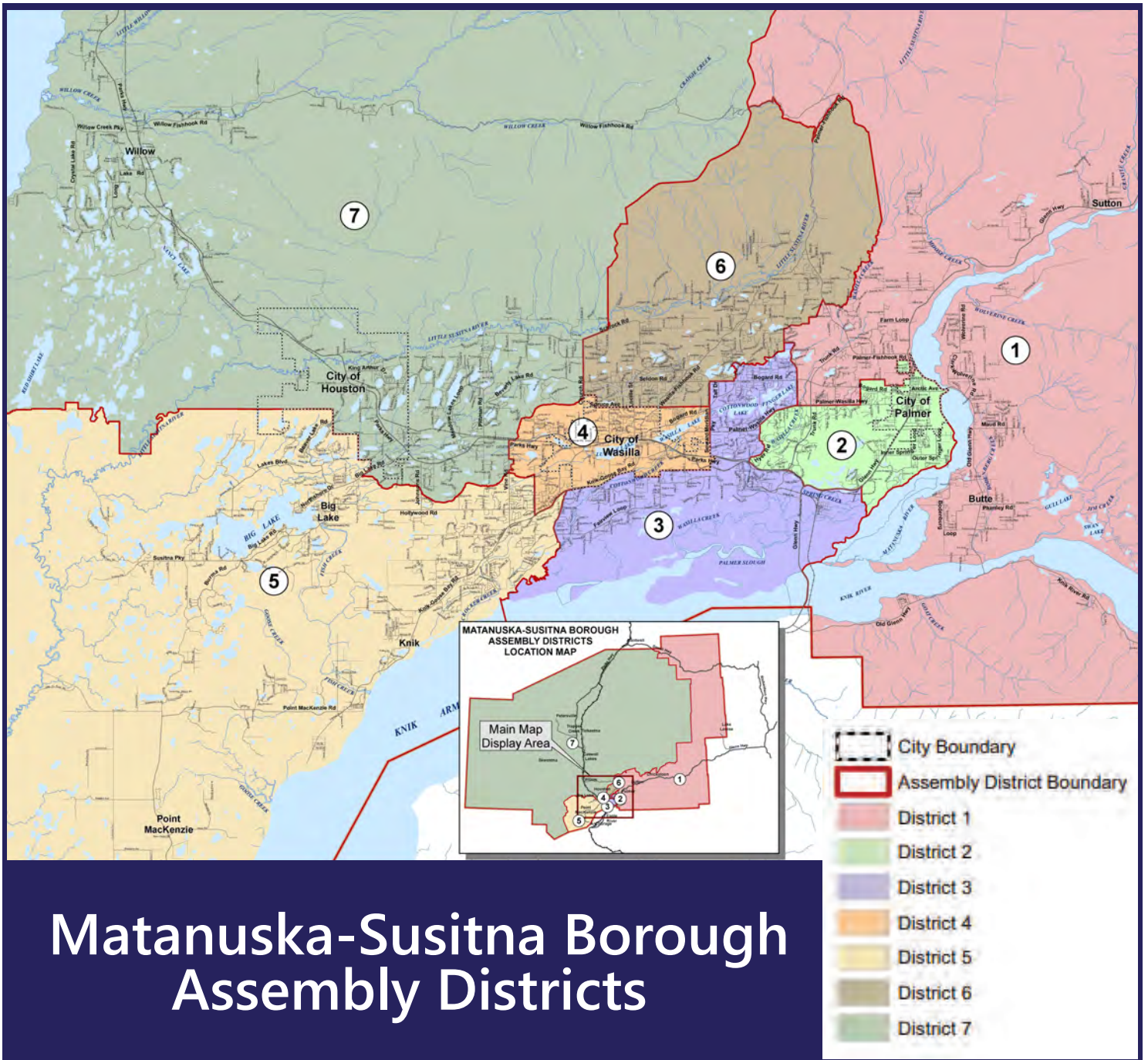


Jesse Sumner  
District 6



Tam Boeve  
District 7

John Moosey	Borough Manager
George Hays	Deputy Borough Manager
Nicholas Spiropoulos	Borough Attorney
Lonnie R. McKechnie	Borough Clerk
Cheyenne Heindel	Director of Finance
Sonya Conant	Human Resources Director
Jude Bilafer	Capital Projects Director
Eric Phillips	Community Development Director
Ken Barkley (acting)	Director of Emergency Services
Eileen Probasco	Planning & Land Use Director
Terry Dolan	Director of Public Works
Brad Pickett	Borough Assessor
Vacant	Public Affairs Director
Eric Wyatt	Information Technology Director
Kirsten Vesel	Animal Care & Regulation Director



# Matanuska-Susitna Borough Assembly Districts

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

## CONTACT YOUR ASSEMBLY MEMBER

**District 1**  
 Jim Sykes  
 907-354-6962  
 Term Ends 11/2019

**District 2**  
 Matthew Beck  
 907-355-3223  
 Term Ends 11/2019

**District 3**  
 George McKee  
 907-373-3630  
 Term Ends 11/2021

**District 4**  
 Ted Leonard  
 907-373-2860  
 Term Ends 11/2020

**District 5**  
 Dan Mayfield  
 907-892-7406  
 Term Ends 11/2020

**District 6**  
 Jesse Sumner  
 907-715-7388  
 Term Ends 11/2021

**District 7**  
 Tam Boeve  
 907-354-6744  
 Term Ends 11/2021



# MAT-SU BOROUGH RESIDENTS

**BOROUGH MAYOR**  
Vern Halter

**BOROUGH ASSEMBLY**  
Seven Members

**BOROUGH ATTORNEY**  
Nick Spiropoulos

**BOROUGH MANAGER**  
John Moosey

**BOROUGH CLERK**  
Lonnie McKechnie

**ASSISTANT MANAGER**  
George Hays

**HUMAN RESOURCES**  
Sonya Conant

**COMMUNITY DEVELOPMENT**  
Eric Phillips

**FINANCE**  
Cheyenne Heindel

**PLANNING & LAND USE**  
Eileen Probasco

**EMERGENCY SERVICES**  
Ken Barkley (acting)

**CAPITAL PROJECTS**  
Jude Bilafer

**PUBLIC WORKS**  
Terry Dolan

**INFORMATION TECHNOLOGY**  
Eric Wyatt

- Indoor Rec
- Outdoor Rec
- Libraries
- Community Enrichment
- Land & Resource Management

- Treasury & Debt Management
- Risk Management
- Accounting
- Revenue & Budget
- Assessment

- Planning
- Platting
- Code Compliance
- Cultural Resources
- Water & Air Quality

- Emergency Medical Services
- Fire Service Area Management
- Rescue

- Project Management
- Pre-Design
- Engineering
- Purchasing

- Maintenance
- Solid Waste
- Road Service Areas

- Information Technology
- GIS
- Web Services
- Network Services
- Help Desk

**ANIMAL CARE REGULATION**  
Kirsten Vesel

**PUBLIC AFFAIRS**

**PORT MacKENZIE**

**ECONOMIC DEVELOPMENT**

- Enforcement of MSB Title 24 Regulations
- Shelter
- Adoptions
- Lost & Found

- Emergency Public Information Officer
- Publications/Media
- Special Projects
- Outreach

- Wharfage/Dockage
- Project Management

- Strategic Planning
- Business Expansion
- Special Projects
- Marketing
- Outreach

Matanuska-Susitna Borough Organization Chart



# STATEMENT OF NET POSITION

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

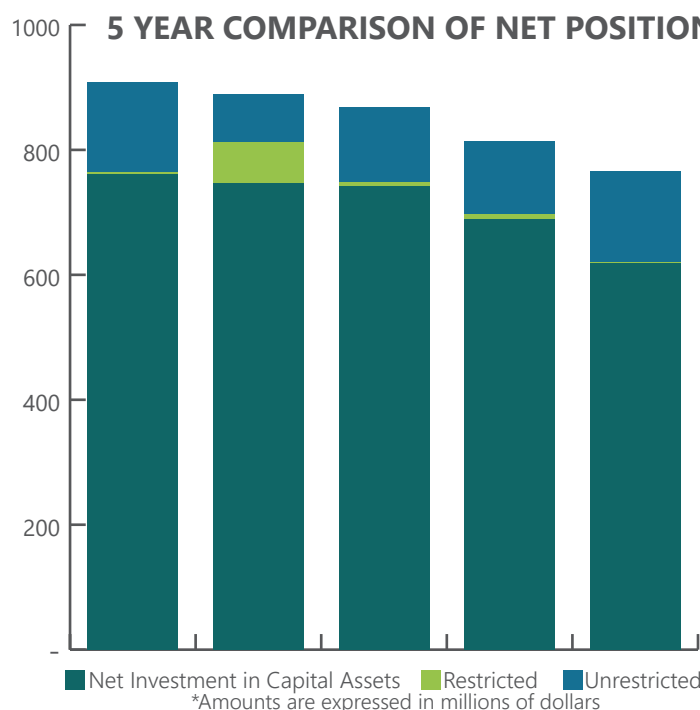
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL ACTIVITIES	
	2018	2017	2018	2017	2018	2017
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
Current and Other Assets	258.40	269.30	2.70	(1.20)	261.10	268.10
Capital Assets	1,047.60	1,036.70	40.00	40.20	1,087.60	1,076.90
<b>Total Assets</b>	<b>1,306.00</b>	<b>1,306.00</b>	<b>42.70</b>	<b>39.00</b>	<b>1,348.70</b>	<b>1,345.00</b>
Deferred Outflows of Resources	10.80	17.80	.50	.80	11.30	18.60
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>1,316.80</b>	<b>1,323.80</b>	<b>43.20</b>	<b>39.80</b>	<b>1,360.00</b>	<b>1,363.60</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>						
Long-Term Debt Outstanding	364.10	362.10	16.80	16.00	380.90	378.10
Net Pension Liability and OPEB	43.40	44.90	2.20	2.30	45.60	47.20
Other Liabilities	16.50	46.00	2.10	1.80	18.60	47.80
<b>Total Liabilities</b>	<b>424.00</b>	<b>453.00</b>	<b>21.10</b>	<b>20.10</b>	<b>445.10</b>	<b>473.10</b>
Deferred Inflows of Resources	6.30	1.30	.20	-	6.50	1.30
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>430.30</b>	<b>454.30</b>	<b>21.30</b>	<b>20.10</b>	<b>451.60</b>	<b>474.40</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	731.20	717.10	29.30	29.80	760.50	746.90
Restricted	3.90	65.00	-	-	3.90	65.00
Unrestricted	151.40	87.40	(7.40)	(10.10)	144.00	77.30
<b>Total Net Position</b>	<b>886.50</b>	<b>869.50</b>	<b>21.90</b>	<b>19.70</b>	<b>908.40</b>	<b>889.20</b>

\*Amounts are expressed in millions of dollars.

\*\*Amounts do not include the MSB School District as it is a component unit.

By far the largest portion of the Borough's net position of \$760.5 million, or 83.7% of total net position, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

**5 YEAR COMPARISON OF NET POSITION**



# STATEMENT OF ACTIVITIES

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

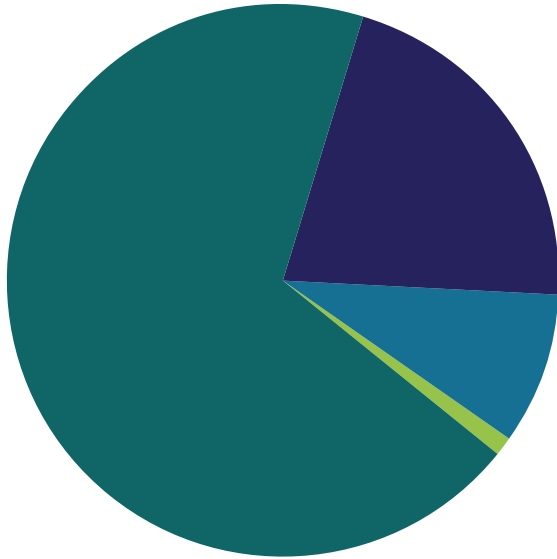
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL ACTIVITIES	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
<i>PROGRAM REVENUES:</i>						
Charges for Services	9.80	11.60	8.90	9.30	21.10	20.90
Operating Grants & Contributions	23.40	16.00	3.2	.70	24.20	16.70
Capital Grants & Contributions	10.90	17.60	-	-	10.90	17.60
<i>GENERAL REVENUES:</i>						
Property Taxes	135.10	129.10	-	-	135.10	129.10
Transient Accommodation Taxes	1.30	1.20	-	-	1.30	1.20
Tobacco Excise Taxes	7.80	8.20	-	-	7.80	8.20
Other	8.70	10.20	-	-	8.70	10.20
<b>Total Revenues</b>	<b>197.00</b>	<b>193.90</b>	<b>12.10</b>	<b>10.00</b>	<b>209.10</b>	<b>203.90</b>
<b>EXPENSES</b>						
General Government	22.80	26.70	-	-	22.80	26.70
Public Works	6.60	5.40	-	-	6.60	5.40
Emergency Services	28.20	31.40	-	-	28.20	31.40
Public Services	33.20	33.80	-	-	33.20	33.80
Education	67.80	64.80	-	-	67.80	64.80
Interest	12.80	13.60	-	-	12.80	13.60
Solid Waste	-	-	7.80	7.80	7.80	7.80
Port	-	-	2.50	2.60	2.50	2.60
<b>Total Expenses</b>	<b>171.40</b>	<b>175.70</b>	<b>10.30</b>	<b>10.40</b>	<b>181.70</b>	<b>186.10</b>
Excess before transfers, special items, & extraordinary items	25.60	10.90	1.80	(0.40)	27.40	10.50
Extraordinary Items	-	-	-	-	-	-
Transfers	(0.70)	.10	.70	(0.10)	-	-
Special Items	-	3.00	-	-	-	3.00
<b>Increase in Net Position</b>	<b>24.90</b>	<b>21.30</b>	<b>2.50</b>	<b>(0.50)</b>	<b>27.40</b>	<b>20.80</b>
<b>Net Position</b>	<b>861.60</b>	<b>848.20</b>	<b>19.40</b>	<b>20.20</b>	<b>881.00</b>	<b>868.40</b>
<b>Net Position, ending</b>	<b>886.50</b>	<b>869.50</b>	<b>21.90</b>	<b>19.70</b>	<b>908.40</b>	<b>889.20</b>

\*Beginning net position is restated per GASB 75.

\*\*Amounts are expressed in millions of dollars.

\*\*\*Amounts do not include the MSB School District as it is a component unit.

# WHERE DOES THE MONEY COME FROM?



Excise Taxes	7,768,567
Property Taxes	135,123,613
Transient Accommodation Taxes	1,268,575
Grants and entitlements not restricted to a specific purpose	6,855,868
Operating Grants & Contributions	26,535,203
Capital Grants & Contributions	10,898,397
Charges for Services	18,725,746
Other Income	339,052
Investment Income	1,663,174
<b>Total Revenue for Fiscal Year 2018</b>	<b>209,178,195</b>

During fiscal year 2018, approximately 65% of the Borough's total revenues came from property taxes with the remainder primarily from charges for services provided. Below are definitions for some of the Borough's revenue sources:

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

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

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

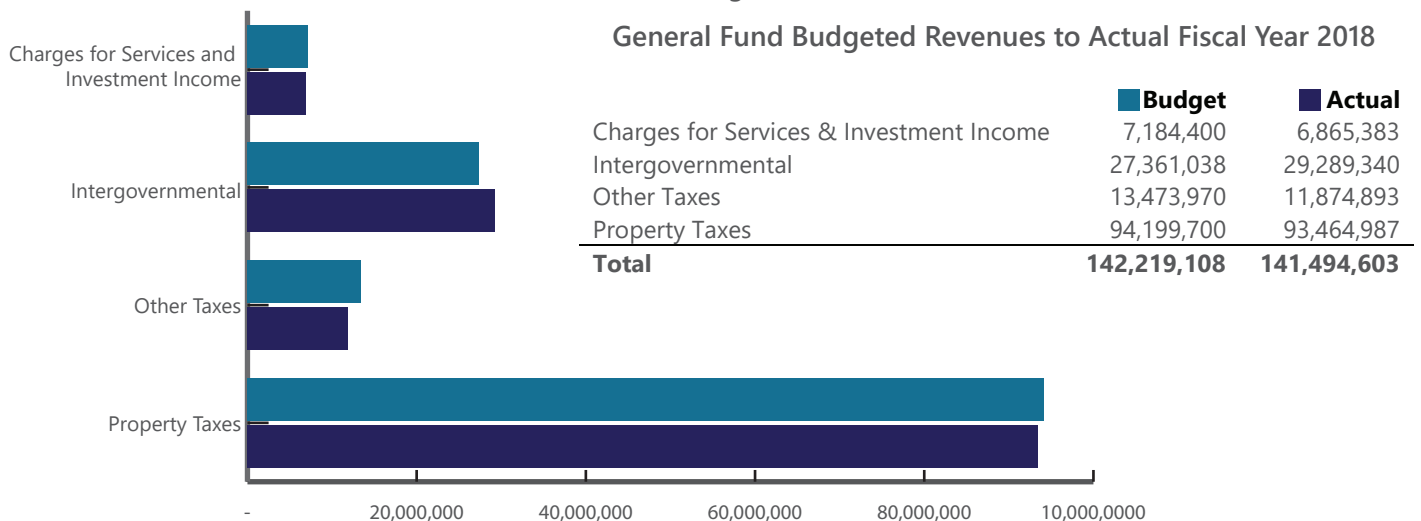
**GRANTS** - Contributions of gifts of cash or other assets from another government or organization to be used for a specified purpose, activity or facility. Typically, these contributions are made to local governments from the state and federal governments.

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

Revenues for the Borough's business-type activities increased \$2.1 million from the prior year primarily due to the activity at the Central Landfill and transfer sites.

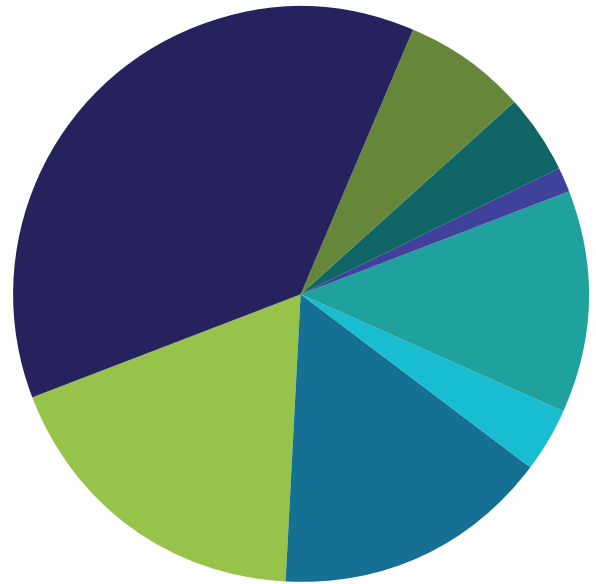
At year end, there was no change from the total original budget and the total final amended budget for revenues.

The actual revenues were \$724,505 less than the amended budget:



# WHERE DOES THE MONEY GO?

Education	67,801,827
Debt Service	12,809,176
Solid Waste	7,757,003
Port	2,573,464
General Government	22,771,086
Public Works	6,667,478
Emergency Services	28,203,210
Public Services	33,191,962
<b>Total Expenditures for Fiscal Year 2018</b>	<b>181,775,206</b>

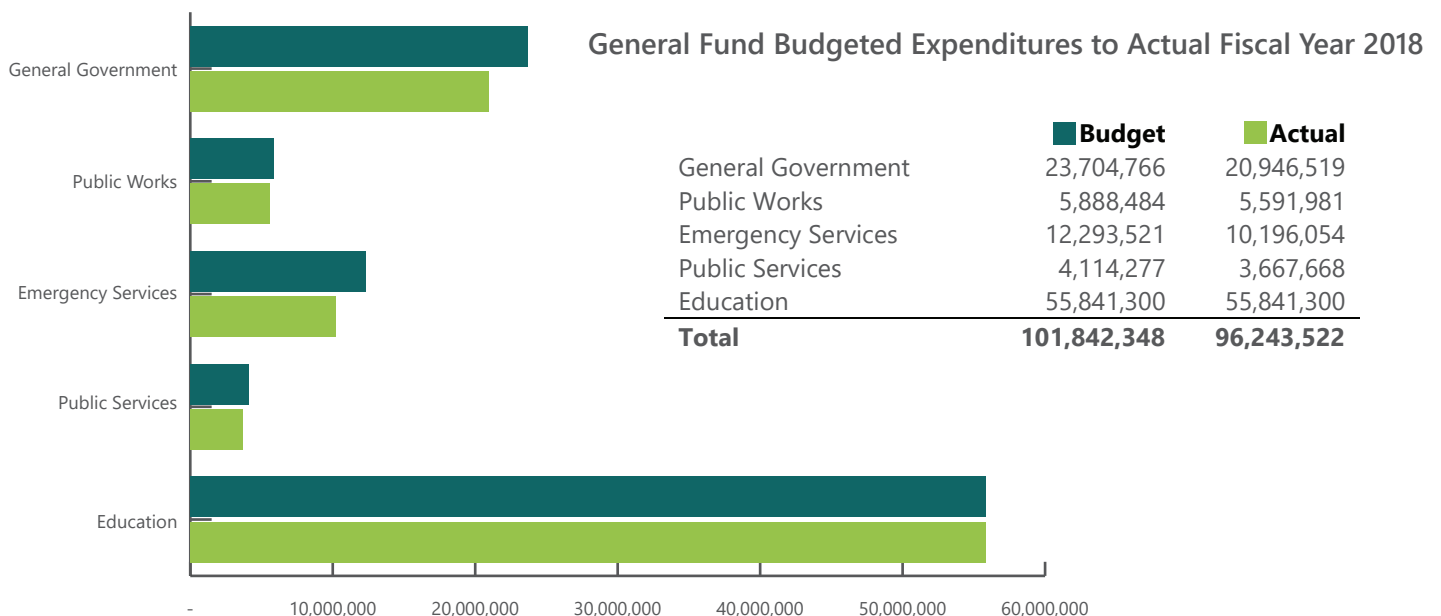


The chart presented above shows Borough expenditures by function for 2018.

Approximately 37% of the Borough's total expenses went toward education with the remainder primarily providing emergency services, public services, and general government services. During fiscal year 2018, expenses decreased overall by \$4.4 million from the prior year.

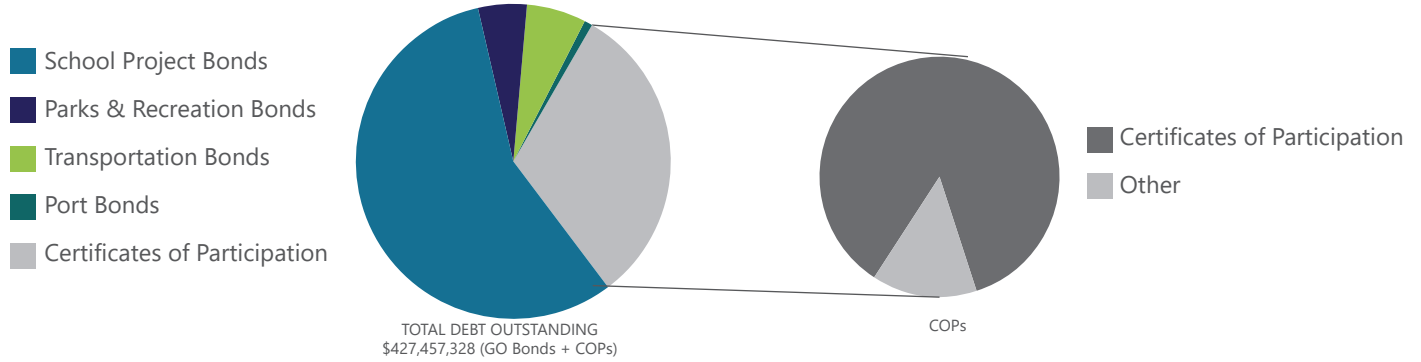
Actual expenditures were \$5.6 million less than the amended budget. Actual transfers in and out were over budget, with a net of \$4,764,483. As a result, fund balance increased by \$4 million. Key factors include:

- Actual general government expenditures were \$2.7 million less than budgeted. This is due to a continued concerted effort to cut spending.
- Emergency services expenditures were \$2 million less than budgeted, primarily due to increased efficiencies in ambulance operations.

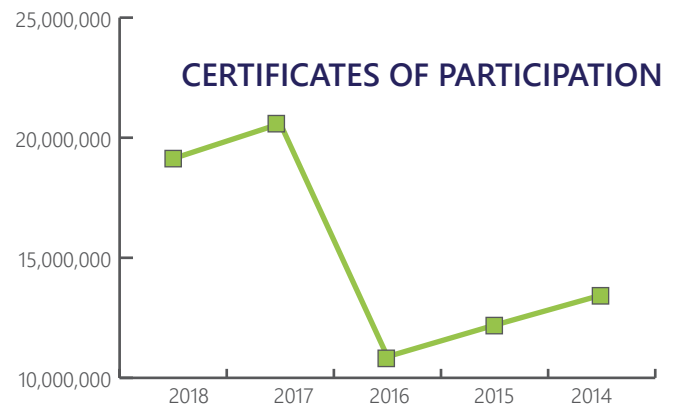
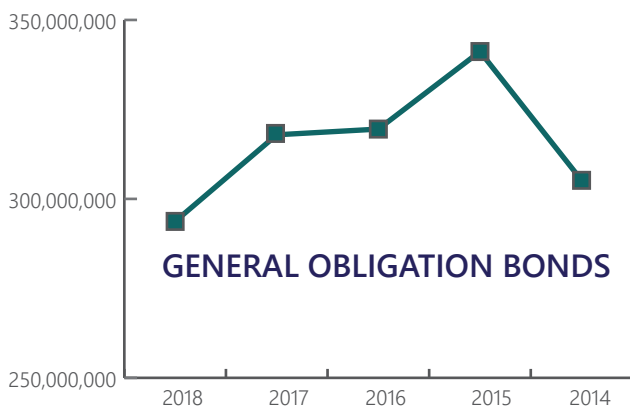


# DEBT - WHAT WE OWE

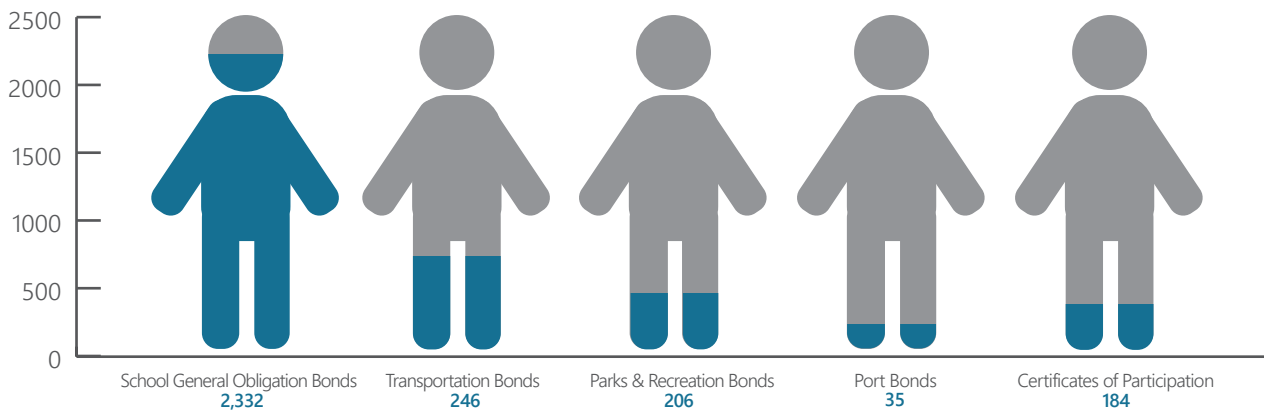
At the end of the current fiscal year, the Borough had total debt outstanding of \$427,457,328. Of this amount, \$293,710,000 was bonded and backed by the full faith and credit of the Borough. The majority of the debt was comprised of General Obligation Bonds (GO Bonds) and Certificates of Participation (COPs). The remaining debt consists of Alaska Department of Environmental Conservation (ADEC) loans, landfill closure costs, accrued leave, insurance claims incurred but not reported, and net pension/OPEB liability. (from 2018 CAFR MD&A section on Debt)



The Borough's primary governmental and business-type activity debt consists of General Obligation Bonds and Certificates of Participation. The outstanding balance in 2018 of these bonds was \$293,710,000 and \$19,130,000 respectively. Amounts for the preceding years are shown in the graphs below.



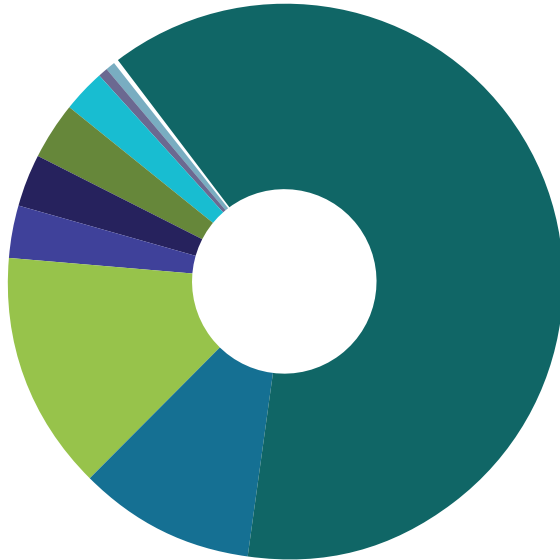
Below is a representation of debt per capita for General Obligation bonds and Certificates of Participation. Outstanding balances of each debt category are displayed at a dollar amount per Matanuska-Susitna Borough resident. Population numbers are provided by the Alaska Department of Labor, Research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



# BOROUGH BUDGET INFORMATION

The Borough budget is developed each year between December and the third week of April, when the manager's proposed budget is presented to the Assembly. Public hearings are held throughout the Borough prior to its adoption. The fiscal year 2018 Comprehensive Annual Budget was adopted by the Assembly on May 3, 2017.

## The Borough's budget for FY 2018 totaled \$392.4 Million



- \$246 Million for School Operations
- \$40.6 Million for Debt Service
- \$54.1 Million for Borough Operations
- \$11.9 Million for Fire Service Area Operations
- \$12.4 Million for Road Service Area Operations
- \$12.3 Million for Capital Projects
- \$10.1 Million for Enterprise Operations
- \$2.8 Million for Other Service Areas & E-911
- \$1.7 Million for Miscellaneous Grants
- \$0.5 Million for Dust Control Programs

### LOOKING FORWARD TO 2019

In setting the budget for fiscal year 2019, 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 followed by state law.
- A high quality capital and operational maintenance program that ensures the continued use and economic value of Borough assets.
- Maintenance of the Borough's bond rating.

The fiscal year 2019 assembly adopted comprehensive budget is approximately \$4.6 million more than the 2018 budget. Capital increased by \$3.9 million. Additionally, education increased \$1.5 million while general government decreased \$1.6 million.

Revenues for the Borough's governmental activities increased by \$3.1 million from the prior year while expenses for governmental activities decreased by \$4.3 million. Key elements to the increase in revenues and decrease in expenses include the following:

- Collections of property taxes increased by \$6 million. The Borough continues to see growth in property values, increasing 2.5% over the prior year. Over 800 homes were constructed, and commercial construction continues to be strong.
- The general Government expenses decreased by \$4.3 million, through a concerted effort to continue to reduce spending.
- The education expenses increased by \$3 million as the calculation for funding the school district was simplified and adjusted.

# YOUR PROPERTY TAX DOLLARS












The typical homeowner in the Matanuska-Susitna Borough would pay an average of \$2,710 in property taxes (both Areawide and Non-Areawide) based on an average assessed value of \$249,055. If a property is located in a Road or Fire Service Area, or within a City, additional taxes are paid.

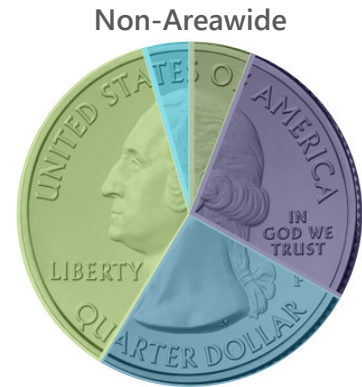
# \$249,055

Average Assessed Value

Assessment notices are mailed the week of January 31st, followed by an appeal period. Taxes are levied on July 1 unless deferred by Assembly action and are payable in two installments in August and February. The Borough bills and collects its own property taxes, and also the property taxes for the cities of Palmer, Wasilla, and Houston.

## HOW YOUR PROPERTY TAX DOLLARS ARE SPENT

<b>Areawide</b> (Average \$2,574)		<b>Per \$1</b>
	Education Operating	\$1,569 \$0.61
	General Government	\$405 \$0.16
	Education Debt Service	\$248 \$0.10
	Other Debt	\$131 \$0.04
	Capital Projects	\$146 \$0.06
	Grants / Pass Throughs	\$75 \$0.03
<b>Non-Areawide</b> (Average \$136)		<b>Per 25¢</b>
	Economic Development	\$8 1.5¢
	Capital Transfers	\$37 6.8¢
	Libraries	\$35 6.4¢
	Animal Control	\$50 9.2¢
	Other Services	\$6 1.1¢



## WHAT IS A MILL RATE?

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

The Borough's mill rate (property tax rate) is determined each year and adopted with the approval of the annual budget. The mill rate for the fiscal year 2019 budget is 10.331 mills for the General Fund tax rate. The non-areawide mill rate was set at 0.548 mills. Funding from the general fund property taxes in 2019 were budgeted to the following by mill rate equivalents

<b>Funding Allocation</b>	<b>Millage</b>
Contribution to Education	6.30 mills
Net debt service on education bonds	.994 mills
Net debt service on all other bonds	.524 mills
Borough Operations and Capital	2.513 mills
<b>Total</b>	<b>10.331 mills</b>

# GLOSSARY

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