



Matanuska-Susitna Borough ALASKA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Edna Devries
BOROUGH MAYOR

Mike Brown
BOROUGH MANAGER

PREPARED BY THE
DEPARTMENT OF FINANCE

Cheyenne Heindel
FINANCE DIRECTOR

Liesel Weiland
COMPTROLLER



INTRODUCTORY SECTION

Annual Comprehensive Financial Report
Matanuska-Susitna Borough



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MATANUSKA-SUSITNA BOROUGH

Department of Finance

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December 26, 2023

To the Honorable Mayor,

Members of the Assembly and

Citizens of the Matanuska-Susitna Borough:

Transmittal of the ACFR

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the Matanuska-Susitna Borough for the year ended June 30, 2023, which is submitted in accordance with Section 29.35.120 of Alaska Statutes and Borough code. 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 independent 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 Altman Rogers Company, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Borough for the fiscal year ended June 30, 2023, 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 unmodified opinion that the Borough's financial statements for the fiscal year ended June 30, 2023, 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.

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.

The independent audit of the financial statements of the Borough was part of a broader, Federally and State of Alaska mandated "Single Audit" designed to comply with the requirements of Title 2 of the U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Alaska State Regulation 2 AAC 45.010 and *Audit Guide and Compliance Supplement for State Single Audits*. These 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 legal requirement involving the administration of the Federal and State awards. These reports are included within the ACFR.

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 Borough: Palmer (population-5,936), Wasilla (population-9,547) and Houston (population-2,046). The core area, the area surrounding Palmer and Wasilla, is where the majority of the population lives. The estimated 2023 population was 111,752. 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. The Assembly appoints service area boards of supervisors 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. 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 83 through 86. For governmental funds, other than the General Fund, these comparisons start on page 95.

Economic Condition of the Matanuska-Susitna Borough

The information presented in the financial statements is 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 1990s. In looking back over the last 20 years, the population of the Borough has almost doubled. Whereas the population of the State only grew 14%. Just during the last decade, no other area of the State came close to the Borough's history of population and employment growth.

The communities of the Borough were historically established to support farming and continue to be the largest agricultural producer in the State. However, other economic players now overshadow farming. 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; the Sockeye Fire in 2019, the McKinley Fire in 2020, COVID-19 since 2020 and severe snow/windstorms in January 2022 and December 2022. The Borough was a recipient of

approximately \$38 million in Federal Coronavirus Relief Funds. This grant funding was 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. The first half of this funding was used for revenue replacement and various projects within the Borough such as school water system replacements. The balance of this funding is being used to improve solid waste facilities and water/sewer distribution and system resiliency within the core area. The Borough experienced reductions in bed tax and Talkeetna sewer and water sales tax in calendar year 2020. Those revenues have rebounded to pre-COVID levels. Through all 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. 30 new commercial structures were completed this past year as well as 671 single-family residences, and 50 multi-family residences.

To further economic development, the Borough is executing and, in some cases, has already completed numerous infrastructure projects. The Borough is keying on internal collector road connections while coordinating with State Department of Transportation projects to enhance connectivity while relieving congestion and improving safety. 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. 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. Investment maturities on June 30, 2023, range from three months to five years, with an average maturity of 21.11 months. The average rate of return this fiscal year was 0.21%.

In accordance with the Borough Code, the Borough has a self-insurance program for property and casualty coverage. A risk management committee administers this program. 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 (15) 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 \$37,507,945 in fiscal year 2022 and \$47,551,012 for the year ending June 30, 2023, an increase of \$10,043,067. This does not change the actual contributions by the employers, as those are based on Alaska Statutes. For additional detail, reference footnote 12 beginning on page 56 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 \$0 in fiscal year 2022 and \$0 for the year ending June 30, 2023. The Borough's total portion of the

net other postemployment benefits asset was \$27,283,422 in fiscal year 2022 and \$19,296,105 the year ending June 30, 2023, a decrease of \$7,987,317. For additional detail, reference footnote 12 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 fund balance designations 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 is 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 funds can only be expended after the issuance of the formal declaration of emergency.

Also within the General Fund are commitments for capital and major repairs and renovations. These committed fund balances will cover one-time capital expenditures or site acquisition costs, and unexpected major repairs and renovation occurring outside of the budget cycle. Expenditures of these either of these committed fund designations requires Assembly approval.

Long-Term Financial Planning

The Borough received voter approval to issue General Obligation Bonds for various school and transportation projects between October 2011 and October 2013. Between bonds issued and grants awarded a total of \$279,560,000 was spent on approved projects. These projects were completed in the summer of 2020. Additionally, Certificates of Participation totaling \$21,000,000 were issued to design and construct a new Public Safety Building in 2013 and a fleet maintenance facility addition to a Public Safety Building in 2016. Both facilities are complete.

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. In 2019 the Ice Arena and main Wasilla Pool projects were completed; and the Palmer Pool was completed in fiscal year 2020. The Wasilla Pool roof replacement and some smaller trails projects are still in process.

\$650,000 was approved in the capital/grant budget in both fiscal year 2022 and 2023 to be utilized as grant match. These funds will not lapse. The funds will be used to leverage future grant funds for the Borough as almost all grants now require a monetary match.

On October 2, 2018, voters approved \$23,845,000 in transportation bonds. This bond package required a 50% match for projects to move forward. Four of the projects were submitted to the State's Community Transportation Program and were approved. Thus, the match requirement was met. \$12,000,000 in taxable bonds were issued in July of 2022 as the State of Alaska is constructing the projects and controls the time for completion. The State has yet to request the Borough provide its share of the projects funding.

The Borough received authorization from the voters in November 2021 to issue \$61,135,000 in General Obligation Transportation System Bonds to finance the construction, additions, improvements, betterments, repair, reconstruction or acquisition of public roads and facilities. The Borough fully funded this transportation package without issuing bonds by utilizing a combination of State grants and the Fund Balance.

A \$38,168,210 Transportation Package was on the November 2023 ballot. Voters approved the package and authorized the issuance of General Obligation Transportation System Bonds with a 50% matching requirement. At this time, a match source has not been identified.

Lastly, over \$35,000,000 was budgeted for various projects throughout the Borough. These funds will be utilized to upgrade or provide deferred maintenance to various facilities (administrative, recreation, emergency services), roads

and equipment or software replacement. By providing funding for deferred maintenance or upgrades, the ongoing maintenance costs of building and road maintenance will be significantly reduced.

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 46% of the budgeted General Fund operating expenditures excluding transfers and 15% 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, 2022. This was the 33rd 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, Merissa Carrell, Tonya Loyer, Alina Frey, Jeff Krueger, Sara Clemon, Kirstie Starr-Watson, Breann Denton, Jeff Stevenson, Cheyenne Chandler, Carrie Walters, Joy Rudolph, Lesley Norris, Lyndsey Brisard, Angelina Blanchard, and Layla Lesley. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

We also want 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



Michael Brown
Borough Manager



Cheyenne Heindel
Director of Finance

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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, 2022

Christopher P. Morill

Executive Director/CEO

Principal Officials



Mayor
Edna DeVries



District 1
Tim Hale



District 2
Stephanie Nowers



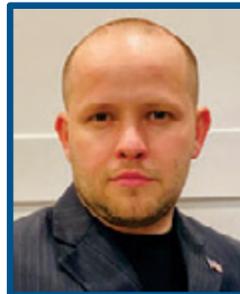
District 3
Dee McKee



District 4
Rob Yundt



District 5
Mokie Tew



District 6
Dmitri Fonov

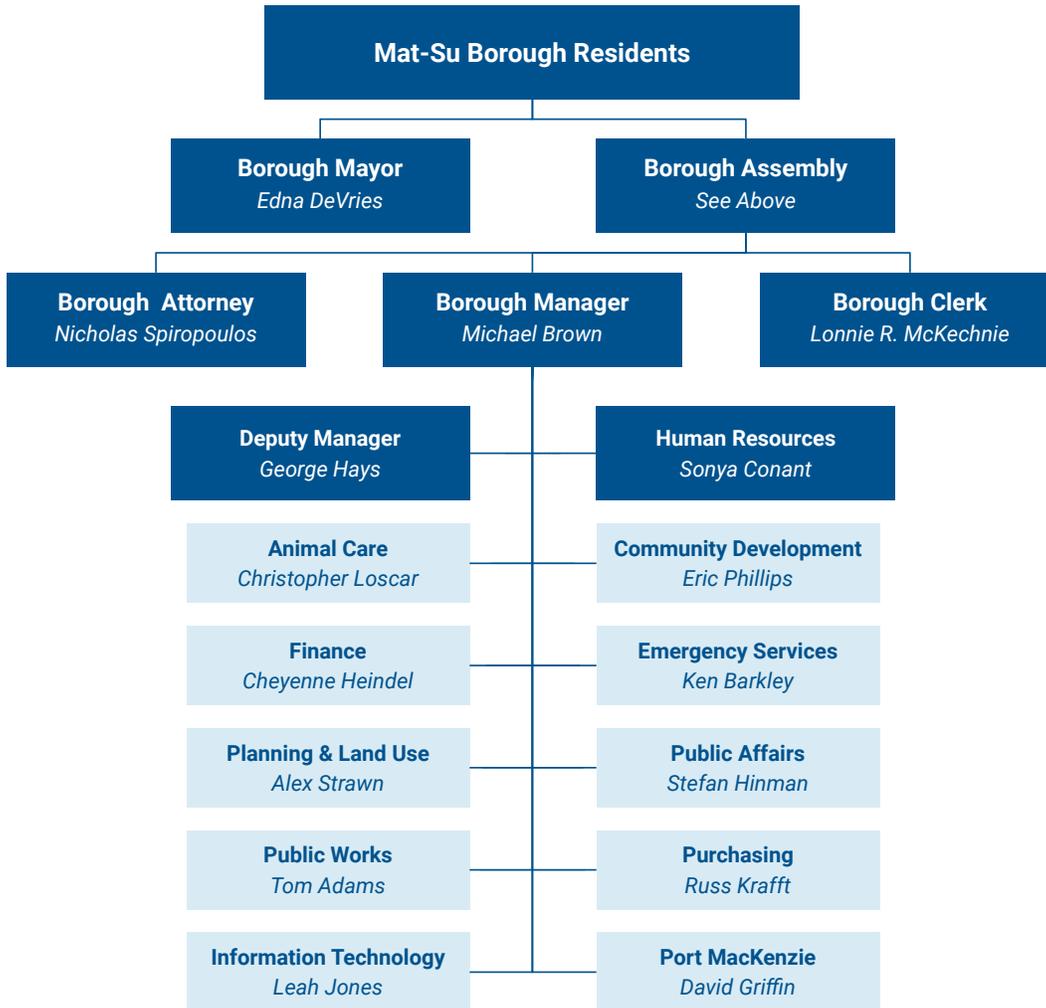


District 7
Ron Bernier



INTRODUCTION

Organization Chart



FINANCIAL SECTION

Annual Comprehensive Financial Report
Matanuska-Susitna Borough



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INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report

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

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 the Matanuska-Susitna Borough (Borough), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Matanuska-Susitna Borough, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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 of the United States (Government Auditing Standards). 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 Matanuska-Susitna 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.

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.

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Offices in Juneau and Soldotna

Phone 907-274-2992 Fax 907-274-2993
A Professional Corporation

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

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 Matanuska-Susitna 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 Matanuska-Susitna 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 Matanuska-Susitna 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.

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7-17, the Budgetary Comparison Schedule on page 67, and the Schedules of the Borough's Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employee's Retirement System and the related notes on pages 68-72, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 information listed in the table of contents as "Supplementary Information," which includes the 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, Schedules of Revenues and Expenditures – Budget to Actual, 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

Report on Prior Year Supplementary Information

The prior year comparative information was audited by other auditors in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the basic financial statements of Matanuska-Susitna Borough, as of and for the year ended June 30, 2022 (not presented herein), and have issued their report thereon dated May 25, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The comparative financial statement information, as listed in the table of contents, for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 GAAS. In the other auditor's opinion, the 2022 "Supplementary Information" noted above is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical sections, 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 December 26, 2023, on our consideration of the Matanuska-Susitna Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Matanuska-Susitna Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Matanuska-Susitna Borough's internal control over financial reporting and compliance.



Anchorage, Alaska
December 26, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS



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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, 2023. 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 IX 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 \$1,056,912,785. Of this amount, \$208,093,033 (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 \$24,510,430. Of this amount, \$(4,250,767) was unassigned. The unassigned fund balance for the General Fund represented 2.27% of total General Fund expenditures and transfers out.
- The Borough's total net position increased by \$45,201,922. Of this amount, \$39,568,234 was attributable to the governmental activities and \$5,633,688 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 \$227,104,652, an increase of \$21,842,5763 in comparison with the prior year.
- The Borough's total outstanding debt (not including Net Pension/OPEB liability) decreased by \$12,411,612 to a year-end balance of \$286,396,817. The Borough's long-term debt tables are on pages 50-55 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 21-23 of this report.

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

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

The Statement of Net 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, Fronteras School Debt Service Fund, the School Projects Capital Projects Fund, the Road Service Area Repairs Capital Projects Fund, and the Roads and Bridges Capital Projects Fund. The other governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Fund Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the nonmajor funds is presented in the Combining Balance Sheet for Nonmajor Governmental Funds and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Funds, by fund type.

The basic governmental fund financial statements can be found on pages 24-67 of this report. Budgetary comparison statement for the General Fund with annual budgets are provided on pages 81-83 to demonstrate compliance with these budgets. The special revenue funds with annual budgets are provided on pages 92-134.

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 156-161.

The Borough has eight 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 164-172.

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 includes 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 statement can be found on page 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 36-65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information can be found on pages 68-72. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 76-77. Individual governmental funds can be found on pages 80-153 and proprietary funds can be found on pages 156-161 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, \$1,056.9 million at June 30, 2023 compared to \$1,011.7 million at June 30, 2022 and \$208.1 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 \$848.8 million, or 80.0% 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, 2023 and 2022
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Assets and Deferred Outflows of Resources						
Current and other assets	\$ 314.3	\$ 313.1	\$ 17.3	\$ 12.7	\$ 331.6	\$ 325.8
Capital assets	1,053.4	1,045.0	44.1	43.1	1,097.5	1,088.1
Total assets	1,367.7	1,358.1	61.4	55.8	1,429.1	1,413.9
Deferred outflows of resources	10.0	9.6	0.4	0.4	10.4	10.0
Total Assets and Deferred Outflows of Resources	\$ 1,377.7	\$ 1,367.7	\$ 61.8	\$ 56.2	\$ 1,439.5	\$ 1,423.9
Liabilities and Deferred Inflows of Resources						
Long-term debt outstanding	\$ 268.5	\$ 251.1	\$ 18.2	\$ 17.5	\$ 286.7	\$ 268.6
Net Pension and OPEB Liability	45.4	35.7	2.1	1.9	47.5	37.6
Other liabilities	34.1	65.4	1.9	1.6	36.0	67.0
Total liabilities	348.0	352.2	22.2	21.0	370.2	373.2
Deferred inflows of resources	12.2	37.6	0.1	1.4	12.3	39.0
Total Liabilities and Deferred Inflows of Resources	\$ 360.2	\$ 389.8	\$ 22.3	\$ 22.4	\$ 382.5	\$ 412.2



	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Net Position						
Net investment in capital assets	\$ 816.2	\$ 782.7	\$ 32.9	\$ 30.8	\$ 849.1	\$ 813.5
Restricted	-	-	-	-	-	-
Unrestricted (deficit)	201.3	195.2	6.6	3.0	207.9	198.2
Total Net Position	\$ 1,017.5	\$ 977.9	\$ 39.5	\$ 33.8	\$ 1,057.0	\$ 1,011.7

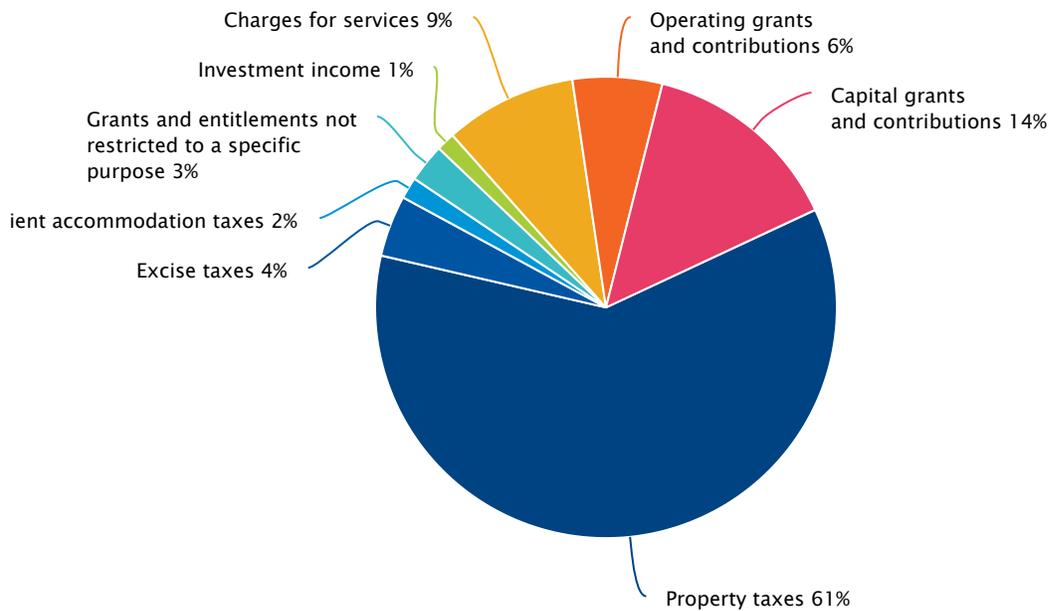
Changes in Net Position

During the current fiscal year, the Borough's total net position increased by \$45.5 million. This compares to an increase of \$27.1 for the year ended June 30, 2022.

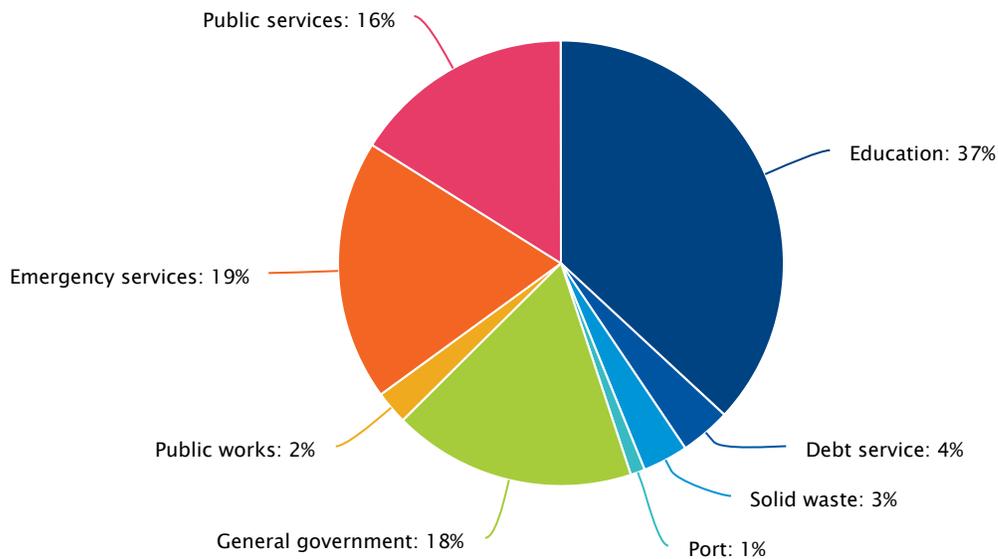
Program revenues decreased government wide by \$5.6 million. The program revenues decreased by \$9.0 million for the governmental funds and increased by \$3.4 for the enterprise funds. This is due to a continued trend from prior years of reduced federal and state funding for Borough capital projects. During fiscal year 2023, approximately 65.1% 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 \$3.8 million. The Borough's investments, in total, increased from the prior year and in spite of the weak investment market, earnings (realized and unrealized) increased by \$10.2 million from the prior year.

Expenses decreased overall by \$0.9 million from the prior year. During fiscal year 2023, approximately 37.0% went toward education with the remainder primarily providing emergency services, public services, and general government services.

Sources of Revenue for Fiscal Year 2023



Functional Expenses for Fiscal Year 2023



**Changes in Matanuska-Susitna Borough's Net Position
For Years Ended June 30, 2023 and 2022
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 11.1	\$ 9.6	\$ 13.2	\$ 11.8	\$ 24.3	\$ 21.4
Operating grants and contributions	16.6	47.2	0.3	(0.1)	16.9	47.1
Capital grants and contributions	37.1	17.0	1.7	-	18.3	17.0
General revenues:						
Property taxes	159.2	156.1	-	-	159.2	156.1
Transient accommodation taxes	1.8	1.5	-	-	1.8	1.5
Excise taxes	11.3	10.9	-	-	11.3	10.9
Other	12.7	(6.7)	-	-	12.7	(6.7)
Total Revenues	\$ 249.8	\$ 235.6	\$ 15.2	\$ 11.7	\$ 244.5	\$ 247.3
Expenses						
General government	\$ 38.5	\$ 26.7	\$ -	\$ -	\$ 38.5	\$ 26.7
Public works	5.3	3.0	-	-	5.3	3.0
Emergency services	41.4	35.8	-	-	41.4	35.8
Public services	35.1	39.5	-	-	35.1	39.5
Education	80.6	90.7	-	-	80.6	90.7
Interest	8.0	14.6	-	-	8.0	14.6
Solid waste	-	-	8.1	8.4	8.1	8.4
Port	-	-	2.3	1.5	2.3	1.5
Total Expenses	208.9	210.3	10.4	9.9	219.3	220.2
Excess before transfers and special items	40.9	25.3	4.8	1.8	25.2	27.1
Special items	-	-	-	-	-	6.0
Transfers	(0.8)	(1.0)	0.8	1.0	-	-
Increase in Net Position	40.1	24.3	5.6	2.8	45.7	27.1
Net Position, beginning	977.9	953.6	33.8	31.0	1,011.7	984.6
Net Position, ending	\$ 1,018.0	\$ 977.9	\$ 39.5	\$ 33.8	\$ 1,057.5	\$ 1,011.7



Governmental activities

Program revenues for the Borough's governmental activities decreased by \$5.6 million from the prior year, while the general revenues increased by \$23.4 million. Expenses for governmental activities decreased by \$0.9 million. Key elements to the change in revenues and decrease in expenses include the following:

- Revenues from charges for services and capital grants and contributions increased by \$21.7 million, while operating grants and capital grants decreased by \$30.7 million mostly due to the retroactive debt service reimbursement from the State of Alaska received in FY22.
- The Borough had a year of strong growth, seeing a 11.85% increase in value of the assessment roll. Contributing to this was the addition of over 751 new structures and a 13.24% increase in the average appraised value of a residential home. The Mat-su area continues to grow in both residential and commercial areas.
- The general government expenses increased by \$11.8 million due to an ordinance that provided for real property tax relief in FY23.
- The public works expenses increased by \$2.3 million due to increased costs of contracted services.
- Emergency services expenses increased by \$5.6 million due to large equipment purchases such as a pumper tanker, new fleet vehicles, and an aerial platform.
- Public Service expenses decreased by \$4.3 million due to less spending on equipment purchases this year.
- The education expenses decreased by \$10.1 million due to funding given to the Borough for building Mat-su Central School that was put into the School Projects Capital fund.

Business-type activities

The Solid Waste Enterprise Fund's net position increased by \$6.5 million. Operating income increased by \$1.8 million due to increased waste volume for Municipal Solid Waste and Construction & Demolition waste, as well as reimbursement for gravel costs from Operations and Maintenance. The Central Landfill expansion continues with the construction of a Septage and Leachate facility, and the addition of a new cell. The Port's net position decreased by \$0.8 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 \$226,848,518, an increase of \$21,586,442 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 (\$708,282) or is already in the form of inventory (\$222,706), or is a long-term loan receivable (\$450,000), or is an advance to other funds (\$6,799,550).

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 \$2,132,535 are restricted due to lender imposed debt reserves for debt service.

A total of \$32,681,806 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 \$32,681,806 of the committed fund balance is shown as committed for a long-term loan receivable, the Land Management Permanent Fund, 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, \$188,262,054 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 \$(4,408,415) 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 \$32,680,552. Of this, nonspendable fund balance was \$8,170,122, restricted fund balance was \$235,980, committed fund balance was \$28,525,217, assigned fund balance was \$0, and unassigned fund balance was \$(4,254,025). Total fund balance decreased by \$31,843,865 from the prior year primarily due to increased spending for education and port and reporting of unrealized losses for the year's investments due to lowered interest rates.

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

At the end of the current fiscal year, the American Rescue Plan Act Recovery Funding Special Revenue Fund had received both installments of awarded funds. The funds will be spent over the next two years following state and federal guidelines and as approved by the Assembly. There is \$16,330,372 currently in assets and liabilities.

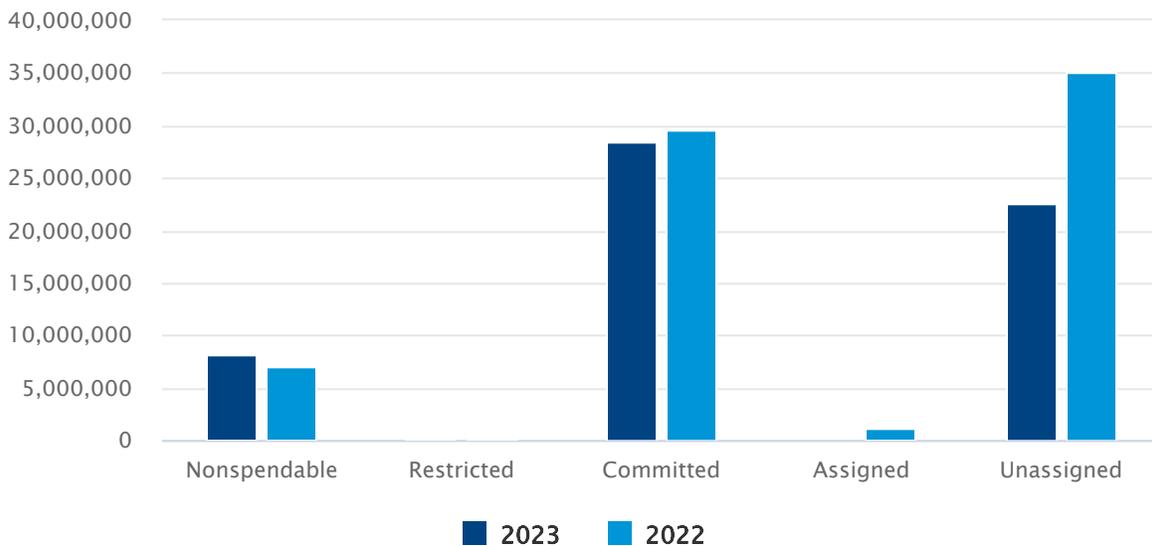
At the end of the current fiscal year, the Fronteras School Debt principal was \$5,956,760. The school was completed in fiscal year 2016, and the District will pay the debt. The principal payments began in fiscal year 2018.

At the end of the current fiscal year, ending total fund balance in the School Projects Capital Projects Fund was \$29,221,558. Of this, \$2,205 is nonspendable for prepaid items. Remaining funds are assigned for capital projects.

At the end of the current fiscal year, ending total fund balance in the Road Service Area Repairs Capital Projects Fund was \$27,833,687. This whole amount is assigned for capital projects.

At the end of the current fiscal year, ending total fund balance in the Roads and Bridges Capital Projects Fund was \$41,649,455. \$3,245 is nonspendable for prepaid items. Remaining funds are assigned for capital projects.

**General Fund Components of Fund Balance
2023 and 2022**





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 \$16,135,886 and a deficit of (\$9,517,335), respectively. The unrestricted net position of the internal service funds at the end of the year were \$17,349,540.

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 \$24,807,751, with \$8,671,865 being the net investment in capital assets and unrestricted net position \$16,135,886. The total net position increased by \$6,481,492 from the prior year.

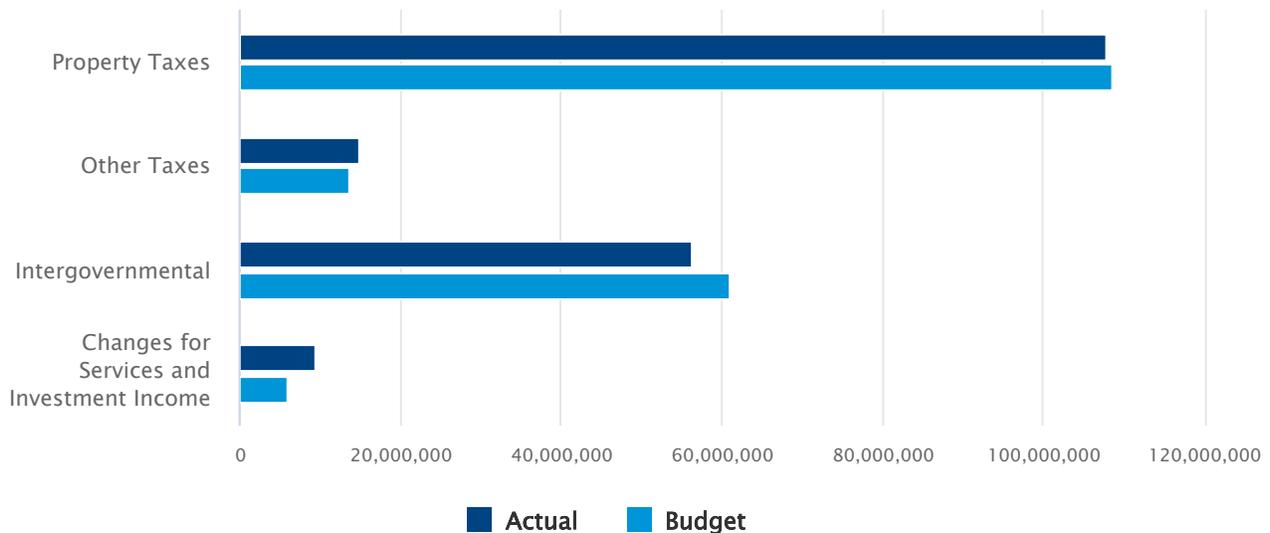
At the end of the current fiscal year, the ending total net position of the Port Enterprise Fund was \$14,591,225, with \$24,108,560 being the net invested in capital assets, net of related debt, and an unrestricted net position a deficit of (\$9,517,335). The total net position decreased by \$847,804 from the prior year.

General Fund Budgetary Highlights

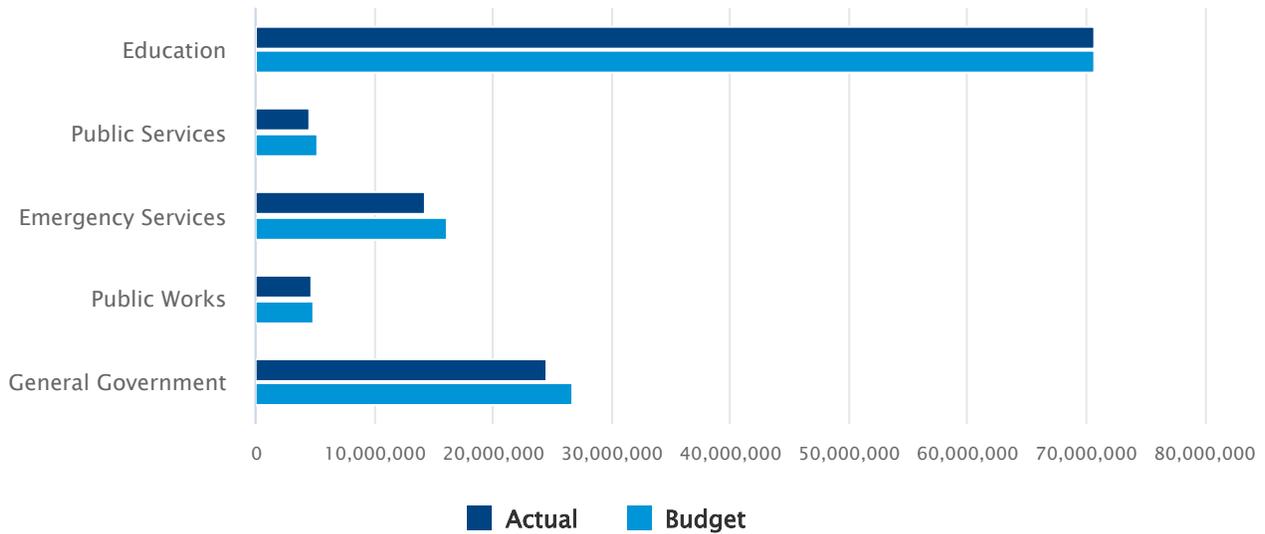
The actual revenues were \$34,834,206 less than the final budget. Actual expenditures were \$4,738,530 less than the final budget. Actual transfers in were \$16,389 less than the final budget. Transfers out were \$65,392 less than the final budget. Key factors include:

- Actual General Fund expenditures were \$4,738,530 less than budgeted. This is due to the retroactive debt service reimbursement received in FY22 affected what was budgeted in FY23.

General Fund Revenues Budget to Actual Fiscal Year 2023



General Fund Expenditure Budget to Actual Fiscal Year 2023



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, 2023 amounts to \$1,097,477,673, (net of accumulated depreciation and amortization), which is an increase of \$9,430,032 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:

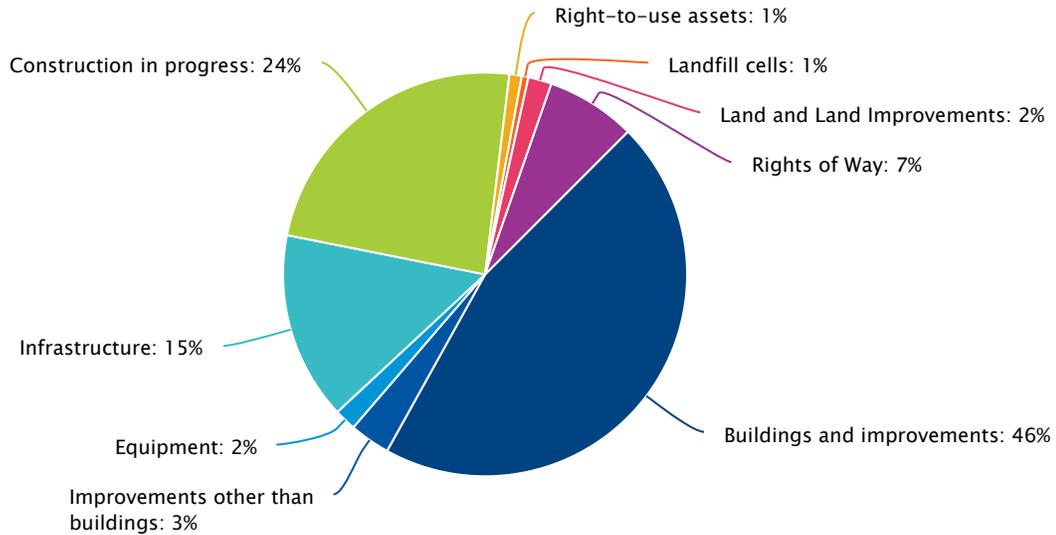
- An increase in transportation projects to improve roads.
- Completion of the Palmer Pool Improvements
- The purchase of vehicles and an aerial platform for Emergency Services.
- A large equipment purchase for the Central Landfill

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Land and land improvements	\$ 20.8	\$ 20.8	\$ -	\$ -	\$ 20.8	\$ 20.8
Right of Way	79.5	79.5	-	-	79.5	79.5
Buildings and improvements	495.0	503.6	10.1	10.6	505.1	514.2
Improvements other than buildings	32.8	33.4	3.2	0.8	36.0	34.2
Equipment	17.0	16.4	2.5	1.8	19.5	18.2
Infrastructure	147.4	146.6	19.4	20.2	166.8	166.8
Construction in progress	260.7	244.0	3.1	3.9	263.8	247.9
Right-to-use assets	0.2	0.7	-	-	0.2	0.7
Landfill cells	-	-	5.8	5.9	5.8	5.9
Total Capital Assets	\$ 1,053.5	\$ 1,045.0	\$ 44.2	\$ 43.2	\$ 1,097.6	\$ 1,088.1

Additional information on the Borough's capital assets can be found on pages 47-48 this report.

Capital Assets Fiscal Year 2023
(governmental & business type) (net of depreciation)



Long-term Debt

At the end of the current fiscal year, the Borough had total debt outstanding of \$286,396,813. Of this amount, \$211,375,000 was bonded and backed by the full faith and credit of the Borough. The Certificates of Participation had an outstanding balance of \$10,905,000. The remaining debt consists of ADEC loans, landfill closure costs, accrued leave, insurance claims incurred but not reported, USDA Note Payable, and FTA Liability.

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 210.7	\$ 219.5	\$ 0.7	\$ 0.7	\$ 211.4	\$ 220.2
Certificates of participation	10.9	12.7	-	-	10.9	12.7
Other	46.6	48.0	17.5	17.7	64.1	65.7
Total Outstanding Debt	\$ 268.3	\$ 280.2	\$ 18.1	\$ 18.3	\$ 286.4	\$ 298.6

Additional information on the Borough's long-term debt can be found on pages 50-55 of this report.

Economic Factors and the Next Year's Budget and Rates

In setting the budgets for fiscal year 2024, 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.

All of these factors were considered in preparing the Borough's budget for fiscal year 2024. As a result, the fiscal year 2024 budget is 8.396 mills for the General Fund tax rate, a decrease of 0.505 mills. The non-areawide mill rate decreased to 0.387 mills, a decrease of 0.005 mills in the fiscal year 2024 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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**BASIC FINANCIAL
STATEMENTS**



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Statement of Net Position

June 30, 2023	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	School District
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 252,993,266	\$ 21,310,304	\$ 274,303,570	\$ 52,607,255
Prepaid items	708,282	-	708,282	4,607,495
Receivables, net of allowance:				
Intergovernmental	10,748,726	1,035,331	11,784,057	13,933,167
Property and excise taxes	7,936,775	-	7,936,775	-
Accounts	-	880,555	880,555	-
Ambulance	1,513,107	-	1,513,107	-
Land sales contracts	21,899	-	21,899	-
Leases receivable	241,462	-	241,462	-
Other	1,092,850	-	1,092,850	150,584
Accrued interest	745,166	-	745,166	-
Deposits	19,066	-	19,066	-
Inventory	222,706	-	222,706	4,412,539
Restricted cash and investments	2,132,535	2,677,508	4,810,043	-
Internal balances	9,471,444	(9,471,444)	-	-
Interfund loan payable	258,775	-	258,775	-
Land sales contracts receivable - long-term	359,553	-	359,553	-
Leases receivable, net of allowance - long-term	7,349,129	-	7,349,129	-
Net other postemployment benefits asset	18,439,358	856,747	19,296,105	-
Capital assets, not being depreciated	361,004,861	3,066,852	364,071,713	-
Capital assets, net of accumulated depreciation and amortization	692,400,944	41,005,016	733,405,960	-
Total Assets	1,367,659,904	61,360,869	1,429,020,773	75,711,040
Deferred Outflows of Resources				
Unamortized deferred loss on bonds	2,604,583	21,893	2,626,476	-
Related to pensions	5,636,750	261,901	5,898,651	21,762,043
Related to other postemployment benefits	1,774,176	82,433	1,856,609	79,766,716
Deferred contribution (construction in progress)	-	-	-	4,451,750
Capital assets, net	-	-	-	17,644,610
Total Deferred Outflows of Resources	10,015,509	366,227	10,381,736	123,625,119
Total Assets and Deferred Outflows of Resources	\$ 1,377,675,413	\$ 61,727,096	\$ 1,439,402,509	\$ 199,336,159

Liabilities, Deferred Inflows of Resources and Net Position

Liabilities

Accounts, contracts and retentions payable	\$ 7,538,159	\$ 1,912,682	\$ 9,450,841	\$ 3,476,315
Accrued payroll and related liabilities	1,871,117	-	1,871,117	8,501,725
Other liabilities	382,659	-	382,659	-
Deposits	236,417	-	236,417	-
Unearned revenue	21,365,677	-	21,365,677	571,551
Accrued interest payable	2,717,542	25,853	2,743,395	-

See accompanying notes to the basic financial statements.

Exhibit A-1, continued

Statement of Net Position, continued

June 30, 2023	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School District
Liabilities, continued				
Noncurrent liabilities:				
Due within one year:				
Accrued leave	\$ 4,086,461	\$ 131,495	\$ 4,217,956	\$ 2,348,377
Bonds and certificates of participation	23,405,000	714,091	24,119,091	-
Loans payable	347,693	347,482	695,175	-
Note payable	180,344	-	180,344	-
Insurance claims incurred but not reported and claims payable	3,691,919	-	3,691,919	1,091,797
Lease liabilities	21,534	-	21,534	2,014,662
Subscription liabilities	-	-	-	877,370
Due in more than one year:				
Accrued leave	-	-	-	1,565,585
Bonds and certificates of participation, net of premium	214,084,517	-	214,084,517	-
Loans payable	7,337,762	10,251,763	17,589,525	-
Note payable	5,776,417	-	5,776,417	-
Lease liabilities	177,210	-	177,210	7,153,271
Subscription liabilities	-	-	-	1,234,853
FTA liability	9,287,929	-	9,287,929	-
Net pension liability	45,439,748	2,111,264	47,551,012	157,376,499
Landfill closure costs payable	-	6,753,940	6,753,940	-
Total Liabilities	347,948,105	22,248,570	370,196,675	186,212,005
Deferred Inflows of Resources				
Taxes collected in advance	2,324,168	-	2,324,168	-
Unamortized deferred gain on bonds	666,549	-	666,549	-
Related to leases	7,510,679	-	7,510,679	-
Related to other postemployment benefits	1,712,103	79,550	1,791,653	7,731,437
Total Deferred Inflows of Resources	12,213,499	79,550	12,293,049	7,731,437
Total Liabilities and Deferred Inflows of Resources	360,161,604	22,328,120	382,489,724	193,943,442
Net Position				
Net investment in capital assets	816,039,327	32,780,425	848,819,752	10,816,204
Restricted:				
Unrestricted	201,474,482	6,618,551	208,093,033	(8,520,557)
Total Net Position	1,017,513,809	39,398,976	1,056,912,785	5,392,717
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,377,675,413	\$ 61,727,096	\$ 1,439,402,509	\$ 199,336,159

See accompanying notes to the basic financial statements.

Statement of Activities

Year Ended June 30, 2023	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit School District
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental activities:								
General government	\$ 38,534,192	\$ 1,026,350	\$ (373,789)	\$ 4,430	\$ (37,877,201)	\$ -	\$ (37,877,201)	
Public works	5,288,945	16,550	1,205,491	-	(4,066,904)	-	(4,066,904)	
Emergency services	41,352,208	6,552,695	(307,531)	4,631,007	(30,476,037)	-	(30,476,037)	
Public services	35,154,575	3,197,687	178	21,655,322	(10,301,388)	-	(10,301,388)	
Education	80,621,819	298,633	16,027,744	10,500,000	(53,795,442)	-	(53,795,442)	
Interest	8,023,176	-	-	-	(8,023,176)	-	(8,023,176)	
Total governmental activities	208,974,915	11,091,915	16,552,093	36,790,759	(144,540,148)	-	(144,540,148)	
Business-type activities:								
Solid waste	8,086,047	13,152,093	(63,132)	1,339,160	-	6,342,074	6,342,074	
Port	2,342,161	24,852	330,977	362,528	-	(1,623,804)	(1,623,804)	
Total business-type activities	10,428,208	13,176,945	267,845	1,701,688	-	4,718,270	4,718,270	
Total Primary Government	219,403,123	24,268,860	16,819,938	38,492,447	(144,540,148)	4,718,270	(139,821,878)	
Component Unit School District	\$ 276,683,327	\$ 1,061,347	\$ 52,762,840	\$ 2,547,552				\$ (220,311,588)
General Revenues								
Taxes:								
Property taxes					159,151,981	-	159,151,981	-
Excise taxes					11,273,096	-	11,273,096	-
Transient accommodation taxes					1,754,776	-	1,754,776	-
Contributions from primary government					-	-	-	68,929,199
Grants and entitlements not restricted to a specific purpose					7,049,641	-	7,049,641	181,314,034
Investment income					3,410,376	34,853	3,445,229	-
Gain on disposal of capital assets					-	105,465	105,465	65,325
Other					2,243,612	-	2,243,612	1,791,535
Transfers					(775,100)	775,100	-	-
Total General Revenues and Transfers					184,108,382	915,418	185,023,800	252,100,093
Change in Net Position					39,568,234	5,633,688	45,201,922	31,788,505
Net Position (Deficit), beginning					977,945,575	33,765,288	1,011,710,863	(26,395,788)
Net Position (Deficit), ending					\$ 1,017,513,809	\$ 39,398,976	\$ 1,056,912,785	\$ 5,392,717

See accompanying notes to the basic financial statements.

**Governmental Funds
Balance Sheet**

June 30, 2023	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	Fronteras School Debt Service	School Projects Capital Project	Road Service Area Repairs Capital Project	Roads and Bridges Capital Project			
Assets									
Cash and investments	\$ 25,846,494	\$ 16,330,372	\$ -	\$ 26,326,338	\$ 28,743,408	\$ 42,269,632	\$ 93,498,351	\$ 233,014,595	
Prepaid items	697,866	-	-	2,205	-	3,245	4,966	708,282	
Receivables:									
Intergovernmental	172,906	-	-	6,889,593	46,367	915,669	2,724,191	10,748,726	
Property taxes, net of allowance	4,873,933	-	-	-	-	-	1,467,745	6,341,678	
Leases	-	-	180,344	-	-	-	61,118	241,462	
Ambulance, net of allowance	1,513,107	-	-	-	-	-	-	1,513,107	
Excise taxes	1,595,097	-	-	-	-	-	-	1,595,097	
Land sales contracts, net	-	-	-	-	-	-	21,899	21,899	
Accrued interest	745,166	-	-	-	-	-	-	745,166	
Other	702,422	-	-	-	-	-	390,428	1,092,850	
Due from other funds	87,651	-	-	-	-	-	-	87,651	
Advances to other funds	6,799,550	-	-	-	-	-	-	6,799,550	
Inventory	222,706	-	-	-	-	-	-	222,706	
Interfund loans receivable	450,000	-	-	-	-	-	2,864,394	3,314,394	
Land sales contracts receivable, long-term	-	-	-	-	-	-	359,553	359,553	
Leases receivable	-	-	5,776,416	-	-	-	1,572,973	7,349,389	
Restricted cash and investments	235,980	-	-	-	-	-	1,896,555	2,132,535	
Total Assets	\$ 43,942,878	\$ 16,330,372	\$ 5,956,760	\$ 33,218,136	\$ 28,789,775	\$ 43,188,546	\$ 104,862,173	\$ 276,288,640	
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts, contracts and retentions payable	\$ 967,105	\$ -	\$ -	\$ 591,131	\$ 951,072	\$ 663,278	\$ 4,365,573	\$ 7,538,159	
Accrued payroll and related liabilities	1,871,117	-	-	-	-	-	-	1,871,117	
Other liabilities	382,659	-	-	-	-	-	-	382,659	
Deposits	-	-	-	5,447	-	-	230,970	236,417	
Unearned revenue	-	16,330,372	-	3,400,000	5,016	875,813	754,476	21,365,677	
Interfund loans payable	642,500	-	-	-	-	-	1,005,898	1,648,398	
Total Liabilities	3,863,381	16,330,372	-	3,996,578	956,088	1,539,091	6,356,917	33,042,427	
Deferred Inflows of Resources									
Special assessments	-	-	-	-	-	-	8,317	8,317	
Taxes collected in advance	2,324,168	-	-	-	-	-	-	2,324,168	

See accompanying notes to the basic financial statements.

Exhibit B-1 continued

**Governmental Funds
Balance Sheet, continued**

June 30, 2023	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	Fronteras School Debt Service	School Projects Capital Project	Road Service Area Repairs Capital Project	Roads and Bridges Capital Project			
Delinquent property taxes	4,170,769	-	-	-	-	-	1,120,201	5,290,970	
Delinquent ambulance receivables	904,008	-	-	-	-	-	-	904,008	
Land sales receivables not yet due	-	-	-	-	-	-	359,553	359,553	
Leases receivable not yet due	-	-	5,956,760	-	-	-	1,553,919	7,510,679	
Total Deferred Inflows of Resources	7,398,945	-	5,956,760	-	-	-	3,041,990	16,397,695	
Total Liabilities and Deferred Inflows of Resources	\$ 11,262,326	\$ 16,330,372	\$ 5,956,760	\$ 3,996,578	\$ 956,088	\$ 1,539,091	\$ 9,398,907	\$ 49,440,122	
Fund Balances									
Nonspendable:									
Prepaid items and inventory	\$ 920,572	\$ -	\$ -	\$ 2,205	\$ -	\$ 3,245	\$ 4,966	\$ 930,988	
Long-term loan receivable	450,000	-	-	-	-	-	-	450,000	
Advances to other funds	6,799,550	-	-	-	-	-	-	6,799,550	
Restricted:									
Debt service	235,980	-	-	-	-	-	1,896,555	2,132,535	
Committed:									
Long-term loans receivable	-	-	-	-	-	-	2,864,394	2,864,394	
Land management	-	-	-	-	-	-	992,195	992,195	
Self-insurance	1,000,000	-	-	-	-	-	270,000	1,270,000	
Accrued leave	250,000	-	-	-	-	-	30,000	280,000	
Assembly projects	25,217	-	-	-	-	-	-	25,217	
Capital	1,000,000	-	-	-	-	-	-	1,000,000	
Emergency response	1,250,000	-	-	-	-	-	-	1,250,000	
Fund balance stabilization	25,000,000	-	-	-	-	-	-	25,000,000	
Assigned:									
Subsequent year expenditures	-	-	-	-	-	-	3,679,816	3,679,816	
Service areas	-	-	-	-	-	-	31,458,786	31,458,786	
Land management	-	-	-	-	-	-	1,280,239	1,280,239	
Debt service	-	-	-	-	-	-	19,589,186	19,589,186	
Capital projects	-	-	-	29,219,353	27,833,687	41,646,210	33,554,777	132,254,027	
Unassigned (deficit)	(4,250,767)	-	-	-	-	-	(157,648)	(4,408,415)	
Total Fund Balances	32,680,552	-	-	29,221,558	27,833,687	41,649,455	95,463,266	226,848,518	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 43,942,878	\$ 16,330,372	\$ 5,956,760	\$ 33,218,136	\$ 28,789,775	\$ 43,188,546	\$ 104,862,173	\$ 276,288,640	

See accompanying notes to the basic financial statements.

**Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2023**

Total fund balances for governmental funds	\$ 226,848,518
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	20,812,442
Rights of way	79,514,920
Construction in progress	260,677,501
Buildings and improvements	754,423,231
Improvements other than buildings	50,337,406
Equipment	57,648,917
Infrastructure	291,503,499
Right-to-use assets	197,005
Accumulated depreciation and amortization	<u>(461,709,114)</u>
Total capital assets	1,053,405,807
The PERS ARHCT, RMP, 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.	18,439,358
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	5,290,970
Special assessments receivable	8,317
Ambulance receivables	904,008
Land sales contracts receivable	<u>359,553</u>
Total long-term assets	6,562,848
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in the governmental funds.	
Unamortized deferred loss on bonds	2,604,583
Pension related	5,636,750
Pension and other postemployment benefits related	<u>1,774,176</u>
Total deferred outflows of resources	10,015,509
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.	17,349,540
Certain deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in the governmental funds.	
Pension and other postemployment benefits related	(1,712,103)
Unamortized deferred gain on bonds	<u>(666,549)</u>
	(2,378,652)
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	(235,114,178)
Unamortized bond premium	(15,884,517)
Lease payable	(198,744)
FTA liability	(9,287,929)
Accrued interest payable	(2,717,542)
Accrued leave	(4,086,461)
Net pension liability	<u>(45,439,748)</u>
Total long-term liabilities	<u>(312,729,119)</u>
Total Net Position of Governmental Activities	\$ 1,017,513,809

See accompanying notes to the basic financial statements.

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

Year Ended June 30, 2023	Major Funds						Nonmajor Funds	Total Governmental Funds
	General	American Rescue Plan Act Recovery Funding Special Revenue	Fronteras School Debt Service	School Projects Capital Project	Road Service Area Repairs Capital Project	Roads and Bridges Capital Project		
Revenues								
Taxes	\$ 122,694,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,493,947	\$ 173,188,642
Intergovernmental	22,290,397	2,140,209	-	12,863,679	360,049	5,967,936	7,937,326	51,559,596
Charges for services	6,621,514	-	-	-	-	-	3,938,013	10,559,527
Investment income (loss)	2,695,730	-	-	-	-	433,751	257,495	3,386,976
Interest on land sales	-	-	-	-	-	-	69,489	69,489
Other	-	-	298,633	-	-	-	1,786,028	2,084,661
Total Revenues	154,302,336	2,140,209	298,633	12,863,679	360,049	6,401,687	64,482,298	240,848,891
Expenditures								
Current:								
General government	24,276,120	-	-	-	-	-	4,054,536	28,330,656
Public works	4,651,856	1,333,724	-	-	-	-	-	5,985,580
Emergency services	14,321,267	-	-	-	-	-	23,136,055	37,457,322
Public services	4,659,491	4,977	-	39,511	9,643,644	221,680	21,233,820	35,803,123
Education	70,696,614	801,508	-	610,051	-	-	-	72,108,173
Debt service								
Principal	-	-	173,933	-	-	-	22,547,722	22,721,655
Interest	-	-	219,366	-	-	-	9,442,377	9,661,743
Capital outlay	-	-	-	11,011,278	602,185	8,800,602	8,646,843	29,060,908
Total Expenditures	118,605,348	2,140,209	393,299	11,660,840	10,245,829	9,022,282	89,061,353	241,129,160
Excess (Deficiency) of Revenues Over Expenditures	35,696,988	-	(94,666)	1,202,839	(9,885,780)	(2,620,595)	(24,579,055)	(280,269)
Other Financing Sources (Uses)								
Sale of capital assets	70,412	-	-	-	-	-	17,344	87,756
Areawide Tax Relief	(11,948,301)	-	-	-	-	-	-	(11,948,301)
G.O. Bonds	-	-	-	-	-	12,000,000	-	12,000,000
Transfers in	13,097,326	-	-	8,800,000	14,410,390	23,500,000	50,692,106	110,499,822
Transfers out	(68,760,290)	-	-	-	(136,658)	(15,373)	(30,360,244)	(99,272,565)
Net Other Financing Sources (Uses)	(67,540,853)	-	-	8,800,000	14,273,732	35,484,627	20,349,206	11,366,712
Contribution from component unit	-	-	-	10,500,000	-	-	-	10,500,000
Net Change in Fund Balances	(31,843,865)	-	(94,666)	20,502,839	4,387,952	32,864,032	(4,229,849)	21,586,443
Fund Balances, beginning	64,524,417	-	94,666	8,718,719	23,445,736	8,785,423	99,693,115	205,262,076
Fund Balances, ending	\$ 32,680,552	\$ -	\$ -	\$ 29,221,558	\$ 27,833,687	\$ 41,649,455	\$ 95,463,266	\$ 226,848,518

See accompanying notes to the basic financial statements.

**Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities
Year Ended June 30, 2023**

Net change in fund balances - total governmental funds		\$ 21,586,443
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 and amortization expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays exceeded depreciation and amortization.		
Capital outlay	37,917,314	
Depreciation and amortization	<u>(27,388,374)</u>	10,528,940
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position		
		(1,603,392)
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 receivable	\$ (951,640)	
Increase in delinquent ambulance receivables	766,813	
Delinquent foreclosure property sales	(57,316)	
Increase in special assessments	167	
Decrease in deferred land sales receivable	<u>(144,963)</u>	(386,939)
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	(584,293)	
Amortization of deferred gain on bonds	69,339	
Amortization of bond premium	2,129,818	
Acquisition of bonded debt	(12,000,000)	
Payments on debt principal	<u>22,721,655</u>	12,336,519
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	(147,832)	
Decrease in accrued interest payable	23,703	
Net decrease in net pension liability and related deferred accounts	4,544,855	
Net increase in net OPEB asset and related deferred accounts	<u>5,672,076</u>	10,092,802
Internal service funds are used by management to charge the costs of insurance to individual funds. Net loss of these activities is reported with governmental activities.		
		<u>(12,986,139)</u>
Change in Net Position of Governmental Activities		<u>\$ 39,568,234</u>

See accompanying notes to the basic financial statements.

Exhibit C-1

**Proprietary Funds
Statement of Net Position**

June 30, 2023	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 21,310,304	\$ -	\$ 21,310,304	\$ 19,978,670
Receivables:				
Accounts	880,872	-	880,872	-
Allowance for doubtful accounts	(317)	-	(317)	-
Interfund loans receivable	-	-	-	107,458
Intergovernmental	724,041	311,290	1,035,331	-
Deposits with others	-	-	-	19,066
Total Current Assets	22,914,900	311,290	23,226,190	20,105,194
Noncurrent Assets				
Restricted cash and investments - landfill closure	2,677,508	-	2,677,508	-
Interfund loans receivable - long-term	-	-	-	1,157,214
Net other postemployment benefits asset	791,140	65,607	856,747	-
Capital Assets:				
Buildings	8,129,593	7,948,617	16,078,210	-
Improvements other than buildings	4,442,113	-	4,442,113	-
Equipment	4,652,544	64,024	4,716,568	-
Landfill cells	14,536,872	-	14,536,872	-
Infrastructure	-	33,321,302	33,321,302	-
Construction in progress	2,701,873	364,979	3,066,852	-
Total capital assets	34,462,995	41,698,922	76,161,917	-
Accumulated depreciation and amortization	(15,191,885)	(16,898,164)	(32,090,049)	-
Net capital assets	19,271,110	24,800,758	44,071,868	-
Total Noncurrent Assets	22,739,758	24,866,365	47,606,123	1,157,214
Total Assets	45,654,658	25,177,655	70,832,313	21,262,408
Deferred Outflows of Resources				
Related to pensions	241,845	20,056	261,901	-
Related to other postemployment benefits	76,121	6,312	82,433	-
Unamortized deferred loss on bonds	-	21,893	21,893	-
Total Deferred Outflows of Resources	317,966	48,261	366,227	-
Total Assets and Deferred Outflows of Resources	\$ 45,972,624	\$ 25,225,916	\$ 71,198,540	\$ 21,262,408

See accompanying notes to the basic financial statements.

Exhibit C-1, continued

Proprietary Funds
Statement of Net Position, continued

June 30, 2023	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 1,645,856	\$ 266,826	\$ 1,912,682	\$ -
Accrued leave	128,180	3,315	131,495	-
Due to General Fund	-	-	-	87,651
Accrued interest payable	14,603	11,250	25,853	-
Current portion:				
General obligation bonds	-	714,091	714,091	-
Loans payable	347,482	-	347,482	21,297
Insurance claims incurred but not reported and claims payable	-	-	-	3,691,919
Total Current Liabilities	2,136,121	995,482	3,131,603	3,800,867
Noncurrent Liabilities				
Interfund loans payable	-	2,671,894	2,671,894	-
Loans payable	10,251,763	-	10,251,763	112,001
Advances from General Fund	-	6,799,550	6,799,550	-
Net pension liability	1,949,591	161,673	2,111,264	-
Landfill closure costs payable	6,753,940	-	6,753,940	-
Total Noncurrent Liabilities	18,955,294	9,633,117	28,588,411	112,001
Total Liabilities	21,091,415	10,628,599	31,720,014	3,912,868
Deferred Inflows of Resources				
Related to other postemployment benefits	73,458	6,092	79,550	-
Net Position				
Net investment in capital assets	8,671,865	24,108,560	32,780,425	-
Unrestricted (deficit)	16,135,886	(9,517,335)	6,618,551	17,349,540
Total Net Position	24,807,751	14,591,225	39,398,976	17,349,540
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 45,972,624	\$ 25,225,916	\$ 71,198,540	\$ 21,262,408

See accompanying notes to the basic financial statements.

Exhibit C-2

**Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2023	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Operating Revenues				
Intragovernmental	\$ -	\$ -	\$ -	\$ 11,584,778
Charges for services	13,152,093	24,852	13,176,945	-
Interest on loans	-	-	-	23,400
Employee contributions	-	-	-	4,283,227
Total Operating Revenues	13,152,093	24,852	13,176,945	15,891,405
Operating Expenses				
Landfill operations	2,696,021	-	2,696,021	-
Transfer sites	2,572,489	-	2,572,489	-
Dock operations	2,043,117	1,201,200	3,244,317	-
Claims	-	-	-	14,570,597
Depreciation and amortization	634,059	1,111,507	1,745,566	-
Administrative fees	76,363	-	76,363	2,080,040
Premium	-	-	-	252,993
Total Operating Expenses	8,022,049	2,312,707	10,334,756	16,903,630
Operating Income (Loss)	5,130,044	(2,287,855)	2,842,189	(1,012,225)
Nonoperating Revenues (Expenses)				
Intergovernmental - State sources:				
PERS relief	(63,132)	2,717	(60,415)	-
Senate bills	-	16,970	16,970	-
Gain on disposal of capital assets	105,465	-	105,465	-
Investment income	34,853	-	34,853	28,443
Interest expense	(63,998)	(29,454)	(93,452)	-
Federal	-	311,290	311,290	-
Net Nonoperating Revenues (Expenses)	13,188	301,523	314,711	28,443
Income (Loss) Before Transfers	5,143,232	(1,986,332)	3,156,900	(983,782)
Capital contributions	1,339,160	362,528	1,701,688	-
Transfers in	-	776,000	776,000	500,000
Transfers out	(900)	-	(900)	(12,502,357)
Change in Net Position	6,481,492	(847,804)	5,633,688	(12,986,139)
Net Position, beginning	18,326,259	15,439,029	33,765,288	30,335,679
Net Position, ending	\$ 24,807,751	\$ 14,591,225	\$ 39,398,976	\$ 17,349,540

See accompanying notes to the basic financial statements.

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2023	Major Enterprise Funds		Total Enterprise Funds	Internal Service Funds
	Solid Waste	Port		
Cash Flows from (for) Operating Activities				
Receipts from customers	\$ 13,582,871	\$ (269,468)	\$ 13,313,403	\$ -
Receipts from employees and other	-	-	-	4,283,227
Payments to suppliers	(5,475,817)	(961,840)	(6,437,657)	-
Payments to employees	(694,865)	(24,462)	(719,327)	-
Payments for interfund services used	(76,363)	-	(76,363)	-
Payments for interfund services provided	-	-	-	11,584,778
Principal payments received on loans	-	-	-	90,982
Issuance of new loans	-	-	-	(216,343)
Interest payments received on loans	-	-	-	23,400
Principal payments on loans payable	-	-	-	(20,982)
Payments for claims and services	-	-	-	(16,124,769)
Net cash flows from (for) operating activities	7,335,826	(1,255,770)	6,080,056	(379,707)
Cash Flows from Noncapital Financing Activities				
Interfund loan paid	-	-	-	(37,400)
Increase in due to General Fund	-	879,480	879,480	-
Transfers in	-	776,000	776,000	500,000
Transfers out	(900)	-	(900)	(12,502,357)
Net cash flows from noncapital financing activities	(900)	1,655,480	1,654,580	(12,039,757)
Cash Flows for Capital and Related Financing Activities				
Purchases of property, plant and equipment	(1,018,785)	-	(1,018,785)	-
Sales of capital assets	105,465	-	105,465	-
Principal and interest paid on bonds and loans	(407,139)	(40,204)	(447,343)	-
Additions to property, plan, and equipment	-	(359,506)	(359,506)	-
Net cash flows for capital and related financing activities	(1,320,459)	(399,710)	(1,720,169)	-
Cash Flows from Investing Activities - investment income	34,853	-	34,853	28,443
Net Increase (Decrease) in Cash and Investments	6,050,220	-	6,050,220	(12,391,021)
Cash and Investments, beginning	17,937,592	-	17,937,592	32,369,691
Cash and Investments, ending	\$ 23,987,812	\$ -	\$ 23,987,812	\$ 19,978,670
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities				
Operating income (loss)	\$ 5,130,044	\$ (2,287,855)	\$ 2,842,189	\$ (1,012,225)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Depreciation and amortization	634,059	1,111,507	1,745,566	-
Nonoperating revenues	-	16,970	16,970	-
Noncash expense - PERS relief	(63,132)	2,717	(60,415)	-
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	430,778	(311,290)	119,488	-
Loans receivable	-	-	-	(125,361)
Net other postemployment benefits asset	475,363	13,973	489,336	-
Deferred outflows of resources related to pensions	28,129	(3,092)	25,037	-
Deferred outflows of resources related to other postemployment benefits	(33,222)	(3,616)	(36,838)	-
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	1,245,309	239,360	1,484,669	-
Accrued leave	(6,648)	(6,266)	(12,914)	-
Landfill closure costs payable	590,501	-	590,501	-
Loans payable	-	-	-	(20,982)
Insurance claims incurred but not reported and claims payable	-	-	-	778,861
Net pension liability	208,463	52,270	260,733	-
Deferred inflows of resources related to pensions	(694,323)	(43,627)	(737,950)	-
Deferred inflows of resources related to other postemployment benefits	(609,495)	(36,821)	(646,316)	-
Net Cash Flows from (for) Operating Activities	\$ 7,335,826	\$ (1,255,770)	\$ 6,080,056	\$ (379,707)

See accompanying notes to the basic financial statements.

Exhibit D-1

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

June 30, 2023

Assets

Cash and assessments	\$ 479,361
Special assessments receivable	847,804

Total Assets	\$ 1,327,165
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Liabilities

Deposits	\$ 213
Interfund loan payable-gas lines	258,774
Bonds payable - gas lines	294,833

Total Liabilities	553,820
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Net Position - restricted	\$ 773,345
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Total Liabilities and Net Position	\$ 1,327,165
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See accompanying notes to the basic financial statements.

Exhibit D-2

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

Year Ended June 30, 2023

Additions	
Special assessments	\$ 52,878
Deductions	
Public services	19,501
Change in Net Position	33,377
Net Position, beginning	739,968
Net Position, ending	\$ 773,345

See accompanying notes to the basic financial statements.

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June 30, 2023

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.

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.

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

The *Road Service Area Repairs Capital Project Fund* accounts for activities related to construction, renovation, and renewal of roads in different service areas throughout the Borough.

The *Roads and Bridges Capital Project Fund* accounts for activities related to construction, renovation, and renewal of roads in different service areas 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 eight Internal Service Funds. Four of the funds make low interest loans to other funds of the Borough and the other four account for self-insurance activities involving health, unemployment, workers' compensation, and property and casualty insurance.

Fiduciary Fund Type

Custodial 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.

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:

1. 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 1, the budget is legally enacted through passage of an ordinance by the Borough Assembly.
4. 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.
5. 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.
6. 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. 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	5-10
Landfill cells	10
Infrastructure	20-30

Leases

Lessee:

The Borough is a lessee for noncancellable leases of equipment, office space and land. The Borough recognizes a lease liability and intangible right-to-use lease assets (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Borough initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Borough determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Borough uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Borough generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Borough is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Borough monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments plus, for many of the Borough’s leases, variable payments. For office space leases that include variable payments, those include payments for the Borough’s proportionate share of the building’s property taxes, insurance, and common area maintenance. For office equipment leases for which the Borough has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments for the single, combined lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the Borough under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and;
- payments of penalties for terminating the lease, if the lease term reflects the Borough exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the Borough. These are used to maximize operational flexibility in terms of managing the assets used in the Borough’s



operations. The majority of extension and termination options held are exercisable only by the Borough and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), are initially measured using the index or rate as of the commencement of the lease term.

Lessor:

The Borough is a lessor for noncancellable leases. The Borough recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Borough monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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, 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 9 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.

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 assets 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 assets 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 collected in advance, land sales receivables not yet due, leases receivable not yet due, delinquent property taxes, delinquent ambulance receivables and delinquent foreclosure property sales.

Pensions and Other Postemployment Benefits (OPEB)

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

Interfund Balances and Interfund Transfers

During the course of operations, 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.

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.

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, 2023.

	Pooled Cash and Investments	School Accounts	Totals
Bank deposits	\$ 9,328,842	\$ 4,841,174	\$ 14,170,016
Investments	317,550,852	-	317,550,852
Total Cash and Investments	\$ 326,879,694	\$ 4,841,174	\$ 331,720,868

Reconciliation to the basic financial statements:

	Borough Accounts	School Accounts	Totals
Primary government cash and investments	\$ 274,303,570	\$ -	\$ 274,303,570
Restricted cash and investments	4,810,043	-	4,810,043
School District	47,766,081	4,841,174	52,607,255
Total Cash and Investments	\$ 326,879,694	\$ 4,841,174	\$ 331,720,868

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, 2023 are as follows:

Investment Type	Amount	Investment Maturity (in years)		
		Less than 1	1-5	More than 5
U.S. government agencies	\$ 230,592,963	\$ 39,004,011	\$ 191,588,952	\$ -
U.S. treasuries	42,379,475	9,685,750	32,693,725	-
Money market funds	13,698,961	-	-	-
Pooled investments (AMLIP)	30,879,454	-	-	-
Total Investments	\$ 317,550,852			

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 15%, and U.S. Federal Agencies, including Freddie Mac with 19%, Federal Farm Credit Bank with 23%, Fannie Mae with 20% and Federal Home Loan Banks with 18%.



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.

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, 2023:

U.S. government agencies securities of \$230,592,963 and U.S. Treasury securities of \$30,879,454 are valued by surveys of the dealer community, relevant trade data, benchmark quotes and spreads, as determined by observed market data (Level 2 inputs).

\$13,698,961 of money market funds are reported at amortized cost, which management believes to approximate fair value.

Pooled Investments

The Borough maintains a \$30,879,454 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.

5. Interfund Balances and Interfund Transfers

Balances due to/from other funds at June 30, 2023, consisted of the following:

Due to the General Fund From:

Service Area Operating Internal Service Fund	87,651
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Advances from the General Fund at June 30, 2023, consisted of the following:

Advance From General Fund to

Port Enterprise Fund for advances for operating and capital costs	\$ 6,799,550
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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, 2021, 2022, and 2023, 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, 2023, the total balance was \$642,500.

In 2007, the Borough entered into a loan agreement with the Alaska Department of Environmental Conservation for the purpose of constructing a salted sand storage building. Ordinance 06-065 authorized the Borough to enter into the loan which will be paid back by various road service areas. For administrative purposes, the loan was recorded in its entirety in the Road Service Area Revolving Loan Fund with associated interfund loans receivable from the applicable Road Service Area Funds. Loan payments are due in twenty annual installments of \$15,948 to \$16,926. Repayment terms to the Revolving Loan Fund will mirror those between ADEC and the Borough. See Note 9 for more information on the loan payable.

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 \$5,349 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 9 for more information on the loan payable.

Amounts distributed at June 30, 2023 were as follows:

Road Service Area 9 – Midway Road	\$ 11,117
Road Service Area 14 – Fairview Road	6,532
Road Service Area 16 – South Colony	23,968
Road Service Area 19 – Lazy Mountain	132
Road Service Area 23 – North Colony	2,958
Road Service Area 25 – Bogard Road	22,218
Road Service Area 26 – Greater Butte Road	1,249
Road Service Area 28 – Gold Trail Road	13,393
Road Service Area 31 – Alpine Road	600
Total loans payable from Road Service Areas for ADEC Loan	82,167
Loan Payable from Talkeetna Water and Sewer for ADEC Loan	\$ 51,131

Interfund loans receivable and payable, representing long-term loans at June 30, 2023 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	\$ 72,000
\$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	280,000
\$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	64,200
\$489,000 Service Area 15-Talkeetna Fire Service revolving loan, due in annual installments of \$32,600, plus interest as approved by the Assembly through 2037	456,400
\$258,774 Natural Gas Local Improvement District loans, due in bi-annual installments of \$16,161, plus interest approved by the Assembly through 2043	258,774
Total loans payable to other funds with established payment terms	1,131,374

Total Loans Payable to Revolving Loan Internal Service Funds	\$ 1,264,672
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Transfers to/from other funds for the year ended June 30, 2023 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	\$ 5,800,000
Road Service Area Capital Project Fund	1,823,657
Roads & Bridges Capital Project Fund	23,500,000
Port Enterprise Fund	776,000
Revolving Loan Internal Service Fund	500,000
Nonmajor governmental funds	36,360,633
Total transfers out of General Fund	68,760,290

From Road Service Area Repairs Capital Fund to:

General Fund	37,511
Nonmajor governmental funds	99,147
Total Road Service Area Repairs Capital Fund	136,658

From Roads & Bridges Capital Project Fund to:

Nonmajor governmental funds	15,373
Total Roads & Bridges Capital Project Fund	15,373

From Nonmajor Governmental Funds to:

General Fund	556,558
School Projects Capital Project Fund	3,000,000
Road Service Area Capital Project Fund	12,586,733
Nonmajor governmental funds	14,216,953
Total Nonmajor Governmental Funds	30,360,244

From Solid Waste Enterprise Fund to:

General Fund	900
Total Solid Waste Enterprise Fund	900

From Revolving Loan Internal Service Fund to:

General Fund	2,357
Total Revolving Loan Internal Service Fund	2,357

From Self-Insurance Internal Funds to:

General Fund	12,500,000
Total Self-Insurance Internal Funds	12,500,000

Total Transfers	\$ 111,775,822
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6. Capital Assets

Capital asset activity for the year ended June 30, 2023 follows:

	Balance July 1, 2022	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2023
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 20,750,478	\$ 61,964		\$ 20,812,442
Rights of way	79,488,018	26,902		79,514,920
Construction in progress	243,980,188	30,021,841	13,324,528	260,677,501
Total capital assets not being depreciated	344,218,684	30,110,707	13,324,528	361,004,863
<i>Capital assets being depreciated:</i>				
Buildings and improvements	747,490,569	6,932,662		754,423,231
Improvements other than buildings	49,457,943	879,463		50,337,406
Equipment	54,431,307	3,671,000	453,390	57,648,917
Infrastructure	283,484,488	9,648,011	1,629,000	291,503,499
Total capital assets being depreciated	1,134,864,307	21,131,136	2,082,390	1,153,913,053
Less accumulated depreciation for:				
Buildings and improvements	243,849,353	15,540,594		259,389,947
Improvements other than buildings	16,008,658	1,499,500		17,508,158
Equipment	38,017,655	3,061,165	453,390	40,625,429
Infrastructure	136,928,793	7,258,522	54,300	144,133,015
Total accumulated depreciation	434,804,459	27,359,781	507,690	461,656,549
Right-to-use assets, being amortized:				
Buildings and improvements	235,213	-	38,208	197,005
Equipment	380,869	-	380,869	-
Land	149,041	-	149,041	-
Total right-to-use assets, being amortized	765,123	-	-	197,005
Less accumulated amortization for:				
Buildings and improvements	23,972	28,593	-	52,565
Equipment	49,898	-	49,898	-
Land	20,004	-	20,004	-
Total accumulated amortization	93,874	28,593	69,902	52,565
Total capital assets being depreciated and amortized, net	700,731,097	(6,257,238)	1,504,798	692,400,943
Governmental Activities Capital Assets, net	\$ 1,044,949,781	\$ 23,853,469	\$ 14,829,326	\$ 1,053,405,806
Business-type Activities				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 3,850,315	\$ 1,719,981	\$ 2,503,444	\$ 3,066,852
<i>Capital assets being depreciated:</i>				
Buildings	16,078,210	264,954	-	16,078,210
Improvements other than buildings	1,941,119	-	-	4,442,113
Equipment	3,760,199	1,017,885	61,516	4,716,568
Landfill cells	14,552,714	-	15,842	14,536,872
Infrastructure	33,321,302	846,553	-	33,321,302
Total capital assets being depreciated	69,653,544	2,129,392	77,358	73,095,065
Less accumulated depreciation for:				
Buildings	5,450,822	537,966	-	5,988,788
Improvements other than buildings	1,181,691	45,595	-	1,227,286
Equipment	2,000,425	315,452	61,516	2,254,361
Landfill cells	8,701,561	-	-	8,701,561
Infrastructure	13,071,500	846,553	-	13,918,053
Total accumulated depreciation	30,405,999	1,745,566	61,516	32,090,049
Total capital assets being depreciated, net	39,247,545	383,826	15,842	41,005,016
Business-type Activities Capital Assets, net	\$ 43,097,860	\$ 2,103,807	\$ 2,519,286	\$ 44,071,868



Depreciation and amortization expense was charged to the functions as follows for the year ended June 30, 2023:

	Depreciation and amortization
Governmental Activities	
General government	\$ 632,602
Public works	614,480
Public services	8,415,013
Emergency services	3,977,275
Education	13,720,410
Total Governmental Activities	\$ 27,359,781
Business-type Activities	
Solid waste	\$ 634,059
Port	1,111,507
Total Business-type Activities	\$ 1,745,566

Construction Commitments

The Borough has numerous active construction projects as of June 30, 2023. 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	\$ 133,826
Infrastructure	1,163,528
Public safety facilities	6,090,940
Wastewater treatment facility	48,160
Solid waste facilities	626,610
Road construction and improvements	17,773,493
Borough facilities	494,697
Cultural and recreational improvements	1,609,776
Total	\$ 27,941,031

7. Leases Receivable

The Borough implemented GASB Statement No. 87- Leases - effective for the year-end June 30, 2022.

On October 26, 2010 the Borough entered into an agreement to lease land to a third party. The lease term ends June 1, 2035. The lease calls for annual payments of \$19,200 to be paid October 1. The implicit interest rate is 6.75%. As of June 30, 2023 the lease receivable amount was \$150,607. The deferred inflow of resources was \$142,819.

On October 1, 2011, the Borough entered into an agreement to lease land to a third party. The lease term ends September 30, 2036. The lease calls for annual payments of \$5,456 to be paid at the beginning of the month. The implicit interest rate is 6.75%. As of June 30, 2023, the lease receivable amount was \$572,381. The deferred inflow of resources was \$540,824.

On October 16, 2017, the Borough entered into an agreement to lease land to a third party. The lease term ends on October 16, 2037. The lease calls for monthly payments ranging from \$1015 to \$1,581. The implicit interest rate is 6.75%. As of June 30, 2023, the lease receivable amount was \$145,861. The deferred inflow of resources was \$135,491.

On September 1, 2020, the Borough entered into an agreement to lease land to a third party. The lease term ends on August 31, 2054. The lease calls for monthly payments ranging from \$500 to \$1,885 to be paid at the beginning of the month. The implicit interest rate is 6.75%. As of June 30, 2023, the lease receivable amount was \$224,274. The deferred inflow of resources was \$212,041.

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 note payable to the United States Department of Agriculture, issued in connection with construction of the facility. The lease calls for monthly payments of \$32,775. The lease term ends on July 28, 2045. As of June 30, 2023, the total outstanding lease receivable amount was \$5,956,509. The deferred inflow of resources was \$5,773,360.

On August 3, 2022, the Borough entered into an agreement to lease land to a third party. The lease term ends July 1, 2037. The lease calls for monthly payments ranging from \$3,833 to \$5,798. The implicit interest rate is 6.75%. As of June 30, 2023, the total outstanding lease receivable is \$540,968. The deferred inflow of resources was \$522,745.

Minimum lease payments receivable on leases of investment properties are as follows:

<i>Year Ending June 30:</i>	Governmental Activities	
	Principal	Interest
2024	\$ 241,462	\$ 297,820
2025	253,548	288,461
2026	266,036	278,230
2027	279,179	267,280
2028	293,102	262,615
2029-2033	1,705,831	1,109,173
2034-2038	1,936,151	688,378
2039-2043	1,701,443	341,776
2044-2048	807,588	67,950
2049-2053	81,040	22,064
2054-2055	25,471	1,073
Total	\$ 7,590,851	\$ 3,624,820

8. Leases Payable

The Borough implemented GASB Statement No. 87-Leases- effective for year-end June 30, 2022. This Statement addresses accounting and financial reporting for certain lease liabilities for leases that previously were classified as operating leases.

On August 1, 2020, the Borough entered into a lease of a building. The lease term ends June 30, 2030. The lease calls for monthly payments ranging from \$2,732 to \$3,138 to be paid at the beginning of each month. The implicit interest rate known to the Borough is 6.75%. There are no residual value guarantees or purchase options. As of June 30, 2022, the total outstanding lease payable balance was \$198,744. The total value of the related right-to-use assets was \$183,978.79.

On February 1, 2020, the Borough entered into a lease of equipment. This lease was terminated on January 31, 2023 .

On May 1, 2017, the Borough entered into a lease of land. The lease was terminated on April 30, 2023.

The future principal and interest lease payments at June 30, 2023, were as follows:

<i>Fiscal year</i>	Governmental Activities	
	Principal	Interest
2024	\$ 21,534	\$ 11,907
2025	23,494	10,615
2026	25,632	9,159
2027	27,966	7,522
2028	30,511	5,686
2029-2030	69,607	4,975
Total	\$ 198,744	\$ 49,864



9. 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 monthly principal and interest payments of \$32,775 for a period of 28 years at an interest rate of 3.625%. The District has committed to making direct payments on behalf of the Borough to the USDA. As of June 30, 2023, the outstanding principal portion of the note totaled \$5,956,760.

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.

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.

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 was used to pay for the Talkeetna wastewater treatment plant upgrades. This loan will enter repayment status in FY24.

The Borough reported no drawdowns for all ADEC loans in drawdown status during FY23.

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.

A summary of changes in long-term debt for the year ended June 30, 2023 follows:

Governmental Activities	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Bonds and Certificates of Participation:					
School projects bonds	\$ 180,955,000	\$ -	\$ 18,395,000	\$ 162,560,000	\$ 19,145,000
Park and recreation bonds	17,420,000	-	850,000	16,570,000	895,000
Transportation bonds	21,085,000	12,000,000	1,515,000	31,570,000	2,040,000
Certificates of participation	12,690,000	-	1,785,000	10,905,000	1,325,000
Direct Borrowings:					
ADEC salted sand building loan	97,879	-	15,712	82,167	15,948
ADEC Talkeetna community water upgrade loan	56,401	-	5,270	51,131	5,349
ADEC Talkeetna wastewater treatment plant upgrade loan	7,552,157	-	-	7,552,157	326,396
USDA note payable	6,130,694	-	173,933	5,956,761	180,344
Other Liabilities:					
FTA liability*	9,287,929	-	-	9,287,929	-
Accrued leave**	3,938,629	3,995,219	3,847,387	4,086,461	4,086,461
Insurance claims incurred but not reported and claims payable	2,913,058	15,079,441	14,300,581	3,691,918	3,691,918
	262,126,747	\$ 31,074,661	\$ 40,887,883	252,313,525	\$ 31,711,416
Plus unamortized bond premium	18,014,335			15,884,517	
	<u>\$ 280,141,082</u>			<u>\$ 268,198,042</u>	
Business-type Activities					
	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Bonds:					
Port bonds	\$ 1,320,000	\$ -	\$ 645,000	\$ 675,000	\$ 675,000
Direct Borrowings:					
ADEC solid waste loan – Cell 3 construction	1,782,649	-	136,692	1,645,957	138,744
ADEC solid waste loan – hazardous waste facility	330,229	-	53,009	277,220	53,805
ADEC solid waste loan – regional resource recovery and training facility	456,160	-	47,719	408,441	48,435
ADEC solid waste loan – Cell 2 closure	1,750,362	-	104,926	1,645,436	106,498
ADEC solid waste loan – Cell 4*	5,718,071	-	-	5,718,071	-
ADEC solid waste loan – Septage and Leachate Treatment Facility*	904,120	-	-	904,120	-
Other Liabilities:					
Landfill closure and postclosure monitoring costs	6,163,439	590,501	-	6,753,940	
Accrued leave**	144,409	159,297	172,212	131,495	131,495
	18,569,439	\$ 749,798	\$ 1,159,558	18,159,680	\$ 1,153,976
Plus unamortized bond premium	97,728			39,091	
	<u>\$ 18,667,167</u>			<u>\$ 18,198,771</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 2024 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.

At June 30, 2023, 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	\$ 62,415,000
\$31,690,000 2016 Series A School refunding bonds, due in annual installments of \$2,435,000 to \$3,670,000, plus interest at 2.5% to 5.0% through July 1, 2030	25,425,000
\$55,195,000 2015 Series B School bonds, due in annual installments of \$2,390,000 to \$4,225,000, plus interest at 3% to 5.0% through November 1, 2034	39,205,000
\$37,350,000 2015 Series A School refunding bonds, due in annual installments of \$2,680,000 to \$2,910,000, plus interest at 2.5% to 3.0% through August 1, 2033	8,465,000
\$29,400,000 2014 Series B School bonds, due in annual installments of \$1,200,000 to \$2,190,000, plus interest at 5.0% through November 1, 2034	20,245,000
\$13,290,000 2013 Series A School bonds, due in annual installments of \$615,000 to \$670,000, plus interest at 4.0% to 5.0% through March 1, 2025	1,310,000
\$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 3.5% through March 1, 2030	100,000
\$8,710,000 2012 Series B School refunding bonds, due in annual installments of \$410,000 to \$430,000, plus interest at 3.5% through March 1, 2024	430,000
\$33,505,000 2007 Series A School refunding bonds, due in annual installments of \$1,960,000 to \$3,005,000, plus interest at 5.0% through April 1, 2025	4,965,000
Total school projects bonds	162,560,000

Park bonds:

\$21,200,000 2017 Series A Park bonds, due in annual installments of \$895,000 to \$1,435,000, plus interest at 5.0% through March 1, 2037	16,570,000
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Transportation bonds:

\$12,000,000 2022 Series A Transportation bonds, due in annual installments of \$460,000 to \$920,000, plus interest at 3.2% to 5.0% through November 1, 2041	12,000,000
\$6,845,000 2019 Series B Transportation refunding bonds, due in annual installments of \$680,000 to \$825,000, plus interest at 2.1% to 3.0% through March 1, 2032	6,745,000
\$1,560,000 2015 Series C Transportation bonds, due in annual installments of \$70,000 to \$105,000, plus interest at 3.5% to 4.0% through November 1, 2034	1,065,000
\$17,840,000 2014 Series A Transportation bonds, due in annual installments of \$830,000 to \$1,350,000, plus interest at 5.0% through April 1, 2033	11,760,000
Total transportation bonds	31,570,000

Port bonds:

\$5,770,000 2012 Series C Port refunding bonds, due in final installment of \$675,000, plus interest at 5.0% through March 1, 2024	675,000
Total General Obligation Bonds	\$ 211,375,000

Certificates of Participation

\$8,585,000 2013 Public Safety Building Lease Certificates of Participation, due in annual installments of \$605,000 to \$745,000, plus interest at 4.0% to 5.0% through October 1, 2028	\$ 4,040,000
\$5,700,000 2016 Series A Public Safety Building Lease Certificates of Participation, due in annual installments of \$380,000 to \$540,000, plus interest at 5.0% through March 1, 2031	3,645,000
\$5,000,000 2016 Series B Public Safety Building Lease Certificates of Participation, due in annual installments of \$340,000 to \$475,000, plus interest at 5.0% through March 1, 2031	3,220,000
Total Certificates of Participation	\$ 10,905,000

ADEC Loans

\$2,805,926 ADEC loan for Landfill Cell 3 construction due in annual installments of \$136,693 to \$161,018, plus interest at 1.5% through July 1, 2034	\$	1,645,957
\$105,000 ADEC loan for Talkeetna Community Water Upgrade due in annual installments of \$5,349 to \$6,025, plus interest at 1.5% through March 1, 2032		51,131
\$294,958 ADEC loan for Salted Sand Storage Building due in annual installments of \$15,948 to \$16,926, plus interest at 1.5% through August 8, 2027		82,167
\$995,155 ADEC loan for Hazardous Waste Facility, due in annual installments of \$53,805 to \$57,107, plus interest at 1.5% through August 31, 2027		277,220
\$936,743 ADEC loan for Regional Resource Recovery and Training Facility, due in annual installments of \$48,435 to \$53,755, plus interest at 1.5% through June 30, 2031		408,441
\$2,252,177 ADEC loan for Central Landfill Cell 2A Closure, due in annual installments of \$106,498 to \$129,241, plus interest at 1.5% through June 1, 2037		1,645,436
\$7,552,157 ADEC loan for Talkeetna Wastewater Treatment Plant Upgrade, due in annual installments of \$326,396 to \$433,624, plus interest at 1.5% through July 1, 2043		7,552,157
ADEC loan for Central Landfill Cell 4 design and construction. Still in draw down status. Repayment terms not established.		5,718,071
ADEC loan for Mat-Su Septage and Leachate Treatment Facility. Still in draw down status. Repayment terms not established.		904,120
Total ADEC Loans	\$	18,284,700

Note Payable

\$6,900,000 USDA note payable, due in monthly installments of \$32,775, including interest, through July 2045	\$	5,956,761
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The annual requirements to amortize bonds and certificates of participation, ADEC loans in repayment status, and note payable as of June 30, 2023 are as follows:

Governmental Activities

Year Ending June 30:	General Obligation Bonds and Certificates of Participation		ADEC Loans – Direct Borrowings		Notes Payable – Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 23,405,000	\$ 8,590,285	\$ 347,693	\$ 436,871	\$ 180,344	\$ 212,956
2025	22,645,000	7,695,265	\$ 352,929	\$ 110,521	186,991	206,309
2026	21,240,000	6,841,706	\$ 358,244	\$ 105,206	193,884	199,416
2027	19,200,000	6,093,082	\$ 363,638	\$ 99,812	201,030	192,270
2028	19,880,000	5,402,240	\$ 369,114	\$ 94,336	208,439	184,861
2029-2033	88,795,000	15,133,228	1,836,007	88,777	1,163,261	803,239
2034-2038	23,025,000	2,660,246	1,953,115	247,656	1,394,037	572,463
2039-2043	3,415,000	354,983	2,104,715	96,058	1,670,596	295,904
2044-2047	-	-	-	-	758,179	28,973
	\$ 221,605,000	\$ 52,771,035	\$ 7,685,455	\$ 1,279,238	\$ 5,956,761	\$ 2,696,391

Business-type Activities

Year Ending June 30:	Port Bonds		ADEC Loans – Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 675,000	\$ 33,750	\$ 347,482	\$ 59,657
2025	-	-	\$ 352,694	\$ 54,444
2026	-	-	\$ 357,985	\$ 49,153
2027	-	-	\$ 363,354	\$ 43,784
2028	-	-	\$ 368,805	\$ 38,333
2029-2033	-	-	1,520,098	116,650
2034-2038	-	-	666,634	21,517
2039-2041	-	-	-	-
Loans not yet in repayment status	-	-	6,622,191	-
	\$ 675,000	\$ 33,750	\$ 10,599,243	\$ 383,539

The following summarizes the amounts available for payment of general long-term debt at June 30, 2023:

	Debt Service Funds
School general obligation bonds	\$ 14,472,312
Transportation bonds	431,703
Parks and recreation bonds	855,082
Certificates of participation	5,726,644
	\$ 21,485,741

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	11,845,000
	\$ 43,925,000

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, 2023, 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, 2023, 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 \$6,753,940 reported as landfill closure and postclosure care liability at June 30, 2023 represents the cumulative amount reported to date based on the use of 36% of the estimated capacity of the landfill. The Borough will recognize the remaining estimated cost of closure and postclosure care of \$22,157,737 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, 2023, 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

Prior to Fiscal Year 2022, the Borough would issue non-recourse special assessment bonds to finance road, water, or gas improvements in local improvement districts within the Borough. As part of the Fiscal Year 2022 Budget, the Borough created an internal service fund to allow it to finance the local improvement special assessment without the issuance of non-recourse bonds. As such, the Borough is not obligated in any manner for the special assessment bond debt and is acting solely as agent on behalf of the local improvement districts. These balances are therefore only recorded in the Fiduciary Fund.

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, 2023, the Borough has no defeased debt outstanding to report.

10. 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, 2023, including both principal and interest, was as follows:

2015 lease revenue bonds	\$	138,874,856
2017 lease revenue bonds		32,897,625
Total	\$	171,772,481

11. Employee Retirement Systems and Plans

The Borough follows *Governmental Accounting Standards Board (GASB) Codification P20, Accounting for Pensions by State and Local Governmental Employees* and *GASB Codification P50, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. *GASB Codification P20* and *GASB Codification P50* establish uniform standards for the measurement, recognition, and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

All full-time employees and certain permanent part-time employees of the Borough participate in the State of Alaska Public Employees' Retirement System (PERS). In addition to the pension plan, PERS also administers other post-employment benefit (OPEB) plans.

The system is governed by the Alaska Retirement Management Board. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee.

Summary of Significant Accounting Policies. The financial statements for PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The Borough's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value.

PERS acts as the common investment and administrative agencies for the following multiple-employer plans:

<u>Plan Name</u>	<u>Type of Plan</u>
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB):	

Occupational Death and Disability Plan	Cost-sharing Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing Defined Benefit OPEB
Retiree Medical Plan	Cost-sharing Defined Benefit OPEB
Defined Contribution Other Postemployment	
Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	Defined Contribution OPEB

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2022 the employer contribution rate is 0.68% for peace officers and firefighters and 0.31% for all other members..

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2022 (latest available information) employer contributions were 6.46% of annual payroll.

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2022 employer contributions were 1.07%.

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the plan.

Investments

The Board is the investment oversight authority of the system's investments. As the fiduciary, the Board has the statutory authority to invest the assets under the Prudent Investor Rule. Fiduciary responsibility for the Board's invested assets is pursuant to AS 37.10.210.390.

State of Alaska Department of Treasury provides staff for the Board. Treasury has created a pooled environment by which it manages investments of the Board. Additionally, Treasury manages a mix of Pooled Investment Funds and Collective Investment Funds for the DC Participant-directed Pension plans under the Board's fiduciary responsibility.

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2022 (latest available report) for the DB Plans for PERS are: DB Pension 6.00%, ARHCT 6.03%, ODD 6.30%, and RMP is 6.28%.

For additional information on securities lending, interest rates, credit risks, foreign exchange, derivatives, fair value, and counterparty credit risks, see the separately issued report on the Invested Assets of the State of Alaska Retirement and Benefits Plans at:

<http://treasury.dor.alaska.gov/armb/Reports-and-Policies/Annual-Audited-Financial-Schedules.aspx>.

The long-term expected rate of return on pension and OPEB plan investments was determined using the 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 adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS plan (rates shown below exclude an annual inflation component of 2.88%):

Asset Class	Long-Term Expected Rate of Return
Broad Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50%)

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%, which represents a decrease of 0.13% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were 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 and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.09% as of June 30, 2022.

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

Employer Effective Rate: This is the actual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to the salary floor, and other termination costs as described below. This rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined benefit plan.

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. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. 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 will result in lower ARM Board Rates in future years.

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. On-behalf contribution amounts have been recognized in these financial statements as both revenue and expenditures.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board (GASB)*. Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.25% discount rate.

Employer Contribution rates for the plan year ended 2022 (measurement period) are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	24.79%	2.79%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>24.79%</u>	<u>2.79%</u>

Termination Costs: If the Borough decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular Borough function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The Borough must pay to have a termination study completed. The purpose of the study is to calculate the Borough's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The Borough must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For plan year ended 2022 (measurement period) the past service rate for PERS is 16.01%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2022 (latest available) were determined by an actuarial valuation as of June 30, 2021 which was rolled forward to the measurement date June 30, 2022. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 8.5% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017 - 2021 actual experience study and applicable tables contained in Pub-210, projected with MP-2021 generational improvement. Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.5% grading down to 4.5%.
Healthcare cost trend rates	Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions related to the ARHCT plan:

- a) Per capita claims costs were updated to reflect recent experience.
- b) Normal cost for administrative expenses were updated to reflect recent two years of actual administrative expenses paid from plan assets.

The changes of assumptions from the latest experience study significantly reduced deferred inflows of resources attributable to the Borough, as well as a net OPEB benefit recognized by the Borough for the State's proportionate share of OPEB plan expense attributable to the Borough. In some instances the reduction of revenues and expenses reported for the State's proportionate share of OPEB plan expense attributable to the Borough creates a net negative Pension/OPEB expense (net pension/OPEB benefit) which results in negative operating grants and contributions for certain functions reported on the Statement of Activities.

Alaska Public Employee Retirement System (PERS) – Defined Benefit Plan (DB)

Plan Description. The Borough participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at: <http://doa.alaska.gov/drb/pers>.

Pension Benefits. All tier employee benefits vest with five years of credited service. There are three tiers of employees based on entry date. Tier I employees enrolled prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For Tier II and III employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. All tier employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

The PERS defined benefit plan is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

Currently there are 150 employers participating in PERS defined benefit plan and 151 participating in PERS defined contribution and OPEB plans.

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for peace officers/firefighters members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

The percentage multipliers for peace officers/firefighters are 2% for the first ten years of service and 2.5% for all service over 10 years. The percentage multipliers for all other participants are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Post-employment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986, but before July 1, 2006, and who have not reached age 60 may elect to pay for major medical benefits.

Post Retirement Pension Adjustments. The plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The discretionary PRPA may be granted to eligible recipients by the DB Plan's administrator if the funding ratio of the DB Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, the retiree is eligible for both adjustments, the one that provides the retiree with the greatest benefit will be paid.

Funding Policy. In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, 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 (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

Salary Floor. During the 25th legislation session, Senate Bill 125 passed, which established a June 30, 2008 salary floor under AS 39.35.255(a)(2). The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The statute requires the Division of Retirement and Benefits (Division) to collect employer contributions at a minimum based on FY 2008 base salaries.

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.5% for peace officers and firefighters, and 9.6% for certain borough employees.

Employer contributions for the year ended June 30, 2023, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$4,539,414	342,596	4,882,010

Public Employees Retirement Plans

For the year ended June 30, 2023 the State of Alaska contributed \$833,946 (100% pension cost) on-behalf of the Borough, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2022 to a total of (\$910,615), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2023, the Borough reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the Borough. The amount recognized by the Borough as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the Borough were as follows:

Defined Benefit:	Pension
Borough's proportionate share of the net pension liability	\$ 47,551,012
State's proportionate share of the net pension liability	13,161,107
Total	\$ 60,712,119
	OPEB
Borough's proportionate share of the ARHCT OPEB liability (asset)	\$ (18,231,845)
State's proportionate share of the ARHCT OPEB liability (asset)	(5,211,677)
Total	(23,443,522)
Borough's proportionate share of the ODD OPEB liability (asset)	\$ (578,895)
Borough's proportionate share of the RMP OPEB liability (asset)	\$ (485,365)
Total Borough's share of net pension and OPEB liabilities and assets\$	28,254,907

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The Borough's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2023 through FY2039, as determined by projections based on the June 30, 2021 valuation.

The Borough's proportionate share and changes in the pension and OPEB liabilities and assets were as follows:

	June 30, 2022 Measurement	June 30, 2021 Measurement	Change
Pension	0.9330%	1.0224%	-0.0895%
OPEB:			
ARHCT	0.9266%	1.0268%	-0.1002%

ODD	1.3205%	1.2988%	0.0217%
RMP	1.3975%	1.3811%	0.0164%

Based on the measurement date of June 30, 2022, the Borough recognized pension and OPEB expense of \$401,870 and (\$7,289,357), respectively, for the year ended June 30, 2023. At June 30, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

Defined Benefit:	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,359,499	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	-
Borough contributions subsequent to the measurement date	4,539,414	-
Total	\$ <u>5,898,913</u>	<u>-</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(129,046)
Changes of assumptions	-	(836,685)
Net difference between projected and actual earning on OPEB plan investments	1,034,358	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	249,373	-
Borough contributions subsequent to the measurement date	-	-
Total	\$ <u>1,283,731</u>	<u>(965,731)</u>
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(189,911)
Changes of assumptions	-	(3,686)
Net difference between projected and actual earning on OPEB plan investments	19,604	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	4,617	(31,284)
Borough contributions subsequent to the measurement date	<u>80,681</u>	<u>-</u>

Total	\$	<u>104,902</u>	<u>(224,881)</u>
		OPEB RMP	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	24,060	(19,072)
Changes of assumptions		93,978	(581,969)
Net difference between projected and actual earning on OPEB plan investments		69,228	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions		18,533	-
Borough contributions subsequent to the measurement date		261,915	-
Total	\$	<u>467,714</u>	<u>(601,041)</u>

\$4,539,414 and \$342,596 are reported as deferred outflows of resources related to pension and OPEB resulting from Borough contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
June 30,					
2023	\$	(161,625)	(890,074)	(40,224)	(66,200)
2024		(414,278)	(362,749)	(41,204)	(69,589)
2025		(994,520)	(817,186)	(44,317)	(80,280)
2026		2,929,922	2,388,099	(17,041)	13,236
2027		-	-	(27,874)	(85,214)
Thereafter		-	-	(30,000)	(107,195)
Total	\$	<u>1,359,499</u>	<u>318,000</u>	<u>(200,660)</u>	<u>(395,242)</u>

For the year ended June 30, 2023, the Borough recognized (\$3,564,174) and \$569,547 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% decrease -6.25%	Current Rate -7.25%	1% increase -8.25%
Net pension liability (asset)	\$ 64,013,884.00	47,551,012	33,669,415
Net OPEB ARHCT liability (asset)	\$ (10,832,346.00)	(18,231,845)	(24,436,988)
Net OPEB ODD liability (asset)	\$ (545,314.00)	(578,895)	(605,160)
Net OPEB RMP liability (asset)	89,275	(485,365)	(923,578)

Sensitivity of the Borough's proportionate share of the Net OPEB liability and assets to changes in the healthcare cost trend rates. The following present the Borough's proportionate share of the net OPEB liability (asset), as well as what the Borough's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		1% decrease	Current Rate	1% increase
Net OPEB ARHCT liability (asset)	\$	(25,166,951)	(18,231,845)	(9,949,991)
Net OPEB ODD liability (asset)	\$	N/A	(578,895)	N/A
Net OPEB RMP liability (asset)	\$	(983,756)	(485,365)	185,929

Alaska Public Employee Retirement System (PERS) – Defined Contribution Plan (DC)

Plan Description and Funding Requirements. Boroughs and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner’s designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual’s account. State statutes require the employer to contribute 5% of employees’ eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.07% for the retiree medical plan (DB), 0.31% and 0.68% (peace officers) for occupational and death and disability benefits (DB) and 3% of employers’ average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL). Plan members are 100% vested with their contributions.

Members become vested in employers’ contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

The Borough contributed \$1,879,104 for the year ended June 30, 2023, which included forfeitures of \$84,909 which have been applied as employer contributions.

12. 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.

13. 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.

14. 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.

The Borough (excluding the School District) provides health insurance on a self-insured basis up to \$175,000 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, 2023 and 2022 follows:

	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Total
Balance, June 30, 2021	\$ -	\$ 1,873,051	\$ -	\$ 103,102	\$ 1,976,153
Claims incurred	35,687	13,331,731	-	495,749	13,863,167
Claims paid	(35,687)	(12,670,332)	-	(220,243)	(12,926,262)
Balance, June 30, 2022	-	2,534,450	-	378,608	2,913,058
Claims incurred	58,339	13,917,679	-	594,579	14,570,597
Claims paid	(58,339)	(13,367,256)	-	(366,141)	(13,791,736)
Balance, June 30, 2023	\$ -	\$ 3,084,873	\$ -	\$ 607,046	\$ 3,691,919

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 \$3,691,919, is included with the governmental-activities noncurrent liabilities.

15. 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 Matanuska-Susitna Borough was awarded \$21,039,307 in recovery funds and received disbursements of \$10,519,654 in June of 2021 and June of 2022. Continued planning and allocation of the remaining funds will take place in FY25. The funds must be obligated prior to December 31, 2024 and projects must be completed by December 31, 2026.

16. Rounding

Each amount in the financial statements is rounded to its natural whole number. As a result, some subtotals and totals may not equal the sum of the detail amounts.

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 Matanuska-Susitna Borough for 2022 reporting:

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. 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). The Borough has determined that we do not have any existing PPP or APA that need to be reported.

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. The Borough has determined that we do not have any SBITAs that are long-term, as we renew each subscription annually. There are no guarantees that we will renew each year, as subscriptions are a budgeted item each year in the IT operating budget.

GASB Statement No. 99 – Omnibus 2022 – Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024.

The GASB has issued several new accounting standards with upcoming implementation dates. 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. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 – Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 – Compensated Absences – Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.



**REQUIRED
SUPPLEMENTARY
INFORMATION**



Exhibit E-1

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

Year Ended June 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 122,184,630	\$ 122,184,630	\$ 122,694,695	\$ 510,065
Intergovernmental	23,305,874	60,977,612	22,290,397	(38,687,215)
Charges for services	5,824,300	5,824,300	6,621,514	797,214
Investment income (loss)	150,000	150,000	2,695,730	2,545,730
Total Revenues	151,464,804	189,136,542	154,302,336	(34,834,206)
Expenditures				
General government	26,900,484	26,688,040	24,276,120	2,411,920
Public works	4,800,958	4,955,640	4,651,856	303,784
Emergency services	16,342,129	16,092,129	14,321,267	1,770,862
Public services	4,861,455	4,911,455	4,659,491	251,964
Education	70,696,614	70,696,614	70,696,614	-
Total Expenditures	123,601,640	123,343,878	118,605,348	4,738,530
Excess of Revenues Over Expenditures	27,863,164	65,792,664	35,696,988	(30,095,676)
Other Financing Sources (Uses)				
Sale of capital assets	30,000	30,000	70,412	40,412
Areawide Tax Relief	-	-	(11,948,301)	(11,948,301)
Transfers in	13,022,357	13,113,715	13,097,326	(16,389)
Transfers out	(41,903,825)	(68,825,682)	(68,760,290)	65,392
Net Other Financing Sources (Uses)	(28,851,468)	(55,681,967)	(67,540,853)	(11,858,886)
Net Change in Fund Balance	<u>\$ (988,304)</u>	<u>\$ 10,110,697</u>	(31,843,865)	<u>\$ (41,954,562)</u>
Fund Balance, beginning			64,524,417	
Fund Balance, ending			<u>\$ 32,680,552</u>	

Schedule of Borough's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
June 30, 2023

Year	Borough's Proportion of the Net Pension Liability	Borough's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Borough's Covered Payroll	Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.4814%	\$ 22,451,653	\$ 18,637,380	\$ 41,089,033	\$ 19,339,708	116.09%	62.37%
2016	0.6486%	\$ 31,457,163	\$ 8,425,442	\$ 39,882,605	\$ 21,010,045	149.72%	63.96%
2017	0.8442%	\$ 47,187,922	\$ 5,944,748	\$ 53,132,670	\$ 22,300,573	211.60%	59.55%
2018	0.7606%	\$ 39,316,621	\$ 14,648,493	\$ 53,965,114	\$ 22,871,706	171.90%	63.37%
2019	0.8119%	\$ 40,341,822	\$ 11,680,902	\$ 52,022,724	\$ 23,215,637	173.77%	65.19%
2020	0.7769%	\$ 42,530,827	\$ 16,893,336	\$ 59,424,163	\$ 25,007,882	170.07%	63.42%
2021	0.7875%	\$ 46,473,629	\$ 19,227,128	\$ 65,700,757	\$ 26,810,589	173.34%	61.61%
2022	1.0224%	\$ 37,507,945	\$ 5,081,418	\$ 42,589,363	\$ 28,197,294	133.02%	76.46%
2023	0.9330%	\$ 47,551,012	\$ 13,161,107	\$ 60,712,119	\$ 28,992,852	164.01%	67.97%

See accompanying notes to the Required Supplementary Information

Exhibit F-2

Schedule of Borough's Proportionate Share of the Net OPEB Liability (Asset)
Public Employees' Retirement System (PERS)
June 30, 2023

Year	Borough's Proportion of the Net OPEB Liability (Asset)	Borough's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	Borough's Covered Payroll	Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2018	0.7606%	\$ 6,425,311	\$ 2,395,674	\$ 8,820,985	\$ 22,871,706	28.09%	89.68%
2019	0.8117%	\$ 8,330,034	\$ 2,418,351	\$ 10,748,385	\$ 23,215,637	35.88%	88.12%
2020	0.7770%	\$ 1,152,914	\$ 458,421	\$ 1,611,335	\$ 25,007,882	4.61%	98.13%
2021	0.7872%	\$ (3,564,823)	\$ (1,479,052)	\$ (5,043,875)	\$ 26,810,589	-13.30%	106.15%
2022	1.0268%	\$ (26,340,269)	\$ (3,448,084)	\$ (29,788,353)	\$ 28,197,294	-93.41%	135.54%
2023	0.9330%	\$ (18,231,845)	\$ (5,211,677)	\$ (23,443,522)	\$ 28,992,852	-62.88%	128.51%
2018	1.1514%	\$ (163,372)	\$ -	\$ (163,372)	\$ 22,871,706	-0.71%	212.97%
2019	1.6344%	\$ (226,138)	\$ -	\$ (226,138)	\$ 23,215,637	-0.97%	270.62%
2020	1.0969%	\$ (265,942)	\$ -	\$ (265,942)	\$ 25,007,882	-1.06%	297.43%
2021	1.2388%	\$ (337,691)	\$ -	\$ (337,691)	\$ 26,810,589	-1.26%	283.80%
2022	1.2988%	\$ (572,463)	\$ -	\$ (572,463)	\$ 28,197,294	-2.03%	374.22%
2023	1.3205%	\$ (578,895)	\$ -	\$ (578,895)	\$ 28,992,852	-2.00%	348.80%
2018	1.1151%	\$ 60,045	\$ -	\$ 60,045	\$ 11,982,257	0.50%	93.98%
2019	1.6434%	\$ 148,162	\$ -	\$ 148,162	\$ 13,214,451	1.12%	88.71%
2020	1.2408%	\$ 296,858	\$ -	\$ 296,858	\$ 15,340,945	1.94%	83.17%
2021	1.3497%	\$ 95,736	\$ -	\$ 95,736	\$ 18,239,692	0.52%	92.23%
2022	1.3811%	\$ (370,717)	\$ -	\$ (370,717)	\$ 20,183,068	-1.84%	115.10%
2023	1.3975%	\$ (485,365)	\$ -	\$ (485,365)	\$ 22,186,040	-2.19%	120.08%

See accompanying notes to Required Supplementary Information.

Exhibit F-3

Schedule of Borough's Contributions (Pensions)
Public Employees' Retirement System (PERS)
June 30, 2023

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 2,137,416	\$ (2,137,416)	\$ -	\$ 21,010,045	10.17%
2016	\$ 2,309,530	\$ (2,309,530)	\$ -	\$ 22,300,573	10.36%
2017	\$ 2,667,192	\$ (2,667,192)	\$ -	\$ 22,871,706	11.66%
2018	\$ 3,034,464	\$ (3,034,464)	\$ -	\$ 23,215,637	13.07%
2019	\$ 3,013,267	\$ (3,013,267)	\$ -	\$ 25,007,882	12.05%
2020	\$ 2,979,085	\$ (2,979,085)	\$ -	\$ 26,810,589	11.11%
2021	\$ 3,693,095	\$ (3,693,095)	\$ -	\$ 28,197,294	13.10%
2022	\$ 3,874,789	\$ (3,874,789)	\$ -	\$ 28,992,852	13.36%
2023	\$ 4,510,006	\$ (4,539,414)	\$ (29,408)	\$ 30,732,336	14.68%

See accompanying notes to Required Supplementary Information.

Schedule of Borough's Contributions (OPEB)
Public Employees' Retirement System (PERS)
June 30, 2023

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 864,788	\$ 864,788	\$ 1,729,576	\$ 23,215,637	3.73%
2019	\$ 1,083,601	\$ 1,083,601	\$ 2,167,202	\$ 25,007,882	4.33%
2020	\$ 1,189,931	\$ 1,189,931	\$ 2,379,862	\$ 26,810,589	4.44%
2021	\$ 595,468	\$ 595,468	\$ 1,190,936	\$ 28,197,294	2.11%
2022	\$ 441,411	\$ 441,411	\$ 882,822	\$ 28,992,852	1.52%
2023	\$ -	\$ -	\$ -	\$ 30,732,336	0.00%
Occupational Death and Disability (ODD):					
2018	\$ 23,305	\$ 23,305	\$ 46,610	\$ 23,215,637	0.10%
2019	\$ 44,785	\$ 44,785	\$ 89,570	\$ 25,007,882	0.18%
2020	\$ 54,324	\$ 54,324	\$ 108,648	\$ 26,810,589	0.20%
2021	\$ 69,279	\$ 69,279	\$ 138,558	\$ 28,197,294	0.25%
2022	\$ 76,187	\$ 76,187	\$ 152,374	\$ 28,992,852	0.26%
2023	\$ 80,681	\$ (80,681)	\$ -	\$ 30,732,336	0.26%
Retiree Medical Plan (RMP):					
2018	\$ 135,734	\$ 135,734	\$ 271,468	\$ 13,214,451	1.03%
2019	\$ 145,616	\$ 145,616	\$ 291,232	\$ 15,340,945	0.95%
2020	\$ 240,765	\$ 240,765	\$ 481,530	\$ 18,239,692	1.32%
2021	\$ 256,324	\$ 256,324	\$ 512,648	\$ 20,183,068	1.27%
2022	\$ 236,461	\$ 236,461	\$ 472,922	\$ 22,186,040	1.07%
2023	\$ 261,915	\$ (261,915)	\$ -	\$ 8,541,382	3.07%

See accompanying notes to Required Supplementary Information.



1. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Budgets and Budgetary Accounting

The Borough follows these procedures in establishing the budgetary data reflected in the required supplementary information:

1. 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 1, the budget is legally enacted through passage of an ordinance by the Borough Assembly.
4. 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.
5. 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 ARPA Recovery Funding, Opioid Settlement, Property Tax, and Road, Gas Line and Community Water Special Revenue Funds, have legally adopted annual budgets.
6. 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.

1. Public Employees' Retirement System

Schedule of Borough's Proportionate Share of Net Pension and OPEB Liability (Asset)

The table is presented based on the Plan measurement date which is one year prior to fiscal year end for all years presented.

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

1. **Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021**

There were no changes in actuarial methods since the prior valuation.

1. **Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021**

Healthcare claim costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from CY20 to CY21. The amounts included in the normal cost for administrative expenses were changed from \$7,223,000 to \$7,625,000 for pension, and from \$4,934,000 to \$5,531,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

2. **Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021**

There were no changes in benefit provisions since the prior valuation.

*Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan***1. Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021**

There were no changes in actuarial methods since the prior valuation.

2. Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021

Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$1,000 to \$16,000 for occupational death and disability, and from \$20,000 to \$24,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

3. Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021

There have been no changes in benefit provisions valued since the prior valuation.

The 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 (Pension) and (OPEB)

The table valuation date is June 30, 2021 which was rolled forward to June 30, 2022. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

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NONMAJOR FUNDS



Nonmajor Governmental Funds Combining Balance Sheet

June 30, 2023	Special Revenue	Debt Service	Capital Projects	Totals
Assets				
Cash and investments	\$ 39,616,737	\$ 19,589,186	\$ 34,292,428	\$ 93,498,351
Prepaid items	4,966	-	-	4,966
Receivables:				
Intergovernmental	638,400	-	2,085,791	2,724,191
Property taxes, net of allowance	1,467,745	-	-	1,467,745
Leases receivable	61,118	-	-	61,118
Land sales contracts, net	21,899	-	-	21,899
Interfund loans receivable	2,864,394	-	-	2,864,394
Other	390,428	-	-	390,428
Land sales contracts receivable, long-term	359,553	-	-	359,553
Leases receivable, long term	1,572,973	-	-	1,572,973
Restricted cash and investments	-	1,896,555	-	1,896,555
Total Assets	\$ 46,998,213	\$ 21,485,741	\$ 36,378,219	\$ 104,862,173
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts, contracts and retentions payable	\$ 2,302,607	\$ -	\$ 2,062,966	\$ 4,365,573
Deposits	224,970	-	6,000	230,970
Unearned revenue	-	-	754,476	754,476
Interfund loans payable	1,005,898	-	-	1,005,898
Total Liabilities	3,533,475	-	2,823,442	6,356,917
Deferred Inflows of Resources				
Special assessments	8,317	-	-	8,317
Delinquent property taxes	1,120,201	-	-	1,120,201
Land sales receivables not yet due	359,553	-	-	359,553
Leases receivable not yet due	1,553,919	-	-	1,553,919
Total Deferred Inflows of Resources	3,041,990	-	-	3,041,990
Total Liabilities and Deferred Inflows of Resources	6,575,465	-	2,823,442	9,398,907
Fund Balances				
Nonspendable - prepaid items	4,966	-	-	4,966
Restricted:				
Debt service	-	1,896,555	-	1,896,555
Committed:				
Long-term loans receivable	2,864,394	-	-	2,864,394
Land management	992,195	-	-	992,195
Self-insurance	270,000	-	-	270,000
Accrued leave	30,000	-	-	30,000
Assigned:				
Subsequent year expenditures	3,679,816	-	-	3,679,816
Service areas	31,458,786	-	-	31,458,786
Land management	1,280,239	-	-	1,280,239
Debt service	-	19,589,186	-	19,589,186
Capital projects	-	-	33,554,777	33,554,777
Unassigned (deficits)	(157,648)	-	-	(157,648)
Total Fund Balances	40,422,748	21,485,741	33,554,777	95,463,266
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 46,998,213	\$ 21,485,741	\$ 36,378,219	\$ 104,862,173

Exhibit G-2

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

Year Ended June 30, 2023	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 50,493,947	\$ -	\$ -	\$ 50,493,947
Intergovernmental	838,231	-	7,099,095	7,937,326
Charges for services	3,938,013	-	-	3,938,013
Investment income	103,117	132,972	21,406	257,495
Interest on land sales	69,489	-	-	69,489
Other	1,536,163	-	249,865	1,786,028
Total Revenues	56,978,960	132,972	7,370,366	64,482,298
Expenditures				
Current:				
General government	269,436	-	3,785,100	4,054,536
Emergency services	17,961,786	-	5,174,269	23,136,055
Public services	17,948,370	-	3,285,450	21,233,820
Debt service:				
Principal	2,722	22,545,000	-	22,547,722
Interest	1,947	9,440,430	-	9,442,377
Capital outlay	-	-	8,646,843	8,646,843
Total Expenditures	36,184,261	31,985,430	20,891,662	89,061,353
Excess (Deficiency) of Revenues Over Expenditures	20,794,699	(31,852,458)	(13,521,296)	(24,579,055)
Other Financing Sources (Uses)				
Sale of capital assets	17,344	-	-	17,344
Transfers in	1,750,529	26,222,339	22,719,238	50,692,106
Transfers out	(25,730,652)	(3,000,000)	(1,629,592)	(30,360,244)
Net Other Financing Sources (Uses)	(23,962,779)	23,222,339	21,089,646	20,349,206
Net Change in Fund Balances	(3,168,080)	(8,630,119)	7,568,350	(4,229,849)
Fund Balances, beginning	43,590,828	30,115,860	25,986,427	99,693,115
Fund Balances, ending	\$ 40,422,748	\$ 21,485,741	\$ 33,554,777	\$ 95,463,266

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GENERAL FUND



**General Fund
Comparative Balance Sheet**

June 30,	2023	2022
Assets		
Cash and investments	\$ 25,846,494	\$ 16,816,573
Prepaid items	697,866	318,951
Receivables:		
Intergovernmental	172,906	39,089,426
Delinquent property taxes, including foreclosure costs, penalties and interest net of allowance for doubtful accounts of \$0 (\$0 in 2022)	4,873,933	5,266,166
Ambulance, net of allowance for doubtful accounts of \$404,255 (\$227,249 in 2022)	1,513,107	529,047
Excise taxes	1,595,097	1,283,467
Accrued interest	745,166	536,009
Other	702,422	1,014,271
Due from other funds	87,651	3,517,378
Interfund loans receivable	450,000	450,000
Advances to other funds	6,799,550	5,920,070
Inventory	222,706	237,078
Restricted cash	235,980	196,650
Total Assets	\$ 43,942,878	\$ 75,175,086
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts, contracts, and retentions payable	\$ 967,105	\$ 1,053,373
Accrued payroll and related liabilities	1,871,117	1,695,616
Interfund loans payable	642,500	899,500
Other liabilities	382,659	394,935
Total Liabilities	3,863,381	4,043,424
Deferred Inflows of Resources		
Taxes collected in advance	2,324,168	1,494,873
Delinquent property taxes	4,170,769	4,917,861
Delinquent ambulance receivables	904,008	137,195
Delinquent foreclosure property sales	-	57,316
Total Deferred Inflows of Resources	7,398,945	6,607,245
Total Liabilities and Deferred Inflows of Resources	11,262,326	10,650,669
Fund Balance		
Nonspendable:		
Prepaid items	697,866	318,951
Advances to other funds	6,799,550	5,920,070
Inventory	222,706	237,078
Long-term loan receivable	450,000	450,000
Restricted - Debt service	235,980	196,650
Committed:		
Self-insurance	1,000,000	1,000,000
Accrued leave	250,000	250,000
Assembly projects	25,217	25,217
Major repairs and renovations	-	1,000,000
Capital	1,000,000	1,000,000
Emergency response	1,250,000	1,250,000
Fund balance stabilization	25,000,000	25,000,000
Assigned - subsequent year expenditures	-	1,119,052
Unassigned (Deficit)	(4,250,767)	26,757,399
Total Fund Balance	32,680,552	64,524,417
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 43,942,878	\$ 75,175,086

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

Years Ended June 30,	2023		2022	
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Current year property tax levy	\$ 108,552,100	\$ 107,884,810	\$ (667,290)	\$ 104,706,292
Penalty and interest on taxes	1,000,000	662,013	(337,987)	1,566,759
Foreclosure costs	100,000	167,336	67,336	88,476
Recording and attorney fees	100,500	4,982	(95,518)	5,177
Vehicle taxes collected through State of Alaska	598,030	947,682	349,652	1,130,757
Excise taxes	10,830,000	11,273,096	443,096	10,872,816
Transient accommodations tax	1,004,000	1,754,776	750,776	1,476,023
Total taxes	122,184,630	122,694,695	510,065	119,846,300
Intergovernmental:				
State sources:				
Debt service reimbursement	54,929,112	15,225,886	(39,703,226)	44,413,717
Community assistance	1,500,000	2,162,942	662,942	688,120
PERS relief	1,000,000	649,475	(350,525)	1,751,428
In lieu of taxes	8,500	8,198	(302)	8,654
Other	40,000	7,500	(32,500)	45,430
Federal sources:				
In lieu of taxes	3,500,000	4,212,725	712,725	3,935,477
Other	-	23,671	23,671	24,910
Total intergovernmental	60,977,612	22,290,397	(38,687,215)	50,867,736
Charges for services:				
Ambulance	4,001,000	3,816,680	(184,320)	3,219,631
Engineering inspections	75,000	16,550	(58,450)	17,450
Planning and zoning	250,000	391,320	141,320	355,004
Ice arena	410,000	584,098	174,098	498,246
Community pool fees	400,000	644,778	244,778	537,303
Business licenses	400,000	635,030	235,030	528,735
Other	288,300	533,058	244,758	514,715
Total charges for services	5,824,300	6,621,514	797,214	5,671,084
Investment income (loss)	150,000	2,695,730	2,545,730	(13,717,965)
Total Revenues	189,136,542	154,302,336	(34,834,206)	162,667,155
Expenditures				
General government:				
Mayor	130,444	126,377	4,067	138,459
Assembly	477,043	372,038	105,005	374,298
Clerk	619,202	604,685	14,517	632,425
Administration	1,337,306	1,205,754	131,552	1,345,791

Exhibit H-2, continued

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

Years Ended June 30,	2023		2022	
	Budget	Actual	Variance	Actual
Expenditures, continued				
General government, continued:				
Elections	\$ 835,260	\$ 755,113	\$ 80,147	\$ 739,405
Records management	502,174	423,764	78,410	483,109
Finance	692,723	661,500	31,223	798,114
Budgeting	1,663,574	1,621,280	42,294	1,558,616
Accounting	1,477,006	1,467,474	9,532	1,431,486
Law	2,010,137	1,343,786	666,351	1,884,492
Human resources	947,576	914,553	33,023	780,990
Common contractual	1,781,438	1,506,960	274,478	1,343,706
Adj. and appeals/bid review board	42,650	13,132	29,518	11,103
Planning	2,767,676	2,580,066	187,610	2,733,908
Planning administration	478,508	439,175	39,333	434,547
Economic development	787,370	753,812	33,558	722,888
Pass-through to cities	100,000	100,000	-	150,000
Assessments	3,104,833	2,670,559	434,274	2,726,433
Information technology	6,381,079	6,082,929	298,150	5,586,530
Purchasing	920,506	895,746	24,760	877,445
Total general government	27,056,505	24,538,703	2,517,802	24,753,745
Less recovery of expenditures from other funds	(368,465)	(262,583)	(105,882)	(268,791)
Net general government	26,688,040	24,276,120	2,411,920	24,484,954
Public works:				
Public works administration	200,573	196,586	3,987	192,525
Maintenance	2,248,956	2,095,679	153,277	1,864,458
Project management and engineering	2,434,664	2,294,005	140,659	1,849,087
Public works operations	71,447	65,586	5,861	82,443
Total public works	4,955,640	4,651,856	303,784	3,988,513
Emergency services:				
Local emergency planning board	-	-	-	1,655
Rescue units	1,209,291	1,041,953	167,338	704,598
Ambulance operation	12,664,460	11,864,578	799,882	11,108,075
Emergency management	334,913	144,923	189,990	189,925
Emergency services building	104,467	77,057	27,410	66,712
Telecommunications network	1,414,725	988,915	425,810	1,092,623
Emergency services administration	1,169,221	1,048,465	120,756	1,039,700
Total emergency services	16,897,077	15,165,891	1,731,186	14,203,288
Less recovery of expenditures from other funds	(804,948)	(844,624)	39,676	(850,211)

Exhibit H-2, continued

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Expenditures, continued				
Emergency services, continued:				
Net emergency services	\$ 16,092,129	\$ 14,321,267	\$ 1,770,862	\$ 13,353,077
Public services:				
Parks and recreation	673,545	541,511	132,034	477,269
Ice arena	967,299	961,598	5,701	849,696
Outdoor ice rinks	1,290	1,161	129	161
Recreational services	354,664	341,154	13,510	338,737
Community pools	1,879,544	1,843,169	36,375	1,755,083
Community development administration	964,817	834,013	130,804	912,591
Road service administration	3,138,328	2,695,433	442,895	3,204,590
Recreation infrastructure maintenance	462,296	393,785	68,511	268,600
Total public services	8,441,783	7,611,824	829,959	7,806,727
Less recovery of expenditures from other funds	(3,530,328)	(2,952,333)	(577,995)	(3,060,615)
Net public services	4,911,455	4,659,491	251,964	4,746,112
Education:				
Contributions to School District	70,696,614	70,696,614	-	65,841,806
Total Expenditures	123,343,878	118,605,348	4,738,530	112,414,462
Excess of Revenues Over Expenditures	65,792,664	35,696,988	(30,095,676)	50,252,693
Other Financing Sources (Uses)				
Sale of capital assets	30,000	70,412	40,412	42,203
Areawide Tax Relief	-	(11,948,301)	(11,948,301)	-
Transfers in	13,113,715	13,097,326	(16,389)	3,629,881
Transfers out	(68,825,682)	(68,760,290)	65,392	(52,662,090)
Net Other Financing Sources (Uses)	(55,681,967)	(67,540,853)	(11,858,886)	(48,990,006)
Net Change in Fund Balance	\$ 10,110,697	(31,843,865)	\$ (41,954,562)	1,262,687
Fund Balance, beginning		64,524,417		63,261,730
Fund Balance, ending		\$ 32,680,552		\$ 64,524,417

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SPECIAL REVENUE FUNDS





Exhibit I-1

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

<i>June 30,</i>	2023	2022
Assets		
Cash and investments	\$ 16,330,372	\$ 18,470,882
Liabilities		
Unearned revenue	\$ 16,330,372	\$ 18,470,882

Exhibit I-2

**American Rescue Plan Act Recovery Funding Special Revenue Fund
Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance**

Year Ended June 30,	2023	2022
Revenues		
Intergovernmental	\$ 2,140,209	\$ 2,568,426.00
Expenditures		
Public works	1,333,724	-
Public services	4,977	70,644
Education	801,508	50,038
Total Expenditures	2,140,209	120,682
Excess of Revenues Over Expenditures	-	2,447,744
Other Financing Uses		
Transfers out	-	(2,447,744)
Net Change in Fund Balance	-	-
Fund Balance, beginning	-	-
Fund Balance, ending	\$ -	\$ -

Nonmajor Special Revenue Funds
Combining Balance Sheet with Comparative Totals

June 30,	Nonareawide Services and Service Areas	Land Management	Property Tax	Opioid Settlement	Totals	
					2023	2022
Assets						
Cash and investments	\$ 36,121,928	\$ 2,388,342	\$ 812,651	\$ 293,816	\$ 39,616,737	\$ 42,234,724
Prepaid items	4,966	-	-	-	4,966	12,211
Receivables:						
Intergovernmental	638,400	-	-	-	638,400	636,891
Property taxes, net of allowance	1,395,949	-	71,796	-	1,467,745	1,508,538
Land sales contracts, net	-	21,899	-	-	21,899	18,742
Leases receivable	-	61,118	-	-	61,118	39,342
Other	390,428	-	-	-	390,428	378,437
Interfund loans receivable	642,500	2,221,894	-	-	2,864,394	3,121,394
Land sales contracts receivable, long-term	-	359,553	-	-	359,553	504,516
Leases receivable, long-term	-	1,572,973	-	-	1,572,973	1,093,123
Total Assets	\$ 39,194,171	\$ 6,625,779	\$ 884,447	\$ 293,816	\$ 46,998,213	\$ 49,547,918
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 1,435,151	\$ 54,805	\$ 812,651	\$ -	\$ 2,302,607	\$ 1,805,539
Deposits	-	153,174	71,796	-	224,970	117,108
Interfund loans payable	1,005,898	-	-	-	1,005,898	1,096,880
Total Liabilities	2,441,049	207,979	884,447	-	3,533,475	3,019,527
Deferred Inflows of Resources						
Special assessments	8,317	-	-	-	8,317	8,150
Delinquent property taxes	1,120,201	-	-	-	1,120,201	1,324,749
Land sales receivables not yet due	-	359,553	-	-	359,553	504,516
Lease receivable not yet due	-	1,553,919	-	-	1,553,919	1,100,148
Total Liabilities and Deferred Inflows of Resources	3,569,567	2,121,451	884,447	-	6,575,465	5,957,090
Fund Balances						
Nonspendable:						
Prepaid items	4,966	-	-	-	4,966	12,211
Committed:						
Self-insurance	270,000	-	-	-	270,000	185,000
Accrued leave	20,000	10,000	-	-	30,000	30,000
Long-term loans receivable	642,500	2,221,894	-	-	2,864,394	3,121,394
Land management	-	992,195	-	-	992,195	680,351
Assigned:						
Subsequent year expenditures	3,679,816	-	-	-	3,679,816	5,069,813
Subsequent year appropriations	-	-	-	-	-	2,567,676
Service areas	31,164,970	-	-	293,816	31,458,786	31,380,444
Land management	-	1,280,239	-	-	1,280,239	757,223
Unassigned (deficits)	(157,648)	-	-	-	(157,648)	(213,284)
Total Fund Balances	35,624,604	4,504,328	-	293,816	40,422,748	43,590,828
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,194,171	\$ 6,625,779	\$ 884,447	\$ 293,816	\$ 46,998,213	\$ 49,547,918

Exhibit I-4

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

Years Ended June 30,	Nonareawide Services and Service Areas	Land Management	Property Tax	Opioid Settlement	Totals	
					2023	2022
Revenues						
Taxes	\$ 50,422,126	\$ 25	\$ 71,796	\$ -	\$ 50,493,947	\$ 47,773,962
Intergovernmental	818,190	20,041	-	-	838,231	1,222,879
Charges for services	2,454,621	1,483,392	-	-	3,938,013	4,014,689
Investment income	97,729	5,388	-	-	103,117	89,522
Interest on land sales	-	69,489	-	-	69,489	71,879
Other	1,337,159	2,700	-	196,304	1,536,163	1,019,596
Total Revenues	55,129,825	1,581,035	71,796	196,304	56,978,960	54,192,527
Expenditures						
Current:						
General government	269,436	-	-	-	269,436	238,123
Emergency services	17,961,786	-	-	-	17,961,786	17,810,023
Public services	16,820,738	1,055,836	71,796	-	17,948,370	16,653,698
Debt service	4,669	-	-	-	4,669	3,852
Total Expenditures	35,056,629	1,055,836	71,796	-	36,184,261	34,705,696
Excess of Revenues Over Expenditures	20,073,196	525,199	-	196,304	20,794,699	19,486,831
Other Financing Sources (Uses)						
Transfers in	1,353,017	300,000	-	97,512	1,750,529	2,818,940
Transfers out	(25,245,652)	(485,000)	-	-	(25,730,652)	(21,188,308)
Sale of capital assets	17,344	-	-	-	17,344	22,112
Net Other Financing Sources (Uses)	(23,875,291)	(185,000)	-	97,512	(23,962,779)	(18,347,256)
Net Change in Fund Balances	(3,802,095)	340,199	-	293,816	(3,168,080)	1,139,575
Fund Balances, beginning	39,426,699	4,164,129	-	-	43,590,828	42,451,253
Fund Balances, ending	\$ 35,624,604	\$ 4,504,328	\$ -	\$ 293,816	\$ 40,422,748	\$ 43,590,828

Nonareawide Services and Service Areas Special Revenue Funds
Combining Balance Sheet

June 30, 2023	Non-areawide Services	Service Area 7 Talkeetna Flood Control	Service Area 36 Talkeetna Water and Sewer	Freedom Hills Subdivision	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	\$ 1,313,107	\$ 121,739	\$ 1,973,787	\$ 30,028	\$ 236,914	\$ 7,077,988	\$ 25,631	\$ 259,451	\$ 2,378	\$ 330	\$ 19,252,779	\$ 5,827,796	\$ 36,121,928
Receivables:													
Intergovernmental	638,400	-	-	-	-	-	-	-	-	-	-	-	638,400
Property taxes, net of allowance	149,053	4,305	-	-	239	-	-	436	-	-	559,348	682,568	1,395,949
Interfund loan receivable	-	-	-	-	-	-	-	-	-	-	642,500	-	642,500
Other	11,058	-	230,529	-	-	136,069	-	-	-	-	10,600	2,172	390,428
Prepaid items	4,966	-	-	-	-	-	-	-	-	-	-	-	4,966
Total Assets	\$ 2,116,584	\$ 126,044	\$ 2,204,316	\$ 30,028	\$ 237,153	\$ 7,214,057	\$ 25,631	\$ 259,887	\$ 2,378	\$ 330	\$ 20,465,227	\$ 6,512,536	\$ 39,194,171
Liabilities, Deferred Inflows of Resources and Fund Balances													
Liabilities													
Accounts payable	\$ 91,266	\$ -	\$ 51,355	\$ -	\$ -	\$ 7,746	\$ -	\$ 1,142	\$ 1,627	\$ -	\$ 154,708	\$ 1,127,307	\$ 1,435,151
Interfund loans payable	-	280,000	115,331	-	72,000	-	-	-	-	-	456,400	82,167	1,005,898
Total Liabilities	91,266	280,000	166,686	-	72,000	7,746	-	1,142	1,627	-	611,108	1,209,474	2,441,049
Deferred Inflows of Resources													
Special assessments	-	-	-	-	8,317	-	-	-	-	-	-	-	8,317
Delinquent property taxes	128,603	3,692	-	-	97	-	-	436	-	-	429,984	557,389	1,120,201
Total Liabilities and Deferred Inflows of Resources	219,869	283,692	166,686	-	80,414	7,746	-	1,578	1,627	-	1,041,092	1,766,863	3,569,567
Fund Balances													
Nonspendable - prepaid items	4,966	-	-	-	-	-	-	-	-	-	-	-	4,966
Committed:													
Long-term loan receivable	-	-	-	-	-	-	-	-	-	-	642,500	-	642,500
Self-insurance	270,000	-	-	-	-	-	-	-	-	-	-	-	270,000
Accrued leave	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
Assigned:													
Subsequent year expenditures	570,000	-	-	24,965	71,662	638,682	7,088	36,678	-	329	160,566	2,169,846	3,679,816
Service areas	1,031,749	-	2,037,630	5,063	85,077	6,567,629	18,543	221,631	751	1	18,621,069	2,575,827	31,164,970
Unassigned (deficit)	-	(157,648)	-	-	-	-	-	-	-	-	-	-	(157,648)
Total Fund Balances (Deficit)	1,896,715	(157,648)	2,037,630	30,028	156,739	7,206,311	25,631	258,309	751	330	19,424,135	4,745,673	35,624,604
Total Liabilities, Deferred Inflows of Resources and Fund Balances													
	\$ 2,116,584	\$ 126,044	\$ 2,204,316	\$ 30,028	\$ 237,153	\$ 7,214,057	\$ 25,631	\$ 259,887	\$ 2,378	\$ 330	\$ 20,465,227	\$ 6,512,536	\$ 39,194,171

**Nonareawide Services and Service Areas Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit)**

June 30, 2023	Non-areawide Services	Service Area 7 Talkeetna Flood Control	Service Area 36 Talkeetna Water and Sewer	Freedom Hills Subdivision	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	
Revenues													
Taxes	\$ 4,040,582	\$ 61,587	\$ 928,252	\$ -	\$ 25,027	\$ -	\$ -	\$ 12,212	\$ -	\$ -	\$ 20,652,244	\$ 24,702,222	\$ 50,422,126
Intergovernmental	698,765	-	3,456	-	-	-	-	-	12,341	-	103,628	-	818,190
Charges for services	201,466	-	445,817	-	-	1,787,604	-	-	-	-	-	20,734	2,455,621
Investment income	6,348	215	4,311	63	480	14,700	54	643	751	1	56,019	14,144	97,729
Other	65,805	-	-	-	-	-	-	-	556,592	-	714,762	-	1,337,159
Total Revenues	5,012,966	61,802	1,381,836	63	25,507	1,802,304	54	12,855	569,684	1	21,526,653	24,737,100	55,130,825
Expenditures													
Current:													
General government	269,436	-	-	-	-	-	-	-	-	-	-	-	269,436
Emergency services	2,501,552	-	-	-	-	1,402,158	-	-	865,097	-	13,192,979	-	17,961,786
Public services	1,743,272	5,911	805,417	-	1,649	-	-	64,608	-	-	-	14,200,881	16,821,738
Debt service	-	725	1,060	-	195	-	-	-	-	-	1,221	1,468	4,669
Total Expenditures	4,514,260	6,636	806,477	-	1,844	1,402,158	-	64,608	865,097	-	13,194,200	14,202,349	35,057,629
Excess (Deficiency) of Revenues Over Expenditures	498,706	55,166	575,359	63	23,663	400,146	54	(51,753)	(295,413)	1	8,332,453	10,534,751	20,073,196
Other Financing Sources (Uses)													
Transfers in	27,587	470	21,707	-	-	65,124	-	-	432,164	-	706,818	99,147	1,353,017
Transfers out	(814,000)	-	(225,000)	-	-	(161,904)	-	-	(136,000)	-	(11,322,015)	(12,586,733)	(25,245,652)
Sale of capital assets	-	-	3,060	-	-	-	-	-	-	-	14,284	-	17,344
Net Other Financing Sources (Uses)	(786,413)	470	(200,233)	-	-	(96,780)	-	-	296,164	-	(10,600,913)	(12,487,586)	(23,875,291)
Net Change in Fund Balances	(287,707)	55,636	375,126	63	23,663	303,366	54	(51,753)	751	1	(2,268,460)	(1,952,835)	(3,802,095)
Fund Balances (Deficit), beginning	2,184,422	(213,284)	1,662,504	29,965	133,076	6,902,945	25,577	310,062	-	329	21,692,595	6,698,508	39,426,699
Fund Balances (Deficit), ending	\$ 1,896,715	\$ (157,648)	\$ 2,037,630	\$ 30,028	\$ 156,739	\$ 7,206,311	\$ 25,631	\$ 258,309	\$ 751	\$ 330	\$ 19,424,135	\$ 4,745,673	\$ 35,624,604

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 4,031,400	\$ 4,040,582	\$ 9,182	\$ 3,848,421
Intergovernmental:				
State PERS relief	-	27,960	27,960	175,714
Electric and telephone cooperative shared revenue	720,000	634,605	(85,395)	634,188
Library grants	35,000	36,200	1,200	35,000
Total intergovernmental	755,000	698,765	(56,235)	844,902
Charges for services:				
Animal care fees	240,000	181,598	(58,402)	258,206
User fees	15,000	19,868	4,868	17,693
Total charges for services	255,000	201,466	(53,534)	275,899
Investment income	1,000	6,348	5,348	5,365
Other	61,382	65,805	4,423	39,064
Total Revenues	5,103,782	5,012,966	(90,816)	5,013,651
Expenditures				
General government:				
Administration	166,820	150,144	16,676	140,341
Information technology	130,860	119,292	11,568	97,782
Total general government	297,680	269,436	28,244	238,123
Emergency services - animal care	2,802,888	2,501,552	301,336	2,579,508
Public services:				
Libraries	1,872,428	1,740,875	131,553	1,735,026
Medical supplies	4,700	2,397	2,303	2,061
Total public services	1,877,128	1,743,272	133,856	1,737,087
Total Expenditures	4,977,696	4,514,260	463,436	4,554,718
Excess of Revenues Over Expenditures	126,086	498,706	372,620	458,933
Other Financing Sources (Uses)				
Transfers in	-	27,587	27,587	5
Transfers out	(814,000)	(814,000)	-	(625,909)
Net Other Financing Uses	(814,000)	(786,413)	27,587	(625,904)
Net Change in Fund Balance	\$ (687,914)	(287,707)	\$ 400,207	(166,971)
Fund Balance, beginning		<u>2,184,422</u>		<u>2,351,393</u>
Fund Balance, ending		<u>\$ 1,896,715</u>		<u>\$ 2,184,422</u>

Exhibit I-8

**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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 59,450	\$ 61,587	\$ 2,137	\$ 53,493
Investment income	-	215	215	100
Total Revenues	59,450	61,802	2,352	53,593
Expenditures				
Public services	48,725	5,911	42,814	3,863
Debt service	725	725	-	750
Total Expenditures	49,450	6,636	42,814	4,613
Excess of Revenues Over Expenditures	10,000	55,166	45,166	48,980
Other Financing Uses				
Transfers in	-	470	470	-
Net Change in Fund Balance	\$ 10,000	55,636	\$ 45,636	48,980
Fund Balance (Deficit), beginning		(213,284)		(262,264)
Fund Balance (Deficit), ending		\$ (157,648)		\$ (213,284)

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 900,000	\$ 928,252	\$ 28,252	1,034,676
Intergovernmental - PERS relief	-	3,456	3,456	12,366
Charges for services - water and sewer	378,000	445,817	67,817	396,649
Investment income	100	4,311	4,211	1,625
Total Revenues	1,278,100	1,381,836	103,736	1,445,316
Expenditures				
Public services	891,585	805,417	86,168	750,673
Debt service	1,060	1,060	-	1,192
Total Expenditures	892,645	806,477	86,168	751,865
Excess of Revenues Over Expenditures	385,455	575,359	189,904	693,451
Other Financing Sources (Uses)				
Sale of capital assets	-	3,060	3,060	-
Transfers in	-	21,707	21,707	756,926
Transfers out	(225,000)	(225,000)	-	-
Net Other Financing Sources (Uses)	(225,000)	(200,233)	24,767	756,926
Net Change in Fund Balance	\$ 160,455	375,126	\$ 214,671	1,450,377
Fund Balance, beginning		1,662,504		212,127
Fund Balance, ending		\$ 2,037,630		\$ 1,662,504

Exhibit I-10

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>	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ -	\$ 63	\$ 63	\$ 58
Expenditures				
Public services	5,000	-	5,000	-
Net Change in Fund Balance	<u>\$ (5,000)</u>	63	<u>\$ 5,063</u>	58
Fund Balance, beginning		<u>29,965</u>		<u>29,907</u>
Fund Balance, ending		<u>\$ 30,028</u>		<u>\$ 29,965</u>

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 24,250	\$ 25,027	\$ 777	\$ 21,639
Investment income	-	480	480	407
Total Revenues	24,250	25,507	1,257	22,046
Expenditures				
Public services	5,000	1,649	3,351	-
Debt service	195	195	-	210
Total Expenditures	5,195	1,844	3,351	210
Excess of Revenues Over Expenditures	19,055	23,663	4,608	21,836
Other Financing Sources				
Transfers in	2,500	-	(2,500)	-
Net Change in Fund Balance	\$ 21,555	23,663	\$ 2,108	21,836
Fund Balance, beginning		<u>133,076</u>		<u>111,240</u>
Fund Balance, ending		<u>\$ 156,739</u>		<u>\$ 133,076</u>

Exhibit I-12

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Charges for services - telephone surcharge	\$ 1,515,000	\$ 1,787,604	\$ 272,604	\$ 1,691,984
Investment income	1,000	14,700	13,700	13,681
Total Revenues	1,516,000	1,802,304	286,304	1,705,665
Expenditures				
Emergency services	1,675,905	1,402,158	273,747	1,550,065
Excess of Revenues Over Expenditures	(159,905)	400,146	560,051	155,600
Other Financing Sources (Uses)				
Transfers in	-	65,124	65,124	-
Transfers out	(161,904)	(161,904)	-	(516,320)
Net Other Financing Sources (Uses)	(161,904)	(96,780)	65,124	(516,320)
Net Change in Fund Balance	\$ (321,809)	303,366	\$ 625,175	(360,720)
Fund Balance, beginning		6,902,945		7,263,665
Fund Balance, ending		\$ 7,206,311		\$ 6,902,945



Exhibit I-13

**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>	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ -	\$ 54	\$ 54	\$ 50
Expenditures				
Public services	7,088	-	7,088	-
Net Change in Fund Balance	<u>\$ (7,088)</u>	\$ 54	<u>\$ 7,142</u>	\$ 50
Fund Balance, beginning		<u>25,577</u>		<u>25,527</u>
Fund Balance, ending		<u>\$ 25,631</u>		<u>\$ 25,577</u>

Exhibit I-14

**Service Area 69 - Point MacKenzie Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 11,300	\$ 12,212	\$ 912	\$ 10,412
Investment income	100	643	543	705
Total Revenues	11,400	12,855	1,455	11,117
Expenditures				
Public services	89,754	64,608	25,146	61,465
Net Change in Fund Balance	\$ (78,354)	(51,753)	\$ 26,601	(50,348)
Fund Balance, beginning		310,062		360,410
Fund Balance, ending		\$ 258,309		\$ 310,062

Fire Fleet Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance (Deficit) - Budget and Actual with Comparative Actuals

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - PERS relief	\$ -	\$ 12,341	\$ 12,341	\$ 34,047
Investment income	-	751	751	430
Other	637,753	556,592	(81,161)	432,672
Total Revenues	637,753	569,684	(68,069)	467,149
Expenditures				
Emergency services	986,589	865,097	121,492	785,541
Excess (Deficiency) of Revenues Over Expenditures	(348,836)	(295,413)	53,423	(318,392)
Other Financing Sources (Uses)				
Transfers in	484,836	432,164	(52,672)	318,392
Transfers out	(136,000)	(136,000)	-	-
Net Other Financing Sources (Uses)	348,836	296,164	(52,672)	318,392
Net Change in Fund Balance	<u>\$ -</u>	751	<u>\$ 751</u>	-
Fund Balance, beginning		-		-
Fund Balance, ending		<u>\$ 751</u>		<u>\$ -</u>

Exhibit I-16

**Roads Outside Service Areas Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Investment income	\$ -	\$ 1	\$ 1	\$ 1
Net Change in Fund Balance	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>	<u>1</u>
Fund Balance, beginning		<u>329</u>		<u>328</u>
Fund Balance, ending		<u>\$ 330</u>		<u>\$ 329</u>

**Fire Service Areas Special Revenue Funds
Combining Balance Sheet**

	Service Area									Totals
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell		
<i>June 30, 2023</i>										
Assets										
Cash and investments	\$ 8,108,942	\$ 2,678,635	\$ 3,540,808	\$ 393,121	\$ 1,011,744	\$ 2,111,181	\$ 916,149	\$ 492,199	\$ 19,252,779	
Receivables:										
Property taxes, net of allowance	182,822	32,870	25,361	15,130	35,445	174,373	48,917	44,430	559,348	
Interfund loan receivable	642,500	-	-	-	-	-	-	-	642,500	
Other	3,413	-	1,097	6,090	-	-	-	-	10,600	
Total Assets	\$ 8,937,677	\$ 2,711,505	\$ 3,567,266	\$ 414,341	\$ 1,047,189	\$ 2,285,554	\$ 965,066	\$ 536,629	\$ 20,465,227	
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ 72,370	\$ 3,495	\$ 1,612	\$ 11,041	\$ 3,573	\$ 19,838	\$ 39,503	\$ 3,276	\$ 154,708	
Interfund loans payable	-	-	-	-	456,400	-	-	-	456,400	
Total Liabilities	72,370	3,495	1,612	11,041	459,973	19,838	39,503	3,276	611,108	
Deferred Inflows of Resources										
Delinquent property taxes	130,824	23,083	21,869	12,730	30,327	139,927	39,429	31,795	429,984	
Total Liabilities and Deferred Inflows of Resources	203,194	26,578	23,481	23,771	490,300	159,765	78,932	35,071	1,041,092	
Fund Balances										
Committed - long-term loan receivable	642,500	-	-	-	-	-	-	-	642,500	
Assigned:										
Subsequent year expenditures	-	-	-	67,822	-	-	-	92,744	160,566	
Service areas	8,091,983	2,684,927	3,543,785	322,748	556,889	2,125,789	886,134	408,814	18,621,069	
Total Fund Balances	8,734,483	2,684,927	3,543,785	390,570	556,889	2,125,789	886,134	501,558	19,424,135	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,937,677	\$ 2,711,505	\$ 3,567,266	\$ 414,341	\$ 1,047,189	\$ 2,285,554	\$ 965,066	\$ 536,629	\$ 20,465,227	

**Fire Service Areas Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Year Ended June 30, 2023	Service Area								Totals
	130 Central Mat-Su	2 Butte	132 Greater Palmer Consolidated	4 Sutton	24 Talkeetna	136 West Lakes	35 Willow	135 Caswell	
Revenues									
Property taxes	\$ 11,947,776	\$ 1,146,396	\$ 1,719,530	\$ 251,202	\$ 630,824	\$ 3,545,284	\$ 1,041,724	\$ 369,508	\$ 20,652,244
Intergovernmental - PERS relief	85,586	705	1,323	176	323	2,425	6,758	6,332	103,628
Investment income	28,440	5,400	8,323	922	2,705	6,963	2,074	1,192	56,019
Other	327,278	13,000	5,059	8,560	13,000	347,865	-	-	714,762
Total Revenues	12,389,080	1,165,501	1,734,235	260,860	646,852	3,902,537	1,050,556	377,032	21,526,653
Expenditures									
Emergency services:									
Administration	525,756	110,897	75,894	59,343	75,371	197,345	93,839	71,968	1,210,413
Fire services	7,453,239	488,892	683,024	133,636	275,833	1,998,910	614,121	334,911	11,982,566
Debt Service	-	-	-	-	1,221	-	-	-	1,221
Total Expenditures	7,978,995	599,789	758,918	192,979	352,425	2,196,255	707,960	406,879	13,194,200
Excess (Deficiency) of Revenues Over Expenditures	4,410,085	565,712	975,317	67,881	294,427	1,706,282	342,596	(29,847)	8,332,453
Other Financing Sources (Uses)									
Transfers in	378,036	74,644	9,680	-	-	79,209	3,728	161,521	706,818
Transfers out	(5,984,715)	(100,600)	(1,820,000)	(130,600)	(215,600)	(2,840,500)	(190,000)	(40,000)	(11,322,015)
Sale of capital assets	2,759	2,425	-	-	-	-	9,100	-	14,284
Net Other Financing Sources (Uses)	(5,603,920)	(23,531)	(1,810,320)	(130,600)	(215,600)	(2,761,291)	(177,172)	121,521	(10,600,913)
Net Change in Fund Balances	(1,193,835)	542,181	(835,003)	(62,719)	78,827	(1,055,009)	165,424	91,674	(2,268,460)
Fund Balances, beginning	9,928,318	2,142,746	4,378,788	453,289	478,062	3,180,798	720,710	409,884	21,692,595
Fund Balances, ending	\$ 8,734,483	\$ 2,684,927	\$ 3,543,785	\$ 390,570	\$ 556,889	\$ 2,125,789	\$ 886,134	\$ 501,558	\$ 19,424,135

Fire Service Area 130 - Central Mat-Su Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 11,829,300	\$ 11,947,776	\$ 118,476	\$ 11,542,008
Intergovernmental - PERS relief	-	85,586	85,586	238,571
Investment income	1,300	28,440	27,140	20,675
Other	343,500	327,278	(16,222)	261,739
Total Revenues	12,174,100	12,389,080	214,980	12,062,993
Expenditures				
Emergency services:				
Administration	536,172	525,756	10,416	492,425
Fire services	8,811,497	7,453,239	1,358,258	7,096,707
Total Expenditures	9,347,669	7,978,995	1,368,674	7,589,132
Excess of Revenues Over Expenditures	2,826,431	4,410,085	1,583,654	4,473,861
Other Financing Sources (Uses)				
Transfers in	300,000	378,036	78,036	603,834
Transfers out	(5,984,715)	(5,984,715)	-	(3,078,469)
Sale of capital assets	5,000	2,759	(2,241)	1,830
Net Other Financing Sources (Uses)	(5,679,715)	(5,603,920)	75,795	(2,472,805)
Net Change in Fund Balance	\$ (2,853,284)	(1,193,835)	\$ 1,659,449	2,001,056
Fund Balance, beginning		9,928,318		7,927,262
Fund Balance, ending		\$ 8,734,483		\$ 9,928,318

Exhibit I-20

**Fire Service Area 2 - Butte Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual with Comparative Actuals**

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,152,800	\$ 1,146,396	\$ (6,404)	\$ 1,063,906
Intergovernmental - PERS relief	-	705	705	1,913
Investment income	100	5,400	5,300	3,797
Other	13,000	13,000	-	13,000
Total Revenues	1,165,900	1,165,501	(399)	1,082,616
Expenditures				
Emergency services:				
Administration	115,261	110,897	4,364	80,991
Fire services	730,813	488,892	241,921	400,565
Total Expenditures	846,074	599,789	246,285	481,556
Excess of Revenues Over Expenditures	319,826	565,712	245,886	601,060
Other Financing Sources (Uses)				
Sale of capital assets	-	2,425	2,425	570
Transfers in	-	74,644	74,644	21,550
Transfers out	(100,600)	(100,600)	-	(221,000)
Net Other Financing Sources (Uses)	(100,600)	(23,531)	77,069	(198,880)
Net Change in Fund Balance	\$ 219,226	542,181	\$ 322,955	402,180
Fund Balance, beginning		2,142,746		1,740,566
Fund Balance, ending		\$ 2,684,927		\$ 2,142,746

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,703,800	\$ 1,719,530	\$ 15,730	\$ 1,557,516
Intergovernmental - PERS relief	-	1,323	1,323	3,587
Investment income	1,500	8,323	6,823	11,477
Other	-	5,059	5,059	-
Total Revenues	1,705,300	1,734,235	28,935	1,572,580
Expenditures				
Emergency services:				
Administration	78,198	75,894	2,304	74,392
Fire services	759,696	683,024	76,672	557,234
Total Expenditures	837,894	758,918	78,976	631,626
Excess of Revenues Over Expenditures	867,406	975,317	107,911	940,954
Other Financing Sources (Uses)				
Transfers in	-	9,680	9,680	291,742
Transfers out	(1,820,000)	(1,820,000)	-	(3,475,000)
Net Other Financing Sources (Uses)	(1,820,000)	(1,810,320)	9,680	(3,183,258)
Net Change in Fund Balance	\$ (952,594)	(835,003)	\$ 117,591	(2,242,304)
Fund Balance, beginning		<u>4,378,788</u>		<u>6,621,092</u>
Fund Balance, ending		<u>\$ 3,543,785</u>		<u>\$ 4,378,788</u>

Exhibit I-22

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 257,700	\$ 251,202	\$ (6,498)	\$ 234,868
Intergovernmental - PERS relief	-	176	176	478
Investment income	100	922	822	919
Other	-	8,560	8,560	-
Total Revenues	257,800	260,860	3,060	236,265
Expenditures				
Emergency services:				
Administration	66,657	59,343	7,314	57,990
Fire services	239,194	133,636	105,558	129,731
Total Expenditures	305,851	192,979	112,872	187,721
Excess (Deficiency) of Revenues Over Expenditures	(48,051)	67,881	115,932	48,544
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	5,800
Transfers out	(130,600)	(130,600)	-	(65,000)
Net Other Financing Sources (Uses)	(130,600)	(130,600)	-	(59,200)
Net Change in Fund Balance	\$ (178,651)	(62,719)	\$ 115,932	(10,656)
Fund Balance, beginning		453,289		463,945
Fund Balance, ending		\$ 390,570		\$ 453,289

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 615,800	\$ 630,824	\$ 15,024	\$ 573,971
Intergovernmental - PERS relief	-	323	323	877
Investment income	100	2,705	2,605	1,937
Other	13,000	13,000	-	13,055
Total Revenues	628,900	646,852	17,952	589,840
Expenditures				
Emergency services:				
Administration	77,262	75,371	1,891	60,827
Fire services	462,743	275,833	186,910	735,557
Total emergency services	540,005	351,204	188,801	796,384
Debt service	1,222	1,221	1	-
Total Expenditures	541,227	352,425	188,802	796,384
Excess of Revenues Over Expenditures	87,673	294,427	206,754	(206,544)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	1,075
Transfers in	-	-	-	1,025
Transfers out	(215,600)	(215,600)	-	(21,760)
Net Other Financing Sources (Uses)	(215,600)	(215,600)	-	(19,660)
Net Change in Fund Balance	\$ (127,927)	78,827	\$ 206,754	(226,204)
Fund Balance, beginning		478,062		704,266
Fund Balance, ending		\$ 556,889		\$ 478,062

Exhibit I-24

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 3,529,200	\$ 3,545,284	\$ 16,084	\$ 3,293,831
Intergovernmental - PERS relief	-	2,425	2,425	6,576
Investment income	1,000	6,963	5,963	5,403
Other	345,150	347,865	2,715	257,626
Total Revenues	3,875,350	3,902,537	27,187	3,563,436
Expenditures				
Emergency services:				
Administration	198,771	197,345	1,426	186,593
Fire services	2,569,625	1,998,910	570,715	2,169,846
Total Expenditures	2,768,396	2,196,255	572,141	2,356,439
Excess of Revenues Over Expenditures	1,106,954	1,706,282	599,328	1,206,997
Other Financing Sources (Uses)				
Sale of capital assets	(3,500)	-	3,500	12,000
Transfers in	-	79,209	79,209	808,274
Transfers out	(2,840,500)	(2,840,500)	-	(683,991)
Net Other Financing Sources (Uses)	(2,844,000)	(2,761,291)	82,709	136,283
Net Change in Fund Balance	\$ (1,737,046)	(1,055,009)	\$ 682,037	1,343,280
Fund Balance, beginning		3,180,798		1,837,518
Fund Balance, ending		\$ 2,125,789		\$ 3,180,798

Fire Service Area 35 - Willow Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual with Comparative Actuals

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,045,000	\$ 1,041,724	\$ (3,276)	\$ 946,847
Intergovernmental - PERS relief	-	6,758	6,758	1,793
Investment income	100	2,074	1,974	1,668
Total Revenues	1,045,100	1,050,556	5,456	950,308
Expenditures				
Emergency services:				
Administration	101,410	93,839	7,571	85,073
Fire services	637,386	614,121	23,265	439,322
Total Expenditures	738,796	707,960	30,836	524,395
Excess of Revenues Over Expenditures	306,304	342,596	36,292	425,913
Other Financing Sources (Uses)				
Sale of capital assets	-	9,100	9,100	-
Transfers in	-	3,728	3,728	11,962
Transfers out	(190,000)	(190,000)	-	(515,500)
Net Other Financing Sources (Uses)	(190,000)	(177,172)	12,828	(503,538)
Net Change in Fund Balance	\$ 116,304	165,424	\$ 49,120	(77,625)
Fund Balance, beginning		720,710		798,335
Fund Balance, ending		\$ 886,134		\$ 720,710

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 377,600	\$ 369,508	\$ (8,092)	\$ 344,335
Intergovernmental - PERS relief	-	6,332	6,332	638
Investment income	100	1,192	1,092	1,084
Total Revenues	377,700	377,032	(668)	346,057
Expenditures				
Emergency services:				
Administration	79,161	71,968	7,193	56,986
Fire services	406,159	334,911	71,248	270,670
Total Expenditures	485,320	406,879	78,441	327,656
Excess (Deficiency) of Revenues Over Expenditures	(107,620)	(29,847)	77,773	18,401
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	837
Transfers in	-	161,521	161,521	5,230
Transfers out	(40,000)	(40,000)	-	(150,500)
Net Other Financing Sources (Uses)	(40,000)	121,521	161,521	(144,433)
Net Change in Fund Balance	\$ (147,620)	91,674	\$ 239,294	(126,032)
Fund Balance, beginning		409,884		535,916
Fund Balance, ending		\$ 501,558		\$ 409,884

**Road Service Areas Special Revenue Funds
Combining Balance Sheet**

	Service Area								
	9 Midway Road	14 Fairview Road	15 Caswell Lake	16 South Colony	17 Knik Road	19 Lazy Mountain	20 Greater Willow	21 Big Lake Road	23 North Colony
<i>June 30, 2023</i>									
Assets									
Cash and investments	\$ 492,161	\$ 368,220	\$ 135,499	\$ 977,931	\$ 401,396	\$ 202,248	\$ 277,167	\$ 583,485	\$ 142,858
Receivables - property taxes, net of allowance	28,780	12,474	96,400	21,035	65,510	4,313	48,388	66,752	3,662
Accounts receivable	-	-	-	-	-	-	-	-	-
Total Assets	\$ 520,941	\$ 380,694	\$ 231,899	\$ 998,966	\$ 466,906	\$ 206,561	\$ 325,555	\$ 650,237	\$ 146,520
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 21,392	\$ 166,323	\$ 54,839	\$ 128,216	\$ 151,234	\$ 38,918	\$ 74,180	\$ 117,760	\$ 10,350
Interfund loans payable	11,117	6,532	-	23,968	-	132	-	-	2,958
Total Liabilities	32,509	172,855	54,839	152,184	151,234	39,050	74,180	117,760	13,308
Deferred Inflows of Resources									
Delinquent property taxes	26,190	7,275	77,589	19,382	55,122	3,982	40,846	56,208	1,615
Total Liabilities and Deferred Inflows of Resources	58,699	180,130	132,428	171,566	206,356	43,032	115,026	173,968	14,923
Fund Balances									
Assigned:									
Subsequent year expenditures	217,814	56,711	26,200	560,884	93,591	63,868	62,875	260,009	47,483
Service areas	244,428	143,853	73,271	266,516	166,959	99,661	147,654	216,260	84,114
Total Fund Balances	462,242	200,564	99,471	827,400	260,550	163,529	210,529	476,269	131,597
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 520,941	\$ 380,694	\$ 231,899	\$ 998,966	\$ 466,906	\$ 206,561	\$ 325,555	\$ 650,237	\$ 146,520

Exhibit I-27, continued

**Road Service Areas Special Revenue Funds
Combining Balance Sheet, continued**

	Service Area								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>June 30, 2023</i>									
Assets									
Cash and investments	\$ 475,170	\$ 332,893	\$ 340,848	\$ 446,024	\$ 277,365	\$ 98,795	\$ 237,561	\$ 38,175	\$ 5,827,796
Receivables - property taxes, net of allowance	20,331	41,546	141,913	44,119	52,377	19,931	15,037	-	\$ 682,568
Accounts receivable	2,172	-	-	-	-	-	-	-	2,172
Total Assets	\$ 497,673	\$ 374,439	\$ 482,761	\$ 490,143	\$ 329,742	\$ 118,726	\$ 252,598	\$ 38,175	\$ 6,512,536
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 82,495	\$ 39,557	\$ 66,373	\$ 99,879	\$ 39,327	\$ 13,533	\$ 22,931	\$ -	\$ 1,127,307
Interfund loans payable	22,218	1,249	-	13,393	-	-	600	-	82,167
Total Liabilities	104,713	40,806	66,373	113,272	39,327	13,533	23,531	-	1,209,474
Deferred Inflows of Resources									
Delinquent property taxes	19,063	29,269	109,134	37,673	43,648	18,470	11,923	-	557,389
Total Liabilities and Deferred Inflows of Resources	123,776	70,075	175,507	150,945	82,975	32,003	35,454	-	1,766,863
Fund Balances									
Assigned:									
Subsequent year expenditures	171,097	156,615	62,821	129,535	104,539	30,973	124,831	-	2,169,846
Service areas	202,800	147,749	244,433	209,663	142,228	55,750	92,313	38,175	2,575,827
Total Fund Balances	373,897	304,364	307,254	339,198	246,767	86,723	217,144	38,175	4,745,673
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 497,673	\$ 374,439	\$ 482,761	\$ 490,143	\$ 329,742	\$ 118,726	\$ 252,598	\$ 38,175	\$ 6,512,536

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, 2023</i>									
Revenues									
Property taxes	\$ 2,223,664	\$ 1,702,242	\$ 797,260	\$ 2,239,684	\$ 3,850,610	\$ 329,314	\$ 1,220,155	\$ 1,669,045	\$ 276,436
Charges for services	3,521	469	-	8,535	-	2,000	-	-	-
Investment income	1,210	751	441	2,429	942	511	692	1,428	328
Total Revenues	2,228,395	1,703,462	797,701	2,250,648	3,851,552	331,825	1,220,847	1,670,473	276,764
Expenditures									
Public services:									
Administration	233,262	180,563	161,716	280,361	439,387	39,395	150,360	210,969	32,124
Road service	560,607	816,331	672,834	1,172,849	1,718,017	198,518	585,483	1,039,290	163,929
Total public services	793,869	996,894	834,550	1,453,210	2,157,404	237,913	735,843	1,250,259	196,053
Debt service	199	117	-	428	-	2	-	-	53
Total Expenditures	794,068	997,011	834,550	1,453,638	2,157,404	237,915	735,843	1,250,259	196,106
Excess (Deficiency) of Revenues Over Expenditures	1,434,327	706,451	(36,849)	797,010	1,694,148	93,910	485,004	420,214	80,658
Other Financing Sources (Uses)									
Transfers in	-	-	85,538	-	-	-	7,780	5,829	-
Transfers out	(1,570,050)	(793,850)	(182,950)	(1,256,041)	(1,852,400)	(204,799)	(560,000)	(645,108)	(114,900)
Net Other Financing Sources (Uses)	(1,570,050)	(793,850)	(97,412)	(1,256,041)	(1,852,400)	(204,799)	(552,220)	(639,279)	(114,900)
Net Change in Fund Balances	(135,723)	(87,399)	(134,261)	(459,031)	(158,252)	(110,889)	(67,216)	(219,065)	(34,242)
Fund Balances, beginning	597,965	287,963	233,732	1,286,431	418,802	274,418	277,745	695,334	165,839
Fund Balances, ending	\$ 462,242	\$ 200,564	\$ 99,471	\$ 827,400	\$ 260,550	\$ 163,529	\$ 210,529	\$ 476,269	\$ 131,597

Exhibit I-28, continued

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

Year Ended June 30, 2023	Service Area								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	
Revenues									
Property taxes	\$ 2,452,713	\$ 1,303,175	\$ 2,709,981	\$ 2,523,109	\$ 798,070	\$ 286,372	\$ 304,455	\$ 15,937	\$ 24,702,222
Charges for services	5,209	1,000	-	-	-	-	-	-	20,734
Investment income	1,353	880	820	873	671	214	538	63	14,144
Total Revenues	2,459,275	1,305,055	2,710,801	2,523,982	798,741	286,586	304,993	16,000	24,737,100
Expenditures									
Public services:									
Administration	291,107	154,878	297,062	273,517	129,090	45,087	33,456	-	2,952,334
Road service	797,849	566,962	847,265	1,028,212	552,273	210,915	317,213	-	11,248,547
Total public services	1,088,956	721,840	1,144,327	1,301,729	681,363	256,002	350,669	-	14,200,881
Debt service	397	22	-	239	-	-	11	-	1,468
Total Expenditures	1,089,353	721,862	1,144,327	1,301,968	681,363	256,002	350,680	-	14,202,349
Excess (Deficiency) of Revenues Over Expenditures	1,369,922	583,193	1,566,474	1,222,014	117,378	30,584	(45,687)	16,000	10,534,751
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	99,147
Transfers out	(1,709,595)	(775,300)	(1,518,300)	(1,184,000)	(182,500)	(26,850)	(10,090)	-	(12,586,733)
Net Other Financing Sources (Uses)	(1,709,595)	(775,300)	(1,518,300)	(1,184,000)	(182,500)	(26,850)	(10,090)	-	(12,487,586)
Net Change in Fund Balances	(339,673)	(192,107)	48,174	38,014	(65,122)	3,734	(55,777)	16,000	(1,952,835)
Fund Balances, beginning	713,570	496,471	259,080	301,184	311,889	82,989	272,921	22,175	6,698,508
Fund Balances, ending	\$ 373,897	\$ 304,364	\$ 307,254	\$ 339,198	\$ 246,767	\$ 86,723	\$ 217,144	\$ 38,175	\$ 4,745,673

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,182,450	\$ 2,223,664	\$ 41,214	\$ 2,081,742
Charges for services	-	3,521	3,521	-
Investment income	100	1,210	1,110	1,236
Total Revenues	2,182,550	2,228,395	45,845	2,082,978
Expenditures				
Public services:				
Administration	270,946	233,262	37,684	205,550
Road service	668,951	560,607	108,344	515,496
Total public services	939,897	793,869	146,028	721,046
Debt service	199	199	-	230
Total Expenditures	940,096	794,068	146,028	721,276
Excess of Revenues Over Expenditures	1,242,454	1,434,327	191,873	1,361,702
Other Financing Uses				
Transfers out	(1,570,050)	(1,570,050)	-	(1,332,968)
Net Change in Fund Balance	\$ (327,596)	(135,723)	\$ 191,873	28,734
Fund Balance, beginning		<u>597,965</u>		<u>569,231</u>
Fund Balance, ending		<u>\$ 462,242</u>		<u>\$ 597,965</u>

Exhibit I-30

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,672,720	\$ 1,702,242	\$ 29,522	\$ 1,593,481
Charges for services	-	469	469	-
Investment income	100	751	651	767
Total Revenues	1,672,820	1,703,462	30,642	1,594,248
Expenditures				
Public services:				
Administration	214,166	180,563	33,603	184,249
Road service	842,920	816,331	26,589	656,605
Total public services	1,057,086	996,894	60,192	840,854
Debt service	117	117	-	135
Total Expenditures	1,057,203	997,011	60,192	840,989
Excess of Revenues Over Expenditures	615,617	706,451	90,834	753,259
Other Financing Uses				
Transfers out	(793,850)	(793,850)	-	(849,950)
Net Change in Fund Balance	\$ (178,233)	(87,399)	\$ 90,834	(96,691)
Fund Balance, beginning		287,963		384,654
Fund Balance, ending		\$ 200,564		\$ 287,963

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 796,910	\$ 797,260	\$ 350	\$ 745,811
Investment income	100	441	341	700
Total Revenues	797,010	797,701	691	746,511
Expenditures				
Public services:				
Administration	188,884	161,716	27,168	155,991
Road service	666,762	672,834	(6,072)	545,033
Total Expenditures	855,646	834,550	21,096	701,024
Excess of Revenues Over Expenditures	(58,636)	(36,849)	21,787	45,487
Other Financing Uses				
Transfers in	-	85,538	85,538	-
Transfers out	(182,950)	(182,950)	-	(187,650)
Net Change in Fund Balance	\$ (241,586)	(134,261)	\$ 107,325	(142,163)
Fund Balance, beginning		233,732		375,895
Fund Balance, ending		\$ 99,471		\$ 233,732

Exhibit I-32

**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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,212,320	\$ 2,239,684	\$ 27,364	\$ 2,110,339
Charges for services	-	8,535	8,535	20,038
Investment income	100	2,429	2,329	2,288
Total Revenues	2,212,420	2,250,648	38,228	2,132,665
Expenditures				
Public services:				
Administration	344,987	280,361	64,626	271,055
Road service	1,281,025	1,172,849	108,176	783,800
Total public services	1,626,012	1,453,210	172,802	1,054,855
Debt service	429	428	1	496
Total Expenditures	1,626,441	1,453,638	172,803	1,055,351
Excess of Revenues Over Expenditures	585,979	797,010	211,031	1,077,314
Other Financing Uses				
Transfers out	(1,256,041)	(1,256,041)	-	(781,955)
Net Change in Fund Balance	\$ (670,062)	(459,031)	\$ 211,031	295,359
Fund Balance, beginning		<u>1,286,431</u>		<u>991,072</u>
Fund Balance, ending		<u>\$ 827,400</u>		<u>\$ 1,286,431</u>

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 3,813,380	\$ 3,850,610	\$ 37,230	\$ 3,561,551
Investment income	100	942	842	1,180
Total Revenues	3,813,480	3,851,552	38,072	3,562,731
Expenditures				
Public services:				
Administration	521,244	439,387	81,857	468,930
Road service	1,712,996	1,718,017	(5,021)	1,502,881
Total Expenditures	2,234,240	2,157,404	76,836	1,971,811
Excess of Revenues Over Expenditures	1,579,240	1,694,148	114,908	1,590,920
Other Financing Uses				
Transfers out	(1,852,400)	(1,852,400)	-	(1,778,190)
Net Change in Fund Balance	\$ (273,160)	(158,252)	\$ 114,908	(187,270)
Fund Balance, beginning		418,802		606,072
Fund Balance, ending		\$ 260,550		\$ 418,802

Exhibit I-34

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 328,460	\$ 329,314	\$ 854	\$ 324,138
Charges for services	-	2,000	2,000	-
Investment income	100	511	411	605
Total Revenues	328,560	331,825	3,265	324,743
Expenditures				
Public services:				
Administration	46,700	39,395	7,305	38,414
Road service	235,896	198,518	37,378	185,386
Total public services	282,596	237,913	44,683	223,800
Debt service	3	2	1	3
Total Expenditures	282,599	237,915	44,684	223,803
Excess of Revenues Over Expenditures	45,961	93,910	47,949	100,940
Other Financing Uses				
Transfers out	(204,799)	(204,799)	-	(146,947)
Net Change in Fund Balance	\$ (158,838)	(110,889)	\$ 47,949	(46,007)
Fund Balance, beginning		274,418		320,425
Fund Balance, ending		\$ 163,529		\$ 274,418

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,217,360	\$ 1,220,155	\$ 2,795	\$ 1,143,980
Investment income	100	692	592	933
Total Revenues	1,217,460	1,220,847	3,387	1,144,913
Expenditures				
Public services:				
Administration	183,354	150,360	32,994	174,436
Road service	636,787	585,483	51,304	527,968
Total Expenditures	820,141	735,843	84,298	702,404
Excess of Revenues Over Expenditures	397,319	485,004	87,685	442,509
Other Financing Uses				
Transfers in	-	7,780	7,780	-
Transfers out	(560,000)	(560,000)	-	(624,652)
Net Change in Fund Balance	\$ (162,681)	(67,216)	\$ 95,465	(182,143)
Fund Balance, beginning		277,745		459,888
Fund Balance, ending		\$ 210,529		\$ 277,745

Exhibit I-36

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,658,110	\$ 1,669,045	\$ 10,935	\$ 1,590,127
Charges for services	-	-	-	91,000
Investment income	100	1,428	1,328	1,678
Total Revenues	1,658,210	1,670,473	12,263	1,682,805
Expenditures				
Public services:				
Administration	258,601	210,969	47,632	247,121
Road service	1,138,829	1,039,290	99,539	922,879
Total Expenditures	1,397,430	1,250,259	147,171	1,170,000
Excess of Revenues Over Expenditures	260,780	420,214	159,434	512,805
Other Financing Uses				
Transfers in	-	5,829		
Transfers out	(645,108)	(645,108)	-	(682,795)
Net Change in Fund Balance	\$ (384,328)	(219,065)	\$ 159,434	(169,990)
Fund Balance, beginning		695,334		865,324
Fund Balance, ending		\$ 476,269		\$ 695,334

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 271,660	\$ 276,436	\$ 4,776	\$ 254,091
Investment income	100	328	228	354
Total Revenues	271,760	276,764	5,004	254,445
Expenditures				
Public services:				
Administration	38,464	32,124	6,340	34,311
Road service	184,582	163,929	20,653	128,566
Total public services	223,046	196,053	26,993	162,877
Debt service	53	53	-	61
Total Expenditures	223,099	196,106	26,993	162,938
Excess of Revenues Over Expenditures	48,661	80,658	31,997	91,507
Other Financing Uses				
Transfers out	(114,900)	(114,900)	-	(96,798)
Net Change in Fund Balance	\$ (66,239)	(34,242)	\$ 31,997	(5,291)
Fund Balance, beginning		165,839		171,130
Fund Balance, ending		\$ 131,597		\$ 165,839

Exhibit I-38

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,425,870	\$ 2,452,713	\$ 26,843	\$ 2,329,300
Charges for services	-	5,209	5,209	-
Investment income	100	1,353	1,253	1,839
Total Revenues	2,425,970	2,459,275	33,305	2,331,139
Expenditures				
Public services:				
Administration	343,554	291,107	52,447	286,882
Road service	859,249	797,849	61,400	932,302
Total public services	1,202,803	1,088,956	113,847	1,219,184
Debt service	397	397	-	460
Total Expenditures	1,203,200	1,089,353	113,847	1,219,644
Excess of Revenues Over Expenditures	1,222,770	1,369,922	147,152	1,111,495
Other Financing Uses				
Transfers out	(1,709,595)	(1,709,595)	-	(1,343,832)
Net Change in Fund Balance	\$ (486,825)	(339,673)	\$ 147,152	(232,337)
Fund Balance, beginning		713,570		945,907
Fund Balance, ending		\$ 373,897		\$ 713,570

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 1,307,470	\$ 1,303,175	\$ (4,295)	\$ 1,221,354
Charges for services	-	1,000	1,000	-
Investment income	100	880	780	1,016
Total Revenues	1,307,570	1,305,055	(2,515)	1,222,370
Expenditures				
Public services:				
Administration	185,532	154,878	30,654	151,361
Road service	632,936	566,962	65,974	369,791
Total public services	818,468	721,840	96,628	521,152
Debt service	23	22	1	26
Total Expenditures	818,491	721,862	96,629	521,178
Excess of Revenues Over Expenditures	489,079	583,193	94,114	701,192
Other Financing Uses				
Transfers out	(775,300)	(775,300)	-	(719,987)
Net Change in Fund Balance	\$ (286,221)	(192,107)	\$ 94,114	(18,795)
Fund Balance, beginning		496,471		515,266
Fund Balance, ending		\$ 304,364		\$ 496,471

Exhibit I-40

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,681,030	\$ 2,709,981	\$ 28,951	\$ 2,515,022
Investment income	100	820	720	953
Total Revenues	2,681,130	2,710,801	29,671	2,515,975
Expenditures				
Public services:				
Administration	354,589	297,062	57,527	310,362
Road service	953,496	847,265	106,231	956,573
Total Expenditures	1,308,085	1,144,327	163,758	1,266,935
Excess of Revenues Over Expenditures	1,373,045	1,566,474	193,429	1,249,040
Other Financing Uses				
Transfers out	(1,518,300)	(1,518,300)	-	(1,468,798)
Net Change in Fund Balance	\$ (145,255)	48,174	\$ 193,429	(219,758)
Fund Balance, beginning		259,080		478,838
Fund Balance, ending		\$ 307,254		\$ 259,080

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 2,478,560	\$ 2,523,109	\$ 44,549	\$ 2,359,851
Investment income	100	873	773	885
Total Revenues	2,478,660	2,523,982	45,322	2,360,736
Expenditures				
Public services:				
Administration	329,882	273,517	56,365	299,667
Road service	1,083,684	1,028,212	55,472	1,034,100
Total public services	1,413,566	1,301,729	111,837	1,333,767
Debt service	240	239	1	277
Total Expenditures	1,413,806	1,301,968	111,838	1,334,044
Excess of Revenues Over Expenditures	1,064,854	1,222,014	157,160	1,026,692
Other Financing Uses				
Transfers out	(1,184,000)	(1,184,000)	-	(1,149,020)
Net Change in Fund Balance	\$ (119,146)	38,014	\$ 157,160	(122,328)
Fund Balance, beginning		301,184		423,512
Fund Balance, ending		\$ 339,198		\$ 301,184

Exhibit I-42

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 788,490	\$ 798,070	\$ 9,580	\$ 741,989
Investment income	100	671	571	841
Total Revenues	788,590	798,741	10,151	742,830
Expenditures				
Public services:				
Administration	155,803	129,090	26,713	137,033
Road service	561,931	552,273	9,658	482,362
Total Expenditures	717,734	681,363	36,371	619,395
Excess of Revenues Over Expenditures	70,856	117,378	46,522	123,435
Other Financing Uses				
Transfers out	(182,500)	(182,500)	-	(225,319)
Net Change in Fund Balance	\$ (111,644)	(65,122)	\$ 46,522	(101,884)
Fund Balance, beginning		311,889		413,773
Fund Balance, ending		\$ 246,767		\$ 311,889

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 292,100	\$ 286,372	\$ (5,728)	\$ 283,128
Investment income	100	214	114	308
Total Revenues	292,200	286,586	(5,614)	283,436
Expenditures				
Public services:				
Administration	53,090	45,087	8,003	48,333
Road service	212,557	210,915	1,642	224,747
Total Expenditures	265,647	256,002	9,645	273,080
Excess of Revenues Over Expenditures	26,553	30,584	4,031	10,356
Other Financing Uses				
Transfers out	(26,850)	(26,850)	-	(110,408)
Net Change in Fund Balance	\$ (297)	3,734	\$ 4,031	(100,052)
Fund Balance, beginning		82,989		183,041
Fund Balance, ending		\$ 86,723		\$ 82,989

Exhibit I-44

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,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 310,780	\$ 304,455	\$ (6,325)	\$ 301,366
Investment income	100	538	438	650
Total Revenues	310,880	304,993	(5,887)	302,016
Expenditures				
Public services:				
Administration	40,532	33,456	7,076	46,920
Road service	358,004	317,213	40,791	171,184
Total public services	398,536	350,669	47,867	218,104
Debt service	11	11	-	12
Total Expenditures	398,547	350,680	47,867	218,116
Excess (Deficiency) of Revenues Over Expenditures	(87,667)	(45,687)	41,980	83,900
Other Financing Uses				
Transfers out	(10,090)	(10,090)	-	(135,590)
Net Change in Fund Balance	\$ (97,757)	(55,777)	\$ 41,980	(51,690)
Fund Balance, beginning		<u>272,921</u>		<u>324,611</u>
Fund Balance, ending		<u>\$ 217,144</u>		<u>\$ 272,921</u>



Exhibit I-45

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

<i>Years Ended June 30,</i>	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 15,900	\$ 15,937	\$ 37	\$ 15,937
Investment income	-	63	63	22
Total Revenues	15,900	16,000	100	15,959
Net Change in Fund Balance	<u>\$ 15,900</u>	16,000	<u>\$ 100</u>	15,959
Fund Balance, beginning		<u>22,175</u>		<u>6,216</u>
Fund Balance, ending		<u>\$ 38,175</u>		<u>\$ 22,175</u>

Exhibit I-46

**Land Management Special Revenue Fund
Comparative Balance Sheet**

<i>June 30,</i>	2023	2022
Assets		
Cash and investments	\$ 2,388,342	\$ 1,996,634
Prepaid items	-	830
Leases receivable	61,118	39,342
Interfund loans receivable	2,221,894	2,221,894
Leases receivable, noncurrent	1,572,973	1,093,123
Land sales contracts receivable:		
Current	21,899	18,742
Delinquent	214,147	214,605
Unbilled	359,553	504,516
Total land sales contracts receivable	595,599	737,863
Less allowance for uncollectible contracts	(214,147)	(214,605)
Net land sales contracts receivable	381,452	523,258
Total Assets	\$ 6,625,779	\$ 5,875,081
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	\$ 54,805	\$ 9,914
Deposits	153,174	96,374
Total Liabilities	207,979	106,288
Deferred Inflows of Resources		
Land sales receivables not yet due	359,553	504,516
Leases receivable not yet due	1,553,919	1,100,148
Total Liabilities and Deferred Inflows of Resources	2,121,451	1,710,952
Fund Balance		
Nonspendable:		
Prepaid items	-	830
Committed:		
Accrued leave	10,000	10,000
Long-term loan receivable	2,221,894	2,221,894
Land management	992,195	680,351
Assigned:		
Subsequent year expenditures	-	493,831
Land management	1,280,239	757,223
Total Fund Balance	4,504,328	4,164,129
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 6,625,779	\$ 5,875,081

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

Years Ended June 30,	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Recording and attorney fees	\$ -	\$ 25	\$ 25	\$ -
Intergovernmental - PERS relief	-	20,041	20,041	77,131
Charges for services:				
Land sales and leases	1,100,000	1,457,763	357,763	1,503,646
Management fees	12,000	17,419	5,419	29,525
User fees	3,000	8,210	5,210	5,948
Investment income	1,000	5,388	4,388	3,885
Interest on land sales	57,000	69,489	12,489	71,879
Other	1,000	2,700	1,700	2,440
Total Revenues	1,174,000	1,581,035	407,035	1,694,454
Expenditures				
Public services:				
Community development administration	228,897	196,044	32,853	211,234
Land management and development	1,018,684	859,792	158,892	814,256
Total Expenditures	1,247,581	1,055,836	191,745	1,025,490
Excess (Deficiency) of Revenues Over Expenditures	(73,581)	525,199	598,780	668,964
Other Financing Sources (Uses)				
Transfers in	(300,000)	300,000	600,000	-
Transfers out	(485,000)	(485,000)	-	(200,000)
Net Other Financing Sources (Uses)	(785,000)	(185,000)	600,000	(200,000)
Net Change in Fund Balance	\$ (858,581)	340,199	\$ 1,198,780	468,964
Fund Balance, beginning		4,164,129		3,695,165
Fund Balance, ending		\$ 4,504,328		\$ 4,164,129

Exhibit I-48
**Property Tax Special Revenue Fund
Comparative Balance Sheet**

June 30,	2023	2022
Assets		
Cash and investments	\$ 812,651	\$ 112,686
Property taxes receivable	71,796	74,833
Total Assets	\$ 884,447	\$ 187,519
Liabilities		
Accounts payable	\$ 812,651	\$ 112,686
Deferred inflow of resources-delinquent property taxes	71,796	74,833
Total Liabilities and Deferred Inflows of Resources	\$ 884,447	\$ 187,519

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

<i>Years Ended June 30,</i>	2023	2022
Revenues		
Property Taxes	\$ 71,796	\$ 74,832
Expenditures		
Public services	71,796	74,832
Net Change in Fund Balance	-	-
Fund Balance, beginning	-	-
Fund Balance, ending	\$ -	\$ -

Exhibit I-50

**Opioid Settlement Special Revenue Fund
Comparative Balance Sheet**

<i>June 30,</i>	2023	2022
Assets		
Cash and investments	\$ 293,816	\$ -
Fund Balance		
Service areas	293,816	-
Total Liabilities and Fund Balance	\$ 293,816	\$ -

Opioid Settlement Special Revenue Fund
Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance

<i>Years Ended June 30,</i>	2023	2022
Revenues		
Other	\$ 196,304	\$ -
Other Financing Uses		
Transfers in	97,512	-
Net Change in Fund Balance	293,816	-
Fund Balance, beginning	-	-
Fund Balance, ending	\$ 293,816	\$ -



DEBT SERVICE FUNDS



**Fronteras School Debt Service Fund
Comparative Balance Sheet**

June 30,	2023	2022
Assets		
Lease Receivable	\$ 180,344	\$ 173,942
Lease receivable, noncurrent	5,776,416	5,956,509
Total Assets	5,956,760	6,130,451
Deferred Inflows of Resources		
Lease receivable not yet due	\$ 5,956,760	\$ 6,035,785
Fund Balance		
Assigned - debt service	-	94,666
Total Deferred Inflows of Resources and Fund Balance	\$ 5,956,760	\$ 6,130,451

Exhibit J-2

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

<i>Years Ended June 30,</i>	2023	2022
Revenues		
Lease payment	\$ 298,633	\$ 487,966
Expenditures - debt service:		
Redemption of principal	173,933	167,750
Interest	219,366	225,550
Total Expenditures	393,299	393,300
Excess (Deficiency) of Revenues Over Expenditures	(94,666)	94,666
Net Change in Fund Balance	(94,666)	94,666
Fund Balance, beginning	94,666	-
Fund Balance, ending	\$ -	\$ 94,666

**Nonmajor Debt Service Funds
Combining Balance Sheet**

<i>June 30, 2023</i>	School Buildings	Public Safety Building 51	Public Safety Building 62	Public Safety Building 73	Parks and Recreation	Animal Control	Transportation System	Totals
Assets								
Cash and investments	\$ 14,471,360	\$ 2,867	\$ 3,598,903	\$ 229,089	\$ 855,082	\$ 182	\$ 431,703	\$ 19,589,186
Restricted cash and investments - debt retirement	952	783,192	513,655	582,491	-	16,265	-	1,896,555
Total Assets	\$ 14,472,312	\$ 786,059	\$ 4,112,558	\$ 811,580	\$ 855,082	\$ 16,447	\$ 431,703	\$ 21,485,741
Fund Balances								
Restricted - debt service	952	783,192	513,655	582,491	-	16,265	-	1,896,555
Assigned - debt service	14,471,360	2,867	3,598,903	229,089	855,082	182	431,703	19,589,186
Total Fund Balances	14,472,312	786,059	4,112,558	811,580	855,082	16,447	431,703	21,485,741
Total Liabilities and Fund Balances	\$ 14,472,312	\$ 786,059	\$ 4,112,558	\$ 811,580	\$ 855,082	\$ 16,447	\$ 431,703	\$ 21,485,741

**Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances**

<i>Year Ended June 30, 2023</i>	School Buildings	Public Safety Building 51	Public Safety Building 62	Public Safety Building 73	Parks and Recreation	Animal Control	Transportation System	Totals
Revenues								
Investment income	\$ 39,933	\$ 26,621	\$ 26,302	\$ 21,170	\$ 1,792	\$ 15,816	\$ 1,338	\$ 132,972
Expenditures - debt service:								
Redemption of principal	18,395,000	580,000	320,000	365,000	850,000	520,000	1,515,000	22,545,000
Interest	6,727,121	180,250	177,000	200,500	871,000	26,000	1,258,559	9,440,430
Total Expenditures	25,122,121	760,250	497,000	565,500	1,721,000	546,000	2,773,559	31,985,430
Deficiency of Revenues Over Expenditures	(25,082,188)	(733,629)	(470,698)	(544,330)	(1,719,208)	(530,184)	(2,772,221)	(31,852,458)
Other Financing Sources (Uses)								
Transfers in	20,813,282	760,250	-	565,500	1,721,000	2,000	2,360,307	26,222,339
Transfers out	(3,000,000)	-	-	-	-	-	-	(3,000,000)
Net Other Financing Sources (Uses)	17,813,282	760,250	-	565,500	1,721,000	2,000	2,360,307	23,222,339
Net Change in Fund Balances	(7,268,906)	26,621	(470,698)	21,170	1,792	(528,184)	(411,914)	(8,630,119)
Fund Balances, beginning	21,741,218	759,438	4,583,256	790,410	853,290	544,631	843,617	30,115,860
Fund Balances, ending	\$ 14,472,312	\$ 786,059	\$ 4,112,558	\$ 811,580	\$ 855,082	\$ 16,447	\$ 431,703	\$ 21,485,741

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**CAPITAL PROJECT
FUNDS**



**School Projects Capital Project Fund
Comparative Balance Sheet**

<i>June 30,</i>	2023	2022
Assets		
Cash and investments	\$ 26,326,338	\$ -
Prepaid items	2,205	2,205
Due from State	6,889,593	14,734,987
Total Assets	\$ 33,218,136	\$ 14,737,192
Liabilities and Fund Balance		
Liabilities		
Due to General Fund	\$ -	\$ 3,385,024
Accounts, contracts and retentions payable	591,131	2,628,002
Deposits	5,447	5,447
Unearned Revenue	3,400,000	-
Total Liabilities	3,996,578	6,018,473
Fund Balance		
Nonspendable - prepaid items	2,205	2,205
Assigned - capital projects	29,219,353	8,716,514
Total Fund Balance	29,221,558	8,718,719
Total Liabilities and Fund Balance	\$ 33,218,136	\$ 14,737,192

Exhibit K-2

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

<i>Years Ended June 30,</i>	2023	2022
Revenues		
Intergovernmental	\$ 12,863,679	\$ 14,733,635
Investment income	-	229
Total Revenues	12,863,679	14,733,864
Expenditures		
Public services	39,511	-
Education	610,051	-
Capital outlay	11,011,278	36,934,785
Total Expenditures	11,660,840	36,934,785
Excess (Deficiency) of Revenues Over Expenditures	1,202,839	(22,200,921)
Other Financing Sources (Uses)		
Transfers in	8,800,000	-
Transfers out	-	(3,293,851)
Net Other Financing Sources (Uses)	8,800,000	(3,293,851)
Special item - Contribution from component unit	10,500,000	-
Net Change in Fund Balance	20,502,839	(25,494,772)
Fund Balance, beginning	8,718,719	34,213,491
Fund Balance, ending	\$ 29,221,558	\$ 8,718,719

**Road Service Area Repairs Capital Project Fund
Comparative Balance Sheet**

<i>June 30,</i>	2023	2022
Assets		
Cash and investments	\$ 28,743,408	\$ 24,568,073
Receivables:		
Intergovernmental	46,367	21,527
Total Assets	\$ 28,789,775	\$ 24,589,600
Liabilities and Fund Balance		
Liabilities		
Accounts, contracts and retentions payable	\$ 951,072	\$ 1,143,864
Unearned Revenue	5,016	-
Total Liabilities	956,088	1,143,864
Fund Balance		
Assigned - capital projects	27,833,687	23,445,736
Total Fund Balance	27,833,687	23,445,736
Total Liabilities and Fund Balance	\$ 28,789,775	\$ 24,589,600

Exhibit K-4

**Road Service Area Repairs Capital Project Fund
Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2023	2022
Revenues		
Intergovernmental	\$ 360,049	\$ 230,974
Expenditures		
Public services	9,643,644	9,907,619
Capital outlay	602,185	516,135
Total Expenditures	10,245,829	10,423,754
Deficiency of Revenues Over Expenditures	(9,885,780)	(10,192,780)
Other Financing Sources (Uses)		
Transfers in	14,410,390	13,056,775
Transfers out	(136,658)	(125,318)
Net Other Financing Sources (Uses)	14,273,732	12,931,457
Net Change in Fund Balance	4,387,952	2,738,677
Fund Balance, beginning	23,445,736	20,707,059
Fund Balance, ending	\$ 27,833,687	\$ 23,445,736

**Roads and Bridges Capital Projects Fund
Comparative Balance Sheet**

<i>June 30,</i>	2023	2022
Assets		
Cash and investments	\$ 42,269,632	\$ 8,500,176
Receivables:		
Intergovernmental	915,669	772,273
Prepaid Items	3,245	3,245
Total Assets	\$ 43,188,546	\$ 9,275,694
Liabilities and Fund Balance		
Liabilities		
Accounts, contracts and retentions payable	\$ 663,278	\$ 490,271
Unearned Revenue	875,813	-
Total Liabilities	1,539,091	490,271
Fund Balance		
Nonspendable - prepaid items	3,245	3,245
Assigned - capital projects	41,646,210	8,782,178
Total Fund Balance	41,649,455	8,785,423
Total Liabilities and Fund Balance	\$ 43,188,546	\$ 9,275,694

Exhibit K-6

**Roads and Bridges Capital Projects Fund
Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance**

<i>Years Ended June 30,</i>	2023	2022
Revenues		
Intergovernmental	\$ 5,967,936	\$ 842,761
Investment income	433,751	441
Total Revenues	6,401,687	843,202
Expenditures		
Public services	221,680	260,139
Capital outlay	8,800,602	1,055,832
Total Expenditures	9,022,282	1,315,971
Deficiency of Revenues Over Expenditures	(2,620,595)	(472,769)
Other Financing Sources (Uses)		
G.O. Bonds	12,000,000	-
Transfers in	23,500,000	8,533,600
Transfers out	(15,373)	(183,573)
Net Other Financing Sources (Uses)	35,484,627	8,350,027
Net Change in Fund Balance	32,864,032	7,877,258
Fund Balance, beginning	8,785,423	908,165
Fund Balance, ending	\$ 41,649,455	\$ 8,785,423



**Nonmajor Capital Project Funds
Combining Balance Sheet**

June 30, 2023	Fire Protection	Sewage Facility	Ambulance and Emergency Services	Borough Facilities	Cultural and Recreational	Pass Through Grants	Miscellaneous	Infrastructure	Totals
Assets									
Cash and investments	\$ 16,085,584	\$ 1,455,246	\$ 3,136,489	\$ 3,447,900	\$ 3,469,553	\$ -	\$ 6,392,730	\$ 304,926	\$ 34,292,428
Receivables:									
Intergovernmental	-	-	154,072	3,586	11,381	588,998	1,327,754	-	2,085,791
Total Assets	\$ 16,085,584	\$ 1,455,246	\$ 3,290,561	\$ 3,451,486	\$ 3,480,934	\$ 588,998	\$ 7,720,484	\$ 304,926	\$ 36,378,219
Liabilities and Fund Balances									
Liabilities									
Accounts, contracts and retentions payable	\$ 207,310	\$ -	\$ 448,960	\$ 209,448	\$ 703,014	\$ 341,137	\$ 124,336	\$ 28,761	\$ 2,062,966
Deposits	-	-	-	-	-	-	-	6,000	6,000
Unearned revenue	18,000	-	19,421	-	-	300	525,660	191,095	754,476
Total Liabilities	225,310	-	468,381	209,448	703,014	341,437	649,996	225,856	2,823,442
Fund Balances									
Assigned - capital projects	15,860,274	1,455,246	2,822,180	3,242,038	2,777,920	247,561	7,070,488	79,070	33,554,777
Total Fund Balances (Deficit)	15,860,274	1,455,246	2,822,180	3,242,038	2,777,920	247,561	7,070,488	79,070	33,554,777
Total Liabilities and Fund Balances	\$ 16,085,584	\$ 1,455,246	\$ 3,290,561	\$ 3,451,486	\$ 3,480,934	\$ 588,998	\$ 7,720,484	\$ 304,926	\$ 36,378,219

**Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficit)**

<i>Year Ended June 30, 2022</i>	Fire Protection	Sewage Facility	Ambulance and Emergency Services	Borough Facilities	Cultural and Recreational	Pass Through Grants	Miscellaneous	Infrastructure	Totals
Revenues									
Intergovernmental	\$ 19,685	\$ -	\$ 3,684,393	\$ 4,430	\$ 41,381	\$ 926,929	\$ 2,222,197	\$ 200,080	\$ 7,099,095
Investment income	-	-	-	-	21,406	-	-	-	21,406
Other	50,000	-	79,167	-	61,166	-	28,134	31,398	249,865
Total Revenues	69,685	-	3,763,560	4,430	123,953	926,929	2,250,331	231,478	7,370,366
Expenditures									
General government	-	-	-	-	-	-	3,785,100	-	3,785,100
Emergency services	768,089	-	3,823,518	-	-	-	582,662	-	5,174,269
Public services	-	16,687	-	9,930	247,303	1,416,714	619,919	974,897	3,285,450
Capital outlay	4,401,941	21,788	1,304,971	520,559	1,909,034	-	488,470	80	8,646,843
Total Expenditures	5,170,030	38,475	5,128,489	530,489	2,156,337	1,416,714	5,476,151	974,977	20,891,662
Excess (Deficiency) of Revenues Over Expenditures	(5,100,345)	(38,475)	(1,364,929)	(526,059)	(2,032,384)	(489,785)	(3,225,820)	(743,499)	(13,521,296)
Other Financing Sources (Uses)									
Transfers in	10,106,800	315,000	4,799,438	1,087,000	2,226,096	230,393	3,320,757	633,754	22,719,238
Transfers out	(406,818)	(21,707)	(55,307)	(320,495)	(40,000)	-	(784,795)	(470)	(1,629,592)
Net Other Financing Sources (Uses)	9,699,982	293,293	4,744,131	766,505	2,186,096	230,393	2,535,962	633,284	21,089,646
Net Change in Fund Balances	4,599,637	254,818	3,379,202	240,446	153,712	(259,392)	(689,858)	(110,215)	7,568,350
Fund Balances, beginning	11,260,637	1,200,428	(557,022)	3,001,592	2,624,208	506,953	7,760,346	189,285	25,986,427
Fund Balances (Deficit), ending	\$ 15,860,274	\$ 1,455,246	\$ 2,822,180	\$ 3,242,038	\$ 2,777,920	\$ 247,561	\$ 7,070,488	\$ 79,070	\$ 33,554,777

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ENTERPRISE FUNDS



Solid Waste Enterprise Fund
Comparative Statement of Net Position

June 30,	2023	2022
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 21,310,304	\$ 15,265,695
Receivables:		
Accounts	880,872	1,301,406
Allowance for doubtful accounts	(317)	(349)
Intergovernmental	724,041	734,317
Total Current Assets	22,914,900	17,301,069
Noncurrent Assets		
Restricted cash and investments - landfill closure	2,677,508	2,671,897
Net other postemployment benefits asset	791,140	1,266,503
Capital Assets:		
Buildings	8,129,593	8,129,593
Improvements other than buildings	4,442,113	1,941,119
Equipment	4,652,544	3,696,175
Landfill cells	14,536,872	14,552,714
Construction in progress	2,701,873	3,847,865
Total capital assets	34,462,995	32,167,466
Accumulated depreciation and amortization	(15,191,885)	(14,619,342)
Net capital assets	19,271,110	17,548,124
Total Noncurrent Assets	22,739,758	21,486,524
Total Assets	45,654,658	38,787,593
Deferred Outflows of Resources		
Related to pensions	241,845	269,974
Related to other postemployment benefits	76,121	42,899
Total Deferred Outflows of Resources	317,966	312,873
Total Assets and Deferred Outflows of Resources	\$ 45,972,624	\$ 39,100,466
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 1,645,856	\$ 400,548
Accrued leave	128,180	134,828
Accrued interest payable	14,603	15,397
Current portion of loans payable	347,482	342,348
Total Current Liabilities	2,136,121	893,121
Noncurrent Liabilities		
Net pension liability	1,949,591	1,741,128
Loans payable	10,251,763	10,599,243
Landfill closure costs payable	6,753,940	6,163,439
Total Noncurrent Liabilities	18,955,294	18,503,810
Total Liabilities	21,091,415	19,396,931
Deferred Inflows of Resources		
Related to pensions	-	694,323
Related to other postemployment benefits	73,458	682,953
Total Deferred Inflows of Resources	73,458	1,377,276
Net Position		
Net investment in capital assets	8,671,865	6,606,533
Unrestricted	16,135,886	11,719,726
Total Net Position	24,807,751	18,326,259
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 45,972,624	\$ 39,100,466

Exhibit L-2

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

<i>Years Ended June 30,</i>	2023	2022
Operating Revenues		
Charges for services	\$ 13,152,093	\$ 11,662,436
Operating Expenses		
Public service:		
Landfill operations	2,105,520	3,523,458
Adjustment for landfill closure liability	590,501	560,103
Transfer sites	2,572,489	3,586,114
Dock operations	2,043,117	-
Depreciation and amortization	634,059	628,930
Allocated administrative and billing expenses	76,363	73,166
Total Operating Expenses	8,022,049	8,371,771
Operating Income	5,130,044	3,290,665
Nonoperating Revenues (Expenses)		
Intergovernmental - PERS relief	(63,132)	(52,269)
Interest expense	(63,998)	(69,069)
Investment income	34,853	28,434
Gain (loss) on disposal of capital assets	105,465	1,700
Net Nonoperating (Revenues) Expenses	13,188	(91,204)
Capital contributions	1,339,160	-
Transfers out	(900)	-
Change in Net Position	6,481,492	3,199,461
Net Position, beginning	18,326,259	15,126,798
Net Position, ending	\$ 24,807,751	\$ 18,326,259

Solid Waste Enterprise Fund
Comparative Statement of Cash Flows

Years Ended June 30,	2023	2022
Cash Flows from Operating Activities		
Receipts from customers	\$ 13,582,871	\$ 10,488,716
Payments to suppliers	(5,475,817)	(4,183,140)
Payments to employees	(694,865)	(2,938,651)
Payments for interfund services used	(76,363)	(73,166)
Net cash flows from operating activities	7,335,826	3,293,759
Cash Flows from Noncapital Financing Activities		
Transfers out	(900)	-
Net cash flows from noncapital financing activities	(900)	-
Cash Flows for Capital and Related Financing Activities		
Purchases of property, plant and equipment	(1,018,785)	(858,848)
Sale of capital assets	105,465	1,700
Loans proceeds received	-	725,150
Principal and interest paid on loans	(407,139)	(407,137)
Net cash flows for capital and related financing activities	(1,320,459)	(539,135)
Cash Flows from Investing Activities - investment income		
	34,853	28,434
Net Increase in Cash and Investments	6,050,220	2,783,058
Cash and Investments, beginning	17,937,592	15,154,534
Cash and Investments, ending	\$ 23,987,812	\$ 17,937,592
Reconciliation of Operating Income to Net Cash Flows from Operating Activities		
Operating income	\$ 5,130,044	\$ 3,290,665
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation and amortization	634,059	628,930
Noncash expense - PERS relief	(63,132)	(52,269)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	430,778	(1,173,719)
Net other postemployment benefits asset	475,363	(1,035,006)
Deferred outflows of resources related to pension	28,129	(19,162)
Deferred outflows of resources related to other postemployment benefits	(33,222)	118,185
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable, operations	1,245,309	22,052
Accrued leave	(6,648)	(9,251)
Net pension liability	208,463	(219,553)
Net other postemployment benefits liability	-	(5,679)
Landfill closure costs payable	590,501	560,103
Deferred inflows of resources related to pension	(694,323)	694,323
Deferred inflows of resources related to other postemployment benefits	(609,495)	494,140
Net Cash Flows from Operating Activities	\$ 7,335,826	\$ 3,293,759

Exhibit L-4

Port Enterprise Fund Comparative Statement of Net Position

June 30,	2023	2022
Assets and Deferred Outflows of Resources		
Current Assets		
Receivables:		
Intergovernmental	\$ 311,290	\$ -
Noncurrent Assets		
Net other postemployment benefits asset	65,607	79,580
Capital Assets:		
Buildings	7,948,617	7,948,617
Equipment	64,024	64,024
Infrastructure	33,321,302	33,321,302
Construction in progress	364,979	2,450
Total capital assets	41,698,922	41,336,393
Accumulated depreciation and amortization	(16,898,164)	(15,786,657)
Net capital assets	24,800,758	25,549,736
Total Noncurrent Assets	24,866,365	25,629,316
Total Assets	25,177,655	25,629,316
Deferred Outflows of Resources		
Unamortized deferred loss on bonds	21,893	54,734
Related to pensions	20,056	16,964
Related to other postemployment benefits	6,312	2,696
Total Deferred Outflows of Resources	48,261	74,394
Total Assets and Deferred Outflows of Resources	\$ 25,225,916	\$ 25,703,710
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 266,826	\$ 27,465
Accrued leave	3,315	9,581
Accrued interest payable	11,250	22,000
Current portion of general obligation bonds	714,091	645,000
Total Current Liabilities	995,482	704,046
Noncurrent Liabilities		
General obligation bonds, net of premium	-	772,728
Interfund loans payable	2,671,894	2,671,894
Net pension liability	161,673	109,403
Advances from General Fund	6,799,550	5,920,070
Total Noncurrent Liabilities	9,633,117	9,474,095
Total Liabilities	10,628,599	10,178,141
Deferred Inflows of Resources		
Related to pensions	-	43,627
Related to other postemployment benefits	6,092	42,913
Total Deferred Inflows of Resources	6,092	86,540
Net Position		
Net Investment in capital assets	24,108,560	24,186,742
Unrestricted (deficit)	(9,517,335)	(8,747,713)
Total Net Position	14,591,225	15,439,029
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 25,225,916	\$ 25,703,710

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

<i>Years Ended June 30,</i>	2023	2022
Operating Revenues		
Charges for services	\$ 24,852	\$ 132,834
Operating Expenses		
Dock operations	1,201,200	341,936
Depreciation	1,111,507	1,114,393
Total Operating Expenses	2,312,707	1,456,329
Operating Loss	(2,287,855)	(1,323,495)
Nonoperating Revenues (Expenses)		
Intergovernmental - State sources:		
PERS relief	2,717	(6,869)
Senate bills	16,970	6,892
Interest expense	(29,454)	(54,671)
Federal	311,290	-
Net Nonoperating Revenues (Expenses)	301,523	(54,648)
Loss Before Transfers	(1,986,332)	(1,378,143)
Capital contributions	362,528	-
Transfers in	776,000	995,000
Change in Net Position	(847,804)	(383,143)
Net Position, beginning	15,439,029	15,822,172
Net Position, ending	\$ 14,591,225	\$ 15,439,029

Exhibit L-6

Port Enterprise Fund
Comparative Statement of Cash Flows

Years Ended June 30,	2023	2022
Cash Flows for Operating Activities		
Receipts from customers	\$ (269,468)	\$ 155,314
Payments to suppliers	(961,840)	(356,921)
Payments to employees	(24,462)	(225,629)
Net cash flows for operating activities	(1,255,770)	(427,236)
Cash Flows from Noncapital Financing Activities		
Increase (decrease) in advance from General Fund	879,480	142,386
Transfers in	776,000	995,000
Net cash flows from noncapital financing activities	1,655,480	1,137,386
Cash Flows for Capital and Related Financing Activities		
Principal and interest paid on bonds	(40,204)	(707,700)
Additions to property, plant, and equipment	(359,506)	(2,450)
Net cash flows for capital and related financing activities	(399,710)	(710,150)
Net Increase in Cash and Investments	-	-
Cash and Investments, beginning	-	-
Cash and Investments, ending	-	-
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ (2,287,855)	\$ (1,323,495)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation	1,111,507	1,114,393
Nonoperating revenues	16,970	6,892
Noncash expense - PERS relief	2,717	(6,869)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable and related allowance	(311,290)	15,588
Net other postemployment benefits asset	13,973	(65,181)
Deferred outflows of resources related to pension	(3,092)	65,546
Deferred outflows of resources related to other postemployment benefits	(3,616)	7,323
Increase (decrease) in liabilities and deferred inflows of resources:		
Net pension liability	52,270	(295,223)
Net other postemployment benefits liability	-	(353)
Accounts payable	239,360	(14,985)
Accrued leave	(6,266)	(5,668)
Deferred inflows of resources related to pension	(43,627)	43,627
Deferred inflows of resources related to other postemployment benefits	(36,821)	31,169
Net Cash Flows for Operating Activities	\$ (1,255,770)	\$ (427,236)

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INTERNAL SERVICE FUNDS



Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2023</i>	Revolving Loan	Self- Insurance	Totals
Assets			
Current Assets			
Cash and investments	\$ 1,830,833	\$ 18,147,837	\$ 19,978,670
Receivables-			
Interfund loans receivable	107,458	-	107,458
Deposits with others	-	19,066	19,066
Total Current Assets	1,938,291	18,166,903	20,105,194
Interfund Loans Receivable, long-term	1,157,214	-	1,157,214
Total Assets	\$ 3,095,505	\$ 18,166,903	\$ 21,262,408
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Due to General Fund	\$ 87,651	\$ -	\$ 87,651
Current portion of loans payable	21,297	-	21,297
Insurance claims incurred but not reported and claims payable	-	3,691,919	3,691,919
Total Current Liabilities	108,948	3,691,919	3,800,867
Noncurrent Liabilities - loans payable	112,001	-	112,001
Total Liabilities	220,949	3,691,919	3,912,868
Net Position			
Unrestricted	2,874,556	14,474,984	17,349,540
Total Liabilities and Net Position	\$ 3,095,505	\$ 18,166,903	\$ 21,262,408

Exhibit M-2

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

<i>Year Ended June 30, 2023</i>	Revolving Loan	Self- Insurance	Totals
Operating Revenues			
Intragovernmental	\$ -	\$ 11,584,778	\$ 11,584,778
Interest on loans	23,400	-	23,400
Employee contributions	-	4,283,227	4,283,227
Total Operating Revenues	23,400	15,868,005	15,891,405
Operating Expenses			
Claims	-	14,570,597	14,570,597
Administrative fees	-	2,080,040	2,080,040
Premium	-	252,993	252,993
Total Operating Expenses	-	16,903,630	16,903,630
Operating Income (Loss)	23,400	(1,035,625)	(1,012,225)
Nonoperating Revenue - investment income	-	28,443	28,443
Income (Loss) Before Transfers	23,400	(1,007,182)	(983,782)
Transfers in	500,000	-	500,000
Transfers out	(2,357)	(12,500,000)	(12,502,357)
Change in Net Position	521,043	(13,507,182)	(12,986,139)
Net Position, beginning	2,353,513	27,982,166	30,335,679
Net Position, ending	\$ 2,874,556	\$ 14,474,984	\$ 17,349,540

Internal Service Funds
Combining Statement of Cash Flows

Year Ended June 30, 2023	Revolving Loan	Self- Insurance	Totals
Cash Flows for Operating Activities			
Principal payments received on loans	\$ 90,982	\$ -	\$ 90,982
Interest payments received on loans	23,400	-	23,400
Issuance of new loans	(216,343)	-	(216,343)
Principal payments on loans payable	(20,982)	-	(20,982)
Internal activity - payments from other funds	-	11,584,778	11,584,778
Receipts from employees and other	-	4,283,227	4,283,227
Payments for claims and services	-	(16,124,769)	(16,124,769)
Net cash flows for operating activities	(122,943)	(256,764)	(379,707)
Cash Flows from Noncapital Financing Activities			
Decrease in due to General Fund	(37,400)	-	(37,400)
Transfers in	500,000	-	500,000
Transfers out	(2,357)	(12,500,000)	(12,502,357)
Net cash flows from noncapital financing activities	460,243	(12,500,000)	(12,039,757)
Cash Flows from Investing Activities			
Investment income	-	28,443	28,443
Net Increase (Decrease) in Cash and Investments	337,300	(12,728,321)	(12,391,021)
Cash and Investments, beginning	1,493,533	30,876,158	32,369,691
Cash and Investments, ending	\$ 1,830,833	\$ 18,147,837	\$ 19,978,670
Reconciliation of Operating Income (Loss) to Net Cash Flows for Operating Activities			
Operating income (loss)	\$ 23,400	\$ (1,035,625)	\$ (1,012,225)
Adjustments to reconcile operating income (loss) to net cash flows for operating activities:			
Increase in assets - loans receivable	(125,361)	-	(125,361)
Increase (decrease) in liabilities:			
Loans payable	(20,982)	-	(20,982)
Insurance claims incurred but not reported	-	778,861	778,861
Net Cash Flows for Operating Activities	\$ (122,943)	\$ (256,764)	\$ (379,707)

Exhibit M-4

**Revolving Loan Internal Service Funds
Combining Statement of Net Position**

<i>June 30, 2023</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Local Improvement District Loans	Totals
Assets					
Current Assets					
Cash and investments	\$ -	\$ 44,080	\$ 524,079	\$ 1,262,674	\$ 1,830,833
Interfund loans receivable	42,749	32,600	15,948	16,161	107,458
Total Current Assets	42,749	76,680	540,027	1,278,835	1,938,291
Interfund Loans Receivable, long-term	424,582	423,800	66,219	242,613	1,157,214
Total Assets	\$ 467,331	\$ 500,480	\$ 606,246	\$ 1,521,448	\$ 3,095,505
Liabilities and Net Position					
Liabilities					
Current Liabilities:					
Due to General Fund	\$ 87,651	\$ -	\$ -	\$ -	\$ 87,651
Current portion of loans payable	5,349	-	15,948	-	21,297
Total Current Liabilities	93,000	-	15,948	-	108,948
Noncurrent Liability - loans payable	45,782	-	66,219	-	112,001
Total Liabilities	138,782	-	82,167	-	220,949
Net Position					
Unrestricted	328,549	500,480	524,079	1,521,448	2,874,556
Total Liabilities and Net Position	\$ 467,331	\$ 500,480	\$ 606,246	\$ 1,521,448	\$ 3,095,505

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

<i>Year Ended June 30, 2023</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Local Improvement District Loans	Totals
Operating Revenues					
Interest on loans	\$ 1,134	\$ 1,223	\$ -	\$ 21,043	\$ 23,400
Transfers in	-	-	-	500,000	500,000
Transfers out	(1,134)	(1,223)	-	-	(2,357)
Change in Net Position	-	-	-	521,043	521,043
Net Position, beginning	328,549	500,480	524,079	1,000,405	2,353,513
Net Position, ending	\$ 328,549	\$ 500,480	\$ 524,079	\$ 1,521,448	\$ 2,874,556

**Revolving Loan Internal Service Funds
Combining Statement of Cash Flows**

<i>Year Ended June 30, 2023</i>	Service Area Operating	Fire Capital Equipment	Road Service Areas	Local Improvement District Loans	Totals
Cash Flows from (for) Operating Activities					
Principal payments received on loans	\$ 42,670	\$ 32,600	\$ 15,712	\$ -	\$ 90,982
Interest payments received on loans	1,134	1,223	-	21,043	23,400
Principal payments on loans payable	(5,270)	-	(15,712)	-	(20,982)
Issuance of new loans	-	-	-	(216,343)	(216,343)
Net cash flows from (for) operating activities	38,534	33,823	-	(195,300)	(122,943)
Cash Flows from (for) Noncapital Financing Activities					
Decrease in due to General Fund	(37,400)	-	-	-	(37,400)
Transfers in	-	-	-	500,000	500,000
Transfers out	(1,134)	(1,223)	-	-	(2,357)
Net cash flows from (for) noncapital financing activities	(38,534)	(1,223)	-	500,000	460,243
Net Increase (Decrease) in Cash and Investments	-	32,600	-	304,700	337,300
Cash and Investments, beginning	-	11,480	524,079	957,974	1,493,533
Cash and Investments, ending	-	\$ 44,080	\$ 524,079	\$ 1,262,674	\$ 1,830,833
Reconciliation of Operating Income to Net Cash Flows from (for) Operating Activities					
Operating income	\$ 1,134	\$ 1,223	\$ -	\$ 21,043	\$ 23,400
Adjustments to reconcile operating income to net cash flows from (for) operating activities:					
(Increase) decrease in loans receivable	42,670	32,600	15,712	(216,343)	(125,361)
Decrease in loans payable	(5,270)	-	(15,712)	-	(20,982)
Net Cash Flows from (for) Operating Activities	\$ 38,534	\$ 33,823	\$ -	\$ (195,300)	\$ (122,943)

**Self-Insurance Internal Service Funds
Combining Statement of Net Position**

<i>June 30, 2023</i>	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Assets					
Current Assets					
Cash and investments	\$ 1,075,175	\$ 9,178,359	\$ 1,500,000	\$ 6,394,303	\$ 18,147,837
Deposits with others	-	-	-	19,066	19,066
Total Current Assets	\$ 1,075,175	\$ 9,178,359	\$ 1,500,000	\$ 6,413,369	\$ 18,166,903
Liabilities and Net Position					
Current Liabilities					
Insurance claims incurred but not reported and claims payable	\$ -	\$ 3,084,873	\$ -	\$ 607,046	\$ 3,691,919
Net Position					
Unrestricted	1,075,175	6,093,486	1,500,000	5,806,323	14,474,984
Total Liabilities and Net Position	\$ 1,075,175	\$ 9,178,359	\$ 1,500,000	\$ 6,413,369	\$ 18,166,903

Exhibit M-8

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

<i>Year Ended June 30, 2023</i>	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Operating Revenues					
Intragovernmental	\$ 204,847	\$ 10,117,667	\$ -	\$ 1,262,264	\$ 11,584,778
Employee contributions	-	4,283,227	-	-	4,283,227
Total Operating Revenues	204,847	14,400,894	-	1,262,264	15,868,005
Operating Expenses					
Claims	58,339	13,917,679	-	594,579	14,570,597
Administrative fees	-	2,022,393	-	57,647	2,080,040
Premium	-	-	-	252,993	252,993
Total Operating Expenses	58,339	15,940,072	-	905,219	16,903,630
Operating Income (Loss)	146,508	(1,539,178)	-	357,045	(1,035,625)
Nonoperating Revenues -					
Investment income	-	28,443	-	-	28,443
Transfers out	-	(7,800,000)	-	(4,700,000)	(12,500,000)
Change in Net Position	146,508	(9,310,735)	-	(4,342,955)	(13,507,182)
Net Position, beginning	928,667	15,404,221	1,500,000	10,149,278	27,982,166
Net Position, ending	\$ 1,075,175	\$ 6,093,486	\$ 1,500,000	\$ 5,806,323	\$ 14,474,984

**Self-Insurance Internal Service Funds
Combining Statement of Cash Flows**

Year Ended June 30, 2023	Unemployment Insurance	Health Insurance	Property and Casualty Insurance	Workers' Comp Insurance	Totals
Cash Flows from (for) Operating Activities					
Internal activity - payments from other funds	\$ 204,847	\$ 10,117,667	\$ -	\$ 1,262,264	\$ 11,584,778
Receipts from employees and other	-	4,283,227	-	-	4,283,227
Payments for claims and services	(58,339)	(15,389,649)	-	(676,781)	(16,124,769)
Net cash flows from (for) operating activities	146,508	(988,755)	-	585,483	(256,764)
Cash Flows from Investing Activities					
Investment income	-	28,443	-	-	28,443
Cash Flows from Noncapital Financing Activities					
Transfers out	-	(7,800,000)	-	(4,700,000)	(12,500,000)
Net Increase (Decrease) in Cash and Investments	146,508	(8,760,312)	-	(4,114,517)	(12,728,321)
Cash and Investments, beginning	928,667	17,938,671	1,500,000	10,508,820	30,876,158
Cash and Investments, ending	\$ 1,075,175	\$ 9,178,359	\$ 1,500,000	\$ 6,394,303	\$ 18,147,837
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities					
Operating income (loss)	\$ 146,508	\$ (1,539,178)	\$ -	\$ 357,045	\$ (1,035,625)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:					
Insurance claims incurred but not reported	-	550,423	-	228,438	778,861
Net Cash Flows from (for) Operating Activities	\$ 146,508	\$ (988,755)	\$ -	\$ 585,483	\$ (256,764)



FEDERAL AND STATE EXPENDITURES



**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Passed through to Sub-Recipients	Total Federal Expenditures
Department of Agriculture					
Passed through State of Alaska, Department of Natural Resources:					
Cooperative Forestry Assistance - Spruce Beetle Mitigation	10.664	20-DG-11100106-811	\$ 182,000	\$ -	\$ 112,000
Cooperative Forestry Assistance - FY21 Caswell Lakes VFD	10.664	AK 16 & 17 CPG	4,988	-	1,000
Cooperative Forestry Assistance - FY21 Willow VFD	10.664	AK 18 CPG	4,973	-	774
Cooperative Forestry Assistance - FY22 Caswell Lakes VFD	10.664	AK 19 CPG	5,000	-	5,000
Cooperative Forestry Assistance - FY22 Talkeetna VFD	10.664	AK 19 CPG	5,000	-	5,000
Cooperative Forestry Assistance - FY22 West Lakes VFD	10.664	AK 19 CPG	3,911	-	3,911
Cooperative Forestry Assistance - FY22 Willow VFD	10.664	AK 19 CPG	5,000	-	5,000
Total Assistance Listing 10.664				-	132,685
Forest Service Schools and Roads Cluster - Schools and Roads - Grants to States	10.665		23,671	-	23,671
Community Project Funds - Congressionally Directed Spending: MSB Beetle Kill Fire Reduction Initiative	10.723	22-DG-11100106-814	385,000	-	93,063
Total Department of Agriculture				-	249,420
Department of Commerce					
Passed through State of Alaska, Department of Fish and Game					
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program-					
Big Lake Area Fish Passage Improvements	11.438	AKSSF-52008	349,976	-	6,604
Birch & Crocker Creeks Fish Passage Improvements	11.438	AKSSF-55008	700,000	-	71,855
Neklason & Lynda Lakes Fish Passage Improvements	11.438	AKSSF-56007	592,000	-	2,054
Total Assistance Listing 11.438				-	80,512
Economic Adjustment Assistance Cluster - Gateway Visitor Center	11.307		6,696,030	-	3,586
Port Mackenzie Dock Improvements	11.307		7,590,192	-	311,290
Total Economic Adjustment Assistance Cluster				-	314,876
Total Department of Commerce				-	395,388
Department of Homeland Security					
Passed through State of Alaska, Department of Military and Veteran Affairs:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
2018 Cook Inlet Earthquake	97.036	DR-4413-AK	25,497,237	-	8,839,465
2022 January Windstorms Disaster	97.036	DR-4646-AK	6,683	-	6,683
Total Assistance Listing 97.036				-	8,846,147

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

Exhibit N-1, continued

Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Passed through to Sub-Recipients	Total Federal Expenditures
Department of Homeland Security, continued					
Emergency Management Performance Grant (EMPG)	97.042	21EMPG-GY22	\$ 250,000	\$ -	\$ 173,388
Homeland Security Grant Program - 2020	97.067	20SHSP-GY20	67,443	-	56,320
Homeland Security Grant Program - 2021	97.067	20SHSP-GY21	394,460	-	22,504
Homeland Security Grant Program - 2022	97.067	20SHSP-GY22	435,000	-	99,500
Total Assistance Listing 97.067				-	178,324
Total Department of Homeland Security				-	9,197,859
Department of Health and Human Services					
Passed through State of Alaska, Department of Health:					
National Bioterrorism Hospital Preparedness Program- Public Health Emergency Preparedness (PHEP)	93.889	165-299-23002	40,000	-	18,579
Department of Interior					
Payments in Lieu of Taxes	15.226		4,212,725	-	4,212,725
Fish and Wildlife Management Assistance-					
Mat-Su Fish Passage 2025	15.608		511,076	-	237,810
Wasilla Creek Headwaters Streambank Restoration	15.608		30,000	-	30,000
Total Assistance Listing 15.608				-	267,810
Passed through State of Alaska Department of Natural Resources-					
Historic Preservation Find Grants-In-Aid:					
Historic Preservation Plan Phase I	15.904		50,000	-	11,381
Total Department of the Interior				-	4,491,916
Department of Transportation					
Public Transportation Innovation-					
Centralized Mobility Management Software Project	20.530		\$ 231,191	-	47,611
Passed through State of Alaska Department of Transportation					
Highway Planning and Construction Cluster:					
Pre-MPO Planning	20.205	CF-HWY-00024	620,000	-	75,236
Construction - Arterial Related Planning Initiatives	20.205	CF-HWY-00024	840,000	-	333,930
Total Highway Planning and Construction Cluster				-	409,166
Total Department of Transportation				-	456,776

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



Exhibit N-1, continued

Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Passed through to Sub-Recipients	Total Federal Expenditures
Department of the Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		21,039,307 \$	-	\$ 2,140,209
Department of Institute of Museum and Library Services					
Passed through State of Alaska Department of Education and Early Development:					
Grants to States / ARPA Easy Grants					
COVID-19 - Big Lake Public Library	45.310	EASY22-074	6,000	-	4,231
COVID-19 - Sutton Public Library	45.310	EASY22-095	5,396	-	2,478
COVID-19 - Talkeetna Public Library	45.310	EASY22-086	5,997	-	942
COVID-19 - Trapper Creek Public Library	45.310	EASY22-072	5,978	-	2,700
COVID-19 - Willow Public Library	45.310	EASY22-089	3,309	-	39
Total Assistance Listing 45.310				-	10,390
Total Expenditures of Federal Awards				-	\$ 16,960,537

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal activity of Matanuska-Susitna Borough (the Borough) under programs of the federal governments for the year ended June 30, 2023. 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 \$8,846,147 on the Schedule for the year ended June 30, 2023, which had no prior year expenditures associated with the total.

**Schedule of State Financial Assistance
Year Ended June 30, 2023**

State Grantor / Pass-Through Grantor Program Title	Award Number	Award Amount	Passed through to Subrecipients	State Expenditures
Department of Commerce, Community and Economic Development				
Marijuana Shared Revenue	FY 2023	\$ 7,500	\$ -	\$ 7,500
Road Bond Package State Match	13-DC-632	32,200,000	-	290,454
Port MacKenzie Cathodic Protection	14-DC-085	2,500,000	-	16,970
Rail Extension to Port MacKenzie	14-DC-086	25,000,000	-	80
River Management	14-DC-087	2,500,000	-	200,000
Gateway Visitors Center Phase 2	15-DC-101	1,235,000	-	844
Joe Redington Jr / Sr High School Utilities Extension	15-DC-102	790,732	-	(713)
* Pavement Rehab Through Mat-Su Population Corridor	22-DC-005	10,000,000	-	2,078,981
* 2024 Arctic Winter Games	22-DC-006	1,000,000	1,000,000	500,000
* 2024 Arctic Winter Games	23-DC-046	1,000,000	1,000,000	1,000,000
* 2021 MSB Transportation Infrastructure Package	23-DC-047	30,000,000	-	2,686,192
RSA #21 Seasonally Impassable Road Maintenance	23-RR-002	179,794	-	41,727
Total Department of Commerce, Community and Economic Development			2,000,000	6,822,035
Department of Education and Early Development				
Library Continuing Education - Sutton	CED23	1,200	-	1,200
* Houston Middle School Replacement	GR-22-002	9,000,000	-	5,965,196
Alaska Public Library Assistance FY23 Big Lake	PLA23BIG	7,000	-	7,000
Alaska Public Library Assistance FY23 Sutton	PLA23SUTTO	7,000	-	7,000
Alaska Public Library Assistance FY23 Talkeetna	PLA23TALKE	7,000	-	7,000
Alaska Public Library Assistance FY23 Trapper Creek	PLA23TRAPP	7,000	-	7,000
Alaska Public Library Assistance FY23 Willow	PLA23WILLO	7,000	-	7,000
* FY23 Debt Retirement Program	N/A	12,266,627	-	15,225,886
Total Department of Education and Early Development			-	21,227,281
Department of Health				
Human Services Community Matching Grant FY23	165-231-23001	304,249	304,249	304,249
Department of Military and Veterans Affairs				
Passed through U.S. Department of Homeland Security:				
FHWA Cost Share (Roads & Bridges) 2018 Cook Inlet Earthquake				
* Earthquake	AK-18-265	1,512,989	-	382,762
* 2018 Cook Inlet Earthquake	DR-4413AK	2,833,026	-	982,163
2022 January Windstorms Disaster	DR-4646AK	2,228	-	2,228
Total Department of Military and Veterans Affairs			-	1,367,152
Department of Transportation and Public Facilities				
* Felton Street Project	TORA 12/2/20	2,400,000	-	912,309
Total State Financial Assistance			\$ 2,304,249	\$ 30,633,026

See accompanying notes to the Schedule of State Assistance

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, 2023. 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.

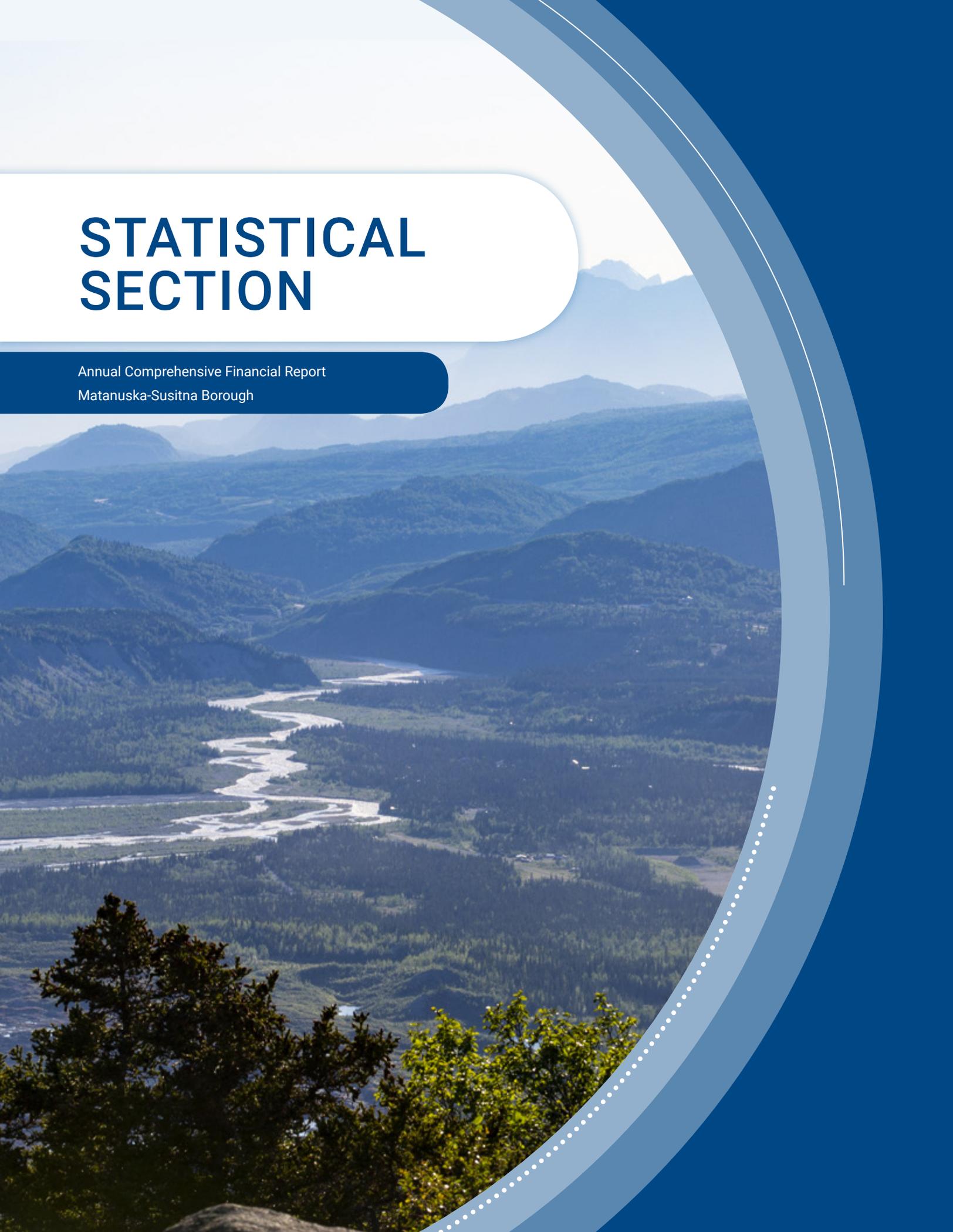
3. Summary of Significant Accounting Policies

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.

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STATISTICAL SECTION

Annual Comprehensive Financial Report
Matanuska-Susitna Borough



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Matanuska-Susitna Borough

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**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 586,832,955	\$ 655,986,284	\$ 711,672,450	\$ 717,083,106	\$ 731,250,626	\$ 754,521,515	\$ 745,128,538	\$ 745,878,376	\$ 782,730,054	\$ 816,039,327
Restricted	1,848,836	6,927,928	5,088,112	65,030,516	3,954,648	4,053,732	890,629	2,841,498	-	-
Unrestricted (deficit)	<u>154,221,875</u>	<u>127,755,525</u>	<u>131,390,966</u>	<u>87,388,014</u>	<u>151,368,002</u>	<u>148,579,407</u>	<u>191,384,904</u>	<u>204,869,889</u>	<u>195,215,521</u>	<u>201,474,482</u>
Total governmental activities net position	<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>\$ 937,404,071</u>	<u>\$ 953,589,763</u>	<u>\$ 977,945,575</u>	<u>\$ 1,017,513,809</u>
Business-type activities										
Net investment in capital assets	\$ 37,264,503	\$ 33,602,838	\$ 30,996,296	\$ 29,816,551	\$ 29,266,034	\$ 29,250,432	\$ 29,366,522	\$ 31,520,592	\$ 30,793,275	\$ 32,780,425
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>(7,339,896)</u>	<u>(10,177,832)</u>	<u>(10,767,386)</u>	<u>(10,093,032)</u>	<u>(7,422,995)</u>	<u>(6,597,966)</u>	<u>(5,858,860)</u>	<u>(571,622)</u>	<u>2,972,013</u>	<u>6,618,551</u>
Total business-type activities net position	<u>\$ 29,924,607</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>	<u>\$ 33,765,288</u>	<u>\$ 39,398,976</u>
Primary government										
Net investment in capital assets	\$ 624,097,458	\$ 689,589,122	\$ 742,668,746	\$ 746,899,657	\$ 760,516,660	\$ 783,771,947	\$ 774,495,060	\$ 777,398,968	\$ 813,523,329	\$ 848,819,752
Restricted	1,848,836	6,927,928	5,088,112	65,030,516	3,954,648	4,053,732	890,629	2,841,498	-	-
Unrestricted (deficit)	<u>146,881,979</u>	<u>117,577,693</u>	<u>120,623,580</u>	<u>77,294,982</u>	<u>143,945,007</u>	<u>141,981,441</u>	<u>185,526,044</u>	<u>204,298,267</u>	<u>198,187,534</u>	<u>208,093,033</u>
Total primary government net position	<u>\$ 772,828,273</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>\$ 960,911,733</u>	<u>\$ 984,538,733</u>	<u>\$ 1,011,710,863</u>	<u>\$ 1,056,912,785</u>

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 20,704,665	21,492,676	24,261,580	26,668,270	22,771,086	23,154,030	22,372,027	22,678,287	26,686,489	38,534,192
Public works	4,276,429	13,967,990	12,934,880	5,414,122	6,667,478	5,068,357	4,438,780	1,515,018	3,021,834	5,288,945
Emergency services	20,545,881	23,826,995	28,733,622	31,433,684	28,203,210	31,307,833	39,692,163	52,649,599	35,811,283	41,352,208
Public services	28,059,904	41,185,883	29,676,676	33,680,511	33,191,962	38,217,331	35,648,034	49,065,973	39,549,692	35,154,575
Education	73,489,025	61,590,136	64,367,590	64,823,081	67,801,827	70,545,128	67,845,372	75,745,073	90,652,995	80,621,819
Interest	12,361,995	14,776,978	12,741,667	13,633,306	12,809,176	11,218,029	9,885,785	9,178,382	14,628,448	8,023,176
Total governmental activities expenses	159,437,899	176,840,658	172,716,015	175,652,974	171,444,739	179,510,708	179,882,161	210,832,332	210,350,741	208,974,915
Business-type activities:										
Solid waste	5,404,454	5,969,325	9,635,368	7,795,028	7,757,003	6,917,118	8,155,375	5,865,479	8,440,840	8,086,047
Port	2,333,191	2,256,226	4,718,707	2,641,930	2,573,464	3,217,373	1,838,633	1,752,171	1,511,000	2,342,161
Total business-type activities expenses	7,737,645	8,225,551	14,354,075	10,436,958	10,330,467	10,134,491	9,994,008	7,617,650	9,951,840	10,428,208
Total primary government expenses	\$ 167,175,544	185,066,209	187,070,090	186,089,932	181,775,206	189,645,199	189,876,169	218,449,982	220,302,581	219,403,123
Program Revenues (see Schedule 3)										
Governmental activities:										
Fees, fines, and charges for services:										
General government	\$ 528,579	585,129	456,938	1,966,442	715,602	192,015	865,630	1,046,132	883,739	1,026,350
Public works	59,317	186,843	114,475	140,215	254,899	104,484	80,274	21,737	17,450	16,550
Emergency services	4,810,309	7,430,769	7,226,326	5,234,684	6,289,248	5,851,204	6,557,286	6,142,877	5,169,821	6,552,695
Public services	3,193,367	2,390,785	3,525,098	4,304,319	2,168,518	1,679,081	2,142,186	2,572,908	2,991,154	3,197,687
Education	8,904,126	-	-	-	361,258	393,300	393,300	393,300	487,966	298,633
Operating grants and contributions	22,293,350	21,644,248	24,270,603	16,009,319	23,385,078	21,319,101	10,722,431	40,221,320	47,236,767	16,552,093
Capital grants and other contributions	74,515,466	77,432,954	55,623,908	17,647,089	10,887,779	6,523,893	7,443,276	6,103,893	16,953,339	36,790,759
Total governmental activities program revenues	114,304,514	109,670,728	91,217,348	45,302,068	44,062,382	36,063,078	28,204,383	56,502,167	73,740,236	64,434,767
Business-type activities:										
Fees, fines, and charges for services:										
Solid waste	5,598,895	6,746,489	8,606,426	9,046,715	8,925,931	9,481,543	9,978,894	10,788,985	11,662,436	13,152,093
Port	22,851	102,134	292,936	232,139	10,290	13,816	14,037	122,672	132,834	24,852
Operating grants and contributions	707,350	773,840	769,065	736,295	3,150,125	2,640	67,619	78,014	(52,246)	267,845
Capital grants and other contributions	1,013,727	2,705,520	1,838,861	4,026	10,618	719,731	-	-	-	1,701,688
Total business-type activities program revenues	7,342,823	10,327,983	11,507,288	10,019,175	12,096,964	10,217,730	10,060,550	10,989,671	11,743,024	15,146,478
Total primary government program revenues	\$ 121,647,337	119,998,711	102,724,636	55,321,243	56,159,346	46,280,808	38,264,933	67,491,838	85,483,260	79,581,245
Net (Expenses)/Revenue										
Governmental activities	\$ (45,133,385)	(67,169,930)	(81,498,667)	(130,350,906)	(127,382,357)	(143,447,630)	(151,677,778)	(154,330,165)	(136,610,505)	(144,540,148)
Business-type activities	(394,822)	2,102,432	(2,846,787)	(417,783)	1,766,497	83,239	66,542	3,372,021	1,791,184	4,718,270
Total primary government net expense	\$ (45,528,207)	(65,067,498)	(84,345,454)	(130,768,689)	(125,615,860)	(143,364,391)	(151,611,236)	(150,958,144)	(134,819,321)	(139,821,878)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 114,243,341	116,399,253	122,362,726	129,146,156	135,123,613	137,039,299	145,657,590	148,890,573	156,055,642	159,151,981
Excise taxes	7,326,269	7,548,977	8,286,431	8,229,211	7,768,567	9,418,381	9,917,857	10,854,422	10,872,816	11,273,096
Transient accommodation taxes	1,113,368	1,117,249	1,205,702	1,206,741	1,268,575	1,428,373	999,526	1,054,391	1,476,023	1,754,776
Grants and entitlements not restricted to a specific purpose	8,132,177	11,532,940	8,597,526	7,082,528	6,855,868	6,438,852	6,218,072	4,910,290	5,336,778	7,049,641
Investment income	1,306,079	1,043,112	366,486	1,454,758	1,663,174	8,598,388	6,355,169	(505,867)	(13,593,900)	3,410,376
Other	721,061	704,245	749,135	1,453,763	339,052	1,804,695	13,549,946	2,088,668	1,813,958	2,243,612
Extraordinary items	(12,319,299)	-	(2,587,548)	-	-	-	-	-	-	-
Transfers	-	(1,354,373)	-	96,487	(700,000)	(698,980)	(770,965)	(2,776,620)	(995,000)	(775,100)
Special items	-	-	-	3,031,370	-	-	-	6,000,000	-	-
Total governmental activities	120,522,996	136,991,403	138,980,458	151,701,014	152,318,849	164,029,008	181,927,195	170,515,857	160,966,317	184,108,382
Business-type activities:										
Grants and entitlements not restricted to a specific purpose	132,341	-	-	-	-	-	-	-	-	-
Investment income	-	-	574	8,879	10,233	13,708	9,539	14,645	28,434	34,853
Gain(Loss) of capital assets	-	-	-	-	-	-	-	(29,083)	1,700	105,465
Gain on settlement from lease credits	-	-	-	-	-	-	-	1,307,105	-	-
Other	460	108,775	-	-	-	13,500	8,150	-	-	-
Extraordinary items	(2,598,884)	(3,000,000)	(2,937,431)	-	-	-	-	-	-	-
Transfers	-	1,354,373	2,587,548	(96,487)	700,000	698,980	770,965	2,776,620	995,000	775,100
Total business-type activities	(2,466,083)	(1,536,852)	(349,309)	(87,608)	710,233	726,188	788,654	4,069,287	1,025,134	915,418
Total primary government	\$ 118,056,913	135,454,551	138,631,149	151,613,406	153,029,082	164,755,196	182,715,849	174,585,144	161,991,451	185,023,800
Change in Net Position										
Governmental activities	\$ 75,389,611	69,821,473	57,481,791	21,350,108	24,936,492	20,581,378	30,249,417	16,185,692	24,355,812	39,568,234
Business-type activities	(2,860,905)	565,580	(3,196,096)	(505,391)	2,476,730	809,427	855,196	7,441,308	2,816,318	5,633,688
Total primary government	\$ 72,528,706	70,387,053	54,285,695	20,844,717	27,413,222	21,390,805	31,104,613	23,627,000	27,172,130	45,201,922

**Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Governmental activities:										
General government	\$ 1,824,014	1,531,324	1,304,323	2,352,097	1,442,771	752,207	1,528,576	8,418,269	1,522,863	656,991
Public works	5,234,620	31,935,911	35,498,579	2,756,713	361,018	147,422	123,509	225,147	(209,123)	1,222,041
Emergency services	6,989,455	10,487,098	8,896,045	9,349,662	11,587,522	7,362,942	12,242,727	23,759,837	5,585,427	10,876,171
Public services	67,048,190	42,025,535	21,050,237	17,417,743	7,396,183	7,576,183	5,128,923	23,705,614	21,889,348	24,853,187
Education	33,208,235	23,690,860	24,468,164	15,465,184	23,274,888	20,224,324	9,180,648	393,300	44,951,721	26,826,377
Subtotal governmental activities	114,304,514	109,670,728	91,217,348	47,341,399	44,062,382	36,063,078	28,204,384	56,502,167	73,740,236	64,434,767
Business-type activities:										
Solid waste	6,554,145	7,342,046	8,658,408	9,062,356	8,963,938	9,484,183	10,045,242	10,859,794	11,610,167	14,428,121
Port	788,678	2,985,937	2,848,880	956,819	3,133,026	733,547	15,308	129,877	132,857	718,357
Subtotal business-type activities	7,342,823	10,327,983	11,507,288	10,019,175	12,096,964	10,217,730	10,060,550	10,989,671	11,743,024	15,146,478
Total primary government	\$ 121,647,337	119,998,711	102,724,636	57,360,574	56,159,346	46,280,808	38,264,934	67,491,838	85,483,260	79,581,245

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 797,507	1,358,788	2,090,291	1,236,917	1,270,027	1,348,074	753,530	6,666,942	6,926,099	8,170,122
Restricted	-	-	-	-	-	78,660	117,990	157,320	196,650	235,980
Committed	30,993,075	31,536,947	29,011,538	33,069,306	33,069,306	28,507,217	33,985,217	30,284,536	29,525,217	28,525,217
Assigned	13,383,261	11,907,107	13,562,914	4,237,866	9,096,692	9,377,170	18,901,316	17,845,316	1,119,052	-
Unassigned	14,294,595	14,498,345	13,856,608	12,215,100	11,774,008	13,469,496	15,337,553	8,307,616	26,757,399	(4,250,767)
Total general fund	\$ 59,768,438	59,301,187	58,521,351	51,209,189	55,210,033	52,780,617	69,095,606	63,261,730	64,524,417	32,680,552
All Other Governmental Funds										
Nonspendable	\$ 503,533	821,311	391,023	178,197	52,734	126,473	14,953	40,179	17,661	10,416
Restricted	124,092,473	116,689,273	50,892,523	65,030,516	32,094,872	25,372,952	4,086,277	5,747,552	2,371,945	1,896,555
Committed	7,024,812	7,726,329	6,430,783	5,831,387	4,072,241	8,023,248	4,963,684	4,113,262	4,016,745	4,156,589
Assigned	78,158,604	70,779,374	64,744,216	89,518,315	109,060,659	105,013,502	126,409,015	143,181,857	135,101,614	188,262,054
Unassigned (deficit)	(180,108)	(201,255)	(467,984)	(460,125)	(247,087)	-	(42,030)	(550,311)	(770,306)	(157,648)
Total all other governmental funds	\$ 209,599,314	195,815,032	121,990,561	160,098,290	145,033,419	138,536,175	135,431,899	152,532,539	140,737,659	194,167,966

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes										
Property	\$ 113,979,371	116,997,572	123,043,080	128,589,866	135,170,678	139,269,777	145,924,574	150,107,167	155,271,423	160,160,770
Transient accommodations	1,113,369	1,117,249	1,205,702	1,206,741	1,268,575	1,428,373	999,526	1,054,391	1,476,023	1,754,776
Excise	7,326,269	7,548,977	8,286,431	8,171,681	7,768,567	9,418,381	9,917,857	10,854,422	10,872,816	11,273,096
Intergovernmental	114,234,610	117,684,505	87,801,977	43,514,112	40,755,725	34,281,846	24,383,779	51,235,503	71,765,580	51,559,596
Charges for services	8,340,514	9,055,915	11,691,184	11,950,098	9,829,490	9,086,356	9,546,096	10,112,888	9,685,773	10,559,527
Sales Taxes	-	-	-	-	-	1,083,732	-	-	-	-
Investment income	876,148	996,637	364,710	1,427,700	1,638,923	8,572,873	6,339,318	(529,518)	(13,583,659)	3,386,976
Interest on land sales	16,009	12,060	22,164	21,701	34,897	54,373	56,227	68,304	71,879	69,489
Other revenues	743,758	1,415,641	799,151	1,053,763	2,046,196	1,649,747	3,932,659	2,126,206	1,676,535	2,084,661
Total revenues	246,630,048	254,828,556	233,214,399	195,935,662	198,513,051	204,845,458	201,100,036	225,029,363	237,236,370	240,848,891
Expenses										
General government	20,975,235	26,339,550	21,834,903	23,030,301	21,709,185	23,645,902	24,245,142	25,858,865	26,102,944	28,330,656
Public works	4,779,986	7,024,663	6,170,341	5,383,039	5,591,981	4,696,380	4,104,916	4,154,577	3,988,513	5,985,580
Emergency services	18,499,252	22,542,115	22,199,305	26,011,973	25,393,942	34,210,530	36,649,343	37,999,689	37,077,778	37,457,322
Public services	26,361,372	28,220,165	26,434,763	27,283,121	28,886,768	31,737,529	29,532,733	47,595,061	33,847,735	35,803,123
Education	55,565,878	52,764,262	53,773,607	60,582,946	56,465,348	58,554,980	54,765,932	62,310,148	65,891,844	72,108,173
Debt service										
Interest	12,675,315	20,165,000	16,242,549	14,313,687	15,305,172	14,114,141	12,636,204	11,074,556	10,178,930	9,661,743
Principal	18,975,000	14,688,308	22,564,565	23,667,813	25,223,286	22,340,104	20,920,651	18,910,072	20,680,852	22,721,655
Capital outlay	152,317,206	161,810,925	130,600,411	33,657,133	30,364,893	30,579,827	20,213,362	14,713,022	48,154,219	29,060,908
Total expenditures	310,149,244	333,554,988	299,820,444	213,930,013	208,940,575	219,879,393	203,068,283	222,615,990	245,922,815	241,129,160
Excess of revenues over (under) expenditures	(63,519,196)	(78,726,432)	(66,606,045)	(17,994,351)	(10,427,524)	(15,033,935)	(1,968,247)	2,413,373	(8,686,445)	(280,269)
Other Financing Sources (Uses)										
Proceeds from disposal of capital assets	34,370	26,427	76,637	17,821	62,745	34,595	101,547	58,240	64,315	87,756
Insurance Proceeds	-	-	-	-	-	6,000,000	10,000,000	5,100,000	-	-
Transfers in	54,523,841	53,740,727	56,742,020	65,480,711	66,956,411	84,519,399	61,770,136	105,015,572	80,959,645	110,499,822
Transfers out	(54,523,375)	(55,094,747)	(59,329,253)	(65,383,404)	(67,655,659)	(85,217,696)	(62,540,486)	(107,791,646)	(83,053,417)	(99,272,565)
Bond issuance	47,240,000	94,105,000	-	52,890,000	-	-	70,260,000	-	-	-
G.O. Bonds	-	-	-	-	-	-	-	-	-	12,000,000
Premium on bond issuance	5,302,804	12,793,446	-	-	-	-	-	-	-	-
COP Issuance	8,585,000	-	-	13,105,000	-	-	-	-	-	-
Note Issuance	-	-	6,596,755	818,245	-	-	-	-	-	-
Loan Issuance	-	-	-	-	-	770,977	6,126,246	471,225	183,709	-
Premium on COP issuance	331,126	-	-	9,128,770	-	-	-	-	-	-
Areawide Tax Relief	-	-	-	-	-	-	-	-	-	(11,948,301)
Payment to refunded debt escrow agent	-	(41,095,954)	-	(39,351,386)	-	-	(70,538,483)	-	-	-
Total other financing sources (uses)	61,493,766	64,474,899	4,086,159	36,705,757	(636,503)	6,107,275	15,178,960	2,853,391	(1,845,748)	11,366,712
Special items	-	-	-	-	-	-	-	6,000,000	-	10,500,000
Net change in fund balances	\$ (2,025,430)	(14,251,533)	(62,519,886)	18,711,406	(11,064,027)	(8,926,660)	13,210,713	11,266,764	(10,532,193)	21,586,443
Debt service as a percentage of noncapital expenditures	14.90%	15.36%	16.98%	15.46%	16.46%	19.26%	18.35%	9.50%	15.05%	10.40%
Debt Service	31,650,315	34,853,308	38,807,114	37,981,500	40,528,458	36,454,245	33,556,855	29,984,628	30,859,782	32,383,398
Non-capital outlay	166,954,948	190,996,840	178,709,338	179,116,752	177,659,092	189,300,778	181,406,472	205,507,548	205,001,452	311,340,817

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property ⁽¹⁾	Personal Property ⁽¹⁾	Less: Tax-Exempt Property ⁽¹⁾	Total Taxable Assessed Value	Total Direct Tax Rate ⁽¹⁾	Estimated Actual Value ⁽²⁾	Total Taxable Assessed Value as a Percentage of Total Estimated Actual Value
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
2022	16,066,393,001	62,709,094	2,596,453,647	13,532,648,448	9.942	13,651,886,897	99.13
2023	17,738,992,674	64,342,296	3,088,161,384	14,715,173,586	8.901	15,914,525,200	92.46

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.

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

Fiscal Year	Borough Direct Rate		Overlapping Rates						
	Areawide Borough	Non-areawide Borough	City of Palmer	City of Houston	2	4	7	8	9
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
2022	9.942	0.432	3.00	3.00	3.43	4.59	1.50	-	2.78
2023	8.901	0.392	3.00	3.00	3.16	4.11	1.50	-	2.64

Fiscal Year	Overlapping Rates									
	14	15	16	17	19	20	21	23	24	
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	
2022	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59	3.04	
2023	1.74	4.08	1.37	2.73	2.37	3.37	2.49	4.37	2.91	

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.

**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
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
2022	1.73	3.45	3.48	1.99	3.12	4.41	3.68	2.75
2023	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
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
2022	9.40	2.15	3.24	0.96	3.21	2.20	5.03
2023	9.40	2.15	3.24	0.96	3.21	2.20	5.03

**Principal Property Tax Payers,
Current Year and Ten Years Ago**

Taxpayer	2023			2014		
	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	\$ 154,977,400	1	1.05%	\$ 102,515,900	1	1.18%
Semco/Enstar/Alaska Pipeline	70,275,300	2	0.48			
Enstar Natural Gas				42,382,000	2	0.49
Kroger/Fred Meyer Stores, Inc.	57,977,347	3	0.39	39,408,610	4	0.45
Alaska Hotel Properties, Inc.	47,466,700	4	0.32	41,309,200	3	0.47
Acer, LLC	41,760,500	5	0.28			
CATC/Cook Inlet Region/CIRI Land Development	32,929,100	6	0.22	27,222,894	7	0.31
Wal-Mart Stores, Inc.	31,479,777	7	0.21	29,114,166	5	0.33
GCI/GCI Cable/Alaska Digital				27,961,937	6	0.32
DBC, LLC/Target	29,667,157	8	0.20	20,918,015	9	0.24
Global Finance & Investment S.A./Gary Lundgren	24,828,200	9	0.17	25,777,900	8	0.30
Sun Mountain	23,868,000	10	0.16			
Alasak Pipeline Co.				16,695,700	10	0.19
Total	\$ 515,229,481		3.48%	\$ 373,306,322		4.28%

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

Note: Includes real and personal property.

**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
2014	\$ 118,906,810	\$ 8,920,224	\$ 109,986,586	\$ 106,109,708	96.48%	\$ 3,659,127	\$ 109,768,835	99.80%
2015	121,650,445	9,906,339	111,744,106	108,285,996	96.91	3,257,251	111,543,247	99.82
2016	130,590,976	11,295,573	119,295,403	116,527,024	97.68	2,399,988	118,927,012	99.69
2017	138,589,875	12,166,401	126,423,474	122,648,889	97.01	3,081,241	125,730,130	99.45
2018	146,304,207	13,588,979	132,715,228	126,903,605	95.62	4,250,869	131,154,474	98.82
2019	152,062,345	14,943,337	137,119,008	133,194,431	97.14	2,441,096	135,635,527	98.92
2020	156,626,653	16,182,950	140,443,703	135,753,457	96.66	2,250,349	138,003,806	98.26
2021	162,608,723	16,811,110	145,797,613	142,251,044	97.57	1,034,754	143,285,798	98.28
2022	169,441,990	17,680,915	151,761,075	149,328,084	98.40	302,457	149,630,541	98.60
2023	172,384,353	17,359,707	155,024,646	153,380,196	98.94	-	153,380,196	98.94

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

**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			
2014	\$ 299,455,000	\$ 13,450,000	\$ 311,347	\$ 22,851,440	\$ -	\$ 5,735,000	\$ 4,346,366	\$ 566,821	\$ 346,715,974	7.74%	\$ 3,534
2015	335,920,000	12,195,000	292,721	33,411,389	-	5,250,000	4,395,179	508,184	391,972,473	8.32	3,879
2016	314,755,000	10,885,000	6,781,005	30,910,711	-	4,750,000	6,147,994	449,547	374,679,257	8.04	3,599
2017	313,680,000	20,585,000	7,490,499	36,422,155	-	4,230,000	5,956,722	390,911	388,755,287	8.19	3,659
2018	290,020,000	19,130,000	7,248,163	33,744,998	-	3,690,000	6,857,169	332,274	361,022,604	7.22	3,370
2019	269,440,000	17,610,000	7,759,268	31,129,886	-	3,125,000	10,572,460	273,637	339,910,251	6.39	3,138
2020	255,315,000	16,030,000	14,851,809	22,343,617	-	2,545,000	6,722,723	215,001	318,023,150	5.61	2,949
2021	238,260,000	14,400,000	29,113,528	20,320,666	-	1,940,000	16,316,392	156,364	320,506,950	5.24	2,987
2022	219,460,000	12,690,000	13,837,131	18,014,335	-	1,320,000	10,941,591	97,728	276,360,785	4.20	2,540
2023	210,700,000	10,905,000	13,642,216	15,884,517	-	675,000	10,599,243	39,097	262,445,073	N/A	2,241

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.

N/A – Not available

Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Net General Bonded Debt Outstanding			Percentage of Total Taxable Assessed Value of Property*	Per Capita**
	General Obligation Bonds	Debt Service Monies Available***	Total		
2014	\$ 328,608,261	\$ 1,106,592	\$ 327,501,669	3.76%	\$ 3,338
2015	375,089,573	1,100,905	373,988,668	4.15	3,701
2016	350,865,258	957,077	349,908,181	3.78	3,361
2017	354,723,066	4,789,381	349,933,685	3.59	3,294
2018	327,787,272	4,893,305	322,893,967	3.23	3,014
2019	303,968,523	6,017,111	297,951,412	2.87	2,751
2020	280,418,618	5,339,817	275,078,801	2.55	2,551
2021	260,677,030	16,671,081	244,005,949	2.17	2,274
2022	238,892,063	23,438,124	215,453,939	1.59	1,980
2023	215,298,614	15,759,097	199,539,517	1.36	1,786

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.

Schedule 12

**Direct and Overlapping Debt
As of June 30, 2023**

Governmental Unit	Debt Outstanding	Percentage Applicable to the Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 162,560,000	100%	\$ 162,560,000
Certificates of Participations-Public Safety Building	10,905,000	100%	10,905,000
Notes Payable-Ak Clean Water Fund Loans	7,685,455	100%	7,685,455
Notes Payable-USDA	5,956,761	100%	5,956,761
Parks and Recreation	16,570,000	100%	16,570,000
Transportation	31,570,000	100%	31,570,000
	<u>235,247,216</u>		<u>235,247,216</u>
Unamortized bond premiums	15,884,517	100%	15,884,517
Total	\$ <u>251,131,733</u>		\$ <u>251,131,733</u>
Net Direct and Overlapping Debt			\$ <u>251,131,733</u>

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



Schedule 13

**General Obligation Debt
As of June 30, 2023**

Total Direct Debt	\$ 251,131,733
Total Overlapping Debt	-
Total Direct and Overlapping Debt	<u>251,131,733</u>
FY2023 Certified Taxable Assessed Value	14,715,173,586
FY2023 Estimated Borough Population*	111,752
Ratio of:	
Direct Debt to FY2023 Certified Taxable Assessed Value	1.71%
Direct and Overlapping Debt to FY2023 Certified Taxable Assessed Value	1.71%
Per Capita:	
FY2023 Certified Taxable Assessed Value	\$ 131,677
Direct Debt	2,247
Direct and Overlapping Debt	2,247
Debt Amortization:	
Within 5 years	49%
Within 10 years	89%

Source: Alaska Department of Labor, Research and Analysis Division

Schedule 14

**Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2023

Total taxable assessed value	\$14,715,173,586
Debt Limit (7% of total taxable assessed value)	1,030,062,151
Total debt applicable to limit	<u>199,375,000</u>
Legal debt margin	<u><u>830,687,151</u></u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 625,791,775	630,285,403	648,638,271	681,519,310	700,671,064	727,117,880	753,695,089	787,848,174	735,251,382	1,030,062,151
Total debt applicable to limit	299,455,000	335,920,000	319,505,000	317,910,000	293,710,000	272,565,000	257,860,000	240,200,000	220,780,000	199,375,000
Legal debt margin	\$ 326,336,775	294,365,403	329,133,271	363,609,310	406,961,064	454,552,880	495,835,089	547,648,174	514,471,382	830,687,151
Total debt applicable to the limit as a percentage of debt limit	48%	53%	49%	47%	42%	37%	34%	30%	30%	19%

**School Construction General Obligation Bonds
As of June 30, 2023**

Outstanding School Bonds and SOA Reimbursement Eligibility

Bond Issue	Total Bond Issue	Outstanding Balance	Final Maturity	Reimbursement Eligibility
2007 Series A	\$ 33,505,000	\$ 4,965,000	4/1/2025	64.0076%
2012 Series A	91,770,000	100,000	3/1/2032	70.0000%
2012 Series B	8,710,000	430,000	3/1/2024	63.3500%
2013 Series A	13,290,000	1,310,000	3/1/2033	70.0000%
2014 Series B	29,400,000	20,245,000	5/1/2024	70.0000%
2015 Series A	37,350,000	8,465,000	2/1/2026	66.5629%
2015 Series B	55,195,000	39,205,000	11/1/2034	70.0000%
2016 Series A	31,690,000	25,425,000	6/30/2031	70.0000%
2019 Series A	63,415,000	62,415,000	3/1/2033	70.0000%

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per Capita Income	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2014	98,103	4,480,619*	46,121	17,500	6.9
2015	101,062	4,712,798*	47,199	17,757	6.4
2016	104,119	4,658,442*	45,378	18,745	6.4
2017	106,232	4,744,355*	45,384	18,935	6.6
2018	107,115	4,998,190*	47,530	19,369	6.4
2019	108,317	5,317,182*	50,101	19,101	5.8
2020	107,829	5,667,829*	52,717	19,609	7.1
2021	107,305	6,113,659*	55,049	18,354	7.5
2022	108,805	6,578,302*	58,048	19,443	5.1
2023	111,752	N/A	N/A	19,719	3.7

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



**Total Employment by Type of Employer
Current Year and Ten Years Ago**

Employer Type	2023		2014	
	Employees	Rank	Employees	Rank
Educational and Health Services	5,681	1	4,014	2
Trade, Transportation, and Utilities	5,547	2	4,611	1
Local Government	3,402	3	3,180	3
Leisure and Hospitality	3,392	4	2,520	4
Construction	3,196	5	1,799	5
Professional and Business Services	1,654	6	1,243	7
State Government	1,568	7	1,423	6
Other Services	1,022	8	749	8
Financial Activities	924	9	744	9
Manufacturing	464	10	207	11
Information	442	11	510	10
Natural Resources and Mining	282	12	159	13
Federal Government	260	13	197	12
Unclassified Employers	69	14	44	14
Total	27,903		21,400	

Source: Alaska Department of Labor, Research and Analysis

**Full-time-Equivalent Borough Government Employees by Function/Program
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
General government	145.590	141.000	141.850	141.900	142.900	155.800	151.990	156.540	156.050	158.050
Public works	54.010	63.000	66.010	66.000	66.000	62.000	65.900	67.000	66.000	67.950
Emergency services	51.850	62.850	71.850	71.500	71.750	72.690	108.260	126.170	138.010	140.000
Public services	37.290	36.090	34.490	32.990	33.040	32.190	32.240	31.690	31.590	34.690
Total	<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>	<u>391.650</u>	<u>400.690</u>

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

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Planning										
Comprehensive and special land use district plans in process	3	3	2	1	1	1	4	11	17	9
Finance										
Number of purchasing solicitations processed	168	163	138	134	148	133	158	181	163	133
Number of vendor/employee payments processed	27,474	27,824	28,708	28,575	26,515	25,580	24,692	25,931	26,709	* 38,139
Collections of delinquent land lease accounts (in dollars)	61,108	82,719	73,410	80,473	61,726	94,942	106,391	149,720	149,720	116,919
Real property assessments	76,283	76,744	77,334	77,670	77,670	78,038	78,934	79,433	80,161	80,834
Property sales analyzed for assessment purposes	3,413	4,560	4,766	4,709	4,709	4,974	3,210	4,607	3,716	1,998
Code Compliance										
Code violation complaints received	373	339	330	314	439	270	254	493	384	545
Public works										
Road maintenance (monthly average)										
Citizen requests for repairs requiring action	225	148	180	217	227	163	266	401	922	1,203
Surveying and right-of-way										
Platting actions	92	130	158	148	185	149	153	198	183	356
Utility permits issued	358	526	481	392	359	418	396	462	472	468
Driveway permits issued	608	634	716	537	572	582	1,459	1,547	1,004	493
Construction permits issued	55	47	36	32	16	42	29	17	12	29
Encroachment permits issued	21	64	32	20	22	13	31	13	17	20
Solid waste disposal										
Loads hauled from transfer sites to Central Landfill	1,532	1,421	1,198	1,121	1,170	1,321	1,144	1,312	1,229	1,236
Refuse collected through community clean-up efforts (in tons)	80	181	194	241	115	122	42	44	50	224
Abandoned vehicles removed	115	48	98	121	108	126	134	124	129	145
Hazardous waste processed (in pounds)	156,735	149,227	162,266	486,933	362,729	363,078	406,579	486,174	530,829	474,602
Emergency services										
Ambulance Runs	7,972	8,272	8,268	7,904	8,210	9,217	9,432	10,060	11,135	10,366
Animal Shelter										
Animals lodged at shelter	3,159	2,581	2,822	3,164	N/A	2,967	2,775	2,827	3,118	2,987
Animals adopted to new homes	1,266	1,220	1,371	1,643	N/A	1,782	1,676	1,466	1,596	1,062
Animals returned to owners	N/A	N/A	N/A	N/A	N/A	531	530	561	579	546
Animals adopted by local rescue groups	420	258	269	151	N/A	20	125	125	281	656
Animals euthanized at shelter	568	393	543	577	N/A	395	424	486	542	668
Public services										
Land and resource management (cumulative unless otherwise noted)										
Trails dedicated (in miles)	2,209	2,209	2,215	2,224	2,230	2,238	2,245	2,246	2,258	2,261
Asset management plans completed for Borough owned land (in acres)	164,018	164,018	164,018	164,562	165,452	165,452	332,452	332,452	332,452	332,452
Land classifications (in acres)	361,846	362,266	362,878	364,158	365,394	366,278	533,599	533,616	534,360	534,362
Parcels sold (annually)	37	43	53	60	47	15	37	103	98	43
Libraries										
Participants in summer reading program	2,693	2,095	2,465	2,662	2,339	2,608	1,952	2,291	2,061	2,179
Participants in pre-school story time	2,470	2,252	2,411	3,189	3,448	4,274	2,294	3,856	5,316	3,433
Volunteer hours utilized	1,808	1,954	1,764	1,812	1,894	1,484	1,754	1,229	1,613	755
Pools										
Participants in swim lesson programs (quarterly average)	1,220	1,061	1,234	1,464	977	598	588	525	598	1,305

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.

* Increase in checks issued due to tax relief refund not normally done through AP.

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administration and related buildings	3	3	2	2	2	2	2	2	2	2
Public works										
Utility trailers	11	11	11	12	19	19	30	30	33	51
Paving and Heavy Equipment	-	-	5	5	5	5	5	5	5	16
Paved roads (miles)	303	308	315	326	335	443	431	508	514	527
Bridges	23	26	27	27	28	28	28	28	28	28
Public works and related buildings	3	4	4	4	4	4	4	4	4	5
Emergency services										
Ambulances	29	31	31	29	29	25	21	24	24	18
Fire pumper/tankers	68	69	69	79	79	81	81	83	84	49
Utility/Rescue trailers	17	19	19	22	22	19	21	22	22	33
Trucks and utility vehicles	81	85	85	83	83	82	85	85	87	106
Rescue boats	2	3	3	5	6	6	5	5	5	5
ATVs and snowmobiles	30	31	31	33	35	36	36	36	36	41
Public safety and related buildings	33	36	36	38	38	38	38	38	38	36
Public services										
Tractors, forklifts, and related equipment	22	22	23	23	23	24	24	24	24	14
Utility trailers	8	9	12	12	10	11	11	11	11	29
Trucks and utility vehicles	34	30	29	29	21	25	30	30	29	20
ATVs and snowmobiles	8	11	15	15	12	11	15	15	15	15
Riverboats	1	1	1	1	4	4	4	4	4	3
Community buildings (libraries, ice arenas, etc.)	14	14	15	15	15	15	15	15	15	13
Education										
Schools and related buildings	55	56	57	57	57	57	57	56	56	49

Source: Matanuska-Susitna Borough capital asset records.

Note: FY23 variances due to truing up to match capitalization records.

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SINGLE AUDIT SECTION

Annual Comprehensive Financial Report
Matanuska-Susitna Borough



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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

Independent Auditor's Report

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 (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough's basic financial statements, and have issued our report thereon dated December 26, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a 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 were not identified.

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

Report on Compliance and Other Matters

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

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 results 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.



Anchorage, Alaska
December 26, 2023



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Matanuska-Susitna Borough's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Matanuska-Susitna Borough's major federal programs for the year ended June 30, 2023. Matanuska-Susitna Borough's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

Matanuska-Susitna Borough's basic financial statements include the operations of the Matanuska-Susitna Borough School District discretely presented component unit, which expended \$36,528,691 in federal awards which is not included in Matanuska-Susitna Borough's schedule of expenditures of federal awards during the year ended June 30, 2023. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because Matanuska-Susitna Borough School District was subjected to a separate audit performed in accordance with Uniform Guidance.

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 (Government Auditing Standards); 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.

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

We are required to be independent of Matanuska-Susitna Borough and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Matanuska-Susitna Borough's compliance with the 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 Matanuska-Susitna 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 compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Matanuska-Susitna 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 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 Matanuska-Susitna Borough's compliance with the requirements of each major 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 Matanuska-Susitna Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Matanuska-Susitna 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 Matanuska-Susitna 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.

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

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 were not 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.



Anchorage, Alaska
December 26, 2023



Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance as Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Matanuska-Susitna Borough's compliance with the types of compliance requirements identified as subject to audit in State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Matanuska-Susitna Borough's major state programs for the year ended June 30, 2023. Matanuska-Susitna Borough's major state programs are identified on the Schedule of State Financial Assistance.

Matanuska-Susitna Borough's basic financial statements include the operations of the Matanuska-Susitna Borough School District discretely presented component unit, which expended \$198,248,162 in state awards which is not included in Matanuska-Susitna Borough's schedule of state financial assistance during the year ended June 30, 2023. Our audit, described below, did not include the operations of Matanuska-Susitna Borough School District because Matanuska-Susitna Borough School District was subjected to a separate audit performed in accordance with the State of Alaska Audit Guide and Compliance Supplement.

In our opinion, Matanuska-Susitna Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

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 (Government Auditing Standards); and the audit requirements in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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A Professional Corporation

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

We are required to be independent of Matanuska-Susitna Borough and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Matanuska-Susitna Borough's compliance with the 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 Matanuska-Susitna Borough's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Matanuska-Susitna 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 State of Alaska Audit Guide requirements 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 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 Matanuska-Susitna Borough's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, 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 Matanuska-Susitna Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Matanuska-Susitna 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 requirements, but not for the purpose of expressing an opinion on the effectiveness of Matanuska-Susitna 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.

Honorable Mayor and Members of the Assembly
Matanuska-Susitna Borough

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 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 were not 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. Accordingly, this report is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
December 26, 2023

MATANUSKA-SUSITNA BOROUGH
 Federal Schedule of Findings and Questioned Costs
 Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Is a going concern emphasis-of-matter paragraph included in the audit report Yes No

Internal control over financial reporting:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified (2 CFR 200.516 (a) (1))? Yes No
 Significant deficiency(ies) identified (2 CFR 200.516 (a) (1))? Yes None reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a) (2))? Yes No

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516 (a) (3) or (4)? Yes No

Identification of major programs:

<u>Assistance Listing Number(s)/Cluster</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
15.226	Payments in Lieu of Taxes
15.608	Fish and Wildlife
20.205	Highway Planning and Construction Program

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

Auditee qualified as low-risk auditee? Yes No

MATANUSKA-SUSITNA BOROUGH

Federal Schedule of Findings and Questioned Costs, Continued

Section II - Financial Statement Findings

The Matanuska-Susitna Borough did not have any findings that related to the financial statements.

Section III - Federal Award Findings and Questioned Costs

The Matanuska-Susitna Borough did not have any findings related to federal awards.

MATANUSKA-SUSITNA BOROUGH
State Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
Significant deficiency(ies) identified? _____ Yes X None reported
Material weakness(es) identified? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

State Financial Assistance

Internal control over major programs:
Significant deficiency(ies) identified? _____ Yes X None reported
Material weakness(es) identified? _____ Yes X No

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

Dollar threshold used to distinguish between
Type A and Tape B programs: \$ 918,991

Auditee qualified as low-risk auditee? _____ Yes X No

Section II – Financial Statement Findings

The Matanuska-Susitna Borough did not have any findings that related to the financial statements.

Section III – State Award Findings and Questioned Costs

The Matanuska-Susitna Borough did not have any findings related to State Awards.



MATANUSKA-SUSITNA BOROUGH

Department of Finance

350 East Dahlia Avenue • Palmer, AK 99645

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Summary Schedule of Prior Audit Findings Year Ended June 30, 2023

Financial Statement Findings

Finding 2022-001 Material Weakness

Internal Control Over Financial Reporting – General Ledger Reconciliation and External Financial Reporting

Condition:

The Borough's books weren't closed timely. The Borough had turnover in the accounting department, including the positions of Assistant Controller and Accountant in the fiscal year 2022. In addition, the Borough drafted the Annual Comprehensive Financial Report internally using a new reporting software. The Borough's staff had to spend considerable time to draft the Annual Comprehensive Financial Report and work with the software company, along with training new employees in essential accounting positions. Specifically, adjustments were required as a result of the Borough's staff review to properly state capital assets, grant revenue, grant receivables, unearned revenue, leases receivable, deferred inflows related to leases, lease payable and right-to-use assets. There were material adjustments to the reported amounts on the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance as a result of some of these adjustments.

Status:

Finding was resolved

Federal Award Findings

Finding 2022-002 Significant Deficiency/ Noncompliance

Internal Control over Compliance – Reporting

Condition:

The Form SF-SAC for the fiscal year ended June 30, 2022 was not filed on time.

Status:

Finding was resolved

Federal Agency:

Department of Homeland Security and Department of the Treasury

ALN:

97.036 and 21.027

Federal Program:

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Award Numbers:

DR-4094-AK, DR-4413-AK, DR-4533-AK and CSLFRF/ARPA

Award Years:

Multiple

Summary of Prior Year Audit Findings, continued

State Award Findings

Finding 2022-003 **Internal Control over Compliance – Reporting**
**Significant Deficiency/
Noncompliance**

Condition: The audit report for the fiscal year ended June 30, 2022 was not filed on time.

Status: Finding was resolved

State Agency: Department of Education and Early Development and Department of Military and Veterans Affairs

Grant Name: School Debt Reimbursement Program and 2018 Cook Inlet Earthquake

Grant Number: N/A and DR-4413-AK



**OTHER
SUPPLEMENTARY
INFORMATION**



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**Department of Health
Public Health Emergency Preparedness
161-299-23002**

**Schedule of Revenues and Expenditures - Budget and Actual
Grant Period Ended June 30, 2023**

<i>Year Ended June 30, 2023</i>	Actual	Budget	Variance
Revenues - Federal passed through the State of Alaska	\$ 18,579	\$ 40,000	\$ (21,421)
Expenditures :			
Wages	11,044	34,806	23,762
Supplies	7,535	4,200	(3,335)
Other costs	-	994	994
Total Expenditures	\$ 18,579	\$ 40,000	\$ 21,421

Department of Health
 Human Services Community Matching Grants
 165-231-23001

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2023

<i>Year Ended June 30, 2023</i>	Actual	Budget	Variance
Revenues			
State of Alaska	\$ 304,249	\$ 304,249	\$ -
Matanuska-Susitna Borough	130,393	130,393	-
Total Revenues	434,642	434,642	-
Expenditures - other costs	\$ 434,642	\$ 434,642	\$ -

**Department of Homeland Security and Emergency Management
Emergency Management Performance Grant
22EMPG-GY22**

**Schedule of Revenues and Expenditures - Budget and Actual
Grant Period Ended June 30, 2023**

<i>Year Ended June 30, 2023</i>	Actual	Budget	Variance
Revenues			
Federal passed through the State of Alaska	\$ 173,388	\$ 200,000	\$ (26,612)
Matanuska-Susitna Borough	173,390	200,000	(26,610)
Total Revenues	346,778	400,000	(53,222)
Expenditures - wages	\$ 346,778	\$ 400,000	\$ 53,222

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COMPONENT UNIT

Annual Comprehensive Financial Report
Matanuska-Susitna Borough



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MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
(A Component Unit of the Matanuska-Susitna Borough)

Statement of Net Position

June 30, 2023

	Governmental Activities
<u>Assets and Deferred Outflows of Resources</u>	
Assets:	
Current:	
Cash and cash equivalents	\$ 52,607,255
Receivables	13,933,167
Inventory	4,412,539
Prepays	4,607,495
Other assets	150,584
Total current	75,711,040
Non-current:	
Deferred contribution (construction in progress)	4,451,750
Capital assets, net	17,644,610
Net OPEB assets	79,766,716
Total non-current	101,863,076
Deferred outflows of resources - pension and OPEB deferrals	21,762,043
Total assets and deferred outflows of resources	199,336,159
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>	
Liabilities:	
Current:	
Accounts payable	3,476,315
Accrued payroll and related liabilities	8,501,725
Unearned revenue	571,551
Claims payable	1,091,797
Accrued leave	2,348,377
Lease liabilities	2,014,662
Subscription liabilities	877,370
Total current	18,881,797
Non-current:	
Accrued leave	1,565,585
Lease liabilities	7,153,271
Subscription liabilities	1,234,853
Pension and OPEB liabilities	157,376,499
Total noncurrent liabilities	167,330,208
Deferred inflows of resources - pension and OPEB deferrals	7,731,437
Total liabilities and deferred inflows of resources	193,943,442
Net position:	
Net investment in capital assets	10,816,204
Unrestricted	(8,520,557)
Total net position	\$ 5,392,717

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
(A Component Unit of the Matanuska-Susitna Borough)

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense)
		Charges for Services	Operating Grants and Contributions		Revenue and Changes in Net Position
					Total Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 102,745,854	-	13,874,696	-	(88,871,158)
Special education instruction	34,160,025	-	1,488,661	-	(32,671,364)
Special education support services: students	17,034,219	-	981,301	-	(16,052,918)
Support services: students	8,922,654	-	2,278,672	-	(6,643,982)
Support services: instruction	11,474,782	-	3,740,888	-	(7,733,894)
School administration	9,043,937	-	(121,526)	-	(9,165,463)
School administration support services	8,449,655	-	94,190	-	(8,355,465)
District administration	1,164,548	-	(34,470)	-	(1,199,018)
District administration support services	14,185,969	471	2,019,072	-	(12,166,426)
Operations and maintenance of plant	38,973,546	58,635	1,742,145	2,547,552	(34,625,214)
Student activities	6,140,622	-	2,831,066	-	(3,309,556)
Student transportation - to and from school	15,445,732	-	16,294,411	-	848,679
Student transportation - other	337,726	-	356,211	-	18,485
Community services	43,191	-	14,980	-	(28,211)
Food services	8,560,867	1,002,241	7,202,543	-	(356,083)
Total governmental activities	\$ 276,683,327	1,061,347	52,762,840	2,547,552	(220,311,588)
General revenues:					
Borough appropriation					68,929,199
Federal and state grants and entitlements not restricted to a specific purpose					181,314,034
E-rate					968,856
Medicaid reimbursement					649,320
Gain on sale of capital assets					65,325
Other					596,336
Capital assets transferred to the Borough					(422,977)
Total general revenues					252,100,093
Change in net position					31,788,505
Net position, beginning of the year					(26,395,788)
Net position, end of year					\$ 5,392,717

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
(A Component Unit of the Matanuska-Susitna Borough)

Balance Sheet – Governmental Funds

June 30, 2023

<u>Assets</u>	General (School-Operating) Fund	Renewal and Replacement Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 47,845,006	-	16,050	47,861,056
Due from other funds	16,149,616	14,490,986	14,832,984	45,473,586
Receivables	727,278	-	13,205,889	13,933,167
Inventory	3,029,059	-	1,383,480	4,412,539
Prepays	4,605,495	-	2,000	4,607,495
Other assets	89,262	-	61,322	150,584
Total assets	<u>\$ 72,445,716</u>	<u>14,490,986</u>	<u>29,501,725</u>	<u>116,438,427</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	2,363,254	194,476	894,185	3,451,915
Accrued payroll liabilities	8,501,725	-	-	8,501,725
Due to other funds	29,323,970	-	12,519,614	41,843,584
Unearned revenue	-	-	571,551	571,551
Total liabilities	<u>40,188,949</u>	<u>194,476</u>	<u>13,985,350</u>	<u>54,368,775</u>
Fund balances:				
Nonspendable:				
Inventory	3,029,059	-	1,383,480	4,412,539
Prepays	4,605,495	-	2,000	4,607,495
Restricted	3,097,070	-	-	3,097,070
Committed	-	14,296,510	9,084,671	23,381,181
Assigned	750,000	-	5,046,224	5,796,224
Unassigned	20,775,143	-	-	20,775,143
Total fund balances	<u>32,256,767</u>	<u>14,296,510</u>	<u>15,516,375</u>	<u>62,069,652</u>
Total liabilities and fund balances	<u>\$ 72,445,716</u>	<u>14,490,986</u>	<u>29,501,725</u>	<u>116,438,427</u>

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
(A Component Unit of the Matanuska-Susitna Borough)

Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position

June 30, 2023

Total fund balance - governmental funds		\$ 62,069,652
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities, are not financial resources and, therefore, are not reported in the funds.		17,644,610
Deferred contribution (construction in progress)		4,451,750
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued leave	\$ (3,913,962)	
Lease liabilities	(9,167,933)	
Subscription liabilities	<u>(2,112,223)</u>	(15,194,118)
Proportionate share of the collective OPEB assets:		
PERS	\$ 23,675,505	
TRS	<u>56,091,211</u>	79,766,716
Proportionate share of the collective pension and OPEB liabilities:		
PERS	\$ (58,489,909)	
TRS	<u>(98,886,590)</u>	(157,376,499)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.		
Deferred outflows of resources:		
PERS	\$ 8,801,536	
TRS	<u>12,960,507</u>	21,762,043
Deferred inflows of resources:		
PERS	\$ (2,185,706)	
TRS	<u>(5,545,731)</u>	<u>(7,731,437)</u>
Net position of governmental activities		\$ <u>5,392,717</u>

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
(A Component Unit of the Matanuska-Susitna Borough)

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

Year Ended June 30, 2023

	General (School Operating) Fund	Renewal and Replacement Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Matanuska-Susitna Borough:				
Appropriations	\$ 68,929,199	1,767,415	-	70,696,614
Reimbursement	-	-	2,547,552	2,547,552
Facility use fees	75,088	-	-	75,088
E-rate reimbursement	968,856	-	-	968,856
Charges for services:				
Lunch sales	-	-	1,061,347	1,061,347
Other	521,248	14,623	4,434,396	4,970,267
Intergovernmental:				
State of Alaska	194,258,611	-	17,191,608	211,450,219
Federal sources	906,800	-	36,436,234	37,343,034
Total revenues	<u>265,659,802</u>	<u>1,782,038</u>	<u>61,671,137</u>	<u>329,112,977</u>
Expenditures:				
Current:				
Instruction	105,401,611	892,919	16,506,596	122,801,126
Special education instruction	40,318,487	-	2,581,645	42,900,132
Special education support services: students	19,177,687	-	1,538,154	20,715,841
Support services: students	10,256,381	-	2,758,526	13,014,907
Support services: instruction	9,615,959	-	4,085,619	13,701,578
School administration	11,114,308	-	304,700	11,419,008
School administration support services	10,711,222	-	257,477	10,968,699
District administration	1,508,480	1,579	-	1,510,059
District administration support services	12,527,597	-	2,178,101	14,705,698
Operations and maintenance of plant	23,449,798	1,200,116	999,156	25,649,070
Student activities	4,056,379	-	2,636,223	6,692,602
Student transportation - to and from school	(1,001)	-	15,448,853	15,447,852
Student transportation - other	-	-	337,726	337,726
Community services	28,211	-	14,980	43,191
Food services	(6,192)	-	8,590,838	8,584,646
Debt service:				
Redemption of principal on long-term debt	2,735,920	-	190,208	2,926,128
Interest on long-term debt	291,426	-	219,882	511,308
Other purchased services	-	-	60	60
Construction facilities and acquisition	10,500,000	-	5,436,087	15,936,087
Total expenditures	<u>261,686,273</u>	<u>2,094,614</u>	<u>64,084,831</u>	<u>327,865,718</u>
Excess (deficiency) of revenues over expenditures	<u>3,973,529</u>	<u>(312,576)</u>	<u>(2,413,694)</u>	<u>1,247,259</u>
Other financing sources (uses):				
Proceeds from sale of property and equipment	65,325	-	-	65,325
Transfers in	10,500,000	3,048,088	4,825,063	18,373,151
Transfers out	(7,719,452)	(153,699)	(10,500,000)	(18,373,151)
Net other financing sources (uses)	<u>2,845,873</u>	<u>2,894,389</u>	<u>(5,674,937)</u>	<u>65,325</u>
Net change in fund balances	6,819,402	2,581,813	(8,088,631)	1,312,584
Fund balances, beginning of the year	<u>25,437,365</u>	<u>11,714,697</u>	<u>23,605,006</u>	<u>60,757,068</u>
Fund balances, end of year	\$ <u>32,256,767</u>	<u>14,296,510</u>	<u>15,516,375</u>	<u>62,069,652</u>

The notes to the financial statements are an integral part of this statement.

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, 2023

Net change in fund balances – total governmental funds	\$	1,312,584
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Change in unfunded net pension and OPEB assets and liabilities:		
PERS	\$ (21,741,200)	
TRS	<u>(74,845,567)</u>	(96,586,767)
Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability.		
PERS	\$ 36,442,829	
TRS	<u>89,519,137</u>	125,961,966
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 and reported as depreciation expense.		
This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital outlay	\$ 5,478,388	
Depreciation and amortization expense	<u>(6,539,726)</u>	(1,061,338)
Capital assets transferred to Matanuska-Susitna Borough:		(422,977)
The issuance of long-term debt (e.g., leases and subscriptions) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Redemption of principal on lease liabilities	\$ 1,823,224	
Loss on lease modifications	(757,389)	
Redemption of principal on subscription liabilities	<u>1,101,201</u>	2,167,036
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:		
Accrued leave		471,900
Amounts reported in the Internal Service Funds of the District are used to support worker's compensation insurance. Their activities are appropriately recorded with governmental activities in the statement of activities.		
		<u>(53,899)</u>
Change in net position of governmental activities	\$	<u><u>31,788,505</u></u>

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Matanuska-Susitna Borough)

Workers' Compensation Internal Service Fund

Statement of Net Position – Proprietary Funds

June 30, 2023

<u>Assets</u>	
Assets:	
Cash and cash equivalents	\$ <u><u>4,746,199</u></u>
<u>Liabilities and Net Position</u>	
Liabilities:	
Accounts payable	24,400
Due to other funds	3,630,002
Claims payable	<u>1,091,797</u>
Total liabilities	<u><u>4,746,199</u></u>
Net position:	
Unrestricted	<u>-</u>
Total liabilities and net position	\$ <u><u>4,746,199</u></u>

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Matanuska-Susitna Borough)

Workers' Compensation Internal Service Fund

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

Year Ended June 30, 2023

Operating revenues:	
Interfund charges	\$ <u>1,779,896</u>
Operating expenses:	
Instruction	42,260
Special education instruction	134,870
Support services: students	582
District administration support services	1,622,469
Operations and maintenance of plant	23,161
Student transportation - to and from school	4,995
Food services	5,458
Total operating expenses	<u>1,833,795</u>
Change in net position	(53,899)
Net position, beginning of year	<u>53,899</u>
Net position, end of year	\$ <u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
(A Component Unit of the Matanuska-Susitna Borough)

Workers' Compensation Internal Service Fund

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2023

Cash flows from operating activities:	
Payments from interfund charges	\$ 1,788,227
Payments to suppliers	<u>(1,418,133)</u>
Net cash flows provided by operating activities	<u>370,094</u>
Cash flows from noncapital financing activities:	
Increase in due to other funds	<u>1,179,889</u>
Net increase in cash and cash equivalents	1,549,983
Cash and cash equivalents, beginning of year	<u>3,196,216</u>
Cash and cash equivalents, end of year	<u>\$ 4,746,199</u>
Reconciliation of operating income from	
net cash flows used for operating activities:	
Operating loss	\$ (53,899)
Adjustments to reconcile operating income	
from net cash flows provided by operating activities:	
Decrease in accounts receivable	8,331
Increase in accounts payable	24,400
Increase in claims payable	<u>391,262</u>
Net cash flows provided by operating activities	<u>\$ 370,094</u>

The notes to the financial statements are an integral part of this statement.