



Matanuska-Susitna Borough, Alaska

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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Matanuska-Susitna Borough, Alaska

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Matanuska-Susitna Borough, Alaska

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February 25, 2022

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

Transmittal of the ACFR

In accordance with Section 29.35.1 20 of Alaska Statutes, the Annual Comprehensive Financial Report (ACFR) of the Matanuska-Susitna Borough for the fiscal year ended June 30, 2021, 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, 2021, 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, 2021, 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 ACFR.

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-5,998), Wasilla (population-9,223) and Houston (population-2,012). The core area, the area surrounding Palmer and Wasilla, is where the majority of the population lives. As of the 2020 Census the population for the Borough was 107,081 and the estimated 2021 population was 109,089. 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 advise 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 88 through 91. For governmental funds, other than the General Fund, these comparisons start on page 100.

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 almost tripled. Whereas the population of the State only grew 32%. 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.

The past few years have been a challenge due to numerous unexpected events. The Borough experienced a cyber-attack in July 2018; an earthquake in November 2018 and is still facilitating repairs; the Sockeye Fire in 2019, the McKinley Fire in 2020, COVID-19 since 2020 and in January 2022 a severe windstorm. The Borough was a recipient of approximately \$38 million in Federal Coronavirus Relief Funds. This grant funding will be used predominately in fiscal year 2021 to provide funding for community safety and positioning the Borough to be able to effectively respond to the virus. Additional funds of \$21,171,600 from the American Rescue Plan Act were awarded to the Borough in 2021. This funding will be used for revenue replacement and various projects within the Borough such as School water system replacements. Additionally, the Borough has experienced reductions in bed tax and Talkeetna sewer and water sales tax. These reductions

in revenues are showing recovery in fiscal year 2022. Through all of these events, the Borough staff and communities have 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 616 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, the 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, 2021 of the investments range from three months to five years, with an average maturity of 32.4 months. The average yield this fiscal year was 0.75%.

In accordance with the Borough 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 and other postemployment 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 \$42,530,827 in fiscal year 2020 and \$46,473,629 for the year ending June 30, 2021, an increase of \$3,942,802. This does not change the actual contributions by the employers, as those are based on Alaska Statutes. For additional detail, reference footnote 10 beginning on page 60 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 \$1,449,772 in fiscal year 2020 and \$95,736 for the year ending June 30, 2021, a decrease of \$1,354,036. The Borough's total portion of the net other postemployment benefits asset was \$265,942 in fiscal year 2020 and \$3,902,514 for the year ending June 30, 2021, an increase of \$3,636,572. For additional detail, reference footnote 10 in the basic financial statements.

The Matanuska-Susitna Borough School District provides pension and other postemployment benefits for all eligible employees through PERS and the Teachers' Retirement System (TRS). See the District's financial statements for a discussion of pension and other postemployment amounts.

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 a 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, the Borough 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 and are all complete.

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 projects that are now complete.

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 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. \$12,000,000 in Bonds are expected to be issued in 2022.

The Borough also received authorization from the voters in November 2021 to issue \$61,135,000 in General Obligation Transportation System Bonds to also finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities.

Lastly, over \$29.1 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 ACFR for the fiscal year ended June 30, 2020. This was the 32nd 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 ACFR. 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 ACFR 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 ACFR 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, Kirstie Starr-Watson, Carrie Walters, Lesley Norris, 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Principal Officials & Organization Chart



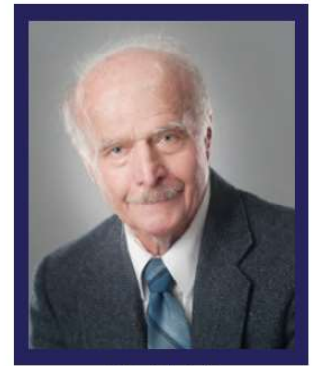
Mayor
Vern Halter



District 1
Tim Hale



District 2
Stephanie Nowers



District 3
George McKee



District 4
Ted Leonard



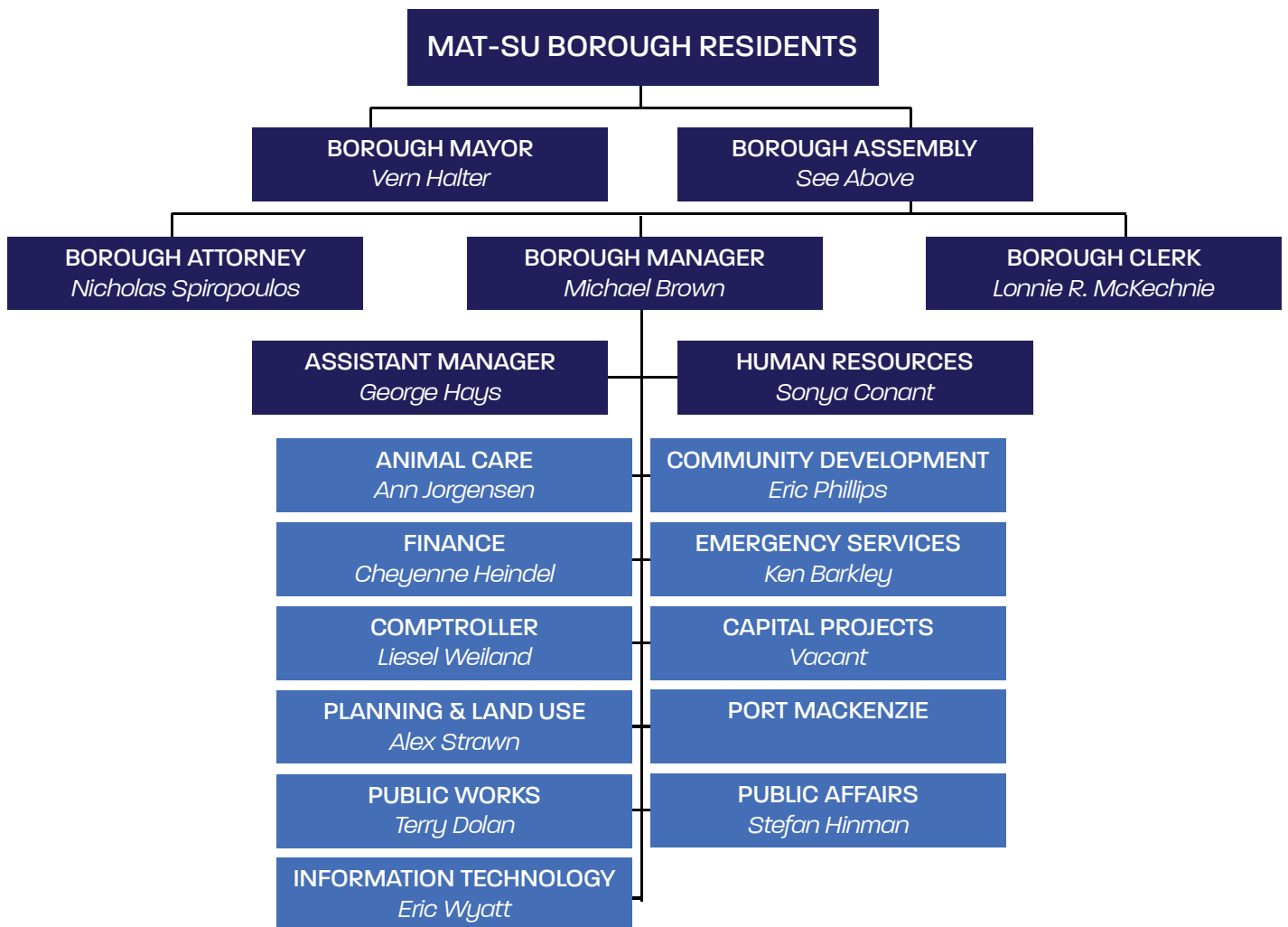
District 5
Dan Mayfield



District 6
Jesse Sumner



District 7
Tam Boeve





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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 Audit of the Financial Statements

Opinions

We have audited 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, Alaska (the Borough), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 the Borough, as of June 30, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, in 2021 the Borough adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of the Borough's proportionate share of the net pension and net OPEB liability or asset and Borough contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of State Financial Assistance as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and State of Alaska Department of Health and Social Services Schedules of Revenues and Expenditures - Budget to Actual, 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.

Such information is 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. The 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 combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance and State of Alaska Department of Health and Social Services Schedules of Revenues and Expenditures - Budget to Actual, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Borough as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated February 19, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 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 related directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2020 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 financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Information

Management is responsible for other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical, and component unit sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022 on our consideration of the 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 the 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 the Borough's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 25, 2022

Matanuska-Susitna Borough

Management's Discussion and Analysis

June 30, 2021

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, 2021. 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 beginning 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 \$984,538,733. Of this amount, \$204,298,267 (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 \$56,594,788. Of this amount, \$8,307,616 was unassigned and available for spending. The unassigned fund balance for the General Fund represented 5.85% of total General Fund expenditures and transfers out.
- The Borough's total net position increased by \$23,627,000. Of this amount, \$16,185,692 was attributable to the governmental activities and \$7,441,308 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 \$215,794,269, an increase of \$11,266,764 in comparison with the prior year.
- The Borough's total outstanding debt (not including Net Pension/OPEB liability) decreased by \$23,769,628 to a year-end balance of \$320,332,416. The Borough's long-term debt tables are on pages 50-59 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, American Rescue Plan Act Recovery Funding Special Revenue Fund, CARES Act Funding Special Revenue Fund, the School Buildings Debt Service Fund, Fronteras School Debt Service Fund, and the School Projects Capital Project 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.

Matanuska-Susitna Borough

Management's Discussion and Analysis

The basic governmental fund financial statements can be found on pages 23-27 of this report. Budgetary comparison statement for the General Fund with annual budgets are provided on page 28 to demonstrate compliance with these budgets. The special revenue funds with annual budgets are provided on pages 100-142.

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 157-162.

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 163-171.

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 fund include the Road, Gas Line and Community Water Custodial Fund. This fund reports resources held by the Borough in a custodial capacity for individuals, private organizations and other governments.

The basic fiduciary fund financial statements can be found on pages 33-34 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-78 of this report.

Matanuska-Susitna Borough
Management's Discussion and Analysis

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 79-82. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 84-85. Individual governmental funds can be found on pages 87-156 and proprietary funds can be found on pages 157-171 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 \$984.5 million at June 30, 2021 compared to \$960.9 million at June 30, 2020. Of the total net position, \$2.8 million represents resources that are subject to external restrictions on how they may be used; and \$204.3 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 \$777.4 million, or 79.0% 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, 2021 and 2020
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Assets and Deferred Outflows of Resources						
Current and other assets	\$ 286.7	\$ 288.8	\$ 7.8	\$ 4.9	\$ 294.5	\$ 293.7
Capital assets	1,029.5	1,048.0	44.1	42.7	1,073.6	1,090.7
Total assets	1,316.2	1,336.8	51.9	47.6	1,368.1	1,384.4
Deferred outflows of resources	11.8	12.1	0.6	0.6	12.4	12.7
Total Assets and Deferred Outflows of Resources	\$ 1,328.0	\$ 1,348.9	\$ 52.5	\$ 48.2	\$ 1,380.5	\$ 1,397.1

Matanuska-Susitna Borough
Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Liabilities and Deferred Inflows of Resources						
Long-term debt outstanding	\$ 301.9	\$ 297.7	\$ 18.4	\$ 20.5	\$ 320.3	\$ 318.2
Net Pension and OPEB Liability	44.2	41.8	2.4	2.1	46.6	43.9
Other liabilities	23.0	67.8	0.5	1.9	23.5	69.7
Total liabilities	369.1	407.3	21.3	24.5	390.4	431.8
Deferred inflows of resources	5.3	4.3	0.2	0.1	5.5	4.4
Total Liabilities and Deferred Inflows of Resources	\$ 374.4	\$ 411.6	\$ 21.5	\$ 24.6	\$ 395.9	\$ 436.2
Net Position						
Net investment in capital assets	\$ 745.9	\$ 745.1	\$ 31.5	\$ 29.4	\$ 777.4	\$ 774.5
Restricted	2.8	0.9	-	-	2.8	0.9
Unrestricted	204.9	191.4	(0.5)	(5.9)	204.4	185.5
Total Net Position	\$ 953.6	\$ 937.4	\$ 31.0	\$ 23.5	\$ 984.6	\$ 960.9

Changes in Net Position

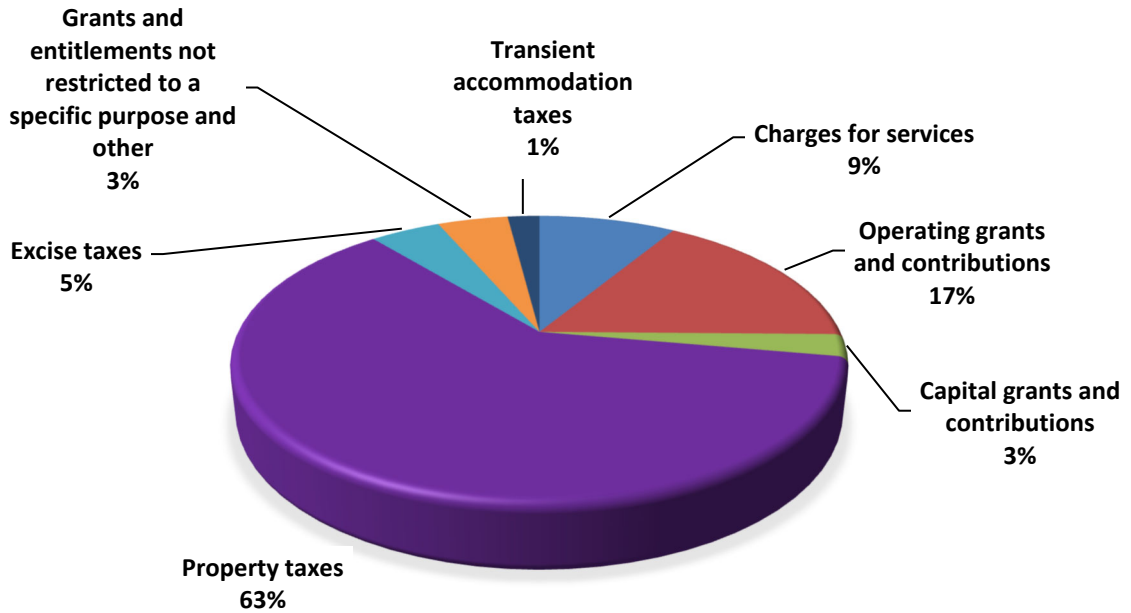
During the current fiscal year, the Borough's total net position increased by \$23.7 million. This compares to an increase of \$31.0 million for the year ended June 30, 2020.

Revenues increased government wide by \$15.3 million. The program revenues increased by \$28.3 million for the governmental funds and \$0.9 million for the enterprise funds, This is in spite of a continued trend from prior years of reduced federal and state funding for Borough capital projects. During fiscal year 2021, approximately 63.1% 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 \$4.3 million. The Borough's investments, in total, increased from the prior year and due to the weak investment market, earnings (realized and unrealized) decreased by \$6.9 million from the prior year.

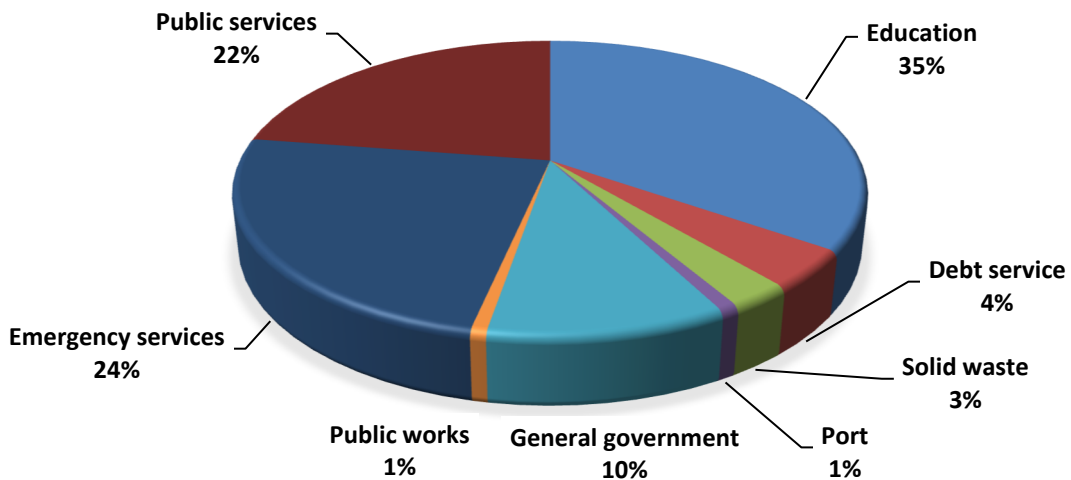
Expenses increased overall by \$28.6 million from the prior year. During fiscal year 2021, approximately 34.7% of the Borough's primary government expenses went toward education with the remainder primarily providing emergency services, public services, and general government services.

Matanuska-Susitna Borough
Management's Discussion and Analysis

Sources of Revenue for Fiscal Year 2021



Functional Expenses for Fiscal Year 2021



Matanuska-Susitna Borough
Management's Discussion and Analysis

Changes in Matanuska-Susitna Borough's Net Position
For Years Ended June 30, 2021 and 2020
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 10.2	\$ 10.1	\$ 10.9	\$ 10.0	\$ 21.1	\$ 20.1
Operating grants and contributions	40.2	10.7	0.1	0.1	40.3	10.8
Capital grants and contributions	6.1	7.4	-	-	6.1	7.4
General revenues:						
Property taxes	148.9	145.7	-	-	148.9	145.7
Transient accommodation taxes	1.1	1.0	-	-	1.1	1.0
Excise taxes	10.9	9.9	-	-	10.9	9.9
Other	6.5	26.0	1.3	-	7.8	26.0
Total Revenues	\$ 223.9	\$ 210.8	\$ 12.3	\$ 10.1	\$ 236.2	\$ 220.9
Expenses						
General government	\$ 22.7	\$ 22.4	\$ -	\$ -	\$ 22.7	\$ 22.4
Public works	1.5	4.4	-	-	1.5	4.4
Emergency services	52.7	39.7	-	-	52.7	39.7
Public services	49.1	35.7	-	-	49.1	35.7
Education	75.7	67.8	-	-	75.7	67.8
Interest	9.2	9.9	-	-	9.2	9.9
Solid waste	-	-	5.9	8.2	5.9	8.2
Port	-	-	1.7	1.8	1.7	1.8
Total Expenses	210.9	179.9	7.6	10.0	218.5	189.9
Excess before transfers and special items						
	13.0	30.9	4.7	0.1	17.7	31.0
Special items	6.0	-	-	-	6.0	-
Transfers	(2.8)	(0.7)	2.8	0.7	-	-
Increase in Net Position	16.2	30.2	7.5	0.8	23.7	31.0
Net Position, beginning	937.4	907.2	23.5	22.7	960.9	929.9
Net Position, ending	\$ 953.6	\$ 937.4	\$ 31.0	\$ 23.5	\$ 984.6	\$ 960.9

Matanuska-Susitna Borough

Management's Discussion and Analysis

Governmental activities

Program revenues for the Borough's governmental activities increased \$28.3 million from the prior year, while the general revenues decreased \$15.2 million. Expenses for governmental activities increased \$31.0 million. Key elements to the increase in revenues and increase in expenses include the following:

- Revenues from operating grants and capital grants increased 28.2 million due to increased federal funding passed-through the State of Alaska.
- The Borough had a year of strong growth, seeing a 4% increase in value of the assessment roll. Contributing to this was the addition of over 611 new homes and a 6.8% 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.
- Public Service expenses increased by \$13.0 million as a result of COVID-19, and efforts to encourage social distancing and promote safe work environments.
- Emergency Service expenses increased by \$13.4 million due to equipment needed to ensure safety for staff, and an increase in services due to COVID-19. The general government expenses increased by \$0.3 million primarily due to increased spending for public services and increased spending for emergency services.
- The education expenses increased by \$8 million due to the reopening of schools following the prior year COVID-19 shutdowns and distance learning.

Business-type activities

The Solid Waste Enterprise Fund's net position increased by \$5.0 million. Operating income increased by \$3.1 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 increased by \$2.4 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 \$215,794,269, an increase of \$11,266,764 in comparison with the prior year. A portion of this amount is categorized as nonspendable to indicate it is inherently nonspendable because it has already been dedicated to liquidate prepaid expenses (\$183,896) or is already in the form of inventory (\$295,541), or is a long-term loan receivable (\$450,000), or is an advance to other funds (\$5,777,684).

Matanuska-Susitna Borough

Management's Discussion and Analysis

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 \$5,904,872 are restricted due to lender imposed debt reserves for debt service.

A total of \$34,397,798 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 \$9,397,798 of the committed fund balance is shown as committed for a long-term note receivable, the Land Management Permanent Fund, 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, \$161,027,173 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 \$7,757,305 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 \$63,261,730. Of this, nonspendable fund balance was \$6,666,942, restricted fund balance was \$157,320, committed fund balance was \$30,284,536, assigned fund balance was \$17,845,316, and unassigned fund balance was \$8,307,616. Total fund balance decreased by \$5,833,876 from the prior year primarily due increased spending for education and port.

The other major governmental funds in the current fiscal year were the American Rescue Plan Act Recovery Funding Special Revenue Fund, the CARES Act Funding Special Revenue Fund, the School Building Debt Service Fund, the Fronteras School Debt Service Fund, and the School Projects Capital Project Fund.

At the end of the current fiscal year, the American Rescue Plan Act Recovery Funding Special Revenue Fund had received the first installment of awarded funds. The funds will be spent over the next two years following state and federal guidelines and as approved by the Assembly; with a second installment of awarded funds being received in FY22. There is \$10,519,654 currently in assets and liabilities.

At the end of the current fiscal year, the CARES Act Funding Special Revenue Fund balance was \$1,332. There is \$5,523,387 in assets and liabilities to be spent in FY22 following state and federal guidelines and as approved by the Borough Assembly.

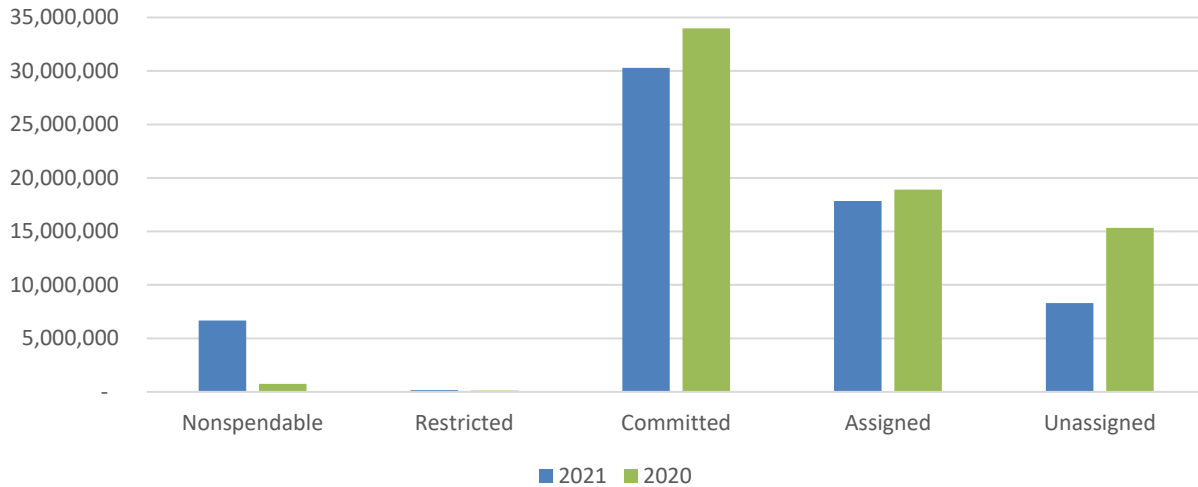
At the end of the current fiscal year, ending total fund balance in the School Buildings Debt Service Fund was \$14,989,290. Of this, \$3,271,352 is restricted for debt service payments and \$11,717,938 is assigned for debt service payments. Remaining funds from completed school capital projects were re-directed to debt service which increased fund balance by \$11,329,247

At the end of the current fiscal year, the Fronteras School Debt principal was \$6,298,444. The school was completed in fiscal year 2016, and the District will pay the debt. The principal payments began in fiscal year 2018.

At the end of the current fiscal year, ending total fund balance in the School Projects Capital Projects Fund was \$34,213,491 Of this, \$2,205 is nonspendable for prepaid items. Remaining funds are assigned for capital projects.

Matanuska-Susitna Borough
Management's Discussion and Analysis

**General Fund Components of Fund Balance
2021 and 2020**



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 \$8,259,095 and a deficit of (\$8,830,717), respectively. The unrestricted net position of the internal service funds at the end of the year were \$31,058,078.

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 \$15,126,798, with \$6,867,703 being the net investment in capital assets and unrestricted net position \$8,259,095. The total net position increased by \$4,979,877 from the prior year.

At the end of the current fiscal year, the ending total net position of the Port Enterprise Fund was \$15,822,172, with \$24,652,889 being the net invested in capital assets, net of related debt, and an unrestricted net position deficit of (\$8,830,717). The total net position increased by \$2,461,431 from the prior year.

General Fund Budgetary Highlights

At year end, there was a change from the total original budget and the total final amended budget for revenues in the amount of \$655,000.

The actual revenues were \$1,240,748 less than the final budget. Actual expenditures were \$14,624,635 less than the final budget. Actual transfers in were \$7,155,403 more than the final budget. Transfers out equaled the final budget. Key factors include:

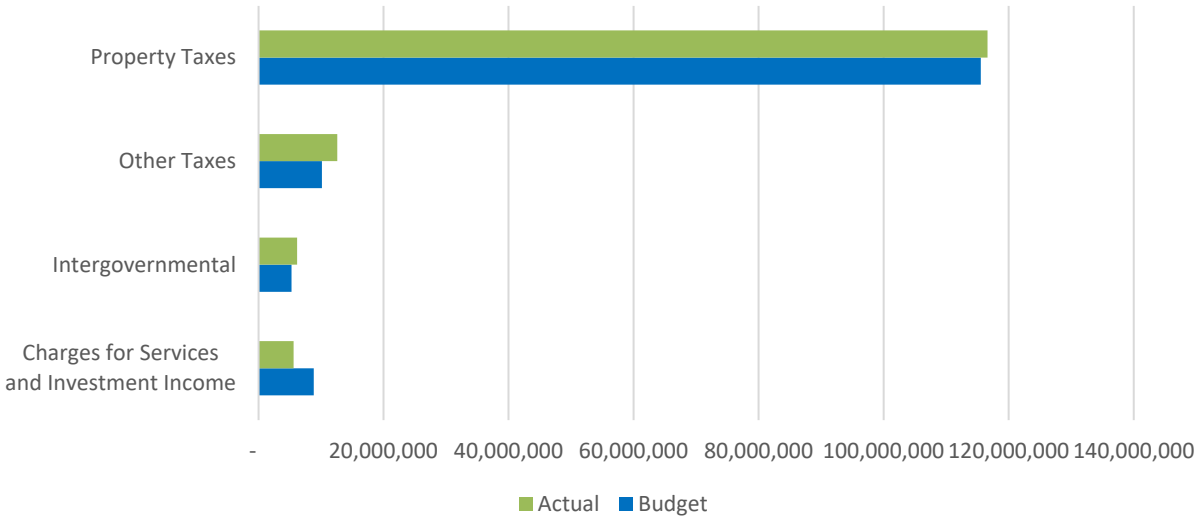
- Actual General Fund expenditures were \$14,624,635 less than budgeted. This is due to decreased spending on emergency services, general government, and public works with funding from the CARES Act Funding.

Matanuska-Susitna Borough

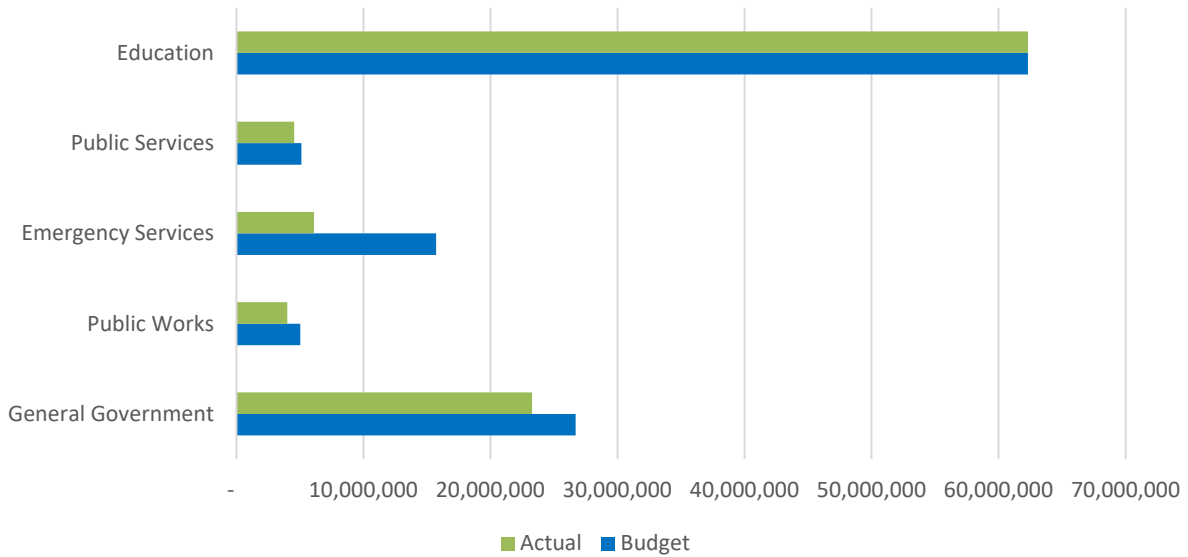
Management's Discussion and Analysis

- Emergency services expenditures were \$9,614,072 less than budgeted, due to the CARES Act Special Revenue Fund covering these expenditures.

General Fund Revenue Budget to Actual Fiscal Year 2021



General Fund Expenditure Budget to Actual Fiscal Year 2021



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, 2021 amounts to \$1,073,545,013, (net of accumulated depreciation), which is a decrease of \$20,933,009 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.

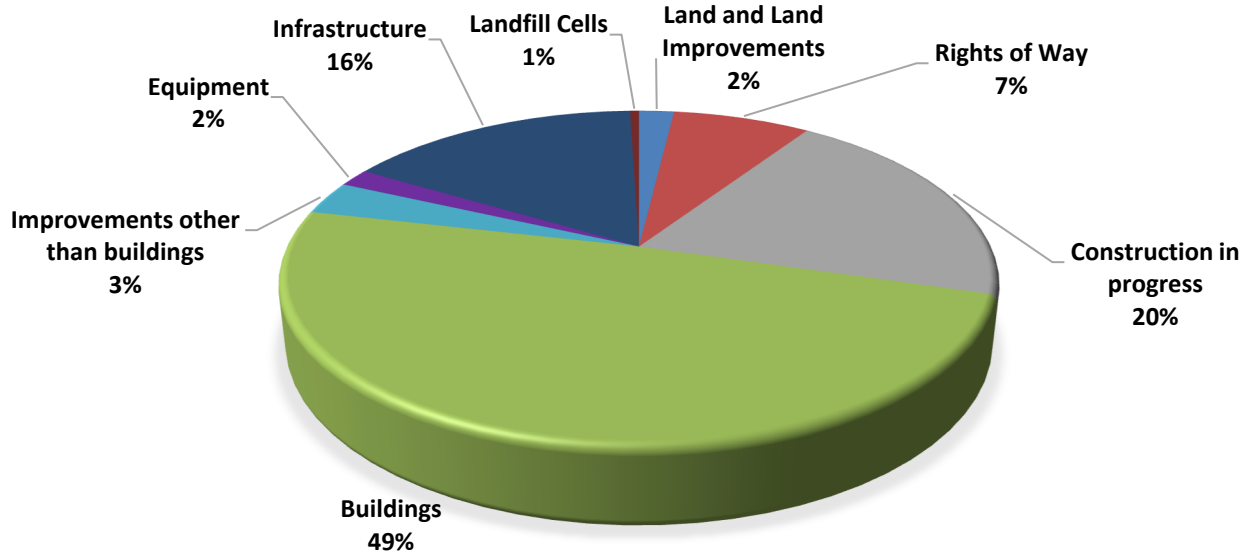
Matanuska-Susitna Borough's Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Land and land improvements	\$ 20.4	\$ 21.5	\$ -	\$ -	\$ 20.4	21.5
Right of Way	80.0	80.0	-	-	80.0	80.0
Buildings	515.5	528.5	11.2	11.7	526.7	540.2
Improvements other than buildings	33.9	36.1	0.8	0.9	34.7	37.0
Equipment	16.5	16.1	2.1	2.0	18.6	18.1
Infrastructure	150.3	156.9	21.1	21.9	171.4	178.8
Construction in progress	212.9	208.8	3.8	1.1	216.7	209.9
Landfill cells	-	-	5.1	5.1	5.1	5.1
Total Capital Assets	\$ 1,029.5	\$ 1,047.9	\$ 44.1	\$ 42.7	\$ 1,073.6	\$1,090.6

Additional information on the Borough's capital assets can be found on pages 47-49 this report.

Matanuska-Susitna Borough
Management's Discussion and Analysis

Capital Assets Fiscal Year 2021
(governmental & business type) (net of depreciation)



Long-term Debt

At the end of the current fiscal year, the Borough had total debt outstanding of \$320,332,416. Of this amount, \$240,200,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$14,400,000. 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 238.3	\$ 255.3	\$ 1.9	\$ 2.5	\$ 240.2	257.8
Certificates of participation	14.4	16.0	-	-	14.4	16.0
Other	49.2	51.2	16.5	19.1	65.7	70.3
Total Outstanding Debt	\$ 301.9	\$ 322.5	\$ 18.4	\$ 21.6	\$ 320.3	\$ 344.1

Additional information on the Borough's long-term debt can be found on pages 50-59 of this report.

Matanuska-Susitna Borough

Management's Discussion and Analysis

Economic Factors and the Next Year's Budget and Rates

In setting the budgets for fiscal year 2022, 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 some of the emergency service wages for part of FY22.

All of these factors were considered in preparing the Borough's budget for fiscal year 2022. As a result, the fiscal year 2022 budget is 9.942 mills for the General Fund tax rate, a decrease of 0.38 mills. The nonareawide mill rate decreased to 0.432 mills, a decrease of 0.79 mills in the fiscal year 2022 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.

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Matanuska-Susitna Borough, Alaska

Statement of Net Position

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School District
<i>June 30, 2021</i>				
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 241,975,271	\$ 12,487,837	\$ 254,463,108	\$ 23,782,719
Prepaid items	183,978	-	183,978	4,901,612
Receivables, net of allowance:				
Intergovernmental	8,209,244	100,220	8,309,464	10,375,216
Property and excise taxes	7,411,318	-	7,411,318	-
Accounts	-	777,023	777,023	-
Ambulance	1,567,897	-	1,567,897	-
Land sales contracts	18,716	-	18,716	-
Lease receivable	167,750	-	167,750	-
Other	1,613,567	-	1,613,567	912,915
Special assessments	-	-	-	-
Accrued interest	536,129	-	536,129	-
Deposits	25,000	-	25,000	-
Inventory	295,459	-	295,459	2,954,691
Restricted cash and investments	5,904,872	2,666,697	8,571,569	-
Internal balances	8,449,578	(8,449,578)	-	-
Land sales contracts receivable - long-term	597,207	-	597,207	-
Lease receivable, net of allowance - long-term	6,130,694	-	6,130,694	-
Net other postemployment benefits asset	3,656,618	245,896	3,902,514	23,570,598
Capital assets, not being depreciated	313,277,739	3,816,283	317,094,022	119,632
Capital assets, net of accumulated depreciation	716,184,164	40,266,827	756,450,991	17,730,974
Total Assets	1,316,205,201	51,911,205	1,368,116,406	84,348,357
Deferred Outflows of Resources				
Unamortized deferred loss on bonds	3,779,623	87,574	3,867,197	-
Related to pensions	5,440,132	333,322	5,773,454	17,238,064
Related to other postemployment benefits	2,544,407	171,103	2,715,510	12,069,902
Total Deferred Outflows of Resources	11,764,162	591,999	12,356,161	29,307,966
Total Assets and Deferred Outflows of Resources	\$ 1,327,969,363	\$ 52,503,204	\$ 1,380,472,567	\$ 113,656,323

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Statement of Net Position, continued

June 30, 2021	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School District
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts, contracts and retentions payable	\$ 6,288,374	\$ 524,171	\$ 6,812,545	\$ 3,101,796
Accrued payroll and related liabilities	1,978,439	-	1,978,439	8,704,472
Other liabilities	279,492	-	279,492	-
Deposits	200,388	-	200,388	-
Unearned revenue	11,219,309	-	11,219,309	580,256
Accrued interest payable	2,964,714	45,411	3,010,125	-
Noncurrent liabilities:				
Due within one year:				
Accrued leave	3,998,995	159,328	4,158,323	2,740,252
Bonds and certificates of participation	20,510,000	620,000	21,130,000	-
Loans payable	20,672	337,287	357,959	-
Note payable	167,750	-	167,750	-
Insurance claims incurred but not reported and claims payable	1,976,153	-	1,976,153	769,500
Capital lease payable	-	-	-	167,750
Due in more than one year:				
Accrued leave	-	-	-	1,785,136
Bonds and certificates of participation, net of premium	252,314,302	1,476,364	253,790,666	-
Loans payable	7,513,165	10,216,441	17,729,606	-
Note payable	6,130,694	-	6,130,694	-
Capital lease payable	-	-	-	6,130,694
FTA liability	9,287,929	-	9,287,929	-
Net pension liability	44,108,322	2,365,307	46,473,629	156,754,896
Net other postemployment benefits liability	89,704	6,032	95,736	117,324
Landfill closure costs payable	-	5,603,336	5,603,336	-
Total Liabilities	369,048,402	21,353,677	390,402,079	180,852,076
Deferred Inflows of Resources				
Taxes collected in advance	1,543,573	-	1,543,573	-
Unamortized deferred gain on bonds	805,227	-	805,227	-
Related to pensions	-	-	-	3,703,646
Related to other postemployment benefits	2,982,398	200,557	3,182,955	10,990,543
Total Deferred Inflows of Resources	5,331,198	200,557	5,531,755	14,694,189
Total Liabilities and Deferred Inflows of Resources	374,379,600	21,554,234	395,933,834	195,546,265
Net Position (Deficit)				
Net investment in capital assets	745,878,376	31,520,592	777,398,968	11,552,162
Restricted:				
Debt service	2,841,498	-	2,841,498	-
Scholarships and correspondence program	-	-	-	3,162,995
Unrestricted (deficit)	204,869,889	(571,622)	204,298,267	(96,605,099)
Total Net Position (Deficit)	953,589,763	30,948,970	984,538,733	(81,889,942)
Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	\$ 1,327,969,363	\$ 52,503,204	\$ 1,380,472,567	\$ 113,656,323

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Statement of Activities

Year Ended June 30, 2021	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		School District	
					Governmental Activities	Business- Type Activities		
Primary Government								
Governmental activities:								
General government	\$ 22,678,287	\$ 1,046,132	\$ 7,372,137	\$ -	\$ (14,260,018)	\$ -	\$ (14,260,018)	
Public works	1,515,018	21,737	203,410	-	(1,289,871)	-	(1,289,871)	
Emergency services	52,649,599	6,142,877	13,388,333	4,228,627	(28,889,762)	-	(28,889,762)	
Public services	49,065,973	2,572,908	19,257,440	1,875,266	(25,360,359)	-	(25,360,359)	
Education	75,745,073	393,300	-	-	(75,351,773)	-	(75,351,773)	
Interest	9,178,382	-	-	-	(9,178,382)	-	(9,178,382)	
Total governmental activities	210,832,332	10,176,954	40,221,320	6,103,893	(154,330,165)	-	(154,330,165)	
Business-type activities:								
Solid waste	5,865,479	10,788,985	70,809	-	-	4,994,315	4,994,315	
Port	1,752,171	122,672	7,205	-	-	(1,622,294)	(1,622,294)	
Total business-type activities	7,617,650	10,911,657	78,014	-	-	3,372,021	3,372,021	
Total Primary Government	\$ 218,449,982	\$ 21,088,611	\$ 40,299,334	\$ 6,103,893	(154,330,165)	3,372,021	(150,958,144)	
Component Unit								
School District	\$ 289,554,668	\$ 1,418,138	\$ 66,134,075	\$ -				\$ (222,002,455)
General Revenues								
Taxes:								
Property taxes					148,890,573	-	148,890,573	-
Excise taxes					10,854,422	-	10,854,422	-
Transient accommodation taxes					1,054,391	-	1,054,391	-
Contributions from primary government					-	-	-	62,310,148
Grants and entitlements not restricted to a specific purpose					4,910,290	-	4,910,290	173,839,797
Investment income (loss)					(505,867)	14,645	(491,222)	-
Loss on disposal of capital assets					-	(29,083)	(29,083)	-
Gain on settlement from lease credits					-	1,307,105	1,307,105	-
Other					2,088,668	-	2,088,668	2,956,521
Transfers					(2,776,620)	2,776,620	-	-
Total General Revenues and Transfers					164,515,857	4,069,287	168,585,144	239,106,466
Special item - Contribution from (to) component unit					6,000,000	-	6,000,000	(6,000,000)
Change in Net Position					16,185,692	7,441,308	23,627,000	11,104,011
Net Position (Deficit), beginning, as restated (Note 18)					937,404,071	23,507,662	960,911,733	(92,993,953)
Net Position (Deficit), ending					\$ 953,589,763	\$ 30,948,970	\$ 984,538,733	\$ (81,889,942)

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Governmental Funds
Balance Sheet

June 30, 2021	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	CARES Act Funding Special Revenue	School Buildings Debt Service	Fronteras School Debt Service	School Projects Capital Project			
Assets									
Cash and investments	\$51,561,191	\$ 10,519,654	\$ -	\$11,717,938	\$ -	\$ 34,216,733	\$101,279,073	\$ 209,294,589	
Prepaid items	143,799	-	-	-	-	2,205	37,974	183,978	
Receivables:									
Intergovernmental	1,090	-	5,523,387	-	-	-	2,684,767	8,209,244	
Property taxes, net of allowance	4,976,577	-	-	-	-	-	1,564,649	6,541,226	
Excise taxes	870,092	-	-	-	-	-	-	870,092	
Ambulance, net of allowance	1,567,897	-	-	-	-	-	-	1,567,897	
Land sales contracts, net	-	-	-	-	-	-	18,716	18,716	
Accrued interest	536,129	-	-	-	-	-	-	536,129	
Other	1,104,581	-	-	-	-	-	508,986	1,613,567	
Due from other funds	5,661,982	-	-	-	-	-	-	5,661,982	
Advances to other funds	5,777,684	-	-	-	-	-	-	5,777,684	
Inventory	295,459	-	-	-	-	-	-	295,459	
Interfund loans receivable	450,000	-	-	-	-	-	3,249,894	3,699,894	
Land sales contracts receivable, long-term	-	-	-	-	-	-	597,207	597,207	
Lease receivable, long-term	-	-	-	-	9,439,751	-	-	9,439,751	
Restricted cash and investments	157,320	-	-	3,271,352	-	-	2,476,200	5,904,872	
Total Assets	\$73,103,801	\$ 10,519,654	\$ 5,523,387	\$14,989,290	\$ 9,439,751	\$ 34,218,938	\$112,417,466	\$ 260,212,287	
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts, contracts and retentions payable	\$ 600,924	\$ -	\$ 22,524	\$ -	\$ -	\$ -	\$ 5,664,926	\$ 6,288,374	
Due to General Fund	-	-	5,499,531	-	-	-	-	5,499,531	
Accrued payroll and related liabilities	1,978,439	-	-	-	-	-	-	1,978,439	
Other liabilities	279,492	-	-	-	-	-	-	279,492	
Deposits	-	-	-	-	-	5,447	194,941	200,388	
Unearned revenue	-	10,519,654	-	-	-	-	699,655	11,219,309	
Interfund loans payable	1,028,000	-	-	-	-	-	665,952	1,693,952	
Total Liabilities	3,886,855	10,519,654	5,522,055	-	-	5,447	7,225,474	27,159,485	
Deferred Inflows of Resources									
Special assessments	-	-	-	-	-	-	8,049	8,049	
Taxes collected in advance	1,543,573	-	-	-	-	-	-	1,543,573	
Delinquent property taxes	4,200,182	-	-	-	-	-	1,258,310	5,458,492	
Delinquent ambulance receivables	154,145	-	-	-	-	-	-	154,145	
Delinquent foreclosure property sales	57,316	-	-	-	-	-	-	57,316	
Land sales receivables not yet due	-	-	-	-	-	-	597,207	597,207	
Lease receivable not yet due	-	-	-	-	9,439,751	-	-	9,439,751	
Total Deferred Inflows of Resources	5,955,216	-	-	-	9,439,751	-	1,863,566	17,258,533	
Total Liabilities and Deferred Inflows of Resources	\$ 9,842,071	\$ 10,519,654	\$ 5,522,055	\$ -	\$ 9,439,751	\$ 5,447	\$ 9,089,040	\$ 44,418,018	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Governmental Funds
Balance Sheet, continued

	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	CARES Act Funding Special Revenue	School Buildings Debt Service	Fronteras School Debt Service	School Projects Capital Project			
<i>June 30, 2021</i>									
Fund Balances									
Nonspendable:									
Prepaid items and inventory	\$ 439,258	\$ -	\$ -	\$ -	\$ -	\$ 2,205	\$ 37,974	\$ 479,437	
Long-term loan receivable	450,000	-	-	-	-	-	-	450,000	
Advances to other funds	5,777,684	-	-	-	-	-	-	5,777,684	
Restricted:									
Debt service	157,320	-	-	3,271,352	-	-	2,377,540	5,806,212	
Capital projects and school construction	-	-	-	-	-	-	98,660	98,660	
Committed:									
Long-term loans receivable	-	-	-	-	-	-	3,249,894	3,249,894	
Land management	-	-	-	-	-	-	348,368	348,368	
Self-insurance	500,000	-	-	-	-	-	35,000	535,000	
Accrued leave	250,000	-	-	-	-	-	30,000	280,000	
Equipment	-	-	-	-	-	-	450,000	450,000	
Assembly projects	25,217	-	-	-	-	-	-	25,217	
Major repairs and renovations	200,000	-	-	-	-	-	-	200,000	
Capital	500,000	-	-	-	-	-	-	500,000	
Emergency response	1,250,000	-	-	-	-	-	-	1,250,000	
Paving projects and calcium chloride	2,559,319	-	-	-	-	-	-	2,559,319	
Fund balance stabilization	25,000,000	-	-	-	-	-	-	25,000,000	
Assigned:									
Subsequent year appropriations	-	-	-	-	-	-	500,000	500,000	
Subsequent year expenditures	17,845,316	-	-	-	-	-	8,132,590	25,977,906	
Service areas	-	-	-	-	-	-	29,455,989	29,455,989	
Land management	-	-	-	-	-	-	761,994	761,994	
Debt service	-	-	-	11,717,938	-	-	6,842,277	18,560,215	
Equipment	-	-	1,332	-	-	-	-	1,332	
Capital projects	-	-	-	-	-	34,211,286	51,558,451	85,769,737	
Unassigned (deficit)	8,307,616	-	-	-	-	-	(550,311)	7,757,305	
Total Fund Balances	63,261,730	-	1,332	14,989,290	-	34,213,491	103,328,426	215,794,269	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$73,103,801	\$ 10,519,654	\$ 5,523,387	\$14,989,290	\$ 9,439,751	\$ 34,218,938	\$112,417,466	\$260,212,287	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2021

Total fund balances for governmental funds		\$ 215,794,269
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	\$ 20,383,071	
Rights of way	80,042,404	
Construction in progress	212,852,264	
Buildings	745,712,953	
Improvements other than buildings	48,268,099	
Equipment	51,490,831	
Infrastructure	298,867,949	
Accumulated depreciation	<u>(428,155,668)</u>	
Total capital assets		1,029,461,903
The PERS ARHCT and ODD OPEB plans have been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		
		3,656,618
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	5,458,492	
Special assessments receivable	8,049	
Ambulance receivables	154,145	
Delinquent foreclosure property sales	57,316	
Land sales contracts receivable	<u>597,207</u>	
Total long-term assets		6,275,209
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in the governmental funds.		
Unamortized deferred loss on bonds	3,779,623	
Pension related	5,440,132	
Other postemployment benefits related	<u>2,544,407</u>	
Total deferred outflows of resources		11,764,162
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.		
		31,058,078
Certain deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in the governmental funds.		
Other postemployment benefits related	(2,982,398)	
Deferred gain on refunding	<u>(805,227)</u>	
		(3,787,625)
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.		
		6,298,444
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, loans payable, notes payable and certificates of participation	(266,317,329)	
Unamortized bond premium	(20,164,302)	
FTA liability	(9,287,929)	
Accrued interest payable	(2,964,714)	
Accrued leave	(3,998,995)	
Net pension liability	(44,108,322)	
Net OPEB liability	<u>(89,704)</u>	
Total long-term liabilities		<u>(346,931,295)</u>
Total Net Position of Governmental Activities		\$ 953,589,763

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, 2021	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	CARES Act Funding Special Revenue	School Buildings Debt Service	Fronteras School Debt Service	School Projects Capital Project		
Revenues							
Taxes	\$ 116,617,896	\$ -	\$ -	\$ -	\$ -	\$ 45,398,084	\$ 162,015,980
Intergovernmental	6,201,585	37,797,821	-	-	(4,167)	7,240,264	51,235,503
Charges for services	6,246,007	-	-	-	-	3,866,881	10,112,888
Investment income (loss)	(620,236)	2,884	28,683	-	2,183	56,968	(529,518)
Interest on land sales	-	-	-	-	-	68,304	68,304
Other	-	-	-	393,300	-	1,732,906	2,126,206
Total Revenues	128,445,252	37,800,705	28,683	393,300	(1,984)	58,363,407	225,029,363
Expenditures							
Current:							
General government	23,284,051	1,336,803	-	-	-	1,238,011	25,858,865
Public works	4,010,150	144,427	-	-	-	-	4,154,577
Emergency services	6,110,450	12,787,710	-	-	-	19,101,529	37,999,689
Public services	4,555,392	18,574,903	-	-	-	24,464,766	47,595,061
Education	62,310,148	-	-	-	-	-	62,310,148
Debt service							
Principal	-	-	14,655,000	161,787	-	4,093,285	18,910,072
Interest	-	-	8,208,408	231,513	-	2,634,635	11,074,556
Capital outlay	-	-	-	-	1,126	14,711,896	14,713,022
Total Expenditures	100,270,191	32,843,843	22,863,408	393,300	1,126	66,244,122	222,615,990
Excess (Deficiency) of Revenues Over Expenditures							
	28,175,061	4,956,862	(22,834,725)	-	(3,110)	(7,880,715)	2,413,373
Other Financing Sources (Uses)							
Sale of capital assets	33,615	-	-	-	-	24,625	58,240
Insurance recovery	-	-	-	-	-	5,100,000	5,100,000
Loan issued	-	-	-	-	-	471,225	471,225
Transfers in	7,733,275	-	34,163,972	-	28,115,967	35,002,358	105,015,572
Transfers out	(41,775,827)	(4,957,150)	-	-	(13,080,056)	(47,978,613)	(107,791,646)
Net Other Financing Sources (Uses)	(34,008,937)	(4,957,150)	34,163,972	-	15,035,911	(7,380,405)	2,853,391
Special item -							
Contribution from component unit	-	-	-	-	6,000,000	-	6,000,000
Net Change in Fund Balances	(5,833,876)	(288)	11,329,247	-	21,032,801	(15,261,120)	11,266,764
Fund Balances, beginning	69,095,606	1,620	3,660,043	-	13,180,690	118,589,546	204,527,505
Fund Balances, ending	\$ 63,261,730	\$ 1,332	\$ 14,989,290	\$ -	\$ 34,213,491	\$ 103,328,426	\$ 215,794,269

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, 2021

Net change in fund balances - total governmental funds		\$ 11,266,764
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 (\$27,239,699) exceeded capital outlays (\$17,108,442).		
	(10,131,257)	
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position		
	(8,359,025)	
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	\$ (1,217,711)	
Decrease in delinquent ambulance receivables	(125,820)	
Decrease in deferred inflows of resources - lease receivables	(161,787)	
Increase in special assessments	1,117	
Increase in deferred land sales receivable	210,956	
	(1,293,245)	
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	(600,150)	
Amortization of deferred gain on bonds	69,339	
Amortization of bond premium	2,179,315	
Issuance of long term debt	(461,662)	
Payments on debt principal	18,913,812	
	20,100,654	
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	(392,934)	
Decrease in accrued interest payable	243,930	
Net increase in net pension liability and related deferred accounts	(1,630,312)	
Net increase in net OPEB liability (asset) and related deferred accounts	2,508,384	
	729,068	
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.		
	3,872,733	
Change in Net Position of Governmental Activities		\$ 16,185,692

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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 114,889,700	\$ 115,544,700	\$ 116,617,896	\$ 1,073,196
Intergovernmental	5,289,000	5,289,000	6,201,585	912,585
Charges for services	5,852,300	5,852,300	6,246,007	393,707
Investment income (loss)	3,000,000	3,000,000	(620,236)	(3,620,236)
Total Revenues	129,031,000	129,686,000	128,445,252	(1,240,748)
Expenditures				
General government	27,220,223	26,705,023	23,284,051	3,420,972
Public works	4,223,129	5,034,544	4,010,150	1,024,394
Emergency services	14,800,458	15,724,522	6,110,450	9,614,072
Public services	4,171,542	5,120,589	4,555,392	565,197
Education	62,310,148	62,310,148	62,310,148	-
Total Expenditures	112,725,500	114,894,826	100,270,191	14,624,635
Excess of Revenues Over Expenditures	16,305,500	14,791,174	28,175,061	13,383,887
Other Financing Sources (Uses)				
Sale of capital assets	15,000	15,000	33,615	18,615
Transfers in	500,546	577,872	7,733,275	7,155,403
Transfers out	(33,367,644)	(41,775,827)	(41,775,827)	-
Net Other Financing Sources (Uses)	(32,852,098)	(41,182,955)	(34,008,937)	7,174,018
Net Change in Fund Balance	\$ (16,546,598)	\$ (26,391,781)	(5,833,876)	\$ 20,557,905
Fund Balance, beginning			69,095,606	
Fund Balance, ending			\$ 63,261,730	

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Proprietary Funds
Statement of Net Position

<i>June 30, 2021</i>	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 12,487,837	\$ -	\$ 12,487,837	\$ 32,680,682
Receivables:				
Accounts	770,055	15,588	785,643	-
Allowance for doubtful accounts	(8,620)	-	(8,620)	-
Interfund loans receivable	-	-	-	48,072
Deposits with others	-	-	-	25,000
Total Current Assets	13,249,272	15,588	13,264,860	32,753,754
Noncurrent Assets				
Restricted cash and investments - landfill closure	2,666,697	-	2,666,697	-
Interfund loans receivable - long-term	-	-	-	617,880
Net other postemployment benefits asset	231,497	14,399	245,896	-
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	3,696,175	64,024	3,760,199	-
Landfill cells	13,828,673	-	13,828,673	-
Infrastructure	-	33,321,302	33,321,302	-
Construction in progress	3,816,283	-	3,816,283	-
Total property, plant and equipment	31,411,843	41,333,943	72,745,786	-
Accumulated depreciation and amortization	(13,990,412)	(14,672,264)	(28,662,676)	-
Net property, plant and equipment	17,421,431	26,661,679	44,083,110	-
Total Noncurrent Assets	20,319,625	26,676,078	46,995,703	617,880
Total Assets	33,568,897	26,691,666	60,260,563	33,371,634
Deferred Outflows of Resources				
Related to pensions	250,812	82,510	333,322	-
Related to other postemployment benefits	161,084	10,019	171,103	-
Unamortized deferred loss on bonds	-	87,574	87,574	-
Total Deferred Outflows of Resources	411,896	180,103	591,999	-
Total Assets and Deferred Outflows of Resources	\$ 33,980,793	\$ 26,871,769	\$ 60,852,562	\$ 33,371,634

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

 Proprietary Funds
 Statement of Net Position, continued

June 30, 2021	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 481,721	\$ 42,450	\$ 524,171	\$ -
Accrued leave	144,079	15,249	159,328	-
Due to General Fund	-	-	-	162,451
Accrued interest payable	16,178	29,233	45,411	-
Current portion:				
General obligation bonds	-	620,000	620,000	-
Loans payable	337,287	-	337,287	20,672
Insurance claims incurred but not reported and claims payable	-	-	-	1,976,153
Total Current Liabilities	979,265	706,932	1,686,197	2,159,276
Noncurrent Liabilities				
General obligation bonds payable, net of premium	-	1,476,364	1,476,364	-
Interfund loans payable	-	2,671,894	2,671,894	-
Loans payable	10,216,441	-	10,216,441	154,280
Advances from General Fund	-	5,777,684	5,777,684	-
Net pension liability	1,960,681	404,626	2,365,307	-
Net other postemployment benefits liability	5,679	353	6,032	-
Landfill closure costs payable	5,603,336	-	5,603,336	-
Total Noncurrent Liabilities	17,786,137	10,330,921	28,117,058	154,280
Total Liabilities	18,765,402	11,037,853	29,803,255	2,313,556
Deferred Inflows of Resources				
Related to other postemployment benefits	188,813	11,744	200,557	-
Net Position				
Net investment in capital assets	6,867,703	24,652,889	31,520,592	-
Unrestricted (deficit)	8,259,095	(8,830,717)	(571,622)	31,058,078
Total Net Position	15,126,798	15,822,172	30,948,970	31,058,078
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 34,081,013	\$ 26,871,769	\$ 60,952,782	\$ 33,371,634

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, 2021	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Operating Revenues				
Intragovernmental	\$ -	\$ -	\$ -	\$ 12,306,620
Charges for services	10,788,985	122,672	10,911,657	-
Interest on loans	-	-	-	1,654
Employee contributions	-	-	-	1,868,282
Total Operating Revenues	10,788,985	122,672	10,911,657	14,176,556
Operating Expenses				
Landfill operations	2,157,160	-	2,157,160	-
Transfer sites	2,997,827	-	2,997,827	-
Dock operations	-	561,110	561,110	-
Claims	-	-	-	8,601,210
Depreciation and amortization	570,612	1,116,049	1,686,661	-
Administrative fees	67,027	-	67,027	1,446,415
Premium	-	-	-	277,649
Total Operating Expenses	5,792,626	1,677,159	7,469,785	10,325,274
Operating Income (Loss)	4,996,359	(1,554,487)	3,441,872	3,851,282
Nonoperating Revenues (Expenses)				
Intergovernmental - State sources:				
PERS relief	70,809	100	70,909	-
Senate bills	-	7,105	7,105	-
Loss on disposal of capital assets	(29,083)	-	(29,083)	-
Gain on settlement from lease credits	-	1,307,105	1,307,105	-
Investment income	14,645	-	14,645	21,997
Interest expense	(72,853)	(75,012)	(147,865)	-
Net Nonoperating Revenues (Expenses)	(16,482)	1,239,298	1,222,816	21,997
Income (Loss) Before Transfers	4,979,877	(315,189)	4,664,688	3,873,279
Transfers in	-	2,776,620	2,776,620	-
Transfers out	-	-	-	(546)
Change in Net Position	4,979,877	2,461,431	7,441,308	3,872,733
Net Position, beginning	10,146,921	13,360,741	23,507,662	27,185,345
Net Position, ending	\$ 15,126,798	\$ 15,822,172	\$ 30,948,970	\$ 31,058,078

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2021	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Cash Flows From (for) Operating Activities				
Receipts from customers	\$ 11,047,600	\$ 114,189	\$ 11,161,789	\$ -
Receipts from employees and other	-	-	-	1,868,282
Payments to suppliers	(3,773,489)	(408,345)	(4,181,834)	-
Payments to employees	(2,803,071)	(143,913)	(2,946,984)	-
Payments for interfund services used	(67,027)	-	(67,027)	-
Payments for interfund services provided	-	-	-	12,306,620
Principal payments received on loans	-	-	-	47,766
Issuance of new loans	-	-	-	(300,000)
Interest payments received on loans	-	-	-	1,654
Principal payments on loans payable	-	-	-	(20,366)
Payments for claims and services	-	-	-	(10,622,312)
Net cash flows from (for) operating activities	4,404,013	(438,069)	3,965,944	3,281,644
Cash Flows From Noncapital Financing Activities				
Increase in due to General Fund	-	-	-	162,451
Decrease in advance from General Fund	-	(1,626,188)	(1,626,188)	-
Transfers in	-	2,776,620	2,776,620	-
Transfers out	-	-	-	(546)
Net cash flows from noncapital financing activities	-	1,150,432	1,150,432	161,905
Cash Flows From (for) Capital and Related Financing Activities				
Purchases of property, plant and equipment	(2,899,229)	-	(2,899,229)	-
Sales of capital assets	10,100	-	10,100	-
Loans proceeds received	100,220	-	100,220	-
Principal and interest paid on bonds and loans	(324,773)	(712,363)	(1,037,136)	-
Net cash flows from (for) capital and related financing activities	(3,113,682)	(712,363)	(3,826,045)	-
Cash Flows From Investing Activities - investment income	14,645	-	14,645	21,997
Net Increase in Cash and Investments	1,304,976	-	1,304,976	3,465,546
Cash and Investments, beginning of year	13,849,558	-	13,849,558	29,215,136
Cash and Investments, end of year	\$ 15,154,534	\$ -	\$ 15,154,534	\$ 32,680,682
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities				
Operating income (loss)	\$ 4,996,359	\$ (1,554,487)	\$ 3,441,872	\$ 3,851,282
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Depreciation and amortization	570,612	1,116,049	1,686,661	-
Nonoperating revenues	-	7,105	7,105	-
Noncash expense - PERS relief	70,809	100	70,909	-
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	258,615	(15,588)	243,027	-
Loans receivable	-	-	-	(252,234)
Net other postemployment benefits asset	(218,921)	(13,618)	(232,539)	-
Deferred outflows of resources related to pensions	(52,348)	(3,256)	(55,604)	-
Deferred outflows of resources related to other postemployment benefits	(23,171)	387	(22,784)	-
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	(418,729)	14,451	(404,278)	-
Accrued leave	4,095	6,823	10,918	-
Landfill closure costs payable	(1,104,152)	-	(1,104,152)	-
Loans payable	-	-	-	(20,366)
Insurance claims incurred but not reported and claims payable	-	-	-	(297,038)
Net pension liability	233,887	14,547	248,434	-
Net other postemployment benefits liability	(4,675)	(7,973)	(12,648)	-
Deferred inflows of resources related to pensions	(51,116)	(8,307)	(59,423)	-
Deferred inflows of resources related to other postemployment benefits	142,748	5,698	148,446	-
Net Cash Flows from (for) Operating Activities	\$ 4,404,013	\$ (438,069)	\$ 3,965,944	\$ 3,281,644
Noncash Capital and Related Financing Activities				
Purchases of property, plant and equipment on account	\$ 200,171	\$ -	\$ 200,171	\$ -
Exercise of lease credits	-	(1,307,105)	(1,307,105)	-

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Fiduciary Fund - Road, Gas Line and Community Water Custodial Fund Statement of Fiduciary Net Position

June 30, 2021

Assets

Cash and investments	\$	293,829
Special assessment receivable		500,862

Total Assets	\$	794,691
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Liabilities

Deposits	\$	213
Bonds payable - gas lines		78,490

Total Liabilities		78,703
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Net Position - restricted - bond reserve		715,988
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Total Liabilities and Net Position	\$	794,691
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See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Fiduciary Fund - Road, Gas Line and Community Water Custodial Fund Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

Additions

Special assessments	\$	205,582
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Deductions

Public services		205,582
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Change in Net Position

-

Net Position, beginning, as restated (Note 18)

715,988

Net Position, ending

\$ 715,988

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements

June 30, 2021

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 and proprietary 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 property tax revenues to be available if they are collected within 60 days after year-end. All other revenues besides property taxes are considered available if collected within 180 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. 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.

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 *American Rescue Plan Act (ARPA) Recovery Funding Special Revenue Fund* accounts for activities relating to the ARPA Recovery funding received by the Borough.

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

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

Major Proprietary Funds

The *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 - The Borough reports one fiduciary fund. This fund accounts for nonrecourse special assessment bonds to finance road, water or gas line improvements in local improvement districts within the Borough.

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, ARPA Recovery Funding, Property Tax, and Road, Gas Line and Community Water Special Revenue Funds, have legally adopted annual budgets.
- f. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended, by the Assembly.

Statement of Cash Flows

For purposes of the statements 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 Enterprise 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 16 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 loss 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, unamortized deferred gains on debt refundings, as well as certain pension and OPEB related accounts. Deferred inflows of resources reported on the governmental funds consist of long-term payments due on special assessments, property taxes received in advance, land sales receivables not yet due, leases receivable receivables not yet due, delinquent property taxes, delinquent ambulance receivables and delinquent foreclosure property sales, as well as property taxes collected in advance.

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, the 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, 2021.

	Pooled Cash and Investments	School Accounts	Totals
Bank deposits	\$ 6,753,573	\$ 5,010,857	\$ 11,764,430
Investments	275,346,795	-	275,346,795
Total Cash and Investments	\$ 282,100,368	\$ 5,010,857	\$ 287,111,225

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	\$ 254,756,937	\$ -	\$ 254,756,937
Restricted cash	8,571,569	-	8,571,569
School District	18,771,862	5,010,857	23,782,719
Total Cash and Investments	\$ 282,100,368	\$ 5,010,857	\$ 287,111,225

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, 2021 are as follows:

	Amount	Investment Maturity (in years)		
		Less than 1	1-5	More than 5
Investment Type				
U.S. government agencies	\$ 220,138,952	\$ 15,380,694	\$ 204,758,258	\$ -
U.S. treasuries	23,512,100	-	23,512,100	-
Money market funds	13,331,420			
Pooled investments (AMLIP)	18,364,323			
Total Investments	\$ 275,346,795			

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 United States Treasury NTS with 9%, and U.S. Federal Agencies, including Freddie Mac with 18%, Federal Farm Credit Bank with 18%, Fannie Mae with 26% and Federal Home Loan Banks with 15%.

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, 2021:

U.S. government agencies securities of \$220,138,952 and U.S. Treasury securities of \$23,512,100 are valued by surveys of the dealer community, relevant trade data, benchmark quotes and spreads, as determined by observed market data (Level 2 inputs).

\$13,331,420 of money market funds reported at amortized cost, which management believes to approximate fair value.

Pooled Investments

The Borough maintains a \$18,364,323 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. The fund balance is reported as committed fund balance in the General Fund.

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 and Houston. Collection of the taxes and remittance of them to the cities are accounted for in the Property Tax Special Revenue 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 Interfund Transfers

Balances due to/from other funds at June 30, 2021, consisted of the following:

Due to the General Fund From

CARES Act Funding Special Revenue Fund for advances for operating costs	\$ 5,499,531
Revolving Loan Internal Service Fund for advances for operating costs	162,451

Total Due to the General Fund **\$ 5,661,982**

Advances from the General Fund at June 30, 2021, consisted of the following:

Advance From General Fund to

Port Enterprise Fund for advances for operating and capital costs	\$ 5,777,684
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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 \$21,594, respectively, were repaid, and no payments were made in 2020 and 2021, 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, 2021, the total balance was \$1,028,000.

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, 2021 were as follows:

Road Service Area 9 - Midway Road	\$ 15,338
Road Service Area 14 - Fairview Road	9,012
Road Service Area 16 - South Colony	33,067
Road Service Area 19 - Lazy Mountain	181
Road Service Area 23 - North Colony	4,081
Road Service Area 25 - Bogard Road	30,652
Road Service Area 26 - Greater Butte Road	1,723
Road Service Area 28 - Gold Trail Road	18,478
Road Service Area 31 - Alpine Road	827
<hr/>	
Total loans payable from Road Service Areas for ADEC Loan	113,359
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Loan Payable from Talkeetna Water and Sewer for ADEC Loan	\$ 61,593

Interfund loans receivable and payable, representing long-term loans at June 30, 2021 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	\$ 84,000
\$300,000 Service Area 7 - Talkeetna Flood Control revolving loan, due in annual installments of \$10,000, plus interest approved by the Assembly through 2052	300,000
\$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	107,000
<hr/>	
Total loans payable to other funds with established payment terms	491,000
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Total Loans Payable To Revolving Loan Internal Service Funds	\$ 665,952

Transfers to/from other funds for the year ended June 30, 2021 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	\$ 21,083,916
School Projects Capital Project Fund	5,900,000
Port Enterprise Fund	2,776,620
Nonmajor governmental funds	12,015,291
<hr/>	
Total transfers out of General Fund	41,775,827

From Nonmajor Governmental Funds to:

General Fund	2,775,579
School Projects Capital Project Fund	22,215,967
Other nonmajor governmental funds	22,987,067
<hr/>	
Total transfers out of nonmajor governmental funds	47,978,613

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

<i>From School Projects Capital Project Fund to:</i>	
School Buildings Debt Service Fund	13,080,056
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<i>From CARES Act Special Revenue Fund to:</i>	
General Fund	4,957,150
<hr/>	
<i>From Revolving Loan Internal Service Fund to:</i>	
General Fund	546
<hr/>	
Total Transfers	\$ 107,792,192

The School District contributed \$6,000,000 to the School Projects Capital Project Fund for Houston Reconstruction and reported a special item.

6. Capital Assets

Capital asset activity for the year ended June 30, 2021 follows:

Governmental Activities	Balance July 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2021
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 21,511,836	\$ 167,209	\$ 1,295,974	\$ 20,383,071
Rights of way	80,007,855	34,549	-	80,042,404
Construction in progress	208,806,246	14,536,737	10,490,719	212,852,264
<hr/>				
Total capital assets not being depreciated	310,325,937	14,738,495	11,786,693	313,277,739
<hr/>				
<i>Capital assets being depreciated:</i>				
Buildings	750,809,215	7,885,220	12,981,482	745,712,953
Improvements other than buildings	49,076,614	367,323	1,175,838	48,268,099
Equipment	55,482,869	3,585,330	7,577,368	51,490,831
Infrastructure	297,845,156	1,022,793	-	298,867,949
<hr/>				
Total capital assets being depreciated	1,153,213,854	12,860,666	21,734,688	1,144,339,832
<hr/>				
Less accumulated depreciation for:				
Buildings	222,303,559	15,483,187	7,572,531	230,214,215
Improvements other than buildings	13,016,472	1,436,031	39,195	14,413,308
Equipment	39,360,556	2,682,012	7,059,911	34,982,657
Infrastructure	140,907,019	7,638,469	-	148,545,488
<hr/>				
Total accumulated depreciation	415,587,606	27,239,699	14,671,637	428,155,668
<hr/>				
Total capital assets being depreciated, net	737,626,248	(14,379,033)	7,063,051	716,184,164
<hr/>				
Governmental Activities				
Capital Assets, net	\$ 1,047,952,185	\$ 359,462	\$18,849,744	\$ 1,029,461,903

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Business-type Activities	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 1,104,671	\$ 2,711,612	\$ -	\$ 3,816,283
<i>Capital assets being depreciated:</i>				
Buildings	16,078,210	-	-	16,078,210
Improvements other than buildings	1,941,119	-	-	1,941,119
Equipment	3,964,949	362,780	567,530	3,760,199
Landfill cells	13,803,665	25,008	-	13,828,673
Infrastructure	33,321,302	-	-	33,321,302
Total capital assets being depreciated	69,109,245	387,788	567,530	68,929,503
<i>Less accumulated depreciation for:</i>				
Buildings	4,374,847	537,988	-	4,912,835
Improvements other than buildings	1,079,014	51,339	-	1,130,353
Equipment	1,970,548	250,780	528,347	1,692,981
Landfill cells	8,701,561	-	-	8,701,561
Infrastructure	11,378,392	846,554	-	12,224,946
Total accumulated depreciation	27,504,362	1,686,661	528,347	28,662,676
Total capital assets being depreciated, net	41,604,883	(1,298,873)	39,183	40,266,827
Business-type Activities Capital Assets, net	\$ 42,709,554	\$ 1,412,739	\$ 39,183	\$ 44,083,110

Depreciation expense was charged to the functions as follows for the year ended June 30, 2021:

	Depreciation
Governmental Activities	
General government	\$ 2,831,787
Public works	474,009
Public services	8,912,884
Emergency services	1,548,781
Education	13,472,238
Total Governmental Activities	\$ 27,239,699
Business-type Activities	
Solid waste	\$ 570,612
Port	1,116,049
Total Business-type Activities	\$ 1,686,661

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Construction Commitments

The Borough has numerous active construction projects as of June 30, 2021. 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	\$ 2,449,313
Infrastructure	951,897
Public safety facilities	2,486,237
Wastewater treatment facility	196,533
Solid waste facilities	2,309,538
Road construction and improvements	1,924,119
Borough facility	24,892
Cultural and recreational improvements	5,889,200
Total	\$ 16,231,729

Capital projects authorized or in progress are as follows:

	Project Authorization	Expended	Fund Balance Available
School projects	\$ 630,886,249	\$ 742,957,074	\$ 34,213,491
Road service area repairs	198,945,980	182,612,113	20,707,059
Sewage facility	20,133,372	23,023,652	1,249,784
Fire protection	125,522,384	120,790,867	11,967,028
Sanitary landfills	41,971,443	33,077,030	4,020,346
Ambulance and emergency services	86,974,456	82,600,974	614,351
Roads and bridges	156,706,218	177,514,415	908,165
Borough facilities	69,086,842	74,938,162	4,742,821
Cultural and recreational	39,737,439	39,178,130	2,701,848
Port	66,051,085	63,047,739	3,080,003
Maintenance	1,149,094	1,111,719	-
Infrastructure	190,632,984	189,358,338	75,330
Miscellaneous	101,798,636	103,346,905	8,532,308
Pass-through grants	17,789,518	17,567,243	158,662
	\$ 1,747,385,700	\$ 1,851,124,361	\$ 92,971,196

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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.

The following summarizes the future minimum lease payments due to the Borough from the District as of June 30, 2021:

<i>Year Ending June 30:</i>	Principal	Interest	Total
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	193,884	199,416	393,300
2027-2031	1,082,027	884,473	1,966,500
2032-2036	1,296,688	669,812	1,966,500
2037-2041	1,553,934	412,566	1,966,500
2042-2046	1,462,893	110,858	1,573,751
	\$ 6,298,444	\$ 3,141,307	\$ 9,439,751

8. Long-term Debt

Debt Information

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, 2021, the outstanding principal portion of the note totaled \$6,298,444.

FTA Liability

The 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.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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. In April 2021, the Borough Assembly opted to terminate the lease agreement with NPI, which terminated the remaining lease credits payable. At June 30, 2021, the balance of the lease credits payable was zero and the Borough reported a settlement gain in the Port Enterprise Fund in the amount of \$1,307,105.

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 \$644,248 for all ADEC loans in drawdown status during FY21.

In addition, the Borough has two additional loans with the Alaska Department of Environmental Conservation for a salted sand storage building and water 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.

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Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

A summary of changes in long-term debt for the year ended June 30, 2021 follows:

Governmental Activities	Balance at July 1, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Bonds and Certificates of Participation:					
School projects bonds	\$ 212,245,000	\$ -	\$ 14,655,000	\$ 197,590,000	\$ 16,635,000
Park and recreation bonds	19,335,000	-	1,105,000	18,230,000	810,000
Transportation bonds	23,735,000	-	1,295,000	22,440,000	1,355,000
Certificates of participation	16,030,000	-	1,630,000	14,400,000	1,710,000
Direct Borrowings:					
ADEC salted sand building loan	128,610	-	15,251	113,359	15,480
ADEC Talkeetna community water upgrade loan	66,708	-	5,115	61,593	5,192
ADEC Talkeetna wastewater treatment plant upgrade loan*	6,897,223	461,662	-	7,358,885	-
University of Alaska Fireweed building note payable	67,025	-	67,025	-	-
USDA note payable	6,460,231	-	161,787	6,298,444	167,750
Other Liabilities:					
FTA liability*	9,287,929	-	-	9,287,929	-
Accrued leave**	3,606,061	3,349,677	2,956,743	3,998,995	3,998,995
Insurance claims incurred but not reported and claims payable	2,273,191	8,491,061	8,788,099	1,976,153	1,976,153
	300,131,978	<u>\$12,302,400</u>	<u>\$30,679,020</u>	281,775,358	<u>\$ 26,673,570</u>
Plus unamortized bond premium	<u>22,343,617</u>			<u>20,164,302</u>	
	<u>\$ 322,475,595</u>			<u>\$ 301,919,660</u>	

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Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Business-type Activities	Balance at July 1, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Bonds:					
Port bonds	\$ 2,545,000	\$ -	\$ 605,000	\$ 1,940,000	\$ 620,000
Direct Borrowings:					
ADEC solid waste loan - Cell 3 construction	2,050,006	-	132,684	1,917,322	134,673
ADEC solid waste loan - hazardous waste facility	433,910	-	51,454	382,456	52,227
ADEC solid waste loan - regional resource recovery and training facility	549,493	-	46,319	503,174	47,014
ADEC solid waste loan - Cell 2 closure	1,955,581	-	101,846	1,853,735	103,373
ADEC solid waste loan - Cell 4*	4,984,865	9,165	-	4,994,030	-
ADEC solid waste loan - Septage and Leachate Treatment Facility*	729,590	173,421	-	903,011	-
Lease credits payable	1,307,105	-	1,307,105	-	-
Other Liabilities:					
Landfill closure and postclosure monitoring costs	6,707,488	531,065	1,635,217	5,603,336	-
Accrued leave**	148,410	140,287	129,369	159,328	159,328
	21,411,448	<u>\$ 853,938</u>	<u>\$ 4,008,994</u>	18,256,392	<u>\$ 1,116,615</u>
Plus unamortized bond premium	<u>215,001</u>			<u>156,364</u>	
	<u>\$ 21,626,449</u>			<u>\$ 18,412,756</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 2022 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.

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Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

At June 30, 2021, 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 \$2,610,000 to \$3,670,000, plus interest at 2.5% to 5.0% through July 1, 2030	30,780,000
\$55,195,000 2015 Series B School bonds, due in annual installments of \$2,270,000 to \$4,225,000, plus interest at 3% to 5.0% through November 1, 2034	43,865,000
\$37,350,000 2015 Series A School refunding bonds, due in annual installments of \$2,550,000 to \$5,915,000, plus interest at 2.5% to 5.0% through February 1, 2026	13,695,000
\$29,400,000 2014 Series B School bonds, due in annual installments of \$1,145,000 to \$2,190,000, plus interest at 1.5% to 5.0% through November 1, 2034	22,590,000
\$13,290,000 2013 Series A School bonds, due in annual installments of \$590,000 to \$670,000, plus interest at 4.0% to 5.0% through March 1, 2025	2,515,000
\$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, 2032	8,930,000
\$8,710,000 2012 Series B School refunding bonds, due in annual installments of \$400,000 to \$430,000, plus interest at 4.0% to 5.0% through March 1, 2024	1,240,000
\$33,505,000 2007 Series A School refunding bonds, due in annual installments of \$1,960,000 to \$3,005,000, plus interest at 4.0% to 5.0% through April 1, 2025	10,560,000
<hr/>	
Total school projects bonds	<hr/> 197,590,000
<i>Park bonds:</i>	
\$21,200,000 2017 Series A Park bonds, due in annual installments of \$810,000 to \$1,435,000, plus interest at 2.0% to 5.0% through March 1, 2037	18,230,000
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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 \$70,000 to \$105,000, plus interest at 2.0% to 4.0% through November 1, 2034	1,205,000
\$17,840,000 2014 Series A Transportation bonds, due in annual installments of \$755,000 to \$1,350,000, plus interest at 2.0% to 5.0% through April 1, 2034	13,305,000
\$11,175,000 2012 Series D Transportation bonds, due in annual installments of \$530,000 to \$555,000, plus interest at 1.5% to 5.0% through April 1, 2023	1,085,000
Total transportation bonds	22,440,000

Port bonds:

\$5,770,000 2012 Series C Port refunding bonds, due in annual installments of \$620,000 to \$675,000, plus interest at 3.0% to 5.0% through March 1, 2024	1,940,000
Total General Obligation Bonds	\$ 240,200,000

Certificates of Participation

\$8,585,000 2013 Public Safety Building Lease Certificates of Participation, due in annual installments of \$560,000 to \$745,000, plus interest at 2.5% to 5.0% through October 1, 2029	\$ 5,180,000
\$5,700,000 2016 Series A Public Safety Building Lease Certificates of Participation, due in annual installments of \$350,000 to \$540,000, plus interest at 2.0% to 5.0% through March 1, 2031	4,360,000
\$5,000,000 2016 Series B Public Safety Building Lease Certificates of Participation, due in annual installments of \$305,000 to \$475,000, plus interest at 2.0% to 5.0% through March 1, 2031	3,845,000
\$2,405,000 2016 Series C Animal Control Building Certificates of Participation, due in annual installments of \$495,000 to \$520,000, plus interest at 2.0% to 5.0% through March 1, 2023	1,015,000
Total Certificates Of Participation	\$ 14,400,000

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 \$134,673 to \$161,018, plus interest at 1.5% through July 1, 2034	\$ 1,917,322
\$105,000 ADEC loan for Talkeetna Community Water Upgrade due in annual installments of \$5,192 to \$6,025, plus interest at 1.5% through March 1, 2032	61,593
\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$15,480 to \$16,926, plus interest at 1.5% through August 8, 2027	113,359
\$995,155 ADEC loan for Hazardous Waste Facility, due in annual installments of \$52,227 to \$57,107, plus interest at 1.5% through August 31, 2027	382,456
\$936,743 ADEC loan for Regional Resource Recovery and Training Facility, due in annual installments of \$47,014 to \$53,755, plus interest at 1.5% through June 30, 2031	503,174
\$2,252,177 ADEC loan for Central Landfill Cell 2A Closure, due in annual installments of \$103,373 to \$129,241, plus interest at 1.5% through June 1, 2037	1,853,735
ADEC loan for Central Landfill Cell 4 design and construction. Still in draw down status. Repayment terms not established.	4,994,030
ADEC loan for Mat-Su Septage and Leachate Treatment Facility. Still in draw down status. Repayment terms not established.	903,011
ADEC loan for Talkeetna Wastewater Treatment Plant Upgrade. Still in draw down status. Repayment terms not established.	7,358,885
Total ADEC Loans	\$ 18,087,565

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	\$ 6,298,444
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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, 2021 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
2022	\$ 20,510,000	\$ 9,952,630	\$ 20,672	\$ 2,624	\$ 167,750	\$ 225,550
2023	22,545,000	9,011,805	20,982	2,314	173,933	219,367
2024	22,945,000	8,061,779	21,297	1,999	180,344	212,956
2025	22,170,000	7,182,139	21,616	1,680	186,991	206,309
2026	20,750,000	6,345,384	21,941	1,355	193,884	199,416
2027-2031	97,860,000	20,839,429	62,419	2,520	1,082,027	884,473
2032-2036	44,445,000	4,464,370	6,025	90	1,296,688	669,812
2037-2041	1,435,000	71,750	-	-	1,553,934	412,566
2042-2046	-	-	-	-	1,462,893	110,858
Loan not yet in repayment status	-	-	7,358,885	-	-	-
	\$ 252,660,000	\$ 65,929,286	\$ 7,533,837	\$ 12,582	\$ 6,298,444	\$ 3,141,307

Business-type Activities

<i>Year Ending June 30:</i>	Port Bonds		ADEC Loans - Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 620,000	\$ 87,700	\$ 337,287	\$ 69,850
2023	645,000	66,000	342,347	64,792
2024	675,000	33,750	347,482	59,657
2025	-	-	352,694	54,444
2026	-	-	357,985	49,153
2027-2031	-	-	1,695,587	166,212
2032-2036	-	-	1,094,064	52,134
2037-2039	-	-	129,241	1,939
Loans not yet in repayment status	-	-	5,897,041	-
	\$ 1,940,000	\$ 187,450	\$ 10,553,728	\$ 518,181

The following summarizes the amounts available for payment of general long-term debt at June 30, 2021:

	Debt Service Funds
School general obligation bonds	\$ 14,989,290
Transportation bonds	830,162
Parks and recreation bonds	851,629
Certificates of participation	7,530,708
	\$ 24,201,789

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, 2021, 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, 2021, based on landfill capacity used as of that date. In August 2020, the Borough finalized a landfill closure review process which resulted in certain changes to the closure cost estimate. The \$5,603,336 reported as landfill closure and postclosure care liability at June 30, 2021 represents the cumulative amount reported to date based on the use of 32% 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 2044. Actual costs may change due to inflation, deflation, changes in technology, or changes in laws and regulations.

As of June 30, 2021, 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 Fiduciary Fund.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The balance of special assessment bonds payable at June 30, 2021 follows:

Gas line bonds	\$ 78,490
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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, 2021, 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
2020	2012 A School Bonds	\$ 52,230,000	\$ 49,955,000
2020	2012 D Transportation Bonds	6,325,000	6,325,000
2020	2013 A School Bonds	6,735,000	6,735,000
Total Defeased Debt Outstanding		\$ 65,290,000	\$ 63,015,000

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, 2021, including both principal and interest, was as follows:

2015 lease revenue bonds	\$ 149,277,684
2017 lease revenue bonds	54,832,875
Total	\$ 204,110,559

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

10. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the 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.

The Borough recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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.

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% on 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. This change results in lower ARM Board Rates than previously adopted.

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.

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Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Contribution rates for the year ended June 30, 2021 were determined in the June 30, 2019 actuarial valuations. The Borough's contribution rates for the 2021 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	14.57%	26.58%	8.85%
Postemployment healthcare (ARHCT)	7.43%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

In 2021, the Borough was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2019 to June 30, 2020	Borough Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions (including DBUL)	\$ 2,979,085	\$ 3,693,095
Nonemployer contributions (on-behalf)	1,862,011	2,457,704
Total Contributions	\$ 4,841,096	\$ 6,150,799

In addition, employee contributions to the Plan totaled \$545,927 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, 2021, 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	\$ 46,473,629
State's proportionate share of NPL associated with the Borough	19,227,128
Total Net Pension Liability	\$ 65,700,757

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net pension liability as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2020 measurement date, the Borough's proportion was 0.78753 percent, which was an increase of 0.01060 from its proportion measured as of June 30, 2019.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

For the year ended June 30, 2021, the Borough recognized pension expense of \$11,654,769 and on-behalf revenue of \$2,484,719 for support provided by the State. At June 30, 2021, 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	\$ 147,426	\$ -
Net difference between projected and actual earnings on pension plan investments	1,891,481	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	41,452	-
Borough contributions subsequent to the measurement date	3,693,095	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 5,773,454	\$ -

The \$3,693,095 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, 2022. 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,

2022		\$ 222,307
2023		665,179
2024		703,072
2025		489,801
Total Amortization		\$ 2,080,359

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Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
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.
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation. The liability is expected to go to zero at 2039.
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-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected 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, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

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 2.36%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. 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	0.78753%	\$ 60,425,540	\$ 46,473,629	\$ 34,771,862

Pension Plan Fiduciary Net Position

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

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

(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 accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/drdb/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, 2021 to cover a portion of the Borough's employer match contributions. For the year ended June 30, 2021, forfeitures reduced pension expense by zero.

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, 2021, 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, 2021 were \$1,009,158 and \$1,614,644, 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).

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 provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. 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/drdb/pers>.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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, 2021 were as follows:

	Other	Police/Fire
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	1.58%	1.97%

In 2021, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	Borough Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions - ARHCT	\$ 1,189,931	\$ 595,468
Employer contributions - RMP	240,765	256,324
Employer contributions - ODD	54,324	69,279
Total Contributions	\$ 1,485,020	\$ 921,071

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

At June 30, 2021, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) 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 NOA - ARHCT	\$ 3,564,823
Borough's proportionate share of NOA - ODD	337,691
Total Borough's Proportionate Share of Net OPEB Asset	\$ 3,902,514
State's proportionate share of the ARHCT NOA associated with the Borough	1,479,052
Total Net OPEB Asset	\$ 5,381,566

At June 30, 2021, the Borough reported a liability for its proportionate share of the net OPEB liability (NOL) associated with the Borough's participation in the RMP Plan. The amount recognized by the Borough for its proportionate share was \$95,736.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

The total OPEB liabilities (asset) for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net OPEB liabilities (asset) as of that date. The Borough's proportion of the net OPEB liabilities (asset) is based on a projection of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.77700%	0.78718%	0.01018%
RMP	1.24084%	1.34972%	0.10888%
ODD	1.09690%	1.23787%	0.14097%

For the year ended June 30, 2021, the Borough recognized OPEB expense (benefit) of \$(1,737,575). Of this amount, \$(951,807) was recorded for on-behalf revenue and expense (benefit) for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

Plan	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ (2,318,623)	\$ (951,807)
RMP	492,194	-
ODD	88,854	-
Total	\$ (1,737,575)	\$ (951,807)

At June 30, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

Deferred Outflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 498	\$ -	\$ 498
Changes in assumptions	-	134,451	-	134,451
Difference between projected and actual investment earnings	1,430,302	42,867	11,583	1,484,752
Changes in proportion and differences between Borough contributions and proportionate share of contributions	147,053	20,870	6,815	174,738
Borough contributions subsequent to the measurement date	595,468	256,324	69,279	921,071
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 2,172,823	\$ 455,010	\$ 87,677	\$ 2,715,510

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (285,981)	\$ (20,573)	\$ (113,303)	\$ (419,857)
Changes in assumptions	(2,484,892)	(247,501)	(4,945)	(2,737,338)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	-	(25,760)	(25,760)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (2,770,873)	\$ (268,074)	\$ (144,008)	\$ (3,182,955)

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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2022	\$ (2,635,320)	\$ (7,512)	\$ (20,252)	\$ (2,663,084)
2023	509,107	1,040	(17,507)	492,640
2024	546,642	889	(17,450)	530,081
2025	386,053	(2,383)	(18,369)	365,302
2026	-	(12,708)	(21,290)	(33,998)
Thereafter	-	(48,714)	(30,742)	(79,457)
Total Amortization	\$ (1,193,518)	\$ (69,388)	\$ (125,610)	\$ (1,388,516)

Actuarial Assumptions

The total OPEB liability (asset) for each plan for the measurement period ended June 30, 2020 was determined by actuarial valuations as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
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
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

Investment rate 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%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected 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.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amounts included in the Normal Cost for administrative expenses were updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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 2.36% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 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	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total OPEB liability (asset) for each plan as of June 30, 2020 was 7.38%. This discount rate used did not change from the prior measurement date. 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 of 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.

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:

	<i>Proportional Share</i>	<i>1% Decrease (6.38%)</i>	<i>Current Discount Rate (7.38%)</i>	<i>1% Increase (8.38%)</i>
<i>Borough's proportionate share of the net OPEB liability (asset):</i>				
ARHCT	0.78718 %	\$ 3,719,820	\$ (3,564,823)	\$ (9,598,663)
RMP	1.34972 %	\$ 593,095	\$ 95,736	\$ (280,742)
ODD	1.23787 %	\$ (317,326)	\$ (337,691)	\$ (353,969)

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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 2020 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	0.78718%	\$ (10,306,121)	\$ (3,564,823)	\$ 4,598,498
RMP	1.34972%	\$ (335,919)	\$ 95,736	\$ 682,878
ODD	1.23787%	\$ 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 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.

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, 2020, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,159 per year for each full-time employee, and \$1.38 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2021, the Borough contributed \$580,616 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.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

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.

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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, 2021 and 2020 follows:

	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Total
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
Claims incurred	88,939	8,179,798	-	222,324	8,491,061
Claims paid	(88,939)	(8,069,503)	-	(629,657)	(8,788,099)
Balance, June 30, 2021	\$ -	\$ 1,873,051	\$ -	\$ 103,102	\$ 1,976,153

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 \$1,976,153, is included with the governmental-activities noncurrent liabilities.

14. School District - Houston Reconstruction

In 2020, the Borough received \$6,000,000 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 2022.

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, 2021, the Borough has spent \$37,879,271 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	9,316,803
School District	4,975,150
FFCRA/Leave for employees	300,000
Community outreach	4,574,738

Total CARES Act Coronavirus Relief Funding	\$ 38,032,472
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Consolidated Appropriations Act, 2021

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. American Rescue Plan Coronavirus State & Local Fiscal Recovery Funds

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021. This plan is to provide \$350 billion in emergency funding to eligible state, local, territorial, and Tribal governments. These funds are to be used to respond to support public health expenditures, address negative economic impact caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer and broadband infrastructure.

The Borough was awarded \$21,171,600 in recovery funds and received a disbursement of \$10,519,654 in June of 2021. Planning and allocation of these funds will take place in FY2022.

17. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the Borough for 2021 reporting:

GASB Statement No. 84 - Fiduciary Activities - Effective for year-end June 30, 2021. This Statement addresses criteria for identifying and reporting fiduciary activities. See Note 18 for a detailed explanation of the impacts of this standard on the Borough's Financial Statements.

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Borough has adopted the new terminology.

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB 95). 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. 87 - Leases - Effective for year-end June 30, 2022, 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, 2022. 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.

Matanuska-Susitna Borough, Alaska

Notes to Basic Financial Statements, continued

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. 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.

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, 2022. 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, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. 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 enhances 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

Notes to Basic Financial Statements, continued

18. Change in Accounting Principle

In 2021, the Borough adopted the provisions of GASB Statement No. 84 *Fiduciary Activities*, which, among other accounting and reporting criteria, requires the Borough to address criteria for identifying and reporting fiduciary activities, as of the beginning of the Borough’s fiscal year. The Borough has determined the Property Tax Agency Fund and Road, Gas Line and Community Water Agency Fund reported in 2020 will now be reported as the Property Tax Special Revenue Fund and Road, Gas Line and Community Water Fiduciary Fund. As a result of the implementation of this statement, the Borough has recorded an opening balance adjustment to reflect opening Fiduciary funds fund balance and net position as follows:

	Opening net position, as originally presented	Change in accounting principle adjustment	Opening net position, as restated
Fiduciary Net position	\$ -	\$ 715,988	\$ 715,988

In 2021, the District also adopted the provisions of GASB Statement No. 84 *Fiduciary Activities*. The District has determined the Student Activities Agency Fund reported in 2020 will now be reported as the Student Activities Special Revenue Fund. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to net position as follows:

	Opening net position (deficit), as originally presented	Change in accounting principle adjustment	Opening net position (deficit), as restated
Governmental Activities	\$ (95,934,788)	\$ 2,940,835	\$ (92,993,953)

Matanuska-Susitna Borough, Alaska
Public Employees' Retirement System - Pension Plan
Schedule of the Borough's Proportionate Share of the Net Pension Liability

<i>Years Ended June 30,</i>	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.78753%	0.77693%	0.81187%	0.76056%	0.84421%	0.64860%	0.48137%
Borough's Proportionate Share of the Net Pension Liability	\$ 46,473,629	\$ 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	19,227,128	16,893,336	11,680,902	14,648,493	5,944,748	8,425,442	18,637,380
Total Net Pension Liability	\$ 65,700,757	\$ 59,424,163	\$ 52,022,724	\$ 53,965,114	\$ 53,132,670	\$ 39,882,605	\$ 41,089,033
Borough's Covered Payroll	\$ 26,810,589	\$ 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	173.34%	170.07%	173.77%	171.90%	211.60%	149.72%	116.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

Schedule of Borough Contributions

<i>Years Ended June 30,</i>	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 3,693,095	\$ 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	3,693,095	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	\$ 28,197,294	\$ 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	13.10%	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			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.78718%	0.77700%	0.81167%	0.76061%	1.34972%	1.24084%	1.64340%	1.15139%	1.23787%	1.09690%	1.64340%	1.15139%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (3,564,823)	\$ 1,152,914	\$ 8,330,034	\$ 6,425,311	\$ 95,736	\$ 296,858	\$ 148,162	\$ 60,045	\$ (337,691)	\$ (265,942)	\$ (226,138)	\$ (163,372)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(1,479,052)	458,421	2,418,351	2,395,674	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (5,043,875)	\$ 1,611,335	\$ 10,748,385	\$ 8,820,985	\$ 95,736	\$ 296,858	\$ 148,162	\$ 60,045	\$ (337,691)	\$ (265,942)	\$ (226,138)	\$ (163,372)
Borough's Covered Payroll	\$ 8,570,896	\$ 9,666,937	\$ 10,001,186	\$ 10,889,449	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451	\$ 11,982,257	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451	\$ 11,982,257
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-41.59%	11.93%	83.29%	59.00%	0.52%	1.94%	1.12%	0.50%	-1.85%	-1.73%	-1.71%	-1.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	106.15%	98.13%	88.12%	89.68%	95.23%	83.17%	88.71%	93.98%	283.80%	297.43%	270.62%	212.97%

Schedule of Borough Contributions

Years Ended June 30,	ARHCT				RMP				ODD			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Contractually Required Contributions	\$ 595,468	\$ 1,189,931	\$ 1,083,601	\$ 864,788	\$ 256,324	\$ 240,765	\$ 145,616	\$ 135,734	\$ 69,279	\$ 54,324	\$ 44,785	\$ 23,305
Contributions Relative to the Contractually Required Contribution	595,468	1,189,931	1,083,601	864,788	256,324	240,765	145,616	135,734	69,279	54,324	44,785	23,305
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 8,014,226	\$ 8,570,896	\$ 9,666,937	\$ 10,001,186	\$ 20,183,068	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451	\$ 20,183,068	\$ 18,239,692	\$ 15,340,945	\$ 13,214,451
Contributions as a Percentage of Covered Payroll	7.430%	13.883%	11.209%	8.647%	1.270%	1.320%	0.949%	1.027%	0.343%	0.298%	0.292%	0.176%

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough, Alaska
Notes to Required Supplementary Information
June 30, 2021

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, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

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

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.

Matanuska-Susitna Borough, Alaska

Notes to Required Supplementary Information, continued

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, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 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. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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

In 2020, 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.

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.

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Matanuska-Susitna Borough, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2021	Special Revenue	Debt Service	Capital Projects	Totals
Assets				
Cash and investments	\$ 39,626,377	\$ 6,842,277	\$ 54,810,419	\$ 101,279,073
Prepaid items	37,729	-	245	37,974
Receivables:				
Intergovernmental	678,974	-	2,005,793	2,684,767
Property taxes, net of allowance	1,564,649	-	-	1,564,649
Land sales contracts, net	18,716	-	-	18,716
Interfund loans receivable	3,249,894	-	-	3,249,894
Other	369,750	-	139,236	508,986
Land sales contracts receivable, long-term	597,207	-	-	597,207
Restricted cash and investments	-	2,377,540	98,660	2,476,200
Total Assets	\$ 46,143,296	\$ 9,219,817	\$ 57,054,353	\$ 112,417,466
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts, contracts and retentions payable	\$ 976,713	\$ -	\$ 4,688,213	\$ 5,664,926
Deposits	185,812	-	9,129	194,941
Unearned revenue	-	-	699,655	699,655
Interfund loans payable	665,952	-	-	665,952
Total Liabilities	1,828,477	-	5,396,997	7,225,474
Deferred Inflows of Resources				
Special assessments	8,049	-	-	8,049
Delinquent property taxes	1,258,310	-	-	1,258,310
Land sales receivables not yet due	597,207	-	-	597,207
Total Deferred Inflows of Resources	1,863,566	-	-	1,863,566
Total Liabilities and Deferred Inflows of Resources	3,692,043	-	5,396,997	9,089,040
Fund Balances				
Nonspendable - prepaid items	37,729	-	245	37,974
Restricted:				
Debt service	-	2,377,540	-	2,377,540
Capital projects	-	-	98,660	98,660
Committed:				
Long-term loans receivable	3,249,894	-	-	3,249,894
Land management	348,368	-	-	348,368
Self-insurance	35,000	-	-	35,000
Accrued leave	30,000	-	-	30,000
Equipment	450,000	-	-	450,000
Assigned:				
Subsequent year expenditures	8,132,590	-	-	8,132,590
Subsequent year appropriations	500,000	-	-	500,000
Service areas	29,455,989	-	-	29,455,989
Land management	761,994	-	-	761,994
Debt service	-	6,842,277	-	6,842,277
Capital projects	-	-	51,558,451	51,558,451
Unassigned (deficits)	(550,311)	-	-	(550,311)
Total Fund Balances	42,451,253	9,219,817	51,657,356	103,328,426
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 46,143,296	\$ 9,219,817	\$ 57,054,353	\$ 112,417,466

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

<i>Year Ended June 30, 2021</i>	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 45,398,084	\$ -	\$ -	\$ 45,398,084
Intergovernmental	1,132,204	-	6,108,060	7,240,264
Charges for services	3,866,881	-	-	3,866,881
Investment income	47,885	8,647	436	56,968
Interest on land sales	68,304	-	-	68,304
Other	1,207,061	-	525,845	1,732,906
Total Revenues	51,720,419	8,647	6,634,341	58,363,407
Expenditures				
Current:				
General government	288,637	-	949,374	1,238,011
Emergency services	12,160,055	-	6,941,474	19,101,529
Public services	14,204,242	-	10,260,524	24,464,766
Debt service				
Principal	3,475	4,089,810	-	4,093,285
Interest	-	2,634,635	-	2,634,635
Capital outlay	-	-	14,711,896	14,711,896
Total Expenditures	26,656,409	6,724,445	32,863,268	66,244,122
Excess (Deficiency) of Revenues				
Over Expenditures	25,064,010	(6,715,798)	(26,228,927)	(7,880,715)
Other Financing Sources (Uses)				
Sale of capital assets	24,625	-	-	24,625
Insurance recovery	-	-	5,100,000	5,100,000
Loan issued	-	-	471,225	471,225
Transfers in	453,316	6,235,060	28,313,982	35,002,358
Transfers out	(22,024,078)	-	(25,954,535)	(47,978,613)
Net Other Financing Sources (Uses)	(21,546,137)	6,235,060	7,930,672	(7,380,405)
Net Change in Fund Balances	3,517,873	(480,738)	(18,298,255)	(15,261,120)
Fund Balances, beginning	38,933,380	9,700,555	69,955,611	118,589,546
Fund Balances, ending	\$ 42,451,253	\$ 9,219,817	\$ 51,657,356	\$ 103,328,426

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Matanuska-Susitna Borough, Alaska

General Fund
Comparative Balance Sheet

June 30,	2021	2020
Assets		
Cash and investments	\$ 51,561,191	\$ 58,370,394
Prepaid items	143,799	7,989
Receivables:		
Intergovernmental	1,090	2,548,229
Delinquent property taxes, including foreclosure costs, penalties and interest net of allowance for doubtful accounts of \$0 (\$935 in 2020)	4,976,577	6,140,086
Ambulance, net of allowance for doubtful accounts of \$302,565 (\$453,670 in 2020)	1,567,897	1,226,684
Excise taxes	870,092	1,299,049
Accrued interest	536,129	515,322
Other	1,104,581	822,268
Due from other funds	5,661,982	7,561,168
Advances to other funds	5,777,684	-
Interfund loans receivable	450,000	450,000
Inventory	295,459	295,541
Restricted cash	157,320	117,990
Total Assets	\$ 73,103,801	\$ 79,354,720
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	\$ 600,924	\$ 584,106
Accrued payroll and related liabilities	1,978,439	2,060,792
Interfund loans payable	1,028,000	1,156,500
Other liabilities	279,492	132,001
Total Liabilities	3,886,855	3,933,399
Deferred Inflows of Resources		
Taxes collected in advance	1,543,573	800,251
Delinquent property taxes	4,200,182	5,188,183
Delinquent ambulance receivables	154,145	279,965
Delinquent foreclosure property sales	57,316	57,316
Total Deferred Inflows of Resources	5,955,216	6,325,715
Total Liabilities and Deferred Inflows of Resources	9,842,071	10,259,114
Fund Balance		
Nonspendable:		
Prepaid items	143,799	7,989
Inventory	295,459	295,541
Long-term loan receivable	450,000	450,000
Advances to other funds	5,777,684	-
Restricted - debt service	157,320	117,990
Committed:		
Self-insurance	500,000	500,000
Accrued leave	250,000	250,000
Assembly projects	25,217	35,217
Alaska LNG project	-	250,000
Major repairs and renovations	200,000	300,000
Capital	500,000	500,000
Emergency response	1,250,000	1,250,000
Houston school reconstruction	-	5,900,000
Paving projects and calcium chloride	2,559,319	-
Fund balance stabilization	25,000,000	25,000,000
Assigned - subsequent year expenditures	17,845,316	18,901,316
Unassigned	8,307,616	15,337,553
Total Fund Balance	63,261,730	69,095,606
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 73,103,801	\$ 79,354,720

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Current year property tax levy	\$ 104,251,000	\$ 103,300,118	\$ (950,882)	\$ 99,865,833
Penalty and interest on taxes	1,000,000	471,254	(528,746)	1,261,483
Foreclosure costs	100,000	114,123	14,123	121,593
Recording and attorney fees	31,000	126,721	95,721	278,634
Vehicle taxes collected				
through State of Alaska	207,700	696,867	489,167	926,910
Excise taxes	9,300,000	10,854,422	1,554,422	9,917,857
Transient accommodations tax	655,000	1,054,391	399,391	999,526
Total taxes	115,544,700	116,617,896	1,073,196	113,371,836
Intergovernmental:				
State sources:				
Debt service reimbursement	-	-	-	8,787,348
Community assistance	1,780,000	330,127	(1,449,873)	1,554,968
PERS relief	500,000	1,966,101	1,466,101	1,441,186
In lieu of taxes	9,000	8,279	(721)	8,635
Other	-	35,050	35,050	34,330
Federal sources:				
In lieu of taxes	3,000,000	3,843,322	843,322	3,876,116
Other	-	18,706	18,706	21,826
Total intergovernmental	5,289,000	6,201,585	912,585	15,724,409
Charges for services:				
Ambulance	4,001,000	4,096,984	95,984	4,039,155
Engineering inspections	110,000	20,912	(89,088)	69,315
Planning and zoning	180,000	414,905	234,905	260,744
Ice arena	450,000	437,169	(12,831)	402,073
Community pool fees	500,000	304,161	(195,839)	312,203
Business licenses	300,000	617,330	317,330	417,800
Other	311,300	354,546	43,246	311,840
Total charges for services	5,852,300	6,246,007	393,707	5,813,130
Investment income (loss)	3,000,000	(620,236)	(3,620,236)	5,882,113
Total Revenues	129,686,000	128,445,252	(1,240,748)	140,791,488

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,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures				
General government:				
Mayor	\$ 82,997	\$ 78,074	\$ 4,923	\$ 77,706
Assembly	460,498	367,592	92,906	355,235
Clerk	658,028	630,636	27,392	564,906
Administration	1,804,449	1,339,411	465,038	1,419,631
Elections	523,432	477,846	45,586	398,078
Records management	535,532	501,839	33,693	470,398
Finance	646,987	580,298	66,689	441,143
Budgeting	1,750,828	1,609,971	140,857	1,467,161
Accounting	1,625,625	1,376,935	248,690	1,515,583
Law	2,037,589	1,389,308	648,281	1,602,657
Human resources	861,690	843,089	18,601	760,801
Common contractual	1,595,917	1,255,229	340,688	1,367,743
Adj. and appeals/bid review board	44,550	11,019	33,531	14,452
Planning	2,867,058	2,666,850	200,208	2,730,410
Planning administration	543,123	456,587	86,536	461,099
Economic development	835,271	786,121	49,150	826,234
Pass-through to cities	235,000	235,000	-	325,000
Assessments	3,365,538	3,085,284	280,254	2,716,518
Information technology	5,547,877	5,002,611	545,266	4,977,249
Purchasing	998,284	984,237	14,047	906,713
Total general government	27,020,273	23,677,937	3,342,336	23,398,717
Less recovery of expenditures from other funds	(315,250)	(393,886)	78,636	(347,557)
Net general government	26,705,023	23,284,051	3,420,972	23,051,160
Public works:				
Public works administration	73,754	55,612	18,142	625,014
Maintenance	2,038,688	1,508,876	529,812	992,035
Project management and engineering	2,811,407	2,362,168	449,239	2,418,953
Public works operations	110,695	83,494	27,201	68,914
Total public works	5,034,544	4,010,150	1,024,394	4,104,916

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,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued				
Emergency services:				
Local emergency planning board	\$ 17,050	\$ 2,814	\$ 14,236	\$ -
Rescue units	1,013,586	413,012	600,574	709,999
Ambulance operation	12,432,159	4,321,479	8,110,680	9,005,052
Emergency management	484,432	257,847	226,585	189,726
Emergency services building	100,232	65,019	35,213	62,187
Fleet maintenance	-	-	-	(14)
Telecommunications network	1,476,953	972,824	504,129	1,091,465
Emergency services administration	1,046,394	889,740	156,654	1,146,659
Total emergency services	16,570,806	6,922,735	9,648,071	12,205,074
Less recovery of expenditures from other funds	(846,284)	(812,285)	(33,999)	(695,031)
Net emergency services	15,724,522	6,110,450	9,614,072	11,510,043
Public services:				
Vehicle removal	14,810	13,268	1,542	9,077
Parks and recreation	600,425	468,689	131,736	407,033
Ice arena	910,750	842,900	67,850	807,506
Outdoor ice rinks	5,100	4,340	760	1,193
Recreational services	335,529	307,146	28,383	292,484
Community pools	1,900,531	1,644,042	256,489	1,349,152
Community development administration	954,179	857,178	97,001	834,607
Road service administration	3,152,405	2,861,532	290,873	2,835,998
Recreation infrastructure maintenance	444,265	319,472	124,793	297,580
Total public services	8,317,994	7,318,567	999,427	6,834,630
Less recovery of expenditures from other funds	(3,197,405)	(2,763,175)	(434,230)	(3,325,155)
Net public services	5,120,589	4,555,392	565,197	3,509,475

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,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued				
Education:				
Contributions to School District	\$ 62,310,148	\$ 62,310,148	\$ -	\$ 60,665,932
Less amount received for Houston reconstruction	-	-	-	(5,900,000)
Total education	62,310,148	62,310,148	-	54,765,932
Total Expenditures	114,894,826	100,270,191	14,624,635	96,941,526
Excess of Revenues Over Expenditures	14,791,174	28,175,061	13,383,887	43,849,962
Other Financing Sources (Uses)				
Sale of capital assets	15,000	33,615	18,615	75,547
Transfers in	577,872	7,733,275	7,155,403	469,483
Transfers out	(41,775,827)	(41,775,827)	-	(28,080,003)
Net Other Financing Sources (Uses)	(41,182,955)	(34,008,937)	7,174,018	(27,534,973)
Net Change in Fund Balance	\$ (26,391,781)	(5,833,876)	\$ 20,557,905	16,314,989
Fund Balance, beginning		69,095,606		52,780,617
Fund Balance, ending		\$ 63,261,730		\$ 69,095,606

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Matanuska-Susitna Borough, Alaska

**American Rescue Plan Act Recovery Funding Special Revenue Fund
Balance Sheet**

June 30,

2021

Assets

Cash and investments

\$ 10,519,654

Liabilities

Unearned revenue

\$ 10,519,654

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

<i>June 30,</i>	2021	2020
Assets		
Cash and investments	\$ -	\$ 33,327,118
Intergovernmental receivable	5,523,387	-
Total Assets	\$ 5,523,387	\$ 33,327,118
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 22,524	\$ -
Due to General Fund	5,499,531	-
Unearned revenue	-	33,325,498
Total Liabilities	5,522,055	33,325,498
Fund Balance		
Assigned for equipment	1,332	1,620
Total Liabilities and Fund Balance	\$ 5,523,387	\$ 33,327,118

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

<i>Years Ended June 30,</i>	2021	2020
Revenues		
Intergovernmental	\$ 37,797,821	\$ 81,450
Investment income	2,884	1,620
Total Revenues	37,800,705	83,070
Expenditures		
General government	1,336,803	-
Emergency services	12,787,710	-
Public works	144,427	-
Public services	18,574,903	81,450
Total Expenditures	32,843,843	81,450
Excess of Revenues Over Expenditures	4,956,862	1,620
Other Financing Uses		
Transfers out	(4,957,150)	-
Net Change in Fund Balance	(288)	1,620
Fund Balance, beginning	1,620	-
Fund Balance, ending	\$ 1,332	\$ 1,620

Matanuska-Susitna Borough, Alaska

Nonmajor Special Revenue Funds
Combining Balance Sheet with Comparative Totals

<i>June 30,</i>	Nonareawide	Land	Property	Totals	
	Services and Service Areas			Management	Tax
Assets					
Cash and investments	\$ 37,985,572	\$ 1,619,755	\$ 21,050	\$ 39,626,377	\$ 35,565,540
Prepaid items	37,729	-	-	37,729	12,503
Receivables:					
Intergovernmental	678,974	-	-	678,974	722,197
Property taxes, net of allowance	1,486,945	-	77,704	1,564,649	1,813,149
Land sales contracts, net	-	18,716	-	18,716	98,615
Interfund loans receivable	1,028,000	2,221,894	-	3,249,894	3,378,394
Other	363,329	6,421	-	369,750	217,069
Special assessments	-	-	-	-	-
Land sales contracts receivable, long-term	-	597,207	-	597,207	386,251
Total Assets	\$ 41,580,549	\$ 4,463,993	\$ 98,754	\$ 46,143,296	\$ 42,193,718
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 871,416	\$ 84,247	\$ 21,050	\$ 976,713	\$ 856,189
Due to other funds	-	-	-	-	1,620
Deposits	20,734	87,374	77,704	185,812	107,608
Bonds payable - gas line	-	-	-	-	-
Interfund loans payable	665,952	-	-	665,952	413,718
Total Liabilities	1,558,102	171,621	98,754	1,828,477	1,379,135
Deferred Inflows of Resources					
Special assessments	8,049	-	-	8,049	6,932
Delinquent property taxes	1,258,310	-	-	1,258,310	1,488,020
Land sales receivables not yet due	-	597,207	-	597,207	386,251
Total Liabilities and Deferred Inflows of Resources	2,824,461	768,828	98,754	3,692,043	3,260,338
Fund Balances					
Nonspendable - prepaid items	37,729	-	-	37,729	12,503
Committed:					
Long-term loans receivable	1,028,000	2,221,894	-	3,249,894	3,378,394
Land management	-	348,368	-	348,368	1,080,290
Self-insurance	35,000	-	-	35,000	25,000
Accrued leave	20,000	10,000	-	30,000	30,000
Equipment	450,000	-	-	450,000	450,000
Assigned:					
Subsequent year expenditures	7,779,681	352,909	-	8,132,590	3,859,791
Subsequent year appropriations	500,000	-	-	500,000	819,000
Land management	-	761,994	-	761,994	333,978
Service areas	29,455,989	-	-	29,455,989	28,948,925
Unassigned (deficits)	(550,311)	-	-	(550,311)	(4,501)
Total Fund Balances	38,756,088	3,695,165	-	42,451,253	38,933,380
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 41,580,549	\$ 4,463,993	\$ 98,754	\$ 46,143,296	\$ 42,193,718

Matanuska-Susitna Borough, Alaska

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances with Comparative Totals

<i>Years Ended June 30,</i>	Nonareawide			Totals	
	Services and Service Areas	Land Management	Property Tax	2021	2020
Revenues					
Taxes	\$ 45,320,380	\$ -	\$ 77,704	\$ 45,398,084	\$ 43,470,121
Intergovernmental	1,062,186	70,018	-	1,132,204	1,134,644
Charges for services	2,434,744	1,432,137	-	3,866,881	3,732,966
Investment income	45,741	2,144	-	47,885	36,126
Interest on land sales	-	68,304	-	68,304	56,227
Other	1,206,161	900	-	1,207,061	1,516,672
Total Revenues	50,069,212	1,573,503	77,704	51,720,419	49,946,756
Expenditures					
Current:					
General government	288,637	-	-	288,637	417,797
Emergency services	12,160,055	-	-	12,160,055	14,774,859
Public services	13,074,163	1,052,375	77,704	14,204,242	15,524,754
Debt service	3,475	-	-	3,475	3,846
Total Expenditures	25,526,330	1,052,375	77,704	26,656,409	30,721,256
Excess of Revenues Over Expenditures	24,542,882	521,128	-	25,064,010	19,225,500
Other Financing Sources (Uses)					
Transfers in	453,316	-	-	453,316	1,846,699
Transfers out	(21,011,578)	(1,012,500)	-	(22,024,078)	(22,697,347)
Sale of capital assets	24,625	-	-	24,625	26,000
Net Other Financing Sources (Uses)	(20,533,637)	(1,012,500)	-	(21,546,137)	(20,824,648)
Net Change in Fund Balances	4,009,245	(491,372)	-	3,517,873	(1,599,148)
Fund Balances, beginning	34,746,843	4,186,537	-	38,933,380	40,532,528
Fund Balances, ending	\$ 38,756,088	\$ 3,695,165	\$ -	\$ 42,451,253	\$ 38,933,380

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

June 30, 2021	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		Totals
											Fire Service Areas	Road Service Areas	
Assets													
Cash and investments	\$ 1,764,230	\$ 37,457	\$ 219,107	\$ 29,907	\$ 203,289	\$ 7,066,585	\$ 25,527	\$ 364,363	\$ 4,619	\$ 328	\$ 19,597,726	\$ 8,672,434	\$ 37,985,572
Receivables:													
Intergovernmental	678,974	-	-	-	-	-	-	-	-	-	-	-	678,974
Property taxes, net of allowance	173,788	2,418	-	-	70	-	-	-	-	-	554,603	756,066	1,486,945
Interfund loan receivable	-	-	-	-	-	-	-	-	-	-	1,028,000	-	1,028,000
Other	-	-	187,769	-	-	174,375	-	-	-	-	1,185	-	363,329
Prepaid items	256	-	-	-	-	28,907	-	-	174	-	8,392	-	37,729
Total Assets	\$ 2,617,248	\$ 39,875	\$ 406,876	\$ 29,907	\$ 203,359	\$ 7,269,867	\$ 25,527	\$ 364,363	\$ 4,793	\$ 328	\$ 21,189,906	\$ 9,428,500	\$ 41,580,549
Liabilities, Deferred Inflows of Resources and Fund Balances													
Liabilities													
Accounts payable	\$ 119,733	\$ -	\$ 26,156	\$ -	\$ -	\$ 6,202	\$ -	\$ 3,953	\$ 4,793	\$ -	\$ 106,859	\$ 603,720	\$ 871,416
Interfund loans payable	-	300,000	168,593	-	84,000	-	-	-	-	-	-	113,359	665,952
Deposits	-	-	-	-	-	-	-	-	-	-	-	20,734	20,734
Total Liabilities	119,733	300,000	194,749	-	84,000	6,202	-	3,953	4,793	-	106,859	737,813	1,558,102
Deferred Inflows of Resources													
Special assessments	-	-	-	-	8,049	-	-	-	-	-	-	-	8,049
Delinquent property taxes	146,122	2,139	-	-	70	-	-	-	-	-	454,147	655,832	1,258,310
Total Liabilities and Deferred Inflows of Resources	265,855	302,139	194,749	-	92,119	6,202	-	3,953	4,793	-	561,006	1,393,645	2,824,461
Fund Balances													
Nonspendable - prepaid items	256	-	-	-	-	28,907	-	-	174	-	8,392	-	37,729
Committed:													
Long-term loan receivable	-	-	-	-	-	-	-	-	-	-	1,028,000	-	1,028,000
Self-insurance	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Accrued leave	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
Equipment	450,000	-	-	-	-	-	-	-	-	-	-	-	450,000
Assigned:													
Subsequent year expenditures	561,508	-	-	4,980	-	-	7,088	47,541	-	95	3,777,846	3,380,623	7,779,681
Subsequent year appropriations	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000
Service areas	1,284,629	-	-	24,927	111,240	7,234,758	18,439	312,869	-	233	15,814,662	4,654,232	29,455,989
Unassigned (deficits)	-	(262,264)	(287,873)	-	-	-	-	-	(174)	-	-	-	(550,311)
Total Fund Balances (Deficit)	2,351,393	(262,264)	212,127	29,907	111,240	7,263,665	25,527	360,410	-	328	20,628,900	8,034,855	38,756,088
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,617,248	\$ 39,875	\$ 406,876	\$ 29,907	\$ 203,359	\$ 7,269,867	\$ 25,527	\$ 364,363	\$ 4,793	\$ 328	\$ 21,189,906	\$ 9,428,500	\$ 41,580,549

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, 2021	Non-	Service	Service	Freedom	Circle	Enhanced	Chase	Service	Fire	Roads	Combined		Totals
	areawide	Area 7	Area 36	Hills	View/			Area 69	Fleet	Outside	Fire	Road	
	Services	Talkeetna	Talkeetna	Sub-	Stampede	911	Trail	Point	Maint-	Service	Areas	Areas	Areas
		Flood	Water	division	Estates	Service		MacKenzie	enance	Areas			
		Control	and Sewer										
Revenues													
Taxes	\$ 4,281,538	\$ 32,464	\$ 596,974	\$ -	\$ 23,727	\$ -	\$ -	\$ 7,158	\$ -	\$ -	\$ 18,474,973	\$ 21,903,546	\$ 45,320,380
Intergovernmental	880,339	-	13,766	-	-	-	-	-	32,715	-	135,366	-	1,062,186
Charges for services	258,571	-	378,257	-	-	1,797,916	-	-	-	-	-	-	2,434,744
Investment income	2,066	118	258	36	232	8,117	31	463	-	-	24,902	9,518	45,741
Other	25,466	-	-	-	-	-	-	-	452,681	-	728,014	-	1,206,161
Total Revenues	5,447,980	32,582	989,255	36	23,959	1,806,033	31	7,621	485,396	-	19,363,255	21,913,064	50,069,212
Expenditures													
Current:													
General government	288,637	-	-	-	-	-	-	-	-	-	-	-	288,637
Emergency services	2,491,836	-	-	-	-	1,122,362	-	-	657,828	-	7,888,029	-	12,160,055
Public services	1,645,858	40,006	576,824	-	-	-	-	29,518	-	-	-	10,781,957	13,074,163
Debt service	-	-	1,322	-	225	-	-	-	-	-	-	1,928	3,475
Total Expenditures	4,426,331	40,006	578,146	-	225	1,122,362	-	29,518	657,828	-	7,888,029	10,783,885	25,526,330
Excess (Deficiency) of Revenues													
Over Expenditures	1,021,649	(7,424)	411,109	36	23,734	683,671	31	(21,897)	(172,432)	-	11,475,226	11,129,179	24,542,882
Other Financing Sources (Uses)													
Transfers in	180	-	-	-	-	-	-	-	339,752	-	113,384	-	453,316
Transfers out	(1,093,349)	(400,000)	(230,000)	-	-	-	-	-	(162,819)	-	(9,399,208)	(9,726,202)	(21,011,578)
Sale of capital assets	7,225	-	-	-	-	-	-	-	-	-	17,400	-	24,625
Net Other Financing Sources (Uses)	(1,085,944)	(400,000)	(230,000)	-	-	-	-	-	176,933	-	(9,268,424)	(9,726,202)	(20,533,637)
Net Change in Fund Balances	(64,295)	(407,424)	181,109	36	23,734	683,671	31	(21,897)	4,501	-	2,206,802	1,402,977	4,009,245
Fund Balances (Deficit), beginning	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
Fund Balances (Deficit), ending	\$ 2,351,393	\$ (262,264)	\$ 212,127	\$ 29,907	\$ 111,240	\$ 7,263,665	\$ 25,527	\$ 360,410	\$ -	\$ 328	\$ 20,628,900	\$ 8,034,855	\$ 38,756,088

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 4,594,800	\$ 4,281,538	\$ (313,262)	\$ 4,573,019
Intergovernmental:				
State PERS relief	-	170,533	170,533	145,575
Electric and telephone cooperative shared revenue	750,000	674,806	(75,194)	722,197
Library grants	36,000	35,000	(1,000)	37,500
Total intergovernmental	786,000	880,339	94,339	905,272
Charges for services:				
Animal care fees	232,500	242,382	9,882	293,461
User fees	25,000	16,189	(8,811)	17,356
Total charges for services	257,500	258,571	1,071	310,817
Investment income	2,200	2,066	(134)	1,451
Other	24,974	25,466	492	48,364
Total Revenues	5,665,474	5,447,980	(217,494)	5,838,923
Expenditures				
General government:				
Administration	157,550	129,747	27,803	125,699
Information technology	191,456	158,890	32,566	160,770
Economic development	-	-	-	131,328
Total general government	349,006	288,637	60,369	417,797
Emergency services - animal care	2,894,827	2,491,836	402,991	2,220,528
Public services:				
Libraries	1,782,852	1,643,571	139,281	1,565,147
Medical supplies	5,500	2,287	3,213	3,320
Total public services	1,788,352	1,645,858	142,494	1,568,467
Total Expenditures	5,032,185	4,426,331	605,854	4,206,792
Excess of Revenues Over Expenditures	633,289	1,021,649	388,360	1,632,131
Other Financing Sources (Uses)				
Transfers in	-	180	180	31,223
Transfers out	(1,093,349)	(1,093,349)	-	(794,656)
Sale of capital assets	-	7,225	7,225	-
Net Other Financing Sources (Uses)	(1,093,349)	(1,085,944)	7,405	(763,433)
Net Change in Fund Balance	\$ (460,060)	(64,295)	\$ 395,765	868,698
Fund Balance, beginning		2,415,688		1,546,990
Fund Balance, ending		\$ 2,351,393		\$ 2,415,688

Matanuska-Susitna Borough, Alaska

Service Area 7 - Talkeetna Flood Control Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 31,900	\$ 32,464	\$ 564	\$ 31,252
Investment income	200	118	(82)	137
Total Revenues	32,100	32,582	482	31,389
Expenditures				
Public services	53,894	40,006	13,888	32,647
Deficiency of Revenues Over Expenditures	(21,794)	(7,424)	14,370	(1,258)
Other Financing Uses				
Transfers out	(400,000)	(400,000)	-	-
Net Change in Fund Balance	<u>\$ (421,794)</u>	(407,424)	<u>\$ 14,370</u>	(1,258)
Fund Balance, beginning		<u>145,160</u>		<u>146,418</u>
Fund Balance (Deficit), ending		<u>\$ (262,264)</u>		<u>\$ 145,160</u>

Matanuska-Susitna Borough, Alaska

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

<i>Years Ended June 30,</i>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Charges for services - water and sewer	\$ 378,000	\$ 378,257	\$ 257	\$ 387,724
Intergovernmental - PERS relief	-	13,766	13,766	6,202
Taxes	1,100,000	596,974	(503,026)	667,124
Investment income	200	258	58	499
Total Revenues	1,478,200	989,255	(488,945)	1,061,549
Expenditures				
Public services	956,885	576,824	380,061	521,943
Debt service	1,322	1,322	-	1,451
Total Expenditures	958,207	578,146	380,061	523,394
Excess of Revenues Over Expenditures	519,993	411,109	(108,884)	538,155
Other Financing Uses				
Transfers out	(230,000)	(230,000)	-	(1,368,850)
Net Change in Fund Balance	<u>\$ 289,993</u>	181,109	<u>\$ (108,884)</u>	(830,695)
Fund Balance, beginning		<u>31,018</u>		<u>861,713</u>
Fund Balance, ending		<u>\$ 212,127</u>		<u>\$ 31,018</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ 40	\$ 36	\$ (4)	\$ 27
Expenditures				
Public services	5,000	-	5,000	-
Net Change in Fund Balance	<u>\$ (4,960)</u>	36	<u>\$ 4,996</u>	27
Fund Balance, beginning		<u>29,871</u>		<u>29,844</u>
Fund Balance, ending		<u>\$ 29,907</u>		<u>\$ 29,871</u>

Matanuska-Susitna Borough, Alaska

Circle View/Stampede Estates Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 21,400	\$ 23,727	\$ 2,327	\$ 21,484
Investment income	200	232	32	158
Total Revenues	21,600	23,959	2,359	21,642
Expenditures				
Public services	5,000	-	5,000	-
Debt service	225	225	-	240
Total Expenditures	5,225	225	5,000	240
Excess of Revenues Over Expenditures	16,375	23,734	7,359	21,402
Other Financing Sources				
Transfers in	5,000	-	(5,000)	87
Net Change in Fund Balance	<u>\$ 21,375</u>	23,734	<u>\$ 2,359</u>	21,489
Fund Balance, beginning		<u>87,506</u>		<u>66,017</u>
Fund Balance, ending		<u>\$ 111,240</u>		<u>\$ 87,506</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Charges for services - telephone surcharge	\$ 1,880,000	\$ 1,797,916	\$ (82,084)	\$ 2,076,811
Investment income	5,000	8,117	3,117	5,031
Total Revenues	1,885,000	1,806,033	(78,967)	2,081,842
Expenditures				
Emergency services	1,765,044	1,122,362	642,682	1,459,792
Public services	-	-	-	300
Total Expenditures	1,765,044	1,122,362	642,682	1,460,092
Excess of Revenues Over Expenditures	119,956	683,671	563,715	621,750
Other Financing Sources				
Transfers in	-	-	-	1,000,000
Net Change in Fund Balance	<u>\$ 119,956</u>	683,671	<u>\$ 563,715</u>	1,621,750
Fund Balance, beginning		<u>6,579,994</u>		<u>4,958,244</u>
Fund Balance, ending		<u>\$ 7,263,665</u>		<u>\$ 6,579,994</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ 10	\$ 31	\$ 21	\$ 16
Expenditures				
Public services	7,088	-	7,088	-
Excess (Deficiency) of Revenues Over Expenditures	(7,078)	31	7,109	16
Other Financing Sources				
Transfers in	-	-	-	16,400
Net Change in Fund Balance	<u>\$ (7,078)</u>	31	<u>\$ 7,109</u>	16,416
Fund Balance, beginning		<u>25,496</u>		<u>9,080</u>
Fund Balance, ending		<u>\$ 25,527</u>		<u>\$ 25,496</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 40,700	\$ 7,158	\$ (33,542)	\$ 8,562
Investment income	600	463	(137)	374
Total Revenues	41,300	7,621	(33,679)	8,936
Expenditures				
Public services	88,043	29,518	58,525	46,369
Net Change in Fund Balance	<u>\$ (46,743)</u>	(21,897)	<u>\$ 24,846</u>	(37,433)
Fund Balance, beginning		<u>382,307</u>		<u>419,740</u>
Fund Balance, ending		<u>\$ 360,410</u>		<u>\$ 382,307</u>

Matanuska-Susitna Borough, Alaska

Fire Fleet Maintenance 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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - PERS relief	\$ -	\$ 32,715	\$ 32,715	\$ 20,509
Other	451,684	452,681	997	375,800
Total Revenues	451,684	485,396	33,712	396,309
Expenditures				
Emergency services	791,436	657,828	133,608	555,647
Excess (Deficiency) of Revenues Over Expenditures	(339,752)	(172,432)	167,320	(159,338)
Other Financing Sources (Uses)				
Transfers in	339,752	339,752	-	302,693
Transfers out	(162,819)	(162,819)	-	(147,856)
Net Other Financing Sources (Uses)	176,933	176,933	-	154,837
Net Change in Fund Balance	<u>\$ (162,819)</u>	4,501	<u>\$ 167,320</u>	(4,501)
Fund Balance (Deficit), beginning		<u>(4,501)</u>		<u>-</u>
Fund Balance (Deficit), ending		<u>\$ -</u>		<u>\$ (4,501)</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>	2021			2020	
	Budget	Actual	Variance	Actual	
Revenues					
Investment income	\$ -	\$ -	\$ -	\$ -	-
Expenditures					
Public services	233	-	233		-
Net Change in Fund Balance	<u>\$ (233)</u>	-	<u>\$ 233</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

June 30, 2021	Service Area								Totals
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
Assets									
Cash and investments	\$ 6,880,078	\$ 1,742,830	\$ 6,637,404	\$ 462,592	\$ 705,802	\$ 1,835,146	\$ 797,468	\$ 536,406	\$ 19,597,726
Receivables:									
Property taxes, net of allowance	212,460	32,202	26,537	12,083	31,115	159,642	42,088	38,476	554,603
Interfund loan receivable	1,028,000	-	-	-	-	-	-	-	1,028,000
Other	1,185	-	-	-	-	-	-	-	1,185
Prepaid items	7,502	103	-	91	-	584	112	-	8,392
Total Assets	\$ 8,129,225	\$ 1,775,135	\$ 6,663,941	\$ 474,766	\$ 736,917	\$ 1,995,372	\$ 839,668	\$ 574,882	\$ 21,189,906
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 39,114	\$ 12,249	\$ 20,798	\$ 1,046	\$ 3,639	\$ 19,145	\$ 6,550	\$ 4,318	\$ 106,859
Deferred Inflows of Resources									
Delinquent property taxes	162,849	22,320	22,051	9,775	29,012	138,709	34,783	34,648	454,147
Total Liabilities and Deferred Inflows of Resources	201,963	34,569	42,849	10,821	32,651	157,854	41,333	38,966	561,006
Fund Balances									
Nonspendable - prepaid items	7,502	103	-	91	-	584	112	-	8,392
Committed - long-term loan receivable	1,028,000	-	-	-	-	-	-	-	1,028,000
Assigned:									
Subsequent year expenditures	769,563	-	2,643,381	111,060	-	-	23,874	229,968	3,777,846
Service areas	6,122,197	1,740,463	3,977,711	352,794	704,266	1,836,934	774,349	305,948	15,814,662
Total Fund Balances	7,927,262	1,740,566	6,621,092	463,945	704,266	1,837,518	798,335	535,916	20,628,900
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,129,225	\$ 1,775,135	\$ 6,663,941	\$ 474,766	\$ 736,917	\$ 1,995,372	\$ 839,668	\$ 574,882	\$ 21,189,906

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, 2021</i>									
Revenues									
Property taxes	\$ 10,914,574	\$ 981,645	\$ 1,437,189	\$ 235,372	\$ 552,133	\$ 3,103,233	\$ 907,769	\$ 343,058	\$ 18,474,973
Intergovernmental - PERS relief	123,086	1,481	2,777	370	679	5,091	1,388	494	135,366
Investment income	10,382	1,779	7,831	527	648	2,249	838	648	24,902
Other	357,125	18,263	-	-	13,077	339,549	-	-	728,014
Total Revenues	11,405,167	1,003,168	1,447,797	236,269	566,537	3,450,122	909,995	344,200	19,363,255
Expenditures									
Emergency services:									
Administration	501,672	90,796	43,635	52,804	65,621	198,684	93,318	68,611	1,115,141
Fire services	4,090,584	308,606	265,840	84,568	178,665	1,405,004	275,491	164,130	6,772,888
Total Expenditures	4,592,256	399,402	309,475	137,372	244,286	1,603,688	368,809	232,741	7,888,029
Excess of Revenues Over Expenditures	6,812,911	603,766	1,138,322	98,897	322,251	1,846,434	541,186	111,459	11,475,226
Other Financing Sources (Uses)									
Transfers in	51,623	11,739	4,742	8,141	8,144	9,020	10,955	9,020	113,384
Transfers out	(5,869,504)	(110,497)	(950,000)	(60,322)	(500)	(1,938,389)	(344,497)	(125,499)	(9,399,208)
Sale of capital assets	-	-	-	-	-	17,400	-	-	17,400
Net Other Financing Sources (Uses)	(5,817,881)	(98,758)	(945,258)	(52,181)	7,644	(1,911,969)	(333,542)	(116,479)	(9,268,424)
Net Change in Fund Balances	995,030	505,008	193,064	46,716	329,895	(65,535)	207,644	(5,020)	2,206,802
Fund Balances, beginning	6,932,232	1,235,558	6,428,028	417,229	374,371	1,903,053	590,691	540,936	18,422,098
Fund Balances, ending	\$ 7,927,262	\$ 1,740,566	\$ 6,621,092	\$ 463,945	\$ 704,266	\$ 1,837,518	\$ 798,335	\$ 535,916	\$ 20,628,900

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**

<i>Years Ended June 30,</i>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 10,914,100	\$ 10,914,574	\$ 474	\$ 10,540,432
Intergovernmental - PERS relief	-	123,086	123,086	136,191
Investment income	15,000	10,382	(4,618)	9,660
Other	338,500	357,125	18,625	465,639
Total Revenues	11,267,600	11,405,167	137,567	11,151,922
Expenditures				
Emergency services:				
Administration	533,623	501,672	31,951	430,517
Fire services	7,776,585	4,090,584	3,686,001	5,578,420
Total Expenditures	8,310,208	4,592,256	3,717,952	6,008,937
Excess of Revenues Over Expenditures	2,957,392	6,812,911	3,855,519	5,142,985
Other Financing Sources (Uses)				
Transfers in	28,966	51,623	22,657	38,047
Transfers out	(5,869,504)	(5,869,504)	-	(8,105,500)
Sale of capital assets	20,000	-	(20,000)	9,600
Net Other Financing Sources (Uses)	(5,820,538)	(5,817,881)	2,657	(8,057,853)
Net Change in Fund Balance	<u>\$ (2,863,146)</u>	995,030	<u>\$ 3,858,176</u>	(2,914,868)
Fund Balance, beginning		<u>6,932,232</u>		<u>9,847,100</u>
Fund Balance, ending		<u>\$ 7,927,262</u>		<u>\$ 6,932,232</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

<i>Years Ended June 30,</i>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 976,700	\$ 981,645	\$ 4,945	\$ 945,026
Intergovernmental - PERS relief	-	1,481	1,481	2,364
Investment income	2,000	1,779	(221)	1,216
Other	13,000	18,263	5,263	24,080
Total Revenues	991,700	1,003,168	11,468	972,686
Expenditures				
Emergency services:				
Administration	92,730	90,796	1,934	81,108
Fire services	623,639	308,606	315,033	468,901
Total Expenditures	716,369	399,402	316,967	550,009
Excess of Revenues Over Expenditures	275,331	603,766	328,435	422,677
Other Financing Sources (Uses)				
Transfers in	11,739	11,739	-	26,598
Transfers out	(110,497)	(110,497)	-	(700,000)
Sale of capital assets	-	-	-	5,050
Net Other Financing Sources (Uses)	(98,758)	(98,758)	-	(668,352)
Net Change in Fund Balance	<u>\$ 176,573</u>	505,008	<u>\$ 328,435</u>	(245,675)
Fund Balance, beginning		<u>1,235,558</u>		<u>1,481,233</u>
Fund Balance, ending		<u>\$ 1,740,566</u>		<u>\$ 1,235,558</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**

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,431,700	\$ 1,437,189	\$ 5,489	\$ 1,335,552
Intergovernmental - PERS relief	-	2,777	2,777	54
Investment income	7,000	7,831	831	5,472
Other	-	-	-	6,378
Total Revenues	1,438,700	1,447,797	9,097	1,347,456
Expenditures				
Emergency services:				
Administration	49,010	43,635	5,375	33,710
Fire services	594,768	265,840	328,928	491,800
Total Expenditures	643,778	309,475	334,303	525,510
Excess of Revenues Over Expenditures	794,922	1,138,322	343,400	821,946
Other Financing Sources (Uses)				
Transfers in	4,298	4,742	444	44,970
Transfers out	(950,000)	(950,000)	-	(176,751)
Sale of capital assets	-	-	-	1,350
Net Other Financing Sources (Uses)	(945,702)	(945,258)	444	(130,431)
Net Change in Fund Balance	<u>\$ (150,780)</u>	193,064	<u>\$ 343,844</u>	691,515
Fund Balance, beginning		<u>6,428,028</u>		<u>5,736,513</u>
Fund Balance, ending		<u>\$ 6,621,092</u>		<u>\$ 6,428,028</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 239,700	\$ 235,372	\$ (4,328)	\$ 221,476
Intergovernmental - PERS relief	-	370	370	1,321
Investment income	400	527	127	310
Other	-	-	-	5,680
Total Revenues	240,100	236,269	(3,831)	228,787
Expenditures				
Emergency services:				
Administration	54,147	52,804	1,343	51,715
Fire services	225,449	84,568	140,881	124,975
Total Expenditures	279,596	137,372	142,224	176,690
Excess (Deficiency) of Revenues Over Expenditures	(39,496)	98,897	138,393	52,097
Other Financing Sources (Uses)				
Transfers in	8,141	8,141	-	97,393
Transfers out	(60,322)	(60,322)	-	(833)
Sale of capital assets	-	-	-	750
Net Other Financing Sources (Uses)	(52,181)	(52,181)	-	97,310
Net Change in Fund Balance	<u>\$ (91,677)</u>	46,716	<u>\$ 138,393</u>	149,407
Fund Balance, beginning		<u>417,229</u>		<u>267,822</u>
Fund Balance, ending		<u>\$ 463,945</u>		<u>\$ 417,229</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 547,800	\$ 552,133	\$ 4,333	\$ 363,415
Intergovernmental - PERS relief	-	679	679	1,910
Investment income	500	648	148	337
Other	13,000	13,077	77	36,809
Total Revenues	561,300	566,537	5,237	402,471
Expenditures				
Emergency services:				
Administration	65,622	65,621	1	56,852
Fire services	375,775	178,665	197,110	250,533
Total Expenditures	441,397	244,286	197,111	307,385
Excess of Revenues Over Expenditures	119,903	322,251	202,348	95,086
Other Financing Sources (Uses)				
Transfers in	8,141	8,144	3	8,256
Transfers out	(500)	(500)	-	(95,833)
Sale of capital assets	-	-	-	1,050
Net Other Financing Sources (Uses)	7,641	7,644	3	(86,527)
Net Change in Fund Balance	\$ 127,544	329,895	\$ 202,351	8,559
Fund Balance, beginning		374,371		365,812
Fund Balance, ending		\$ 704,266		\$ 374,371

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 3,076,600	\$ 3,103,233	\$ 26,633	\$ 2,957,397
Intergovernmental - PERS relief	-	5,091	5,091	5,499
Investment income	2,000	2,249	249	1,528
Other	339,549	339,549	-	450,618
Total Revenues	3,418,149	3,450,122	31,973	3,415,042
Expenditures				
Emergency services:				
Administration	203,119	198,684	4,435	169,735
Fire services	2,652,599	1,405,004	1,247,595	1,977,461
Total Expenditures	2,855,718	1,603,688	1,252,030	2,147,196
Excess of Revenues Over Expenditures	562,431	1,846,434	1,284,003	1,267,846
Other Financing Sources (Uses)				
Transfers in	9,020	9,020	-	37,953
Transfers out	(1,938,389)	(1,938,389)	-	(865,900)
Sale of capital assets	-	17,400	17,400	7,000
Net Other Financing Sources (Uses)	(1,929,369)	(1,911,969)	17,400	(820,947)
Net Change in Fund Balance	<u>\$ (1,366,938)</u>	(65,535)	<u>\$ 1,301,403</u>	446,899
Fund Balance, beginning		<u>1,903,053</u>		<u>1,456,154</u>
Fund Balance, ending		<u>\$ 1,837,518</u>		<u>\$ 1,903,053</u>

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

<i>Years Ended June 30,</i>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 889,200	\$ 907,769	\$ 18,569	\$ 859,416
Intergovernmental - PERS relief	-	1,388	1,388	1,195
Investment income	900	838	(62)	446
Other	-	-	-	41,030
Total Revenues	890,100	909,995	19,895	902,087
Expenditures				
Emergency services:				
Administration	93,318	93,318	-	77,496
Fire services	608,177	275,491	332,686	429,107
Total Expenditures	701,495	368,809	332,686	506,603
Excess of Revenues Over Expenditures	188,605	541,186	352,581	395,484
Other Financing Sources (Uses)				
Transfers in	10,844	10,955	111	10,968
Transfers out	(344,497)	(344,497)	-	(185,833)
Sale of capital assets	-	-	-	900
Net Other Financing Sources (Uses)	(333,653)	(333,542)	111	(173,965)
Net Change in Fund Balance	<u>\$ (145,048)</u>	207,644	<u>\$ 352,692</u>	221,519
Fund Balance, beginning		<u>590,691</u>		<u>369,172</u>
Fund Balance, ending		<u>\$ 798,335</u>		<u>\$ 590,691</u>

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 334,000	\$ 343,058	\$ 9,058	\$ 329,450
Intergovernmental - PERS relief	-	494	494	1,032
Investment income	700	648	(52)	464
Other	-	-	-	60,100
Total Revenues	334,700	344,200	9,500	391,046
Expenditures				
Emergency services:				
Administration	70,945	68,611	2,334	54,882
Fire services	343,352	164,130	179,222	261,680
Total Expenditures	414,297	232,741	181,556	316,562
Excess (Deficiency) of Revenues Over Expenditures	(79,597)	111,459	191,056	74,484
Other Financing Sources (Uses)				
Transfers in	9,020	9,020	-	9,170
Transfers out	(125,499)	(125,499)	-	(30,833)
Sale of capital assets	-	-	-	300
Net Other Financing Uses	(116,479)	(116,479)	-	(21,363)
Net Change in Fund Balance	<u>\$ (196,076)</u>	(5,020)	<u>\$ 191,056</u>	53,121
Fund Balance, beginning		<u>540,936</u>		<u>487,815</u>
Fund Balance, ending		<u>\$ 535,916</u>		<u>\$ 540,936</u>

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

	Service Area								
	9	14	15	16	17	19	20	21	23
<i>June 30, 2021</i>	Midway Road	Fairview Road	Caswell Lake	South Colony	Knik Road	Lazy Mountain	Greater Willow	Big Lake Road	North Colony
Assets									
Cash and investments	\$ 618,761	\$ 417,462	\$ 395,798	\$ 1,092,165	\$ 661,759	\$ 323,092	\$ 527,106	\$ 901,595	\$ 187,739
Receivables - property taxes, net of allowance	74,372	15,515	93,486	23,402	74,352	12,911	44,908	63,543	9,069
Total Assets	\$ 693,133	\$ 432,977	\$ 489,284	\$ 1,115,567	\$ 736,111	\$ 336,003	\$ 572,014	\$ 965,138	\$ 196,808
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 37,034	\$ 25,514	\$ 27,663	\$ 64,241	\$ 70,532	\$ 1,710	\$ 74,953	\$ 48,020	\$ 13,353
Interfund loans payable	15,338	9,012	-	33,067	-	181	-	-	4,081
Deposits	3,521	469	-	8,535	-	2,000	-	-	-
Total Liabilities	55,893	34,995	27,663	105,843	70,532	3,891	74,953	48,020	17,434
Deferred Inflows of Resources									
Delinquent property taxes	68,009	13,328	85,726	18,652	59,507	11,687	37,173	51,794	8,244
Total Liabilities and Deferred Inflows of Resources	123,902	48,323	113,389	124,495	130,039	15,578	112,126	99,814	25,678
Fund Balances									
Assigned:									
Subsequent year expenditures	189,034	153,376	118,481	265,215	280,440	110,178	245,608	429,675	52,429
Service areas	380,197	231,278	257,414	725,857	325,632	210,247	214,280	435,649	118,701
Total Fund Balances	569,231	384,654	375,895	991,072	606,072	320,425	459,888	865,324	171,130
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 693,133	\$ 432,977	\$ 489,284	\$ 1,115,567	\$ 736,111	\$ 336,003	\$ 572,014	\$ 965,138	\$ 196,808

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

	Service Area, continued								Totals	
	26		27	28	29		30			
	25	Greater	Meadow	Gold	Greater	Trapper	31	286		
<i>June 30, 2021</i>	Bogard	Butte	Lakes	Trail	Talkeetna	Creek	Alpine	Jimmy's		
	Road	Road	Road	Road	Road	Road	Road	Road	Drive	
Assets										
Cash and investments	\$ 1,008,005	\$ 527,136	\$ 510,154	\$ 485,620	\$ 465,769	\$ 181,091	\$ 362,966	\$ 6,216	\$ 8,672,434	
Receivables - property taxes, net of allowance	26,385	32,954	146,701	53,935	45,707	27,579	11,247	-	756,066	
Total Assets	\$ 1,034,390	\$ 560,090	\$ 656,855	\$ 539,555	\$ 511,476	\$ 208,670	\$ 374,213	\$ 6,216	\$ 9,428,500	
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ 31,541	\$ 18,713	\$ 44,636	\$ 49,263	\$ 55,626	\$ 72	\$ 40,849	\$ -	\$ 603,720	
Interfund loans payable	30,652	1,723	-	18,478	-	-	827	-	113,359	
Deposits	5,209	1,000	-	-	-	-	-	-	20,734	
Total Liabilities	67,402	21,436	44,636	67,741	55,626	72	41,676	-	737,813	
Deferred Inflows of Resources										
Delinquent property taxes	21,081	23,388	133,381	48,302	42,077	25,557	7,926	-	655,832	
Total Liabilities and Deferred Inflows of Resources	88,483	44,824	178,017	116,043	97,703	25,629	49,602	-	1,393,645	
Fund Balances										
Assigned:										
Subsequent year expenditures	403,087	177,748	281,626	251,060	164,734	81,965	175,967	-	3,380,623	
Service areas	542,820	337,518	197,212	172,452	249,039	101,076	148,644	6,216	4,654,232	
Total Fund Balances	945,907	515,266	478,838	423,512	413,773	183,041	324,611	6,216	8,034,855	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,034,390	\$ 560,090	\$ 656,855	\$ 539,555	\$ 511,476	\$ 208,670	\$ 374,213	\$ 6,216	\$ 9,428,500	

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
<i>Year Ended June 30, 2021</i>									
Revenues									
Property taxes	\$ 1,953,167	\$ 1,479,775	\$ 739,514	\$ 1,987,548	\$ 3,396,223	\$ 306,696	\$ 1,101,243	\$ 1,527,076	\$ 233,312
Investment income	602	510	372	986	719	351	542	1,119	218
Total Revenues	1,953,769	1,480,285	739,886	1,988,534	3,396,942	307,047	1,101,785	1,528,195	233,530
Expenditures									
Public services:									
Administration	194,381	171,521	136,434	230,931	435,630	34,943	144,300	228,274	31,667
Road service	351,597	506,168	335,167	642,952	1,273,268	80,955	466,831	729,950	113,279
Total public services	545,978	677,689	471,601	873,883	1,708,898	115,898	611,131	958,224	144,946
Debt service	261	153	-	563	-	3	-	-	69
Total Expenditures	546,239	677,842	471,601	874,446	1,708,898	115,901	611,131	958,224	145,015
Excess of Revenues Over Expenditures	1,407,530	802,443	268,285	1,114,088	1,688,044	191,146	490,654	569,971	88,515
Other Financing Uses									
Transfers out	(1,194,168)	(757,215)	(124,648)	(568,342)	(1,599,090)	(124,953)	(387,055)	(624,085)	(89,705)
Net Change in Fund Balances	213,362	45,228	143,637	545,746	88,954	66,193	103,599	(54,114)	(1,190)
Fund Balances, beginning	355,869	339,426	232,258	445,326	517,118	254,232	356,289	919,438	172,320
Fund Balances, ending	\$ 569,231	\$ 384,654	\$ 375,895	\$ 991,072	\$ 606,072	\$ 320,425	\$ 459,888	\$ 865,324	\$ 171,130

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	286 Jimmy's Drive	
<i>Year Ended June 30, 2021</i>									
Revenues									
Property taxes	\$ 2,180,640	\$ 1,134,765	\$ 2,365,440	\$ 2,217,907	\$ 721,282	\$ 251,945	\$ 300,801	\$ 6,212	\$ 21,903,546
Investment income	1,109	539	684	645	513	234	371	4	9,518
Total Revenues	2,181,749	1,135,304	2,366,124	2,218,552	721,795	252,179	301,172	6,216	21,913,064
Expenditures									
Public services:									
Administration	264,155	135,843	288,170	275,697	117,397	42,587	31,245	-	2,763,175
Road service	575,086	256,454	881,864	1,034,882	430,238	146,297	193,794	-	8,018,782
Total public services	839,241	392,297	1,170,034	1,310,579	547,635	188,884	225,039	-	10,781,957
Debt service	522	29	-	314	-	-	14	-	1,928
Total Expenditures	839,763	392,326	1,170,034	1,310,893	547,635	188,884	225,053	-	10,783,885
Excess of Revenues Over Expenditures	1,341,986	742,978	1,196,090	907,659	174,160	63,295	76,119	6,216	11,129,179
Other Financing Uses									
Transfers out	(1,166,526)	(593,912)	(1,287,798)	(1,004,978)	(116,319)	(87,408)	-	-	(9,726,202)
Net Change in Fund Balances	175,460	149,066	(91,708)	(97,319)	57,841	(24,113)	76,119	6,216	1,402,977
Fund Balances, beginning	770,447	366,200	570,546	520,831	355,932	207,154	248,492	-	6,631,878
Fund Balances, ending	\$ 945,907	\$ 515,266	\$ 478,838	\$ 423,512	\$ 413,773	\$ 183,041	\$ 324,611	\$ 6,216	\$ 8,034,855

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,946,080	\$ 1,953,167	\$ 7,087	\$ 1,903,771
Investment income	400	602	202	338
Total Revenues	1,946,480	1,953,769	7,289	1,904,109
Expenditures				
Public services:				
Administration	224,928	194,381	30,547	296,085
Road service	640,198	351,597	288,601	449,686
Total public services	865,126	545,978	319,148	745,771
Debt service	261	261	-	292
Total Expenditures	865,387	546,239	319,148	746,063
Excess of Revenues Over Expenditures	1,081,093	1,407,530	326,437	1,158,046
Other Financing Uses				
Transfers out	(1,194,168)	(1,194,168)	-	(1,145,971)
Net Change in Fund Balance	<u>\$ (113,075)</u>	213,362	<u>\$ 326,437</u>	12,075
Fund Balance, beginning		<u>355,869</u>		<u>343,794</u>
Fund Balance, ending		<u>\$ 569,231</u>		<u>\$ 355,869</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,465,300	\$ 1,479,775	\$ 14,475	\$ 1,373,734
Investment income	300	510	210	320
Total Revenues	1,465,600	1,480,285	14,685	1,374,054
Expenditures				
Public services:				
Administration	198,475	171,521	26,954	206,432
Road service	639,728	506,168	133,560	575,058
Total public services	838,203	677,689	160,514	781,490
Debt service	154	153	1	171
Total Expenditures	838,357	677,842	160,515	781,661
Excess of Revenues Over Expenditures	627,243	802,443	175,200	592,393
Other Financing Sources (Uses)				
Transfers in	-	-	-	13,374
Transfers out	(757,215)	(757,215)	-	(519,697)
Net Other Financing Sources (Uses)	(757,215)	(757,215)	-	(506,323)
Net Change in Fund Balance	<u>\$ (129,972)</u>	45,228	<u>\$ 175,200</u>	86,070
Fund Balance, beginning		<u>339,426</u>		<u>253,356</u>
Fund Balance, ending		<u>\$ 384,654</u>		<u>\$ 339,426</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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 739,340	\$ 739,514	\$ 174	\$ 695,577
Investment income	200	372	172	173
Total Revenues	739,540	739,886	346	695,750
Expenditures				
Public services:				
Administration	157,874	136,434	21,440	157,187
Road service	521,670	335,167	186,503	413,327
Total Expenditures	679,544	471,601	207,943	570,514
Excess of Revenues Over Expenditures	59,996	268,285	208,289	125,236
Other Financing Uses				
Transfers out	(124,648)	(124,648)	-	(39,238)
Net Change in Fund Balance	<u>\$ (64,652)</u>	143,637	<u>\$ 208,289</u>	85,998
Fund Balance, beginning		<u>232,258</u>		<u>146,260</u>
Fund Balance, ending		<u>\$ 375,895</u>		<u>\$ 232,258</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,957,420	\$ 1,987,548	\$ 30,128	\$ 1,805,739
Investment income	400	986	586	408
Total Revenues	1,957,820	1,988,534	30,714	1,806,147
Expenditures				
Public services:				
Administration	267,221	230,931	36,290	254,100
Road service	1,245,707	642,952	602,755	1,077,626
Total public services	1,512,928	873,883	639,045	1,331,726
Debt service	563	563	-	628
Total Expenditures	1,513,491	874,446	639,045	1,332,354
Excess of Revenues Over Expenditures	444,329	1,114,088	669,759	473,793
Other Financing Uses				
Transfers out	(568,342)	(568,342)	-	(291,938)
Net Change in Fund Balance	<u>\$ (124,013)</u>	545,746	<u>\$ 669,759</u>	181,855
Fund Balance, beginning		<u>445,326</u>		<u>263,471</u>
Fund Balance, ending		<u>\$ 991,072</u>		<u>\$ 445,326</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 3,373,100	\$ 3,396,223	\$ 23,123	\$ 3,259,614
Investment income	400	719	319	393
Total Revenues	3,373,500	3,396,942	23,442	3,260,007
Expenditures				
Public services:				
Administration	504,089	435,630	68,459	537,988
Road service	1,455,613	1,273,268	182,345	1,350,572
Total Expenditures	1,959,702	1,708,898	250,804	1,888,560
Excess of Revenues Over Expenditures	1,413,798	1,688,044	274,246	1,371,447
Other Financing Uses				
Transfers out	(1,599,090)	(1,599,090)	-	(1,157,660)
Net Change in Fund Balance	<u>\$ (185,292)</u>	88,954	<u>\$ 274,246</u>	213,787
Fund Balance, beginning		<u>517,118</u>		<u>303,331</u>
Fund Balance, ending		<u>\$ 606,072</u>		<u>\$ 517,118</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 305,800	\$ 306,696	\$ 896	\$ 282,114
Investment income	200	351	151	204
Total Revenues	306,000	307,047	1,047	282,318
Expenditures				
Public services:				
Administration	40,033	34,943	5,090	33,689
Road service	233,254	80,955	152,299	141,366
Total public services	273,287	115,898	157,389	175,055
Debt service	4	3	1	3
Total Expenditures	273,291	115,901	157,390	175,058
Excess of Revenues Over Expenditures	32,709	191,146	158,437	107,260
Other Financing Uses				
Transfers out	(124,953)	(124,953)	-	(34,805)
Net Change in Fund Balance	<u>\$ (92,244)</u>	66,193	<u>\$ 158,437</u>	72,455
Fund Balance, beginning		<u>254,232</u>		<u>181,777</u>
Fund Balance, ending		<u>\$ 320,425</u>		<u>\$ 254,232</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,080,900	\$ 1,101,243	\$ 20,343	\$ 1,027,678
Investment income	300	542	242	280
Total Revenues	1,081,200	1,101,785	20,585	1,027,958
Expenditures				
Public services:				
Administration	166,977	144,300	22,677	185,508
Road service	587,809	466,831	120,978	429,480
Total Expenditures	754,786	611,131	143,655	614,988
Excess of Revenues Over Expenditures	326,414	490,654	164,240	412,970
Other Financing Sources (Uses)				
Transfers in	-	-	-	31,837
Transfers out	(387,055)	(387,055)	-	(309,667)
Net Other Financing Sources (Uses)	(387,055)	(387,055)	-	(277,830)
Net Change in Fund Balance	\$ (60,641)	103,599	\$ 164,240	135,140
Fund Balance, beginning		356,289		221,149
Fund Balance, ending		\$ 459,888		\$ 356,289

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,510,840	\$ 1,527,076	\$ 16,236	\$ 1,421,547
Investment income	600	1,119	519	719
Other	-	-	-	124
Total Revenues	1,511,440	1,528,195	16,755	1,422,390
Expenditures				
Public services:				
Administration	264,147	228,274	35,873	225,463
Road service	1,062,706	729,950	332,756	767,926
Total Expenditures	1,326,853	958,224	368,629	993,389
Excess of Revenues Over Expenditures	184,587	569,971	385,384	429,001
Other Financing Uses				
Transfers out	(624,085)	(624,085)	-	(109,371)
Net Change in Fund Balance	<u>\$ (439,498)</u>	(54,114)	<u>\$ 385,384</u>	319,630
Fund Balance, beginning		<u>919,438</u>		<u>599,808</u>
Fund Balance, ending		<u>\$ 865,324</u>		<u>\$ 919,438</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 229,580	\$ 233,312	\$ 3,732	\$ 211,858
Investment income	200	218	18	158
Total Revenues	229,780	233,530	3,750	212,016
Expenditures				
Public services:				
Administration	36,642	31,667	4,975	38,178
Road service	171,869	113,279	58,590	112,765
Total public services	208,511	144,946	63,565	150,943
Debt service	70	69	1	78
Total Expenditures	208,581	145,015	63,566	151,021
Excess of Revenues Over Expenditures	21,199	88,515	67,316	60,995
Other Financing Uses				
Transfers out	(89,705)	(89,705)	-	(55,902)
Net Change in Fund Balance	\$ (68,506)	(1,190)	\$ 67,316	5,093
Fund Balance, beginning		172,320		167,227
Fund Balance, ending		\$ 171,130		\$ 172,320

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,182,280	\$ 2,180,640	\$ (1,640)	\$ 2,026,069
Investment income	600	1,109	509	624
Total Revenues	2,182,880	2,181,749	(1,131)	2,026,693
Expenditures				
Public services:				
Administration	305,667	264,155	41,512	299,490
Road service	1,020,962	575,086	445,876	745,337
Total public services	1,326,629	839,241	487,388	1,044,827
Debt service	522	522	-	583
Total Expenditures	1,327,151	839,763	487,388	1,045,410
Excess of Revenues Over Expenditures	855,729	1,341,986	486,257	981,283
Other Financing Sources (Uses)				
Transfers in	-	-	-	11,130
Transfers out	(1,166,526)	(1,166,526)	-	(714,226)
Net Other Financing Sources (Uses)	(1,166,526)	(1,166,526)	-	(703,096)
Net Change in Fund Balance	<u>\$ (310,797)</u>	175,460	<u>\$ 486,257</u>	278,187
Fund Balance, beginning		<u>770,447</u>		<u>492,260</u>
Fund Balance, ending		<u>\$ 945,907</u>		<u>\$ 770,447</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,129,700	\$ 1,134,765	\$ 5,065	\$ 1,072,843
Investment income	400	539	139	327
Total Revenues	1,130,100	1,135,304	5,204	1,073,170
Expenditures				
Public services:				
Administration	157,191	135,843	21,348	174,959
Road service	516,337	256,454	259,883	406,089
Total public services	673,528	392,297	281,231	581,048
Debt service	30	29	1	33
Total Expenditures	673,558	392,326	281,232	581,081
Excess of Revenues Over Expenditures	456,542	742,978	286,436	492,089
Other Financing Uses				
Transfers out	(593,912)	(593,912)	-	(472,867)
Net Change in Fund Balance	<u>\$ (137,370)</u>	149,066	<u>\$ 286,436</u>	19,222
Fund Balance, beginning		<u>366,200</u>		<u>346,978</u>
Fund Balance, ending		<u>\$ 515,266</u>		<u>\$ 366,200</u>

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,361,540	\$ 2,365,440	\$ 3,900	\$ 2,253,275
Investment income	400	684	284	459
Total Revenues	2,361,940	2,366,124	4,184	2,253,734
Expenditures				
Public services:				
Administration	333,455	288,170	45,285	348,075
Road service	978,969	881,864	97,105	861,457
Total Expenditures	1,312,424	1,170,034	142,390	1,209,532
Excess of Revenues Over Expenditures	1,049,516	1,196,090	146,574	1,044,202
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,498
Transfers out	(1,287,798)	(1,287,798)	-	(854,019)
Net Other Financing Sources (Uses)	(1,287,798)	(1,287,798)	-	(852,521)
Net Change in Fund Balance	<u>\$ (238,282)</u>	(91,708)	<u>\$ 146,574</u>	191,681
Fund Balance, beginning		<u>570,546</u>		<u>378,865</u>
Fund Balance, ending		<u>\$ 478,838</u>		<u>\$ 570,546</u>

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,191,720	\$ 2,217,907	\$ 26,187	\$ 2,057,006
Investment income	400	645	245	444
Total Revenues	2,192,120	2,218,552	26,432	2,057,450
Expenditures				
Public services:				
Administration	319,022	275,697	43,325	315,346
Road service	1,082,995	1,034,882	48,113	1,010,950
Total public services	1,402,017	1,310,579	91,438	1,326,296
Debt service	315	314	1	351
Total Expenditures	1,402,332	1,310,893	91,439	1,326,647
Excess of Revenues Over Expenditures	789,788	907,659	117,871	730,803
Other Financing Sources (Uses)				
Transfers in	-	-	-	12,098
Transfers out	(1,004,978)	(1,004,978)	-	(569,547)
Net Other Financing Sources (Uses)	(1,004,978)	(1,004,978)	-	(557,449)
Net Change in Fund Balance	<u>\$ (215,190)</u>	(97,319)	<u>\$ 117,871</u>	173,354
Fund Balance, beginning		<u>520,831</u>		<u>347,477</u>
Fund Balance, ending		<u>\$ 423,512</u>		<u>\$ 520,831</u>

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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 720,000	\$ 721,282	\$ 1,282	\$ 689,580
Investment income	400	513	113	316
Total Revenues	720,400	721,795	1,395	689,896
Expenditures				
Public services:				
Administration	135,846	117,397	18,449	151,350
Road service	532,373	430,238	102,135	420,662
Total Expenditures	668,219	547,635	120,584	572,012
Excess of Revenues Over Expenditures	52,181	174,160	121,979	117,884
Other Financing Sources (Uses)				
Transfers out	(116,319)	(116,319)	-	(129,184)
Transfers in	-	-	-	75,000
Net Other Financing Sources (Uses)	(116,319)	(116,319)	-	(54,184)
Net Change in Fund Balance	<u>\$ (64,138)</u>	57,841	<u>\$ 121,979</u>	63,700
Fund Balance, beginning		<u>355,932</u>		<u>292,232</u>
Fund Balance, ending		<u>\$ 413,773</u>		<u>\$ 355,932</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>	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 251,760	\$ 251,945	\$ 185	\$ 250,310
Investment income	300	234	(66)	215
Total Revenues	252,060	252,179	119	250,525
Expenditures				
Public services:				
Administration	51,280	42,587	8,693	63,101
Road service	188,459	146,297	42,162	123,677
Total Expenditures	239,739	188,884	50,855	186,778
Excess of Revenues Over Expenditures	12,321	63,295	50,974	63,747
Other Financing Uses				
Transfers out	(87,408)	(87,408)	-	(120,410)
Net Change in Fund Balance	<u>\$ (75,087)</u>	(24,113)	<u>\$ 50,974</u>	(56,663)
Fund Balance, beginning		<u>207,154</u>		<u>263,817</u>
Fund Balance, ending		<u>\$ 183,041</u>		<u>\$ 207,154</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,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 304,860	\$ 300,801	\$ (4,059)	\$ 285,801
Investment income	200	371	171	191
Total Revenues	305,060	301,172	(3,888)	285,992
Expenditures				
Public services:				
Administration	35,969	31,245	4,724	38,205
Road service	288,722	193,794	94,928	160,125
Total public services	324,691	225,039	99,652	198,330
Debt service	15	14	1	16
Total Expenditures	324,706	225,053	99,653	198,346
Net Change in Fund Balance	<u>\$ (19,646)</u>	76,119	<u>\$ 95,765</u>	87,646
Fund Balance, beginning		<u>248,492</u>		<u>160,846</u>
Fund Balance, ending		<u>\$ 324,611</u>		<u>\$ 248,492</u>

Matanuska-Susitna Borough, Alaska

Road Service Area 286 - Jimmy's Drive Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 15,400	\$ 6,212	\$ (9,188)	\$ -
Investment income	-	4	4	-
Total Revenues	15,400	6,216	(9,184)	-
Expenditures				
Public services - road service	15,400	-	15,400	-
Net Change in Fund Balance	<u>\$ -</u>	6,216	<u>\$ 6,216</u>	-
Fund Balance, beginning		<u>-</u>		<u>-</u>
Fund Balance, ending		<u>\$ 6,216</u>		<u>\$ -</u>

Matanuska-Susitna Borough, Alaska

Land Management Special Revenue Fund
Comparative Balance Sheet

<i>June 30,</i>	2021	2020
Assets		
Cash and investments	\$ 1,619,755	\$ 1,955,660
Interfund loan receivable	2,221,894	2,221,894
Other receivables	6,421	6,956
<hr/>		
Land sales contracts receivable		
Current	18,716	98,615
Delinquent	218,451	222,138
Unbilled	597,207	386,251
<hr/>		
Total land sales contracts receivable	834,374	707,004
Less allowance for uncollectible contracts	(218,451)	(222,138)
<hr/>		
Net land sales contracts receivable	615,923	484,866
<hr/>		
Total Assets	\$ 4,463,993	\$ 4,669,376
<hr/>		
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	\$ 84,247	\$ 9,714
Deposits	87,374	86,874
<hr/>		
Total Liabilities	171,621	96,588
<hr/>		
Deferred Inflows of Resources		
Land sales receivables not yet due	597,207	386,251
<hr/>		
Total Liabilities and Deferred Inflows of Resources	768,828	482,839
<hr/>		
Fund Balance		
Committed:		
Long-term loan receivable	2,221,894	2,221,894
Land management	348,368	1,080,290
Accrued leave	10,000	10,000
Assigned:		
Subsequent year expenditures	352,909	540,375
Land management	761,994	333,978
<hr/>		
Total Fund Balance	3,695,165	4,186,537
<hr/>		
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,463,993	\$ 4,669,376

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues				
Charges for services:				
Land sales and leases	\$ 945,000	\$ 1,416,727	\$ 471,727	\$ 944,818
Management fees	10,000	8,725	(1,275)	9,075
User fees	11,000	6,685	(4,315)	3,721
Intergovernmental - PERS relief	-	70,018	70,018	53,095
Investment income	8,000	2,144	(5,856)	3,431
Interest on land sales	32,500	68,304	35,804	56,227
Other	2,000	900	(1,100)	2,050
Total Revenues	1,008,500	1,573,503	565,003	1,072,417
Expenditures				
Public services:				
Land management and development	982,924	836,336	146,588	767,120
Community development administration	386,951	216,039	170,912	216,649
Total Expenditures	1,369,875	1,052,375	317,500	983,769
Excess (Deficiency) of Revenues				
Over Expenditures	(361,375)	521,128	882,503	88,648
Other Financing Sources (Uses)				
Transfers in	-	-	-	78,004
Transfers out	(1,012,500)	(1,012,500)	-	(3,700,000)
Net Other Financing Sources (Uses)	(1,012,500)	(1,012,500)	-	(3,621,996)
Net Change in Fund Balance	\$ (1,373,875)	(491,372)	\$ 882,503	(3,533,348)
Fund Balance, beginning		4,186,537		7,719,885
Fund Balance, ending		\$ 3,695,165		\$ 4,186,537

Matanuska-Susitna Borough, Alaska

**Property Tax Special Revenue Fund
Balance Sheet**

<i>June 30,</i>	2021
Assets	
Cash and investments	\$ 21,050
Property taxes receivable	77,704
Total Assets	\$ 98,754
Liabilities	
Accounts payable	\$ 21,050
Deposits	77,704
Total Liabilities	\$ 98,754

Matanuska-Susitna Borough, Alaska

Property Tax Special Revenue Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Year Ended June 30,</i>	<i>2021</i>
Revenues	
Property taxes	\$ 77,704
Expenditures	
Public services	77,704
Net Change in Fund Balance	-
Fund Balance, beginning	-
Fund Balance, ending	\$ -

Matanuska-Susitna Borough, Alaska

School Buildings Debt Service Fund
Comparative Balance Sheet

<i>June 30,</i>	2021	2020
Assets		
Cash and investments	\$ 11,717,938	\$ 2,065,550
Restricted cash - debt retirement	3,271,352	1,594,493
Total Assets	\$ 14,989,290	\$ 3,660,043
Fund Balance		
Restricted - debt service	\$ 3,271,352	\$ 1,594,493
Assigned - debt service	11,717,938	2,065,550
Total Fund Balance	\$ 14,989,290	\$ 3,660,043

Matanuska-Susitna Borough, Alaska

School Buildings Debt Service Fund Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Years Ended June 30,</i>	2021	2020
Revenues		
Investment income	\$ 28,683	\$ 393
Expenditures - debt service:		
Redemption of principal	14,655,000	16,780,000
Interest	8,208,408	9,534,139
Total Expenditures	22,863,408	26,314,139
Deficiency of Revenues Over Expenditures	(22,834,725)	(26,313,746)
Other Financing Sources (Uses)		
Refunding bonds issued	-	63,415,000
Payment to refunded bond escrow agent	-	(63,688,222)
Transfers in	34,163,972	26,683,471
Net Other Financing Sources (Uses)	34,163,972	26,410,249
Net Change in Fund Balance	11,329,247	96,503
Fund Balance, beginning	3,660,043	3,563,540
Fund Balance, ending	\$ 14,989,290	\$ 3,660,043

Matanuska-Susitna Borough, Alaska

Fronteras School Debt Service Fund
Comparative Balance Sheet

<i>June 30,</i>	2021	2020
Assets		
Lease receivable, long-term	\$ 9,439,751	\$ 9,833,051
Deferred Inflows of Resources		
Lease receivable not yet due	\$ 9,439,751	\$ 9,833,051

Matanuska-Susitna Borough, Alaska

Fronteras School Debt Service Fund Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Years Ended June 30,</i>	2021	2020
Revenues		
Lease interest	\$ 393,300	\$ 393,300
Expenditures - debt service:		
Redemption of principal	161,787	156,036
Interest	231,513	237,264
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

	Fireweed Building	Public Safety Building	Public Safety Building	Public Safety Building	Parks and Recreation	Animal Control	Transpor- tation System	Totals
<i>June 30, 2021</i>		51	62	73				
Assets								
Cash and investments	\$ 7,318	\$ 214,190	\$ 4,500,779	\$ 385,281	\$ 851,629	\$ 52,918	\$ 830,162	\$ 6,842,277
Restricted cash and investments - debt retirement	-	764,477	500,019	567,022	-	546,022	-	2,377,540
Total Assets	\$ 7,318	\$ 978,667	\$ 5,000,798	\$ 952,303	\$ 851,629	\$ 598,940	\$ 830,162	\$ 9,219,817
Fund Balances								
Restricted - debt service	\$ -	\$ 764,477	\$ 500,019	\$ 567,022	\$ -	\$ 546,022	\$ -	\$ 2,377,540
Assigned - debt service	7,318	214,190	4,500,779	385,281	851,629	52,918	830,162	6,842,277
Total Fund Balances	\$ 7,318	\$ 978,667	\$ 5,000,798	\$ 952,303	\$ 851,629	\$ 598,940	\$ 830,162	\$ 9,219,817

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

<i>Year Ended June 30, 2021</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	\$ 4	\$ 305	\$ 5,724	\$ 498	\$ 1,022	\$ 99	\$ 995	\$ 8,647
Expenditures - debt service:								
Redemption of principal	59,810	540,000	290,000	335,000	1,105,000	465,000	1,295,000	4,089,810
Interest	-	219,788	206,750	227,900	959,763	74,000	946,434	2,634,635
Total Expenditures	59,810	759,788	496,750	562,900	2,064,763	539,000	2,241,434	6,724,445
Deficiency of Revenues								
Over Expenditures	(59,806)	(759,483)	(491,026)	(562,402)	(2,063,741)	(538,901)	(2,240,439)	(6,715,798)
Other Financing Sources								
Transfers in	67,174	759,789	-	562,900	2,064,763	539,000	2,241,434	6,235,060
Net Change in Fund Balances	7,368	306	(491,026)	498	1,022	99	995	(480,738)
Fund Balances (Deficit), beginning	(50)	978,361	5,491,824	951,805	850,607	598,841	829,167	9,700,555
Fund Balances, ending	\$ 7,318	\$ 978,667	\$ 5,000,798	\$ 952,303	\$ 851,629	\$ 598,940	\$ 830,162	\$ 9,219,817

Matanuska-Susitna Borough, Alaska

School Projects Capital Project Fund
Comparative Balance Sheet

<i>June 30,</i>	2021	2020
Assets		
Cash and investments	\$ 34,216,733	\$ 13,276,546
Prepaid items	2,205	2,205
Total Assets	\$ 34,218,938	\$ 13,278,751
Liabilities and Fund Balance		
Liabilities		
Accounts, contracts and retentions payable	\$ -	\$ 92,614
Deposits	5,447	5,447
Total Liabilities	5,447	98,061
Fund Balance		
Nonspendable - prepaid items	2,205	2,205
Assigned - capital projects	34,211,286	13,178,485
Total Fund Balance	34,213,491	13,180,690
Total Liabilities and Fund Balance	\$ 34,218,938	\$ 13,278,751

Matanuska-Susitna Borough, Alaska

School Projects Capital Project Fund
 Comparative Statement of Revenues, Expenditures, and
 Changes in Fund Balance

<i>Years Ended June 30,</i>	2021	2020
Revenues		
Intergovernmental	\$ (4,167)	\$ (2,577)
Investment income	2,183	300,357
Other	-	3,769
Total Revenues	(1,984)	301,549
Expenditures		
Capital outlay	1,126	179,997
Excess (Deficiency) of Revenues Over Expenditures	(3,110)	121,552
Other Financing Sources (Uses)		
Transfers in	28,115,967	-
Transfers out	(13,080,056)	(9,083,470)
Net Other Financing Sources (Uses)	15,035,911	(9,083,470)
Special item - Contribution from component unit	6,000,000	-
Net Change in Fund Balance	21,032,801	(8,961,918)
Fund Balance, beginning	13,180,690	22,142,608
Fund Balance, ending	\$ 34,213,491	\$ 13,180,690

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

<i>June 30, 2021</i>	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	\$ 11,762,542	\$ 22,509,281	\$ 1,233,514	\$ 562,172	\$ 620,917	\$ 5,955,731	\$ 2,697,100	\$ 638,726	\$ 8,729,752	\$ 100,684	\$ 54,810,419
Receivables:											
Intergovernmental	2,504	233,655	60,000	830,206	339,577	-	173,777	89,043	272,975	4,056	2,005,793
Other	131,393	-	-	-	-	-	7,843	-	-	-	139,236
Prepaid items	-	-	-	-	245	-	-	-	-	-	245
Restricted cash and investments	98,660	-	-	-	-	-	-	-	-	-	98,660
Total Assets	\$ 11,995,099	\$ 22,742,936	\$ 1,293,514	\$ 1,392,378	\$ 960,739	\$ 5,955,731	\$ 2,878,720	\$ 727,769	\$ 9,002,727	\$ 104,740	\$ 57,054,353
Liabilities and Fund Balances											
Liabilities											
Accounts, contracts and retentions payable	\$ -	\$ 2,035,877	\$ 43,730	\$ 778,027	\$ 52,574	\$ 1,110,404	\$ 176,872	\$ -	\$ 470,419	\$ 20,310	\$ 4,688,213
Deposits	29	-	-	-	-	-	-	-	-	9,100	9,129
Unearned revenue	28,042	-	-	-	-	102,506	-	569,107	-	-	699,655
Total Liabilities	28,071	2,035,877	43,730	778,027	52,574	1,212,910	176,872	569,107	470,419	29,410	5,396,997
Fund Balances											
Nonspendable - prepaid items	-	-	-	-	245	-	-	-	-	-	245
Restricted - capital projects	98,660	-	-	-	-	-	-	-	-	-	98,660
Assigned - capital projects	11,868,368	20,707,059	1,249,784	614,351	907,920	4,742,821	2,701,848	158,662	8,532,308	75,330	51,558,451
Total Fund Balances	11,967,028	20,707,059	1,249,784	614,351	908,165	4,742,821	2,701,848	158,662	8,532,308	75,330	51,657,356
Total Liabilities and Fund Balances	\$ 11,995,099	\$ 22,742,936	\$ 1,293,514	\$ 1,392,378	\$ 960,739	\$ 5,955,731	\$ 2,878,720	\$ 727,769	\$ 9,002,727	\$ 104,740	\$ 57,054,353

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

<i>Year Ended June 30, 2021</i>	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	\$ 32,504	\$ 434,463	\$ -	\$ 3,117,367	\$ 18,680	\$ -	\$ 362,216	\$ 1,078,756	\$ 601,488	\$ 462,586	\$ 6,108,060
Investment income	6	-	-	-	46	-	384	-	-	-	436
Other	-	-	-	-	17,015	357,494	79,362	-	30,174	41,800	525,845
Total Revenues	32,510	434,463	-	3,117,367	35,741	357,494	441,962	1,078,756	631,662	504,386	6,634,341
Expenditures											
General government	-	-	-	-	-	39,880	-	-	909,494	-	949,374
Emergency services	1,564,236	-	-	4,711,051	-	-	-	-	666,187	-	6,941,474
Public services	-	7,791,130	-	-	855,786	227,140	226,328	-	691,610	468,530	10,260,524
Capital outlay	4,439,539	527,666	886,167	398,488	694,321	4,532,631	840,198	1,202,789	767,050	423,047	14,711,896
Total Expenditures	6,003,775	8,318,796	886,167	5,109,539	1,550,107	4,799,651	1,066,526	1,202,789	3,034,341	891,577	32,863,268
Deficiency of Revenues											
Over Expenditures	(5,971,265)	(7,884,333)	(886,167)	(1,992,172)	(1,514,366)	(4,442,157)	(624,564)	(124,033)	(2,402,679)	(387,191)	(26,228,927)
Other Financing Sources (Uses)											
Transfers in	8,586,804	11,095,192	150,000	1,452,893	698,381	2,438,165	222,500	150,000	3,020,047	500,000	28,313,982
Transfers out	(23,215)	(236,389)	-	(25,237,349)	-	(103)	(6,634)	(22,797)	(428,048)	-	(25,954,535)
Loan issued	-	-	471,225	-	-	-	-	-	-	-	471,225
Insurance recovery	-	-	-	5,100,000	-	-	-	-	-	-	5,100,000
Net Other Financing Sources (Uses)	8,563,589	10,858,803	621,225	(18,684,456)	698,381	2,438,062	215,866	127,203	2,591,999	500,000	7,930,672
Net Change in Fund Balances	2,592,324	2,974,470	(264,942)	(20,676,628)	(815,985)	(2,004,095)	(408,698)	3,170	189,320	112,809	(18,298,255)
Fund Balances (Deficit), beginning	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)	69,955,611
Fund Balances, ending	\$ 11,967,028	\$ 20,707,059	\$ 1,249,784	\$ 614,351	\$ 908,165	\$ 4,742,821	\$ 2,701,848	\$ 158,662	\$ 8,532,308	\$ 75,330	\$ 51,657,356

Matanuska-Susitna Borough, Alaska

Capital Project Funds

Project Length of Construction Projects

<i>Beginning of Projects to June 30, 2021</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	\$ 630,886,249	\$ 125,522,384	\$ 198,945,980	\$ 20,133,372	\$ 41,971,443	\$ 86,974,456	\$ 156,706,218	\$ 69,086,842
Revenues and Other Financing Sources								
Intergovernmental	\$ 68,895,525	\$ 21,828,933	\$ 58,868,419	\$ 21,068,566	\$ 10,542,729	\$ 28,092,392	\$ 132,713,335	\$ 25,685,745
LID bonds/other debt	6,900,000	10,635,713	186,095	-	-	-	-	515,000
Other	636,784,126	13,391,477	1,029,713	100,000	225,091	562,473	34,485,384	11,003,316
Transfers from other funds	58,590,914	86,901,772	143,234,945	3,104,870	26,329,556	33,460,460	11,223,861	42,476,922
Insurance recoveries	-	-	-	-	-	21,100,000	-	-
Total Revenues and Other Financing Sources	\$ 771,170,565	\$ 132,757,895	\$ 203,319,172	\$ 24,273,436	\$ 37,097,376	\$ 83,215,325	\$ 178,422,580	\$ 79,680,983
Expenditures and Other Financing Uses								
Capital projects	\$ 704,140,247	\$ 116,063,474	\$ 180,205,857	\$ 22,960,978	\$ 32,356,096	\$ 56,318,654	\$ 176,928,178	\$ 72,774,567
Transfers to other funds	38,816,827	4,727,393	2,406,256	62,674	720,934	26,282,320	586,237	2,163,595
Total Expenditures and Other Financing Uses	\$ 742,957,074	\$ 120,790,867	\$ 182,612,113	\$ 23,023,652	\$ 33,077,030	\$ 82,600,974	\$ 177,514,415	\$ 74,938,162

Matanuska-Susitna Borough, Alaska

Capital Project Funds

Project Length of Construction Projects, continued

<i>Beginning of Projects to June 30, 2021</i>	Cultural and Recreational	Port	Pass- Through Grants	Miscellaneous	Infra- structure	Maintenance	Totals
Total Project Authorizations	\$ 39,737,439	\$ 66,051,085	\$ 17,789,518	\$ 101,798,636	\$ 190,632,984	\$ 1,149,094	\$ 1,747,385,700
Revenues and Other Financing Sources							
Intergovernmental	\$ 3,598,898	\$ 34,365,686	\$ 14,694,012	\$ 32,108,574	\$ 185,944,807	\$ -	\$ 638,407,621
LID bonds/other debt	22,280,000	-	-	-	-	-	40,516,808
Other	5,472,112	13,507,570	14,387	1,325,725	727,861	-	718,629,235
Transfers from other funds	10,528,968	18,254,486	3,017,506	78,444,914	2,761,000	1,111,719	519,441,893
Insurance recoveries	-	-	-	-	-	-	21,100,000
Total Revenues and Other Financing Sources	\$ 41,879,978	\$ 66,127,742	\$ 17,725,905	\$ 111,879,213	\$ 189,433,668	\$ 1,111,719	\$ 1,938,095,557
Expenditures and Other Financing Uses							
Capital projects	\$ 38,674,378	\$ 59,519,185	\$ 17,361,251	\$ 90,688,672	\$ 189,211,368	\$ 1,070,827	\$ 1,758,273,732
Transfers to other funds	503,752	3,528,554	205,992	12,658,233	146,970	40,892	92,850,629
Total Expenditures and Other Financing Uses	\$ 39,178,130	\$ 63,047,739	\$ 17,567,243	\$ 103,346,905	\$ 189,358,338	\$ 1,111,719	\$ 1,851,124,361

Matanuska-Susitna Borough, Alaska

Solid Waste Enterprise Fund
Comparative Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 12,487,837	\$ 11,186,057
Receivables:		
Accounts	770,055	764,952
Allowance for doubtful accounts	(8,620)	(10,683)
Intergovernmental	100,220	366,001
Total Current Assets	13,349,492	12,306,327
Noncurrent Assets		
Restricted cash and investments - landfill closure	2,666,697	2,663,501
Net other postemployment benefits asset	231,497	12,576
Property, plant and equipment:		
Buildings	8,129,593	8,129,593
Improvements other than buildings	1,941,119	1,941,119
Equipment	3,696,175	3,900,925
Landfill cells	13,828,673	13,803,665
Construction in progress	3,816,283	1,104,671
Total property, plant and equipment	31,411,843	28,879,973
Accumulated depreciation and amortization	(13,990,412)	(13,948,147)
Net property, plant and equipment	17,421,431	14,931,826
Total Noncurrent Assets	20,319,625	17,607,903
Total Assets	33,669,117	29,914,230
Deferred Outflows of Resources		
Related to pensions	250,812	198,464
Related to other postemployment benefits	161,084	137,913
Total Deferred Outflows of Resources	411,896	336,377
Total Assets and Deferred Outflows of Resources	\$ 34,081,013	\$ 30,250,607
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 481,721	\$ 700,279
Accrued leave	144,079	139,984
Accrued interest payable	16,178	18,161
Current portion of loans payable	337,287	332,302
Total Current Liabilities	979,265	1,190,726
Noncurrent Liabilities		
Net pension liability	1,960,681	1,726,794
Net other postemployment benefits liability	5,679	10,354
Loans payable	10,216,441	10,371,143
Landfill closure costs payable	5,603,336	6,707,488
Total Noncurrent Liabilities	17,786,137	18,815,779
Total Liabilities	18,765,402	20,006,505
Deferred Inflows of Resources		
Related to pensions	-	51,116
Related to other postemployment benefits	188,813	46,065
Total Deferred Inflows of Resources	188,813	97,181
Net Position		
Net investment in capital assets	6,867,703	4,228,381
Unrestricted	8,259,095	5,918,540
Total Net Position	15,126,798	10,146,921
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 34,081,013	\$ 30,250,607

Matanuska-Susitna Borough, Alaska

Solid Waste Enterprise Fund
Comparative Statement of Revenues, Expenses, and
Changes in Net Position

<i>Years Ended June 30,</i>	2021	2020
Operating Revenues		
Charges for services	\$ 10,788,985	\$ 9,978,894
Operating Expenses		
Public service:		
Landfill operations	3,261,312	3,424,561
Adjustment for landfill closure liability	(1,104,152)	-
Transfer sites	2,997,827	3,959,296
Depreciation and amortization	570,612	616,318
Allocated administrative and billing expenses	67,027	65,921
Total Operating Expenses	5,792,626	8,066,096
Operating Income	4,996,359	1,912,798
Nonoperating Revenues (Expenses)		
Intergovernmental - PERS relief	70,809	66,348
Interest expense	(72,853)	(89,279)
Investment income	14,645	9,539
Gain (loss) on disposal of capital assets	(29,083)	8,150
Net Nonoperating (Revenues) Expenses	(16,482)	(5,242)
Change in Net Position	4,979,877	1,907,556
Net Position, beginning	10,146,921	8,239,365
Net Position, ending	\$ 15,126,798	\$ 10,146,921

Matanuska-Susitna Borough, Alaska

Solid Waste Enterprise Fund
Comparative Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows from Operating Activities		
Receipts from customers	\$ 11,047,600	\$ 9,916,198
Payments to suppliers	(3,773,489)	(3,992,769)
Payments to employees	(2,803,071)	(2,666,492)
Payments for interfund services used	(67,027)	(65,921)
Net cash flows from operating activities	4,404,013	3,191,016
Cash Flows for Capital and Related Financing Activities		
Purchases of property, plant and equipment	(2,899,229)	(1,397,203)
Sale of capital assets	10,100	8,150
Loans proceeds received	100,220	458,376
Principal and interest paid on loans	(324,773)	(407,137)
Net cash flows for capital and related financing activities	(3,113,682)	(1,337,814)
Cash Flows from Investing Activities - investment income	14,645	9,539
Net Increase in Cash and Investments	1,304,976	1,862,741
Cash and Investments, beginning of year	13,849,558	11,986,817
Cash and Investments, end of year	\$ 15,154,534	\$ 13,849,558
Reconciliation of Operating Income to Net Cash Flows from Operating Activities		
Operating income	\$ 4,996,359	\$ 1,912,798
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation and amortization	570,612	616,318
Noncash expense - PERS relief	70,809	66,348
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	258,615	(62,696)
Net other postemployment benefits asset	(218,921)	(12,576)
Deferred outflows of resources related to pension	(52,348)	5,232
Deferred outflows of resources related to other postemployment benefits	(23,171)	(12,198)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable, operations	(418,729)	279,769
Accrued leave	4,095	38,601
Net pension liability	233,887	103,519
Net other postemployment benefits liability	(4,675)	(321,682)
Landfill closure costs payable	(1,104,152)	635,921
Deferred inflows of resources related to pension	(51,116)	13,436
Deferred inflows of resources related to other postemployment benefits	142,748	(71,774)
Net Cash Flows from Operating Activities	\$ 4,404,013	\$ 3,191,016
Noncash Capital and Related Financing Activities -		
Purchases of property, plant and equipment on account	\$ 200,171	\$ -

Matanuska-Susitna Borough, Alaska

Port Enterprise Fund
Comparative Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Accounts receivable	\$ 15,588	\$ -
Noncurrent Assets		
Net other postemployment benefits asset	14,399	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	(14,672,264)	(13,556,215)
Net property, plant and equipment	26,661,679	27,777,728
Total Noncurrent Assets	26,676,078	27,778,509
Total Assets	26,691,666	27,778,509
Deferred Outflows of Resources		
Unamortized deferred loss on bonds	87,574	120,414
Related to pensions	82,510	79,254
Related to other postemployment benefits	10,019	10,406
Total Deferred Outflows of Resources	180,103	210,074
Total Assets and Deferred Outflows of Resources	\$ 26,871,769	\$ 27,988,583
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 42,450	\$ 27,999
Accrued leave	15,249	8,426
Accrued interest payable	29,233	35,787
Current portion of general obligation bonds	620,000	605,000
Total Current Liabilities	706,932	677,212
Noncurrent Liabilities		
Net pension liability	404,626	390,079
Net other postemployment benefits liability	353	8,326
Advance from General Fund	5,777,684	7,403,872
Lease credits payable	-	1,307,105
General obligation bonds, net of premium	1,476,364	2,155,001
Interfund loans payable	2,671,894	2,671,894
Total Noncurrent Liabilities	10,330,921	13,936,277
Total Liabilities	11,037,853	14,613,489
Deferred Inflows of Resources		
Related to pensions	-	8,307
Related to other postemployment benefits	11,744	6,046
Total Deferred Inflows of Resources	11,744	14,353
Net Position		
Net Investment in capital assets	24,652,889	25,138,141
Unrestricted (deficit)	(8,830,717)	(11,777,400)
Total Net Position	15,822,172	13,360,741
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 26,871,769	\$ 27,988,583

Matanuska-Susitna Borough, Alaska

Port Enterprise Fund
 Comparative Statement of Revenues, Expenses, and
 Changes in Net Position

Years Ended June 30,	2021	2020
Operating Revenues		
Charges for services	\$ 122,672	\$ 10,164
Operating Expenses		
Dock operations	561,110	625,553
Depreciation	1,116,049	1,116,048
Total Operating Expenses	1,677,159	1,741,601
Operating Loss	(1,554,487)	(1,731,437)
Nonoperating Revenues (Expenses)		
Intergovernmental - State sources:		
PERS relief	100	1,271
Senate bills	7,105	-
Interest expense	(75,012)	(97,032)
Gain on settlement from lease credits	1,307,105	3,873
Net Nonoperating Revenues (Expenses)	1,239,298	(91,888)
Loss Before Transfers	(315,189)	(1,823,325)
Transfers in	2,776,620	848,970
Transfers out	-	(78,005)
Change in Net Position	2,461,431	(1,052,360)
Net Position, beginning	13,360,741	14,413,101
Net Position, ending	\$ 15,822,172	\$ 13,360,741

Matanuska-Susitna Borough, Alaska

Port Enterprise Fund
Comparative Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows for Operating Activities		
Receipts from customers	\$ 114,189	\$ 10,164
Payments to suppliers	(408,345)	(496,620)
Payments to employees	(143,913)	(153,230)
Net cash flows for operating activities	(438,069)	(639,686)
Cash Flows From Noncapital Financing Activities		
Increase (decrease) in advance from General Fund	(1,626,188)	579,284
Transfers in	2,776,620	848,970
Transfers out	-	(78,005)
Net cash flows from noncapital financing activities	1,150,432	1,350,249
Cash Flows From (for) Capital and Related Financing Activities		
Principal and interest paid on bonds	(712,363)	(710,563)
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	\$ (1,554,487)	\$ (1,731,437)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	1,116,049	1,116,048
Nonoperating revenues	7,105	-
Noncash expense - PERS relief	100	1,271
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	(15,588)	-
Net other postemployment benefits asset	(13,618)	(781)
Deferred outflows of resources related to pension	(3,256)	325
Deferred outflows of resources related to other postemployment benefits	387	(758)
Increase (decrease) in liabilities and deferred inflows of resources:		
Net pension liability	14,547	6,430
Net other postemployment benefits liability	(7,973)	(19,981)
Accounts payable	14,451	(9,381)
Accrued leave	6,823	2,201
Deferred inflows of resources related to pension	(8,307)	835
Deferred inflows of resources related to other postemployment benefits	5,698	(4,458)
Net Cash Flows for Operating Activities	\$ (438,069)	\$ (639,686)
Noncash Capital and Related Financing Activities -		
Exercise of lease credits	\$ (1,307,105)	\$ (3,873)

Matanuska-Susitna Borough, Alaska

Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2021</i>	Revolving Loan	Self- Insurance	Totals
Assets			
Current Assets			
Cash and investments	\$ 924,559	\$ 31,756,123	\$ 32,680,682
Interfund loans receivable	48,072	-	48,072
Deposits with others	-	25,000	25,000
Total Current Assets	972,631	31,781,123	32,753,754
Interfund Loans Receivable, long-term	617,880	-	617,880
Total Assets	\$ 1,590,511	\$ 31,781,123	\$ 33,371,634
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Insurance claims incurred but not reported and claims payable	\$ -	\$ 1,976,153	\$ 1,976,153
Due to General Fund	162,451	-	162,451
Current portion of loans payable	20,672	-	20,672
Total Current Liabilities	183,123	1,976,153	2,159,276
Noncurrent Liabilities - loans payable	154,280	-	154,280
Total Liabilities	337,403	1,976,153	2,313,556
Net Position			
Unrestricted	1,253,108	29,804,970	31,058,078
Total Liabilities and Net Position	\$ 1,590,511	\$ 31,781,123	\$ 33,371,634

Matanuska-Susitna Borough, Alaska

Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Net Position

<i>Year Ended June 30, 2021</i>	Revolving Loan	Self- Insurance	Totals
Operating Revenues			
Intragovernmental	\$ -	\$ 12,306,620	\$ 12,306,620
Interest on loans	1,654	-	1,654
Employee contributions	-	1,868,282	1,868,282
Total Operating Revenues	1,654	14,174,902	14,176,556
Operating Expenses			
Claims	-	8,601,210	8,601,210
Administrative fees	-	1,446,415	1,446,415
Premium	-	277,649	277,649
Total Operating Expenses	-	10,325,274	10,325,274
Operating Income	1,654	3,849,628	3,851,282
Nonoperating Revenue - investment income	-	21,997	21,997
Income Before Transfers	1,654	3,871,625	3,873,279
Transfers out	(546)	-	(546)
Change in Net Position	1,108	3,871,625	3,872,733
Net Position, beginning	1,252,000	25,933,345	27,185,345
Net Position, ending	\$ 1,253,108	\$ 29,804,970	\$ 31,058,078

Matanuska-Susitna Borough, Alaska

Internal Service Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2021</i>	Revolving Loan	Self- Insurance	Totals
Cash Flows From (for) Operating Activities			
Principal payments received on loans	\$ 47,766	\$ -	\$ 47,766
Interest payments received on loans	1,654	-	1,654
Issuance of new loans	(300,000)	-	(300,000)
Principal payments on loans payable	(20,366)	-	(20,366)
Internal activity - payments from other funds	-	12,306,620	12,306,620
Receipts from employees and other	-	1,868,282	1,868,282
Payments for claims and services	-	(10,622,312)	(10,622,312)
Net cash flows from (for) operating activities	(270,946)	3,552,590	3,281,644
Cash Flows From Noncapital Financing Activities			
Increase in due to General Fund	162,451	-	162,451
Transfers out	(546)	-	(546)
Net cash flows from noncapital financing activities	161,905	-	161,905
Cash Flows From Investing Activities			
Investment income	-	21,997	21,997
Net Increase (Decrease) in Cash and Investments	(109,041)	3,574,587	3,465,546
Cash and Investments, beginning of year	1,033,600	28,181,536	29,215,136
Cash and Investments, end of year	\$ 924,559	\$ 31,756,123	\$ 32,680,682
Reconciliation of Operating Income to Net Cash Flows From (for) Operating Activities			
Operating income	\$ 1,654	\$ 3,849,628	\$ 3,851,282
Adjustments to reconcile operating income to net cash flows from (for) operating activities:			
Decrease in assets - loans receivable	(252,234)	-	(252,234)
Increase (decrease) in liabilities:			
Loans payable	(20,366)	-	(20,366)
Insurance claims incurred but not reported	-	(297,038)	(297,038)
Net Cash Flows From (for) Operating Activities	\$ (270,946)	\$ 3,552,590	\$ 3,281,644

Matanuska-Susitna Borough, Alaska

Revolving Loan Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2021</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
Assets				
Current Assets				
Cash and investments	\$ -	\$ 400,480	\$ 524,079	\$ 924,559
Interfund loans receivable	32,592	-	15,480	48,072
Total Current Assets	32,592	400,480	539,559	972,631
Interfund Loans Receivable, long-term	520,001	-	97,879	617,880
Total Assets	\$ 552,593	\$ 400,480	\$ 637,438	\$ 1,590,511
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Current portion of loans payable	\$ 5,192	\$ -	\$ 15,480	\$ 20,672
Due to General Fund	162,451	-	-	162,451
Total Current Liabilities	167,643	-	15,480	183,123
Noncurrent Liability - loans payable	56,401	-	97,879	154,280
Total Liabilities	224,044	-	113,359	337,403
Net Position				
Unrestricted	328,549	400,480	524,079	1,253,108
Total Liabilities and Net Position	\$ 552,593	\$ 400,480	\$ 637,438	\$ 1,590,511

Matanuska-Susitna Borough, Alaska

Revolving Loan Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Net Position

<i>Year Ended June 30, 2021</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
Operating Revenues				
Interest on loans	\$ 545	\$ 480	\$ 629	\$ 1,654
Transfers out	(546)	-	-	(546)
Change in Net Position	(1)	480	629	1,108
Net Position, beginning	328,550	400,000	523,450	1,252,000
Net Position, ending	\$ 328,549	\$ 400,480	\$ 524,079	\$ 1,253,108

Matanuska-Susitna Borough, Alaska

Revolving Loan Internal Service Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2021</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Totals
Cash Flows From (for) Operating Activities				
Principal payments received on loans	\$ 32,515	\$ -	\$ 15,251	\$ 47,766
Interest payments received on loans	545	480	629	1,654
Issuance of new loans	(300,000)	-	-	(300,000)
Principal payments on loans payable	(5,115)	-	(15,251)	(20,366)
Net cash flows from (for) operating activities	(272,055)	480	629	(270,946)
Cash Flows From Noncapital Financing Activities				
Increase in due to General Fund	162,451	-	-	162,451
Transfers out	(546)	-	-	(546)
Net cash flows from noncapital financing activities	161,905	-	-	161,905
Net Increase (Decrease) in Cash and Investments	(110,150)	480	629	(109,041)
Cash and Investments, beginning of year	110,150	400,000	523,450	1,033,600
Cash and Investments, end of year	\$ -	\$ 400,480	\$ 524,079	\$ 924,559
Reconciliation of Operating Income to Net Cash				
Flows From (for) Operating Activities				
Operating income	\$ 545	\$ 480	\$ 629	\$ 1,654
Adjustments to reconcile operating income to net cash flows from (for) operating activities:				
(Increase) decrease in loans receivable	(267,485)	-	15,251	(252,234)
Decrease in loans payable	(5,115)	-	(15,251)	(20,366)
Net Cash Flows from (for) Operating Activities	\$ (272,055)	\$ 480	\$ 629	\$ (270,946)

Matanuska-Susitna Borough, Alaska

Self-Insurance Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2021</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Assets					
Current Assets					
Cash and investments	\$ 772,074	\$ 19,687,050	\$ 1,500,000	\$ 9,796,999	\$ 31,756,123
Deposits with others	-	-	-	25,000	25,000
Total Current Assets	\$ 772,074	\$ 19,687,050	\$ 1,500,000	\$ 9,821,999	\$ 31,781,123
Liabilities and Net Position					
Current Liabilities					
Insurance claims incurred but not reported and claims payable	\$ -	\$ 1,873,051	\$ -	\$ 103,102	\$ 1,976,153
Net Position					
Unrestricted	772,074	17,813,999	1,500,000	9,718,897	29,804,970
Total Liabilities and Net Position	\$ 772,074	\$ 19,687,050	\$ 1,500,000	\$ 9,821,999	\$ 31,781,123

Matanuska-Susitna Borough, Alaska

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

<i>Year Ended June 30, 2021</i>	Unemploy- ment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Operating Revenues					
Intragovernmental	\$ 185,853	\$ 10,387,337	\$ -	\$ 1,733,430	\$ 12,306,620
Employee contributions	-	1,868,282	-	-	1,868,282
Total Operating Revenues	185,853	12,255,619	-	1,733,430	14,174,902
Operating Expenses					
Claims	88,939	8,289,947	-	222,324	8,601,210
Administrative fees	-	1,407,307	-	39,108	1,446,415
Premium	-	-	-	277,649	277,649
Total Operating Expenses	88,939	9,697,254	-	539,081	10,325,274
Operating Income	96,914	2,558,365	-	1,194,349	3,849,628
Nonoperating Revenue -					
investment income	-	21,997	-	-	21,997
Change in Net Position	96,914	2,580,362	-	1,194,349	3,871,625
Net Position, beginning	675,160	15,233,637	1,500,000	8,524,548	25,933,345
Net Position, ending	\$ 772,074	\$ 17,813,999	\$ 1,500,000	\$ 9,718,897	\$ 29,804,970

Matanuska-Susitna Borough, Alaska

Self-Insurance Internal Service Funds

Combining Statement of Cash Flows

<i>Year Ended June 30, 2021</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	\$ 185,853	\$ 10,387,337	\$ -	\$ 1,733,430	\$ 12,306,620
Receipts from employees and other	-	1,868,282	-	-	1,868,282
Payments for claims and services	(88,939)	(9,586,959)	-	(946,414)	(10,622,312)
Net cash flows from operating activities	96,914	2,668,660	-	787,016	3,552,590
Cash Flows From Investing Activities					
Investment income	-	21,997	-	-	21,997
Net Increase in Cash and Investments	96,914	2,690,657	-	787,016	3,574,587
Cash and Investments, beginning of year	675,160	16,996,393	1,500,000	9,009,983	28,181,536
Cash and Investments, end of year	\$ 772,074	\$ 19,687,050	\$ 1,500,000	\$ 9,796,999	\$ 31,756,123
Reconciliation of Operating Income to Net Cash Flows From Operating Activities					
Operating income	\$ 96,914	\$ 2,558,365	\$ -	\$ 1,194,349	\$ 3,849,628
Adjustments to reconcile operating income to net cash flows from operating activities:					
Insurance claims incurred but not reported	-	110,295	-	(407,333)	(297,038)
Net Cash Flows from Operating Activities	\$ 96,914	\$ 2,668,660	\$ -	\$ 787,016	\$ 3,552,590

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Matanuska-Susitna Borough, Alaska

Exhibit N-1

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Provided to Subrecipients	Total Federal Expenditures
Department of Agriculture					
Forest Service Schools and Roads Cluster - Schools and Roads - Grants to States	10.665		\$ 18,706	\$ -	\$ 18,706
Passed through State of Alaska, Department of Natural Resources:					
Cooperative Forestry Assistance - Spruce Beetle Migration	10.664	19-DG-11100106-810	50,000	-	49,572
Cooperative Forestry Assistance - FY20 Willow VFD	10.664	Alaska 17 CPG	7,500	-	7,500
Cooperative Forestry Assistance - FY20 Talkeetna VFD	10.664	Alaska 17 CPG	7,500	-	7,500
Cooperative Forestry Assistance - FY20 Caswell LKS VFD	10.664	Alaska 17 CPG	7,500	-	7,500
Cooperative Forestry Assistance - FY20 Sutton VFD	10.664	Alaska 17 CPG	7,500	-	7,500
Total Assistance Listing 10.664				-	79,572
Total Department of Agriculture				-	98,278
Department of Commerce					
Passed through State of Alaska, Department of Fish and Game: Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	AKSSF-52008	355,000	-	156,666
Department of Homeland Security					
Passed through State of Alaska, Department of Military and Veterans Affairs:					
Homeland Security Grant Program - 2018	97.067	20SHSP-GY18	50,882	-	50,548
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
2018 Cook Inlet Earthquake	97.036	DR-4094-AK	4,537,918	-	787,456
COVID Response	97.036	DR-4533-AK	157,977	-	157,977
Total Assistance Listing 97.036				-	945,433
Hazard Mitigation Grant - Butte River Erosion Mitigation	97.039	4162.0004	2,526,075	-	401,341
Total Passed through State of Alaska Department of Military and Veterans Affairs				-	1,397,322
Passed through State of Alaska Department of Health and Social Services - Emergency Management Performance Grant	97.042	20EMPG-GY20	160,000	-	134,774
Passed through International Association of Fire Chiefs - Assistance to Firefighters Grant	97.044	EMW-2018-FP-00279	7,000	-	2,504
Total Department of Homeland Security				-	1,534,600
Department of the Interior					
Payments in Lieu of Taxes	15.226		3,843,322	-	3,843,322
Fish and Wildlife Management Assistance:					
Mat-Su Fish Passage 2020	15.608		1,544,015	-	133,830
Mat-Su Fish Passage 2025	15.608		189,076	-	9,752
Total Assistance Listing 15.608				-	143,582
Fish and Wildlife Cluster					
Passed through State of Alaska, Fish and Wildlife - Wildlife Restoration and Basic Hunter Education					
	15.611	19-056	646,500	-	301,397
Passed through United States Geological Survey					
National Geospatial Program: Building The National Map	15.817	19EGJFAAK002	249,390	-	249,390

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

Matanuska-Susitna Borough, Alaska

Exhibit N-1, continued

**Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Provided 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	02-19-171384	\$ 23,042	\$ -	\$ 18,122
Settlers Bay Cultural Resources Survey, Phase I	15.904	FY 2021	14,262	-	14,262
Total Assistance Listing 15.904				-	32,384
Total Department of the Interior				-	4,570,075
Department of Transportation					
Public Transportation Innovation -					
Centralized Mobility Management Software Project	20.530		231,191	-	67,956
Highway Planning and Construction Cluster:					
Passed through State of Alaska, Department of Transportation:					
Highway Planning and Construction:					
Pre-MOP Planning	20.205	CF-HWY-00024	200,000	-	103,523
Construction - Arterial Related Planning Initiatives	20.205	CF-HWY-00024	840,000	-	131,048
Total Assistance Listing 20.205				-	234,571
Passed through State of Alaska, Department of Natural Resources - Recreational Trails Program -					
Settlers Bay Coastal Park Interpretive Trail Signage	20.219	1079500650	28,800	-	28,763
Total Highway Planning and Construction Cluster				-	263,334
Total Department of Transportation				-	331,290
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	-	37,797,821
Total Department of the Treasury				-	37,797,821
Department of Health and Human Services					
Passed through the State of Alaska, Department of Health and Social Services -					
Public Health Emergency Preparedness	93.069	601-299-21002	40,000	-	27,265
Total Expenditures of Federal Awards				\$ -	\$ 44,515,995

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

Matanuska-Susitna Borough, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Matanuska-Susitna Borough (the Borough) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

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

4. Assistance Listing Number 97.036

The Borough reported the Disaster Grants - Public Assistance (Presidentially Declared Disasters) expenditures of \$170,193 on the Schedule for the year ended June 30, 2021, which were associated with prior year expenditures.

Matanuska-Susitna Borough, Alaska

Schedule of State Financial Assistance

Year Ended June 30, 2021

State Grantor / Pass-Through Grantor Program Title	Award Number	Award Amount	Passed Through to Subrecipients	State Expenditures
Department of Commerce, Community and Economic Development				
* Community Assistance Program	FY 2021	\$ 5,541,324	\$ -	\$ 1,112,076
Marijuana Shared Revenue	FY 2021	34,800	-	34,800
Port MacKenzie Cathodic Protection	14-DC-085	2,500,000	-	7,105
South Big Lake Road Realignment	13-RR-016	4,704,775	-	27,490
Road Bond Package State Match	13-DC-632	32,200,000	-	10,031
Michelle Dr and Gina Circle Reconstruction	14-DC-083	160,000	-	106,723
Rail Extension to Port MacKenzie	15-DC-104	13,000,000	-	4,056
* River Management	14-DC-087	2,500,000	-	468,530
Port MacKenzie Rail Extension	13-DC-630	23,500,000	-	(10,000)
Joe Redington Sr / Jr High School Utilities Extension	15-DC-102	900,000	-	(4,167)
Total Department of Commerce, Community and Economic Development			-	1,756,644
Department of Education and Early Development				
Alaska Public Library Assistance FY21 Big Lake	PLA21BIG	7,000	-	7,000
Alaska Public Library Assistance FY21 Talkeetna	PLA21TALKE	7,000	-	7,000
Alaska Public Library Assistance FY21 Trapper Ck	PLA21TRAPP	7,000	-	7,000
Alaska Public Library Assistance FY21 Sutton	PLA21SUTTO	7,000	-	7,000
Alaska Public Library Assistance FY21 Willow	PLA21WILLO	7,000	-	7,000
Total Department of Education and Early Development			-	35,000
Department of Health and Social Services				
* Human Services Community Matching Grant FY21	605-231-21003	296,807	-	296,807
Department of Transportation & Public Facilities				
Felton Street Project	TORA 12/2/20	2,400,000	-	8,649
Department of Revenue				
* Electric and Telephone Shared Revenue	FY 2021	674,806	-	674,806
Fisheries Business Share Tax	FY 2021	250	-	250
Total Department of Revenue			-	675,056

See accompanying notes to the Schedule of State Financial Assistance.

Matanuska-Susitna Borough, Alaska

Schedule of State Financial Assistance, continued
Year Ended June 30, 2021

State Grantor/Pass-Through Grantor Program Title	Award 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	4162.0004	\$ 842,025	\$ -	\$ 133,780
* Cook Inlet Earthquake - 2018	DR-4413-AK	1,512,639	-	262,485
* FHWA Cost Share (Roads & Bridges) 2018 Cook Inlet Earthquake	AK-18-265	1,130,227	-	1,130,227
Total Passed through U.S. Department of Homeland Security			-	1,526,492
Total Department of Military and Veterans Affairs			-	1,526,492
Department of Natural Resources				
August Complex Fire FY2021	IT-2020-0001	31,512	-	31,512
Department of Administration				
* PERS Relief	FY 2021	2,457,704	-	2,457,704
Total State Financial Assistance			\$ -	\$ 6,787,864

See accompanying notes to the Schedule of State Financial Assistance.

Matanuska-Susitna Borough, Alaska

Notes to the Schedule of State Financial Assistance Year Ended June 30, 2021

1. Major Program Notation

* Denotes a major program.

2. Basis of Presentation

The accompanying schedule of state financial assistance (the “Schedule”) includes the state award activity of Matanuska-Susitna Borough (the Borough) under programs of the State of Alaska for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

4. PERS On-Behalf

The Borough has recorded \$2,457,704 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 FY21.

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.

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	181-186
<u>Revenue Capacity</u>		
These schedules contain information to help the reader assess the factors affecting the Borough's ability to generate it's property taxes.	6-9	187-191
<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	192-197
<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	198-199
<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	200-202

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

	<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets										
Restricted	\$ 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	\$ 745,878,376
Unrestricted (deficit)	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	2,841,498
Total governmental activities net position	<u>\$ 612,248,877</u>	<u>\$ 667,550,826</u>	<u>\$ 742,903,666</u>	<u>\$ 790,669,737</u>	<u>\$ 848,151,528</u>	<u>\$ 869,501,636</u>	<u>\$ 886,573,276</u>	<u>\$ 907,154,654</u>	<u>\$ 935,995,977</u>	<u>\$ 953,589,763</u>
Business-type activities										
Net investment in capital assets										
Restricted	\$ 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	\$ 31,520,592
Unrestricted (deficit)	(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)	(571,622)
Total business-type activities net position	<u>\$ 33,250,652</u>	<u>\$ 32,785,512</u>	<u>\$ 23,851,571</u>	<u>\$ 23,425,006</u>	<u>\$ 20,228,910</u>	<u>\$ 19,723,519</u>	<u>\$ 21,843,039</u>	<u>\$ 22,652,466</u>	<u>\$ 23,507,662</u>	<u>\$ 30,948,970</u>
Primary government										
Net investment in capital assets										
Restricted	\$ 499,775,809	\$ 544,848,059	\$ 618,024,422	\$ 689,570,496	\$ 742,668,746	\$ 747,612,723	\$ 760,516,660	\$ 783,771,947	\$ 773,086,966	\$ 777,398,968
Unrestricted (deficit)	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	2,841,498
Total primary government net position	<u>\$ 645,499,529</u>	<u>\$ 700,336,338</u>	<u>\$ 766,755,237</u>	<u>\$ 814,094,743</u>	<u>\$ 868,380,438</u>	<u>\$ 889,225,155</u>	<u>\$ 908,416,315</u>	<u>\$ 929,807,120</u>	<u>\$ 959,503,639</u>	<u>\$ 984,538,733</u>

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 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	22,678,287
Public works	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	1,515,018
Emergency services	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	52,649,599
Public services	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	49,065,973
Education	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	75,745,073
Interest	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	9,178,382
Total governmental activities expenses	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	210,832,332
Business-type activities:										
Solid waste	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	5,865,479
Port	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	1,752,171
Total business-type activities expenses	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	7,617,650
Total primary government expenses	\$ 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	218,449,982
Program Revenues (see Schedule 3)										
Governmental activities:										
Fees, fines, and charges for services:										
General government	\$ 424,821	526,033	528,579	585,129	456,938	1,966,442	715,602	192,015	865,630	1,046,132
Public works	60,634	77,374	59,317	186,843	114,475	140,215	254,899	104,484	80,274	21,737
Emergency services	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	6,142,877
Public services	-	-	-	-	-	4,304,319	2,168,518	1,679,081	2,142,186	2,572,908
Education	1,499,207	1,809,999	3,193,367	2,390,785	3,525,098	-	361,258	393,300	474,750	393,300
Operating grants and contributions	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	40,221,320
Capital grants and other contributions	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	6,103,893
Total governmental activities program revenues	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	56,502,167
Business-type activities:										
Fees, fines, and charges for services:										
Solid waste	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	10,788,985
Port	24,505	74,737	22,851	102,134	292,936	232,139	10,290	13,816	14,037	122,672
Operating grants and contributions	754,613	1,225,263	707,350	773,840	769,065	736,295	3,150,125	2,640	67,619	78,014
Capital grants and other contributions	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	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	10,989,671
Total primary government program revenues	\$ 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	67,491,838
Net (Expenses)/Revenue										
Governmental activities	\$ (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)	(154,330,165)
Business-type activities	(367,276)	(620,888)	(759,876)	2,102,432	(2,012,742)	(417,783)	1,766,497	83,239	66,542	3,372,021
Total primary government net expense	\$ (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)	(150,958,144)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	148,890,573
Excise taxes	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	10,854,422
Transient accommodation taxes	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	1,054,391
Grants and entitlements not restricted to a specific purpose	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	4,910,290
Investment income	443,957	483,938	1,306,079	1,043,112	366,486	1,320,781	1,663,174	8,598,388	6,355,169	(505,867)
Other	292,565	347,299	721,061	704,245	749,135	741,802	339,052	1,804,695	3,570,155	2,088,668
Extraordinary items	-	-	(12,319,299)	-	(2,587,548)	-	-	-	-	-
Transfers	(100,000)	-	-	(1,354,373)	-	96,487	(700,000)	(698,980)	(770,965)	(2,776,620)
Special items	-	-	-	-	-	3,031,370	-	-	-	6,000,000
Total governmental activities	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	170,515,857
Business-type activities:										
Grants and entitlements not restricted to a specific purpose	111,833	149,927	132,341	-	-	-	-	-	-	-
Investment income	3,576	4,477	-	-	574	8,879	10,233	13,708	9,539	14,645
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(29,083)
Gain on settlement from lease credits	-	-	-	-	-	-	-	-	-	1,307,105
Other	4,015	1,344	460	108,775	-	-	-	13,500	-	-
Extraordinary items	-	-	(2,598,884)	(3,000,000)	(2,937,431)	-	-	-	8,150	-
Transfers	100,000	-	-	1,354,373	2,587,548	(96,487)	700,000	698,980	770,965	2,776,620
Total business-type activities	219,424	155,748	(2,466,083)	(1,536,852)	(349,309)	(87,608)	710,233	726,188	788,654	4,069,287
Total primary government	\$ 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	174,585,144
Change in Net Position										
Governmental activities	\$ 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	16,185,692
Business-type activities	(147,852)	(465,140)	(3,225,959)	565,580	(2,362,051)	(505,391)	2,476,730	809,427	855,196	7,441,308
Total primary government	\$ 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	23,627,000

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Governmental activities:										
General government	\$ 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	8,418,269
Public works	7,871,216	10,130,146	5,234,620	31,935,911	35,498,579	2,756,713	361,018	147,422	123,509	225,147
Emergency services	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	23,759,837
Public services	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	23,705,614
Education	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	393,300
Subtotal governmental activities	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	56,502,167
Business-type activities:										
Solid waste	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	10,859,794
Port	1,850,938	1,876,498	788,678	2,969,549	2,848,880	956,819	3,133,026	733,547	15,308	129,877
Subtotal business-type activities	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	10,989,671
Total primary government	\$ 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	67,491,838

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

	<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 754,433	535,315	797,507	1,358,788	2,090,291	1,236,917	1,270,027	1,348,074	753,530	6,666,942
Restricted	-	-	-	-	-	-	-	78,660	117,990	157,320
Committed	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	30,284,536
Assigned	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	17,845,316
Unassigned	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	8,307,616
Total general fund	<u>\$ 54,032,443</u>	<u>58,578,995</u>	<u>59,768,438</u>	<u>59,301,187</u>	<u>58,521,351</u>	<u>52,811,942</u>	<u>55,210,033</u>	<u>52,780,617</u>	<u>69,095,606</u>	<u>63,261,730</u>
All Other Governmental Funds										
Nonspendable	316,604	161,997	503,533	821,311	391,023	178,196	52,734	126,473	14,953	40,179
Restricted	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	5,747,552
Committed	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	4,113,262
Assigned	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	143,181,857
Unassigned (deficit)	<u>(227,590)</u>	<u>(303,377)</u>	<u>(180,108)</u>	<u>(201,255)</u>	<u>(467,984)</u>	<u>(488,615)</u>	<u>(247,087)</u>	-	<u>(42,030)</u>	<u>(550,311)</u>
Total all other governmental funds	<u>\$ 214,551,692</u>	<u>212,814,188</u>	<u>209,599,314</u>	<u>195,815,032</u>	<u>134,074,982</u>	<u>160,098,286</u>	<u>145,033,419</u>	<u>138,536,175</u>	<u>131,770,236</u>	<u>152,532,539</u>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes										
Property	\$ 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	150,107,167
Transient accommodations	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	1,054,391
Excise	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	10,854,422
Intergovernmental	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	51,235,503
Charges for services	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	10,112,888
Sales Taxes	-	-	-	-	-	-	-	1,083,732	-	-
Investment income	389,963	573,412	876,148	996,637	364,710	1,293,704	1,638,923	8,572,873	6,339,318	(529,518)
Interest on land sales	42,442	25,332	16,009	12,060	22,164	21,701	34,897	54,373	56,227	68,304
Other revenues	548,879	393,074	743,758	1,415,641	799,151	2,869,207	2,046,196	1,649,747	3,952,868	2,126,206
Total revenues	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	225,029,363
Expenses										
General government	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	25,858,865
Public works	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	4,154,577
Emergency services	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	37,999,689
Public services	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	47,595,061
Education	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	62,310,148
Debt service										
Interest	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	11,074,556
Principal	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	18,910,072
Capital outlay	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	14,713,022
Total expenditures	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	222,615,990
Excess of revenues over (under) expenditures	(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)	2,413,373
Other Financing Sources (Uses)										
Proceeds from disposal of capital assets	10,756	50,165	34,370	26,427	76,637	17,821	62,745	34,595	101,547	58,240
Insurance Proceeds	-	-	-	-	-	-	-	6,000,000	10,000,000	5,100,000
Transfers in	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	105,015,572
Transfers out	(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)	(107,791,646)
Bond issuance	100,480,000	24,465,000	47,240,000	94,105,000	-	60,826,426	-	-	70,260,000	-
Premium on bond issuance	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	471,225
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)	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	2,853,391
Special items	-	-	-	-	-	-	-	-	-	6,000,000
Net change in fund balances	\$ 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	11,266,764
Debt service as a percentage of noncapital expenditures										
	12.24%	14.54%	14.90%	15.36%	16.98%	15.46%	22.70%	19.26%	18.35%	9.50%
Debt Service	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	29,984,628
Noncapital outlay	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	315,694,614

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	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
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
2021	13,608,734,168	56,075,491	2,409,835,751	11,254,973,908	10.322	13,037,335,724	86.33

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	Nonareawide Borough	City of Palmer	City of Houston	2	4	7	8	9
2012	10.051	0.425	3.00	3.00	2.94	3.96	1.32	8.22	2.58
2013	9.691	0.489	3.00	3.00	3.05	4.06	1.39	4.00	2.78
2014	9.852	0.520	3.00	3.00	3.05	4.41	1.39	4.00	2.78
2015	9.662	0.520	3.00	3.00	3.24	4.59	1.39	-	2.78
2016	9.984	0.517	3.00	3.00	3.43	4.82	1.07	-	2.78
2017	9.984	0.525	3.00	3.00	3.43	4.59	0.91	-	2.78
2018	10.332	0.548	3.00	3.00	3.43	4.59	0.91	-	2.78
2019	10.331	0.548	3.00	3.00	3.43	4.59	0.91	-	2.78
2020	10.386	0.057	3.00	3.00	3.43	4.59	0.91	-	2.78
2021	10.322	0.051	3.00	3.00	3.43	4.59	0.91	-	2.78

Fiscal Year	Overlapping Rates								
	14	15	16	17	19	20	21	23	24
2012	1.66	4.11	1.50	2.75	2.51	3.62	2.57	4.29	1.84
2013	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59	1.95
2014	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59	1.95
2015	1.77	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2016	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2017	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2018	1.85	4.10	1.50	2.92	2.50	3.50	2.57	4.59	2.04
2019	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2020	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	2.04
2021	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	3.04

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)

Fiscal Year	Overlapping Rates							
	25	26	27	28	29	30	31	35
2012	1.61	3.23	3.24	2.00	2.73	3.97	3.68	1.29
2013	1.73	3.45	3.48	2.00	2.89	4.41	3.68	1.37
2014	1.73	3.45	3.48	2.00	2.89	4.41	3.68	1.46
2015	1.73	3.45	3.48	2.00	2.89	4.41	3.68	1.34
2016	1.73	3.45	3.48	2.00	3.01	4.41	3.68	2.75
2017	1.73	3.45	3.48	1.99	3.01	4.41	3.68	2.75
2018	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2019	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2020	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2021	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75

Fiscal Year	Overlapping Rates						
	69	130	131	132	135	136	Jimmy's Drive
2012	8.21	1.92	3.68	0.88	3.00	1.56	-
2013	9.12	1.97	4.13	0.88	2.96	1.67	-
2014	9.12	1.99	3.24	0.90	2.96	1.67	-
2015	9.12	1.99	3.24	0.90	2.96	1.78	-
2016	9.12	1.99	3.24	0.94	3.21	1.88	-
2017	9.40	2.15	3.24	0.96	3.21	2.20	-
2018	9.40	2.15	3.24	0.96	3.21	2.20	-
2019	9.40	2.15	3.24	0.96	3.21	2.20	-
2020	9.40	2.15	3.24	0.96	3.21	2.20	-
2021	9.40	2.15	3.24	0.96	3.21	2.20	5.03

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

Taxpayer	2021			2012		
	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	\$ 127,439,000	1	1.13 %	\$ 101,270,500	1	1.19 %
Enstar Natural Gas	65,905,700	2	0.59	42,266,800	2	0.50
Fred Meyer Stores, Inc.	52,913,795	3	0.47	39,725,355	4	0.47
Alaska Hotel Properties, Inc.	39,852,800	4	0.35	40,972,100	3	0.48
Maple Springs	34,335,400	5	0.31			
Wal-Mart Stores, Inc.	28,331,726	6	0.25	28,967,327	6	0.34
GCI Cable/Alaska Wireless	26,489,700	7	0.24	20,469,700	9	0.24
Global Finance & Investments S.A./						
Gary Lundgren	24,803,100	8	0.22	25,792,600	7	0.30
DBC, LLC/Target	20,536,562	9	0.18	22,553,922	8	0.26
CATC Alaska Tourism Corp	18,417,300	10	0.16			
Cook Inlet Region, Inc.				34,793,894	5	0.41
Alaska Pipeline Co.				20,164,300	10	0.24
Total	\$ <u>439,025,083</u>		<u>3.90</u> %	\$ <u>376,976,498</u>		<u>4.43</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
2012	114,442,314	8,325,740	106,116,574	101,881,857	96.01	4,131,549	106,013,406	99.90
2013	114,904,572	8,834,593	106,069,979	102,321,617	96.47	3,541,349	105,862,966	99.80
2014	118,906,810	8,920,224	109,986,586	106,109,708	96.48	3,569,424	109,679,132	99.72
2015	121,650,445	9,906,339	111,744,106	108,285,996	96.91	3,174,507	111,460,503	99.75
2016	130,590,976	11,295,573	119,295,403	116,527,024	97.68	2,248,227	118,775,251	99.56
2017	138,589,875	12,166,401	126,423,474	122,648,889	97.01	2,795,615	125,444,504	99.23
2018	146,304,207	13,588,979	132,715,228	126,903,605	95.62	3,607,910	130,511,515	98.34
2019	152,062,345	14,943,337	137,119,008	133,194,431	97.14	1,829,970	135,024,401	98.47
2020	156,626,653	16,182,950	140,443,703	135,753,457	96.66	1,245,222	136,998,679	97.55
2021	162,608,723	16,811,110	145,797,613	142,251,044	97.57	-	142,251,044	97.57

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			
2012	262,845,000	6,390,000	347,777	15,848,933	-	6,665,000	4,561,767	684,094	297,342,571	7.08	3,101
2013	270,410,000	5,645,000	329,698	18,592,433	-	6,200,000	4,434,462	625,457	306,237,050	6.84	3,122
2014	299,455,000	13,450,000	311,347	22,851,440	-	5,735,000	4,346,366	566,821	346,715,974	7.29	3,431
2015	335,920,000	12,195,000	292,721	33,411,389	-	5,250,000	4,395,179	508,184	391,972,473	8.40	3,765
2016	314,755,000	10,885,000	6,781,005	30,910,711	-	4,750,000	6,147,994	449,547	374,679,257	7.89	3,527
2017	313,680,000	20,585,000	7,490,499	36,422,155	-	4,230,000	5,956,722	390,911	388,755,287	7.72	3,629
2018	290,020,000	19,130,000	7,248,163	33,744,998	-	3,690,000	6,857,169	332,274	361,022,604	7.33	3,333
2019	269,440,000	17,610,000	7,759,268	31,129,886	-	3,125,000	10,572,460	273,637	339,910,251	6.50	3,152
2020	255,315,000	16,030,000	13,619,797	22,343,617	-	2,545,000	10,703,445	215,001	320,771,860	6.12	2,989
2021	238,260,000	14,400,000	13,832,281	20,164,302	-	1,940,000	10,553,728	156,364	299,306,675	N/A	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.

N/A - Not available

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

<u>Fiscal Year</u>	<u>Net General Bonded Debt Outstanding</u>			<u>Percentage of Total Taxable Assessed Value of Property*</u>	<u>Per Capita**</u>
	<u>General Obligation Bonds</u>	<u>Debt Service Monies Available</u>	<u>Total</u>		
2012	286,043,027	1,038,091	285,004,936	3.34	2,973
2013	295,827,890	1,041,305	294,786,585	3.39	3,005
2014	328,608,261	1,106,592	327,501,669	3.64	3,241
2015	375,089,573	1,100,905	373,988,668	4.04	3,592
2016	350,865,258	957,077	349,908,181	3.59	3,294
2017	354,723,066	4,789,381	349,933,685	3.50	3,267
2018	327,787,272	4,893,305	322,893,967	3.11	2,981
2019	303,968,523	6,017,111	297,951,412	2.77	2,763
2020	288,010,815	5,339,817	282,670,998	2.51	2,634
2021	260,520,666	16,671,081	243,849,585	2.17	2,272

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, 2021

Governmental Unit	Debt Outstanding	Percentage Applicable to the Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 197,590,000	100%	\$ 197,590,000
Certificates of Participations-Public Safety Building	13,385,000	100%	13,385,000
Certificates of Participations-Animal Care Facility	1,015,000	100%	1,015,000
Notes Payable-Ak Clean Water Fund Loans	18,087,565	100%	18,087,565
Notes Payable-USDA	6,298,444	100%	6,298,444
Parks and Recreation	18,230,000	100%	18,230,000
Transportation	22,440,000	100%	22,440,000
Port	1,940,000	100%	1,940,000
	<u>278,986,009</u>		<u>278,986,009</u>
Unamortized bond premiums	20,320,666	100%	20,320,666
Total	\$ <u><u>299,306,675</u></u>		\$ <u><u>299,306,675</u></u>
City Within the Borough, (Palmer) General Obligation Bonds as of June 30, 2021			
Palmer Ice Rink	\$ <u>390,000</u>	100%	<u>390,000</u>
Total	\$ <u><u>390,000</u></u>		\$ <u><u>390,000</u></u>
Net Direct and Overlapping Debt			\$ <u><u>299,696,675</u></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 and business-type activities.

MATANUSKA-SUSITNA BOROUGH
General Obligation Debt
As of June 30, 2021

Total Direct Debt	\$ 299,306,675
Total Overlapping Debt	<u>390,000</u>
Total Direct and Overlapping Debt	<u>299,696,675</u>
FY2021 Certified Taxable Assessed Value	11,254,973,908
FY2021 Estimated Borough Population*	107,305
Ratio of:	
Direct Debt to FY2021 Certified Taxable Assessed Value	2.66%
Direct and Overlapping Debt to FY2021 Certified Taxable Assessed Value	2.66%
Per Capita:	
FY2021 Certified Taxable Assessed Value	\$ 104,888
Direct Debt	2,789
Direct and Overlapping Debt	2,793
Debt Amortization:	
Within 5 years	44%
Within 10 years	82%

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 2021

Total taxable assessed value	\$ 11,254,973,908
Debt Limit (7% of total taxable assessed value)	787,848,174
Total debt applicable to limit	<u>240,200,000</u>
Legal debt margin	<u>\$ 547,648,174</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 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	\$ 787,848,174
Total debt applicable to limit	<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>	<u>240,200,000</u>
Legal debt margin	<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>	<u>\$ 547,648,174</u>
Total debt applicable to the as a percentage of debt limit	46%	50%	48%	53%	49%	47%	42%	37%	34%	30%

MATANUSKA-SUSITNA BOROUGH
School Construction General Obligation Bonds
As of June 30, 2021

Outstanding School Bonds and SOA Reimbursement Eligibility

Bond Issue	Total Bond Issue	Outstanding Balance	Final Maturity	Reimbursement Eligibility
2007 Series A	\$ 33,505,000	\$ 10,560,000	4/1/2025	64.0076%
2012 Series A	91,770,000	8,930,000	3/1/2032	70.0000%
2012 Series B	8,710,000	1,240,000	3/1/2024	63.3500%
2013 Series A	13,290,000	2,515,000	3/1/2025	70.0000%
2014 Series B	29,400,000	22,590,000	11/1/2034	70.0000%
2015 Series A	37,350,000	13,695,000	2/1/2026	66.5629%
2015 Series B	55,195,000	43,865,000	11/1/2034	70.0000%
2016 Series A	31,690,000	30,780,000	7/1/2030	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) Population	(2) Personal Income <i>(thousands of dollars)</i>	Per Capita Income	(3) School Enrollment	(4) Unemployment Rate	
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	5,553,188	50.386	19,609	7.6
2021		107,305	N/A	N/A	18,354	6.9

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	2021		2012	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	5,225	1	4,417	1
Educational and Health Services	5,031	2	3,707	2
Local Government	3,250	3	3,045	3
Leisure and Hospitality	2,509	4	2,516	4
Construction	2,718	5	1,505	5
Professional and Business Services	1,407	6	1,159	7
State Government	1,415	7	1,185	6
Other Services	891	8	743	8
Financial Activities	867	9	738	9
Information	469	10	642	10
Manufacturing	300	11	209	12
Federal Government	317	12	216	11
Natural Resources and Mining	242	13	182	13
Unclassified Employers	16	14	38	14
Total	24,657		20,302	

Source: Alaska Department of Labor, Research and Analysis

Note: Beginning in 2012, according to the Alaska Department of Labor, their nondisclosure 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>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	148.550	149.700	145.590	141.000	141.850	141.900	142.900	155.800	151.990	156.540
Public works	54.000	54.000	54.010	63.000	66.010	66.000	66.000	62.000	65.900	67.000
Emergency services	45.000	49.850	51.850	62.850	71.850	71.500	71.750	72.690	108.260	126.170
Public services	36.690	36.940	37.290	36.090	34.490	32.990	33.040	32.190	32.240	31.690
Total	<u>284.240</u>	<u>290.490</u>	<u>288.740</u>	<u>302.940</u>	<u>314.200</u>	<u>312.390</u>	<u>313.690</u>	<u>322.680</u>	<u>358.390</u>	<u>381.400</u>

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>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Planning										
Comprehensive and special land use district plans in process	4	4	3	3	2	1	1	1	4	11
Finance										
Number of purchasing solicitations processed	202	156	168	163	138	134	148	133	158	181
Number of vendor/employee payments processed	27,665	27,386	27,474	27,824	28,708	28,575	26,515	25,580	24,692	25,931
Collections of delinquent land lease accounts (in dollars)	100,463	114,934	61,108	82,719	73,410	80,473	61,726	94,942	106,391	149,720
Real property assessments	75,540	75,913	76,283	76,744	77,334	77,670	77,670	78,038	78,934	79,433
Property sales analyzed for assessment purposes	1,560	1,628	3,413	4,560	4,766	4,709	4,709	4,974	3,210	4,607
Code Compliance										
Code violation complaints received	237	246	373	339	330	314	439	270	254	493
Public works										
Road maintenance (monthly average)										
Citizen requests for repairs requiring action	333	285	225	148	180	217	227	163	266	401
Surveying and right-of-way										
Platting actions	77	98	92	130	158	148	185	149	153	198
Utility permits issued	293	335	358	526	481	392	359	418	396	462
Driveway permits issued	553	615	608	634	716	537	572	582	1,459	1,547
Construction permits issued	12	49	55	47	36	32	16	42	29	17
Encroachment permits issued	3	19	21	64	32	20	22	13	31	13
Solid waste disposal										
Loads hauled from transfer sites to Central Landfill	1,349	1,444	1,532	1,421	1,198	1,121	1,170	1,321	1,144	1,312
Refuse collected through community clean-up efforts (in tons)	63	122	80	181	194	241	115	122	42	44
Abandoned vehicles removed	130	137	115	48	98	121	108	126	134	124
Hazardous waste processed (in pounds)	85,664	136,533	156,735	149,227	162,266	486,933	362,729	363,078	406,579	486,174
Emergency services										
Ambulance Runs										
Ambulance Runs	5,971	6,314	7,972	8,272	8,268	7,904	8,210	9,217	9,432	10,060
Animal Shelter										
Animals lodged at shelter	3,786	3,219	3,159	2,581	2,822	3,164	N/A	2,967	2,775	2,827
Animals adopted to new homes	1,457	1,364	1,266	1,220	1,371	1,643	N/A	1,782	1,676	1,466
Animals adopted by local rescue groups	455	462	420	258	269	151	N/A	20	125	125
Animals euthanized at shelter	675	469	568	393	543	577	N/A	395	424	486
Public services										
Land and resource management (cumulative unless otherwise noted)										
Trails dedicated (in miles)	2,141	2,209	2,209	2,209	2,215	2,224	2,230	2,238	2,245	2,246
Asset management plans completed for Borough owned land (in acres)	164,018	164,018	164,018	164,018	164,018	164,562	165,452	165,452	332,452	332,452
Land classifications (in acres)	361,320	361,428	361,846	362,266	362,878	364,158	365,394	366,278	533,599	533,616
Parcels sold (annually)	9	28	37	43	53	60	47	15	37	103
Community enrichment and development										
Community enrichment class varieties offered										
Community enrichment class varieties offered	52	44	35	32	37	34	37	28	24	13
Total contact hours with public										
Total contact hours with public	1,280	794	673	445	497	838	1,159	417	232	153
Libraries										
Participants in summer reading program										
Participants in summer reading program	2,552	2,982	2,693	2,095	2,465	2,662	2,339	2,608	1,952	2,291
Participants in pre-school story time										
Participants in pre-school story time	3,511	2,464	2,470	2,252	2,411	3,189	3,448	4,274	2,294	* 3856
Volunteer hours utilized										
Volunteer hours utilized	2,649	3,466	1,808	1,954	1,764	1,812	1,894	1,484	1,754	1,229
Pools										
Participants in swim lesson programs (quarterly average)										
Participants in swim lesson programs (quarterly average)	650	711	1,220	1,061	1,234	1,464	977	598	588	525

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.

* Physical Year 2021 there were 1,117 in person participants and 2,739 Virtual Views online.

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Administration and related buildings	3	3	3	3	2	2	2	2	2	2
Public works										
Utility trailers	11	11	11	11	11	12	19	19	30	30
Paving and Heavy Equipment	-	-	-	-	5	5	5	5	5	5
Paved roads (miles)	291	295	303	308	315	326	335	443	431	508
Bridges	23	23	23	26	27	27	28	28	28	28
Public works and related buildings	1	3	3	4	4	4	4	4	4	4
Emergency services										
Ambulances	30	30	29	31	31	29	29	25	21	24
Fire pumper/tankers	64	67	68	69	69	79	79	81	81	83
Tractors, forklifts, and related equipment	12	12	12	12	12	12	12	12	12	13
Utility/Rescue trailers	16	16	17	19	19	22	22	19	21	22
Rescue vehicles	29	31	31	31	31	31	31	36	38	40
Trucks and utility vehicles	80	81	81	85	85	83	83	82	85	85
Rescue boats	2	2	2	3	3	5	6	6	5	5
ATVs and snowmobiles	29	29	30	31	31	33	35	36	36	36
Public safety and related buildings	30	32	33	36	36	38	38	38	38	38
Public services										
Tractors, forklifts, and related equipment	20	23	22	22	23	23	23	24	24	24
Utility trailers	5	7	8	9	12	12	10	11	11	11
Trucks and utility vehicles	29	31	34	30	29	29	21	25	30	30
ATVs and snowmobiles	8	8	8	11	15	15	12	11	15	15
Riverboats	1	1	1	1	1	1	4	4	4	4
Community buildings (libraries, ice arenas, etc.)	13	14	14	14	15	15	15	15	15	15
Education										
Schools and related buildings	52	53	55	56	57	57	57	57	57	56

Source: Matanuska-Susitna Borough capital asset records.



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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 (the Borough), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 25, 2022



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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

Opinion on Compliance for Each Major Federal Program

We have audited Matanuska-Susitna Borough's (the Borough) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended June 30, 2021. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Borough's basic financial statements include the operations of its component unit, Matanuska-Susitna Borough School District (the School District), which expended \$32,436,825 in federal awards, respectively, which are not included in the Borough's schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the School District because they were subjected to separate audits in accordance with the Uniform Guidance.

In our opinion, the 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, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Borough's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 25, 2022



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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

Opinion on Compliance for Each Major State Program

We have audited Matanuska-Susitna Borough's (the Borough) 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 the Borough's major state programs for the year ended June 30, 2021. The Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance.

The Borough's basic financial statements include the operations of its component unit, Matanuska-Susitna Borough School District (the School District), which expended \$209,781,069 in state awards which are not included in the Borough's Schedule of State Financial Assistance during the year ended June 30, 2021. Our audit, described below, did not include the operations of the 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*, for the year ended June 30, 2021.

In our opinion, the 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, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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*. Our responsibilities under those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Borough's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 25, 2022

Matanuska-Susitna Borough, Alaska

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

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? ___ yes X no
 Significant deficiency(ies) identified? ___ yes X (none reported)

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

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:

Federal Assistance

<i>Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
21.019	Coronavirus Relief Fund	Department of the Treasury

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,335,480

Auditee qualified as low-risk auditee? ___ yes X 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: \$ 150,000

Matanuska-Susitna Borough, Alaska

Schedule of Findings and Questioned Costs, continued

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

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

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

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Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

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>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>Status</i>	Corrected during FY 2021

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Matanuska-Susitna Borough, Alaska
Department of Health and Social Services
Public Health Emergency Preparedness
601-299-21002

Schedule of Revenues and Expenditures - Budget and Actual
Grant Period Ended June 30, 2021

<i>Year Ended June 30, 2021</i>	Actual	Budget	Variance
Revenues - Federal passed through the State of Alaska	\$ 27,265	\$ 40,000	\$ (12,735)
Expenditures:			
Wages	13,240	26,403	13,163
Supplies	11,399	10,971	(428)
Other costs	2,626	2,626	-
Total Expenditures	\$ 27,265	\$ 40,000	\$ 12,735

Matanuska-Susitna Borough, Alaska
Department of Health and Social Services
Human Services Community Matching Grants
605-231-21003

Schedule of Revenues and Expenditures - Budget and Actual
Grant Period Ended June 30, 2021

<i>Year Ended June 30, 2021</i>	Actual	Budget	Variance
Revenues			
State of Alaska	\$ 296,807	\$ 296,807	\$ -
Matanuska-Susitna Borough	127,203	127,203	-
Total Revenues	424,010	424,010	-
Expenditures - other costs	\$ 424,010	\$ 424,010	\$ -

Matanuska-Susitna Borough, Alaska
Department of Health and Social Services
Emergency Management Performance Grant
20EMPG-GY20

Schedule of Revenues and Expenditures - Budget and Actual
Grant Period Ended June 30, 2021

<i>Year Ended June 30, 2021</i>	Actual	Budget	Variance
Revenues			
Federal passed through the State of Alaska	\$ 134,774	\$ 160,000	\$ (25,226)
Matanuska-Susitna Borough	134,774	160,000	(25,226)
Total Revenues	269,548	320,000	(50,452)
Expenditures - wages	\$ 269,548	\$ 320,000	\$ 50,452

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

Statement of Net Position

<i>June 30, 2021</i>	<i>Governmental Activities</i>
Assets and Deferred Outflows of Resources	
Assets	
Cash	\$ 23,782,719
Accounts receivable:	
Federal and state grants	10,375,216
Other	912,915
Inventory	2,954,691
Prepaid items	4,901,612
Net other postemployment benefits assets	23,570,598
Capital assets not being depreciated	119,632
Capital assets, net of accumulated depreciation	17,730,974
Total Assets	84,348,357
Deferred Outflows of Resources:	
Pension related	17,238,064
Other postemployment benefits related	12,069,902
Total Deferred Outflows of Resources	29,307,966
Total Assets and Deferred Outflows of Resources	\$ 113,656,323
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 3,101,796
Accrued payroll and related liabilities	8,704,472
Unearned revenue	580,256
Claims payable	769,500
Noncurrent liabilities:	
Accrued leave - due within one year	2,740,252
Capital lease - due within one year	167,750
Accrued leave - due in more than one year	1,785,136
Capital lease payable - due in more than one year	6,130,694
Net pension liability	156,754,896
Net other postemployment benefits liability	117,324
Total Liabilities	180,852,076
Deferred Inflows of Resources	
Pension related	3,703,646
Other postemployment benefits related	10,990,543
Total Deferred Inflows of Resources	14,694,189
Net Position (Deficit)	
Net investment in capital assets	11,552,162
Restricted for correspondence program	3,162,995
Unrestricted (deficit)	(96,605,099)
Total Net Position (Deficit)	(81,889,942)
Total Liabilities, Deferred Inflows of Resources of Resources and Net Position (Deficit)	\$ 113,656,323

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

Statement of Activities

<i>Year Ended June 30, 2021</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contri- butions	
Governmental Activities				
Instruction	\$ 115,119,822	\$ -	\$ 22,747,614	\$ (92,372,208)
Special education instruction	41,125,803	-	5,331,423	(35,794,380)
Special education support services - students	17,712,718	-	3,243,587	(14,469,131)
Support services - students	10,561,849	-	2,673,765	(7,888,084)
Support services - instruction	10,885,288	-	3,678,496	(7,206,792)
School administration	10,062,860	-	1,354,001	(8,708,859)
School administration support services	9,976,951	-	541,982	(9,434,969)
District administration	1,233,605	-	80,680	(1,152,925)
District administration support services	15,056,835	-	1,935,783	(13,121,052)
Operations and maintenance of plant	27,975,549	-	1,254,256	(26,721,293)
Student activities	4,887,911	1,300,414	299,806	(3,287,691)
Student transportation - other transportation services	249,527	-	249,527	-
Student transportation - to and from school	17,600,419	-	14,434,502	(3,165,917)
Community services	47,801	-	56,776	8,975
Food services	6,826,217	117,724	8,244,311	1,535,818
Construction and facilities acquisition	-	-	7,566	7,566
Interest on long-term debt	231,513	-	-	(231,513)
Total Governmental Activities	\$ 289,554,668	\$ 1,418,138	\$ 66,134,075	\$ (222,002,455)
General Revenues				
Borough contribution				62,310,148
State grants and entitlements not restricted to a specific purpose				173,839,797
E-rate				1,439,607
Medicaid reimbursement				501,424
Other				1,015,490
Total General Revenues				239,106,466
Special item - transfer to other Governmental Units				(6,000,000)
Change in net position				11,104,011
Net Position, (deficit) beginning, as restated (Note 18)				(92,993,953)
Net Position, (deficit) end of year				\$ (81,889,942)

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

Governmental Funds
Balance Sheet

<i>June 30, 2021</i>	Major Funds		Special	Total
	General	Capital Improvement	Revenue Nonmajor Funds	Govern- mental Funds
Assets				
Cash	\$ 13,298,867	\$ 1,430,628	\$ 6,820,938	\$ 21,550,433
Accounts receivable:				
Federal and state grants	-	-	10,375,216	10,375,216
Other	877,934	-	-	877,934
Inventory	1,547,606	-	1,407,085	2,954,691
Prepaid items	4,899,613	-	1,999	4,901,612
Due from other funds	10,968,196	-	-	10,968,196
Total Assets	\$ 31,592,216	\$ 1,430,628	\$ 18,605,238	\$ 51,628,082
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 2,146,481	\$ 76,512	\$ 861,828	\$ 3,084,821
Accrued payroll and related liabilities	8,704,472	-	-	8,704,472
Unearned revenue	-	-	580,256	580,256
Due to other funds	-	-	9,487,404	9,487,404
Total Liabilities	10,850,953	76,512	10,929,488	21,856,953
Fund Balances				
Nonspendable	6,447,219	-	1,409,084	7,856,303
Restricted	3,162,995	-	-	3,162,995
Committed	-	1,354,116	4,898,170	6,252,286
Assigned	500,000	-	1,368,496	1,868,496
Unassigned	10,631,049	-	-	10,631,049
Total Fund Balances	20,741,263	1,354,116	7,675,750	29,771,129
Total Liabilities and Fund Balances	\$ 31,592,216	\$ 1,430,628	\$ 18,605,238	\$ 51,628,082

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, 2021

Total fund balances of governmental funds	\$ 29,771,129
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	41,458,210
Accumulated depreciation	<u>(23,727,236)</u>
Total capital assets	<u>17,850,606</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>23,570,598</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	(4,525,388)
Capital lease payable	(6,298,444)
Net pension liability	(156,754,896)
Net other postemployment benefits liability	<u>(117,324)</u>
Total long-term liabilities	<u>(167,696,052)</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	17,238,064
Deferred inflows of resources related to pensions	(3,703,646)
Deferred outflows of resources related to other postemployment benefits	12,069,902
Deferred inflows of resources related to other postemployment benefits	<u>(10,990,543)</u>
Total deferred pension and OPEB items	<u>14,613,777</u>
Net Position of Governmental Activities	<u>\$ (81,889,942)</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, 2021	Major Funds			Total Govern- mental Funds
	General	Capital Improvement	Nonmajor Funds	
Revenues				
Local sources:				
Borough appropriation	\$ 62,310,148	\$ -	\$ -	\$ 62,310,148
Other local	1,015,490	-	1,695,316	2,710,806
State of Alaska	194,512,982	-	15,268,087	209,781,069
Federal sources:				
E-rate	1,439,607	-	-	1,439,607
Medicaid reimbursement	501,424	-	-	501,424
Direct grants	190,673	-	643,492	834,165
Grants passed through the State of Alaska	-	-	31,735,404	31,735,404
Grants passed through intermediate agencies	-	-	62,820	62,820
Total Revenues	259,970,324	-	49,405,119	309,375,443
Expenditures				
Current:				
Instruction	111,385,024	-	15,062,517	126,447,541
Special education instruction	42,572,756	-	2,302,925	44,875,681
Special education support services - students	17,473,661	-	1,917,145	19,390,806
Support services - students	10,609,671	-	1,471,930	12,081,601
Support services - instruction	8,937,886	-	2,863,995	11,801,881
School administration	11,055,847	-	308,165	11,364,012
School administration support services	10,359,783	-	100,042	10,459,825
District administration	1,349,835	-	-	1,349,835
District administration support services	13,888,552	-	1,507,520	15,396,072
Operations and maintenance of plant	24,476,473	-	1,820,493	26,296,966
Student activities	3,571,305	-	1,607,304	5,178,609
Student transportation - to and from school	(75)	-	17,598,767	17,598,692
Student transportation - other transportation services	-	-	249,527	249,527
Community services	142	-	47,642	47,784
Food services	(862)	-	6,872,559	6,871,697
Debt Service:				
Principal	-	-	161,787	161,787
Interest	-	-	231,513	231,513
Capital Outlay - Construction and facilities acquisition	-	1,297,358	-	1,297,358
Total Expenditures	255,679,998	1,297,358	54,123,831	311,101,187
Excess (deficiency) of revenues over expenditures	4,290,326	(1,297,358)	(4,718,712)	(1,725,744)
Other Financing Sources (Uses)				
Transfers in	147,052	8,798,526	7,377,780	16,323,358
Transfers out	(12,218,152)	(147,052)	(3,740,768)	(16,105,972)
Net Other Financing Sources (Uses)	(12,071,100)	8,651,474	3,637,012	217,386
Special Item - transfer to other Governmental Units	-	(6,000,000)	-	(6,000,000)
Net change in fund balances	(7,780,774)	1,354,116	(1,081,700)	(7,508,358)
Fund Balances, beginning of year, as restated (Note 18)	28,522,037	-	8,757,450	37,279,487
Fund Balances, end of year	\$ 20,741,263	\$ 1,354,116	\$ 7,675,750	\$ 29,771,129

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, 2021

Net change in fund balances - total governmental funds \$ (7,508,358)

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	\$ 2,007,703	
Depreciation expense	<u>(3,285,660)</u>	
		(1,277,957)

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. (217,386)

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 161,787

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	(344,939)
Increase in net pension liability and related deferred outflows and inflows of resources	4,710,965
Decrease in net OPEB liability and related deferred outflows and inflows of resources	<u>15,579,899</u>

Change in Net Position of Governmental Activities \$ 11,104,011

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, 2021</i>		
Assets		
Current:		
Cash	\$ -	\$ 2,232,286
Accounts receivable	-	34,981
Total Assets	\$ -	\$ 2,267,267
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 16,975
Due to other funds	-	1,480,792
Claims payable	-	769,500
Total Current Liabilities	-	2,267,267
Net Position - unrestricted	-	-
Total Liabilities and Net Position	\$ -	\$ 2,267,267

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, 2021</i>		
Operating Revenues		
Interfund charges	\$ -	\$ 1,375,246
Operating Expenses		
District administration support services		
Claims expense	-	1,165,753
General and administrative	-	209,493
Total Operating Expenses	-	1,375,246
Operating loss	-	-
Other Financing Uses - transfers out	(217,386)	-
Change in net position	(217,386)	-
Net Position, beginning of year	217,386	-
Net Position, end of year	\$ -	\$ -

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, 2021</i>		
Cash Flows From (for) Operating Activities		
Receipts from interfund charges	\$ -	\$ 1,340,265
Payments to suppliers	-	(1,458,654)
Receipts from customers	10,630	-
Net cash flows from (for) operating activities	10,630	(118,389)
Cash Flows from Noncapital Financing Activities		
Increase in due from other funds	-	575,011
Transfers to other funds	(217,386)	-
Net cash flows from (for) Noncapital Financing Activities	(217,386)	575,011
Net increase (decrease) in cash	(206,756)	456,622
Cash and Cash Equivalents, beginning of year	206,756	1,775,664
Cash and Cash Equivalents, end of year	\$ -	\$ 2,232,286
Reconciliation of Operating Income to		
Net Cash Flows From (for) Operating Activities		
Operating income	\$ -	\$ -
Adjustments to reconcile operating income to net cash flows from (for) operating activities:		
Increase in accounts receivable	-	(34,981)
Increase in accounts payable	-	9,634
Decrease in prepaids	2,000	-
Decrease in inventory	8,630	-
Decrease in claims payable	-	(93,042)
Total adjustments	10,630	(118,389)
Net Cash Flows from (for) Operating Activities	\$ 10,630	\$ (118,389)