



Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Mike Brown
Borough Manager

Prepared by the Finance Department

Cheyenne Heindel
Finance Director

Liesel Weiland
Comptroller



Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

INTRODUCTORY SECTION

Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		I-VI
Letter of Transmittal		VII-XIV
Certificate of Achievement for Excellence in Financial Reporting		XV
Organization Chart - Matanuska-Susitna Borough		XVI
FINANCIAL SECTION		
Independent Auditor's Report		1-3
Management's Discussion and Analysis		5-18
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	20-21
Statement of Activities	A-2	22
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	23-24
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	B-2	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	26
Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities	B-4	27
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	C-1	28
Proprietary Funds:		
Statement of Net Position	D-1	29-30
Statement of Revenues, Expenses, and Changes in Net Position	D-2	31
Statement of Cash Flows	D-3	32
Agency Funds - Statement of Fiduciary Assets and Liabilities	E-1	33
Notes to Basic Financial Statements		34-75
Required Supplementary Information		
Public Employees' Retirement System (PERS) - Pension Plan:		
Schedule of the Borough's Proportionate Share of the Net Pension Liability		
Schedule of Borough Contributions	F-1	76

Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Required Supplementary Information, continued		
Public Employees' Retirement System - OPEB Plans:		
Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)		
Schedule of Borough Contributions	F-2	77
Notes to Required Supplementary Information		78-79
Supplementary Information		
Nonmajor Governmental Funds:		
Combining Balance Sheet	G-1	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	83
General Fund:		
Balance Sheet with Comparative Totals	H-1	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance with Comparative Totals	H-2	86-89
CARES Act Funding Special Revenue Funds:		
Balance Sheet with Comparative Totals	I-1	91
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals	I-2	92
Special Revenue Funds:		
Combining Balance Sheet with Comparative Totals	I-3	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances with Comparative Totals	I-4	94
Nonareawide Services and Service Areas:		
Combining Balance Sheet	I-5	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)	I-6	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals:		
Nonareawide Services	I-7	97
Service Area 7 - Talkeetna Flood Control	I-8	98
Service Area 36 - Talkeetna Water and Sewer	I-9	99
Freedom Hills Subdivision	I-10	100
Garden Terrace Estates	I-11	101
Circle View/Stampede Estates	I-12	102
Enhanced 911 Service	I-13	103
Chase Trail	I-14	104
Service Area 69 - Point MacKenzie	I-15	105
Fire Fleet Maintenance	I-16	106
Roads Outside Service Areas	I-17	107

Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Supplementary Information, continued		
Special Revenue Funds, continued:		
Fire Service Areas:		
Combining Balance Sheet	I-18	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	I-19	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals:		
Fire Service Area 130 - Central Mat-Su	I-20	110
Fire Service Area 2 - Butte	I-21	111
Fire Service Area 132 - Greater Palmer Consolidated	I-22	112
Fire Service Area 4 - Sutton	I-23	113
Fire Service Area 24 - Talkeetna	I-24	114
Fire Service Area 136 - West Lakes	I-25	115
Fire Service Area 35 - Willow	I-26	116
Fire Service Area 135 - Caswell	I-27	117
Road Service Areas:		
Combining Balance Sheet	I-28	118-119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	I-29	120-121
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals:		
Road Service Area 9 - Midway Road	I-30	122
Road Service Area 14 - Fairview Road	I-31	123
Road Service Area 15 - Caswell Lake	I-32	124
Road Service Area 16 - South Colony	I-33	125
Road Service Area 17 - Knik Road	I-34	126
Road Service Area 19 - Lazy Mountain	I-35	127
Road Service Area 20 - Greater Willow	I-36	128
Road Service Area 21 - Big Lake Road	I-37	129
Road Service Area 23 - North Colony	I-38	130
Road Service Area 25 - Bogard Road	I-39	131
Road Service Area 26 - Greater Butte Road	I-40	132
Road Service Area 27 - Meadow Lakes Road	I-41	133
Road Service Area 28 - Gold Trail Road	I-42	134
Road Service Area 29 - Greater Talkeetna Road	I-43	135
Road Service Area 30 - Trapper Creek Road	I-44	136
Road Service Area 31 - Alpine Road	I-45	137
Land Management Special Revenue Fund:		
Balance Sheet with Comparative Totals	I-46	138
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals	I-47	139

Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Supplementary Information, continued		
Debt Service Funds:		
School Buildings:		
Balance Sheet with Comparative Totals	J-1	141
Statement of Revenues, Expenditures, and Changes in Fund Balance with Comparative Totals	J-2	142
Fronteras School:		
Balance Sheet with Comparative Totals	J-3	143
Statement of Revenues, Expenditures, and Changes in Fund Balance with Comparative Totals	J-4	144
Nonmajor Debt Service Funds:		
Combining Balance Sheet	J-5	145
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	J-6	146
Capital Project Funds:		
Nonmajor Capital Project Funds:		
Combining Balance Sheet	K-1	147
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	K-2	148
Project Length of Construction Projects	K-3	149-150
Enterprise Funds:		
Solid Waste:		
Statement of Net Position with Comparative Totals	L-1	151
Statement of Revenues, Expenses, and Changes in Net Position with Comparative Totals	L-2	152
Statement of Cash Flows with Comparative Totals	L-3	153
Port:		
Statement of Net Position with Comparative Totals	L-4	154
Statement of Revenues, Expenses, and Changes in Net Position with Comparative Totals	L-5	155
Statement of Cash Flows with Comparative Totals	L-6	156
Internal Service Funds:		
Combining Statement of Net Position	M-1	157
Combining Statement of Revenues, Expenses, and Changes in Net Position	M-2	158
Combining Statement of Cash Flows	M-3	159

Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Supplementary Information, continued		
Internal Service Funds, continued:		
Revolving Loan:		
Combining Statement of Net Position	M-4	160
Combining Statement of Revenues, Expenses, and Changes in Net Position	M-5	161
Combining Statement of Cash Flows	M-6	162
Self-Insurance:		
Combining Statement of Net Position	M-7	163
Combining Statement of Revenues, Expenses, and Changes in Net Position	M-8	164
Combining Statement of Cash Flows	M-9	165
Agency Funds -		
Combining Statement of Changes in Assets and Liabilities	N-1	167-168
Schedule of Expenditures of Federal Awards	O-1	169-170
Schedule of State Financial Assistance	P-1	171-172
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance		173
	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Statistical Section Contents		175
Net Position by Component	1	177
Changes in Net Position	2	178-179
Program Revenues by Function/Program	3	180
Fund Balances, Governmental Funds	4	181
Changes in Fund Balances, Governmental Funds	5	182
Assessed Value and Estimated Actual Value of Taxable Property	6	183
Direct and Overlapping Property Tax Rates	7	184-185
Principal Property Taxpayers	8	186
Property Tax Levies and Collections	9	187
Ratios of Outstanding Debt by Type	10	188
Ratios of Net General Bonded Debt Outstanding	11	189
Direct and Overlapping Debt	12	190
General Obligation Debt	13	191
Legal Debt Margin Information	14	192
School Construction General Obligation Bonds	15	193
Demographic and Economic Statistics	16	194
Total Employment by Type of Employer	17	195
Full-time-Equivalent Borough Government Employees by Function/Program	18	196
Operating Indicators by Function/Program	19	197
Capital Asset Statistics by Function/Program	20	198

Matanuska-Susitna Borough, Alaska

Comprehensive Annual Financial Report

	<u>Page</u>
SINGLE AUDIT SECTION	
Single Audit Reports	
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>	199-200
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	201-202
Independent Auditor’s Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>	203-204
Schedule of Findings and Questioned Costs	205-206
Corrective Action Plan	207
Other Supplementary Information	
Schedule of Revenues and Expenditures - Budget and Actual Department of Health and Social Services Grants	209-210
COMPONENT UNIT	
Government-wide Financial Statements:	
Statement of Net Position	211
Statement of Activities	212
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	213
Reconciliation of Governmental Funds	
Balance Sheet to the Statement of Net Position	214
Statement of Revenues, Expenditures, and Changes in Fund Balances	215
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	216
Proprietary Funds:	
Statement of Net Position	217
Statement of Revenues, Expenses, and Changes in Net Position	218
Statement of Cash Flows	219
Student Activities Agency Fund - Statement of Fiduciary Assets and Liabilities	220



MATANUSKA-SUSITNA BOROUGH

Department of Finance

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-7801 • Fax (907) 861-8592

www.matsugov.us

February 19, 2021

To the Honorable Mayor,
Members of the Assembly and
Citizens of the Matanuska-Susitna Borough:

Transmittal of the CAFR

In accordance with Section 29.35.1 20 of Alaska Statutes, the Comprehensive Annual Financial Report (CAFR) of the Matanuska-Susitna Borough for the fiscal year ended June 30, 2020, is hereby submitted. The financial statements were prepared in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The Borough's financial statements have been audited by BDO USA LLP, 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, 2020, 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, 2020, 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 CAFR.

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 in the heart of South Central Alaska. It includes part of the Alaska Range, Chugach Mountains, and the Talkeetna and Clearwater Ranges. There are currently three incorporated cities within the Matanuska-Susitna Borough; Palmer (population-6,156), Wasilla (population-8,902) and Houston (population-2,152). The core area, the area surrounding Palmer and Wasilla, is where the majority of the population lives. As of 2020, the population for the Borough was estimated at 107,829. The Borough is empowered to levy a property tax on both real and personal properties located within its boundaries. State of Alaska ("State") 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, planning and zoning, parks and recreation, ports, emergency medical services and historic preservation. The Borough also exercises the following non-areawide powers: solid waste, port, libraries, septage disposal, animal care and regulation and economic development. Additionally, following voter approval, the Borough is now responsible for 36 active service areas for water, sewer, flood, water erosion, fire, and/or roads. Service area boards of supervisors are appointed by the Assembly to oversee the affairs of each service area. This report includes the financial data for these service areas.

The Borough operates under an Assembly-Manager form of government. Policy-making and legislative authority are vested in a governing assembly consisting of a mayor and seven assembly members. The Assembly is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Borough Manager, Attorney and Clerk. The Borough Manager is responsible for carrying out the policies and ordinances of the Borough, for overseeing the day-to-day operations of the Borough and for appointing the heads of the various departments. The Assembly and Mayor are elected on a non-partisan basis. Assembly members 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 February 15th. The Manager uses these requests for developing a proposed budget. The Manager submits his/her 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 (Rescue Units). 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 90 through 93. For governmental funds, other than the General Fund, these comparisons start on page 99.

Economic Condition of the Matanuska-Susitna Borough

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

The Borough's economy began experiencing growth in the early 1990's. In looking back over the last 20 years, the population of the Borough has doubled. Whereas, the population of the State only grew 25%. Just during the last decade, no other area of the state came close to the Borough's track record of population and employment growth.

The communities of the Borough were historically established to support farming and still continue to be the largest agricultural producer in the State. However, farming is now overshadowed by other economic players. There are a number of factors driving the Borough's dynamic economy. Health care is our local economy's major driver. Several new medical facilities have been and are being built over the past five years.

In recent years, the Borough experienced a cyber attack in July 2018; an earthquake in November 2018 and is still facilitating repairs; the Sockeye Fire in 2019 and now COVID-19. The Borough was a recipient of approximately \$38 million in Coronavirus Relief Funds. This grant funding will be used in fiscal year 2021 to provide grants to local business and non-profit communities for economic relief, various projects to improve Borough staff and community safety, and positioning the Borough to be able to react to the virus and potential vaccination. Additionally, the Borough has experienced severe reductions in Bed and Talkeetna Sewer and Water Sales Tax. These

reductions continue into fiscal year 2021. Through all of these events Borough staff has proved to be resilient and resourceful in their response.

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

In addition to new construction of commercial buildings, the construction of new residences throughout the Borough has continued to increase year after year. 63 new commercial structures were completed this past year as well as 658 single-family residences, and 85 multi-family residences.

To further economic development, the Borough has completed numerous infrastructure projects. Keying on internal collector road connections are transportation program greatly improved on relieving traffic congestion. In the past three years, the Borough solely invested over \$80 million in improving this key economic facilitator.

Cash from all Borough funds as well as the operating cash of the School District are 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, 2020 of the investments range from three months to five years, with an average maturity of 23 months. The average yield this fiscal year was 1.09%.

In accordance with Code, the Borough has a self-insurance program for property and casualty coverage. This program is administered by a risk management committee. As part of this program, resources are accumulated in an internal service fund to meet potential claims and associated costs. In addition, the Borough employs a loss control specialist and a safety officer to prevent risk of accidental losses or claims. The Borough has third party coverage subject to the self-insured retentions, which is more fully described in Note (13) 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 system consists of three defined benefit (DB) Tiers, and one defined contribution (DC) Tier. The Borough pays its annual required contribution rates timely. The annual contribution rates have been capped at 22% of the covered payroll for both DB and DC plans based on State legislative action committee which covers costs exceeding 22%. The State's cap on local government contribution rates brings stability to the Borough's

retirement rates although it is important to note that a future State legislature can eliminate its contributions. The transition from an agent multiple-employer plan, to a cost sharing multiple-employer plan as of July 1, 2008, provided a single rate for a participating PERS employers, eliminating the previous methodology of assessing each employer its own rate. The Borough now shares in the pooled liability of the PERS plan.

Governmental Accounting Standards Board (GASB) Statement No. 68 required the Borough to recognize its proportionate share of the cost sharing plan's net pension liability. The Borough's total portion of the liability was \$59,242,163 and \$52,022,724 for the years ended June 30, 2020 and 2019 respectively, an increase of \$7,401,439. This does not change the actual contributions by the employers, as those are based on Alaska Statutes. For additional detail, reference footnote 10 on page 61 in the basic financial statements.

GASB Statement No. 75 required the Borough to recognize its proportionate share of the cost sharing plan's net liability for other postemployment benefits (OPEB). The Borough's total portion of the net other postemployment benefits liability was \$1,611,335 and \$10,748,384 for the years ended June 30, 2020 and 2019 respectively, a decrease of \$9,137,049. For additional detail, reference footnote 10 in the basic financial statements.

The Matanuska-Susitna Borough School District provides pension benefits for all eligible employees through PERS and the Teachers Retirement System (TRS). See the District's financial statement for discussion of pension and post-employment pension liability.

Relevant Financial Policies

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

The major amount of committed Fund Balance in the General Fund is for Fund Balance stabilization. This is equal to a minimum of 22.2 % of all operating budgeted expenditures of the approved budget excluding the budgeted operating expenditures of the school district or \$25,000,000, whichever is less. This would provide funds to protect essential Borough programs if there is ever a significant shortfall in projected revenues or catastrophic uncovered loss. Also, it has been reported by the bond rating agencies as one of the reasons for maintaining or increasing our bond rating. It assists in maintaining our credit worthiness.

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

Also within the General Fund is a commitment for capital. This committed Fund Balance will cover one-time capital expenditures or site acquisition costs. Expenditure of these funds requires Assembly approval. Additionally, there is a committed Fund Balance for major repair and renovation. This too is included within the General Fund. The expenditure of these funds also requires Assembly approval.

Long-Term Financial Planning

The Borough received voter approval in October 2011 to issue \$214,495,000 in General Obligation Bonds. In March 2012 the Borough issued the 2012 Series A General Obligation School Bonds in the amount of \$91,770,000. When combined with the premium, total proceeds for projects was \$100,375,000. In March of 2013, an additional \$13,290,000 was issued. Again, when combined with the premium, generated a total of \$15,280,000 available for projects. In March of 2014, the Borough issued \$29,400,000. Which, when combined with the premium, provided \$32,720,000 in funds. In March 2015, we issued \$55,195,000 in General Obligation Bonds. When combined with the premium, it generated a total of \$63,655,000 for projects. These funds were utilized for the acquisition, design, construction, major renovation and renewal of school capital improvement projects. The remaining projects will be completed during fiscal years 2020/2021. The issuance in fiscal year 2015 is the final phase of the original authorization.

The Borough also received authorization from the voters in October 2011 to issue \$32,165,000 in General Obligation Transportation System Bonds to finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. The bonds could only be issued if a matching grant was received from the State of Alaska. That grant was received on July 1, 2012. A portion of the bonds were issued in fiscal year 2013. Combined with the premium generated by the issuance, it provided \$12,900,000 for Transportation System Projects. The remainder, \$19,265,000, was issued in January 2014. Design occurred over the winter and construction began summer of 2014. They were completed in summer 2020. In total with the grant, \$64,330,000 was available for transportation projects.

The Borough also received authorization from the voters in October 2013 to issue \$16,215,000 in General Obligation Transportation System Bonds to also finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. The issuance was also dependent on receipt of a matching grant. In fiscal year 2015, a grant was received for \$1,600,000. In March 2015, bonds were issued for \$1,600,000 providing \$3,200,000 for a project.

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

In December 2016, Certificates of Participation were issued in the amount of \$13 million. These provide funding for a fleet maintenance facility addition to a Public Safety Building and a Public Safety Building with training facility.

In October 2016 the voters of the Borough authorized the issuance of \$22,160,000 in General Obligation Park & Recreation Bonds to finance improvements to the Ice Arena, Palmer and Wasilla Pools, trails and various parks. These bonds were issued March 15, 2017. The Ice Arena and Wasilla Pool projects were completed in fiscal year 2019 and the Palmer Pool was completed in fiscal year 2020.

Approved in the capital/grant budget for fiscal year 2020 was \$1,320,000 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.

On October 2, 2018 voters approved \$23,845,000 in Transportation Bonds. This bond package requires a 50% match for projects to move forward. No bonds have been issued.

Lastly, over \$22.4 million was budgeted for various small projects throughout the Borough. These funds will be utilized to upgrade various recreational facilities, emergency service facilities and other facilities as well as roads. By so funding, future deferred maintenance costs of buildings will be significantly reduced. Also, maintenance costs will be reduced once the roads are upgraded. In addition, it will also be utilized to upgrade or replace certain equipment.

Long-Term Financial Planning

A significant measure of the Borough's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The Assembly takes the responsibility of being stewards of the public's funds very seriously and has adopted the following General Fund reserve policy which was previously discussed: reserve funds shall not be used to fund recurring expenditures. Fund balances should be maintained at fiscally sound levels in all funds. The Borough has adopted financial policies that will ensure that the Borough maintains an appropriate fund balance in line with recommended best practices. The General Fund's committed amount of \$25 million is 49% of the budgeted General Fund operating expenditures excluding transfers and 18% of total budgeted operating expenditures, including capital, transfers and education. This leaves the Borough in a solid financial position to adequately prepare for the expected reductions in revenues caused by the changes in property tax laws and the economic environment.

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 Borough for its CAFR for the fiscal year ended June 30, 2019. This was the 31st 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 CAFR. 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 CAFR 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 CAFR 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 Liesel Weiland, Michael Newman, Kelly Short, Eileen Pickett, Jeff Krueger, Sara Clemons, Tonya Loyer, Kathleen Kelly, Cheyenne Chandler, Belinda Holbrook, Dana Lipse, Hannah Newberry,

Lyndsey Brisard and Layla Lesley. 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,



Michael Brown
Borough Manager



Cheyenne Heindel
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Matanuska-Susitna Borough
Alaska**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Principal Officials & Organization Chart



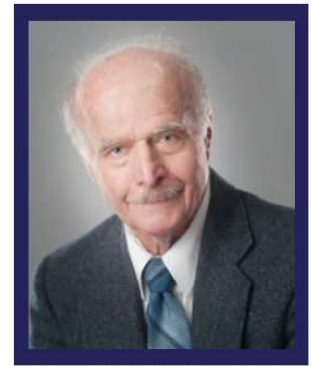
Mayor
Vern Halter



District 1
Tim Hale



District 2
Stephanie Nowers



District 3
George McKee



District 4
Ted Leonard



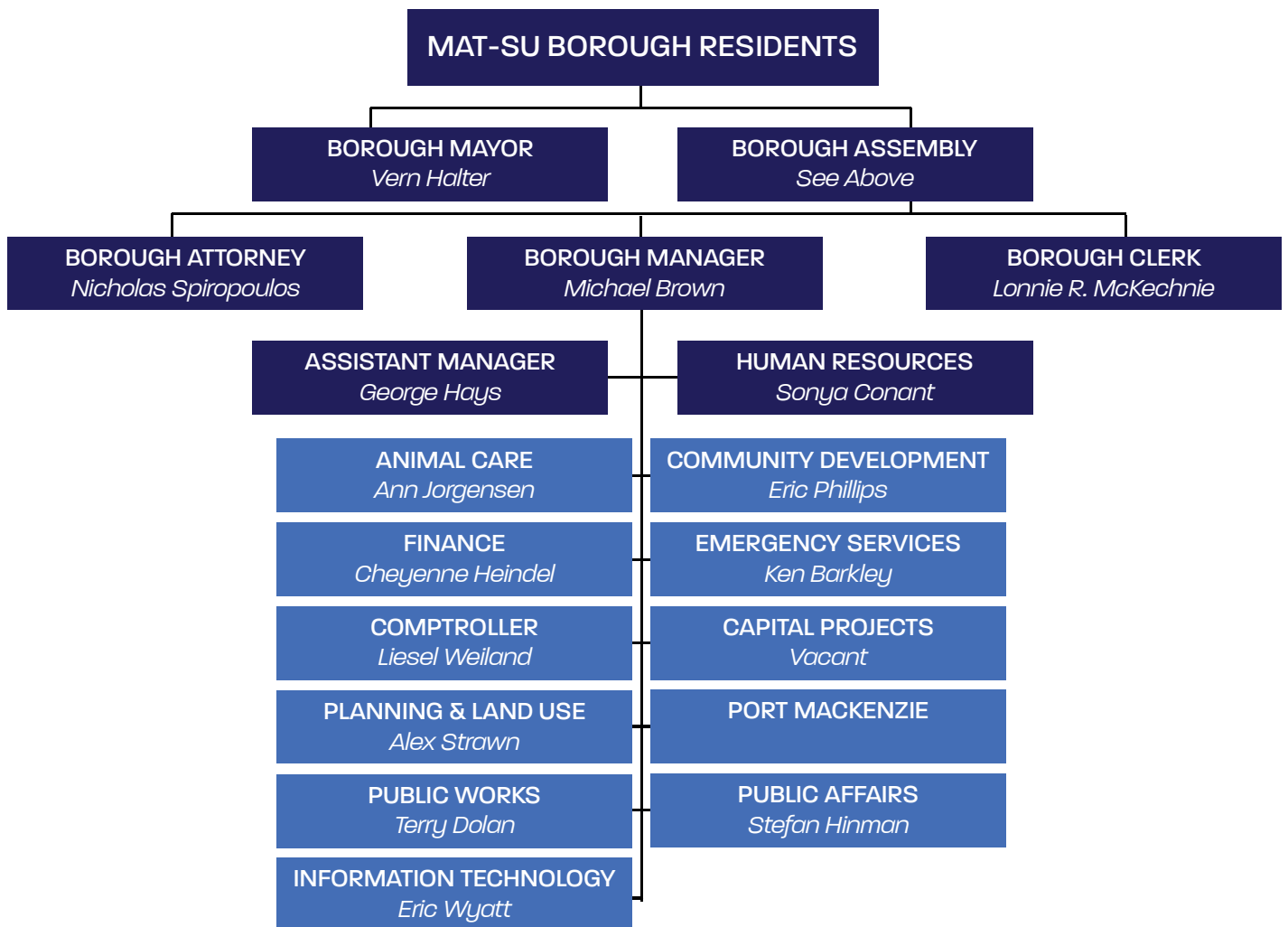
District 5
Dan Mayfield



District 6
Jesse Sumner



District 7
Tam Boeve



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough
Palmer, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Matanuska-Susitna Borough, Alaska as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough, Alaska, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-18 and the Schedules of Net Pension Liability and Pension Contributions and Net OPEB Liability and OPEB Contributions on pages 76-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ended June 30, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Matanuska-Susitna Borough's basic financial statements. The accompanying Supplementary Information, Other Supplementary Information, and Component Unit financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, respectively.

The Supplementary Information, Other Supplementary Information and Component Unit financial statements listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, other supplementary information, and component unit financial information is fairly stated, in all material

respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Matanuska-Susitna Borough as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 23, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the June 30, 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2021 on our consideration of 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 solely 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 effectiveness of Matanuska-Susitna Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Matanuska-Susitna Borough's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 19, 2021

This page intentionally left blank.

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

Matanuska-Susitna Borough

Management's Discussion and Analysis

As management of the Matanuska-Susitna Borough, we offer readers of the Borough's financial statements this narrative overview and analysis of the Borough's financial activities for the fiscal year ended June 30, 2020. 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 VII of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Matanuska-Susitna Borough exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$960,911,733. Of this amount, \$185,526,044 (unrestricted net position) is legally unreserved and may therefore be used to meet the Borough's ongoing obligations to citizens and creditors. Much of this amount has been previously designated by the Borough Assembly for specific purposes and is discussed in more detail on pages 12-14.
- At the end of the current fiscal year, spendable fund balance for the General Fund was \$68,342,076. Of this amount, \$15,337,553 was unassigned and available for spending. The unassigned fund balance for the General Fund represented 12.27% of total General Fund expenditures and transfers.
- The Borough's total net position increased by \$31,104,613. Of this amount, \$30,249,417 was attributable to the governmental activities and \$855,196 was attributable to the business-type activities.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined fund balances of \$204,527,505, an increase of \$13,210,713 in comparison with the prior year.
- The Borough's total outstanding debt (not including Net Pension/OPEB liability) decreased by \$17,726,858 to a year-end balance of \$344,102,044. The Borough's long-term debt tables are on pages 50-58 of the Notes to the Basic Financial Statements.

Overview of the Financial Statements

The management discussion and analysis serves as an introduction to the Borough's basic financial statements. The Borough's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements report information about the overall finances of the Borough similar to a private-sector business. 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 20-22 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.

Matanuska-Susitna Borough

Management's Discussion and Analysis

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

The Statement of Net Position presents 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.

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.

Fund Financial Statements

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

Governmental funds

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

The basic governmental fund financial statements can be found on pages 23-28 of this report. Budgetary comparison statements for the General Fund with annual budgets are provided on pages

Matanuska-Susitna Borough

Management's Discussion and Analysis

86-89 to demonstrate compliance with these budgets. The special revenue funds with annual budgets are provided on pages 97-139.

Proprietary funds

The Borough maintains two different types of proprietary funds, enterprise funds and internal service 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 151-156.

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 157-165.

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 29-32 of this report.

Fiduciary funds

Fiduciary funds 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 resources of those funds are not available to support the Borough's own programs. The accounting for fiduciary funds is much like that used in proprietary funds.

The Borough's fiduciary funds include the Property Tax agency fund, and the Road, Gas line, and Community Water Agency Fund. These funds report resources held by the Borough in a custodial capacity for individuals, private organizations and other governments.

The basic fiduciary aggregated fund financial statements can be found on page 33 of this report and more detailed supplementary information is provided on pages 167-168.

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. The notes to the financial statements can be found on pages 34-75 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information can be found on pages 76-79. The combining statements referred to earlier in connection with nonmajor

Matanuska-Susitna Borough
Management's Discussion and Analysis

governmental funds can be found on pages 82-83. Individual governmental funds can be found on pages 85-150 and proprietary funds can be found on pages 151-156 of this report.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets and deferred outflows exceeded liabilities and deferred inflows by \$960.9 million at June 30, 2020 compared to \$929.8 million at June 30, 2019. Of the total net position, \$0.9 million represents resources that are subject to external restrictions on how they may be used; and \$185.5 million is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. By far the largest portion of the Borough's net position of \$774.5 million, or 81% 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.

Matanuska-Susitna Borough's Net Position
June 30, 2020 and 2019
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Assets and Deferred Outflows						
Current and other assets	\$ 288.8	\$ 245.7	\$ 4.9	\$ 3.5	\$ 293.7	\$ 249.2
Capital assets	1,048.0	1,054.1	42.7	43.1	1,090.7	1,097.2
Total assets	1,336.8	1,299.8	47.6	46.6	1,384.4	1,346.4
Deferred outflows of resources	12.1	12.6	0.6	0.6	12.7	13.2
Total Assets and Deferred Outflows of Resources	\$ 1,348.9	\$ 1,312.4	\$ 48.2	\$ 47.2	\$ 1,397.1	\$ 1,359.6

Matanuska-Susitna Borough
Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Liabilities and Deferred Inflows of Resources						
Long-term debt outstanding	\$ 297.7	\$ 340.4	\$ 20.5	\$ 21.5	\$ 318.2	\$ 380.9
Net Pension Liability and OPEB	41.8	46.2	2.1	2.4	43.9	45.6
Other liabilities	67.8	14.0	1.9	0.5	69.7	18.6
Total liabilities	407.3	400.6	24.5	24.4	431.8	425.0
Deferred inflows of resources	4.3	4.6	.1	.2	4.4	4.8
Total Liabilities and Deferred Inflows of Resources	\$ 411.6	\$ 405.2	\$ 24.6	\$ 24.6	\$ 436.2	\$ 429.8
Net Position						
Net investment in capital assets	\$ 745.1	\$ 754.6	\$ 29.4	\$ 29.2	\$ 774.5	\$ 783.8
Restricted	0.9	4.0	-	-	0.9	4.0
Unrestricted	191.4	148.6	(5.9)	(6.6)	185.5	142.0
Total Net Position	\$ 937.4	\$ 907.2	\$ 23.5	\$ 22.6	\$ 960.9	\$ 929.8

Changes in Net Position

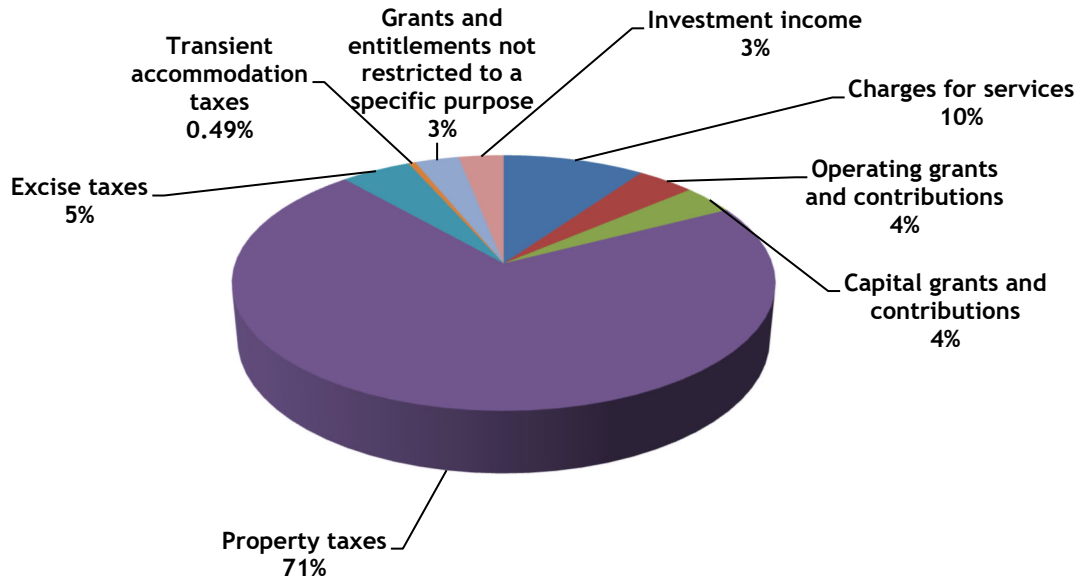
During the current fiscal year, the Borough's total net position increased by \$31.1 million. This compares to an increase of \$21.4 million for the year ended June 30, 2019.

Revenues increased government wide by \$9.9 million. The program revenues decreased by \$7.9 million for the governmental funds and \$0.1 million for the enterprise funds, This is a continued trend from prior years of reduced federal and state funding for Borough capital projects. During fiscal year 2020, approximately 69% of the Borough's total revenues came from property taxes. As the Borough continues to grow in population, so does the tax base. Revenues from all taxes increased by \$8.7 million. The weak economy and increased investments led to a \$2.2 million decrease in earnings (realized and unrealized) from the prior year.

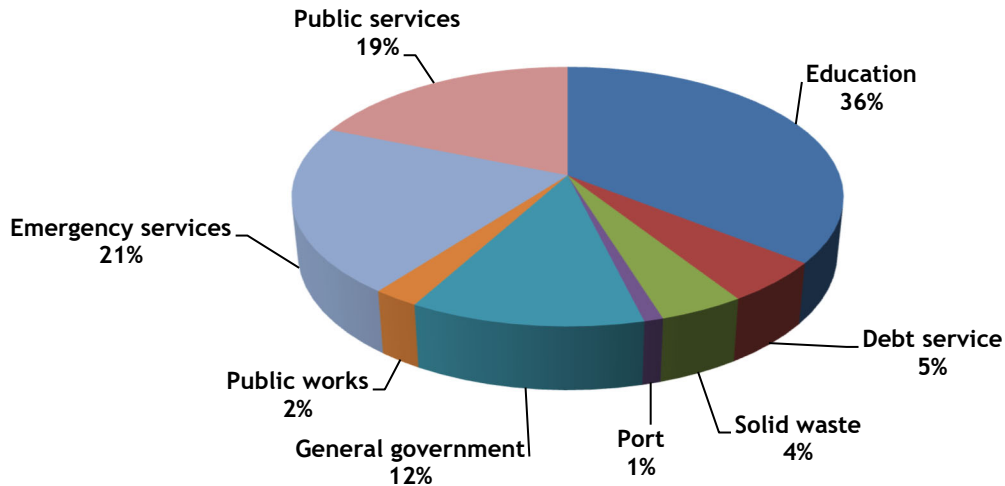
Expenses decreased overall by \$0.2 million from the prior year. During fiscal year 2020, approximately 37% of the Borough's primary government expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.

Matanuska-Susitna Borough
Management's Discussion and Analysis

Sources of Revenue for Fiscal Year 2020



Functional Expenses for Fiscal Year 2020



Matanuska-Susitna Borough
Management's Discussion and Analysis

Changes in Matanuska-Susitna Borough's Net Position
For Years Ended June 30, 2020 and 2019
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 10.1	\$ 8.2	\$ 10.0	\$ 9.5	\$ 20.1	\$ 17.7
Operating grants and contributions	10.7	21.3	0.1	-	10.8	21.3
Capital grants and contributions	7.4	6.5	-	0.7	7.4	7.2
General revenues:						
Property taxes	145.7	137.0	-	-	145.7	137.0
Transient accommodation taxes	1.0	1.5	-	-	1.0	1.5
Tobacco excise taxes	9.9	9.4	-	-	9.9	9.4
Other	26.0	16.9	-	-	26.0	16.9
Total Revenues	\$ 210.8	\$ 200.8	\$ 10.1	\$ 10.2	\$ 220.9	\$ 211.0
Expenses						
General government	\$ 22.4	\$ 23.2	\$ -	\$ -	\$ 22.4	\$ 23.2
Public works	4.4	5.1	-	-	4.4	5.1
Emergency services	39.7	31.3	-	-	39.7	31.3
Public services	35.7	38.2	-	-	35.7	38.2
Education	67.8	70.5	-	-	67.8	70.5
Interest	9.9	11.2	-	-	9.9	11.2
Solid waste	-	-	8.2	6.9	8.2	6.9
Port	-	-	1.8	3.2	1.8	3.2
Total Expenses	179.9	179.5	10.0	10.1	189.9	189.6
Excess before transfers, special items, and extraordinary items	30.9	21.3	0.1	0.1	31.0	21.4
Transfers	(0.7)	(0.7)	0.7	0.7	-	-
Increase in Net Position	30.2	20.6	0.8	0.8	31.0	21.4
Net Position	907.2	886.6	22.7	21.8	929.9	908.4
Net Position, ending	\$ 937.4	\$ 907.2	\$ 23.5	\$ 22.6	\$ 960.9	\$ 929.8

Matanuska-Susitna Borough

Management's Discussion and Analysis

Governmental activities

Revenues for the Borough's primary governmental activities increased \$10.0 million from the prior year, while the general revenues increased \$17.8 million. Expenditures for governmental activities increased \$0.4 million. Key elements to the decrease in revenues and increase in expenditures include the following:

- Revenues from operating grants and capital grants decreased due to reduced federal and state funding.
- The Borough had a year of strong growth, seeing a 4.47% increase in value of the assessment roll. Contributing to this was the addition of over 658 new homes and a 3.99% increase in the average appraised value of a residential home. In the commercial sector, Senior Citizen housing and Medical Offices continued to lead this area in growth, giving Mat-Su one of its largest increases in the past 10 years for new commercial construction.
- The general government expenditures increased by \$0.4 million primarily due to decreased spending for public services and increased spending for emergency services.
- The education expenditures decreased by \$2.7 million due to impacts of COVID-19.

Business-type activities

The Central Landfill's net position increased by \$1.9 million. Operating income decreased by \$0.7 million due to increased revenues and decreased expenses. The Central Landfill expansion continues with the construction of a Septage and Leachate facility, and the addition of a new cell. The Port's net position decreased by \$1.1 million. Significant revenues are not anticipated until the completion of the rail spur from the Port to the Alaska railroad.

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

At the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$204,527,505, an increase of \$13,210,713 in comparison with the prior year. A portion of this amount is categorized as non-spendable to indicate it is inherently non-spendable because it has already been dedicated to liquidate prepaid expenses (\$22,942) or is already in the form of inventory (\$295,541), or is a long term loan receivable (\$450,000).

A portion of the combined ending fund balance is categorized as restricted to indicate that there is an externally enforceable limitation on its use. Specifically, funds in the amount of \$4,204,267 are restricted due to lender imposed debt reserves for debt service.

Matanuska-Susitna Borough

Management's Discussion and Analysis

A total of \$38,948,901 of the combined ending fund balance is categorized as committed to indicate that there are self-imposed limitations for the funds set in place prior to the end of the current period. \$25,000,000 is shown as committed in accordance with the Borough's minimum fund balance/stabilization policy. The remaining \$13,948,901 of the committed fund balance is shown as committed for a long-term note receivable, the Land Management Permanent Fund, Alaska LNG project, paving projects, emergency response, and various other limitations that have been imposed by the Matanuska-Susitna Borough Assembly through formal action.

Of the combined ending fund balance, \$145,310,331 is categorized as assigned to indicate that there is a limitation on the funds resulting from intended use. Specifically, these funds are assigned for subsequent year's expenditures and appropriations, or for land management, service areas, debt service, or capital project purposes. The remainder of fund balance of \$15,295,523 is unassigned.

The General Fund is the chief operating fund of the Borough. At the end of the current fiscal year, total fund balance was \$69,095,606. Of this, non-spendable fund balance was \$753,530, restricted fund balance was \$117,990, committed fund balance was \$33,985,217, assigned fund balance was \$18,901,316, and unassigned fund balance was \$15,337,553. Total fund balance increased by \$16,314,989 from the prior year primarily due increased spending for education and the general government.

The other major governmental funds in the current fiscal year were the School Building Debt Service fund, CARES Act Funding Special Revenue Fund, and the Fronteras School Debt Service Fund.

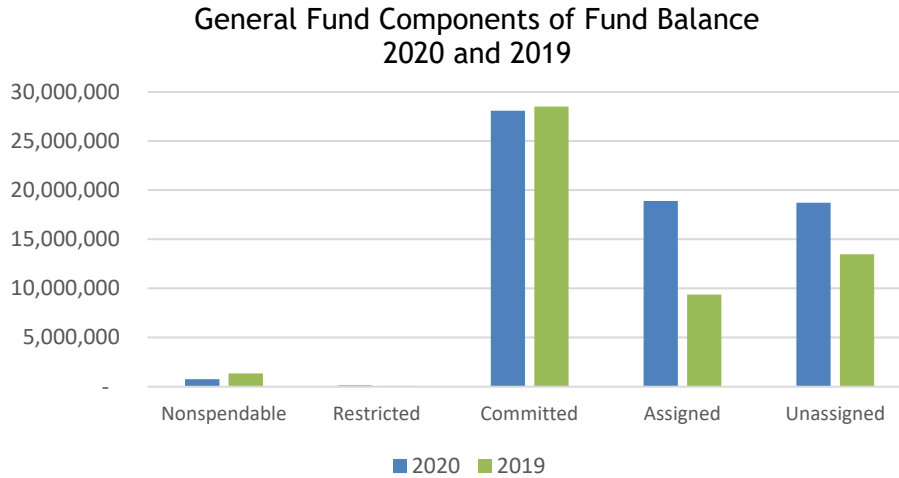
At the end of the current fiscal year, ending total fund balance in the School District Debt Service Fund was \$3,660,043. Of this, \$1,594,493 is restricted for debt service payments. Remaining funds from completed school capital projects were re-directed to debt service which increased fund balance by \$96,503.

At the end of the current fiscal year, the CARES Act Funding Special Revenue Fund balance was \$1,620. There is \$33 Million in assets and liabilities to be spent in FY21 following state and federal guidelines and as approved by the borough assembly.

At the end of the current fiscal year, the Fronteras School Debt principal was \$6.46 million. The school was completed in fiscal year 2016, and the District will pay the debt. The principal payments began in fiscal year 2018.

Matanuska-Susitna Borough

Management's Discussion and Analysis



Proprietary funds

The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net positions of the solid waste and port enterprise funds were \$5,918,540 and a deficit of (\$11,777,400), respectively. The unrestricted net position of the internal service funds at the end of the year were \$27,185,345.

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

At the end of the current fiscal year, ending total net position of the Solid Waste Enterprise Fund was \$10,146,921, with \$4,228,381 being the invested in capital, debt and unrestricted net position \$5,918,540. The total net position increased by \$1,907,556 from the prior year.

At the end of the current fiscal year, the ending total net position of the Port Enterprise Fund was \$13,360,741, with \$25,138,141 being the net invested in capital assets, net of related debt, and an unrestricted net position deficit of (\$11,777,400). The total net position decreased by \$1,052,360 from the prior year.

General Fund Budgetary Highlights

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

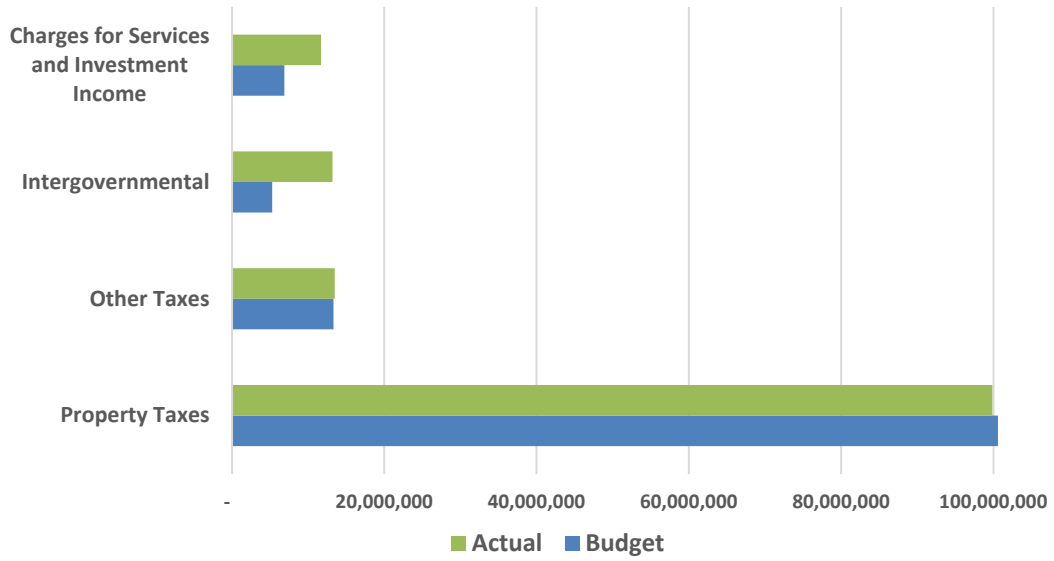
The actual revenues were \$14.7 million more than the final budget. Actual expenditures were \$5.2 million less than the final budget. Actual transfers in and out were under budget, with a net of \$97,212. As a result, fund balance increased by \$16.3 million. Key factors include:

- Actual general government expenditures were \$2.4 million less than budgeted. This is due to a continued concerted effort to cut spending.
- Emergency services expenditures were \$1.7 million less than budgeted, primarily due to increased efficiencies in ambulance operations.

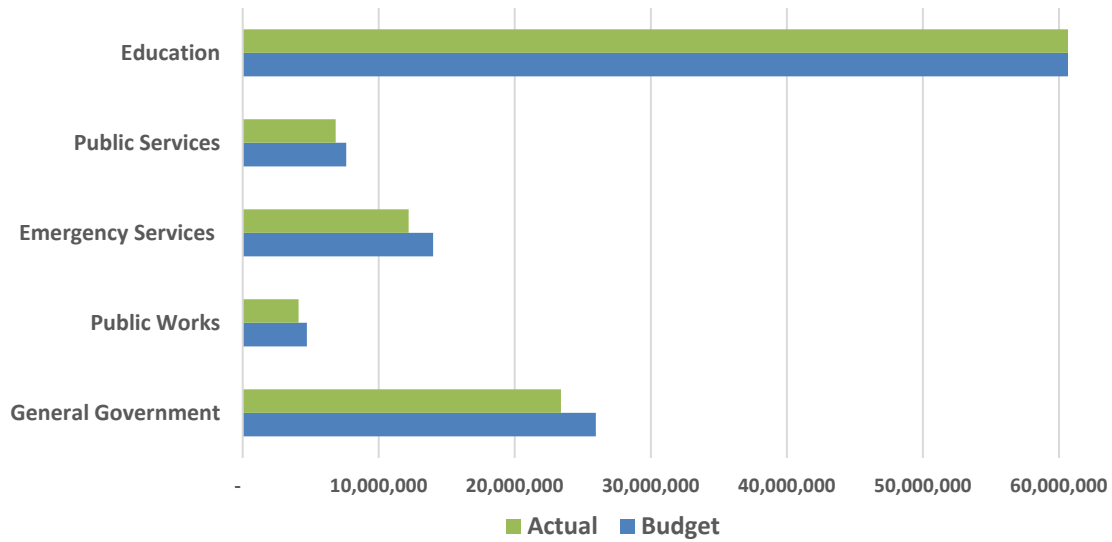
Matanuska-Susitna Borough

Management's Discussion and Analysis

General Fund Revenues Budget to Actual Fiscal Year 2020



General Fund Expenditure Budget to Actual Fiscal Year 2020



Matanuska-Susitna Borough
Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

The Borough's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$1,090,661,739, (net of accumulated depreciation), which is a decrease of \$6.6 million 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:

- Completion of Trunk Road Extension project.

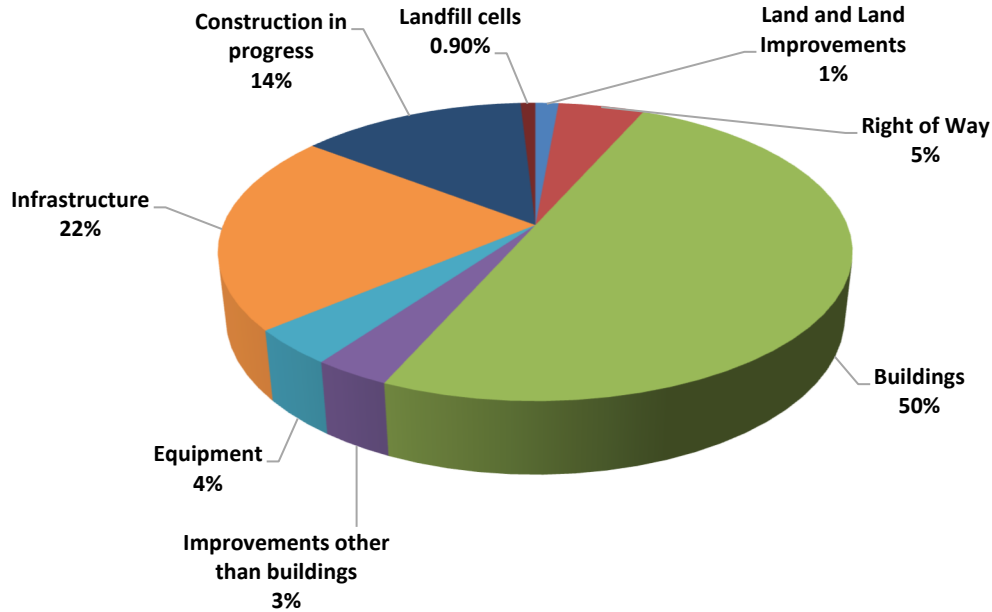
Matanuska-Susitna Borough's Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Land and land improvements	\$ 21.5	\$ 20.0	\$ -	\$ -	\$ 21.5	\$ 20.0
Right of Way	80.0	79.9	-	-	80.0	79.9
Buildings	528.5	545.8	11.7	12.3	540.2	558.1
Improvements other than buildings	36.1	36.9	0.9	0.9	37.0	37.8
Equipment	16.1	18.0	2.0	1.6	18.1	19.6
Infrastructure	156.9	119.2	21.9	22.8	178.8	142.0
Construction in progress	208.8	234.3	1.1	0.7	209.9	235.0
Landfill cells	-	-	5.1	4.8	5.1	4.8
Total Capital Assets	\$ 1,047.9	\$1,054.1	\$ 42.7	\$ 43.1	\$ 1,090.6	\$1,097.2

Additional information on the Borough's capital assets can be found on pages 46-48 this report.

Matanuska-Susitna Borough
Management's Discussion and Analysis

Capital Assets Fiscal Year 2020
 (governmental & business type) (net of depreciation)



Long-term Debt

At the end of the current fiscal year, the Borough had total debt outstanding of \$344,102,044. Of this amount, \$257,860,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$16,030,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, insurance claims incurred but not reported, and net pension/OPEB liability.

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 255.3	\$ 269.4	\$ 2.5	\$ 3.1	\$ 257.8	\$ 272.5
Certificates of participation	16.0	17.6	-	-	16.0	17.6
Other	51.2	53.4	19.1	18.4	70.3	71.8
Total Outstanding Debt	\$ 322.5	\$ 340.4	\$ 21.6	\$ 21.5	\$ 344.1	\$ 361.9

Matanuska-Susitna Borough

Management's Discussion and Analysis

Additional information on the Borough's long-term debt can be found on pages 49-58 of this report.

Economic Factors and the Next Year's Budget and Rates

In setting the budgets for fiscal year 2021, the Borough considered a number of issues with Borough-wide impact, among them:

- A sufficient level of funding necessary to meet the needs of Borough residents, visitors and communities.
- A continued reduction in the historical variance between budget and actual revenues and expenditures.
- Maintenance of the Borough's financial condition including compliance with the Borough's fund balance policy.
- The highest level of local educational funding that Borough residents can reasonably afford and sustain and as allowed by state law.
- A high quality capital and operational maintenance program that ensures the continued use and economic value of Borough assets.
- Maintenance of the Borough's bond rating
- The revenue from the CARES Act will help decrease the impact of COVID 19 on the borough budget. The funds will help cover emergency service wages, and the increased costs of maintaining clean and socially distanced workplaces and public buildings and areas for the borough citizens.

All of these factors were considered in preparing the Borough's budget for fiscal year 2021. As a result, the fiscal year 2021 budget is 10.322 mills for the General Fund tax rate, a decrease of 0.064 mills. The nonareawide mill rate decreased to 0.511 mills, a decrease of 0.062 mills in the fiscal year 2021 budget.

Requests 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 99645-6411.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Statement of Net Position

	Primary Government			Component
	Governmental	Business-	Total	Unit
<i>June 30, 2020</i>	Activities	Type Activities		School District
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 248,057,021	\$ 11,186,057	\$ 259,243,078	\$ 37,425,211
Prepaid items	22,942	-	22,942	952,613
Receivables:				
Intergovernmental	6,933,801	366,001	7,299,802	5,288,915
Property and excise taxes, net of allowance	9,252,284	-	9,252,284	-
Accounts, net of allowance	-	754,269	754,269	-
Ambulance, net of allowance	1,226,684	-	1,226,684	-
Land sales contracts, net of allowance	98,615	-	98,615	-
Lease receivable, net of allowance	161,787	-	161,787	-
Other	1,041,613	-	1,041,613	265,562
Accrued interest	515,322	-	515,322	-
Deposits	25,000	-	25,000	-
Inventory	295,541	-	295,541	3,172,107
Restricted cash and investments	4,204,267	2,663,501	6,867,768	-
Internal balances	10,075,766	(10,075,766)	-	-
Land sales contracts receivable - long-term	386,251	-	386,251	-
Lease receivable, net of allowance - long-term	6,298,444	-	6,298,444	-
Net other postemployment benefits assets	252,585	13,357	265,942	9,049,754
Capital assets, not being depreciated	310,325,937	1,104,671	311,430,608	119,632
Capital assets, net of accumulated depreciation	737,626,248	41,604,883	779,231,131	19,008,931
Total Assets	1,336,800,108	47,616,973	1,384,417,081	75,282,725
Deferred Outflows of Resources				
Unamortized deferred loss on bonds	4,379,773	120,414	4,500,187	-
Related to pensions	4,613,273	277,718	4,890,991	13,032,989
Related to other postemployment benefits	3,180,678	148,319	3,328,997	9,809,625
Total Deferred Outflows of Resources	12,173,724	546,451	12,720,175	22,842,614
Total Assets and Deferred Outflows of Resources	\$ 1,348,973,832	\$ 48,163,424	\$ 1,397,137,256	\$ 98,125,339

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Statement of Net Position, continued

June 30, 2020	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Unit School District
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts, contracts and retentions payable	\$ 4,055,808	\$ 728,278	\$ 4,784,086	\$ 2,983,471
Accrued payroll and related liabilities	2,060,792	-	2,060,792	8,141,694
Other liabilities	132,001	-	132,001	-
Deposits	122,184	-	122,184	-
Unearned revenue	33,376,045	-	33,376,045	560,663
Accrued interest payable	3,208,644	53,948	3,262,592	-
Noncurrent liabilities:				
Due within one year:				
Accrued leave	3,606,061	148,410	3,754,471	2,641,012
Bonds and certificates of participation	18,685,000	605,000	19,290,000	-
Loans payable	20,366	332,302	352,668	-
Notes payable	228,812	-	228,812	-
Insurance claims incurred but not reported and claims payable	2,273,191	-	2,273,191	862,542
Capital lease payable	-	-	-	161,787
Due in more than one year:				
Accrued leave	-	-	-	1,539,437
Bonds and certificates of participation, net of premium	275,003,617	2,155,001	277,158,618	-
Loans payable	7,072,175	10,371,143	17,443,318	-
Notes payable	6,298,444	-	6,298,444	-
Capital lease payable	-	-	-	6,298,444
FTA liability	9,287,929	-	9,287,929	-
Lease credits payable	-	1,307,105	1,307,105	-
Net pension liability	40,413,954	2,116,873	42,530,827	153,285,432
Net other postemployment benefits liability	1,431,092	18,680	1,449,772	1,951,255
Landfill closure costs payable	-	6,707,488	6,707,488	-
Total Liabilities	407,276,115	24,544,228	431,820,343	178,425,737
Deferred Inflows of Resources				
Taxes collected in advance	800,251	-	800,251	-
Unamortized deferred gain on bonds	874,566	-	874,566	-
Related to pensions	1,237,197	59,423	1,296,620	7,679,000
Related to other postemployment benefits	1,381,632	52,111	1,433,743	7,955,390
Total Deferred Inflows of Resources	4,293,646	111,534	4,405,180	15,634,390
Total Liabilities and Deferred Inflows of Resources	411,569,761	24,655,762	436,225,523	194,060,127
Net Position (Deficit)				
Net investment in capital assets	745,128,538	29,366,522	774,495,060	12,668,332
Restricted:				
Debt service	890,629	-	890,629	-
Scholarships and correspondence program	-	-	-	2,073,014
Unrestricted (deficit)	191,384,904	(5,858,860)	185,526,044	(110,676,134)
Total Net Position (Deficit)	937,404,071	23,507,662	960,911,733	(95,934,788)
Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	\$ 1,348,973,832	\$ 48,163,424	\$ 1,397,137,256	\$ 98,125,339

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Statement of Activities

Year Ended June 30, 2020	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit School District
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business- Type Activities		
Primary Government								
Governmental activities:								
General government	\$ 22,372,027	\$ 865,630	\$ 662,946	\$ -	\$ (20,843,451)	\$ -	\$ (20,843,451)	
Public works	4,438,780	80,274	43,236	-	(4,315,271)	-	(4,315,271)	
Emergency services	39,692,163	6,557,286	386,253	5,299,188	(27,449,436)	-	(27,449,436)	
Public services	35,648,034	2,142,186	842,649	2,144,088	(30,519,111)	-	(30,519,111)	
Education	67,845,372	393,300	8,787,348	-	(58,664,724)	-	(58,664,724)	
Interest	9,885,785	-	-	-	(9,885,785)	-	(9,885,785)	
Total governmental activities	179,882,161	10,038,676	10,722,431	7,443,276	(151,677,778)	-	(151,677,778)	
Business-type activities:								
Solid waste	8,155,375	9,978,894	66,348	-	-	1,889,867	1,889,867	
Port	1,838,633	14,037	1,271	-	-	(1,823,325)	(1,823,325)	
Total business-type activities	9,994,008	9,992,931	67,619	-	-	66,542	66,542	
Total Primary Government	189,876,169	20,031,607	10,790,050	7,443,276	(151,677,778)	66,542	(151,611,236)	
Component Unit								
School District	\$ 252,355,694	\$ 999,167	\$ 53,516,040	\$ -			<u>(197,840,487)</u>	\$ (197,840,487)
General Revenues								
Taxes:								
Property taxes					145,657,590	-	145,657,590	-
Excise taxes					9,917,857	-	9,917,857	-
Transient accommodation taxes					999,526	-	999,526	-
Contributions from primary government					-	-	-	54,765,932
Grants and entitlements not restricted to a specific purpose					6,218,072	-	6,218,072	174,422,821
Investment income					6,355,169	9,539	6,364,708	-
Gain on disposal of capital assets					-	8,150	8,150	-
Insurance proceeds					10,000,000	-	10,000,000	-
Other					3,549,946	-	3,549,946	2,190,395
Transfers					(770,965)	770,965	-	-
Total General Revenues and Transfers					181,927,195	788,654	182,715,849	231,379,148
Change in Net Position					30,249,417	855,196	31,104,613	33,538,661
Net Position (Deficit), beginning					907,154,654	22,652,466	929,807,120	(129,473,449)
Net Position (Deficit), ending					\$ 937,404,071	\$ 23,507,662	\$ 960,911,733	\$ (95,934,788)

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Governmental Funds
Balance Sheet

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	School Buildings Debt Service	Fronteras School Debt Service	CARES Act Funding Special Revenue			
<i>June 30, 2020</i>							
Assets							
Cash and investments	\$ 58,370,394	\$ 2,065,550	\$ -	\$ 33,327,118	\$ 125,078,823	\$ 218,841,885	
Prepaid items	7,989	-	-	-	14,953	22,942	
Receivables:							
Intergovernmental	2,548,229	-	-	-	4,385,572	6,933,801	
Property taxes, net of allowance	6,140,086	-	-	-	1,813,149	7,953,235	
Excise taxes	1,299,049	-	-	-	-	1,299,049	
Ambulance, net of allowance	1,226,684	-	-	-	-	1,226,684	
Land sales contracts, net	-	-	-	-	98,615	98,615	
Accrued interest	515,322	-	-	-	-	515,322	
Other	822,268	-	-	-	219,345	1,041,613	
Due from other funds	7,561,168	-	-	-	-	7,561,168	
Inventory	295,541	-	-	-	-	295,541	
Interfund loans receivable	450,000	-	-	-	3,378,394	3,828,394	
Land sales contracts receivable, long-term	-	-	-	-	386,251	386,251	
Lease receivable, long-term	-	-	9,833,051	-	-	9,833,051	
Restricted cash and investments	117,990	1,594,493	-	-	2,491,784	4,204,267	
Total Assets	\$ 79,354,720	\$ 3,660,043	\$ 9,833,051	\$ 33,327,118	\$ 137,866,886	\$ 264,041,818	
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts, contracts and retentions payable	\$ 584,106	\$ -	\$ -	\$ -	\$ 3,471,702	\$ 4,055,808	
Due to other funds	-	-	-	-	157,296	157,296	
Accrued payroll and related liabilities	2,060,792	-	-	-	-	2,060,792	
Other liabilities	132,001	-	-	-	-	132,001	
Deposits	-	-	-	-	122,184	122,184	
Unearned revenue	-	-	-	33,325,498	50,547	33,376,045	
Interfund loans payable	1,156,500	-	-	-	413,718	1,570,218	
Total Liabilities	3,933,399	-	-	33,325,498	4,215,447	41,474,344	
Deferred Inflows of Resources							
Special assessments	-	-	-	-	6,932	6,932	
Taxes collected in advance	800,251	-	-	-	-	800,251	
Delinquent property taxes	5,188,183	-	-	-	1,488,020	6,676,203	
Delinquent ambulance receivables	279,965	-	-	-	-	279,965	
Delinquent foreclosure property sales	57,316	-	-	-	-	57,316	
Land sales receivables not yet due	-	-	-	-	386,251	386,251	
Lease receivable not yet due	-	-	9,833,051	-	-	9,833,051	
Total Deferred Inflows of Resources	6,325,715	-	9,833,051	-	1,881,203	18,039,969	
Total Liabilities and Deferred Inflows of Resources	10,259,114	-	9,833,051	33,325,498	6,096,650	59,514,313	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska
Governmental Funds
Balance Sheet, continued

<i>June 30, 2020</i>	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	School Buildings Debt Service	Fronteras School Debt Service	CARES Act Funding Special Revenue			
Fund Balances							
Nonspendable:							
Prepaid items and inventory	\$ 303,530	\$ -	\$ -	\$ -	\$ 14,953	\$ 318,483	
Long-term loan receivable	450,000	-	-	-	-	450,000	
Restricted:							
Debt service	117,990	1,594,493	-	-	2,386,790	4,099,273	
Capital projects and school construction	-	-	-	-	104,994	104,994	
Committed:							
Long-term loans receivable	-	-	-	-	3,378,394	3,378,394	
Land management	-	-	-	-	1,080,290	1,080,290	
Self-insurance	500,000	-	-	-	25,000	525,000	
Accrued leave	250,000	-	-	-	30,000	280,000	
Equipment	-	-	-	-	450,000	450,000	
Assembly projects	35,217	-	-	-	-	35,217	
Alaska LNG project	250,000	-	-	-	-	250,000	
Major repairs and renovations	300,000	-	-	-	-	300,000	
Capital	500,000	-	-	-	-	500,000	
Emergency response	1,250,000	-	-	-	-	1,250,000	
Houston school reconstruction	5,900,000	-	-	-	-	5,900,000	
Fund balance stabilization	25,000,000	-	-	-	-	25,000,000	
Assigned:							
Subsequent year appropriations	-	-	-	-	819,000	819,000	
Subsequent year expenditures	18,901,316	-	-	-	3,859,791	22,761,107	
Service areas	-	-	-	-	28,948,925	28,948,925	
Land management	-	-	-	-	333,978	333,978	
Debt service	-	2,065,550	-	-	7,313,815	9,379,365	
Equipment	-	-	-	1,620	-	1,620	
Capital projects	-	-	-	-	83,066,336	83,066,336	
Unassigned (deficit)	15,337,553	-	-	-	(42,030)	15,295,523	
Total Fund Balances	69,095,606	3,660,043	-	1,620	131,770,236	204,527,505	
Total Liabilities, Deferred Inflows of							
Resources and Fund Balances	\$ 79,354,720	\$ 3,660,043	\$ 9,833,051	\$ 33,327,118	\$ 137,866,886	\$ 264,041,818	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2020

Total fund balances for governmental funds		\$ 204,527,505
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets, net of accumulated depreciation consist of:		
Land and land improvements	\$ 21,511,836	
Rights of way	80,007,855	
Construction in progress	208,806,246	
Buildings	750,809,215	
Improvements other than buildings	49,076,614	
Equipment	55,482,869	
Infrastructure	297,845,156	
Accumulated depreciation	<u>(415,587,606)</u>	
Total capital assets		1,047,952,185
The PERS ODD OPEB plan has been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		
		252,585
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	6,676,203	
Special assessments receivable	6,932	
Ambulance receivables	279,965	
Delinquent foreclosure property sales	57,316	
Land sales contracts receivable	<u>386,251</u>	
Total long-term assets		7,406,667
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in the governmental funds.		
Deferred charge on refunding	4,379,773	
Pension related	4,613,273	
Other postemployment benefits related	<u>3,180,678</u>	
Total deferred outflows of resources		12,173,724
Internal service funds are used by the Borough to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
		27,185,345
Certain deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in the governmental funds.		
Pension related	(1,237,197)	
Other postemployment benefits related	<u>(1,381,632)</u>	
		(2,618,829)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of lease receivables earned but not yet due.		
		6,460,231
Long-term liabilities, including bonds payable, accrued leave, and net pension liability are not due and payable in the current period and, therefore, are not reported as fund liabilities. These liabilities consist of:		
Bonds, notes payable and certificates of participation	(284,769,479)	
Unamortized bond premium	(22,343,617)	
Deferred gain on refunding	(874,566)	
FTA liability	(9,287,929)	
Accrued interest payable	(3,208,644)	
Accrued leave	(3,606,061)	
Net pension liability	(40,413,954)	
Net OPEB liability	<u>(1,431,092)</u>	
Total long-term liabilities		<u>(365,935,342)</u>
Total Net Position of Governmental Activities		\$ 937,404,071

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2020	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	School Buildings Debt Service	Fronteras School Debt Service	CARES Act Funding Special Revenue			
Revenues							
Taxes	\$ 113,371,836	\$ -	\$ -	\$ -	\$ 43,470,121	\$ 156,841,957	
Intergovernmental	15,724,409	-	-	81,450	8,577,920	24,383,779	
Charges for services	5,813,130	-	-	-	3,732,966	9,546,096	
Investment income	5,882,113	393	-	1,620	455,192	6,339,318	
Interest on land sales	-	-	-	-	56,227	56,227	
Other	-	-	393,300	-	3,539,359	3,932,659	
Total Revenues	140,791,488	393	393,300	83,070	59,831,785	201,100,036	
Expenditures							
Current:							
General government	23,051,160	-	-	-	1,193,982	24,245,142	
Public works	4,104,916	-	-	-	-	4,104,916	
Emergency services	11,510,043	-	-	-	25,139,300	36,649,343	
Public services	3,509,475	-	-	81,450	25,941,808	29,532,733	
Education	54,765,932	-	-	-	-	54,765,932	
Debt service	-	26,314,139	393,300	-	6,849,416	33,556,855	
Capital outlay	-	-	-	-	20,213,362	20,213,362	
Total Expenditures	96,941,526	26,314,139	393,300	81,450	79,337,868	203,068,283	
Excess (Deficiency) of Revenues Over Expenditures	43,849,962	(26,313,746)	-	1,620	(19,506,083)	(1,968,247)	
Other Financing Sources (Uses)							
Sale of capital assets	75,547	-	-	-	26,000	101,547	
Insurance recovery	-	-	-	-	10,000,000	10,000,000	
Loan issued	-	-	-	-	6,126,246	6,126,246	
Refunding bonds issued	-	63,415,000	-	-	6,845,000	70,260,000	
Payment to refunded bond escrow agent	-	(63,688,222)	-	-	(6,850,261)	(70,538,483)	
Transfers in	469,483	26,683,471	-	-	34,617,182	61,770,136	
Transfers out	(28,080,003)	-	-	-	(34,460,483)	(62,540,486)	
Net Other Financing Sources (Uses)	(27,534,973)	26,410,249	-	-	16,303,684	15,178,960	
Net Change in Fund Balances	16,314,989	96,503	-	1,620	(3,202,399)	13,210,713	
Fund Balances, beginning	52,780,617	3,563,540	-	-	134,972,635	191,316,792	
Fund Balances, ending	\$ 69,095,606	\$ 3,660,043	\$ -	\$ 1,620	\$ 131,770,236	\$ 204,527,505	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$	13,210,713
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However 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 depreciation (\$25,477,668) exceeded capital outlays (\$21,661,811).		
		(3,815,857)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position		
		(2,305,034)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in delinquent property taxes	\$	(266,888)
Decrease in delinquent ambulance receivables		(223,039)
Decrease in deferred inflows of resources - lease receivables		(156,036)
Decrease in special assessments		(96)
Increase in deferred land sales receivable		21,595
		(624,464)
The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Amortization of deferred loss on bonds		(609,940)
Amortization of deferred gain on bonds		69,339
Amortization unamortized bond premium		2,593,881
Issuance of long term debt		(76,386,246)
Payment to refunding escrow agent for principal balances		70,538,483
Payments on debt principal		20,920,651
		17,126,168
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		(434,683)
Decrease in accrued interest payable		697,139
Net increase in net pension liability and related deferred accounts		(2,453,985)
Net decrease in net OPEB liability and related deferred accounts		8,399,701
		6,208,172
Internal service funds are used by management to charge the costs of insurance to individual funds. Net income of these activities is reported with governmental activities.		
		449,719
Change in Net Position of Governmental Activities	\$	30,249,417

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

General Fund

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

<i>Year Ended June 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 113,934,430	\$ 113,934,430	\$ 113,371,836	\$ (562,594)
Intergovernmental	5,289,000	5,289,000	15,724,409	10,435,409
Charges for services	6,374,300	6,374,300	5,813,130	(561,170)
Investment income	500,000	500,000	5,882,113	5,382,113
Total Revenues	126,097,730	126,097,730	140,791,488	14,693,758
Expenditures				
General government	25,674,743	25,466,743	23,051,160	2,415,583
Public works	4,765,921	4,715,921	4,104,916	611,005
Emergency services	13,323,079	13,179,579	11,510,043	1,669,536
Public services	4,064,459	4,039,459	3,509,475	529,984
Education	60,665,932	54,765,932	54,765,932	-
Total Expenditures	108,494,134	102,167,634	96,941,526	5,226,108
Excess of Revenues Over Expenditures	17,603,596	23,930,096	43,849,962	19,919,866
Other Financing Sources (Uses)				
Sale of capital assets	15,000	50,000	75,547	25,547
Transfers in	500,737	566,695	469,483	(97,212)
Transfers out	(27,496,503)	(28,080,003)	(28,080,003)	-
Net Other Financing Uses	(26,980,766)	(27,463,308)	(27,534,973)	(71,665)
Net Change in Fund Balance	\$ (9,377,170)	\$ (3,533,212)	16,314,989	\$ 19,848,201
Fund Balance, beginning			52,780,617	
Fund Balance, ending			\$ 69,095,606	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Exhibit D-1

Proprietary Funds
Statement of Net Position

<i>June 30, 2020</i>	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 11,186,057	\$ -	\$ 11,186,057	\$ 29,215,136
Receivables:				
Accounts	764,952	-	764,952	-
Allowance for doubtful accounts	(10,683)	-	(10,683)	-
Interfund loans receivable	-	-	-	47,766
Intergovernmental	366,001	-	366,001	-
Deposits with others	-	-	-	25,000
Total Current Assets	12,306,327	-	12,306,327	29,287,902
Noncurrent Assets				
Restricted cash and investments - landfill closure	2,663,501	-	2,663,501	-
Interfund loans receivable - long-term	-	-	-	365,952
Net other postemployment benefit assets	12,576	781	13,357	-
Property, plant and equipment:				
Buildings	8,129,593	7,948,617	16,078,210	-
Improvements other than buildings	1,941,119	-	1,941,119	-
Equipment	3,900,925	64,024	3,964,949	-
Landfill cells	13,803,665	-	13,803,665	-
Infrastructure	-	33,321,302	33,321,302	-
Construction in progress	1,104,671	-	1,104,671	-
Total property, plant and equipment	28,879,973	41,333,943	70,213,916	-
Accumulated depreciation and amortization	(13,948,147)	(13,556,215)	(27,504,362)	-
Net property, plant and equipment	14,931,826	27,777,728	42,709,554	-
Total Noncurrent Assets	17,607,903	27,778,509	45,386,412	365,952
Total Assets	29,914,230	27,778,509	57,692,739	29,653,854
Deferred Outflows of Resources				
Related to pensions	198,464	79,254	277,718	-
Related to other postemployment benefits	137,913	10,406	148,319	-
Unamortized deferred loss on bonds	-	120,414	120,414	-
Total Deferred Outflows of Resources	336,377	210,074	546,451	-
Total Assets and Deferred Outflows of Resources	\$ 30,250,607	\$ 27,988,583	\$ 58,239,190	\$ 29,653,854

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Proprietary Funds

Statement of Net Position, continued

June 30, 2020	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 700,279	\$ 27,999	\$ 728,278	\$ -
Accrued leave	139,984	8,426	148,410	-
Due to other funds	-	7,403,872	7,403,872	-
Accrued interest payable	18,161	35,787	53,948	-
Current portion:				
General obligation bonds	-	605,000	605,000	-
Loans payable	332,302	-	332,302	20,366
Insurance claims incurred but not reported and claims payable	-	-	-	2,273,191
Total Current Liabilities	1,190,726	8,081,084	9,271,810	2,293,557
Noncurrent Liabilities				
General obligation bonds payable, net of premium	-	2,155,001	2,155,001	-
Interfund loans payable	-	2,671,894	2,671,894	-
Loans payable	10,371,143	-	10,371,143	174,952
Lease credits payable	-	1,307,105	1,307,105	-
Net pension liability	1,726,794	390,079	2,116,873	-
Net other postemployment benefits liability	10,354	8,326	18,680	-
Landfill closure costs payable	6,707,488	-	6,707,488	-
Total Noncurrent Liabilities	18,815,779	6,532,405	25,348,184	174,952
Total Liabilities	20,006,505	14,613,489	34,619,994	2,468,509
Deferred Inflows of Resources				
Related to pensions	51,116	8,307	59,423	-
Related to other postemployment benefits	46,065	6,046	52,111	-
Total Deferred Inflows of Resources	97,181	14,353	111,534	-
Net Position				
Net investment in capital assets	4,228,381	25,138,141	29,366,522	-
Unrestricted (deficit)	5,918,540	(11,777,400)	(5,858,860)	27,185,345
Total Net Position	10,146,921	13,360,741	23,507,662	27,185,345
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 30,250,607	\$ 27,988,583	\$ 58,239,190	\$ 29,653,854

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2020	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Operating Revenues				
Intragovernmental	\$ -	\$ -	\$ -	\$ 9,785,590
Charges for services	9,978,894	14,037	9,992,931	-
Interest on loans	-	-	-	615
Employee contributions	-	-	-	1,494,502
Total Operating Revenues	9,978,894	14,037	9,992,931	11,280,707
Operating Expenses				
Landfill operations	3,424,561	-	3,424,561	-
Transfer sites	3,959,296	-	3,959,296	-
Dock operations	-	625,553	625,553	-
Claims	-	-	-	9,388,433
Depreciation and amortization	616,318	1,116,048	1,732,366	-
Administrative fees	65,921	-	65,921	1,248,745
Premium	-	-	-	208,431
Total Operating Expenses	8,066,096	1,741,601	9,807,697	10,845,609
Operating Income (Loss)	1,912,798	(1,727,564)	185,234	435,098
Nonoperating Revenues (Expenses)				
Intergovernmental - State sources:				
PERS relief	66,348	1,271	67,619	-
Gain on disposal of capital assets	8,150	-	8,150	-
Investment income	9,539	-	9,539	15,236
Interest expense	(89,279)	(97,032)	(186,311)	-
Net Nonoperating Revenues (Expenses)	(5,242)	(95,761)	(101,003)	15,236
Income (Loss) Before Transfers	1,907,556	(1,823,325)	84,231	450,334
Transfers in	-	848,970	848,970	-
Transfers out	-	(78,005)	(78,005)	(615)
Change in Net Position	1,907,556	(1,052,360)	855,196	449,719
Net Position, beginning	8,239,365	14,413,101	22,652,466	26,735,626
Net Position, ending	\$ 10,146,921	\$ 13,360,741	\$ 23,507,662	\$ 27,185,345

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2020	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Cash Flows from (for) Operating Activities				
Receipts from customers	\$ 9,916,198	\$ 10,164	\$ 9,926,362	\$ -
Receipts from employees and other	-	-	-	1,494,502
Payments to suppliers	(3,992,769)	(496,620)	(4,489,389)	-
Payments to employees	(2,666,492)	(153,230)	(2,819,722)	-
Payments for interfund services used	(65,921)	-	(65,921)	-
Payments for interfund services provided	-	-	-	9,785,590
Principal payments received on loans	-	-	-	67,467
Interest payments received on loans	-	-	-	615
Principal payments on loans payable	-	-	-	(20,066)
Payments for claims and services	-	-	-	(10,541,609)
Net cash flows from (for) operating activities	3,191,016	(639,686)	2,551,330	786,499
Cash Flows from (for) Noncapital Financing Activities				
Interfund loan paid	-	-	-	-
Increase in due to General Fund	-	579,284	579,284	-
Transfers in	-	848,970	848,970	-
Transfers out	-	(78,005)	(78,005)	(615)
Net cash flows from (for) noncapital financing activities	-	1,350,249	1,350,249	(615)
Cash Flows for Capital and Related Financing Activities				
Purchases of property, plant and equipment	(1,397,203)	-	(1,397,203)	-
Sales of capital assets	8,150	-	8,150	-
Loans proceeds received	458,376	-	458,376	-
Principal and interest paid on bonds and loans	(407,137)	(710,563)	(1,117,700)	-
Increase in due to General Fund	-	-	-	-
Net cash flows for capital and related financing activities	(1,337,814)	(710,563)	(2,048,377)	-
Cash Flows from Investing Activities - investment income	9,539	-	9,539	15,236
Net Increase in Cash and Investments	1,862,741	-	1,862,741	801,120
Cash and Investments, beginning of year	11,986,817	-	11,986,817	28,414,016
Cash and Investments, end of year	\$ 13,849,558	\$ -	\$ 13,849,558	\$ 29,215,136
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities				
Operating income (loss)	\$ 1,912,798	\$ (1,727,564)	\$ 185,234	\$ 435,098
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Depreciation and amortization	616,318	1,116,048	1,732,366	-
Lease credits exercised	-	(3,873)	(3,873)	-
Noncash expense - PERS relief	66,348	1,271	67,619	-
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	(62,696)	-	(62,696)	-
Loans receivable	-	-	-	67,467
Net other postemployment benefits asset	(12,576)	(781)	(13,357)	-
Deferred outflows of resources related to pensions	5,232	325	5,557	-
Deferred outflows of resources related to other postemployment benefits	(12,198)	(758)	(12,956)	-
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	279,769	(9,381)	270,388	-
Accrued leave	38,601	2,201	40,802	-
Landfill closure costs payable	635,921	-	635,921	-
Loans payable	-	-	-	(20,066)
Insurance claims incurred but not reported and claims payable	-	-	-	304,000
Net pension liability	103,519	6,430	109,949	-
Net other postemployment benefits liability	(321,682)	(19,981)	(341,663)	-
Deferred inflows of resources related to pensions	13,436	835	14,271	-
Deferred inflows of resources related to other postemployment benefits	(71,774)	(4,458)	(76,232)	-
Net Cash Flows from (for) Operating Activities	\$ 3,191,016	\$ (639,686)	\$ 2,551,330	\$ 786,499

See accompanying notes to basic financial statements.

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

June 30, 2020

Assets

Cash and investments	\$	328,389
Property taxes receivable:		
Real		88,914
Personal		9,965
Special assessments receivable		620,941
Total Assets	\$	1,048,209

Liabilities

Accounts payable	\$	18,420
Deposits		680,870
Taxes collected in advance		98,879
Bonds payable - gas lines		241,140
Bonds payable - road improvements		8,900
Total Liabilities	\$	1,048,209

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements June 30, 2020

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, as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds under accounting principles generally accepted in the United States of America. The internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. *Measurable* means that amounts can be reasonably determined within the current period. 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, pension and other postemployment benefits are recorded when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. The issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The Fiduciary Fund Type does not have a measurement of focus. Agency Fund assets and liabilities are accounted for on the accrual basis of accounting.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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 activities relating to the issuance and servicing of general obligation debt associated with school facilities.

The *Fronteras School Debt Service Fund* accounts for activities relating to the servicing of a note payable to the U.S. Department of Agriculture and receipt of lease payments associated with the Fronteras Charter School.

The *CARES Act Funding Special Revenue Fund* accounts for activities relating to the CARES Act funding received by the Borough.

Major Proprietary Funds

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

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

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 Fund - 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 two Agency Funds. The Property Tax Agency Fund accounts for property taxes collected on behalf of other cities within the Borough. The Road, Gas Line and Community Water Agency Fund accounts for monies collected from property owners by the Borough for construction of a natural gas pipeline and community water distribution system and for the paving of roads.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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, deferred outflows of resources, liabilities, deferred inflows of resources, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

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

- a. Prior to or on the third Tuesday of April, the Borough Manager submits to the Assembly a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to June 1, the budget is legally enacted through passage of an ordinance by the Borough Assembly.
- d. The Borough Manager is authorized to transfer budgeted amounts within a department within any fund; however, any revisions that alter the total budget of any department of any fund or the total expenditures of any fund must be approved by the Assembly. Expenditures may not legally exceed appropriations at the department level. Appropriations lapse at year-end for all funds except capital project funds.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. The General Fund and Special Revenue Funds, except for the CARES Act Funding Special Revenue Fund, 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 and enterprise fund financial statements. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$25,000 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 acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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

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

	Years
Buildings and improvements	30-40
Improvements other than buildings	15-40
Equipment	5
Landfill cells	10
Infrastructure	20-30

Prepaid Items

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

Inventories

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

Restricted Assets

Restricted cash and investments are held in the general fund, solid waste fund, capital project and debt service funds, and are restricted because their use is limited by bond covenant, landfill closure or grant agreement to the construction of capital assets.

Accounts Receivable and Unearned Revenue

Amounts received from grantor agencies which are restricted as to use and have not been expended for the intended use are shown as unearned revenue. All trade and tax receivables are shown net of an allowance for uncollectible accounts, determined by historical experience. The ambulance receivable allowance is recorded at 30 percent, based on historical recoveries.

Accrued Leave

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

Long-term Debt

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds on a straight-line basis, which approximates the effective interest rate method. Bonds payable as reported include amounts of unamortized bond premiums or discounts.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Principal payments on debt are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net position or fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. A deferred inflow of resources represents an acquisition of net position or fund balance that applies to future period(s) and will not be recognized as an inflow of resources (revenues) until that time. Deferred outflows of resources reported in the government-wide statements consist of deferred charges on debt refundings as well as certain pension and OPEB related accounts. Deferred inflows of resources reported on the government-wide statements consist of property taxes received in advance as well as certain pension and OPEB related accounts, while, deferred inflows of resources reported on the governmental funds consist of long-term payments due on special assessments, land sales, leases receivable, delinquent property taxes, ambulance receivables and foreclosure property sales.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability and net OPEB asset and liability, deferred outflows of resources and deferred inflows of resources related to pensions, OPEB, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Interfund Balances and Interfund Transfers

During the course of operations, Matanuska-Susitna Borough has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and interfund loans to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Fund Balance and Fund Balance Flow Assumptions

In the fund financial statements, governmental funds report amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items, inventories; and long-term receivables or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by official action, through ordinance, of the Borough's Assembly, the Borough's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the constraint through a subsequent formal modification or rescinding action.

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

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Net Position and Net Position Flow Assumptions

Net position represents the residual interest in the Borough's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Sometimes the Borough will fund outlays for a purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Borough's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Encumbrances

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

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.

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, 2020.

	Pooled Cash and Investments	School Accounts	Totals
Bank deposits	\$ 15,285,629	\$ 1,822,645	\$ 17,108,274
Investments	286,756,172	-	286,756,172
Total Cash and Investments	\$ 302,041,801	\$ 1,822,645	\$ 303,864,446

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Reconciliation to the basic financial statements:

	Borough Accounts	School Accounts	Totals
Primary government cash and investments	\$ 259,243,078	\$ -	\$ 259,243,078
Restricted cash	6,867,768	-	6,867,768
Agency funds	328,389	-	328,389
School District	35,602,566	1,822,645	37,425,211
Total Cash and Investments	\$ 302,041,801	\$ 1,822,645	\$ 303,864,446

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 in securities with maturity dates exceeding five years.

Investment maturities at June 30, 2020 are as follows:

	Amount	Investment Maturity (in years)		
		Less than 1	1-5	More than 5
Investment Type				
U.S. government agencies	\$ 117,228,798	\$ 15,162,700	\$ 102,066,098	\$ -
U.S. treasuries	31,724,831	31,724,831	-	-
Money market funds	11,348,198			
Pooled investments (AMLIP)	126,454,345			
Total Investments	\$ 286,756,172			

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 AA+ by Standard and Poor’s. In addition, all of the money market funds are rated AAAm by Standard and Poor’s. To minimize credit risk, the Borough’s investments are limited to those discussed above, under “Investments.”

Concentration of Credit Risk

The Borough places no limit on the amount it may invest in any one issuer. The Borough has no investments from any one issuer that represents 5% or more of the total investments other than securities issued by the U.S. Treasury Department, including Resolution Funding Corp with 7%, and U.S. Federal Agencies, including Federal Farm Credit Bank with 20%, Fannie Mae with 7% and Federal Home Loan Banks with 6%.

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, Alaska

Notes to Basic Financial Statements, continued

Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Borough has the following recurring fair value measurements as of June 30, 2020:

\$11,348,198 of money market funds which are actively traded in open markets and have clearly observable market prices. Investments of this type made by the Borough are reported at fair value subject to Level 1 inputs.

U.S. government agencies securities of \$117,228,798 and U.S. Treasury securities of \$31,724,831 are valued by surveys of the dealer community, relevant trade data, benchmark quotes and spreads, as determined by observed market data (Level 2 inputs).

Pooled Investments

The Borough maintains a \$126,454,345 investment in the AMLIP investment pool. Balances in AMLIP are reported at amortized cost which is believed by management to approximate fair value of the investment. The AMLIP is an external investment pool, which is rated AAAM by Standard and Poor's Corporation 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. On a monthly basis the investments in the Pool are reviewed for fair value by an independent pricing service. The values of investments in the AML Pool are approximately equal to fair value. There are no limitations or restrictions on participant withdrawals from the AMLIP investment pool.

3. Fund Balance Policy

The Borough has established, through Code Ordinance, a minimum fund balance/stabilization policy. MSB 3.04.095(A), as amended, sets out a minimum fund balance in the amount of 22.2% of all annual budgeted operating expenditures of the Borough, exclusive of the School District, or \$25 million, whichever is less. This minimum fund balance is established for the purpose of maintaining the Borough's credit worthiness, providing liquidity and protecting essential Borough programs and requirements during periods of economic downturn or catastrophic loss. The fund balance policy was originally established in 2003 and since that time, there have been no qualifying events for use of these funds.

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.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

5. Interfund Balances and Activities

Balances due to/from other funds at June 30, 2020, consisted of the following:

Due to the General Fund From

Port Enterprise Fund for advances for operating and capital costs	\$ 7,403,872
Nonmajor Fund for advances for operating costs	157,296

Total Due to the General Fund **\$ 7,561,168**

In 2016, the Port Enterprise Fund received an interest-free loan of \$4,493,488 from the Land Management Fund. In 2018 and 2019, payments of \$2,250,000 and \$21,593, respectively, were repaid, and no payment was made in 2020, leaving an aggregate balance due of \$2,221,894. Management intends for the Port Enterprise Fund to repay the Land Management Fund when financially able.

In 2017, the Port Enterprise Fund received an interest-free loan of \$450,000 from the General Fund to cover Port operations. Management intends for the Port to repay the General Fund when financially able.

In 2019, the General Fund received a \$1,285,000 loan from the Central Mat-Su Fire Service Area Special Revenue Fund. The loan was made to fund real property and improvements purchases made by the Emergency Services Department within the General Fund. The loan is to be repaid over a 10-year term (\$128,400 per year) at an interest rate of 0.25% (Borough approved rate for interfund loans), with the option to pay the outstanding loan balance prior to the end of the term. As of June 30, 2020, the total balance was \$1,156,500.

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 \$12,756 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. See Note 8 for more information on the loan payable.

Under a similar arrangement in 2010, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation for Talkeetna Community Water Upgrades. Ordinances 09-166 and 10-012 authorized the Borough to enter into the loan which will be paid back by the Talkeetna Water and Sewer Special Revenue Fund. For administrative purposes, the loan was recorded in its entirety in the Service Area Operating Revolving Loan Fund with the associated interfund loan receivable from Talkeetna Water and Sewer Special Revenue Fund. Loan payments are due in twenty annual installments of \$4,541 to \$6,025, plus interest at 1.5% through March 1, 2032. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough. See Note 8 for more information on the loan payable.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Amounts distributed at June 30, 2020 were as follows:

Road Service Area 9 - Midway Road	\$ 17,401
Road Service Area 14 - Fairview Road	10,224
Road Service Area 16 - South Colony	37,515
Road Service Area 19 - Lazy Mountain	206
Road Service Area 23 - North Colony	4,630
Road Service Area 25 - Bogard Road	34,776
Road Service Area 26 - Greater Butte Road	1,955
Road Service Area 28 - Gold Trail Road	20,965
Road Service Area 31 - Alpine Road	938
<hr/>	
Total loans payable from Road Service Areas for ADEC Loan	128,610
<hr/>	
Loan Payable from Talkeetna Water and Sewer for ADEC Loan	\$ 66,708

Interfund loans receivable and payable, representing long-term loans at June 30, 2020 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	\$ 90,000
\$214,000 Service Area 36 - Talkeetna Water and Sewer revolving loan, due in annual installments of \$21,400, plus interest as approved by the Assembly, through 2026	128,400
<hr/>	
Total loans payable to other funds with established payment terms	218,400
<hr/>	
Total Loans Payable To Revolving Loan Internal Service Funds	\$ 413,718

Transfers to/from other funds for the year ended June 30, 2020 are detailed below. Transfers are generally authorized for 1) operating subsidy, 2) capital acquisitions and/or grant match, 3) debt service, or return of capital.

From the General Fund to:

School Buildings Debt Service Fund	\$ 17,600,000
Port Enterprise Fund	848,970
Nonmajor governmental funds	9,631,033
<hr/>	
Total transfers out of General Fund	28,080,003

From Nonmajor Governmental Funds to:

General Fund	468,868
Pass Through Grants Capital Project Fund	300,000
School Buildings Debt Service Fund	9,083,471
Other nonmajor governmental funds	24,608,144
<hr/>	
Total transfers out of nonmajor governmental funds	34,460,483

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

From Port Enterprise Fund to:

Other nonmajor governmental funds	78,005
-----------------------------------	--------

From Revolving Loan Internal Service Fund to:

General Fund	615
--------------	-----

Total Transfers	\$ 62,619,106
------------------------	----------------------

6. Capital Assets

Capital asset activity for the year ended June 30, 2020 follows:

Governmental Activities	Balance July 1, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 20,008,673	\$ 1,514,914	\$ 11,751	\$ 21,511,836
Rights of way	79,941,416	66,439	-	80,007,855
Construction in progress	234,253,754	16,270,286	41,717,794	208,806,246
Total capital assets not being depreciated	334,203,843	17,851,639	41,729,545	310,325,937
<i>Capital assets being depreciated:</i>				
Buildings	754,708,237	-	3,899,022	750,809,215
Improvements other than buildings	49,547,387	1,175,838	1,646,611	49,076,614
Equipment	54,343,970	1,354,585	215,686	55,482,869
Infrastructure	256,127,362	43,009,294	1,291,500	297,845,156
Total capital assets being depreciated	1,114,726,956	45,539,717	7,052,819	1,153,213,854
<i>Less accumulated depreciation for:</i>				
Buildings	208,880,908	14,808,263	1,385,612	222,303,559
Improvements other than buildings	12,637,880	1,475,329	1,096,737	13,016,472
Equipment	36,377,595	3,198,647	215,686	39,360,556
Infrastructure	136,961,340	5,995,429	2,049,750	140,907,019
Total accumulated depreciation	394,857,723	25,477,668	4,747,785	415,587,606
Total capital assets being depreciated, net	719,869,233	20,062,049	2,305,034	737,626,248
Governmental Activities				
Capital Assets, net	\$ 1,054,073,076	\$ 37,913,688	\$44,034,579	\$ 1,047,952,185

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Business-type Activities	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 682,158	\$ 422,513	-	\$ 1,104,671
<i>Capital assets being depreciated:</i>				
Buildings	16,078,210	-	-	16,078,210
Improvements other than buildings	1,941,119	-	-	1,941,119
Equipment	3,347,648	635,264	17,963	3,964,949
Landfill cells	13,487,797	315,868	-	13,803,665
Infrastructure	33,321,302	-	-	33,321,302
Total capital assets being depreciated	68,176,076	951,132	17,963	69,109,245
<i>Less accumulated depreciation for:</i>				
Buildings	3,836,859	537,988	-	4,374,847
Improvements other than buildings	1,027,675	51,339	-	1,079,014
Equipment	1,692,025	296,486	17,963	1,970,548
Landfill cells	8,701,561	-	-	8,701,561
Infrastructure	10,531,839	846,553	-	11,378,392
Total accumulated depreciation	25,789,959	1,732,366	17,963	27,504,362
Total capital assets being depreciated, net	42,386,117	(781,234)	-	41,604,883
Business-type Activities Capital				
Assets, net	\$ 43,068,275	\$(358,721)	-	\$ 42,790,554

Depreciation expense was charged to the functions as follows for the year ended June 30, 2020:

	Depreciation
Governmental Activities	
General government	\$ 733,727
Public works	661,211
Public services	7,180,523
Emergency services	3,822,767
Education	13,079,440
Total Governmental Activities	\$ 25,477,668
Business-type Activities	
Solid waste	\$ 616,318
Port	1,116,048
Total Business-type Activities	\$ 1,732,366

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Construction Commitments

The Borough has numerous active construction projects as of June 30, 2020. The projects include completion of construction and improvements to school facilities and public safety facilities, improvement of a wastewater treatment facility, road construction and improvements, solid waste facility improvements, borough facility maintenance and improvements, cultural and recreational improvements.

Projects	Remaining Commitments
School facilities	\$ 100,518
Public Safety facilities	4,332,454
Wastewater Treatment facility	714,253
Solid Waste facilities	309,631
Road construction	917,297
Borough facility	315,101
Cultural and Recreational improvements	1,101,554
Total	\$ 7,790,808

Capital projects authorized or in progress are as follows:

	Project Authorization	Expended	Fund Balance Available
School projects	\$ 1,192,685,910	\$ 729,875,892	\$ 13,180,690
Road service area repairs	367,540,982	174,056,928	17,732,589
Sewage facility	36,488,189	22,137,485	1,514,726
Fire protection	229,426,741	114,763,877	9,374,704
Sanitary landfills	79,297,386	33,020,541	3,400,460
Ambulance and emergency services	126,937,654	52,254,086	21,290,979
Roads and bridges	307,193,494	175,964,308	1,724,150
Borough facilities	130,024,924	70,138,408	6,746,916
Cultural and recreational	78,714,100	38,104,970	3,110,546
Port	127,108,466	63,038,096	585,689
Maintenance	1,149,094	1,111,719	-
Infrastructure	380,232,068	188,466,761	(37,479)
Miscellaneous	189,891,423	99,884,516	8,342,988
Pass-through grants	33,225,595	16,341,657	155,492
	\$ 3,279,916,026	\$ 1,779,159,244	\$ 87,122,450

7. Lease Receivable

In 2016, the Borough constructed the Fronteras Charter School facility, and entered into a long-term lease agreement with Matanuska-Susitna Borough School District (the District), the facility's tenant. The payment terms of the lease are intended to mirror the Borough's repayment terms of a \$6,900,000 note payable to the United States Department of Agriculture, issued in connection with construction of the facility. Please see Note 8 for details of the note payable.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The following summarizes the future minimum lease payments due to the Borough from the District as of June 30, 2020:

<i>Year Ending June 30:</i>	Principal	Interest	Total
2021	\$ 161,787	\$ 231,513	\$ 393,300
2022	167,750	225,550	393,300
2023	173,933	219,367	393,300
2024	180,344	212,956	393,300
2025	186,991	206,309	393,300
2026-2030	1,043,563	922,937	1,966,500
2031-2035	1,250,593	715,907	1,966,500
2036-2040	1,498,695	467,805	1,966,500
2041-2045	1,796,017	170,474	1,966,491
2046	558	2	560
	\$ 6,460,231	\$ 3,372,820	\$ 9,833,051

8. Long-term Debt

Debt Information

Bond Refundings

In 2020, the Borough issued \$63,415,000 in 2019 Series A general obligation refunding bonds. Proceeds of \$63,688,222 were used to advance refund principal of \$52,230,000 and \$6,735,000 from the 2012 Series A and 2013 Series A general obligation bonds, respectively. The refunding resulted in a cash flow savings of \$4,728,646 and an economic gain of \$4,587,429. However, for accounting purposes, the transaction resulted in a gain recorded of \$594,926.

In 2020, the Borough issued \$6,845,000 in 2019 Series B general obligation refunding bonds. Proceeds of \$6,850,261 were used to advance refund principal of \$6,325,000 from the 2012 Series D general obligation bonds. The refunding resulted in a cash flow savings of \$683,283 and an economic gain of \$596,801. However, for accounting purposes, the transaction resulted in a gain recorded of \$348,979.

USDA Note Payable

In 2016, the Borough obtained a \$6,900,000 loan from the U.S. Department of Agriculture (USDA), to construct the Fronteras Spanish Immersion Charter School. The terms of the agreement require interest only payments of \$133,977 to be made on July 28, 2016 and July 27, 2017, with monthly principal and interest payments of \$32,775 for a period of 28 years at an interest rate of 3.625% starting after the final interest only payment. The District has committed to making direct payments on behalf of the Borough to the USDA. As of June 30, 2020, the outstanding principal portion of the note totaled \$6,460,231.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

FTA Liability

The Matanuska-Susitna Borough built a ferry with funds from a variety of sources to operate between the Borough and Anchorage. One of those sources was the Federal Transit Administration (“FTA”). Due to several factors not completely in the Borough’s control, such as no landing site on the Anchorage side and no source of funds to construct landings, the project failed. The FTA initially demanded repayment of \$12.3 million in grant funds it provided to the Borough for the ferry and related activities. In February 2017, the FTA revised the repayment demand to \$9.3 million. The Borough continues to negotiate a final amount and payment terms with FTA. The Borough has responded to all requests for information from FTA and also offered reasons to support a reduction in the amounts owed. The Borough is still in communications with FTA over repayment amounts and terms. The Borough expects to reduce the total amount owed and enter into a repayment plan with FTA.

Lease Credits Payable

On May 16, 2007, a lawsuit was filed by NPI LLC, relating to two contracts at Port McKenzie. The case was aggressively defended with several motions for partial summary judgment being filed. In July 2010, the case was settled for \$1,100,000 payable in cash plus \$1,375,000 in future lease credits awarded to the contractor. In 2011, the balance of the cash payment was paid in full and the lease credits payable were recorded in the Port Enterprise Fund. The lease credits are valid for lease waivers, wharfage, and other services and will expire April 2031. At June 30, 2020, the balance of the lease credits payable was \$1,307,105 and is recorded as a long-term payable in the Port Enterprise Fund.

ADEC Loans

During 2018, the Borough entered into two loan agreements with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loans are for a maximum of \$7,000,000 and \$5,000,000, respectively, and will be used to pay for Central Landfill Cell 4 design and construction, and septage and leachate treatment facility design, respectively. These loans are recorded in the Solid Waste Enterprise Fund and are currently in drawdown status.

During 2019, the Borough entered into another loan agreement with the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund Loan Program. The loan will be used to pay for the Talkeetna wastewater treatment plant upgrades. This loan is currently in drawdown status.

The Borough reported combined drawdowns of \$6,584,622 for all ADEC loans in drawdown status during FY20.

In addition, the Borough has two additional loans with the Alaska Department of Environmental Conservation for a salted sand storage building, water upgrades, and wastewater treatment plant upgrades, as discussed further in Note 5. The Borough has four additional loans with the Alaska Department of Environmental Conservation for solid waste Cell 3 construction, hazardous waste facility, regional resource recovery and training facility, and Cell 2 closure. These loans are currently in repayment status.

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

A summary of changes in long-term debt for the year ended June 30, 2020 follows:

Governmental Activities	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020	Due Within One Year
Bonds and Certificates of Participation:					
School projects bonds	\$ 224,575,000	\$63,415,000	\$75,745,000	\$ 212,245,000	\$ 14,655,000
Park and recreation bonds	20,400,000	-	1,065,000	19,335,000	1,105,000
Transportation bonds	24,465,000	6,845,000	7,575,000	23,735,000	1,295,000
Certificates of participation	17,610,000	-	1,580,000	16,030,000	1,630,000
Direct Borrowings:					
ADEC salted sand building loan	143,636	-	15,026	128,610	15,251
ADEC Talkeetna community water upgrade loan	71,748	-	5,040	66,708	5,115
ADEC Talkeetna wastewater treatment plant upgrade loan*	770,977	6,126,246	-	6,897,223	-
University of Alaska Fireweed building note payable	156,640	-	89,615	67,025	67,025
USDA note payable	6,616,267	-	156,036	6,460,231	161,787
Other Liabilities:					
FTA liability*	9,287,929	-	-	9,287,929	-
Accrued leave**	3,171,378	3,248,265	2,813,582	3,606,061	3,606,061
Insurance claims incurred but not reported and claims payable	1,969,191	9,388,432	9,084,432	2,273,191	2,273,191
	<u>309,237,766</u>	<u>\$89,022,943</u>	<u>\$98,128,731</u>	<u>300,131,978</u>	<u>\$ 24,813,430</u>
Plus unamortized bond premium	<u>31,129,886</u>			<u>22,343,617</u>	
	<u>\$ 340,367,652</u>			<u>\$ 322,475,595</u>	

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Business-type Activities	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020	Due Within One Year
Bonds:					
Port bonds	\$ 3,125,000	\$ -	\$ 580,000	\$ 2,545,000	\$ 605,000
Direct Borrowings					
ADEC solid waste loan - Cell 3 construction	2,180,728	-	130,722	2,050,006	132,683
ADEC solid waste loan - hazardous waste facility	484,604	-	50,694	433,910	51,455
ADEC solid waste loan - regional resource recovery and training facility	595,127	-	45,634	549,493	46,318
ADEC solid waste loan - Cell 2 closure	2,055,922	-	100,341	1,955,581	101,846
*ADEC solid waste loan - Cell 4	4,668,997	315,868	-	4,984,865	-
*ADEC solid waste loan - Septage and Leachate Treatment Facility	587,082	142,508	-	729,590	-
Lease credits payable	1,310,978	-	3,873	1,307,105	-
Other Liabilities:					
Landfill closure and postclosure monitoring costs	6,071,567	635,921	-	6,707,488	-
**Accrued leave	107,608	171,789	130,987	148,410	148,410
	21,187,613	<u>\$ 1,266,086</u>	<u>\$ 1,042,251</u>	21,411,448	<u>\$ 1,085,712</u>
Plus unamortized bond premium	<u>273,637</u>			<u>215,001</u>	
	<u>\$ 21,461,250</u>			<u>\$ 21,626,449</u>	

*Not yet in repayment status.

** Based on an analysis of the actual compensated absence expenditures/expense during the first quarter of the fiscal year 2021 management estimates all accrued leave will be used in the following fiscal year. Therefore the entire balance of accrued leave is reported as due within one year. Other long-term liabilities related to governmental activities such as accrued leave are generally liquidated by the General Fund.

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

At June 30, 2020, long-term debt outstanding is comprised of the following individual issues:

General Obligation Bonds

School projects bonds:

\$63,415,000 2019 Series A School refunding bonds, due in annual installments of \$1,000,000 to \$7,725,000, plus interest at 2.0% to 3.0% through March 1, 2033	\$ 63,415,000
\$31,690,000 2016 Series A School refunding bonds, due in annual installments of \$910,000 to \$3,670,000, plus interest at 2.5% to 5.0% through July 1, 2030	31,690,000
\$55,195,000 2015 Series B School bonds, due in annual installments of \$2,160,000 to \$4,225,000, plus interest at 3% to 5.0% through November 1, 2034	46,025,000
\$37,350,000 2015 Series A School refunding bonds, due in annual installments of \$2,435,000 to \$5,915,000, plus interest at 2.5% to 5.0% through February 1, 2026	16,130,000
\$29,400,000 2014 Series B School bonds, due in annual installments of \$1,090,000 to \$2,190,000, plus interest at 1.5% to 5.0% through November 1, 2034	23,680,000
\$13,290,000 2013 Series A School bonds, due in annual installments of \$570,000 to \$670,000, plus interest at 4.0% to 5.0% through March 1, 2025	3,085,000
\$91,770,000 2012 Series A School bonds, due in annual installments of \$100,000 to \$4,490,000, plus interest at 3.0% to 5.0% through March 1, 2023	10,860,000
\$8,710,000 2012 Series B School refunding bonds, due in annual installments of \$380,000 to \$1,180,000, plus interest at 4.0% to 5.0% through March 1, 2024	1,620,000
\$33,785,000 2011 Series A School bonds, due in final installment of \$1,545,000, plus interest at 3.75% through June 30, 2021	1,545,000
\$33,505,000 2007 Series A School refunding bonds, due in annual installments of \$1,960,000 to \$3,635,000, plus interest at 4.0% to 5.0% through April 1, 2025	14,195,000
Total school projects bonds	212,245,000

Park bonds:

\$21,200,000 2017 Series A Park bonds, due in annual installments of \$780,000 to \$1,435,000, plus interest at 2.0% to 5.0% through March 1, 2037	19,010,000
\$2,210,000 2007 Series B Park bonds, due in final installment of \$325,000, plus interest at 5.25% through April 1, 2021	325,000
Total park bonds	19,335,000

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Transportation bonds:

\$6,845,000 2019 Series B Transportation refunding bonds, due in annual installments of \$100,000 to \$825,000, plus interest at 2.0% to 3.0% through March 1, 2032	\$ 6,845,000
\$1,560,000 2015 Series C Transportation bonds, due in annual installments of \$65,000 to \$105,000, plus interest at 2.0% to 4.0% through November 1, 2034	1,270,000
\$17,840,000 2014 Series A Transportation bonds, due in annual installments of \$720,000 to \$1,350,000, plus interest at 2.0% to 5.0% through April 1, 2032	14,025,000
\$11,175,000 2012 Series D Transportation bonds, due in annual installments of \$510,000 to \$845,000, plus interest at 1.5% to 5.0% through April 1, 2032	1,595,000
Total transportation bonds	23,735,000

Port bonds:

\$5,770,000 2012 Series C Port refunding bonds, due in annual installments of \$605,000 to \$675,000, plus interest at 3.0% to 5.0% through March 1, 2024	2,545,000
Total General Obligation Bonds	\$ 257,860,000

Certificates of Participation

\$8,585,000 2013 Public Safety Building Lease Certificates of Participation, due in annual installments of \$540,000 to \$745,000, plus interest at 2.5% to 5.0% through October 1, 2029	\$ 5,720,000
\$5,700,000 2016 Series A Public Safety Building Lease Certificates of Participation, due in annual installments of \$335,000 to \$540,000, plus interest at 2.0% to 5.0% through March 1, 2031	4,695,000
\$5,000,000 2016 Series B Public Safety Building Lease Certificates of Participation, due in annual installments of \$290,000 to \$475,000, plus interest at 2.0% to 5.0% through March 1, 2031	4,135,000
\$2,405,000 2016 Series C Animal Control Building Certificates of Participation, due in annual installments of \$465,000 to \$520,000, plus interest at 2.0% to 5.0% through March 1, 2023	1,480,000
Total Certificates Of Participation	\$ 16,030,000

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

ADEC Loans

\$2,805,926 ADEC loan for Landfill Cell 3 construction due in annual installments of \$132,683 to \$161,018, plus interest at 1.5% through July 1, 2034	\$ 2,050,006
\$105,000 ADEC loan for Talkeetna Community Water Upgrade due in annual installments of \$5,115 to \$6,025, plus interest at 1.5% through March 1, 2032	66,708
\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$15,251 to \$16,926, plus interest at 1.5% through August 8, 2027	128,610
\$995,155 ADEC loan for Hazardous Waste Facility, due in annual installments of \$51,455 to \$57,107, plus interest at 1.5% through August 31, 2027	433,910
\$936,743 ADEC loan for Regional Resource Recovery and Training Facility, due in annual installments of \$46,319 to \$53,755, plus interest at 1.5% through June 30, 2031	549,493
\$2,252,177 ADEC loan for Central Landfill Cell 2A Closure, due in annual installments of \$101,846 to \$129,241, plus interest at 1.5% through June 1, 2037	1,955,581
ADEC loan for Central Landfill Cell 4 design and construction. Still in draw down status. Repayment terms not established.	4,984,865
ADEC loan for Mat-Su Septage and Leachate Treatment Facility. Still in draw down status. Repayment terms not established.	729,590
ADEC loan for Talkeetna Wastewater Treatment Plant Upgrade. Still in draw down status. Repayment terms not established.	6,897,223
Total ADEC Loans	\$ 17,795,986

Notes Payable

\$6,900,000 USDA note payable. Interest only payments of \$133,977 due July 28, 2016 and July 28, 2017. Monthly installments of \$32,775, including interest, due beginning August 2017 through July 2045	\$ 6,460,231
\$515,000 note payable to the University of Alaska, due in final installment of \$67,025 on March 1, 2021	67,025
Total Notes Payable	\$ 6,527,256

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The annual requirements to amortize bonds and certificates of participation, ADEC loans in repayment status, and notes payable as of June 30, 2020 are as follows:

Governmental Activities

<i>Year Ending June 30:</i>	General Obligation Bonds and Certificates of Participation		ADEC Loans - Direct Borrowings		Notes Payable - Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 18,685,000	\$ 10,843,043	\$ 20,366	\$ 2,930	\$ 228,812	\$ 231,512
2022	20,510,000	9,952,630	20,672	2,624	167,750	225,549
2023	22,545,000	9,011,805	20,982	2,314	173,933	219,366
2024	22,945,000	8,061,779	21,297	1,999	180,344	212,955
2025	21,170,000	7,182,139	21,616	1,680	186,991	206,308
2026-2030	99,075,000	24,536,585	78,424	3,696	1,043,563	922,936
2031-2035	62,625,000	4,464,371	11,961	269	1,250,593	715,906
2036-2040	2,790,000	211,250	-	-	1,498,695	467,805
2041-2045	-	-	-	-	1,796,017	170,474
2046-2050	-	-	-	-	558	2
Loan not yet in repayment status	-	-	6,897,223	-	-	-
	\$ 271,345,000	\$ 74,263,602	\$ 7,092,541	\$ 15,512	\$ 6,527,256	\$ 3,372,813

Business-type Activities

<i>Year Ending June 30:</i>	Port Bonds		ADEC Loans - Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$ 605,000	\$ 107,363	\$ 332,302	\$ 74,835
2022	620,000	87,700	337,287	69,850
2023	645,000	66,000	342,346	64,792
2024	675,000	33,750	347,481	59,657
2025	-	-	352,694	54,444
2026-2030	-	-	1,727,635	192,127
2031-2035	-	-	1,292,669	71,524
2036-2038	-	-	256,576	5,787
Loans not yet in repayment status	-	-	5,714,455	-
	\$ 2,545,000	\$ 294,813	\$ 10,703,445	\$ 593,016

The following summarizes the amounts available for payment of general long-term debt at June 30, 2020:

	Debt Service Funds
School general obligation bonds	\$ 3,660,043
Transportation bonds	829,167
Parks and recreation bonds	850,607
Certificates of participation	8,020,831
	\$ 13,360,648

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Any additional monies needed to service the school general obligation bonds or retire other governmental activity debt are provided by transfers to the Debt Service Funds from the General Fund. The following bond authorizations remain open and unissued:

	Authorized But Unissued
October 2008, Transportation Bonds	\$ 15,000,000
October 2011, School Bonds	2,465,000
October 2013, Transportation Bonds	14,615,000
October 2018, Transportation Bonds	23,845,000
	<hr/> \$ 55,925,000

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, 2020, the Borough was in compliance with these requirements.

Landfill Closure and Postclosure 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, 2020, based on landfill capacity used as of that date. In 2017 the Borough conducted a landfill closure review process which resulted in certain changes to the closure cost estimate. The \$6,707,488 reported as landfill closure and postclosure care liability at June 30, 2020 represents the cumulative amount reported to date based on the use of 30.25% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$14,036,725 as the remaining capacity is filled. The Borough expects to close the landfill in the year 2050. Actual costs may change due to inflation, deflation, changes in technology, or changes in laws and regulations.

As of June 30, 2020, 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 nonrecourse special assessment bonds to finance road, water or gas line improvements in local improvement districts within the Borough. Repayment of the bonds is through special assessments levied against the property in the local improvement districts that benefit from the project. The bonds are special obligations of the local improvement districts and are payable solely from the assessments. As such, the Borough is not obligated in any manner for the special assessment debt and is acting solely as agent on behalf of the local improvement districts. These balances are therefore only recorded in the Agency Funds.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The balance of special assessment bonds payable at June 30, 2020 follows:

Gas line bonds	\$ 241,140
Road improvement bonds	8,900
<hr/>	
Total	\$ 250,040

Advance Refunding of Bonds

Historically, the Borough has issued refunding debt when financially advantageous. The purpose of the refundings is to obtain more favorable interest rates, thereby reducing the overall cost of borrowing. At the time of the transactions, the proceeds from the issuance of the new refunding debt has been placed into an irrevocable trust with an escrow paying agent to provide the future debt service payments on the old debt, until the debt is paid in full, generally at a specified call date. For financial accounting purposes, the refunded debt is considered defeased and therefore, removed from the Borough's financial statements. At June 30, 2020, defeased debt outstanding is as follows. The 2011 A School Bonds and 2011 A School Bonds Certificates of Participation bear call dates of April 1, 2021 and July 1, 2022, respectively.

<i>Fiscal Year of Refunding</i>	Issue Refunded	Amount Refunded	Amount Outstanding
2017	2011 A School Bonds	\$ 20,185,000	\$ 20,185,000
2020	2012 A School Bonds	52,230,000	52,230,000
2020	2012 D Transportation Bonds	6,325,000	6,325,000
2020	2013 A School Bonds	6,735,000	6,735,000
<hr/>			
Total Defeased Debt Outstanding		\$ 85,475,000	\$ 85,475,000

9. Goose Creek Correctional Facility - Conduit Debt and Lease Agreement

During 2015, the Borough issued \$105,720,000 in State of Alaska Lease Revenue Refunding Bonds (Series 2015) to advance refund \$101,850,000 of the 2008 outstanding Lease Revenue Bonds. In addition, in April 2015, the Borough and the State of Alaska entered into a Second Amendment to the Lease Agreement which requires the State to make the debt payments in accordance with the 2015 bond payment schedule.

During 2017, the Borough issued \$57,985,000 in State of Alaska Lease Revenue Refunding Bonds (Series 2017) to advance refund \$59,340,000 of the 2008 outstanding Lease Revenue Bonds. The Borough considers this debt to be "conduit debt" for accounting and disclosure purposes. Total debt service outstanding and payable by the State of Alaska at June 30, 2020, including both principal and interest, was as follows:

2015 lease revenue bonds	\$ 154,479,097
2017 lease revenue bonds	65,797,375
<hr/>	
Total	\$ 220,276,472

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

10. Pension and Other Postemployment Benefit Plans

(a) Defined Benefit (DB) Pension Plan

The Borough participates in the Alaska 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. 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. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Employer and Other Contribution Rates

There are several contribution rates associated with the pension contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% of eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2020 were determined in the June 30, 2017 actuarial valuations. The Borough's contribution rates for the 2020 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare (ARHCT)	6.28%	4.89%	0.00%
Total Contribution Rates	22.00%	28.62%	6.62%

In 2020, the Borough was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2018 to June 30, 2019	Borough Fiscal Year July 1, 2019 to June 30, 2020
Employer contributions (including DBUL)	\$ 3,013,267	\$ 2,979,085
Nonemployer contributions (on-behalf)	1,489,264	1,862,011
Total Contributions	\$ 4,502,531	\$ 4,841,096

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

In addition, employee contributions to the Plan totaled \$583,048 during the Borough's fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough proportionate share of NPL	\$ 42,530,827
State's proportionate share of NPL associated with the Borough	16,893,336
Total Net Pension Liability	\$ 59,424,163

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net pension liability as of that date. The Borough's proportion of the net pension liability is based on the ratio of the present value of projected future contributions for each employer to the present value of projected future contributions to the Plan for the fiscal years 2020 to 2039. At the June 30, 2019 measurement date, the Borough's proportion was 0.77693 percent, which was a decrease of 0.03494 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Borough recognized pension expense of \$10,814,949 and on-behalf revenue of \$2,294,872 for support provided by the State. At June 30, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (629,622)
Changes in assumptions	1,302,105	-
Net difference between projected and actual earnings on pension plan investments	609,801	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	(666,998)
Borough contributions subsequent to the measurement date	2,979,085	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 4,890,991	\$ (1,296,620)

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The \$2,979,085 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2021	\$ 682,096
2022	(450,227)
2023	173,017
2024	210,400
<hr/>	
Total Amortization	\$ 615,286

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of pay, closed
Inflation	2.50%
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Pre-termination mortality rates were based on 100% of the RP-2014 table with MP-2017 generational improvement. Post-termination mortality rates were based on 91% of male and 96% of female rates of the RP-2014 table with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	24%	8.16%
Global equity (non-U.S.)	22%	7.51%
Intermediate treasuries	10%	1.58%
Opportunistic	10%	3.96%
Real assets	17%	4.76%
Absolute return	7%	4.76%
Private equity	9%	11.39%
Cash equivalents	1%	0.83%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 7.38%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net pension liability	0.77693%	\$ 56,133,229	\$ 42,530,827	\$ 31,139,260

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. 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 participation accounts. Each participation account is self-directed with respect to investment options. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/drb/pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Borough contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2020 to cover a portion of the Borough's employer match contributions. For the year ended June 30, 2020, forfeitures reduced pension expense by \$0.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2020, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2020 were \$911,990 and \$1,459,176 respectively. The Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, the Borough participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP is self-insured and provides major medical coverage to retirees of the PERS DC Plan (Tier IV). Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

Employer Contribution Rate

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2020 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	6.28%	6.28%
Retiree Medical Plan	1.32%	1.32%
Occupational Death and Disability Benefits	0.26%	0.72%
Total Contribution Rates	7.86%	8.32%

In 2020, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period	Borough Fiscal Year
	July 1, 2018	July 1, 2019
	to	to
	June 30, 2019	June 30, 2020
Employer contributions - ARHCT	\$ 1,083,601	\$ 1,189,931
Employer contributions - RMP	145,616	240,765
Employer contributions - ODD	44,785	54,324
Total Contributions	\$ 1,274,002	\$ 1,485,020

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2020, the Borough reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

Borough's proportionate share of NOL - ARHCT	\$ 1,152,914
Borough's proportionate share of NOL - RMP	296,858
Total Borough's Proportionate Share of Net OPEB Liabilities	\$ 1,449,772
<hr/>	
State's proportionate share of the ARHCT NOL associated with the Borough	458,421
Total Net OPEB Liabilities	\$ 1,908,193

At June 30, 2020, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) associated with the Borough's participation in the ODD Plan. The amount recognized by the Borough for its proportionate share was \$265,942.

The total OPEB liabilities (asset) for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net OPEB liabilities (asset) as of that date. The Borough's proportion of the net OPEB liabilities (asset) is based on the ratio of the present value of projected future contributions for each employer to the present value of projected future contributions to the Plans for the fiscal years 2020 to 2039.

	June 30, 2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
<hr/>			
Borough's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.81167%	0.77700%	(0.34670)%
RMP	1.64340%	1.24084%	(0.40256)%
ODD	1.64340%	1.09690%	(0.54650)%

The remainder of this page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

As a result of its requirements to contribute to the OPEB plans and changes in the actuarially calculated net OPEB asset and liability, the Borough recognized OPEB expense of \$(8,619,509). Of this amount, \$(2,962,780) was recorded for on-behalf revenue and expense for the actuarially calculated support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB Expense	On-behalf Revenue
ARHCT	\$ (9,139,031)	\$ (2,962,780)
RMP	449,927	-
ODD	69,595	-
Total	\$ (8,619,509)	\$ (2,962,780)

At June 30, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Changes in assumptions	\$ 1,529,895	\$ 143,686	\$ -	\$ 1,673,581
Changes in proportion and differences between Borough contributions and proportionate share of contributions	154,062	8,420	7,914	170,396
Borough contributions subsequent to the measurement date	1,189,931	240,765	54,324	1,485,020
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 2,873,888	\$ 392,871	\$ 62,238	\$ 3,328,997
<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (774,734)	\$ (21,991)	\$ (82,917)	\$ (879,642)
Changes in assumptions	-	-	(5,085)	(5,085)
Difference between projected and actual investment earnings	(504,850)	(3,276)	(1,757)	(509,883)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	(32,368)	-	(6,765)	(39,133)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (1,311,952)	\$ (25,267)	\$ (96,524)	\$ (1,433,743)

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	ARHCT	RMP	ODD	Total
2021	\$ 484,443	\$ 13,494	\$ (14,006)	\$ 483,931
2022	(392,411)	13,494	(14,006)	(392,923)
2023	121,461	21,356	(11,575)	131,242
2024	158,512	21,217	(11,524)	168,205
2025	-	18,209	(12,338)	5,871
Thereafter	-	39,069	(25,161)	13,908
Total Amortization	\$ 372,005	\$ 126,839	\$ (88,610)	\$ 410,234

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2019 was determined by actuarial valuations as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2019:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of payroll, closed
Inflation	2.50%
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/ Firefighter. Graded by service from 6.75% to 2.75% for all others
Investment return of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 8.5% grading down to 4.5% EGWP: 8.5% grading down to 4.5%
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Post-termination mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table project with MP-2017 generational improvement. The rates for pre-termination mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 10% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

In addition to the changes in assumptions resulting from the experience study, the following assumption changes have been made since the prior valuation:

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated.
3. Per capita claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	24%	8.16%
Global equity (non-U.S.)	22%	7.51%
Intermediate treasuries	10%	1.58%
Opportunistic	10%	3.96%
Real assets	17%	4.76%
Absolute return	7%	4.76%
Private equity	9%	11.39%
Cash equivalents	1%	0.83%

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2019 was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.38%, as well as what the Borough's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	0.77700%	\$ 9,273,745	\$ 1,152,914	\$ (5,527,358)
RMP	1.24084%	\$ 745,606	\$ 296,858	\$ (40,985)
ODD	1.09690%	\$ (252,264)	\$ (265,942)	\$ (276,999)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the Borough's proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2019 actuarial valuation reports as well as what the Borough's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	0.77700%	\$ (6,308,664)	\$ 1,152,914	\$ 10,258,850
RMP	1.24084%	\$ (91,301)	\$ 296,858	\$ 828,209
ODD	1.09690%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

(d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan is established under AS 39.30.300. The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Contribution Rate

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2019, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,121 per year for each full-time employee, and \$1.36 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2020, the Borough contributed \$522,397 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

(e) School District Participation

The School District also participates in the PERS pension and postemployment benefit plans, along with separate but similar plans for educators, under the Teacher Retirement System (TRS) plan. Additional information about the School District’s pension and postemployment benefit plans can be found in their separately issued financial statements.

11. Contingencies

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. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Borough expects such amounts, if any, to be nominal.

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.

12. 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.

13. 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 claims. Commercial policies are purchased to cover claims exceeding these amounts.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The Borough (excluding the School District) provides health insurance on a self-insured basis up to \$100,000 each occurrence or \$1 million in aggregate for all medical claims during the year. Coverage in excess of these amounts is insured by a private carrier. The Borough contracts with a third-party administrator for health claims servicing. The Borough charges each department and employee a premium based on the actual claims paid by the Borough. The Borough accrues a liability for claims incurred but not reported at year end.

A schedule of the changes in the claims liability for the years ended June 30, 2020 and 2019 follows:

	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Total
Balance, June 30, 2018	\$ -	\$ 1,515,707	\$ -	\$ 160,056	\$ 1,675,763
Claims incurred	61,458	7,331,721	-	688,054	8,081,233
Claims paid	(61,458)	(7,280,445)	-	(445,902)	(7,787,805)
Balance, June 30, 2019	-	1,566,983	-	402,208	1,969,191
Claims incurred	57,870	8,728,120	-	602,443	9,388,433
Claims paid	(57,870)	(8,532,347)	-	(494,216)	(9,084,433)
Balance, June 30, 2020	\$ -	\$ 1,762,756	\$ -	\$ 510,435	\$ 2,273,191

Management estimates that all of this liability is due within one year. If an unemployment insurance liability is due, it is payable quarterly upon receipt of billing from the State of Alaska. This liability is included in the financial statements as accounts payable. All other funds' liabilities are reported on the statement of net position as insurance claims incurred but not reported and claims payable. This liability, in the amount of \$2,273,191, is included with the governmental-activities noncurrent liabilities.

14. School District - Houston Reconstruction

In 2020, the Borough received \$5,900,000 from Matanuska Susitna Borough School District, a discreetly presented component unit, to be used for repairs associated with damage incurred during the November 30, 2018 earthquake to the middle school. This is being reported against the school district contribution reported in education expense and these monies are included in fund balance as committed due to the agreement with the school district.

15. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the full effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity in future years. The Borough is dependent upon its workforce to deliver its services, and local businesses are dependent on economic factors in order to continue operations. Prolonged shutdowns or limited economic activity may negatively impact the Borough's services and taxes collected and the Borough's overall liquidity. Furthermore, adverse economic effects of the COVID-19 outbreak may decrease demand for the Borough's services based on restrictions in place to curb the outbreak or changes in consumer behavior.

Although the Borough cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Borough's results of future operations, financial position, and liquidity in fiscal year 2021.

CARES Act

On March 27, 2020 President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. It also appropriated certain relief funds, for which the Borough may be eligible. At the time of this report, \$38,032,472 has been awarded to the Borough through the State of Alaska Department of Commerce, Community and Economic Development Coronavirus Relief Fund. As of June 30, 2020, the Borough has spent \$81,450 of these monies. The remainder is slated to be spent as required by December 31, 2021, which has been approved by the Borough Assembly and budgeted as follows:

CARES Act Coronavirus Relief Funding

Economic relief grants	\$ 12,367,000
Public safety modifications and equipment	3,133,822
Public facility safety and health improvements	1,356,049
Cleaning and sanitation equipment and supplies	444,700
Election Requirements	500,000
Telework capability improvements	1,064,210
Payroll costs for disaster response	9,316,804
School District	4,975,149
FFCRA/Leave for employees	300,000
Community Outreach	4,574,738

Total CARES Act Coronavirus Relief Funding	\$ 38,032,472
---	----------------------

Consolidated Appropriations Act, 2021 - Subsequent Event

Subsequent to year-end on December 27, 2020, President Trump signed the Consolidated Appropriations Act, 2021 (the Act), which includes \$900 Billion in stimulus relief for the COVID-19 pandemic. The Act includes stimulus funding for governments and the Borough is evaluating the impact of the Act on the organization.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

16. New Accounting Pronouncements

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates.

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months, Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

The following standards are required to be implemented in future financial reporting periods. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 84 - Fiduciary Activities - Effective for year-end June 30, 2020. This Statement addresses criteria for identifying and reporting fiduciary activities.

GASB Statement No. 87 - Leases - Effective for year-end June 30, 2021, This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2021. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61 - Effective for year-end June 30, 2020. This Statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2022. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

GASB Statement No. 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2021. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, are required to be implemented for year-end June 30, 2022. The requirements in paragraph 11b are required to be implemented for year-end June 30, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Matanuska-Susitna Borough, Alaska

**Public Employees' Retirement System (PERS) - Pension Plan
Schedule of the Borough's Proportionate Share of the Net Pension Liability**

<i>Years Ended June 30,</i>	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.77693%	0.81187%	0.76056%	0.84421%	0.64860%	0.48137%
Borough's Proportionate Share of the Net Pension Liability	\$ 42,530,827	\$ 40,341,822	\$ 39,316,621	\$ 47,187,922	\$ 31,457,163	\$ 22,451,653
State of Alaska Proportionate Share of the Net Pension Liability	16,893,336	11,680,902	14,648,493	5,944,748	8,425,442	18,637,380
Total Net Pension Liability	\$ 59,424,163	\$ 52,022,724	\$ 53,965,114	\$ 53,132,670	\$ 39,882,605	\$ 41,089,033
Borough's Covered Payroll	\$ 25,007,882	\$ 23,215,637	\$ 22,871,706	\$ 22,300,573	\$ 21,010,045	\$ 19,339,708
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	170.07%	173.77%	171.90%	211.60%	149.72%	116.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

Schedule of Borough Contributions

<i>Years Ended June 30,</i>	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 2,979,085	\$ 3,013,267	\$ 3,034,464	\$ 2,667,192	\$ 2,309,530	\$ 2,137,416
Contributions Relative to the Contractually Required Contribution	2,979,085	3,013,267	3,034,464	2,667,192	2,309,530	2,137,416
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 26,810,589	\$ 25,007,882	\$ 23,215,637	\$ 22,871,706	\$ 22,300,573	\$ 21,010,045
Contributions as a Percentage of Covered Payroll	11.11%	12.05%	13.07%	11.66%	10.36%	10.17%

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough, Alaska

Public Employees' Retirement System - OPEB Plans
 Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	ARHCT			RMP			ODD		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.77700%	0.81167%	0.76061%	1.24084%	1.64340%	1.15139%	1.09690%	1.64340%	1.15139%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,152,914	\$ 8,330,034	\$ 6,425,311	\$ 296,858	\$ 148,162	\$ 60,045	\$ (265,942)	\$ (226,138)	\$ (163,372)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	458,421	2,418,351	2,395,674	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ 1,611,335	\$ 10,748,385	\$ 8,820,985	\$ 296,858	\$ 148,162	\$ 60,045	\$ (265,942)	\$ (226,138)	\$ (163,372)
Borough's Covered Payroll	\$ 9,666,937	\$ 10,001,186	\$ 10,889,449	\$ 15,340,945	\$ 13,214,451	\$ 11,982,257	\$ 15,340,945	\$ 13,214,451	\$ 11,982,257
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	11.93%	83.29%	59.00%	1.94%	1.12%	0.50%	-1.73%	-1.71%	-1.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	98.13%	88.12%	89.68%	83.17%	88.71%	93.98%	297.43%	270.62%	212.97%

Years Ended June 30,	ARHCT			RMP			ODD		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Contractually Required Contributions	\$ 1,189,931	\$ 1,083,601	\$ 864,788	\$ 240,765	\$ 145,616	\$ 135,734	\$ 54,324	\$ 44,785	\$ 23,305
Contributions Relative to the Contractually Required Contribution	1,189,931	1,083,601	864,788	240,765	145,616	135,734	54,324	44,785	23,305
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 8,570,896	\$ 9,666,937	\$ 10,001,186	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451
Contributions as a Percentage of Covered Payroll	13.883%	11.209%	8.647%	1.320%	0.949%	1.027%	0.298%	0.292%	0.176%

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough, Alaska
Notes to Required Supplementary Information
June 30, 2020

1. Public Employees' Retirement System Pension Plan

Schedule of the Borough's Proportionate Share of the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

Changes in Assumptions:

In 2020, the discount rate was lowered from 8% to 7.38%.

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

Schedule of Borough Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

2. Public Employees' Retirement System OPEB Plans

Schedule of the Borough's Proportionate Share of the Net OPEB Asset and Liability

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

Changes in Assumptions:

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated.
3. Per capita claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.
5. The discount rate was lowered from 8% to 7.38%.

Matanuska-Susitna Borough, Alaska

Notes to Required Supplementary Information, continued June 30, 2020

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

Changes in Methods:

As part of the experience study, the actuarial cost method for the retiree healthcare plan was changed from the Entry Age Level Dollar method to the Entry Age Level Percent of Pay method.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the Borough will present only those years for which information is available.

Schedule of Borough Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

This page intentionally left blank.

NONMAJOR FUNDS

This page intentionally left blank.

Matanuska-Susitna Borough, Alaska

Nonmajor Governmental Funds

Combining Balance Sheet

<i>June 30, 2020</i>	Special Revenue	Debt Service	Capital Projects	Totals
Assets				
Cash and investments	\$ 35,565,540	\$ 7,313,815	\$ 82,199,468	\$ 125,078,823
Prepaid items	12,503	-	2,450	14,953
Receivables:				
Intergovernmental	722,197	-	3,663,375	4,385,572
Property taxes, net of allowance	1,813,149	-	-	1,813,149
Land sales contracts, net	98,615	-	-	98,615
Interfund loans receivable	3,378,394	-	-	3,378,394
Other	217,069	-	2,276	219,345
Land sales contracts receivable, long-term	386,251	-	-	386,251
Restricted cash and investments	-	2,386,790	104,994	2,491,784
Total Assets	\$ 42,193,718	\$ 9,700,605	\$ 85,972,563	\$ 137,866,886
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts, contracts and retentions payable	\$ 856,189	\$ -	\$ 2,615,513	\$ 3,471,702
Due to other funds	1,620	50	155,626	157,296
Deposits	107,608	-	14,576	122,184
Unearned revenue	-	-	50,547	50,547
Interfund loans payable	413,718	-	-	413,718
Total Liabilities	1,379,135	50	2,836,262	4,215,447
Deferred Inflows of Resources				
Special assessments	6,932	-	-	6,932
Delinquent property taxes	1,488,020	-	-	1,488,020
Land sales receivables not yet due	386,251	-	-	386,251
Total Liabilities and Deferred Inflows of Resources	3,260,338	50	2,836,262	6,096,650
Fund Balances				
Nonspendable - prepaid items	12,503	-	2,450	14,953
Restricted:				
Debt service	-	2,386,790	-	2,386,790
Capital projects	-	-	104,994	104,994
Committed:				
Long-term loans receivable	3,378,394	-	-	3,378,394
Land management	1,080,290	-	-	1,080,290
Self-insurance	25,000	-	-	25,000
Accrued leave	30,000	-	-	30,000
Equipment	450,000	-	-	450,000
Assigned:				
Subsequent year expenditures	3,859,791	-	-	3,859,791
Subsequent year appropriations	819,000	-	-	819,000
Service areas	28,948,925	-	-	28,948,925
Land management	333,978	-	-	333,978
Debt service	-	7,313,815	-	7,313,815
Capital projects	-	-	83,066,336	83,066,336
Unassigned (deficits)	(4,501)	(50)	(37,479)	(42,030)
Total Fund Balances	38,933,380	9,700,555	83,136,301	131,770,236
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 42,193,718	\$ 9,700,605	\$ 85,972,563	\$ 137,866,886

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

<i>Year Ended June 30, 2020</i>	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 43,470,121	\$ -	\$ -	\$ 43,470,121
Intergovernmental	1,134,644	-	7,443,276	8,577,920
Charges for services	3,732,966	-	-	3,732,966
Investment income	36,126	26,578	392,488	455,192
Interest on land sales	56,227	-	-	56,227
Other	1,516,672	-	2,022,687	3,539,359
Total Revenues	49,946,756	26,578	9,858,451	59,831,785
Expenditures				
Current:				
General government	417,797	-	776,185	1,193,982
Emergency services	14,774,859	-	10,364,441	25,139,300
Public services	15,524,754	-	10,417,054	25,941,808
Debt service	3,846	6,845,570	-	6,849,416
Capital outlay	-	-	20,213,362	20,213,362
Total Expenditures	30,721,256	6,845,570	41,771,042	79,337,868
Excess (Deficiency) of Revenues Over Expenditures				
	19,225,500	(6,818,992)	(31,912,591)	(19,506,083)
Other Financing Sources (Uses)				
Sale of capital assets	26,000	-	-	26,000
Insurance recovery	-	-	10,000,000	10,000,000
Loan issued	-	-	6,126,246	6,126,246
Refunding bonds issued	-	6,845,000	-	6,845,000
Payment to refund bond escrow agent	-	(6,850,261)	-	(6,850,261)
Transfers in	1,846,699	10,473,259	22,297,224	34,617,182
Transfers out	(22,697,347)	-	(11,763,136)	(34,460,483)
Net Other Financing Sources (Uses)	(20,824,648)	10,467,998	26,660,334	16,303,684
Net Change in Fund Balances	(1,599,148)	3,649,006	(5,252,257)	(3,202,399)
Fund Balances, beginning	40,532,528	6,051,549	88,388,558	134,972,635
Fund Balances, ending	\$ 38,933,380	\$ 9,700,555	\$ 83,136,301	\$ 131,770,236

This page intentionally left blank.

GENERAL FUND

Matanuska-Susitna Borough, Alaska

General Fund

Balance Sheet with Comparative Totals

June 30,	2020	2019
Assets		
Cash and investments	\$ 58,370,394	\$ 46,408,104
Prepaid items	7,989	681,831
Receivables:		
Intergovernmental	2,548,229	8,124
Delinquent property taxes, including foreclosure costs, penalties and interest net of allowance for doubtful accounts of \$119,961 (\$166,251 in 2019)	6,140,086	5,991,342
Ambulance, net of allowance for doubtful accounts of \$453,670 (\$238,862 in 2018)	1,226,684	1,043,727
Excise taxes	1,299,049	686,009
Accrued interest	515,322	612,025
Other	822,268	975,873
Due from other funds	7,561,168	7,064,550
Interfund loans receivable	450,000	450,000
Inventory	295,541	216,243
Restricted cash	117,990	78,660
Total Assets	\$ 79,354,720	\$ 64,216,488
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	\$ 584,106	\$ 646,308
Accrued payroll and related liabilities	2,060,792	2,667,575
Interfund loans payable	1,156,500	1,285,000
Other liabilities	132,001	145,932
Total Liabilities	3,933,399	4,744,815
Deferred Inflows of Resources		
Taxes collected in advance	800,251	794,185
Delinquent property taxes	5,188,183	5,336,551
Delinquent ambulance receivables	279,965	503,004
Delinquent foreclosure property sales	57,316	57,316
Total Deferred Inflows of Resources	6,325,715	6,691,056
Total Liabilities and Deferred Inflows of Resources	10,259,114	11,435,871
Fund Balance		
Nonspendable:		
Prepaid items	7,989	681,831
Inventory	295,541	216,243
Long-term loan receivable	450,000	450,000
Restricted -		
Debt service	117,990	78,660
Committed:		
Self-insurance	500,000	150,000
Accrued leave	250,000	250,000
Assembly projects	35,217	57,217
Alaska LNG project	250,000	250,000
Major repairs and renovations	300,000	300,000
Capital	500,000	500,000
Emergency response	1,250,000	2,000,000
Houston school reconstruction	5,900,000	-
Fund balance stabilization	25,000,000	25,000,000
Assigned - subsequent year expenditures	18,901,316	9,377,170
Unassigned	15,337,553	13,469,496
Total Fund Balance	69,095,606	52,780,617
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 79,354,720	\$ 64,216,488

Matanuska-Susitna Borough, Alaska

General Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Current year property tax levy	\$ 100,598,400	\$ 99,865,833	\$ (732,567)	\$ 95,907,419
Penalty and interest on taxes	1,000,000	1,261,483	261,483	1,076,762
Foreclosure costs	130,000	121,593	(8,407)	93,423
Recording and attorney fees	4,000	278,634	274,634	44,419
Vehicle taxes collected through State of Alaska	2,620,530	926,910	(1,693,620)	2,039,657
Excise taxes	8,309,000	9,917,857	1,608,857	9,418,381
Transient accommodations tax	1,272,500	999,526	(272,974)	1,428,373
Total taxes	113,934,430	113,371,836	(562,594)	110,008,434
Intergovernmental:				
State sources:				
Debt service reimbursement	-	8,787,348	8,787,348	19,831,024
Community assistance	1,780,000	1,554,968	(225,032)	1,972,291
PERS relief	500,000	1,441,186	941,186	1,137,871
In lieu of taxes	9,000	8,635	(365)	8,853
Other	-	34,330	34,330	151
Federal sources:				
In lieu of taxes	3,000,000	3,876,116	876,116	3,707,324
Other	-	21,826	21,826	22,084
Total intergovernmental	5,289,000	15,724,409	10,435,409	26,679,598
Charges for services:				
Ambulance	4,501,500	4,039,155	(462,345)	3,582,622
Engineering inspections	120,500	69,315	(51,185)	138,465
Planning and zoning	150,000	260,744	110,744	162,929
Ice arena	450,000	402,073	(47,927)	426,430
Community pool fees	470,000	312,203	(157,797)	376,677
Business licenses	350,000	417,800	67,800	468,353
Other	332,300	311,840	(20,460)	359,063
Total charges for services	6,374,300	5,813,130	(561,170)	5,514,539
Investment income	500,000	5,882,113	5,382,113	7,610,724
Total Revenues	126,097,730	140,791,488	14,693,758	149,813,295

Matanuska-Susitna Borough, Alaska

General Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Expenditures				
General government:				
Mayor	\$ 82,197	\$ 77,706	\$ 4,491	\$ 59,544
Assembly	422,263	355,235	67,028	371,070
Clerk	564,489	564,906	(417)	536,626
Administration	1,610,344	1,419,631	190,713	1,511,128
Elections	545,015	398,078	146,937	422,672
Records management	507,500	470,398	37,102	441,642
Finance	609,157	441,143	168,014	461,030
Budgeting	1,592,470	1,467,161	125,309	1,541,210
Accounting	1,588,006	1,515,583	72,423	1,616,704
Law	1,942,389	1,602,657	339,732	1,510,921
Human resources	819,019	760,801	58,218	612,070
Common contractual	1,715,963	1,367,743	348,220	1,026,635
Adj. and appeals/bid review board	41,550	14,452	27,098	702
Planning	2,996,653	2,730,410	266,243	2,650,430
Planning administration	474,854	461,099	13,755	447,063
Economic development	807,177	826,234	(19,057)	789,845
Pass-through to cities	347,000	325,000	22,000	325,000
Assessments	2,946,055	2,716,518	229,537	2,507,789
Information technology	5,435,382	4,977,249	458,133	5,178,013
Purchasing	905,960	906,713	(753)	859,745
Total general government	25,953,443	23,398,717	2,554,726	22,869,839
Less recovery of expenditures from other funds	(486,700)	(347,557)	(139,143)	(357,986)
Net general government	25,466,743	23,051,160	2,415,583	22,511,853
Public works:				
Public works administration	740,695	625,014	115,681	879,849
Maintenance	1,237,613	992,035	245,578	1,101,206
Project management and engineering	2,663,930	2,418,953	244,977	2,599,153
Public works operations	73,683	68,914	4,769	116,172
Total public works	4,715,921	4,104,916	611,005	4,696,380

Matanuska-Susitna Borough, Alaska

General Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Expenditures, continued				
Emergency services:				
Local emergency planning board	\$ 11,950	\$ -	\$ 11,950	\$ 4,485
Rescue units	1,067,977	709,999	357,978	911,112
Ambulance operation	9,578,337	9,005,052	573,285	7,341,595
Emergency management	492,988	189,726	303,262	212,457
Emergency services building	94,099	62,187	31,912	111,242
Fleet maintenance	-	(14)	14	220,965
Telecommunications network	1,367,481	1,091,465	276,016	944,501
Emergency services administration	1,385,614	1,146,659	238,955	1,185,182
Total emergency services	13,998,446	12,205,074	1,793,372	10,931,539
Less recovery of expenditures from other funds	(818,867)	(695,031)	(123,836)	(688,369)
Net emergency services	13,179,579	11,510,043	1,669,536	10,243,170
Public services:				
Vehicle removal	27,500	9,077	18,423	18,356
Community services	-	-	-	164,605
Parks and recreation	587,034	407,033	180,001	390,288
Ice arena	861,354	807,506	53,848	801,196
Outdoor ice rinks	5,100	1,193	3,907	1,577
Recreational services	314,299	292,484	21,815	279,930
Community pools	1,521,037	1,349,152	171,885	1,164,854
Community development administration	899,446	834,607	64,839	823,115
Road service administration	2,967,985	2,835,998	131,987	2,393,269
Recreation infrastructure maintenance	424,889	297,580	127,309	299,741
Total public services	7,608,644	6,834,630	774,014	6,336,931
Less recovery of expenditures from other funds	(3,569,185)	(3,325,155)	(244,030)	(2,499,577)
Net public services	4,039,459	3,509,475	529,984	3,837,354

Matanuska-Susitna Borough, Alaska

General Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Expenditures, continued				
Education:				
Contributions to School District	\$ 60,665,932	\$ 60,665,932	\$ -	\$ 58,374,918
Less amount received for Houston Reconstruction	(5,900,000)	(5,900,000)	-	-
Total education	54,765,932	54,765,932	-	58,374,918
Total Expenditures	102,167,634	96,941,526	5,226,108	99,663,675
Excess of Revenues Over Expenditures	23,930,096	43,849,962	19,919,866	50,149,620
Other Financing Sources (Uses)				
Sale of capital assets	50,000	75,547	25,547	20,517
Transfers in	566,695	469,483	(97,212)	785,527
Transfers out	(28,080,003)	(28,080,003)	-	(53,385,080)
Net Other Financing Sources (Uses)	(27,463,308)	(27,534,973)	(71,665)	(52,579,036)
Net Change in Fund Balance	<u>\$ (3,533,212)</u>	16,314,989	<u>\$ 19,848,201</u>	(2,429,416)
Fund Balance, beginning		<u>52,780,617</u>		<u>55,210,033</u>
Fund Balance, ending		<u>\$ 69,095,606</u>		<u>\$ 52,780,617</u>

This page intentionally left blank.

SPECIAL REVENUE FUNDS

Matanuska-Susitna Borough, Alaska
CARES Act Funding Special Revenue Fund
Balance Sheet with Comparative Totals

<i>June 30,</i>	2020	2019
Assets		
Cash and investments	\$ 33,327,118	\$ -
Total Assets	\$ 33,327,118	\$ -
Liabilities and Fund Balance		
Liabilities		
Unearned revenue	\$ 33,325,498	\$ -
Total Liabilities	33,325,498	-
Fund Balance		
Assigned for equipment	1,620	-
Total Liabilities and Fund Balance	\$ 33,327,118	\$ -

Matanuska-Susitna Borough, Alaska
CARES Act Funding Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Revenues		
Intergovernmental	\$ 81,450	\$ -
Investment income	1,620	-
Total Revenues	83,070	-
Expenditures		
Public services	81,450	-
Net Change in Fund Balance	1,620	-
Fund Balance, beginning	-	-
Fund Balance, ending	\$ 1,620	\$ -

Matanuska-Susitna Borough, Alaska

Special Revenue Funds

Combining Balance Sheet with Comparative Totals

June 30,	Nonareawide Services and Service Areas	Land Management	Totals	
			2020	2019
Assets				
Cash and investments	\$ 33,609,880	\$ 1,955,660	\$ 35,565,540	\$ 37,739,962
Prepaid items	12,503	-	12,503	66,473
Receivables:				
Intergovernmental	722,197	-	722,197	202
Property taxes, net of allowance	1,813,149	-	1,813,149	1,804,237
Land sales contracts, net	-	98,615	98,615	15,586
Interfund loans receivable	1,156,500	2,221,894	3,378,394	3,506,894
Other	210,113	6,956	217,069	444,198
Land sales contracts receivable, long-term	-	386,251	386,251	364,656
Total Assets	\$ 37,524,342	\$ 4,669,376	\$ 42,193,718	\$ 43,942,208
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 846,475	\$ 9,714	\$ 856,189	\$ 853,664
Due to other funds	1,620	-	1,620	-
Deposits	20,734	86,874	107,608	96,608
Interfund loans payable	413,718	-	413,718	481,184
Total Liabilities	1,282,547	96,588	1,379,135	1,431,456
Deferred Inflows of Resources				
Special assessments	6,932	-	6,932	7,028
Delinquent property taxes	1,488,020	-	1,488,020	1,606,540
Land sales receivables not yet due	-	386,251	386,251	364,656
Total Liabilities and Deferred Inflows of Resources	2,777,499	482,839	3,260,338	3,409,680
Fund Balances				
Nonspendable - prepaid items	12,503	-	12,503	66,473
Committed:				
Long-term loans receivable	1,156,500	2,221,894	3,378,394	3,506,894
Land management	-	1,080,290	1,080,290	4,376,354
Self-insurance	25,000	-	25,000	10,000
Accrued leave	20,000	10,000	30,000	30,000
Equipment	450,000	-	450,000	100,000
Assigned:				
Subsequent year expenditures	3,319,416	540,375	3,859,791	8,897,899
Subsequent year appropriations	819,000	-	819,000	794,419
Land management	-	333,978	333,978	-
Service areas	28,948,925	-	28,948,925	22,750,489
Unassigned (deficits)	(4,501)	-	(4,501)	-
Total Fund Balances	34,746,843	4,186,537	38,933,380	40,532,528
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 37,524,342	\$ 4,669,376	\$ 42,193,718	\$ 43,942,208

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

<i>Years Ended June 30,</i>	Nonareawide Services and Service Areas	Land Management	Totals	
			2020	2019
Revenues				
Taxes	\$ 43,470,121	\$ -	\$ 43,470,121	\$ 41,191,829
Intergovernmental	1,081,549	53,095	1,134,644	1,078,355
Charges for services	2,775,352	957,614	3,732,966	3,571,817
Investment income	32,695	3,431	36,126	53,475
Interest on land sales	-	56,227	56,227	54,373
Other	1,514,622	2,050	1,516,672	1,188,761
Total Revenues	48,874,339	1,072,417	49,946,756	47,138,610
Expenditures				
Current:				
General government	417,797	-	417,797	439,188
Emergency services	14,774,859	-	14,774,859	13,934,097
Public services	14,540,985	983,769	15,524,754	14,658,243
Debt service	3,846	-	3,846	4,211
Total Expenditures	29,737,487	983,769	30,721,256	29,035,739
Excess of Revenues Over Expenditures				
	19,136,852	88,648	19,225,500	18,102,871
Other Financing Sources (Uses)				
Transfers in	1,768,695	78,004	1,846,699	4,349,934
Transfers out	(18,997,347)	(3,700,000)	(22,697,347)	(18,700,783)
Sale of capital assets	26,000	-	26,000	14,078
Net Other Financing Sources (Uses)	(17,202,652)	(3,621,996)	(20,824,648)	(14,336,771)
Net Change in Fund Balances	1,934,200	(3,533,348)	(1,599,148)	3,766,100
Fund Balances, beginning	32,812,643	7,719,885	40,532,528	36,766,428
Fund Balances, ending	\$ 34,746,843	\$ 4,186,537	\$ 38,933,380	\$ 40,532,528

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

June 30, 2020	Non-areawide Services	Service Area 7 Talkeetna Flood Control	Service Area 36 Talkeetna Water and Sewer	Freedom Hills Sub-division	Circle View/ Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Fire Fleet Maintenance	Roads Outside Service Areas	Combined Fire Service Areas	Road Service Areas	Totals
Assets													
Cash and investments	\$ 1,683,765	\$ 158,865	\$ 210,883	\$ 29,871	\$ 183,846	\$ 6,470,118	\$ 25,496	\$ 407,670	\$ -	\$ 328	\$ 17,237,041	\$ 7,201,997	\$ 33,609,880
Receivables:													
Intergovernmental	722,197	-	-	-	-	-	-	-	-	-	-	-	722,197
Property taxes, net of allowance	206,322	2,121	-	-	69	-	-	163,156	-	-	614,353	827,128	1,813,149
Interfund loan receivable	-	-	-	-	-	-	-	-	-	-	1,156,500	-	1,156,500
Other	6,701	-	65,092	-	523	109,751	-	-	-	-	28,046	-	210,113
Prepaid items	-	-	-	-	-	125	-	-	-	-	12,378	-	12,503
Total Assets	\$ 2,618,985	\$ 160,986	\$ 275,975	\$ 29,871	\$ 184,438	\$ 6,579,994	\$ 25,496	\$ 570,826	\$ -	\$ 328	\$ 19,048,318	\$ 8,029,125	\$ 37,524,342
Liabilities, Deferred Inflows of Resources and Fund Balances													
Liabilities													
Accounts payable	\$ 40,069	\$ 13,820	\$ 49,849	\$ -	\$ -	\$ -	\$ -	\$ 25,363	\$ 2,881	\$ -	\$ 138,129	\$ 576,364	\$ 846,475
Due to other funds	-	-	-	-	-	-	-	-	1,620	-	-	-	1,620
Interfund loans payable	-	-	195,108	-	90,000	-	-	-	-	-	-	128,610	413,718
Deposits	-	-	-	-	-	-	-	-	-	-	-	20,734	20,734
Total Liabilities	40,069	13,820	244,957	-	90,000	-	-	25,363	4,501	-	138,129	725,708	1,282,547
Deferred Inflows of Resources													
Special assessments	-	-	-	-	6,932	-	-	-	-	-	-	-	6,932
Delinquent property taxes	163,228	2,006	-	-	-	-	-	163,156	-	-	488,091	671,539	1,488,020
Total Liabilities and Deferred Inflows of Resources	203,297	15,826	244,957	-	96,932	-	-	188,519	4,501	-	626,220	1,397,247	2,777,499
Fund Balances													
Nonspendable - prepaid items	-	-	-	-	-	125	-	-	-	-	12,378	-	12,503
Committed:													
Long-term loan receivable	-	-	-	-	-	-	-	-	-	-	1,156,500	-	1,156,500
Self-insurance	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000
Accrued leave	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
Equipment	450,000	-	-	-	-	-	-	-	-	-	-	-	450,000
Assigned:													
Subsequent year expenditures	-	121,794	-	4,960	-	-	7,078	46,743	-	233	784,954	2,353,654	3,319,416
Subsequent year appropriations	-	-	-	-	-	-	-	-	-	-	819,000	-	819,000
Service areas	1,920,688	23,366	31,018	24,911	87,506	6,579,869	18,418	335,564	-	95	15,649,266	4,278,224	28,948,925
Unassigned (deficit)	-	-	-	-	-	-	-	-	(4,501)	-	-	-	(4,501)
Total Fund Balances (Deficit)	2,415,688	145,160	31,018	29,871	87,506	6,579,994	25,496	382,307	(4,501)	328	18,422,098	6,631,878	34,746,843
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,618,985	\$ 160,986	\$ 275,975	\$ 29,871	\$ 184,438	\$ 6,579,994	\$ 25,496	\$ 570,826	\$ -	\$ 328	\$ 19,048,318	\$ 8,029,125	\$ 37,524,342

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

Year Ended June 30, 2020	Non-areawide Services	Service Area 7 Talkeetna Flood Control	Service Area 36 Talkeetna Water and Sewer	Freedom Hills Sub-division	Circle View/ Stampede Estates	Enhanced 911 Service	Chase Trail	Service Area 69 Point MacKenzie	Fire Fleet Maintenance	Roads Outside Service Areas	Combined Fire Service Areas Road Service Areas		Totals
	Revenues												
Taxes	\$ 4,573,019	\$ 31,252	\$ 667,124	\$ -	\$ 21,484	\$ -	\$ -	\$ 8,562	\$ -	\$ -	\$ 17,552,164	\$ 20,616,516	\$ 43,470,121
Intergovernmental	905,272	-	6,202	-	-	-	-	-	20,509	-	149,566	-	1,081,549
Charges for services	310,817	-	387,724	-	-	2,076,811	-	-	-	-	-	-	2,775,352
Investment income	1,451	137	499	27	158	5,031	16	374	-	-	19,433	5,569	32,695
Other	48,364	-	-	-	-	-	-	-	375,800	-	1,090,334	124	1,514,622
Total Revenues	5,838,923	31,389	1,061,549	27	21,642	2,081,842	16	8,936	396,309	-	18,811,497	20,622,209	48,874,339
Expenditures													
Current:													
General government	417,797	-	-	-	-	-	-	-	-	-	-	-	417,797
Emergency services	2,220,528	-	-	-	-	1,459,792	-	-	555,647	-	10,538,892	-	14,774,859
Public services	1,568,467	32,647	521,943	-	-	300	-	46,369	-	-	-	12,371,259	14,540,985
Debt service	-	-	1,451	-	240	-	-	-	-	-	-	2,155	3,846
Total Expenditures	4,206,792	32,647	523,394	-	240	1,460,092	-	46,369	555,647	-	10,538,892	12,373,414	29,737,487
Excess (Deficiency) of Revenues Over Expenditures													
	1,632,131	(1,258)	538,155	27	21,402	621,750	16	(37,433)	(159,338)	-	8,272,605	8,248,795	19,136,852
Other Financing Sources (Uses)													
Transfers in	31,223	-	-	-	87	1,000,000	16,400	-	302,693	-	273,355	144,937	1,768,695
Transfers out	(794,656)	-	(1,368,850)	-	-	-	-	-	(147,856)	-	(10,161,483)	(6,524,502)	(18,997,347)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	26,000	-	26,000
Net Other Financing Sources (Uses)	(763,433)	-	(1,368,850)	-	87	1,000,000	16,400	-	154,837	-	(9,862,128)	(6,379,565)	(17,202,652)
Net Change in Fund Balances	868,698	(1,258)	(830,695)	27	21,489	1,621,750	16,416	(37,433)	(4,501)	-	(1,589,523)	1,869,230	1,934,200
Fund Balances, beginning	1,546,990	146,418	861,713	29,844	66,017	4,958,244	9,080	419,740	-	328	20,011,621	4,762,648	32,812,643
Fund Balances (Deficit), ending	\$ 2,415,688	\$ 145,160	\$ 31,018	\$ 29,871	\$ 87,506	\$ 6,579,994	\$ 25,496	\$ 382,307	\$ (4,501)	\$ 328	\$ 18,422,098	\$ 6,631,878	\$ 34,746,843

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 4,518,000	\$ 4,573,019	\$ 55,019	\$ 4,227,499
Intergovernmental:				
State PERS relief	60,000	145,575	85,575	131,109
Electric and telephone cooperative shared revenue	750,000	722,197	(27,803)	728,149
Library grants	35,000	37,500	2,500	40,536
Total intergovernmental	845,000	905,272	60,272	899,794
Charges for services:				
Animal care fees	223,000	293,461	70,461	252,891
User fees	30,000	17,356	(12,644)	22,967
Total charges for services	253,000	310,817	57,817	275,858
Investment income	1,500	1,451	(49)	2,270
Other	30,356	48,364	18,008	25,683
Total Revenues	5,647,856	5,838,923	191,067	5,431,104
Expenditures				
General government:				
Administration	137,000	125,699	11,301	114,000
Information technology	194,424	160,770	33,654	151,161
Economic development	180,000	131,328	48,672	174,027
Total general government	511,424	417,797	93,627	439,188
Emergency services - animal care	2,553,935	2,220,528	333,407	2,337,009
Public services:				
Vehicle removal	-	-	-	42,519
Libraries	1,686,835	1,565,147	121,688	1,524,259
Medical supplies	5,500	3,320	2,180	2,243
Total public services	1,692,335	1,568,467	121,688	1,569,021
Total Expenditures	4,757,694	4,206,792	548,722	4,345,218
Excess of Revenues Over Expenditures	890,162	1,632,131	741,969	1,085,886
Other Financing Sources (Uses)				
Transfers in	-	31,223	31,223	48,484
Transfers out	(794,656)	(794,656)	-	(1,837,218)
Sale of capital assets	-	-	-	500
Net Other Financing Uses	(794,656)	(763,433)	31,223	(1,788,234)
Net Change in Fund Balance	\$ 95,506	868,698	\$ 773,192	(702,348)
Fund Balance, beginning		1,546,990		2,249,338
Fund Balance, ending		\$ 2,415,688		\$ 1,546,990

Matanuska-Susitna Borough, Alaska

Service Area 7 - Talkeetna Flood Control Special Revenue Fund

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 31,580	\$ 31,252	\$ (328)	\$ 30,577
Investment income	150	137	(13)	221
Total Revenues	31,730	31,389	(341)	30,798
Expenditures				
Current - Public services	53,680	32,647	21,033	33,727
Net Change in Fund Balance	\$ (21,950)	(1,258)	\$ 20,692	(2,929)
Fund Balance, beginning		<u>146,418</u>		<u>149,347</u>
Fund Balance, ending		<u>\$ 145,160</u>		<u>\$ 146,418</u>

Matanuska-Susitna Borough, Alaska

Service Area 36 - Talkeetna Water and Sewer Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Charges for services - water and sewer	\$ 380,000	\$ 387,724	\$ 7,724	\$ 372,418
Intergovernmental - PERS relief	-	6,202	6,202	4,402
Taxes	900,000	667,124	(232,876)	1,083,732
Investment income	-	499	499	221
Total Revenues	1,280,000	1,061,549	(218,451)	1,460,773
Expenditures				
Current -				
Public services	605,899	521,943	83,956	310,529
Debt service	1,452	1,451	1	1,579
Total Expenditures	607,351	523,394	83,957	312,108
Excess of Revenues Over Expenditures	672,649	538,155	(134,494)	1,148,665
Other Financing Uses				
Transfers out	(1,368,850)	(1,368,850)	-	(50,000)
Net Change in Fund Balance (Deficit)	<u>\$ (696,201)</u>	(830,695)	<u>\$ (134,494)</u>	1,098,665
Fund Balance (Deficit), beginning		<u>861,713</u>		<u>(236,952)</u>
Fund Balance, ending		<u>\$ 31,018</u>		<u>\$ 861,713</u>

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ 14,799	\$ 27	\$ (14,772)	\$ 45
Expenditures				
Current - Public services	-	-	-	-
Net Change in Fund Balance	<u>\$ 14,799</u>	27	<u>\$ (14,772)</u>	45
Fund Balance, beginning		<u>29,844</u>		<u>29,799</u>
Fund Balance, ending		<u>\$ 29,871</u>		<u>\$ 29,844</u>

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Expenditures				
Current -				
Public services	\$ -	\$ -	\$ -	\$ 107,034
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>	(107,034)
Fund Balance, beginning		-		<u>107,034</u>
Fund Balance, ending		<u>\$ -</u>		<u>\$ -</u>

Matanuska-Susitna Borough, Alaska

Circle View/Stampede Estates Special Revenue Fund

Schedule of Revenues, Expenditures, and

Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 21,450	\$ 21,484	\$ 34	\$ 22,820
Investment income	150	158	8	239
Total Revenues	21,600	21,642	42	23,059
Expenditures				
Debt service	240	240	-	255
Excess of Revenues Over Expenditures	21,360	21,402	42	22,804
Other Financing Sources				
Transfers in	5,000	87	(4,913)	-
Net Change in Fund Balance	<u>\$ 26,360</u>	21,489	<u>\$ (4,871)</u>	22,804
Fund Balance, beginning		<u>66,017</u>		<u>43,213</u>
Fund Balance, ending		<u>\$ 87,506</u>		<u>\$ 66,017</u>

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Charges for services - telephone surcharge	\$ 1,785,000	\$ 2,076,811	\$ 291,811	\$ 2,300,834
Investment income	1,500	5,031	3,531	5,066
Total Revenues	1,786,500	2,081,842	295,342	2,305,900
Expenditures				
Current:				
Emergency services	1,675,201	1,459,792	215,409	1,494,508
Public services	500	300	200	-
Total Expenditures	1,675,701	1,460,092	215,609	1,494,508
Excess of Revenues Over Expenditures	110,799	621,750	510,951	811,392
Other Financing Sources (Uses)				
Transfers in	-	1,000,000	1,000,000	3,063,166
Transfers out	-	-	-	(1,216,905)
Net Other Financing Sources (Uses)	-	1,000,000	1,000,000	1,846,261
Net Change in Fund Balance	<u>\$ 110,799</u>	1,621,750	<u>\$ 1,510,951</u>	2,657,653
Fund Balance, beginning		<u>4,958,244</u>		<u>2,300,591</u>
Fund Balance, ending		<u>\$ 6,579,994</u>		<u>\$ 4,958,244</u>

Matanuska-Susitna Borough, Alaska

Chase Trail Special Revenue Fund

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 620	\$ -	\$ (620)	\$ 612
Investment income	10	16	6	13
Total Revenues	630	16	(614)	625
Other Financing Sources				
Transfers in	2,632	16,400	13,768	-
Net Change in Fund Balance	<u>\$ 3,262</u>	16,416	<u>\$ 13,154</u>	625
Fund Balance, beginning		<u>9,080</u>		<u>8,455</u>
Fund Balance, ending		<u>\$ 25,496</u>		<u>\$ 9,080</u>

Matanuska-Susitna Borough, Alaska

Service Area 69 - Point MacKenzie Special Revenue Fund

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual with Comparative Actuals

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 35,600	\$ 8,562	\$ (27,038)	\$ 18,891
Investment income	1,000	374	(626)	659
Total Revenues	36,600	8,936	(27,664)	19,550
Expenditures				
Current -				
Public services	88,084	46,369	41,715	51,400
Net Change in Fund Balance	<u>\$ (51,484)</u>	(37,433)	<u>\$ 14,051</u>	(31,850)
Fund Balance, beginning		<u>419,740</u>		<u>451,590</u>
Fund Balance, ending		<u>\$ 382,307</u>		<u>\$ 419,740</u>

Matanuska-Susitna Borough, Alaska
Fire Fleet Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual with Comparative Actuals

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - PERS relief	\$ -	\$ 20,509	\$ 20,509	\$ 14,175
Other	375,777	375,800	23	377,530
Total Revenues	375,777	396,309	20,532	391,705
Expenditures				
Current -				
Emergency services	678,493	555,647	122,846	340,298
Excess (Deficiency) of Revenues				
Over Expenditures	(302,716)	(159,338)	143,378	51,407
Other Financing Sources (Uses)				
Transfers in	302,716	302,693	(23)	-
Transfers out	(147,856)	(147,856)	-	(51,407)
Net Other Financing Sources (Uses)	154,860	154,837	(23)	(51,407)
Net Change in Fund Balance	<u>\$ (147,856)</u>	(4,501)	<u>\$ 143,355</u>	-
Fund Balance, beginning		<u>-</u>		<u>-</u>
Fund Balance (Deficit), ending		<u>\$ (4,501)</u>		<u>\$ -</u>

Matanuska-Susitna Borough, Alaska

Roads Outside Service Areas Special Revenue Fund
 Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual with Comparative Actuals

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current -				
Public services	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, beginning		<u>328</u>		<u>328</u>
Fund Balance, ending		<u>\$ 328</u>		<u>\$ 328</u>

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

	Service Area								Totals	
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell		
<i>June 30, 2020</i>										
Assets										
Cash and investments	\$ 5,741,797	\$ 1,223,207	\$ 6,421,921	\$ 416,754	\$ 374,842	\$ 1,915,270	\$ 599,642	\$ 543,608	\$ 17,237,041	
Receivables:										
Property taxes, net of allowance	237,543	33,708	32,889	16,249	23,455	167,367	55,805	47,337	614,353	
Interfund loan receivable	1,156,500	-	-	-	-	-	-	-	1,156,500	
Other	28,046	-	-	-	-	-	-	-	28,046	
Prepaid items	12,378	-	-	-	-	-	-	-	12,378	
Total Assets	\$ 7,176,264	\$ 1,256,915	\$ 6,454,810	\$ 433,003	\$ 398,297	\$ 2,082,637	\$ 655,447	\$ 590,945	\$ 19,048,318	
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ 58,553	\$ 6,642	\$ 1,493	\$ 1,987	\$ 3,555	\$ 40,573	\$ 17,667	\$ 7,659	\$ 138,129	
Deferred Inflows of Resources										
Delinquent property taxes	185,479	14,715	25,289	13,787	20,371	139,011	47,089	42,350	488,091	
Total Liabilities and Deferred Inflows of Resources	244,032	21,357	26,782	15,774	23,926	179,584	64,756	50,009	626,220	
Fund Balances										
Nonspendable - prepaid items	12,378	-	-	-	-	-	-	-	12,378	
Committed - long-term loan receivable	1,156,500	-	-	-	-	-	-	-	1,156,500	
Assigned:										
Subsequent year appropriations	95,000	-	-	-	-	625,000	99,000	-	819,000	
Subsequent year expenditures	97,112	-	155,078	69,818	-	200,958	56,892	205,096	784,954	
Service areas	5,571,242	1,235,558	6,272,950	347,411	374,371	1,077,095	434,799	335,840	15,649,266	
Total Fund Balances	6,932,232	1,235,558	6,428,028	417,229	374,371	1,903,053	590,691	540,936	18,422,098	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,176,264	\$ 1,256,915	\$ 6,454,810	\$ 433,003	\$ 398,297	\$ 2,082,637	\$ 655,447	\$ 590,945	\$ 19,048,318	

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

	Service Area								Totals
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
<i>Year Ended June 30, 2020</i>									
Revenues									
Property taxes	\$ 10,540,432	\$ 945,026	\$ 1,335,552	\$ 221,476	\$ 363,415	\$ 2,957,397	\$ 859,416	\$ 329,450	\$ 17,552,164
Intergovernmental - PERS relief	136,191	2,364	54	1,321	1,910	5,499	1,195	1,032	149,566
Investment income	9,660	1,216	5,472	310	337	1,528	446	464	19,433
Other	465,639	24,080	6,378	5,680	36,809	450,618	41,030	60,100	1,090,334
Total Revenues	11,151,922	972,686	1,347,456	228,787	402,471	3,415,042	902,087	391,046	18,811,497
Expenditures									
Current-									
Emergency services:									
Administration	430,517	81,108	33,710	51,715	56,852	169,735	77,496	54,882	956,015
Fire services	5,578,420	468,901	491,800	124,975	250,533	1,977,461	429,107	261,680	9,582,877
Total Expenditures	6,008,937	550,009	525,510	176,690	307,385	2,147,196	506,603	316,562	10,538,892
Excess of Revenues Over Expenditures	5,142,985	422,677	821,946	52,097	95,086	1,267,846	395,484	74,484	8,272,605
Other Financing Sources (Uses)									
Transfers in	38,047	26,598	44,970	97,393	8,256	37,953	10,968	9,170	273,355
Transfers out	(8,105,500)	(700,000)	(176,751)	(833)	(95,833)	(865,900)	(185,833)	(30,833)	(10,161,483)
Sale of capital assets	9,600	5,050	1,350	750	1,050	7,000	900	300	26,000
Net Other Financing Sources (Uses)	(8,057,853)	(668,352)	(130,431)	97,310	(86,527)	(820,947)	(173,965)	(21,363)	(9,862,128)
Net Change in Fund Balances	(2,914,868)	(245,675)	691,515	149,407	8,559	446,899	221,519	53,121	(1,589,523)
Fund Balances, beginning	9,847,100	1,481,233	5,736,513	267,822	365,812	1,456,154	369,172	487,815	20,011,621
Fund Balances, ending	\$ 6,932,232	\$ 1,235,558	\$ 6,428,028	\$ 417,229	\$ 374,371	\$ 1,903,053	\$ 590,691	\$ 540,936	\$ 18,422,098

Matanuska-Susitna Borough, Alaska

Fire Service Area 130 - Central Mat-Su Special Revenue Fund

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 10,600,770	\$ 10,540,432	\$ (60,338)	\$ 10,208,471
Intergovernmental - PERS relief	-	136,191	136,191	113,088
Investment income	18,213	9,660	(8,553)	15,178
Other	382,000	465,639	83,639	385,097
Total Revenues	11,000,983	11,151,922	150,939	10,721,834
Expenditures				
Current -				
Emergency services:				
Administration	460,642	430,517	30,125	490,450
Fire services	7,693,849	5,578,420	2,115,429	4,804,709
Total Expenditures	8,154,491	6,008,937	2,145,554	5,295,159
Excess of Revenues Over Expenditures	2,846,492	5,142,985	2,296,493	5,426,675
Other Financing Sources (Uses)				
Transfers in	26,304	38,047	11,743	18,801
Transfers out	(8,106,945)	(8,105,500)	1,445	(7,300,700)
Sale of capital assets	-	9,600	9,600	-
Net Other Financing Uses	(8,080,641)	(8,057,853)	22,788	(7,281,899)
Net Change in Fund Balance	<u>\$ (5,234,149)</u>	(2,914,868)	<u>\$ 2,319,281</u>	(1,855,224)
Fund Balance, beginning		<u>9,847,100</u>		<u>11,702,324</u>
Fund Balance, ending		<u>\$ 6,932,232</u>		<u>\$ 9,847,100</u>

Matanuska-Susitna Borough, Alaska

Fire Service Area 2 - Butte Special Revenue Fund

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 944,070	\$ 945,026	\$ 956	\$ 907,845
Intergovernmental - PERS relief	-	2,364	2,364	-
Investment income	1,800	1,216	(584)	2,252
Other	13,000	24,080	11,080	15,030
Total Revenues	958,870	972,686	13,816	925,127
Expenditures				
Current -				
Emergency services:				
Administration	83,823	81,108	2,715	91,508
Fire services	685,317	468,901	216,416	437,001
Total Expenditures	769,140	550,009	219,131	528,509
Excess of Revenues Over Expenditures	189,730	422,677	232,947	396,618
Other Financing Sources (Uses)				
Transfers in	10,675	26,598	15,923	6,698
Transfers out	(700,000)	(700,000)	-	(455,833)
Sale of capital assets	-	5,050	5,050	-
Net Other Financing Uses	(689,325)	(668,352)	20,973	(449,135)
Net Change in Fund Balance	<u>\$ (499,595)</u>	(245,675)	<u>\$ 253,920</u>	(52,517)
Fund Balance, beginning		<u>1,481,233</u>		<u>1,533,750</u>
Fund Balance, ending		<u>\$ 1,235,558</u>		<u>\$ 1,481,233</u>

Matanuska-Susitna Borough, Alaska

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,364,460	\$ 1,335,552	\$ (28,908)	\$ 1,316,613
Intergovernmental - PERS relief	-	54	54	-
Investment income	7,000	5,472	(1,528)	7,412
Other	1,000	6,378	5,378	-
Total Revenues	1,372,460	1,347,456	(25,004)	1,324,025
Expenditures				
Current -				
Emergency services:				
Administration	36,931	33,710	3,221	34,985
Fire services	507,538	491,800	15,738	475,837
Total Expenditures	544,469	525,510	18,959	510,822
Excess of Revenues Over Expenditures	827,991	821,946	(6,045)	813,203
Other Financing Sources (Uses)				
Transfers in	3,903	44,970	41,067	904,746
Transfers out	(176,751)	(176,751)	-	(140,000)
Sale of capital assets	-	1,350	1,350	-
Net Other Financing Sources (Uses)	(172,848)	(130,431)	42,417	764,746
Net Change in Fund Balance	<u>\$ 655,143</u>	691,515	<u>\$ 36,372</u>	1,577,949
Fund Balance, beginning		<u>5,736,513</u>		<u>4,158,564</u>
Fund Balance, ending		<u>\$ 6,428,028</u>		<u>\$ 5,736,513</u>

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 238,100	\$ 221,476	\$ (16,624)	\$ 228,150
Intergovernmental - PERS relief	-	1,321	1,321	-
Investment income	400	310	(90)	436
Other	-	5,680	5,680	-
Total Revenues	238,500	228,787	(9,713)	228,586
Expenditures				
Current -				
Emergency services:				
Administration	53,391	51,715	1,676	51,791
Fire services	232,529	124,975	107,554	140,472
Total Expenditures	285,920	176,690	109,230	192,263
Excess (Deficiency) of Revenues Over Expenditures	(47,420)	52,097	99,517	36,323
Other Financing Sources (Uses)				
Transfers in	7,393	97,393	90,000	4,637
Transfers out	(833)	(833)	-	(90,000)
Sale of capital assets	-	750	750	-
Net Other Financing Sources (Uses)	6,560	97,310	90,750	(85,363)
Net Change in Fund Balance	<u>\$ (40,860)</u>	149,407	<u>\$ 190,267</u>	(49,040)
Fund Balance, beginning		<u>267,822</u>		<u>316,862</u>
Fund Balance, ending		<u>\$ 417,229</u>		<u>\$ 267,822</u>

Matanuska-Susitna Borough, Alaska

Fire Service Area 24 - Talkeetna Special Revenue Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 370,370	\$ 363,415	\$ (6,955)	\$ 355,308
Intergovernmental - PERS relief	-	1,910	1,910	-
Investment income	1,000	337	(663)	571
Other	13,000	36,809	23,809	26,070
Total Revenues	384,370	402,471	18,101	381,949
Expenditures				
Current -				
Emergency services:				
Administration	59,016	56,852	2,164	59,641
Fire services	357,587	250,533	107,054	251,076
Total Expenditures	416,603	307,385	109,218	310,717
Excess (Deficiency) of Revenues Over Expenditures	(32,233)	95,086	127,319	71,232
Other Financing Sources (Uses)				
Transfers in	7,393	8,256	863	101,777
Transfers out	(95,833)	(95,833)	-	(205,833)
Sale of capital assets	-	1,050	1,050	-
Net Other Financing Uses	(88,440)	(86,527)	1,913	(104,056)
Net Change in Fund Balance	\$ (120,673)	8,559	\$ 129,232	(32,824)
Fund Balance, beginning		365,812		398,636
Fund Balance, ending		\$ 374,371		\$ 365,812

Matanuska-Susitna Borough, Alaska

Fire Service Area 136 - West Lakes Special Revenue Fund

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,987,690	\$ 2,957,397	\$ (30,293)	\$ 2,875,804
Intergovernmental - PERS relief	-	5,499	5,499	-
Investment income	3,000	1,528	(1,472)	2,131
Other	405,112	450,618	45,506	356,247
Total Revenues	3,395,802	3,415,042	19,240	3,234,182
Expenditures				
Current -				
Emergency services:				
Administration	171,818	169,735	2,083	163,916
Fire services	2,627,980	1,977,461	650,519	1,935,370
Total Expenditures	2,799,798	2,147,196	652,602	2,099,286
Excess of Revenues Over Expenditures	596,004	1,267,846	671,842	1,134,896
Other Financing Sources (Uses)				
Transfers in	8,191	37,953	29,762	6,336
Transfers out	(865,900)	(865,900)	-	(1,073,717)
Sale of capital assets	-	7,000	7,000	2,778
Net Other Financing Uses	(857,709)	(820,947)	36,762	(1,064,603)
Net Change in Fund Balance	\$ (261,705)	446,899	\$ 708,604	70,293
Fund Balance, beginning		1,456,154		1,385,861
Fund Balance, ending		\$ 1,903,053		\$ 1,456,154

Matanuska-Susitna Borough, Alaska

Fire Service Area 35 - Willow Special Revenue Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 853,380	\$ 859,416	\$ 6,036	\$ 841,859
Intergovernmental - PERS relief	-	1,195	1,195	4,118
Investment income	1,000	446	(554)	954
Other	2,000	41,030	39,030	-
Total Revenues	856,380	902,087	45,707	846,931
Expenditures				
Current -				
Emergency services:				
Administration	78,656	77,496	1,160	80,190
Fire Services	594,857	429,107	165,750	435,939
Total Expenditures	673,513	506,603	166,910	516,129
Excess of Revenues Over Expenditures	182,867	395,484	212,617	330,802
Other Financing Sources (Uses)				
Transfers in	9,847	10,968	1,121	20,297
Transfers out	(185,833)	(185,833)	-	(835,808)
Sale of capital assets	-	900	900	8,800
Net Other Financing Uses	(175,986)	(173,965)	2,021	(806,711)
Net Change in Fund Balance	\$ 6,881	221,519	\$ 214,638	(475,909)
Fund Balance, beginning		369,172		845,081
Fund Balance, ending		\$ 590,691		\$ 369,172

Matanuska-Susitna Borough, Alaska

Fire Service Area 135 - Caswell Special Revenue Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 350,540	\$ 329,450	\$ (21,090)	\$ 313,534
Intergovernmental - PERS relief	-	1,032	1,032	4,118
Investment income	1,000	464	(536)	714
Other	-	60,100	60,100	
Total Revenues	351,540	391,046	39,506	318,366
Expenditures				
Current -				
Emergency services:				
Administration	56,732	54,882	1,850	50,731
Fire services	352,309	261,680	90,629	258,666
Total Expenditures	409,041	316,562	92,479	309,397
Excess (Deficiency) of Revenues Over Expenditures	(57,501)	74,484	131,985	8,969
Other Financing Sources (Uses)				
Transfers in	8,191	9,170	979	5,151
Transfers out	(35,812)	(30,833)	4,979	(732)
Sale of capital assets	-	300	300	2,000
Net Other Financing Sources (Uses)	(27,621)	(21,363)	6,258	6,419
Net Change in Fund Balance	\$ (85,122)	53,121	\$ 138,243	15,388
Fund Balance, beginning		487,815		472,427
Fund Balance, ending		\$ 540,936		\$ 487,815

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

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
Assets									
Cash and investments	\$ 385,647	\$ 433,551	\$ 223,987	\$ 552,643	\$ 537,003	\$ 262,997	\$ 376,050	\$ 965,181	\$ 174,994
Receivables - property taxes, net of allowance	73,611	17,777	105,258	29,314	94,337	17,840	59,378	73,497	12,693
Total Assets	\$ 459,258	\$ 451,328	\$ 329,245	\$ 581,957	\$ 631,340	\$ 280,837	\$ 435,428	\$ 1,038,678	\$ 187,687
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 24,384	\$ 85,812	\$ 2,655	\$ 64,823	\$ 40,786	\$ 8,400	\$ 27,583	\$ 58,323	\$ 6,426
Interfund loans payable	17,401	10,224	-	37,515	-	206	-	-	4,630
Deposits	3,521	469	-	8,535	-	2,000	-	-	-
Total Liabilities	45,306	96,505	2,655	110,873	40,786	10,606	27,583	58,323	11,056
Deferred Inflows of Resources									
Delinquent property taxes	58,083	15,397	94,332	25,758	73,436	15,999	51,556	60,917	4,311
Total Liabilities and Deferred Inflows of Resources	103,389	111,902	96,987	136,631	114,222	26,605	79,139	119,240	15,367
Fund Balances									
Assigned:									
Subsequent year expenditures	115,138	133,830	62,007	128,462	185,292	92,268	60,641	439,498	69,055
Service areas	240,731	205,596	170,251	316,864	331,826	161,964	295,648	479,940	103,265
Total Fund Balances	355,869	339,426	232,258	445,326	517,118	254,232	356,289	919,438	172,320
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 459,258	\$ 451,328	\$ 329,245	\$ 581,957	\$ 631,340	\$ 280,837	\$ 435,428	\$ 1,038,678	\$ 187,687

Matanuska-Susitna Borough, Alaska

Road Service Areas Special Revenue Funds
Combining Balance Sheet, continued

	Service Area, continued							Totals
	25 Bogard Road	26 Greater Butte Road	27 Meadow Lakes Road	28 Gold Trail Road	29 Greater Talkeetna Road	30 Trapper Creek Road	31 Alpine Road	
<i>June 30, 2020</i>								
Assets								
Cash and investments	\$ 841,378	\$ 372,076	\$ 630,746	\$ 590,187	\$ 390,001	\$ 209,600	\$ 255,956	\$ 7,201,997
Receivables - property taxes, net of allowance	26,589	33,691	139,998	58,793	41,657	27,495	15,200	827,128
Total Assets	\$ 867,967	\$ 405,767	\$ 770,744	\$ 648,980	\$ 431,658	\$ 237,095	\$ 271,156	\$ 8,029,125
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 39,253	\$ 25,024	\$ 84,820	\$ 55,145	\$ 39,071	\$ 5,118	\$ 8,741	\$ 576,364
Interfund loans payable	34,776	1,955	-	20,965	-	-	938	128,610
Deposits	5,209	1,000	-	-	-	-	-	20,734
Total Liabilities	79,238	27,979	84,820	76,110	39,071	5,118	9,679	725,708
Deferred Inflows of Resources								
Delinquent property taxes	18,282	11,588	115,378	52,039	36,655	24,823	12,985	671,539
Total Liabilities and Deferred Inflows of Resources	97,520	39,567	200,198	128,149	75,726	29,941	22,664	1,397,247
Fund Balances								
Assigned:								
Subsequent year expenditures	314,921	137,602	238,282	217,676	64,138	75,087	19,757	2,353,654
Service areas	455,526	228,598	332,264	303,155	291,794	132,067	228,735	4,278,224
Total Fund Balances	770,447	366,200	570,546	520,831	355,932	207,154	248,492	6,631,878
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 867,967	\$ 405,767	\$ 770,744	\$ 648,980	\$ 431,658	\$ 237,095	\$ 271,156	\$ 8,029,125

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

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
Revenues									
Property taxes	\$ 1,903,771	\$ 1,373,734	\$ 695,577	\$ 1,805,739	\$ 3,259,614	\$ 282,114	\$ 1,027,678	\$ 1,421,547	\$ 211,858
Investment income	338	320	173	408	393	204	280	719	158
Other	-	-	-	-	-	-	-	124	-
Total Revenues	1,904,109	1,374,054	695,750	1,806,147	3,260,007	282,318	1,027,958	1,422,390	212,016
Expenditures									
Current -									
Public services:									
Administration	296,085	206,432	157,187	254,100	537,988	33,689	185,508	225,463	38,178
Road service	449,686	575,058	413,327	1,077,626	1,350,572	141,366	429,480	767,926	112,765
Total public services	745,771	781,490	570,514	1,331,726	1,888,560	175,055	614,988	993,389	150,943
Debt service	292	171	-	628	-	3	-	-	78
Total Expenditures	746,063	781,661	570,514	1,332,354	1,888,560	175,058	614,988	993,389	151,021
Excess of Revenues Over Expenditures	1,158,046	592,393	125,236	473,793	1,371,447	107,260	412,970	429,001	60,995
Other Financing Sources (Uses)									
Transfers in	-	13,374	-	-	-	-	31,837	-	-
Transfers out	(1,145,971)	(519,697)	(39,238)	(291,938)	(1,157,660)	(34,805)	(309,667)	(109,371)	(55,902)
Net Other Financing Uses	(1,145,971)	(506,323)	(39,238)	(291,938)	(1,157,660)	(34,805)	(277,830)	(109,371)	(55,902)
Net Change in Fund Balances	12,075	86,070	85,998	181,855	213,787	72,455	135,140	319,630	5,093
Fund Balances, beginning	343,794	253,356	146,260	263,471	303,331	181,777	221,149	599,808	167,227
Fund Balances, ending	\$ 355,869	\$ 339,426	\$ 232,258	\$ 445,326	\$ 517,118	\$ 254,232	\$ 356,289	\$ 919,438	\$ 172,320

Matanuska-Susitna Borough, Alaska

Road Service Areas Special Revenue Funds

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

	Service Area, continued							Totals
	25 Bogard Road	26 Greater Butte Road	27 Meadow Lakes Road	28 Gold Trail Road	29 Greater Talkeetna Road	30 Trapper Creek Road	31 Alpine Road	
<i>Year Ended June 30, 2020</i>								
Revenues								
Property taxes	\$ 2,026,069	\$ 1,072,843	\$ 2,253,275	\$ 2,057,006	\$ 689,580	\$ 250,310	\$ 285,801	\$ 20,616,516
Investment income	624	327	459	444	316	215	191	5,569
Other	-	-	-	-	-	-	-	124
Total Revenues	2,026,693	1,073,170	2,253,734	2,057,450	689,896	250,525	285,992	20,622,209
Expenditures								
Current -								
Public services:								
Administration	299,490	174,959	348,075	315,346	151,350	63,101	38,205	3,325,156
Road service	745,337	406,089	861,457	1,010,950	420,662	123,677	160,125	9,046,103
Total public services	1,044,827	581,048	1,209,532	1,326,296	572,012	186,778	198,330	12,371,259
Debt service	583	33	-	351	-	-	16	2,155
Total Expenditures	1,045,410	581,081	1,209,532	1,326,647	572,012	186,778	198,346	12,373,414
Excess of Revenues Over Expenditures	981,283	492,089	1,044,202	730,803	117,884	63,747	87,646	8,248,795
Other Financing Sources (Uses)								
Transfers in	11,130	-	1,498	12,098	75,000	-	-	144,937
Transfers out	(714,226)	(472,867)	(854,019)	(569,547)	(129,184)	(120,410)	-	(6,524,502)
Net Other Financing Uses	(703,096)	(472,867)	(852,521)	(557,449)	(54,184)	(120,410)	-	(6,379,565)
Net Change in Fund Balances	278,187	19,222	191,681	173,354	63,700	(56,663)	87,646	1,869,230
Fund Balances, beginning	492,260	346,978	378,865	347,477	292,232	263,817	160,846	4,762,648
Fund Balances, ending	\$ 770,447	\$ 366,200	\$ 570,546	\$ 520,831	\$ 355,932	\$ 207,154	\$ 248,492	\$ 6,631,878

Matanuska-Susitna Borough, Alaska

Road Service Area 9 - Midway Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,906,850	\$ 1,903,771	\$ (3,079)	\$ 1,718,372
Investment income	600	338	(262)	483
Other	-	-	-	804
Total Revenues	1,907,450	1,904,109	(3,341)	1,719,659
Expenditures				
Current -				
Public services:				
Administration	317,814	296,085	21,729	221,498
Road service	619,988	449,686	170,302	494,414
Total public services	937,802	745,771	192,031	715,912
Debt service	300	292	8	322
Total Expenditures	938,102	746,063	192,039	716,234
Excess of Revenues Over Expenditures	969,348	1,158,046	188,698	1,003,425
Other Financing Uses				
Transfers out	(1,145,971)	(1,145,971)	-	(885,850)
Net Change in Fund Balance	<u>\$ (176,623)</u>	12,075	<u>\$ 188,698</u>	117,575
Fund Balance, beginning		<u>343,794</u>		<u>226,219</u>
Fund Balance, ending		<u>\$ 355,869</u>		<u>\$ 343,794</u>

Matanuska-Susitna Borough, Alaska

Road Service Area 14 - Fairview Road Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,277,290	\$ 1,373,734	\$ 96,444	\$ 1,231,183
Investment income	600	320	(280)	332
Total Revenues	1,277,890	1,374,054	96,164	1,231,515
Expenditures				
Current -				
Public services:				
Administration	221,582	206,432	15,150	161,811
Road service	604,763	575,058	29,705	490,232
Total public services	826,345	781,490	44,855	652,043
Debt service	180	171	9	189
Total Expenditures	826,525	781,661	44,864	652,232
Excess of Revenues Over Expenditures	451,365	592,393	141,028	579,283
Other Financing Sources (Uses)				
Transfers in	-	13,374	13,374	-
Transfers out	(519,697)	(519,697)	-	(444,980)
Net Other Financing Uses	(519,697)	(506,323)	13,374	(444,980)
Net Change in Fund Balance	<u>\$ (68,332)</u>	86,070	<u>\$ 154,402</u>	134,303
Fund Balance, beginning		<u>253,356</u>		<u>119,053</u>
Fund Balance, ending		<u>\$ 339,426</u>		<u>\$ 253,356</u>

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 678,750	\$ 695,577	\$ 16,827	\$ 640,575
Investment income	250	173	(77)	201
Total Revenues	679,000	695,750	16,750	640,776
Expenditures				
Current -				
Public services:				
Administration	168,723	157,187	11,536	117,378
Road service	505,292	413,327	91,965	434,090
Total Expenditures	674,015	570,514	103,501	551,468
Excess of Revenues Over Expenditures	4,985	125,236	120,251	89,308
Other Financing Uses				
Transfers out	(39,238)	(39,238)	-	(28,430)
Net Change in Fund Balance	<u>\$ (34,253)</u>	85,998	<u>\$ 120,251</u>	60,878
Fund Balance, beginning		<u>146,260</u>		<u>85,382</u>
Fund Balance, ending		<u>\$ 232,258</u>		<u>\$ 146,260</u>

Matanuska-Susitna Borough, Alaska

Road Service Area 16 - South Colony Special Revenue Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,641,020	\$ 1,805,739	\$ 164,719	\$ 1,604,614
Investment income	1,000	408	(592)	476
Total Revenues	1,642,020	1,806,147	164,127	1,605,090
Expenditures				
Current -				
Public services:				
Administration	272,748	254,100	18,648	194,145
Road service	1,156,213	1,077,626	78,587	1,065,206
Total public services	1,428,961	1,331,726	97,235	1,259,351
Debt service	628	628	-	693
Total Expenditures	1,429,589	1,332,354	97,235	1,260,044
Excess of Revenues Over Expenditures	212,431	473,793	261,362	345,046
Other Financing Uses				
Transfers out	(291,938)	(291,938)	-	(246,350)
Net Change in Fund Balance	<u>\$ (79,507)</u>	181,855	<u>\$ 261,362</u>	98,696
Fund Balance, beginning		<u>263,471</u>		<u>164,775</u>
Fund Balance, ending		<u>\$ 445,326</u>		<u>\$ 263,471</u>

Matanuska-Susitna Borough, Alaska

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 3,052,940	\$ 3,259,614	\$ 206,674	\$ 3,009,245
Investment income	600	393	(207)	413
Total Revenues	3,053,540	3,260,007	206,467	3,009,658
Expenditures				
Current -				
Public services:				
Administration	577,470	537,988	39,482	437,004
Road service	1,387,568	1,350,572	36,996	1,318,965
Total Expenditures	1,965,038	1,888,560	76,478	1,755,969
Excess of Revenues Over Expenditures	1,088,502	1,371,447	282,945	1,253,689
Other Financing Uses				
Transfers out	(1,157,660)	(1,157,660)	-	(1,094,100)
Net Change in Fund Balance	<u>\$ (69,158)</u>	213,787	<u>\$ 282,945</u>	159,589
Fund Balance, beginning		<u>303,331</u>		<u>143,742</u>
Fund Balance, ending		<u>\$ 517,118</u>		<u>\$ 303,331</u>

Matanuska-Susitna Borough, Alaska

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 259,760	\$ 282,114	\$ 22,354	\$ 253,725
Investment income	300	204	(96)	218
Total Revenues	260,060	282,318	22,258	253,943
Expenditures				
Current -				
Public services:				
Administration	36,161	33,689	2,472	21,494
Road service	228,575	141,366	87,209	134,388
Total public services	264,736	175,055	89,681	155,882
Debt service	4	3	1	4
Total Expenditures	264,740	175,058	89,682	155,886
Excess (Deficiency) of Revenues Over Expenditures	(4,680)	107,260	111,940	98,057
Other Financing Uses				
Transfers out	(34,805)	(34,805)	-	(5,890)
Net Change in Fund Balance	<u>\$ (39,485)</u>	72,455	<u>\$ 111,940</u>	92,167
Fund Balance, beginning		<u>181,777</u>		<u>89,610</u>
Fund Balance, ending		<u>\$ 254,232</u>		<u>\$ 181,777</u>

Matanuska-Susitna Borough, Alaska

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 972,190	\$ 1,027,678	\$ 55,488	\$ 953,357
Investment income	500	280	(220)	322
Total Revenues	972,690	1,027,958	55,268	953,679
Expenditures				
Current -				
Public services:				
Administration	199,122	185,508	13,614	140,830
Road service	574,409	429,480	144,929	505,014
Total Expenditures	773,531	614,988	158,543	645,844
Excess of Revenues Over Expenditures	199,159	412,970	213,811	307,835
Other Financing Sources (Uses)				
Transfers in	-	31,837	31,837	-
Transfers out	(309,667)	(309,667)	-	(247,430)
Net Other Financing Uses	(309,667)	(277,830)	31,837	(247,430)
Net Change in Fund Balance	<u>\$ (110,508)</u>	135,140	<u>\$ 245,648</u>	60,405
Fund Balance, beginning		<u>221,149</u>		<u>160,744</u>
Fund Balance, ending		<u>\$ 356,289</u>		<u>\$ 221,149</u>

Matanuska-Susitna Borough, Alaska

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,324,630	\$ 1,421,547	\$ 96,917	\$ 1,311,803
Investment income	500	719	219	625
Other	-	124	124	-
Total Revenues	1,325,130	1,422,390	97,260	1,312,428
Expenditures				
Current -				
Public services:				
Administration	242,010	225,463	16,547	166,950
Road service	1,084,059	767,926	316,133	635,538
Total Expenditures	1,326,069	993,389	332,680	802,488
Excess (Deficiency) of Revenues Over Expenditures	(939)	429,001	429,940	509,940
Other Financing Uses				
Transfers out	(109,371)	(109,371)	-	(71,890)
Net Change in Fund Balance	<u>\$ (110,310)</u>	319,630	<u>\$ 429,940</u>	438,050
Fund Balance, beginning		<u>599,808</u>		<u>161,758</u>
Fund Balance, ending		<u>\$ 919,438</u>		<u>\$ 599,808</u>

Matanuska-Susitna Borough, Alaska

Road Service Area 23 - North Colony Special Revenue Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 218,440	\$ 211,858	\$ (6,582)	\$ 202,520
Investment income	300	158	(142)	222
Total Revenues	218,740	212,016	(6,724)	202,742
Expenditures				
Current -				
Public services:				
Administration	40,980	38,178	2,802	21,287
Road service	169,409	112,765	56,644	122,499
Total public services	210,389	150,943	59,446	143,786
Debt service	80	78	2	86
Total Expenditures	210,469	151,021	59,448	143,872
Excess of Revenues Over Expenditures	8,271	60,995	52,724	58,870
Other Financing Uses				
Transfers out	(55,902)	(55,902)	-	-
Net Change in Fund Balance	<u>\$ (47,631)</u>	5,093	<u>\$ 52,724</u>	58,870
Fund Balance, beginning		<u>167,227</u>		<u>108,357</u>
Fund Balance, ending		<u>\$ 172,320</u>		<u>\$ 167,227</u>

Matanuska-Susitna Borough, Alaska

Road Service Area 25 - Bogard Road Special Revenue Fund

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,905,120	\$ 2,026,069	\$ 120,949	\$ 1,819,522
Investment income	1,000	624	(376)	608
Total Revenues	1,906,120	2,026,693	120,573	1,820,130
Expenditures				
Current -				
Public services:				
Administration	321,469	299,490	21,979	222,048
Road service	993,101	745,337	247,764	740,143
Total public services	1,314,570	1,044,827	269,743	962,191
Debt service	600	583	17	643
Total Expenditures	1,315,170	1,045,410	269,760	962,834
Excess of Revenues Over Expenditures	590,950	981,283	390,333	857,296
Other Financing Sources (Uses)				
Transfers in	-	11,130	11,130	-
Transfers out	(714,226)	(714,226)	-	(541,840)
Net Other Financing Uses	(714,226)	(703,096)	11,130	(541,840)
Net Change in Fund Balance	<u>\$ (123,276)</u>	278,187	<u>\$ 401,463</u>	315,456
Fund Balance, beginning		<u>492,260</u>		<u>176,804</u>
Fund Balance, ending		<u>\$ 770,447</u>		<u>\$ 492,260</u>

Matanuska-Susitna Borough, Alaska

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,002,960	\$ 1,072,843	\$ 69,883	\$ 971,126
Investment income	350	327	(23)	440
Total Revenues	1,003,310	1,073,170	69,860	971,566
Expenditures				
Current -				
Public services:				
Administration	187,799	174,959	12,840	123,634
Road service	501,759	406,089	95,670	387,981
Total public services	689,558	581,048	108,510	511,615
Debt service	33	33	-	36
Total Expenditures	689,591	581,081	108,510	511,651
Excess of Revenues Over Expenditures	313,719	492,089	178,370	459,915
Other Financing Sources (Uses)				
Transfers in	-	-	-	3,118
Transfers out	(472,867)	(472,867)	-	(324,890)
Net Other Financing Uses	(472,867)	(472,867)	-	(321,772)
Net Change in Fund Balance	\$ (159,148)	19,222	\$ 178,370	138,143
Fund Balance, beginning		346,978		208,835
Fund Balance, ending		\$ 366,200		\$ 346,978

Matanuska-Susitna Borough, Alaska

Road Service Area 27 - Meadow Lakes Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,123,530	\$ 2,253,275	\$ 129,745	\$ 2,059,677
Investment income	500	459	(41)	441
Total Revenues	2,124,030	2,253,734	129,704	2,060,118
Expenditures				
Current -				
Public services:				
Administration	373,620	348,075	25,545	268,079
Road service	985,855	861,457	124,398	846,880
Total Expenditures	1,359,475	1,209,532	149,943	1,114,959
Excess of Revenues Over Expenditures	764,555	1,044,202	279,647	945,159
Other Financing Sources (Uses)				
Transfers in	-	1,498	1,498	-
Transfers out	(854,019)	(854,019)	-	(705,000)
Net Other Financing Uses	(854,019)	(852,521)	1,498	(705,000)
Net Change in Fund Balance	\$ (89,464)	191,681	\$ 281,145	240,159
Fund Balance, beginning		378,865		138,706
Fund Balance, ending		\$ 570,546		\$ 378,865

Matanuska-Susitna Borough, Alaska

Road Service Area 28 - Gold Trail Road Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,896,130	\$ 2,057,006	\$ 160,876	\$ 1,852,186
Investment income	650	444	(206)	448
Total Revenues	1,896,780	2,057,450	160,670	1,852,634
Expenditures				
Current -				
Public services:				
Administration	338,489	315,346	23,143	244,074
Road service	1,065,744	1,010,950	54,794	937,010
Total public services	1,404,233	1,326,296	77,937	1,181,084
Debt service	352	351	1	387
Total Expenditures	1,404,585	1,326,647	77,938	1,181,471
Excess of Revenues Over Expenditures	492,195	730,803	238,608	671,163
Other Financing Sources (Uses)				
Transfers in	-	12,098	12,098	33,106
Transfers out	(569,547)	(569,547)	-	(486,850)
Net Other Financing Uses	(569,547)	(557,449)	12,098	(453,744)
Net Change in Fund Balance	\$ (77,352)	173,354	\$ 250,706	217,419
Fund Balance, beginning		347,477		130,058
Fund Balance, ending		\$ 520,831		\$ 347,477

Matanuska-Susitna Borough, Alaska

Road Service Area 29 - Greater Talkeetna Road Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 651,110	\$ 689,580	\$ 38,470	\$ 632,868
Investment income	300	316	16	428
Total Revenues	651,410	689,896	38,486	633,296
Expenditures				
Current -				
Public services:				
Administration	162,457	151,350	11,107	96,670
Road service	535,863	420,662	115,201	467,596
Total Expenditures	698,320	572,012	126,308	564,266
Excess (Deficiency) of Revenues Over Expenditures	(46,910)	117,884	164,794	69,030
Other Financing Sources (Uses)				
Transfers out	(129,184)	(129,184)	-	-
Transfers in	-	75,000	75,000	(3,600)
Net Other Financing Uses	(129,184)	(54,184)	75,000	(3,600)
Net Change in Fund Balance	\$ (176,094)	63,700	\$ 239,794	65,430
Fund Balance, beginning		<u>292,232</u>		<u>226,802</u>
Fund Balance, ending		<u>\$ 355,932</u>		<u>\$ 292,232</u>

Matanuska-Susitna Borough, Alaska

Road Service Area 30 - Trapper Creek Road Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual with Comparative Actuals

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 238,760	\$ 250,310	\$ 11,550	\$ 239,082
Investment income	300	215	(85)	348
Total Revenues	239,060	250,525	11,465	239,430
Expenditures				
Current -				
Public services:				
Administration	69,011	63,101	5,910	35,934
Road service	186,850	123,677	63,173	111,861
Total Expenditures	255,861	186,778	69,083	147,795
Excess (Deficiency) of Revenues				
Over Expenditures	(16,801)	63,747	80,548	91,635
Other Financing Uses				
Transfers out	(120,410)	(120,410)	-	(15,030)
Net Change in Fund Balance	<u>\$ (137,211)</u>	(56,663)	<u>\$ 80,548</u>	76,605
Fund Balance, beginning		<u>263,817</u>		<u>187,212</u>
Fund Balance, ending		<u>\$ 207,154</u>		<u>\$ 263,817</u>

Matanuska-Susitna Borough, Alaska

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

Years Ended June 30,	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 266,400	\$ 285,801	\$ 19,401	\$ 260,259
Investment income	300	191	(109)	221
Total Revenues	266,700	285,992	19,292	260,480
Expenditures				
Current -				
Public services:				
Administration	41,009	38,205	2,804	28,741
Road service	282,763	160,125	122,638	186,303
Total public services	323,772	198,330	125,442	215,044
Debt service	16	16	-	17
Total Expenditures	323,788	198,346	125,442	215,061
Net Change in Fund Balance	<u>\$ (57,088)</u>	87,646	<u>\$ 144,734</u>	45,419
Fund Balance, beginning		<u>160,846</u>		<u>115,427</u>
Fund Balance, ending		<u>\$ 248,492</u>		<u>\$ 160,846</u>

Matanuska-Susitna Borough, Alaska
Land Management Special Revenue Fund
Balance Sheet with Comparative Totals

<i>June 30,</i>	2020	2019
Assets		
Cash and investments	\$ 1,955,660	\$ 5,602,352
Interfund loan receivable	2,221,894	2,221,894
Other receivables	6,956	6,421
Land Sales Contracts Receivable		
Current	98,615	15,586
Delinquent	222,138	220,992
Unbilled	386,251	364,656
Total land sales contracts receivable	707,004	601,234
Less allowance for uncollectible contracts	(222,138)	(220,992)
Net Land Sales Contracts Receivable	484,866	380,242
Total Assets	\$ 4,669,376	\$ 8,210,909
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	\$ 9,714	\$ 50,494
Deposits	86,874	75,874
Total Liabilities	96,588	126,368
Deferred Inflows of Resources		
Land sales receivables not yet due	386,251	364,656
Total Liabilities and Deferred Inflows of Resources	482,839	491,024
Fund Balance		
Committed:		
Long-term loan receivable	2,221,894	2,221,894
Land management	1,080,290	4,376,354
Accrued leave	10,000	10,000
Assigned:		
Subsequent year expenditures	540,375	907,218
Subsequent year appropriations	-	204,419
Land management	333,978	-
Total Fund Balance	4,186,537	7,719,885
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,669,376	\$ 8,210,909

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

<i>Years Ended June 30,</i>	2020			2019
	Budget	Actual	Variance	Actual
Revenues				
Charges for services:				
Land sales and leases	\$ 920,000	\$ 944,818	\$ 24,818	\$ 605,724
Management fees	10,000	9,075	(925)	10,400
User fees	11,000	3,721	(7,279)	6,583
Intergovernmental - PERS relief	-	53,095	53,095	38,660
Investment income	5,000	3,431	(1,569)	8,867
Interest on land sales	33,000	56,227	23,227	54,373
Other	1,500	2,050	550	2,300
Total Revenues	980,500	1,072,417	91,917	726,907
Expenditures				
Current -				
Public services:				
Land management and development	1,142,940	767,120	375,820	949,625
Community development administration	357,028	216,649	140,379	257,210
Total Expenditures	1,499,968	983,769	516,199	1,206,835
Excess (Deficiency) of Revenues				
Over Expenditures	(519,468)	88,648	608,116	(479,928)
Other Financing Sources (Uses)				
Transfers in	-	78,004	78,004	133,617
Transfers out	(3,700,000)	(3,700,000)	-	(340,500)
Net Other Financing Uses	(3,700,000)	(3,621,996)	78,004	(206,883)
Net Change in Fund Balance	\$ (4,219,468)	(3,533,348)	\$ 686,120	(686,811)
Fund Balance, beginning		7,719,885		8,406,696
Fund Balance, ending		\$ 4,186,537		\$ 7,719,885

This page intentionally left blank.

DEBT SERVICE FUNDS

Matanuska-Susitna Borough, Alaska

School Buildings Debt Service Fund
Balance Sheet with Comparative Totals

<i>June 30,</i>	2020	2019
Assets		
Cash and investments	\$ 2,065,550	\$ 1,991,904
Restricted cash - debt retirement	1,594,493	1,571,636
Total Assets	3,660,043	3,563,540
Fund Balance		
Restricted - debt service	1,594,493	1,571,636
Assigned - debt service	2,065,550	1,991,904
Total Fund Balance	\$ 3,660,043	\$ 3,563,540

Matanuska-Susitna Borough, Alaska
School Buildings Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Revenues		
Investment income	\$ 393	\$ 169
Expenditures - debt service:		
Redemption of principal	16,780,000	18,345,000
Interest	9,534,139	10,810,819
Total Expenditures	26,314,139	29,155,819
Deficiency of Revenues Over Expenditures	(26,313,746)	(29,155,650)
Other (Uses) Financing Sources		
Refunding bonds issued	63,415,000	-
Payment to refunded bond escrow agent	(63,688,222)	-
Transfers in	26,683,471	30,278,296
Net Other Financing Sources	26,410,249	30,278,296
Net Change in Fund Balance	96,503	1,122,646
Fund Balance, beginning	3,563,540	2,440,894
Fund Balance, ending	\$ 3,660,043	\$ 3,563,540

Matanuska-Susitna Borough, Alaska

Fronteras School Debt Service Fund Balance Sheet with Comparative Totals

<i>June 30,</i>	2020	2019
Assets		
Lease receivable, long-term	\$ 9,833,051	\$ 10,226,351
Total Assets	9,833,051	10,226,351
Deferred Inflows of Resources		
Lease receivable not yet due	9,833,051	10,226,351
Total Deferred Inflows of Resources	\$ 9,833,051	\$ 10,226,351

Matanuska-Susitna Borough, Alaska
Fronteras School Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Revenues		
Lease interest	\$ 393,300	\$ 393,300
Expenditures - debt service:		
Redemption of principal	156,036	150,489
Interest	237,264	242,811
Total Expenditures	393,300	393,300
Net Change in Fund Balance	-	-
Fund Balance, beginning	-	-
Fund Balance, ending	\$ -	\$ -

Matanuska-Susitna Borough, Alaska

Nonmajor Debt Service Funds
Combining Balance Sheet

<i>June 30, 2020</i>	Fireweed Building	Public Safety Building 51	Public Safety Building 62	Public Safety Building 73	Parks and Recreation	Animal Control	Transpor- tation System	Totals
Assets								
Cash and investments	\$ -	\$ 211,593	\$ 4,989,671	\$ 382,359	\$ 850,607	\$ 50,418	\$ 829,167	\$ 7,313,815
Restricted cash and investments - debt retirement	-	766,768	502,153	569,446	-	548,423	-	2,386,790
Total Assets	\$ -	\$ 978,361	\$ 5,491,824	\$ 951,805	\$ 850,607	\$ 598,841	\$ 829,167	\$ 9,700,605
Liabilities and Fund Balances								
Liabilities								
Due to other funds	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50
Fund Balances								
Restricted - debt service	-	766,768	502,153	569,446	-	548,423	-	2,386,790
Assigned - debt service	-	211,593	4,989,671	382,359	850,607	50,418	829,167	7,313,815
Unassigned (deficit)	(50)	-	-	-	-	-	-	(50)
Total Fund Balances (Deficit)	(50)	978,361	5,491,824	951,805	850,607	598,841	829,167	9,700,555
Total Liabilities and Fund Balances	\$ -	\$ 978,361	\$ 5,491,824	\$ 951,805	\$ 850,607	\$ 598,841	\$ 829,167	\$ 9,700,605

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

<i>Year Ended June 30, 2020</i>	Fireweed Building	Public Safety Building 51	Public Safety Building 62	Public Safety Building 73	Parks and Recreation	Animal Control	Transpor- tation System	Totals
Revenues -								
Investment income	\$ -	\$ 7,968	\$ 5,782	\$ 6,558	\$ -	\$ 6,270	\$ -	\$ 26,578
Expenditures - debt service:								
Redemption of principal	89,615	525,000	280,000	325,000	1,065,000	450,000	1,250,000	3,984,615
Interest	-	238,725	217,950	240,900	998,575	92,000	1,072,805	2,860,955
Total Expenditures	89,615	763,725	497,950	565,900	2,063,575	542,000	2,322,805	6,845,570
Deficiency of Revenues								
Over Expenditures	(89,615)	(755,757)	(492,168)	(559,342)	(2,063,575)	(535,730)	(2,322,805)	(6,818,992)
Other (Uses) Financing Sources								
Refunding bonds issued	-	-	-	-	-	-	6,845,000	6,845,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	(6,850,261)	(6,850,261)
Transfers in	89,565	763,800	4,894,150	565,900	1,233,000	542,000	2,384,844	10,473,259
Net Other Financing Sources	89,565	763,800	4,894,150	565,900	1,233,000	542,000	2,379,583	10,467,998
Net Change in Fund Balances	(50)	8,043	4,401,982	6,558	(830,575)	6,270	56,778	3,649,006
Fund Balances, beginning	-	970,318	1,089,842	945,247	1,681,182	592,571	772,389	6,051,549
Fund Balances (Deficit), ending	\$ (50)	\$ 978,361	\$ 5,491,824	\$ 951,805	\$ 850,607	\$ 598,841	\$ 829,167	\$ 9,700,555

CAPITAL PROJECT FUNDS

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

June 30, 2020	School Projects	Fire Protection	Road Service Area Repairs	Sewage Facility	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Pass Through Grants	Misc- ellaneous	Infrastructure	Totals
Assets												
Cash and investments	\$ 13,276,546	\$ 10,139,890	\$ 18,348,111	\$ -	\$ 20,283,301	\$ 1,542,361	\$ 6,748,371	\$ 3,218,780	\$ 107,312	\$ 8,534,796	\$ -	\$ 82,199,468
Receivables:												
Intergovernmental	-	-	314,422	1,680,859	1,091,102	373,115	-	78,972	79,758	40,428	4,719	3,663,375
Other	-	-	-	-	-	-	-	2,276	-	-	-	2,276
Prepaid items	2,205	-	-	-	-	245	-	-	-	-	-	2,450
Restricted cash and investments	-	104,994	-	-	-	-	-	-	-	-	-	104,994
Total Assets	\$ 13,278,751	\$ 10,244,884	\$ 18,662,533	\$ 1,680,859	\$ 21,374,403	\$ 1,915,721	\$ 6,748,371	\$ 3,300,028	\$ 187,070	\$ 8,575,224	\$ 4,719	\$ 85,972,563
Liabilities and Fund Balances												
Liabilities												
Accounts, contracts and retentions payable	\$ 92,614	\$ 847,651	\$ 929,775	\$ 43,605	\$ 83,424	\$ 191,571	\$ 1,455	\$ 161,604	\$ 31,578	\$ 232,236	\$ -	\$ 2,615,513
Due to other funds	-	-	-	122,528	-	-	-	-	-	-	33,098	155,626
Deposits	5,447	29	-	-	-	-	-	-	-	-	9,100	14,576
Unearned revenue	-	22,500	169	-	-	-	-	27,878	-	-	-	50,547
Total Liabilities	98,061	870,180	929,944	166,133	83,424	191,571	1,455	189,482	31,578	232,236	42,198	2,836,262
Fund Balances												
Nonspendable - prepaid items	2,205	-	-	-	-	245	-	-	-	-	-	2,450
Restricted - capital projects	-	104,994	-	-	-	-	-	-	-	-	-	104,994
Assigned - capital projects	13,178,485	9,269,710	17,732,589	1,514,726	21,290,979	1,723,905	6,746,916	3,110,546	155,492	8,342,988	-	83,066,336
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	(37,479)	(37,479)
Total Fund Balances (Deficit)	13,180,690	9,374,704	17,732,589	1,514,726	21,290,979	1,724,150	6,746,916	3,110,546	155,492	8,342,988	(37,479)	83,136,301
Total Liabilities and Fund Balances	\$ 13,278,751	\$ 10,244,884	\$ 18,662,533	\$ 1,680,859	\$ 21,374,403	\$ 1,915,721	\$ 6,748,371	\$ 3,300,028	\$ 187,070	\$ 8,575,224	\$ 4,719	\$ 85,972,563

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

<i>Year Ended June 30, 2020</i>	School Projects	Fire Protection	Road Service Area Repairs	Sewage Facility	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities	Cultural and Recreational	Pass Through Grants	Misc- ellaneous	Infrastructure	Totals
Revenues												
Intergovernmental	\$ (2,577)	\$ 32,738	\$ 616,459	\$ -	\$ 4,758,062	\$ 541,879	\$ -	\$ 296,615	\$ 508,388	\$ 139,387	\$ 552,325	\$ 7,443,276
Investment income	300,357	1,232	-	-	-	4,761	-	86,138	-	-	-	392,488
Other	3,769	-	-	-	-	(1,875)	1,908,984	89,909	-	-	21,900	2,022,687
Total Revenues	301,549	33,970	616,459	-	4,758,062	544,765	1,908,984	472,662	508,388	139,387	574,225	9,858,451
Expenditures												
General government	-	-	-	-	-	-	21,963	-	-	754,222	-	776,185
Emergency services	-	3,521,837	-	-	6,363,614	-	-	-	-	478,990	-	10,364,441
Public services	-	-	7,539,348	39,305	-	67,182	9,213	774,220	633,823	1,089,250	264,713	10,417,054
Capital outlay	179,997	2,352,406	1,135,128	6,126,246	348,446	1,083,784	1,598,862	5,748,579	-	1,339,743	300,171	20,213,362
Total Expenditures	179,997	5,874,243	8,674,476	6,165,551	6,712,060	1,150,966	1,630,038	6,522,799	633,823	3,662,205	564,884	41,771,042
Excess (Deficiency) of Revenues												
Over Expenditures	121,552	(5,840,273)	(8,058,017)	(6,165,551)	(1,953,998)	(606,201)	278,946	(6,050,137)	(125,435)	(3,522,818)	9,341	(31,912,591)
Other Financing Sources (Uses)												
Transfers in	-	4,350,084	7,799,952	1,368,850	403,500	50,000	2,456,774	245,007	300,000	5,323,057	-	22,297,224
Transfers out	(9,083,470)	(191,458)	(158,132)	-	(30,737)	(20,119)	(31,418)	(17,045)	(76,522)	(2,035,935)	(118,300)	(11,763,136)
Loan issued	-	-	-	6,126,246	-	-	-	-	-	-	-	6,126,246
Insurance recovery	-	-	-	-	10,000,000	-	-	-	-	-	-	10,000,000
Net Other Financing Sources (Uses)	(9,083,470)	4,158,626	7,641,820	7,495,096	10,372,763	29,881	2,425,356	227,962	223,478	3,287,122	(118,300)	26,660,334
Net Change in Fund Balances	(8,961,918)	(1,681,647)	(416,197)	1,329,545	8,418,765	(576,320)	2,704,302	(5,822,175)	98,043	(235,696)	(108,959)	(5,252,257)
Fund Balances, beginning	22,142,608	11,056,351	18,148,786	185,181	12,872,214	2,300,470	4,042,614	8,932,721	57,449	8,578,684	71,480	88,388,558
Fund Balances (Deficit), ending	\$ 13,180,690	\$ 9,374,704	\$ 17,732,589	\$ 1,514,726	\$ 21,290,979	\$ 1,724,150	\$ 6,746,916	\$ 3,110,546	\$ 155,492	\$ 8,342,988	\$ (37,479)	\$ 83,136,301

Matanuska-Susitna Borough, Alaska

Capital Project Funds

Project Length of Construction Projects

<i>Beginning of Projects to June 30, 2020</i>	School Projects	Fire Protection	Road Service Areas Repairs	Sewage Facility	Sanitary Landfills	Ambulance and Emergency Services	Roads and Bridges	Borough Facilities
Total Project Authorizations	\$ 1,192,685,910	\$ 229,426,741	\$ 367,540,982	\$ 36,488,189	\$ 79,297,386	\$ 126,937,654	\$ 307,193,494	\$ 130,024,924
Revenues and Other Financing Sources								
Intergovernmental	\$ 68,899,692	\$ 21,796,429	\$ 58,433,956	\$ 20,597,341	\$ 10,542,729	\$ 24,975,025	\$ 132,694,655	\$ 25,685,745
LID bonds/other debt	6,900,000	10,635,713	186,095	-	-	-	-	515,000
Other	636,781,943	13,391,471	1,029,713	100,000	225,091	562,473	34,468,323	10,645,822
Transfers from other funds	30,474,947	78,314,968	132,139,753	2,954,870	25,653,181	32,007,567	10,525,480	40,038,757
Insurance recoveries	-	-	-	-	-	16,000,000	-	-
Total Revenues and Other Financing Sources	\$ 743,056,582	\$ 124,138,581	\$ 191,789,517	\$ 23,652,211	\$ 36,421,001	\$ 73,545,065	\$ 177,688,458	\$ 76,885,324
Expenditures and Other Financing Uses								
Capital projects	\$ 704,139,121	\$ 110,059,699	\$ 171,887,061	\$ 22,074,811	\$ 32,300,290	\$ 51,209,115	\$ 175,378,071	\$ 67,974,916
Transfers to other funds	25,736,771	4,704,178	2,169,867	62,674	720,251	1,044,971	586,237	2,163,492
Total Expenditures and Other Financing Uses	\$ 729,875,892	\$ 114,763,877	\$ 174,056,928	\$ 22,137,485	\$ 33,020,541	\$ 52,254,086	\$ 175,964,308	\$ 70,138,408

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

<i>Beginning of Projects to June 30, 2020</i>	Cultural and Recreational	Port	Pass- Through Grants	Miscellaneous	Infra- structure	Maintenance	Totals
Total Project Authorizations	\$ 78,714,100	\$ 127,108,466	\$ 33,225,595	\$ 189,891,423	\$ 380,232,068	\$ 1,149,094	\$ 3,279,916,026
Revenues and Other Financing Sources							
Intergovernmental	\$ 3,236,682	\$ 34,358,581	\$ 13,615,256	\$ 31,507,086	\$ 185,482,221	\$ -	\$ 631,825,398
LID bonds/other debt	22,280,000	-	-	-	-	-	40,516,808
Other	5,392,366	13,507,570	14,387	1,295,551	686,061	-	718,100,771
Transfers from other funds	10,306,468	15,757,634	2,867,506	75,424,867	2,261,000	1,111,719	459,838,717
Insurance recoveries	-	-	-	-	-	-	16,000,000
Total Revenues and Other Financing Sources	\$ 41,215,516	\$ 63,623,785	\$ 16,497,149	\$ 108,227,504	\$ 188,429,282	\$ 1,111,719	\$ 1,866,281,694
Expenditures and Other Financing Uses							
Capital projects	\$ 37,607,852	\$ 59,509,542	\$ 16,158,462	\$ 87,654,331	\$ 188,319,791	\$ 1,070,827	\$ 1,725,343,889
Transfers to other funds	497,118	3,528,554	183,195	12,230,185	146,970	40,892	53,815,355
Total Expenditures and Other Financing Uses	\$ 38,104,970	\$ 63,038,096	\$ 16,341,657	\$ 99,884,516	\$ 188,466,761	\$ 1,111,719	\$ 1,779,159,244

ENTERPRISE FUNDS

Matanuska-Susitna Borough, Alaska
Solid Waste Enterprise Fund
Statement of Net Position with Comparative Totals

June 30,	2020	2019
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 11,186,057	\$ 9,443,605
Receivables:		
Accounts	764,952	575,336
Allowance for doubtful accounts	(10,683)	(7,090)
Intergovernmental	366,001	489,328
Total Current Assets	12,306,327	10,501,179
Noncurrent Assets		
Restricted cash and investments - landfill closure	2,663,501	2,543,212
Net other postemployment benefits asset	12,576	-
Property, plant and equipment:		
Buildings	8,129,593	8,129,593
Improvements other than buildings	1,941,119	1,941,119
Equipment	3,900,925	3,283,624
Landfill cells	13,803,665	13,487,797
Construction in progress	1,104,671	682,158
Total property, plant and equipment	28,879,973	27,524,291
Accumulated depreciation and amortization	(13,948,147)	(13,349,792)
Net property, plant and equipment	14,931,826	14,174,499
Total Noncurrent Assets	17,607,903	16,717,711
Total Assets	29,914,230	27,218,890
Deferred Outflows of Resources		
Related to pensions	198,464	203,696
Related to other postemployment benefits	137,913	125,715
Total Deferred Outflows of Resources	336,377	329,411
Total Assets and Deferred Outflows of Resources	\$ 30,250,607	\$ 27,548,301
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 700,279	\$ 444,068
Accrued leave	139,984	101,383
Accrued interest payable	18,161	8,628
Current portion of loans payable	332,302	327,391
Total Current Liabilities	1,190,726	881,470
Noncurrent Liabilities		
Net pension liability	1,726,794	1,623,275
Net other postemployment benefits liability	10,354	332,036
Loans payable	10,371,143	10,245,069
Landfill closure costs payable	6,707,488	6,071,567
Total Noncurrent Liabilities	18,815,779	18,271,947
Total Liabilities	20,006,505	19,153,417
Deferred Inflows of Resources		
Related to pensions	51,116	37,680
Related to other postemployment benefits	46,065	117,839
Total Deferred Inflows of Resources	97,181	155,519
Net Position		
Net investment in capital assets	4,228,381	3,602,039
Unrestricted	5,918,540	4,637,326
Total Net Position	10,146,921	8,239,365
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 30,250,607	\$ 27,548,301

Matanuska-Susitna Borough, Alaska
Solid Waste Enterprise Fund
Statement of Revenues, Expenses, and
Changes in Net Position with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Operating Revenues		
Charges for services	\$ 9,978,894	\$ 9,481,543
Operating Expenses		
Public service:		
Landfill operations	3,424,561	3,314,024
Transfer sites	3,959,296	2,951,347
Depreciation and amortization	616,318	507,983
Allocated administrative and billing expenses	65,921	59,926
Total Operating Expenses	8,066,096	6,833,280
Operating Income	1,912,798	2,648,263
Nonoperating Revenues (Expenses)		
Intergovernmental - PERS relief	66,348	2,640
Interest expense	(89,279)	(83,838)
Investment income	9,539	13,708
Gain on disposal of capital assets	8,150	10,749
Net Nonoperating Expenses	(5,242)	(56,741)
Change in Net Position	1,907,556	2,591,522
Net Position, beginning	8,239,365	5,647,843
Net Position, ending	\$ 10,146,921	\$ 8,239,365

Matanuska-Susitna Borough, Alaska
Solid Waste Enterprise Fund
Statement of Cash Flows with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Cash Flows from Operating Activities		
Receipts from customers	\$ 9,916,198	\$ 9,987,068
Payments to suppliers	(3,992,769)	(3,370,872)
Payments to employees	(2,666,492)	(2,270,779)
Payments for interfund services used	(65,921)	(59,926)
Net cash flows from operating activities	3,191,016	4,285,491
Cash Flows for Capital and Related Financing Activities		
Purchases of property, plant and equipment	(1,397,203)	(5,245,155)
Sale of capital assets	8,150	10,749
Loans proceeds received	458,376	4,037,845
Principal and interest paid on loans	(407,137)	(407,140)
Net cash flows for capital and related financing activities	(1,337,814)	(1,603,701)
Cash Flows from Investing Activities - investment income	9,539	13,708
Net Increase in Cash and Investments	1,862,741	2,695,498
Cash and Investments, beginning of year	11,986,817	9,291,319
Cash and Investments, end of year	\$ 13,849,558	\$ 11,986,817
Reconciliation of Operating Income to Net Cash Flows from Operating Activities		
Operating income	\$ 1,912,798	\$ 2,648,263
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation and amortization	616,318	507,983
Noncash expense - PERS relief	66,348	2,640
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	(62,696)	505,525
Net other postemployment benefits asset	(12,576)	-
Deferred outflows of resources related to pension	5,232	(20,737)
Deferred outflows of resources related to other postemployment benefits	(12,198)	(84,835)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable, operations	279,769	62,939
Accrued leave	38,601	749
Net pension liability	103,519	42,520
Net other postemployment benefits liability	(321,682)	80,051
Landfill closure costs payable	635,921	607,860
Deferred inflows of resources related to pension	13,436	(72,552)
Deferred inflows of resources related to other postemployment benefits	(71,774)	5,085
Net Cash Flows from Operating Activities	\$ 3,191,016	\$ 4,285,491

Matanuska-Susitna Borough, Alaska
Port Enterprise Fund
Statement of Net Position with Comparative Totals

<i>June 30,</i>	2020	2019
Assets and Deferred Outflows of Resources		
Noncurrent Assets		
Net other postemployment benefits asset	\$ 781	\$ -
Property, plant and equipment:		
Buildings	7,948,617	7,948,617
Equipment	64,024	64,024
Infrastructure	33,321,302	33,321,302
Total property, plant and equipment	41,333,943	41,333,943
Accumulated depreciation	(13,556,215)	(12,440,167)
Net property, plant and equipment	27,777,728	28,893,776
Total Assets	27,778,509	28,893,776
Deferred Outflows of Resources		
Unamortized deferred loss on bonds	120,414	153,254
Related to pensions	79,254	79,579
Related to other postemployment benefits	10,406	9,648
Total Deferred Outflows of Resources	210,074	242,481
Total Assets and Deferred Outflows of Resources	\$ 27,988,583	\$ 29,136,257
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 27,999	\$ 37,380
Accrued leave	8,426	6,225
Due to General Fund	7,403,872	6,824,588
Accrued interest payable	35,787	43,521
Current portion of general obligation bonds	605,000	580,000
Total Current Liabilities	8,081,084	7,491,714
Noncurrent Liabilities		
Net pension liability	390,079	383,649
Net other postemployment benefits liability	8,326	28,307
Lease credits payable	1,307,105	1,310,978
General obligation bonds, net of premium	2,155,001	2,818,637
Interfund loans payable	2,671,894	2,671,895
Total Noncurrent Liabilities	6,532,405	7,213,466
Total Liabilities	14,613,489	14,705,180
Deferred Inflows of Resources		
Related to pensions	8,307	7,472
Related to other postemployment benefits	6,046	10,504
Total Deferred Inflows of Resources	14,353	17,976
Net Position		
Net Investment in capital assets	25,138,141	25,648,393
Unrestricted (deficit)	(11,777,400)	(11,235,292)
Total Net Position	13,360,741	14,413,101
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 27,988,583	\$ 29,136,257

Matanuska-Susitna Borough, Alaska
Port Enterprise Fund
Statement of Revenues, Expenses, and
Changes in Net Position with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Operating Revenues		
Charges for services	\$ 14,037	\$ 13,816
Operating Expenses		
Dock operations	625,553	1,982,509
Depreciation	1,116,048	1,116,048
Total Operating Expenses	1,741,601	3,098,557
Operating Loss	(1,727,564)	(3,084,741)
Nonoperating Revenues (Expenses)		
Intergovernmental - State sources:		
PERS relief (burden)	1,271	(2,750)
Debt service reimbursement - interest	-	116,066
Interest expense	(97,032)	(116,066)
Gain on disposal of capital assets	-	2,751
Net Nonoperating Revenues (Expenses)	(95,761)	1
Loss Before Capital Contributions and Transfers, and Extraordinary Items	(1,823,325)	(3,084,740)
Capital contributions	-	603,665
Transfers in	848,970	700,000
Transfers out	(78,005)	(1,020)
Change in Net Position	(1,052,360)	(1,782,095)
Net Position, beginning	14,413,101	16,195,196
Net Position, ending	\$ 13,360,741	\$ 14,413,101

Matanuska-Susitna Borough, Alaska
Port Enterprise Fund
Statement of Cash Flows with Comparative Totals

<i>Years Ended June 30,</i>	2020	2019
Cash Flows for Operating Activities		
Receipts from customers	\$ 10,164	\$ 9,943
Payments to suppliers	(496,620)	(1,932,567)
Payments to employees	(153,230)	(145,062)
Net cash flows for operating activities	(639,686)	(2,067,686)
Cash Flows from Noncapital Financing Activities		
Payments on interfund loan	-	(21,593)
Increase in due to General Fund	579,284	
Transfers in	848,970	700,000
Transfers out	(78,005)	(1,020)
Net cash flows from noncapital financing activities	1,350,249	677,387
Cash Flows for Capital and Related Financing Activities		
Capital contributions received	-	603,665
Sale of capital assets	-	2,751
Principal and interest paid on bonds	(710,563)	(712,512)
Debt service reimbursement	-	116,066
Increase in due to General Fund	-	1,380,329
Net cash flows from (for) capital and related financing activities	(710,563)	1,390,299
Net Change in Cash and Investments	-	-
Cash and Investments, beginning of year	-	-
Cash and Investments, end of year	\$ -	\$ -
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ (1,727,564)	\$ (3,084,741)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	1,116,048	1,116,048
Lease credits exercised	(3,873)	(3,873)
Noncash expense - PERS relief	1,271	(2,750)
(Increase) decrease in assets and deferred outflows of resources:		
Net other postemployment benefits asset	(781)	-
Deferred outflows of resources related to pension	325	(1,459)
Deferred outflows of resources related to other postemployment benefits	(758)	(5,969)
Increase (decrease) in liabilities and deferred inflows of resources:		
Net pension liability	6,430	2,992
Net other postemployment benefits liability	(19,981)	5,633
Accounts payable	(9,381)	(88,372)
Accrued leave	2,201	(448)
Deferred inflows of resources related to pension	835	(5,105)
Deferred inflows of resources related to other postemployment benefits	(4,458)	358
Net Cash Flows for Operating Activities	\$ (639,686)	\$ (2,067,686)

INTERNAL SERVICE FUNDS

Matanuska-Susitna Borough, Alaska

Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2020</i>	Revolving Loan	Self- Insurance	Totals
Assets			
Current Assets			
Cash and investments	\$ 1,033,600	\$ 28,181,536	\$ 29,215,136
Interfund loans receivable	47,766	-	47,766
Deposits with others	-	25,000	25,000
Total Current Assets	1,081,366	28,206,536	29,287,902
Interfund Loans Receivable, long-term	365,952	-	365,952
Total Assets	\$ 1,447,318	\$ 28,206,536	\$ 29,653,854
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Insurance claims incurred but not reported and claims payable	\$ -	\$ 2,273,191	\$ 2,273,191
Current portion of loans payable	20,366	-	20,366
Total Current Liabilities	20,366	2,273,191	2,293,557
Noncurrent Liabilities - loans payable	174,952	-	174,952
Total Liabilities	195,318	2,273,191	2,468,509
Net Position			
Unrestricted	1,252,000	25,933,345	27,185,345
Total Liabilities and Net Position	\$ 1,447,318	\$ 28,206,536	\$ 29,653,854

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

<i>Year Ended June 30, 2020</i>	Revolving Loan	Self- Insurance	Totals
Operating Revenues			
Intragovernmental	\$ -	\$ 9,785,590	\$ 9,785,590
Interest on loans	615	-	615
Employee contributions	-	1,494,502	1,494,502
Total Operating Revenues	615	11,280,092	11,280,707
Operating Expenses			
Claims	-	9,388,433	9,388,433
Administrative fees	-	1,248,745	1,248,745
Premium	-	208,431	208,431
Total Operating Expenses	-	10,845,609	10,845,609
Operating Income	615	434,483	435,098
Nonoperating Revenue - investment income	-	15,236	15,236
Income Before Transfers	615	449,719	450,334
Transfers out	(615)	-	(615)
Change in Net Position	-	449,719	449,719
Net Position, beginning	1,252,000	25,483,626	26,735,626
Net Position, ending	\$ 1,252,000	\$ 25,933,345	\$ 27,185,345

Matanuska-Susitna Borough, Alaska

Internal Service Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2020</i>	Revolving Loan	Self- Insurance	Totals
Cash Flows from Operating Activities			
Principal payments received on loans	\$ 67,467	\$ -	\$ 67,467
Interest payments received on loans	615	-	615
Principal payments on loans payable	(20,066)	-	(20,066)
Internal activity - payments from other funds	-	9,785,590	9,785,590
Receipts from employees and other	-	1,494,502	1,494,502
Payments for claims and services	-	(10,541,609)	(10,541,609)
Net cash flows from operating activities	48,016	738,483	786,499
Cash Flows for Noncapital Financing Activities			
Transfers out	(615)	-	(615)
Cash Flows from Investing Activities			
Investment income	-	15,236	15,236
Net Increase in Cash and Investments	47,401	753,719	801,120
Cash and Investments, beginning of year	986,199	27,427,817	28,414,016
Cash and Investments, end of year	\$ 1,033,600	\$ 28,181,536	\$ 29,215,136
Reconciliation of Operating Income to Net Cash			
Flows from Operating Activities			
Operating income	\$ 615	\$ 434,483	\$ 435,098
Adjustments to reconcile operating income to net cash flows from operating activities:			
Decrease in assets - loans receivable	67,467	-	67,467
Increase (decrease) in liabilities:			
Loans payable	(20,066)	-	(20,066)
Insurance claims incurred but not reported	-	304,000	304,000
Net Cash Flows from Operating Activities	\$ 48,016	\$ 738,483	\$ 786,499

Matanuska-Susitna Borough, Alaska

Revolving Loan Internal Service Funds

Combining Statement of Net Position

<i>June 30, 2020</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
Assets				
Current Assets				
Cash and investments	\$ 110,150	\$ 400,000	\$ 523,450	\$ 1,033,600
Interfund loans receivable	32,515	-	15,251	47,766
Total Current Assets	142,665	400,000	538,701	1,081,366
Interfund Loans Receivable, long-term	252,593	-	113,359	365,952
Total Assets	\$ 395,258	\$ 400,000	\$ 652,060	\$ 1,447,318
Liabilities and Net Position				
Liabilities				
Current liabilities - current portion of loans payable	\$ 5,115	\$ -	\$ 15,251	\$ 20,366
Noncurrent liability - loans payable	61,593	-	113,359	174,952
Total Liabilities	66,708	-	128,610	195,318
Net Position				
Unrestricted	328,550	400,000	523,450	1,252,000
Total Liabilities and Net Position	\$ 395,258	\$ 400,000	\$ 652,060	\$ 1,447,318

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

<i>Year Ended June 30, 2020</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
Operating Revenues				
Interest on loans	\$ 615	\$ -	\$ -	\$ 615
Transfers out	(615)	-	-	(615)
Change in Net Position	-	-	-	-
Net Position, beginning	328,550	400,000	523,450	1,252,000
Net Position, ending	\$ 328,550	\$ 400,000	\$ 523,450	\$ 1,252,000

Matanuska-Susitna Borough, Alaska

Revolving Loan Internal Service Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2020</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
Cash Flows from Operating Activities				
Principal payments received on loans	\$ 32,441	\$ 20,000	\$ 15,026	\$ 67,467
Interest payments received on loans	615	-	-	615
Principal payments on loans payable	(5,040)	-	(15,026)	(20,066)
Net cash flows from operating activities	28,016	20,000	-	48,016
Cash Flows for Noncapital Financing Activities				
Transfers out	(615)	-	-	(615)
Net Increase in Cash and Investments	27,401	20,000	-	47,401
Cash and Investments, beginning of year	82,749	380,000	523,450	986,199
Cash and Investments, end of year	\$ 110,150	\$ 400,000	\$ 523,450	\$ 1,033,600
Reconciliation of Operating Income to Net Cash Flows from Operating Activities				
Operating income	\$ 615	\$ -	\$ -	\$ 615
Adjustments to reconcile operating income to net cash flows from operating activities:				
Decrease in loans receivable	32,441	20,000	15,026	67,467
Decrease in loans payable	(5,040)	-	(15,026)	(20,066)
Net Cash Flows from Operating Activities	\$ 28,016	\$ 20,000	\$ -	\$ 48,016

Matanuska-Susitna Borough, Alaska

Self-Insurance Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2020</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Assets					
Current Assets					
Cash and investments	\$ 675,160	\$ 16,996,393	\$ 1,500,000	\$ 9,009,983	\$ 28,181,536
Deposits with others	-	-	-	25,000	25,000
Total Current Assets	\$ 675,160	\$ 16,996,393	\$ 1,500,000	\$ 9,034,983	\$ 28,206,536
Liabilities and Net Position					
Current Liabilities					
Insurance claims incurred but not reported and claims payable	\$ -	\$ 1,762,756	\$ -	\$ 510,435	\$ 2,273,191
Net Position					
Unrestricted	675,160	15,233,637	1,500,000	8,524,548	25,933,345
Total Liabilities and Net Position	\$ 675,160	\$ 16,996,393	\$ 1,500,000	\$ 9,034,983	\$ 28,206,536

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

<i>Year Ended June 30, 2020</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Operating Revenues					
Intragovernmental	\$ 176,240	\$ 8,345,775	\$ -	\$ 1,263,575	\$ 9,785,590
Employee contributions	-	1,494,502	-	-	1,494,502
Total Operating Revenues	176,240	9,840,277	-	1,263,575	11,280,092
Operating Expenses					
Claims	57,870	8,728,120	-	602,443	9,388,433
Administrative fees	-	1,204,435	-	44,310	1,248,745
Premium	-	-	-	208,431	208,431
Total Operating Expenses	57,870	9,932,555	-	855,184	10,845,609
Operating Income (Loss)	118,370	(92,278)	-	408,391	434,483
Nonoperating Revenue -					
investment income	-	15,236	-	-	15,236
Change in Net Position	118,370	(77,042)	-	408,391	449,719
Net Position, beginning	556,790	15,310,679	1,500,000	8,116,157	25,483,626
Net Position, ending	\$ 675,160	\$ 15,233,637	\$ 1,500,000	\$ 8,524,548	\$ 25,933,345

Matanuska-Susitna Borough, Alaska

Self-Insurance Internal Service Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2020</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Cash Flows from Operating Activities					
Internal activity - payments from other funds	\$ 176,240	\$ 8,345,775	\$ -	\$ 1,263,575	\$ 9,785,590
Receipts from employees and other	-	1,494,502	-	-	1,494,502
Payments for claims and services	(57,870)	(9,736,782)	-	(746,957)	(10,541,609)
Net cash flows from operating activities	118,370	103,495	-	516,618	738,483
Cash Flows from Investing Activities					
Investment income	-	15,236	-	-	15,236
Net Increase in Cash and Investments	118,370	118,731	-	516,618	753,719
Cash and Investments, beginning of year	556,790	16,877,662	1,500,000	8,493,365	27,427,817
Cash and Investments, end of year	\$ 675,160	\$ 16,996,393	\$ 1,500,000	\$ 9,009,983	\$ 28,181,536
Reconciliation of Operating Income (Loss) to Net Cash					
Flows from Operating Activities					
Operating income (loss)	\$ 118,370	\$ (92,278)	\$ -	\$ 408,391	\$ 434,483
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Insurance claims incurred but not reported	-	195,773	-	108,227	304,000
Net Cash Flows from Operating Activities	\$ 118,370	\$ 103,495	\$ -	\$ 516,618	\$ 738,483

This page intentionally left blank.

AGENCY FUNDS

Matanuska-Susitna Borough, Alaska

Agency Funds

Combining Statement of Changes in Assets and Liabilities

<i>Year Ended June 30, 2020</i>	Property Tax Agency			Balance at June 30, 2020
	Balance at July 1, 2019	Additions	Deletions	
Assets				
Cash and investments	\$ (154,355)	\$ 172,775	\$ -	\$ 18,420
Property taxes receivable:				
Real	85,712	3,202	-	88,914
Personal	9,965	-	-	9,965
Advances to others	154,355	-	154,355	-
Total Assets	\$ 95,677	\$ 175,977	\$ 154,355	\$ 117,299
Liabilities				
Accounts payable	\$ -	\$ 172,775	\$ 154,355	\$ 18,420
Taxes collected in advance	95,677	3,202	-	98,879
Total Liabilities	\$ 95,677	\$ 175,977	\$ 154,355	\$ 117,299
Road, Gas Line and Community Water Agency				
<i>Year Ended June 30, 2020</i>	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Assets				
Cash and investments	\$ 385,835	\$ 17,253	\$ 93,119	\$ 309,969
Special assessments receivable	771,856	-	150,915	620,941
Total Assets	\$ 1,157,691	\$ 17,253	\$ 244,034	\$ 930,910
Liabilities				
Accounts payable	\$ 1,415	\$ -	\$ 1,415	\$ -
Deposits	663,617	17,253	-	680,870
Bonds payable - gas lines	428,459	-	187,319	241,140
Bonds payable - road improvements	35,500	-	26,600	8,900
Bonds payable - water	28,700	-	28,700	-
Total Liabilities	\$ 1,157,691	\$ 17,253	\$ 244,034	\$ 930,910

Matanuska-Susitna Borough, Alaska

Agency Funds

Combining Statement of Changes in Assets and Liabilities, continued

Year Ended June 30, 2020	Totals			Balance at June 30, 2020
	Balance at July 1, 2019	Additions	Deletions	
Assets				
Cash and investments	\$ 231,480	\$ 190,028	\$ 93,119	\$ 328,389
Property taxes receivable:				
Real	85,712	3,202	-	88,914
Personal	9,965	-	-	9,965
Special assessments receivable	771,856	-	150,915	620,941
Advances to others	154,355	-	154,355	-
Total Assets	\$ 1,253,368	\$ 193,230	\$ 398,389	\$ 1,048,209
Liabilities				
Accounts payable	\$ 1,415	\$ 172,775	\$ 155,770	\$ 18,420
Deposits	663,617	17,253	-	680,870
Taxes collected in advance	95,677	3,202	-	98,879
Bonds payable - gas lines	428,459	-	187,319	241,140
Bonds payable - road improvements	35,500	-	26,600	8,900
Bonds payable - water	28,700	-	28,700	-
Total Liabilities	\$ 1,253,368	\$ 193,230	\$ 398,389	\$ 1,048,209

FEDERAL AND STATE EXPENDITURES

Matanuska-Susitna Borough, Alaska

Exhibit O-1

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Passed Through to Subrecipients	Total Federal Expenditures
Department of Agriculture					
Forest Service Schools and Roads Cluster:					
Schools and Roads - Grants to States	10.665		\$ 21,826	\$ -	\$ 21,826
Passed through State of Alaska, Department of Natural Resources:					
Cooperative Forestry Assistance - Spruce Beetel Migration	10.664	19-DG-11100106-810	50,000	-	428
Cooperative Forestry Assistance - FY18 Willow VFA	10.664	398430	7,449	-	63
Cooperative Forestry Assistance - FY18 Talkeetna VFA	10.664	398430	7,500	-	65
Cooperative Forestry Assistance - FY19 Talkeetna VFA	10.664	398430	7,500	-	7,500
Cooperative Forestry Assistance - FY19 Butte VFA	10.664	398430	7,498	-	7,498
Cooperative Forestry Assistance - FY19 Willow VFA	10.664	398430	7,272	-	7,272
Cooperative Forestry Assistance - FY19 Caswell Lakes VFA	10.664	398430	6,590	-	6,590
Cooperative Forestry Assistance - FY19 West Lakes VFA	10.664	398430	3,750	-	3,750
Total CFDA 10.664				-	33,166
Total Department of Agriculture				-	54,992
Department of Commerce					
Passed through State of Alaska, Department of Fish and Game:					
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	AKSSF-44213-B	355,000	-	131,549
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	AKSSF-52008	355,000	-	12,187
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	AKSSF-44720	1,067,467	-	(1,100)
Total Department of Commerce				-	142,636
Department of Homeland Security					
Passed through State of Alaska, Department of Military and Veterans Affairs:					
Homeland Security Grant Program - 2017	97.067	20SHSP-GY17	105,405	-	15,598
Homeland Security Grant Program - 2018	97.067	20SHSP-GY18	50,882	-	226
Homeland Security Grant Program - 2019	97.067	20SHSP-GY19	25,000	-	174
Total CFDA 97.067				-	15,998
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
2018 Cook Inlet Earthquake	97.036	DR-4094-AK	3,578,393	-	1,445,053
2012 Flood	97.036	AK-18-265	4,457,641	-	514,067
Total CFDA 97.036				-	1,959,120
Hazard Mitigation Grant - Butte River Erosion Mitigation	97.039	4162.0004	2,526,075	-	1,343,136
Hazard Mitigation Grant - Sutton River Erosion Mitigation	97.039	4162.0005	821,438	-	61,993
Total CFDA 97.039				-	1,405,129
Emergency Management Performance Grant	97.042	20EMPG-GY19	143,500	-	138,815
Total Passed through State of Alaska, Department of Military and Veterans Affairs				-	3,519,062
Total Department of Homeland Security				-	3,519,062
Department of the Interior					
Payments in Lieu of Taxes	15.226		3,876,116	-	3,876,116
Fish and Wildlife Management Assistance:					
Mat-Su Fish Passage 2020	15.608		1,546,000	-	441,781
Mat-Su Basin Conservation Imagery Program Partnership	15.608		40,000	-	40,000
Total CFDA 15.608				-	481,781
Fish and Wildlife Cluster					
Passed through State of Alaska, Fish and Wildlife -					
Wildlife Restoration and Basic Hunter Education	15.611	19-056	646,500	-	291,531

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Matanuska-Susitna Borough, Alaska

Exhibit O-1, continued

**Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Passed Through to Subrecipients	Total Federal Expenditures
Department of the Interior, continued					
Passed through State of Alaska, Department of Natural Resources -					
Historic Preservation Fund Grants-In-Aid					
Historic Preservation Plan, Phase I	15.904	HPF #19003	\$ 25,000	\$ -	\$ 4,756
Total Department of the Interior				-	4,654,184
Department of the Treasury					
Passed through the State of Alaska, Department of					
Commerce, Community and Economic Development-					
COVID-19 Coronavirus Relief Fund	21.019	20-CRF-127	38,032,472	-	81,450
Total Department of the Treasury				-	81,450
Department of Environmental Protection					
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		550,000	-	98,960
Passed through the State of Alaska, Department of					
Environmental Conservation:					
Clean Water State Revolving Fund Cluster - Capitalization					
Grants for Clean Water State Revolving Funds:					
Talkeetna Water and Sewer	66.458	561131	6,410,967	-	5,105,001
Central Landfill	66.458	561071	5,833,100	-	263,213
Mat-Su Septage and Leachate Treatment Plant	66.458	561041	4,166,500	-	118,531
Total CFDA 66.458				-	5,486,745
Total Department of Environmental Protection				-	5,585,705
Department of Health and Human Services					
Passed through the State of Alaska, Department of					
Health and Social Services -					
Public Health Emergency Preparedness	93.069	601-299-20002	40,000	-	36,176
Total Expenditures of Federal Awards				\$ -	\$ 14,074,205

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Matanuska-Susitna Borough, Alaska

Schedule of State Financial Assistance
Year Ended June 30, 2020

State Grantor / Pass-Through Grantor Program Title	Grant Number	Award Amount	Passed Through to Subrecipients	State Expenditures
Department of Commerce, Community and Economic Development				
* Community Assistance Program	FY20	\$ 6,466,174	\$ -	\$ 1,777,536
Marijuana Shared Revenue	FY20	-	-	34,100
South Big Lake Road Realignment	13-RR-016	4,704,775	-	(169)
* Road Bond Package State Match	13-DC-632	32,200,000	-	455,701
Michelle Dr and Gina Circle Reconstruction	14-DC-083	160,000	-	10,752
Rail Extension to Port MacKenzie	14-DC-086	25,000,000	-	134,086
* River Management	14-DC-087	2,500,000	-	265,558
Bogard Road Extension East	15-DC-099	7,000,000	-	22,035
Joe Redington Sr / Jr High School Utilities Extension	15-DC-102	900,000	-	(2,577)
Rail Extension to Port MacKenzie	15-DC-104	13,000,000	-	152,681
AK State 50% Match for Transportation School Access Bonds	15-DC-105	1,600,000	-	64,143
Upgrade .85 miles Michelle Dr., Gina Cir. & Getts Way	15-DC-107	250,000	-	21,459
Total Department of Commerce, Community and Economic Development			-	2,935,305
Department of Education and Early Development				
* Debt Retirement Program	FY20	8,787,348	-	8,787,348
Sutton Public Library Assistance	PLA-20-775-01	7,000	-	7,000
Talkeetna Public Library Assistance	PLA-20-777-01	7,000	-	7,000
Willow Public Library Assistance	PLA-20-789-01	7,000	-	7,000
Big Lake Public Library Assistance	PLA-20-807-01	7,000	-	7,000
Trapper Creek Public Library Assistance	PLA-20-827-01	7,000	-	7,000
Library Continuing Education - Talkeetna	CED-20-021P	1,250	-	1,250
Library Continuing Education - Sutton	CED-20-775-03	1,250	-	1,250
Total Department of Education and Early Development			-	8,824,848
Department of Health and Social Services				
* Human Services Community Matching Grant FY20	605-231-20003	294,374	-	285,820
Department of Revenue				
* Electric & Telephone Shared Revenue	FY20	722,197	-	722,197
Fisheries Business Share Tax	FY20	230	-	230
Total Department of Revenue			-	722,427

See accompanying notes to the Schedule of State Financial Assistance.

Matanuska-Susitna Borough, Alaska

Schedule of State Financial Assistance, continued
Year Ended June 30, 2020

State Grantor/Pass-Through Grantor Program Title	Grant Number	Award Amount	Passed Through to Subre- cipients	State Expenditures
Department of Military and Veterans Affairs				
Passed through U.S. Department of Homeland Security:				
Hazard Mitigation Grant Program -				
* Butte Matanuska River Erosion Mitigation (25%)	4162.0004	\$ 842,025	\$ -	\$ 447,712
Hazard Mitigation Grant Program -				
Sutton Matanuska River Erosion Mitigation (25%)	4162.0005	273,813	-	20,664
* Cook Inlet Earthquake - 2018	DR-4413-AK	1,485,880	-	481,684
MSB Flood Event - Sept 2012 - FEMA (25%)	DR-4094-AK	1,192,798	-	171,356
Total Passed through U.S. Department of Homeland Security			-	1,121,416
Total Department of Military and Veterans Affairs			-	1,121,416
Department of Natural Resources				
Mckinley Fire - Willow / Caswell Area Fire Disaster	2019-PUR-0012019-IT-006	18,376	-	18,376
Chalkyitsik Complex Fire	2019-IT-004-005	42,266	-	42,266
Oregon Lakes Fire	2019-IT-002	16,875	-	1,480
Shovel Creek Fire	2019-IT-003	28,758	-	17,453
Total Department of Natural Resources			-	79,575
Department of Administration				
* PERS Relief	FY20	1,862,011	-	1,862,011
Total State Financial Assistance			\$ -	\$ 15,831,402

* Indicates a State Major Program

See accompanying notes to the Schedule of State Financial Assistance.

Matanuska-Susitna Borough, Alaska

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended June 30, 2020

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") include the federal and state award activity of Matanuska-Susitna Borough under programs of the federal and state governments for the year ended June 30, 2020. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *the State of Alaska Audit Guide and Compliance Supplement for State Single Audits* (State Audit Guide). Because the Schedules present only a selected portion of the operations of Matanuska-Susitna Borough, they are not intended to and do not present the financial position, changes in net position or cash flows of Matanuska-Susitna Borough.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Audit Guide, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts reflected on the schedules (if any) represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. PERS On-Behalf

The Borough has recorded \$1,862,011 in PERS On-Behalf payments in the Schedule of State Financial Assistance. This represents the PERS relief payment appropriated and transferred into the plan during FY20.

In the governmental fund financial statements, on-behalf revenue and expenditures have been recognized in the year appropriated and transferred to the plan. However, in the full accrual financial statements, GASB Statement No. 68 provisions prescribe that on-behalf pension contributions in a special funding situation may only be recognized during the measurement period in which the plan recognizes the contributions, effectively creating a one-year timing difference between the cash contribution and revenue and expense recognition by the Borough.

As a result of these perspective and timing differences, amounts reported in the financial statements do not agree to the amounts reported on the Schedule of State Financial Assistance.

4. Indirect Cost Rate

Matanuska-Susitna Borough has elected to not use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

This page intentionally left blank.

STATISTICAL SECTION

MATANUSKA-SUSITNA BOROUGH
Statistical Section Contents

	<u>Schedule(s)</u>	<u>Page(s)</u>
<u>Financial Trends</u>		
These schedules contain trend information to help the reader understand how the Borough's financial performance and well-being have changed over time.	1-5	177-182
<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	183-187
<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.	10-15	188-193
<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.	16-17	194-195
<u>Operating Information</u>		
These schedules contain information about the Borough's operations and resources to help the reader understand how the Borough's financial information related to the services the Borough provides and the activities it performs.	18-20	196-198

This page intentionally left blank.

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

	2011*	2012*	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 382,358,825	457,114,641	508,684,140	586,832,955	655,967,658	711,672,450	717,796,172	731,250,626	754,521,515	743,720,444
Restricted	1,087,682	1,085,976	1,084,439	1,848,836	6,927,928	5,088,112	33,138,798	3,954,648	3,975,072	3,224,707
Unrestricted (deficit)	189,689,534	154,048,260	157,782,247	154,221,875	127,774,151	131,390,966	118,566,666	151,368,002	148,658,067	189,050,826
Total governmental activities net position	\$ 573,136,041	612,248,877	667,550,826	742,903,666	790,669,737	848,151,528	869,501,636	886,573,276	907,154,654	935,995,977
Business-type activities										
Net investment in capital assets	\$ 41,544,009	42,661,168	36,163,919	31,191,467	33,602,838	30,996,296	29,816,551	29,266,034	29,250,432	29,366,522
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(8,145,505)	(9,410,516)	(3,378,407)	(7,339,896)	(10,177,832)	(10,767,386)	(10,093,032)	(7,422,995)	(6,597,966)	(5,858,860)
Total business-type activities net position	\$ 33,398,504	33,250,652	32,785,512	23,851,571	23,425,006	20,228,910	19,723,519	21,843,039	22,652,466	23,507,662
Primary government										
Net investment in capital assets	\$ 423,902,834	499,775,809	544,848,059	618,024,422	689,570,496	742,668,746	747,612,723	760,516,660	783,771,947	743,720,444
Restricted	1,087,682	1,085,976	1,084,439	1,848,836	6,927,928	5,088,112	33,138,798	3,954,648	3,975,072	3,224,707
Unrestricted (deficit)	181,544,029	144,637,744	154,403,840	146,881,979	117,596,319	120,623,580	108,473,634	143,945,007	142,060,101	189,050,826
government net position	\$ 606,534,545	645,499,529	700,336,338	766,755,237	814,094,743	868,380,438	889,225,155	908,416,315	929,807,120	935,995,977

Notes: *Prior year amounts have not been restated for the implementation of Statement 54.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 18,348,693	19,309,310	15,966,207	20,704,665	21,492,676	24,261,580	26,668,270	22,771,086	23,154,030	22,609,060
Public works	3,600,452	4,115,712	4,212,583	4,276,429	13,967,990	12,934,880	5,414,122	6,667,478	5,068,357	4,368,375
Emergency services	18,214,176	19,608,706	22,058,588	20,545,881	23,826,995	28,733,622	31,121,723	28,203,210	31,307,833	31,652,461
Public services	21,086,908	24,115,247	26,506,256	28,059,904	41,185,883	29,676,676	33,680,511	33,191,962	38,217,331	36,018,494
Education	55,239,633	58,291,435	60,903,056	73,489,025	61,590,136	64,367,590	71,723,081	67,801,827	70,545,128	66,756,080
Interest	8,464,045	9,199,614	11,621,596	12,361,995	14,776,978	12,741,667	12,786,263	12,809,176	11,218,029	9,885,785
Total governmental activities expenses	124,953,907	134,640,024	141,268,286	159,437,899	176,840,658	172,716,015	181,393,970	171,444,739	179,510,708	171,290,255
Business-type activities:										
Solid waste	4,674,968	4,826,419	4,800,883	5,404,454	5,969,325	8,801,323	7,795,028	7,757,003	6,917,118	8,155,375
Port	1,698,154	1,833,823	3,449,726	2,333,191	2,256,226	4,718,707	2,641,930	2,573,464	3,217,373	1,838,633
Total business-type activities expenses	6,373,122	6,660,242	8,250,609	7,737,645	8,225,551	13,520,030	10,436,958	10,330,467	10,134,491	9,994,008
Total primary government expenses	\$ 131,327,029	141,300,266	149,518,895	167,175,544	185,066,209	186,236,045	191,830,928	181,775,206	189,645,199	181,284,263
Program Revenues (see Schedule 3)										
Governmental activities:										
Fees, fines, and charges for services:										
General government	\$ 602,252	424,821	526,033	528,579	585,129	456,938	1,966,442	715,602	192,015	865,630
Public works	62,032	60,634	77,374	59,317	186,843	114,475	140,215	254,899	104,484	80,274
Emergency services	3,688,584	3,642,523	3,915,237	4,810,309	7,430,769	7,226,326	7,274,015	6,289,248	5,851,204	6,557,286
Public services	-	-	-	-	-	-	4,304,319	2,168,518	1,679,081	2,142,186
Education	1,822,252	1,499,207	1,809,999	3,193,367	2,390,785	3,525,098	-	361,258	393,300	474,750
Operating grants and contributions	12,312,812	16,098,041	21,534,532	22,293,350	21,644,248	24,270,603	16,009,319	23,385,078	21,319,101	10,640,981
Capital grants and other contributions	32,873,329	31,327,802	44,236,489	83,419,592	77,432,954	55,623,908	17,647,089	10,887,779	6,523,893	7,423,067
Total governmental activities program revenues	51,361,261	53,053,028	72,099,664	114,304,514	109,670,728	91,217,348	47,341,399	44,062,382	36,063,078	28,184,174
Business-type activities:										
Fees, fines, and charges for services:										
Solid waste	3,510,305	4,268,602	5,586,782	5,598,895	6,746,489	8,606,426	9,046,715	8,925,931	9,481,543	9,978,894
Port	51,333	24,505	74,737	22,851	102,134	292,936	232,139	10,290	13,816	14,037
Operating grants and contributions	752,450	754,613	1,225,263	707,350	773,840	769,065	736,295	3,150,125	2,640	67,619
Capital grants and other contributions	4,797,253	1,245,246	742,939	1,013,727	2,705,520	1,838,861	4,026	10,618	719,731	-
Total business-type activities program revenues	9,111,341	6,292,966	7,629,721	7,342,823	10,327,983	11,507,288	10,019,175	12,096,964	10,217,730	10,060,550
Total primary government program revenues	\$ 60,472,602	59,345,994	79,729,385	121,647,337	119,998,711	102,724,636	57,360,574	56,159,346	46,280,808	38,244,724
Net (Expenses)/Revenue										
Governmental activities	\$ (73,592,646)	(81,586,996)	(69,168,622)	(45,133,385)	(67,169,930)	(81,498,667)	(134,052,571)	(127,382,357)	(143,447,630)	(143,106,081)
Business-type activities	2,738,219	(367,276)	(620,888)	(759,876)	2,102,432	(2,012,742)	(417,783)	1,766,497	83,239	66,542
Total primary government net expense	\$ (70,854,427)	(81,954,272)	(69,789,510)	(45,893,261)	(65,067,498)	(83,511,409)	(134,470,354)	(125,615,860)	(143,364,391)	(143,039,539)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 107,145,689	104,693,752	110,238,571	114,243,341	116,399,253	122,362,726	129,146,156	135,123,613	137,039,299	145,657,590
Excise taxes	4,927,058	4,871,649	4,913,901	7,326,269	7,548,977	8,286,431	8,229,211	7,768,567	9,418,381	9,917,857
Transient accommodation taxes	957,362	1,084,282	1,099,803	1,113,368	1,117,249	1,205,702	1,206,741	1,268,575	1,428,373	999,526
Grants and entitlements not restricted										
to a specific purpose	11,269,679	9,413,627	9,945,813	8,132,177	11,532,940	8,597,526	7,082,528	6,855,868	6,438,852	6,218,072
Investment income	619,682	443,957	483,938	1,306,079	1,043,112	366,486	1,320,781	1,663,174	8,598,388	6,355,169
Other	426,584	292,565	347,299	721,061	704,245	749,135	741,802	339,052	1,804,695	3,570,155
Extraordinary items	-	-	-	(12,319,299)	-	(2,587,548)	-	-	-	-
Transfers	63,719	(100,000)	-	-	(1,354,373)	-	96,487	(700,000)	(698,980)	(770,965)
Special items	-	-	-	-	-	-	3,031,370	-	-	-
Total governmental activities	125,409,773	120,699,832	127,029,325	120,522,996	136,991,403	138,980,458	150,855,076	152,318,849	164,029,008	171,947,404
Business-type activities:										
Grants and entitlements not restricted										
to a specific purpose	84,909	111,833	149,927	132,341	-	-	-	-	-	-
Investment income	6,018	3,576	4,477	-	-	574	8,879	10,233	13,708	9,539
Other	672	4,015	1,344	460	108,775	-	-	-	13,500	8,150
Extraordinary items	(1,375,000)	-	-	(2,598,884)	(3,000,000)	(2,937,431)	-	-	-	-
Transfers	(63,719)	100,000	-	-	1,354,373	2,587,548	(96,487)	700,000	698,980	770,965
Total business-type activities	(1,347,120)	219,424	155,748	(2,466,083)	(1,536,852)	(349,309)	(87,608)	710,233	726,188	788,654
Total primary government	\$ 124,062,653	120,919,256	127,185,073	118,056,913	135,454,551	138,631,149	150,767,468	153,029,082	164,755,196	172,736,058
Change in Net Position										
Governmental activities	\$ 51,817,127	39,112,836	57,860,703	75,389,611	69,821,473	57,481,791	16,802,505	24,936,492	20,581,378	28,841,323
Business-type activities	1,391,099	(147,852)	(465,140)	(3,225,959)	565,580	(2,362,051)	(505,391)	2,476,730	809,427	855,196
Total primary government	\$ 53,208,226	38,964,984	57,395,563	72,163,652	70,387,053	55,119,740	16,297,114	27,413,222	21,390,805	29,696,519

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
Governmental activities:										
General government	\$ 989,981	1,427,941	1,835,073	1,824,014	1,531,324	1,304,323	2,352,097	1,442,771	752,207	1,528,576
Public works	1,672,553	7,871,216	10,130,146	5,234,620	31,935,911	35,498,579	2,756,713	361,018	147,422	123,509
Emergency services	6,367,187	5,359,587	4,996,193	6,989,455	10,487,098	8,896,045	9,349,662	11,587,522	7,362,942	12,222,518
Public services	25,187,846	21,172,198	29,754,735	67,048,190	42,025,535	21,050,237	17,417,743	7,396,183	7,576,183	5,047,473
Education	17,143,694	17,222,086	25,383,518	33,208,235	23,690,860	24,468,164	15,465,184	23,274,888	20,224,324	9,262,098
Subtotal governmental activities	51,361,261	53,053,028	72,099,665	114,304,514	109,670,728	91,217,348	47,341,399	44,062,382	36,063,078	28,184,174
Business-type activities:										
Solid waste	4,721,503	4,442,028	5,753,223	6,554,145	7,292,457	8,658,408	9,062,356	8,963,938	9,484,183	10,045,242
Port	4,389,838	1,850,938	1,876,498	788,678	2,969,549	2,848,880	956,819	3,133,026	733,547	15,308
Subtotal business-type activities	9,111,341	6,292,966	7,629,721	7,342,823	10,262,006	11,507,288	10,019,175	12,096,964	10,217,730	10,060,550
Total primary government	\$ 60,472,602	59,345,994	79,729,386	121,647,337	119,932,734	102,724,636	57,360,574	56,159,346	46,280,808	38,244,724

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

	2011*	2012*	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Nonspendable	\$ 609,888	754,433	535,315	797,507	1,358,788	2,090,291	1,236,917	1,270,027	1,348,074	753,530
Restricted	-	-	-	-	-	-	-	-	78,660	117,990
Committed	35,963,397	30,555,043	32,922,316	31,293,075	31,536,947	29,011,538	33,069,306	33,069,306	28,507,217	33,985,217
Assigned	13,255,252	10,445,811	12,703,069	13,383,261	11,907,107	13,562,914	4,237,866	9,096,692	9,377,170	18,901,316
Unassigned	15,135,905	12,277,156	12,418,295	14,294,595	14,498,345	13,856,608	14,267,853	11,774,008	13,469,496	15,337,553
Total general fund	\$ 64,964,442	54,032,443	58,578,995	59,768,438	59,301,187	58,521,351	52,811,942	55,210,033	52,780,617	69,095,606
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Debt service funds										
Capital projects funds										
Nonspendable	\$ 417,866	316,604	161,997	503,533	821,311	391,023	178,196	52,734	126,473	14,953
Restricted	1,087,550	131,923,349	132,496,668	124,092,473	116,689,273	50,892,523	42,221,924	32,094,872	25,372,952	2,491,784
Committed	6,881,400	6,689,183	6,954,633	7,024,812	7,726,329	6,430,783	5,831,387	4,072,241	8,023,248	4,963,684
Assigned	100,523,387	75,850,146	73,504,267	78,158,604	70,779,374	76,828,637	112,355,394	109,060,659	105,013,502	124,341,845
Unassigned (deficit)	(182,245)	(227,590)	(303,377)	(180,108)	(201,255)	(467,984)	(488,615)	(247,087)	-	(42,030)
Total all other governmental funds	\$ 108,727,958	214,551,692	212,814,188	209,599,314	195,815,032	134,074,982	160,098,286	145,033,419	138,536,175	131,770,236

Note: *Prior year amounts have not been restated for the implementation of Statement 54.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes										
Property	\$ 107,616,264	103,712,415	109,941,885	113,979,370	116,997,572	123,043,080	128,589,866	135,170,678	139,269,777	137,093,083
Transient accommodations	957,362	1,084,282	1,099,803	1,113,369	1,117,249	1,205,702	1,206,741	1,268,575	1,428,373	999,526
Excise	4,723,063	5,075,644	4,913,901	7,326,269	7,548,977	8,286,431	8,171,681	7,768,567	9,418,381	9,917,857
Intergovernmental	56,442,470	56,583,156	75,538,593	114,234,610	117,684,505	87,801,977	43,513,929	40,755,725	34,281,846	24,363,570
Charges for services	5,898,919	5,411,508	6,869,062	8,340,514	9,055,915	11,691,184	13,552,651	9,829,490	9,086,356	9,546,096
Sales Taxes	-	-	-	-	-	-	-	-	1,083,732	-
Investment income	542,742	389,963	573,412	876,148	996,637	364,710	1,293,704	1,638,923	8,572,873	6,339,318
Interest on land sales	59,575	42,442	25,332	16,009	12,060	22,164	21,701	34,897	54,373	56,227
Other revenues	457,206	548,879	393,074	743,758	1,415,641	799,151	2,869,207	2,046,196	1,649,747	3,952,868
Total revenues	176,697,601	172,848,289	199,355,062	246,630,047	254,828,556	233,214,399	199,219,480	198,513,051	204,845,458	192,268,545
Expenses										
General government	19,646,372	19,853,424	17,009,544	20,975,235	26,339,550	21,834,903	23,030,433	21,709,185	23,645,902	24,245,142
Public works	3,626,363	4,177,386	4,460,596	4,779,986	7,024,663	6,170,341	5,383,039	5,591,981	4,696,380	4,104,916
Emergency services	16,533,229	18,147,836	20,431,796	18,499,252	22,542,115	22,199,305	26,011,974	25,393,942	34,210,530	36,649,343
Public services	18,551,909	21,755,463	24,006,043	26,361,372	28,220,165	26,434,763	27,281,620	28,886,768	31,737,529	29,532,733
Education	48,601,849	51,177,721	53,532,128	55,565,878	52,764,262	53,773,607	60,582,946	56,465,348	58,554,980	54,765,932
Debt service										
Interest	8,261,914	9,742,827	12,018,693	12,675,315	20,165,000	16,242,549	14,313,688	15,305,172	14,114,141	12,636,204
Principal	11,915,000	13,560,000	17,645,000	18,975,000	14,688,308	22,564,565	23,667,813	25,223,286	22,340,104	20,920,651
Capital outlay	43,987,644	40,718,502	76,112,705	152,317,206	161,810,925	130,600,411	33,657,132	30,364,893	30,579,827	20,213,362
Total expenditures	171,124,280	179,133,159	225,216,505	310,149,244	333,554,988	299,820,444	213,928,645	208,940,575	219,879,393	203,068,283
Excess of revenues over (under) expenditures	5,573,321	(6,284,870)	(25,861,443)	(63,519,197)	(78,726,432)	(66,606,045)	(14,709,165)	(10,427,524)	(15,033,935)	(10,799,738)
Other Financing Sources (Uses)										
Proceeds from disposal of capital assets	12,921	10,756	50,165	34,370	26,427	76,637	17,821	62,745	34,595	101,547
Insurance Proceeds	-	-	-	-	-	-	-	-	6,000,000	10,000,000
Transfers in	40,209,920	51,837,142	54,882,849	54,523,841	53,740,727	56,742,020	63,798,013	66,956,411	84,519,399	61,770,136
Transfers out	(40,045,435)	(51,936,582)	(54,882,570)	(54,523,375)	(55,094,747)	(59,329,253)	(65,383,402)	(67,655,659)	(85,217,696)	(62,540,486)
Bond issuance	33,785,000	100,480,000	24,465,000	47,240,000	94,105,000	-	60,826,426	-	-	70,260,000
Premium on bond issuance	1,069,678	10,691,728	4,155,047	5,302,804	12,793,446	-	-	-	-	-
COP Issuance	-	-	-	8,585,000	-	-	14,297,344	-	-	-
Note Issuance	-	-	-	-	-	6,596,755	818,245	-	-	-
Loan Issuance	-	-	-	-	-	-	-	-	770,977	6,126,246
Premium on COP issuance	-	-	-	331,126	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	(9,906,439)	-	-	(41,095,954)	-	(39,351,386)	-	-	(70,538,483)
Total other financing sources (uses)	35,032,084	101,176,605	28,670,491	61,493,766	64,474,899	4,086,159	35,023,061	(636,503)	6,107,275	15,178,960
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 40,605,405	94,891,735	2,809,048	(2,025,431)	(14,251,533)	(62,519,886)	20,313,896	(11,064,027)	(8,926,660)	4,379,222
Debt service as a percentage of noncapital expenditures										
	12.07%	12.24%	14.54%	14.90%	15.36%	16.98%	15.46%	22.70%	19.26%	18.35%
Debt Service	20,176,914	23,302,827	29,663,693	31,650,315	34,853,308	38,807,114	37,981,501	40,528,458	36,454,245	33,556,855
Non-capital outlay	167,182,071	190,351,239	203,986,370	212,355,413	226,838,810	228,549,286	245,654,915	178,575,682	189,300,778	182,854,921

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

Fiscal Year	(1) Real Property	(1) Personal Property	(1) Less: Tax-Exempt Property	(1) Total Taxable Assessed Value	(1) Total Direct Tax Rate	(2) Estimated Actual Value	Total Taxable Assessed Value as a Percentage of Total Estimated Actual Value
2011	\$ 9,538,236,712	\$ 70,594,984	\$ 1,399,139,093	\$ 8,209,692,603	9.956 %	\$ 9,103,817,690	90.18 %
2012	9,844,733,062	71,482,452	1,532,187,448	8,384,028,066	10.051	9,063,680,270	92.50
2013	10,083,251,287	50,340,319	1,600,527,289	8,533,064,317	9.691	9,568,003,300	89.18
2014	10,350,396,337	63,442,515	1,711,599,833	8,702,239,019	9.852	10,064,353,720	86.47
2015	10,700,459,143	52,590,547	1,748,972,499	9,004,077,191	9.662	10,268,301,740	87.69
2016	11,241,555,014	55,738,480	2,031,032,480	9,266,261,014	9.984	10,985,826,830	84.35
2017	11,827,850,040	57,210,951	2,149,070,847	9,735,990,144	9.984	11,715,012,530	83.11
2018	12,143,847,289	55,474,108	2,189,734,774	10,009,586,623	10.332	11,715,012,530	85.44
2019	12,607,655,917	56,166,810	2,276,424,441	10,387,398,286	10.331	12,038,657,130	86.28
2020	13,073,712,851	56,296,592	2,362,936,741	10,767,072,702	10.386	12,431,946,562	86.61

Sources:

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

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

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

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

Fiscal Year	Borough Direct Rate	Overlapping Rates							
	Areawide Borough	Non-areawide Borough	City of Palmer	City of Wasilla	City of Houston	2	4	7	8
2011	9.956	0.394	3.00	-	3.00	2.94	3.71	1.32	8.51
2012	10.051	0.425	3.00	-	3.00	2.94	3.96	1.32	8.22
2013	9.691	0.489	3.00	-	3.00	3.05	4.06	1.39	4.00
2014	9.852	0.520	3.00	-	3.00	3.05	4.41	1.39	4.00
2015	9.662	0.520	3.00	-	3.00	3.24	4.59	1.39	-
2016	9.984	0.517	3.00	-	3.00	3.43	4.82	1.07	-
2017	9.984	0.525	3.00	-	3.00	3.43	4.59	0.91	-
2018	10.332	0.548	3.00	-	3.00	3.43	4.59	0.91	-
2019	10.331	0.548	3.00	-	3.00	3.43	4.59	0.91	-
2020	10.386	0.057	3.00	-	3.00	3.43	4.59	0.91	-

Fiscal Year	Overlapping Rates								
	9	14	15	16	17	19	20	21	23
2011	2.41	1.66	4.11	1.50	2.75	2.62	3.39	2.57	4.01
2012	2.58	1.66	4.11	1.50	2.75	2.51	3.62	2.57	4.29
2013	2.78	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59
2014	2.78	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59
2015	2.78	1.77	4.10	1.50	2.92	2.51	3.50	2.57	4.59
2016	2.78	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59
2017	2.78	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59
2018	2.78	1.85	4.10	1.50	2.92	2.50	3.50	2.57	4.59
2019	2.78	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59
2020	2.78	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59

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

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

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
2011	1.84	1.53	3.04	3.24	2.00	2.73	3.74	3.35
2012	1.84	1.61	3.23	3.24	2.00	2.73	3.97	3.68
2013	1.95	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2014	1.95	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2015	2.04	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2016	2.04	1.73	3.45	3.48	2.00	3.01	4.41	3.68
2017	2.04	1.73	3.45	3.48	1.99	3.01	4.41	3.68
2018	2.04	1.73	3.45	3.48	1.99	3.12	4.41	3.68
2019	2.04	1.73	3.45	3.48	1.99	3.12	4.41	3.68
2020	2.04	1.73	3.45	3.48	1.99	3.12	4.41	3.68

Overlapping Rates

Fiscal Year	35	69	130	131	132	135	136
2011	1.21	7.33	1.83	3.47	0.84	3.00	1.56
2012	1.29	8.21	1.92	3.68	0.88	3.00	1.56
2013	1.37	9.12	1.97	4.13	0.88	2.96	1.67
2014	1.46	9.12	1.99	3.24	0.90	2.96	1.67
2015	1.34	9.12	1.99	3.24	0.90	2.96	1.78
2016	2.75	9.12	1.99	3.24	0.94	3.21	1.88
2017	2.75	9.40	2.15	3.24	0.96	3.21	2.20
2018	2.75	9.40	2.15	3.24	0.96	3.21	2.20
2019	2.75	9.40	2.15	3.24	0.96	3.21	2.20
2020	2.75	9.40	2.15	3.24	0.96	3.21	2.20

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

Taxpayer	2020			2011		
	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	\$ 111,810,900	1	1.12 %	\$ 101,466,020	1	1.33 %
Enstar Natural Gas	63,983,000	2	0.64	42,403,100	2	0.52
Fred Meyer Stores, Inc.	53,449,265	3	0.53	40,275,375	4	0.49
Alaska Hotel Properties, Inc.	40,647,200	4	0.41	40,975,800	3	0.47
Wal-Mart Stores, Inc.	29,636,400	5	0.30	28,832,333	5	0.37
Cook Inlet Region, Inc.	27,602,600	6	0.28	17,580,800	10	0.26
Global Finance & Investments S.A./Gary Lundgren	24,862,500	7	0.25	-		0.30
GCI Cable/Alaska Wireless	23,037,200	8	0.23	20,569,437	8	0.32
Maple Springs	19,119,200	9	0.19	-		0.45
DBC, LLC/Target	18,273,900	10	0.18	23,761,415	6	
Alaska Pipeline Co.	-		-	21,338,100	7	0.27
Lowe's HIW Inc.	-		-	20,512,014	9	
Total	\$ <u>412,422,165</u>		<u>4.13 %</u>	\$ <u>357,714,394</u>		<u>4.78 %</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	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Net Levy		Amount	Percentage of Net Levy
2011	\$ 110,203,515	\$ 7,743,976	\$ 102,459,539	\$ 98,954,998	96.58 %	\$ 3,339,545	\$ 102,294,543	99.84 %
2012	114,442,314	8,325,740	106,116,574	101,881,857	96.01	3,948,981	105,830,838	99.73
2013	114,904,572	8,834,593	106,069,979	102,321,617	96.47	3,360,490	105,682,107	99.63
2014	118,906,810	8,920,224	109,986,586	106,109,708	96.48	3,300,814	109,410,522	99.48
2015	121,650,445	9,906,339	111,744,106	108,285,996	96.91	2,672,639	110,958,635	99.30
2016	130,590,976	11,295,573	119,295,403	116,527,024	97.68	1,793,793	118,320,817	99.18
2017	138,589,875	12,166,401	126,423,474	122,648,889	97.01	1,940,330	124,589,219	98.55
2018	144,622,503	13,588,979	132,715,228	126,903,605	95.62	1,682,619	128,586,224	96.89
2019	152,062,345	14,943,337	137,119,008	133,194,431	97.14	1,072,863	134,267,294	97.92
2020	156,626,653	16,182,950	140,443,703	135,753,457	96.66	-	135,753,457	96.66

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

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

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Participation	Notes Payable	Unamortized bond premium	Capital Leases	General Obligation Bonds	Notes Payable	Unamortized bond premium			
2011	\$ 184,240,000	\$ 7,100,000	\$ 359,063	\$ 5,812,872	\$ -	\$ 7,220,000	\$ 4,606,769	\$ 123,452	\$ 209,462,156	5.32 %	\$ 2,284
2012	262,845,000	6,390,000	347,777	15,848,933	-	6,665,000	4,561,767	684,094	297,342,571	7.22	3,174
2013	270,410,000	5,645,000	329,698	18,592,433	-	6,200,000	4,434,462	625,457	306,237,050	7.29	3,194
2014	299,455,000	13,450,000	311,347	22,851,440	-	5,735,000	4,346,366	566,821	346,715,974	7.75	3,534
2015	335,920,000	12,195,000	292,721	33,411,389	-	5,250,000	4,395,179	508,184	391,972,473	8.25	3,879
2016	314,755,000	10,885,000	6,781,005	30,910,711	-	4,750,000	6,147,994	449,547	374,679,257	8.03	3,599
2017	313,680,000	20,585,000	7,490,499	36,422,155	-	4,230,000	5,956,722	390,911	388,755,287	8.19	3,659
2018	290,020,000	19,130,000	7,248,163	33,744,998	-	3,690,000	6,857,169	332,274	361,022,604	7.72	3,370
2019	269,440,000	17,610,000	7,759,268	31,129,886	-	3,125,000	10,572,460	273,637	339,910,251	6.81	3,138
2020	255,315,000	16,030,000	6,722,723	29,935,814	-	2,545,000	6,722,723	215,001	317,486,261	N/A	-

Notes: Details regarding the Borough's outstanding debt can be found in the notes to the financial statements. *See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

Net General Bonded Debt Outstanding

<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>
2011	\$ 197,396,324	\$ 1,016,788	\$ 196,379,536	2.39 %	\$ 2,141
2012	286,043,027	1,038,091	285,004,936	3.40	3,042
2013	295,827,890	1,041,305	294,786,585	3.45	3,075
2014	328,608,261	1,106,592	327,501,669	3.76	3,338
2015	375,089,573	1,100,905	373,988,668	4.15	3,701
2016	350,865,258	957,077	349,908,181	3.78	3,361
2017	354,723,066	4,789,381	349,933,685	3.59	3,294
2018	327,787,272	4,893,305	322,893,967	3.23	3,014
2019	303,968,523	6,017,111	297,951,412	2.87	2,751
2020	288,010,815	5,339,817	282,670,998	2.63	2,621

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 16 for personal income and population data.

MATANUSKA-SUSITNA BOROUGH
Direct and Overlapping Debt
As of June 30, 2020

Governmental Unit	Debt Outstanding	Percentage Applicable to the Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 213,515,000	100%	\$ 213,515,000
Certificates of Participations-Public Safety Building	14,550,000	100%	14,550,000
Certificates of Participations-Animal Care Facility	1,480,000	100%	1,480,000
Notes Payable-Ak Clean Water Fund Loans	195,318	100%	195,318
Notes Payable-USDA	6,460,231	100%	6,460,231
Notes Payable-University of Alaska	67,174	100%	67,174
Parks and Recreation	19,335,000	100%	19,335,000
Transportation	22,465,000	100%	22,465,000
	<u>278,067,723</u>		<u>278,067,723</u>
Unamortized bond premiums	29,935,814	100%	29,935,814
Total	\$ <u>308,003,537</u>		\$ <u>308,003,537</u>
Cities Within the Borough, (Palmer and Wasilla)			
General Obligation Bonds as of June 30, 2020			
Palmer Ice Rink	\$ <u>475,000</u>	100%	\$ <u>475,000</u>
Total	\$ <u>475,000</u>		\$ <u>475,000</u>
Net Direct and Overlapping Debt			\$ <u>308,478,537</u>

Note 1: The laws of the State of Alaska do not establish a debt limit.

Note 2: All debt outstanding is related to the Matanuska-Susitna Borough's governmental activities.

MATANUSKA-SUSITNA BOROUGH
General Obligation Debt
As of June 30, 2020

Total Direct Debt	\$	308,003,537
Total Overlapping Debt		475,000
Total Direct and Overlapping Debt	\$	<u>308,478,537</u>
FY2020 Certified Taxable Assessed Value		10,767,072,702
FY2020 Estimated Borough Population*		107,829
Ratio of:		
Direct Debt to FY2020 Certified Taxable Assessed Value		2.86%
Direct and Overlapping Debt to FY2020 Certified Taxable Assessed Value		2.87%
Per Capita:		
FY2020 Certified Taxable Assessed Value	\$	99,853
Direct Debt		2,856
Direct and Overlapping Debt		2,861
Debt Amortization:		
Within 5 years		40%
Within 10 years		76%

Source -

*Alaska Department of Labor, Research and Analysis Division

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

Legal Debt Margin Calculation for Fiscal Year 2020

Total taxable assessed value	\$ 10,767,072,702
Debt Limit (7% of total taxable assessed value)	753,695,089
Total debt applicable to limit	<u>257,860,000</u>
Legal debt margin	<u>\$ 495,835,089</u>

	2011	2012	2013	2014	*	2015	*	2016	2017	2018	2019	2020
Debt Limit	\$ 574,678,482	586,881,965	597,314,502	625,791,775		630,285,403		648,638,271	681,519,310	700,671,064	727,117,880	753,695,089
Total debt applicable to limit	<u>191,460,000</u>	<u>269,510,000</u>	<u>295,827,890</u>	<u>299,455,000</u>		<u>335,920,000</u>		<u>319,505,000</u>	<u>317,910,000</u>	<u>293,710,000</u>	<u>272,565,000</u>	<u>257,860,000</u>
Legal debt margin	\$ <u>383,218,482</u>	<u>317,371,965</u>	<u>301,486,612</u>	<u>326,336,775</u>		<u>294,365,403</u>		<u>329,133,271</u>	<u>363,609,310</u>	<u>406,961,064</u>	<u>454,552,880</u>	<u>495,835,089</u>
Total debt applicable to the as a percentage of debt limit	33%	46%	50%	48%		53%		49%	47%	42%	37%	34%

MATANUSKA-SUSITNA BOROUGH
School Construction General Obligation Bonds
As of June 30, 2020

Outstanding School Bonds and SOA Reimbursement Eligibility

Bond Issue	Total Bond Issue	Outstanding Balance	Final Maturity	Reimbursement Eligibility
2007 Series A	\$ 33,505,000	\$ 18,015,000	4/1/2025	64.0076%
2009 Series A	19,030,000	870,000	1/1/2030	70.0000%
2011 Series A	33,785,000	3,040,000	4/1/2031	70.0000%
2012 Series A	91,770,000	14,940,000	3/1/2032	70.0000%
2012 Series B	8,710,000	1,620,000	3/1/2024	63.3500%
2013 Series A	13,290,000	3,630,000	3/1/2033	70.0000%
2014 Series B	29,400,000	24,715,000	5/1/2024	70.0000%
2015 Series A	37,350,000	19,010,000	2/1/2026	66.5629%
2015 Series B	55,195,000	48,080,000	11/1/2034	70.0000%
2016 Series A	31,690,000	31,690,000	6/30/2031	70.0000%
2019 Series A	63,415,000	63,415,000	3/1/2033	70.0000%

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

Fiscal Year		(1)	(2)	Per Capita Income	(3)	(4)
		Population	Personal Income (thousands of dollars)		School Enrollment	Unemployment Rate
2011	*	91,725	\$ 3,936,267	\$ 42,914	17,079	7.7
2012	*	93,677	4,119,877	43,980	17,494	7.4
2013	*	95,880	4,202,567	43,832	17,494	7.0
2014	*	98,103	4,476,271	45,628	17,843	7.0
2015	*	101,062	4,754,003	47,040	18,037	7.0
2016	*	104,119	4,665,786	44,812	18,745	6.6
2017	*	106,232	4,746,844	44,684	18,935	6.7
2018	*	107,115	5,037,189	47,026	19,369	6.8
2019	*	108,317	5,301,382	48,943	19,101	6.2
2020	*	107,829	N/A	N/A	19,609	7.6

N/A - Not available

Sources:

- (1) Alaska Department of Labor, Research and Analysis Division
- (2) Alaska Department of Labor, Research and Analysis Division
- (3) Alaska Department of Education & Early Development
- (4) Alaska Department of Labor, Research and Analysis Division
 Has been restated per the Alaska Department of Labor, Research and Analysis Division
 and Education & Early Development

MATANUSKA-SUSITNA BOROUGH
Total Employment by Type of Employer
Current Year and Nine Years Ago

Employer Type	2020		2011	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	4,990	1	4,417	1
Educational and Health Services	4,962	2	3,707	2
Local Government	3,374	3	3,045	3
Leisure and Hospitality	3,060	4	2,516	4
Construction	2,495	5	1,505	5
Professional and Business Services	1,433	6	1,159	7
State Government	1,427	7	1,185	6
Other Services	960	8	743	8
Financial Activities	859	9	738	9
Information	512	10	642	10
Manufacturing	310	11	209	12
Federal Government	230	12	216	11
Natural Resources and Mining	206	13	182	13
Unclassified Employers	3	14	38	14
Total	24,821		20,302	

Source: Alaska Department of Labor, Research and Analysis

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

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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	136.280	148.550	149.700	145.590	141.000	141.850	141.900	142.900	155.800	151.990
Public works	51.000	54.000	54.000	54.010	63.000	66.010	66.000	66.000	62.000	65.900
Emergency services	50.650	45.000	49.850	51.850	62.850	71.850	71.500	71.750	72.690	108.260
Public services	36.590	36.690	36.940	37.290	36.090	34.490	32.990	33.040	32.190	32.240
Total	274.520	284.240	290.490	288.740	302.940	314.200	312.390	313.690	322.680	358.390

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

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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Planning										
Comprehensive and special land use district plans in process	4	4	4	3	3	2	1	1	1	4
Finance										
Number of purchasing solicitations processed	158	202	156	168	163	138	134	148	133	158
Number of vendor/employee payments processed	27,387	27,665	27,386	27,474	27,824	28,708	28,575	26,515	25,580	24,692
Collections of delinquent land lease accounts (in dollars)	156,842	100,463	114,934	61,108	82,719	73,410	80,473	61,726	94,942	106,391
Real property assessments	75,321	75,540	75,913	76,283	76,744	77,334	77,670	77,670	78,038	78,934
Property sales analyzed for assessment purposes	1,503	1,560	1,628	3,413	4,560	4,766	4,709	4,709	4,974	3,210
Code Compliance										
Code violation complaints received	578	237	246	373	339	330	314	439	270	254
Public works										
Road maintenance (monthly average)										
Citizen requests for repairs requiring action	158	333	285	225	148	180	217	227	163	266
Surveying and right-of-way										
Platting actions	65	77	98	92	130	158	148	185	149	153
Utility permits issued	323	293	335	358	526	481	392	359	418	396
Driveway permits issued	483	553	615	608	634	716	537	572	582	1,459
Construction permits issued	23	12	49	55	47	36	32	16	42	29
Encroachment permits issued	11	3	19	21	64	32	20	22	13	31
Solid waste disposal										
Loads hauled from transfer sites to Central Landfill	1,415	1,349	1,444	1,532	1,421	1,198	1,121	1,170	1,321	1,144
Refuse collected through community clean-up efforts (in tons)	205	63	122	80	181	194	241	115	122	42
Abandoned vehicles removed	529	130	137	115	48	98	121	108	126	134
Hazardous waste processed (in pounds)	102,672	85,664	136,533	156,735	149,227	162,266	486,933	362,729	363,078	406,579
Emergency services										
Ambulance Runs	5,380	5,971	6,314	7,972	8,272	8,268	7,904	8,210	9,217	9,432
Animal Shelter										
Animals lodged at shelter	3,994	3,786	3,219	3,159	2,581	2,822	3,164	N/A	2,967	2,775
Animals adopted to new homes	1,645	1,457	1,364	1,266	1,220	1,371	1,643	N/A	1,782	1,676
Animals adopted by local rescue groups	402	455	462	420	258	269	151	N/A	20	125
Animals euthanized at shelter	1,000	675	469	568	393	543	577	N/A	395	424
Public services										
Land and resource management (cumulative unless otherwise noted)										
Trails dedicated (in miles)	2,140	2,141	2,209	2,209	2,209	2,215	2,224	2,230	2,238	2,245
Asset management plans completed for Borough owned land (in acres)	164,018	164,018	164,018	164,018	164,018	164,018	164,562	165,452	165,452	332,452
Land classifications (in acres)	352,165	361,320	361,428	361,846	362,266	362,878	364,158	365,394	366,278	533,599
Parcels sold (annually)	17	9	28	37	43	53	60	47	15	37
Community enrichment and development										
Community enrichment class varieties offered	79	52	44	35	32	37	34	37	28	24
Total contact hours with public	1,464	1,280	794	673	445	497	838	1,159	417	232
Libraries										
Participants in summer reading program	2,865	2,552	2,982	2,693	2,095	2,465	2,662	2,339	2,608	1,952
Participants in pre-school story time	3,683	3,511	2,464	2,470	2,252	2,411	3,189	3,448	4,274	2,294
Volunteer hours utilized	3,193	2,649	3,466	1,808	1,954	1,764	1,812	1,894	1,484	1,754
Pools										
Participants in swim lesson programs (quarterly average)	708	650	711	1,220	1,061	1,234	1,464	977	598	588

N/A - Not available: Information lost during the Cyber Incident.

Data for the Animal Shelter was not available from July 1, 2018 to July 21, 2018 due to the cyber incident and loss of data.

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

Notes: 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>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government											
Administration and related buildings	3	3	3	3	3	3	2	2	2	2	2
Public works											
Utility trailers	6	6	11	11	11	11	11	12	19	19	30
Paving and Heavy Equipment	-	-	-	-	-	-	5	5	5	5	5
Paved roads (miles)	279	287	291	295	303	308	315	326	335	443	431
Bridges	23	23	23	23	23	26	27	27	28	28	28
Public works and related buildings	1	1	1	3	3	4	4	4	4	4	4
Emergency services											
Ambulances	28	27	30	30	29	31	31	29	29	25	21
Fire pumper/tankers	57	61	64	67	68	69	69	79	79	81	81
Tractors, forklifts, and related equipment	6	8	12	12	12	12	12	12	12	12	12
Utility/Rescue trailers	12	14	16	16	17	19	19	22	22	19	21
Rescue vehicles	26	29	29	31	31	31	31	31	31	36	38
Trucks and utility vehicles	74	75	80	81	81	85	85	83	83	82	85
Rescue boats	2	2	2	2	2	3	3	5	6	6	5
ATVs and snowmobiles	23	26	29	29	30	31	31	33	35	36	36
Public safety and related buildings	27	29	30	32	33	36	36	38	38	38	38
Public services											
Tractors, forklifts, and related equipment	17	17	20	23	22	22	23	23	23	24	24
Utility trailers	5	5	5	7	8	9	12	12	10	11	11
Trucks and utility vehicles	25	26	29	31	34	30	29	29	21	25	30
ATVs and snowmobiles	7	8	8	8	8	11	15	15	12	11	15
Riverboats	1	1	1	1	1	1	1	1	4	4	4
Community buildings (libraries, ice arenas, etc.)	13	13	13	14	14	14	15	15	15	15	15
Education											
Schools and related buildings	48	51	52	53	55	56	57	57	57	57	57

Source: Matanuska-Susitna Borough capital asset records.

SINGLE AUDIT SECTION



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

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
Palmer, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2020, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough's basic financial statements, and have issued our report thereon dated February 19, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Matanuska-Susitna Borough's Response to Findings

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
February 19, 2021



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough
Palmer, Alaska

Report on Compliance for Each Major Federal Program

We have audited Matanuska-Susitna Borough's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Matanuska-Susitna Borough's major federal programs for the year ended June 30, 2020. 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.

Matanuska-Susitna Borough's basic financial statements include the operations of the Matanuska-Susitna Borough School District which received \$21,358,435 in federal awards which is not included in Matanuska-Susitna Borough's Schedule of Expenditures of Federal Awards during the year ended June 30, 2020. 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 Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Matanuska-Susitna Borough's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Matanuska-Susitna Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Matanuska-Susitna Borough's compliance.

Opinion on Each Major Federal Program

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Matanuska-Susitna Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over compliance.

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

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

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

BDO USA, LLP

Anchorage, Alaska
February 19, 2021



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

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

Honorable Mayor and
Members of the Assembly
Matanuska-Susitna Borough
Palmer, Alaska

Report on Compliance for Each Major State Program

We have audited Matanuska-Susitna Borough's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Matanuska-Susitna Borough's major state programs for the year ended June 30, 2020. Matanuska-Susitna Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance.

Matanuska-Susitna Borough's basic financial statements include the operations of the Matanuska-Susitna Borough School District which received \$211,881,477 in state awards which is not included in Matanuska-Susitna Borough's Schedule of State Financial Assistance during the year ended June 30, 2020. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Matanuska-Susitna Borough's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Matanuska-Susitna Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Matanuska-Susitna Borough's compliance.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Opinion on Each Major State Program

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Matanuska-Susitna Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Matanuska-Susitna Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program, and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over compliance.

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

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

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

BDO USA, LLP

Anchorage, Alaska
February 19, 2021

Matanuska-Susitna Borough, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no
Significant deficiency(ies) identified? yes X (none reported)

Noncompliance material to financial statements noted? yes X no

Federal Financial Assistance

Internal control over major federal programs:

Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X (none reported)

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
97.036	Disaster Grants - Public Assistance	Department of Homeland Security
97.039	Hazard Mitigation Grant	Department of Homeland Security

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X (none reported)

Type of auditor's report issued on compliance for major state programs: Unmodified

Dollar threshold used to distinguish a major state program: \$ 200,000

Matanuska-Susitna Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2020

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

Finding 2020-001	Financial Reporting - Material Weakness in Internal Control over Financial Reporting
<i>Criteria</i>	Internal controls and procedures should be established to ensure review of investment accounts will identify errors in recording of investment income.
<i>Condition</i>	A material adjustment was identified to correct investment income that was initially recorded against an accounts receivable balance. All monies were accounted for and the investment account balances were timely reconciled. This was an error in the coding of one portion of the investment income against an asset instead of an investment revenue account.
<i>Cause</i>	This occurred due to a formula error in the investment account reconciliation spreadsheet. With turnover in the accounting department staff and significant time constraints caused by a global pandemic and remote work environment, no mitigating controls identified the error prior to the audit work commencing.
<i>Effect or potential effect</i>	The Borough's investment income and accounts receivable balance were initially misstated. Few short-term decisions for the Borough are made based on the performance of the investment portfolio, especially in years where there is significant volatility. The error was corrected for the final financial statements.
<i>Recommendation</i>	We recommend the Finance Department perform a high-level monthly review of balance sheet accounts to identify accrual entries that may be incorrectly posted. In addition, a year-end reconciliation of investment income against the account activity would assist in identification of this type of error.
<i>Views of responsible Officials and Planned Corrective Action</i>	See the corrective action plan.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

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



MATANUSKA-SUSITNA BOROUGH

Department of Finance

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-4801 • Fax (907) 745-0886

www.matsugov.us

Name of Contact Person: Liesel Weiland
Matanuska-Susitna Borough Comptroller
350 E Dahlia
Palmer, AK 99645
(907) 861- 8624

Finding 2020-001	Financial Reporting - Material Weakness in Internal Control over Financial Reporting
Planned Corrective Actions:	The Borough has established a monthly procedure to address the identification of errors in recording accrual entries. The procedures include monthly review of balance sheet accounts to identify errors; as well as a plan to reconcile investment income against account activity at year-end. These procedures will ensure that corrections are made in a timely manner.
Anticipated Completion Date:	June 30, 2021

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

Matanuska-Susitna Borough, Alaska

Department of Health and Social Services

Public Health Emergency Preparedness

601-299-20002

Schedule of Revenues and Expenditures - Budget and Actual

Grant Period Ended June 30, 2020

<i>Year Ended June 30, 2020</i>	Total Expenditures	Budget	Variance
Revenues - State of Alaska	\$ 40,000	\$ 40,000	\$ -
Total Revenues	\$ 40,000	\$ 40,000	\$ -

Matanuska-Susitna Borough, Alaska
Department of Health and Social Services
Human Services Community Matching Grants
605-231-20003

Schedule of Revenues and Expenditures - Budget and Actual
Grant Period Ended June 30, 2020

<i>Year Ended June 30, 2020</i>	Total Expenditures	Budget	Variance
Revenues			
State of Alaska	\$ 285,820	\$ 294,374	\$ 8,554
Matanuska-Susitna Borough	122,494	126,160	3,666
Total Revenues	408,314	420,534	12,220
Expenditures - other costs	\$ 408,314	\$ 420,534	\$ 12,220

COMPONENT UNIT

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Statement of Net Position

<i>June 30, 2020</i>	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash	\$ 37,425,211
Accounts receivable:	
Federal and state grants	5,288,915
Other	265,562
Inventory	3,172,107
Prepaid items	952,613
Net other postemployment benefits assets	9,049,754
Capital assets not being depreciated	119,632
Capital assets, net of accumulated depreciation	19,008,931
Total Assets	75,282,725
Deferred Outflows of Resources:	
Pension related	13,032,989
Other postemployment benefits related	9,809,625
Total Deferred Outflows of Resources	22,842,614
Total Assets and Deferred Outflows of Resources	\$ 98,125,339
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 2,983,471
Accrued payroll and related liabilities	8,141,694
Unearned revenue	560,663
Claims payable	862,542
Noncurrent liabilities:	
Accrued leave - due within one year	2,641,012
Capital lease - due within one year	161,787
Accrued leave - due in more than one year	1,539,437
Capital lease payable - due in more than one year	6,298,444
Net pension liability	153,285,432
Net other postemployment benefits liability	1,951,255
Total Liabilities	178,425,737
Deferred Inflows of Resources	
Pension related	7,679,000
Other postemployment benefits related	7,955,390
Total Deferred Inflows of Resources	15,634,390
Net Position (Deficit)	
Net investment in capital assets	12,668,332
Restricted for scholarships	4,290
Restricted for correspondence program	2,068,724
Unrestricted (deficit)	(110,676,134)
Total Net Position (Deficit)	(95,934,788)
Total Liabilities, Deferred Inflows of Resources of Resources and Net Position (Deficit)	\$ 98,125,339

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Statement of Activities

<i>Year Ended June 30, 2020</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contri- butions	
Governmental Activities				
Instruction	\$ 92,755,961	\$ -	\$ 13,072,482	\$ (79,683,479)
Special education instruction	37,028,459	-	4,752,107	(32,276,352)
Special education support services - students	15,414,844	-	2,460,340	(12,954,504)
Support services - students	8,578,659	-	1,972,422	(6,606,237)
Support services - instruction	12,747,063	-	4,367,963	(8,379,100)
School administration	8,736,248	-	1,144,582	(7,591,666)
School administration support services	9,038,902	-	440,074	(8,598,828)
District administration	1,532,869	-	96,282	(1,436,587)
District administration support services	12,932,866	-	1,420,906	(11,511,960)
Operations and maintenance of plant	26,879,109	-	918,864	(25,960,245)
Student activities	2,960,185	-	215,529	(2,744,656)
Student transportation - other transportation services	300,153	-	300,153	-
Student transportation - to and from school	16,520,902	-	16,708,421	187,519
Community services	14,204	-	14,207	3
Food services	6,678,006	999,167	5,296,058	(382,781)
Construction and facilities acquisition	-	-	335,650	335,650
Interest on long-term debt	237,264	-	-	(237,264)
Total Governmental Activities	\$ 252,355,694	\$ 999,167	\$ 53,516,040	\$ (197,840,487)

General Revenues

Borough contribution	54,765,932
State grants and entitlements not restricted to a specific purpose	174,422,821
E-rate	1,344,024
Medicaid reimbursement	18,384
Other	827,987

Total General Revenues 231,379,148

Change in net position 33,538,661

Net Position, (deficit) beginning **(129,473,449)**

Net Position, (deficit) end of year **\$ (95,934,788)**

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Governmental Funds
Balance Sheet

	Major Funds		Special Revenue Nonmajor Funds	Total Govern- mental Funds
<i>June 30, 2020</i>	General	Capital Improvement		
Assets				
Cash	\$ 29,696,166	\$ 4,029,809	\$ 1,716,816	\$ 35,442,791
Accounts receivable:				
Federal and state grants	-	-	5,288,915	5,288,915
Other	265,562	-	-	265,562
Inventory	1,381,835	-	1,781,642	3,163,477
Prepaid items	950,613	-	-	950,613
Due from other funds	6,562,680	-	-	6,562,680
Total Assets	\$ 38,856,856	\$ 4,029,809	\$ 8,787,373	\$ 51,674,038
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 2,173,198	\$ 293,331	\$ 509,601	\$ 2,976,130
Accrued payroll and related liabilities	8,141,694	-	-	8,141,694
Unearned revenue	19,927	-	540,736	560,663
Due to other funds	-	-	5,656,899	5,656,899
Total Liabilities	10,334,819	293,331	6,707,236	17,335,386
Fund Balances				
Nonspendable	2,332,448	-	1,781,642	4,114,090
Restricted	2,064,434	-	4,290	2,068,724
Committed	-	3,736,478	-	3,736,478
Assigned	500,000	-	1,326,551	1,826,551
Unassigned	23,625,155	-	(1,032,346)	22,592,809
Total Fund Balances	28,522,037	3,736,478	2,080,137	34,338,652
Total Liabilities and Fund Balances	\$ 38,856,856	\$ 4,029,809	\$ 8,787,373	\$ 51,674,038

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balances of governmental funds	\$	34,338,652
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$	119,632
Building, furnishings and equipment		39,463,595
Accumulated depreciation		<u>(20,454,664)</u>
Total capital assets		<u>19,128,563</u>
Certain other postemployment benefit plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported in the funds.		
Net other postemployment benefits asset		<u>9,049,754</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.		
Long-term liabilities reported in these statements consist of:		
Accrued leave		(4,180,449)
Capital lease payable		(6,460,231)
Net pension liability		(153,285,432)
Net other postemployment benefits liability		<u>(1,951,255)</u>
Total long-term liabilities		<u>(165,877,367)</u>
Certain changes in net pension and OPEB liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions		13,032,989
Deferred inflows of resources related to pensions		(7,679,000)
Deferred outflows of resources related to other postemployment benefits		9,809,625
Deferred inflows of resources related to other postemployment benefits		<u>(7,955,390)</u>
Total deferred pension and OPEB items		<u>7,208,224</u>
Amounts reported in the Proprietary Funds of the District are used to support ongoing educational programs. Their activities are appropriately recorded with governmental activities in the statement of net position.		
		<u>217,386</u>
Net Position of Governmental Activities	\$	<u>(95,934,788)</u>

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balances

Year Ended June 30, 2020	Major Funds			Total Govern- mental Funds
	General	Capital Improvement	Nonmajor Funds	
Revenues				
Local sources:				
Borough appropriation	\$ 60,665,932	\$ (5,900,000)	\$ -	\$ 54,765,932
Other local	827,987	-	1,664,541	2,492,528
Borough capital projects	-	-	2,822	2,822
State of Alaska	194,433,067	-	17,448,410	211,881,477
Federal sources:				
E-rate	1,344,024	-	-	1,344,024
Medicaid reimbursement	18,384	-	-	18,384
Direct grants	217,486	-	535,475	752,961
Grants passed through the State of Alaska	-	-	20,788,882	20,788,882
Grants passed through intermediate agencies	-	-	42,406	42,406
Total Revenues	257,506,880	(5,900,000)	40,482,536	292,089,416
Expenditures				
Current:				
Instruction	102,760,589	119,463	6,493,659	109,373,711
Special education instruction	40,592,744	-	2,355,718	42,948,462
Special education support services - students	16,421,271	-	1,455,010	17,876,281
Support services - students	9,869,909	-	1,036,066	10,905,975
Support services - instruction	10,629,081	-	3,694,462	14,323,543
School administration	10,243,720	-	384,668	10,628,388
School administration support services	10,077,567	-	14,419	10,091,986
District administration	1,752,654	-	-	1,752,654
District administration support services	13,318,020	-	1,004,806	14,322,826
Operations and maintenance of plant	24,432,773	27,451	351,076	24,811,300
Student activities	3,408,857	-	32,468	3,441,325
Student transportation - to and from school	-	-	16,524,347	16,524,347
Student transportation - other transportation services	-	-	300,153	300,153
Community services	-	-	14,204	14,204
Food services	(7,851)	-	6,695,744	6,687,893
Debt Service:				
Principal	-	-	156,036	156,036
Interest	-	-	237,264	237,264
Capital Outlay - Construction and facilities acquisition	13,500	2,874,688	338,472	3,226,660
Total Expenditures	243,512,834	3,021,602	41,088,572	287,623,008
Excess (deficiency) of revenues over expenditures	13,994,046	(8,921,602)	(606,036)	4,466,408
Other Financing Sources (Uses)				
Transfers in	83,123	9,645,050	1,249,964	10,978,137
Transfers out	(10,895,014)	-	-	(10,895,014)
Net Other Financing Sources (Uses)	(10,811,891)	9,645,050	1,249,964	83,123
Net change in fund balances	3,182,155	723,448	643,928	4,549,531
Fund Balances, beginning of year	25,339,882	3,013,030	1,436,209	29,789,121
Fund Balances, end of year	\$ 28,522,037	\$ 3,736,478	\$ 2,080,137	\$ 34,338,652

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

Year Ended June 30, 2020

Net change in fund balances - total governmental funds \$ 4,549,531

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

Governmental funds report capital outlays as expenditures.

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

Capital outlay	\$ 3,383,915	
Depreciation expense	<u>(3,203,926)</u>	
		179,989

Amounts reported in the Proprietary Funds of the District are used to support ongoing educational programs. Their activities are appropriately recorded with governmental activities in the statement of activities. (83,153)

Repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, this does effect net position. This amount is the principal payments on long-term debt 156,036

Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in annual leave		(227,897)
Increase in net pension liability and related deferred outflows and inflows of resources		(4,516,317)
Decrease in net OPEB liability and related deferred outflows and inflows of resources		<u>33,480,472</u>

Change in Net Position of Governmental Activities \$ 33,538,661

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Proprietary Funds
Statement of Net Position

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Fund
<i>June 30, 2020</i>		
Assets		
Current:		
Cash	\$ 206,756	\$ 1,775,664
Prepaid items	2,000	-
Inventory	8,630	-
Total Assets	\$ 217,386	\$ 1,775,664
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 7,341
Due to other funds	-	905,781
Unearned revenue	-	862,542
Total Current Liabilities	-	1,775,664
Net Position - unrestricted	217,386	-
Total Liabilities and Net Position	\$ 217,386	\$ 1,775,664

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Fund
<i>Year Ended June 30, 2020</i>		
Operating Revenues		
Interfund charges	\$ -	\$ 1,928,139
Sales	426	-
Total Operating Revenues	426	1,928,139
Operating Expenses		
District administration support services		
Claims expense	-	1,741,131
General and administrative	-	194,870
Total District administration support services	-	1,936,001
Instruction - supplies, materials, and media	456	-
Total Operating Expenses	456	1,936,001
Operating loss	(30)	(7,862)
Nonoperating Revenue - interest income	-	7,862
Change in net position	(30)	-
Other Financing Uses - transfers out	(83,123)	-
Net Position, beginning of year	300,539	-
Net Position, end of year	\$ 217,386	\$ -

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Proprietary Funds
Statement of Cash Flows

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Fund
<i>Year Ended June 30, 2020</i>		
Cash Flows for Operating Activities		
Receipts from interfund charges	\$ -	\$ (768,181)
Payments to suppliers	(780)	(2,444,573)
Net cash flows from (for) operating activities	(780)	(3,212,754)
Cash Flows from Investing Activities		
Interest received	-	7,862
Cash Flows from Noncapital Financing Activities		
Transfers out	(83,123)	-
Net decrease in cash	(83,903)	(3,204,892)
Cash and Cash Equivalents, beginning of year	290,659	4,980,556
Cash and Cash Equivalents, end of year	\$ 206,756	\$ 1,775,664
Reconciliation of Operating Loss to		
Net Cash Flows for Operating Activities		
Operating loss	\$ (30)	\$ (7,862)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Decrease in due to other funds	-	(2,696,320)
Decrease in accounts payable	-	(2,959)
Decrease in unearned revenue	(426)	-
Increase in inventory	(324)	-
Increase in claims payable	-	(505,613)
Total adjustments	(750)	(3,204,892)
Net Cash Flows from (for) Operating Activities	\$ (780)	\$ (3,212,754)

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Student Activities Agency Fund
Statement of Fiduciary Assets and Liabilities

Year Ended June 30, 2020

Assets

Cash	\$ 2,940,835
------	--------------

Liabilities

Due to student activities	\$ 2,940,835
---------------------------	--------------
