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Katten Draft Dated February 10, 2026

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2026

NEW ISSUE

RATINGS: Fitch: “[]” ([] outlook)
S&P: “[]” ([] outlook)
(See “RATINGS” herein)

In the opinion of Foster Garvey PC, Bond Counsel, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issue date of the 2026AB Bonds, interest on the 2026AB Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax applicable to individuals. However, interest on the 2026AB Bonds will be taken into account in determining adjusted financial statement income that may be subject to the alternative minimum tax applicable to certain corporations, interest on the 2026AB Bonds received by certain S corporations may be subject to tax, and interest on the 2026AB Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax. Receipt of interest on the 2026AB Bonds may have other federal tax consequences for certain taxpayers. Interest on the 2026AB Bonds is free from taxation by the State of Alaska, except for transfer, estate and inheritance taxes. Interest on the 2026C Bonds is not excludable from gross income for federal income tax purposes. [Bond Counsel to confirm state tax-exemption eligibility and clarify status either way.] See “TAX MATTERS” herein.



\$ _____ *
MATANUSKA-SUSITNA BOROUGH, ALASKA
\$ _____ * General Obligation School Bonds, 2026 Series A
\$ _____ * General Obligation School Refunding Bonds, 2026 Series B
\$ _____ * Taxable General Obligation Transportation System Bonds, 2026 Series C

Dated: Date of Delivery

Due: As shown on the inside cover

The Matanuska-Susitna Borough, Alaska (the “Borough”) is issuing its (i) General Obligation School Bonds, 2026 Series A (the “2026A Bonds”), (ii) General Obligation School Refunding Bonds, 2026 Series B (the “2026B Bonds”) and together with the 2026A Bonds, the “2026AB Bonds”) and (iii) Taxable General Obligation Transportation System Bonds, 2026 Series C (the “2026C Bonds”) and together with the 2026AB Bonds, the “2026 Bonds”). The 2026 Bonds will be issued as fully registered bonds under a book-entry system, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, the securities depository for the 2026 Bonds. Individual purchases of interests in the 2026 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Interest on the 2026 Bonds is payable November 1, 2026 and semiannually thereafter on November 1 and May 1 of each year. U.S. Bank Trust Company, National Association, of Seattle, Washington, is the Paying Agent and Bond Registrar. **The 2026 Bonds are subject to redemption as described herein.**

The 2026 Bonds are general obligations of the Borough and the full faith and credit of the Borough are pledged for the payment of the principal of and interest on the 2026 Bonds. The Borough is obligated to levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal of and interest on the 2026 Bonds as the same become due and payable. The 2026 Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of the State of Alaska or of any political subdivision thereof, except the Borough.

See the Inside Cover for Maturity Schedules

The 2026 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approving legal opinion of Foster Garvey PC, of Seattle, Washington, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Underwriter by Katten Muchin Rosenman LLP, of Chicago, Illinois. Hilltop Securities Inc. is serving as municipal advisor to the Borough. It is expected that the 2026 Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about April 2, 2026*.

RBC Capital Markets

Dated: March __, 2026

* Preliminary, subject to change.

MATURITY SCHEDULES

\$ _____ * General Obligation School Bonds, 2026 Series A					
Maturity (November 1)	Principal Amount	Interest Rate	Reoffering Yield	Reoffering Price	CUSIP No. †
	\$	%	%		

\$ _____ * General Obligation School Refunding Bonds, 2026 Series B					
Maturity (November 1)	Principal Amount	Interest Rate	Reoffering Yield	Reoffering Price	CUSIP No. †
	\$	%	%		

\$ _____ * Taxable General Obligation Transportation System Bonds, 2026 Series C					
Maturity (November 1)	Principal Amount	Interest Rate	Reoffering Yield	Reoffering Price	CUSIP No. †
	\$	%	%		

\$ _____ % Term Bonds Due November 1, 2046; Priced: _____% to Yield _____%; CUSIP No. _____ †

* Preliminary, subject to change.

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Director of Public Works
Director of Emergency Services
Director of Information Technology
Director of Community Development
Director of Planning and Land Use
Director of Animal Care and Regulation

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PAYING AGENT AND BOND REGISTRAR

U.S. Bank Trust Company, National Association
Seattle, Washington

No dealer, salesperson or any other person has been authorized by the Borough or the Underwriter to give any information or to make any representation with respect to the 2026 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2026 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Borough and other sources which the Borough believes to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof.

Neither this Official Statement nor any statement which may have been made orally or in writing (other than the Bond Ordinance referred to herein and the 2026 Bonds) is to be construed as a contract with the owners of any of the 2026 Bonds.

References to website addresses herein are for information purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into and are not a part of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED, AND IF DISCONTINUED THEN RECOMMENCED, AT ANY TIME.

THE 2026 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2026 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2026 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2026 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Official Statement constitute projections or estimates of future events, generally known as forward-looking statements. These statements are generally identifiable by the terminology used such as "may," "believe," "will," "expect," "project," "intend," "estimate," "anticipate," "plan," "continue," "budget" or other similar words. These forward-looking statements are based on the current plans and expectations of the Borough and are subject to a number of known and unknown uncertainties and risks, many of which are beyond the control of the Borough. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The Borough does not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Official Statement is submitted by the Borough in connection with the sale of the 2026 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. The offering by the Matanuska-Susitna Borough, Alaska (the "*Borough*") of its (i) General Obligation School Bonds, 2026 Series A (the "*2026A Bonds*"), (ii) General Obligation School Refunding Bonds, 2026 Series B (the "*2026B Bonds*") and together with the 2026A Bonds, the "*2026AB Bonds*") and (iii) Taxable General Obligation Transportation System Bonds, 2026 Series C (the "*2026C Bonds*") and together with the 2026AB Bonds, the "*2026 Bonds*"), to potential investors is made only by means of this entire Official Statement, including the Appendices hereto. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without this entire Official Statement, including the Appendices hereto.

The Borough

The Borough is a municipal corporation of the State of Alaska located in southcentral Alaska, approximately 40 miles northeast of the business district of Anchorage. The Borough encompasses approximately 25,265 square miles and had an official U.S. Census 2020 population of 107,081. Official U.S. Census numbers indicate that from 2010 to 2020 the State of Alaska gained 23,160 residents. Of this growth, approximately 18,096, or 78% of all growth, was in the Borough. The 2025 estimated population is 116,198 residents. As of January 1, 2025, the certified assessed valuation of taxable property in the Borough is \$16,511,631,041 (as compared to the assessed valuation of \$15,530,207,472, as of January 1, 2024).

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 Borough 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 Borough is empowered to levy a property tax on both real and personal property located within its boundaries. State law mandates that the Borough provide certain services on an areawide basis. The Borough's areawide powers include: assessment and collection of taxes; education; planning and zoning; parks and recreation; ports, harbors and wharves; ambulance service; transportation systems; air pollution control; day care facilities; historic preservation; transient accommodations taxation; and restriction of motorized equipment on lakes and waterways.

The Borough is financially accountable for a legally separate school district (the "*School District*").

Purpose of Issue

The 2026A Bonds are being issued for school construction purposes at a Borough charter school pursuant to a bond authorization approved by the voters of the Borough at the election held on November 5, 2024.

The 2026B Bonds are being issued, subject to favorable market conditions, to refund \$[13,260,000]* aggregate principal amount of the Borough's General Obligation School Refunding Bonds, 2016 Series A (the "*Prior Bonds*").

* Preliminary, subject to change.

The 2026C Bonds are being issued on a taxable basis to finance public road and transportation facilities improvements pursuant to bond authorization propositions approved by the voters of the Borough at elections held on November 2, 2021, November 7, 2023 and November 5, 2024. [The Borough is issuing the 2026C Bonds on a taxable basis due to project timelines that are expected to extend longer than three years after issuance.]

Security

The 2026 Bonds are general obligations of the Borough and the full faith and credit of the Borough are pledged for the payment of the principal of and interest on the 2026 Bonds. The Borough is obligated to levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal of and interest on the 2026 Bonds as the same become due and payable. The 2026 Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of the State of Alaska or of any political subdivision thereof, except the Borough.

State Reimbursement Programs

Under current State law, debt service on the 2026B Bonds is eligible for State reimbursement at a rate of 70%. Each such reimbursement payment is subject to annual legislative appropriation. In Fiscal Years 2017, 2020 and 2021, the State of Alaska either reduced or eliminated the amount of the reimbursement through the annual legislative appropriation process. In Fiscal Year 2022 the legislature appropriated funding to pay not only the annual debt service reimbursement amount but retroactively restored the reduced or eliminated amounts from the previously underfunded years. As part of the Fiscal Year 2026 state budget process the legislature reduced the reimbursement by 25%. (See “STATE DEBT REIMBURSEMENT PROGRAMS – School Debt Reimbursement Program”).

Debt service on the 2026A Bonds is not eligible for State reimbursement.

General Obligation Debt

After the issuance of the 2026 Bonds and scheduled payment of principal of outstanding bonds prior to the issuance of the 2026 Bonds, the outstanding general obligation debt of the Borough will be \$ _____ *, which is _____ %* of the 2025 certified assessed valuation of taxable property in the Borough.

Remaining Bond Authorization

After the issuance of the 2026 Bonds, \$ _____ * principal amount of general obligation bonds of the Borough will remain authorized by six prior bond elections but unissued. (See “GENERAL OBLIGATION DEBT STATEMENT – Future Financing,” herein.)

* Preliminary, subject to change.

OFFICIAL STATEMENT

\$ _____ *

MATANUSKA-SUSITNA BOROUGH, ALASKA

\$ _____ * **General Obligation School Bonds, 2026 Series A**

\$ _____ * **General Obligation School Refunding Bonds, 2026 Series B**

\$ _____ * **Taxable General Obligation Transportation System Bonds, 2026 Series C**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page, Summary Statement, and Appendices attached hereto, is furnished by the Matanuska-Susitna Borough, Alaska (the “*Borough*”) to provide information regarding the Borough and (i) \$ _____ * aggregate principal amount of the Borough’s General Obligation School Bonds, 2026 Series A (the “*2026A Bonds*”), (ii) \$ _____ * aggregate principal amount of the Borough’s General Obligation School Refunding Bonds, 2026 Series B (the “*2026B Bonds*” and together with the 2026A Bonds, the “*2026AB Bonds*”) and (iii) \$ _____ * aggregate principal amount of the Borough’s Taxable General Obligation Transportation System Bonds, 2026 Series C (the “*2026C Bonds*” and together with the 2026AB Bonds, the “*2026 Bonds*”).

Authorization and Purposes

The 2026 Bonds are authorized under and pursuant to Alaska Statutes Chapter 29.47. The 2026 Bonds are issued pursuant to Ordinance Serial No. 26-[REDACTED], adopted by the Borough Assembly on February 17, 2026 (the “*Bond Ordinance*”).

The 2026A Bonds are being issued for school construction purposes at a Borough charter school pursuant to a bond authorization approved by the voters of the Borough at the election held on November 5, 2024.

The 2026B Bonds are being issued to refund \$[13,260,000]* aggregate principal amount of the Borough’s General Obligation School Refunding Bonds, 2016 Series A (the “*Prior Bonds*”).

The 2026C Bonds are being issued on a taxable basis to finance public road and transportation facilities improvements pursuant to bond authorization propositions approved by the voters of the Borough at elections held on November 2, 2021, November 7, 2023 and November 5, 2024. [[confirm:]] The Borough is issuing the 2026C Bonds on a taxable basis due to project timelines that are expected to extend longer than three years after issuance.

Security

The 2026 Bonds are general obligations of the Borough and the full faith and credit of the Borough are pledged for the payment of the principal of and the interest on the 2026 Bonds. The Borough is obligated to levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal of and interest on the 2026 Bonds as the same become due and payable. The 2026 Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of the State of Alaska or of any political subdivision thereof, except the Borough.

* Preliminary, subject to change.

Refunding Plan

The Prior Bonds consist of all or a portion of certain maturities of the Borough’s General Obligation School Refunding Bonds, 2016 Series A, which are more particularly described in the following table:

Prior Bonds to be Refunded

Maturity (July 1)	Principal Outstanding	Portion to Be Refunded	Maturity or Redemption Date	CUSIP of Portion to Be Refunded	CUSIP of Portion to Remain Outstanding
2026	\$3,305,000	\$ 235,000	July 1, 2026	576544W48	
2027	3,395,000	3,395,000	July 1, 2026	576544W55	N/A
2028	3,525,000	3,525,000	July 1, 2026	576544W63	N/A
2029	3,670,000	3,670,000	July 1, 2026	576544W71	N/A
2030	2,435,000	2,435,000	July 1, 2026	576544W89	N/A

The Borough will redeem the Prior Bonds on the applicable maturity or redemption dates. The redemption price of each Prior Bond is par. On the date of issuance of the 2026 Bonds, a portion of the proceeds of sale of the 2026B Bonds will be deposited in an irrevocable escrow fund established to refund the Prior Bonds. The escrow fund will be held by U.S. Bank Trust Company, National Association, of Seattle, Washington, as Refunding Trustee under a Refunding Trust Agreement by and between the Borough and the Refunding Trustee. The moneys held in the escrow fund will be invested in direct and general obligations of the United States of America (the “Government Obligations”) that will mature at such times and in such amounts, and will bear interest payable at such times and in such amounts so that sufficient moneys will be available, together with an initial cash deposit, to make full and timely payment of the redemption price of the Prior Bonds on the applicable redemption dates, and the interest due on the Prior Bonds on each interest payment date to and including the applicable maturity or redemption dates. The sufficiency of the deposit made to the escrow fund will be verified by Causey Public Finance, LLC. See “CERTAIN VERIFICATIONS” herein.

Sources and Uses of Funds

The following tables show the estimated sources and uses of funds in connection with the issuance of the 2026 Bonds.

2026 Series A Bonds

SOURCES OF FUNDS

Principal Amount of 2026A Bonds.....	\$
[Net] [Original Issue Discount / Bond Premium]	
Total Sources of Funds	\$

USES OF FUNDS

School Construction Projects.....	\$
Costs of Issuance (1).....	
Total.....	\$

2026 Series B Bonds

SOURCES OF FUNDS

Principal Amount of 2026B Bonds	\$
[Net] [Original Issue Discount / Bond Premium].....	
[Borough Available Funds].....	
	<hr/>
Total Sources of Funds	\$
	<hr/> <hr/>

USES OF FUNDS

Refund Prior Bonds (2).....	\$
[Funding of May 1, 2026 Payment].....	
Costs of Issuance (1).....	
	<hr/>
Total	\$
	<hr/> <hr/>

2026 Series C Bonds

SOURCES OF FUNDS

Principal Amount of 2026C Bonds	\$
Total Sources of Funds	\$
	<hr/> <hr/>

USES OF FUNDS

Transportation Construction Projects (3).....	\$
Costs of Issuance (1).....	
	<hr/>
Total	\$
	<hr/> <hr/>

(1) Includes Underwriter's discount, legal, municipal advisory, accounting, printing and other expenses associated with the issuance of the referenced series of 2026 Bonds.

(2) 2016A Bonds.

Totals may not foot due to rounding.

This Official Statement includes descriptions of the security for the 2026 Bonds and the Borough. All references herein to agreements and documents are qualified in their entirety by references to the definitive forms thereof, and all references to the 2026 Bonds are further qualified by references to the information with respect thereto contained in the Bond Ordinance. Any statements or information indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith, but no assurance can be given that the facts will materialize as so opined or estimated.

DESCRIPTION OF THE 2026 Bonds

General Description

The 2026 Bonds of each series will be dated as of their date of delivery, will mature on the maturity dates and in the amounts shown on the inside cover page of this Official Statement and will bear interest payable on November 1, 2025 and semiannually thereafter on November 1 and May 1 in each year, at the

rates per annum set forth on the inside cover page of this Official Statement. U.S. Bank Trust Company, National Association, of Seattle, Washington, is the Paying Agent and Bond Registrar for the 2026 Bonds.

The 2026 Bonds will be issued only as fully registered bonds and when issued will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”), New York, New York. So long as DTC, or its nominee, Cede & Co., is the registered owner of all the 2026 Bonds, all payments on the 2026 Bonds will be made directly to DTC. Individual purchases of interests in the 2026 Bonds will be made in book-entry form only in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the 2026 Bonds purchased. For additional information concerning the DTC book-entry system, see “BOOK-ENTRY SYSTEM” in APPENDIX C hereto.

Security

The 2026 Bonds are general obligations of the Borough and the full faith and credit of the Borough are pledged for the payment of the principal of and interest on the 2026 Bonds. The Borough is obligated to levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal of and interest on the 2026 Bonds as the same become due and payable. The 2026 Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of the State of Alaska or of any political subdivision thereof, except the Borough.

Optional Redemption*

The 2026A Bonds maturing on or after November 1, 20__ are subject to redemption prior to maturity at the option of the Borough, in such principal amounts from such maturities of the 2026A Bonds as the Borough shall determine, and by lot with respect to 2026A Bonds of the same maturity and interest rate within a maturity, on any date on or after _____ 1, 20__, at a redemption price of par, plus accrued interest to the date fixed for redemption.

The 2026B Bonds are not subject to redemption prior to maturity.

The 2026C Bonds maturing on or after November 1, 20__ are subject to redemption prior to maturity at the option of the Borough, in such principal amounts from such maturities of the 2026C Bonds as the Borough shall determine, and by lot with respect to 2026C Bonds of the same maturity and interest rate within a maturity, on any date on or after _____ 1, 20__, at a redemption price of par, plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The 2026C Bonds maturing on November 1, 2046, are subject to mandatory redemption prior to maturity, by lot, on November 1 of the years shown in the following table, by the application of sinking

* Preliminary, subject to change.

fund installments, at a redemption price equal to the principal amount thereof to be redeemed, and in the following amounts, each constituting a sinking fund installment:

<u>Year</u>	<u>Principal Amount</u>
2042	\$
2043	
2044	
2045	
2046 (maturity)	

If 2026C Bonds subject to mandatory sinking fund redemption are redeemed at the option of the Borough, defeased or purchased by the Borough, there is to be credited to one or more future sinking fund installments (including the payment due at final maturity) with respect to such 2026C Bonds the amount of principal of the 2026C Bonds so redeemed, defeased or purchased that the Borough designates in written instructions delivered to the Paying Agent before the date of the optional redemption, defeasance or purchase. If the Borough does not deliver such written instructions to the Paying Agent, there is to be credited to each such sinking fund installment (including the payment due at final maturity) a pro rata portion of the principal amount of the 2026C Bonds so redeemed, defeased or purchased.

Notice of Redemption

For so long as all outstanding 2026 Bonds are in fully immobilized form, the Borough will provide notice to DTC of its intention to redeem 2026 Bonds eligible for redemption in the manner specified in the Letter of Representations entered into by the Borough and DTC. DTC is required to give notice of redemption to the Direct Participants (see "BOOK-ENTRY SYSTEM" in APPENDIX C hereto) of the 2026 Bonds eligible for redemption, by mailing such notice not less than 20 days nor more than 45 days prior to the date fixed for redemption.

In the event that the 2026 Bonds are no longer registered in fully immobilized form, notice of any such redemption shall be given by the Paying Agent on behalf of the Borough by mailing a copy of a redemption notice by first class mail at least 20 days and not more than 45 days prior to the date fixed for redemption to the registered owners of the 2026 Bonds to be redeemed at the addresses shown on the bond register (on the day the notice is mailed) maintained by the Paying Agent as Bond Registrar. Notice of redemption will be deemed to have been given when notice is mailed as described above, whether or not it is actually received by the registered owners of the applicable 2026 Bonds.

Notwithstanding the foregoing provisions, in the case of an optional redemption, the notice may state that the Borough retains the right to rescind the redemption notice and the related optional redemption of applicable 2026 Bonds by giving a notice of rescission to the affected registered owners at any time on or prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the 2026 Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

Notice of redemption having been given as described above and not having been rescinded, 2026 Bonds or portions of 2026 Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Borough fails to deposit the redemption price) such 2026 Bonds or portions of 2026 Bonds shall cease to bear interest.

Defeasance

In the event money and/or non-callable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, in each case maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the 2026 Bonds in accordance with their terms, are set aside in a special trust account to effect such redemption or retirement and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made to pay or secure the payment of the principal of and interest on such 2026 Bonds and such 2026 Bonds shall be deemed not to be outstanding.

If any 2026C Bonds are defeased, such 2026C Bonds may be deemed to be retired and “reissued” for federal income tax purposes as a result of the defeasance. In such event, the owner of a 2026C Bond would recognize a gain or loss on the 2026C Bond at the time of defeasance. See “TAX MATTERS” herein.

BOROUGH INDEBTEDNESS

The Borough has various types of outstanding indebtedness including unlimited tax general obligation debt, capital lease obligations, lease revenue bonds and loans payable to the State of Alaska (the “State”) and the U.S. Department of Agriculture. For additional information concerning Borough indebtedness see the information under the headings “GENERAL OBLIGATION DEBT STATEMENT,” “CAPITAL LEASE OBLIGATIONS” and “OTHER INDEBTEDNESS” herein and in “BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” in APPENDIX A hereto.

Summary of Borough Indebtedness

Type	Principal Amount	
Unlimited Tax General Obligation Bonds	\$ [202,505,000]	(1)*
Capital Leases	6,745,000	(2)
State Loans	17,862,932	(2)
U.S. Department of Agriculture Loans	5,589,425	(2)
Total Indebtedness	<u>\$[232,702,357]</u>	(3)*

* Preliminary, subject to change.

(1) As of [March 1, 2026]. Includes the 2026 Bonds and excludes the Prior Bonds.

(2) As of [March 1, 2026].

(3) Excludes \$[10,700,000] of the Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2016 (Goose Creek Correctional Center Project), \$[63,025,000] of the Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2025A (Goose Creek Correctional Center Project), and \$[36,435,000] of the Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2025B (Forward Delivery) (Goose Creek Correctional Center Project), each related to the Goose Creek Correctional Facility payable solely from lease payments made by the State Department of Administration. See “STATE PRISON LEASE REVENUE BONDS” herein.

Debt Limitation

There are no constitutional or statutory debt limitations under State law. The Borough can issue general obligation bonds without limitation, upon approval of a bond authorization proposal by the qualified voters of the Borough. Voter approval is not required for the issuance of revenue debt and general obligation refunding bonds. On December 20, 1983, the Borough Assembly adopted Ordinance No. 83-

85, which as a matter of current Borough policy limits the outstanding general obligation debt of the Borough to seven percent of the total assessed valuation of taxable property in the Borough. [Discuss: add a reference to capital leases?]

GENERAL OBLIGATION DEBT STATEMENT

General Obligation Debt

The following table sets forth the general obligation debt applicable to the Borough after the issuance of the 2026 Bonds, the refunding of the Prior Bonds and scheduled payment of principal of outstanding bonds prior to the issuance of the 2026 Bonds. The table excludes obligations of the Borough that have previously been refunded, capital leases and lease revenue bonds. (See "CAPITAL LEASE OBLIGATIONS" and "STATE PRISON LEASE REVENUE BONDS" herein).

	Principal Amount Outstanding
General Obligation Debt:	
2016 Series A Bonds	\$ [3,070,000]
2017 Series A Bonds	[14,735,000]
2019 Series A Bonds	[50,955,000]
2019 Series B Bonds	[5,370,000]
2022 Series A Bonds	[11,065,000]
2025 Series A Bonds	[32,065,000]
2025 Series B Bonds	[47,835,000]
2025 Series C Bonds	[10,300,000]
2025 Series D Bonds	[20,280,000]
2026 Series A Bonds	[]*
2026 Series B Bonds	[]*
2026 Series C Bonds	[]*
Total Direct Debt (1)	\$[202,505,000]*
Bonded Debt Ratios	
January 1, 2025 Certified Taxable Assessed Value.....	\$ 16,511,631,041
2025 Estimated Borough Population.....	116,198
Ratio of Direct Debt to 2025 Certified Taxable Assessed Value	[1.38]%*
Per Capita:	
January 1, 2025 Certified Taxable Assessed Value.....	\$[136,326]
General Obligation Debt	\$[1,888]*
Debt Amortization:	
Within 5 years	[46.60]%*
Within 10 years	[80.26]%*

(1) As of [March], 2026. Except for the 2017 Series A Bonds, the 2019 Series B Bonds, the 2022 Series A Bonds, the 2025 Series A Bonds, the 2025 Series C Bonds, the 2025 Series D Bonds and the 2026 Series C Bonds, all of the above issues are school bonds that are eligible for debt service reimbursement. See "STATE DEBT REIMBURSEMENT PROGRAMS – School Debt Reimbursement Program" herein.

Source: Borough records.

* Preliminary, subject to change.

General Obligation Debt Service Schedule

Fiscal Year Ending 6/30	Outstanding Debt Service (1)*	The 2026 Bonds			Total Debt Service
		Principal	Interest	Total	
2026	\$ []	--	--	--	\$
2027	[]	\$	\$	\$	
2028	[]				
2029	[]				
2030	[]				
2031	[]				
2032	[]				
2033	[]				
2034	[]				
2035	[]				
2036	[]				
2037	[]				
2038	[]				
2039	[]				
2040	[]				
2041	[]				
2042	[]				
2043	--				
2044	--				
2045	--				
2046	--				
TOTALS	\$ []				\$

(1) As of April 16, 2025. Excludes the Prior Bonds. Preliminary, subject to change.
Totals may not foot due to rounding.

Future Financing

Authorization by the qualified voters of the Borough is required before general obligation bonds (other than refunding bonds) may be issued. Below is a summary table of the previously approved bond propositions, as defined and described in further detail in this section:

Bond Proposition	Authorized Amount	Previously Issued Amount	Being Issued as 2026 Bonds*	Remaining Authorization
2013 Transportation	\$16,215,000	\$ 1,600,000	--	\$14,615,000
2018 Transportation	23,845,000	12,000,000	--	11,845,000
2021 Transportation	61,135,000	4,500,000	\$18,500,000	38,135,000*
2023 Transportation	38,168,120	--	976,500	37,191,620*
2024 Transportation	36,390,000	15,780,000	20,610,000	--*
2024 School	58,146,600	34,549,000	23,597,200	400*

On October 1, 2013, the voters of the Borough approved a bond proposition (the "2013 Transportation Bond Proposition") authorizing the issuance of \$16,215,000 aggregate principal amount of general obligation bonds of the Borough for transportation projects. The bonds authorized by

* Preliminary, subject to change.

the 2013 Transportation Bond Proposition may be issued only if and when 50% matching funds are received from the State. To date, the State has appropriated \$1,600,000 of matching funds. The 2015 Series C Bonds were issued pursuant to the 2013 Transportation Bond Proposition. \$14,615,000 principal amount of general obligation bonds remain authorized and unissued under the 2013 Transportation Bond Proposition. With regard to the 2013 Transportation Bond Proposition, there are no present plans to issue any bonds thereunder.

On October 2, 2018, the voters of the Borough approved a bond proposition (the “*2018 Transportation Bond Proposition*”) authorizing the issuance of \$23,845,000 aggregate principal amount of general obligation bonds of the Borough for transportation projects. The bonds authorized by the 2018 Transportation Bond Proposition may be issued only if and when 50% matching funds for the project are received from a source other than the Borough. The 2022 Series A Bonds were issued pursuant to the 2018 Transportation Bond Proposition. \$11,845,000 principal amount of general obligation bonds remain authorized and unissued under the 2018 Transportation Bond Proposition. With regard to the 2018 Transportation Bond Proposition, there are no present plans to issue any bonds thereunder.

On November 2, 2021, the voters of the Borough approved a bond proposition (the “*2021 Transportation Bond Proposition*”) authorizing the issuance of \$61,135,000 aggregate principal amount of general obligation bonds for transportation projects. The Borough has funded certain projects related to the 2021 Transportation Bond Proposition with sources other than general obligation bonds, including (i) \$8,500,000 from a State fiscal year 2022 road pavement and rehabilitation grant, (ii) \$8 million in fund balance appropriations, (iii) \$8,260,208 in Borough appropriations from its fiscal year 2023 adopted budget and \$13,239,792 from a supplement fund balance appropriation and (iv) \$30,000,000 from the State’s fiscal year 2023 capital budget grant that required an equal match from the Borough. \$4,500,000 in aggregate principal amount of the 2025 Series D Bonds were issued pursuant to the 2021 Transportation Proposition. \$18,500,000* aggregate principal amount of the 2026C Bonds will be issued pursuant to the 2021 Transportation Bond Proposition. With regard to the 2021 Transportation Bond Proposition, there are no present plans to issue any additional bonds thereunder.

On November 7, 2023, the voters of the Borough approved a bond proposition (the “*2023 Transportation Bond Proposition*”) authorizing the issuance of \$38,168,120 aggregate principal amount of general obligation bonds for transportation projects. The bonds authorized by the 2023 Transportation Bond Proposition may be issued only if and when 50% matching funds are received from a source other than the Borough. \$976,500* aggregate principal amount of the 2026C Bonds will be issued pursuant to the 2023 Transportation Bond Proposition. With regard to the 2023 Transportation Bond Proposition, there are no present plans to issue any additional bonds thereunder.

On November 5, 2024, the voters of the Borough approved a bond proposition (the “*2024 Transportation Bond Proposition*”) authorizing the issuance of \$36,390,000 aggregate principal amount of general obligation bonds for transportation projects. \$15,780,000 in aggregate principal amount of the 2025 Series D Bonds were issued pursuant to the 2024 Transportation Proposition. \$20,610,000* aggregate principal amount of the 2026C Bonds will be issued pursuant to the 2024 Transportation Bond Proposition, at which point no further bonds will be issued pursuant to the 2024 Transportation Bond Proposition.

On November 5, 2024, the voters of the Borough approved a bond proposition (the “*2024 School Bond Proposition*”) authorizing the issuance of \$58,146,600 aggregate principal amount of general obligation bonds for three charter school projects. \$34,549,000 aggregate principal amount of the 2025 Series A Bonds were issued pursuant to the 2024 School Bond Proposition. \$23,597,200* aggregate

* Preliminary, subject to change.

principal amount of the 2026A Bonds will be issued pursuant to the 2024 School Bond Proposition, at which point not further bonds will be issued pursuant to the 2027 School Bond Proposition.

From time to time the Borough considers issuing general obligation bonds, subject to voter approval, to finance additional capital projects.

CAPITAL LEASE OBLIGATIONS

In October 2013, the Borough caused the issuance of \$8,585,000 Public Safety Building Lease Certificates of Participation, 2013 (the “*2013 Certificates*”), for the purpose of financing the acquisition and construction of a public safety building. The \$2,805,000 outstanding principal amount of the 2013 Certificates is payable in calendar years 2026 to 2028.

In December 2016, the Borough caused the issuance of (i) \$5,700,000 Fire Station Lease Certificates of Participation, 2016A (the “*2016A Certificates*”) for the purpose of acquiring, constructing and equipping a fire station and fleet maintenance facility and (ii) \$5,000,000 Fire Station Lease Certificates of Participation, 2016B (the “*2016B Certificates*”) for the purpose of acquiring, constructing and equipping a fire station and emergency services training and warehouse facility. The \$2,445,000 outstanding principal amount of the 2016A Certificates is payable in the years 2027 to 2031. The \$2,155,000 outstanding principal amount of the 2016B Certificates is payable in the years 2027 to 2031.

The payment obligations of the Borough with respect to Certificates of Participation are subject to annual appropriation of the required sums by the Borough Assembly. Neither the full faith and credit nor the general taxing power of the Borough is pledged to pay the principal or interest evidenced by Certificates of Participation.

STATE PRISON LEASE REVENUE BONDS

In January 2009, the Borough had outstanding indebtedness for the purpose of financing and refinancing the Goose Creek Correctional Facility (the “*Facility*”) pursuant to a “triple net” Lease Purchase Agreement by and between the Borough, as lessor, and the State Department of Administration (the “*DOA*”), as lessee. In March 2025, the Borough issued \$63,025,000 principal amount of State of Alaska Lease Revenue Refunding Bonds, Series 2025A (Goose Creek Correctional Center Project) (the “*Series 2025A Lease Revenue Refunding Bonds*”) for the purpose of purchasing for cancellation pursuant to a tender offer \$66,450,000 of the certain State of Alaska Lease Revenue Refunding Bonds, Series 2015 (Goose Creek Correctional Center Project) (the “*Series 2015 Lease Revenue Refunding Bonds*”) and sold on a forward basis for delivery in June 2025 \$36,435,000 principal amount of State of Alaska Lease Revenue Refunding Bonds, Series 2025B (Forward Delivery) (Goose Creek Correctional Center Project) (the “*Series 2025B Lease Revenue Refunding Bonds*”) and together Series 2025A Lease Revenue Refunding Bonds, the “*Lease Revenue Bonds*”) for the purpose of refunding on a current basis the remaining outstanding Series 2015 Lease Revenue Refunding Bonds.

The lease payments to be made by the DOA are designed to provide for the punctual payment of the principal of and interest on the Lease Revenue Bonds. The \$99,460,000 aggregate outstanding principal amount of Series 2025A Lease Revenue Refunding Bonds and Series 2025B Lease Revenue Refunding Bonds are payable in the years 2026 to 2032. The Lease Revenue Bonds are limited obligations of the Borough payable solely from the lease payments to be made by the DOA. Neither the full faith and credit nor the taxing power of the Borough is pledged for the payment of the Lease Revenue Bonds.

OTHER INDEBTEDNESS

In addition to the general obligation bonds, certificates of participation and lease revenue bonds described above, as of June 30, 2025, the Borough had outstanding \$10,196,829 in solid waste revenue and \$7,316,146 in Talkeetna Sewer and Water Service Area indebtedness under the State Clean Water Fund Loan Program, and a \$5,589,164 U.S. Department of Agriculture Rural Development Community Facility Direct Loan. See Note 9 in “BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” in APPENDIX A hereto.

STATE DEBT REIMBURSEMENT PROGRAMS

School Debt Reimbursement Program

Alaska Statute 14.11.100 provides a system under which the State, subject to annual appropriation by the State Legislature, will reimburse debt service on bonds issued by municipalities to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities.

Funds to provide reimbursement under Alaska Statute 14.11.100 must be appropriated annually by the State Legislature. The price of oil and the quantity of oil produced in the State may have an impact on the willingness and/or the ability of the State to make appropriations to fund the payments authorized. There is no guarantee that the State Legislature will make appropriations to fund at any level the payments authorized.

The percentage of debt service payments that the State will reimburse depends on whether the project has been approved or reviewed by the Commissioner of Education and Early Development (the “*Commissioner*”). The requirement of approval or review, as the case may be, applies to the educational specifications, schematic designs, and final contract documents for the project. Where approval of a school construction project is required, State and school district officials must agree on design, projected enrollment and distribution of space in the school to the various required uses.

School construction costs related to charter schools are not eligible for debt service reimbursement under Alaska Statute 14.11.100; accordingly, the 2026A Bonds are not eligible for debt service reimbursement. Under current State law, debt service on the 2026B Bonds is eligible for State reimbursement at a rate of 70%.

The school construction debt reimbursement program provides generally that the State will reimburse:

- For debt authorized for projects approved by the Commissioner, 70% of debt service payments made during the current fiscal year; and
- For debt authorized for projects reviewed by the Commissioner, 60% of debt service payments made during the current fiscal year.

All costs of financing and acquiring, constructing, enlarging, repairing, remodeling, equipping, or furnishing public elementary and secondary schools are eligible for reimbursement, including the cost of all necessary studies, surveys, plans and specifications, architectural, engineering, or other services; site acquisition, preparation and development; an allocable portion of the administrative and operating expenses of the issuer; insurance; and the cost of financing the project, including bond interest, legal fees, fees and expenses of trustees, depositories, municipal advisors, underwriters and paying agents. Costs for most

single-purpose sports or recreational facilities and costs that are paid from State or federal funds are excluded.

For the Borough to obtain reimbursement it first must submit to the State Department of Education and Early Development a request for an allocation of funds for reimbursement not later than October 15 of the fiscal year before the fiscal year for which the request is made. The State makes a reimbursement payment to the Borough upon receipt of a notice of payment by the Borough from the paying agent for the Borough's bonds. Only cash disbursements from locally-generated funds are eligible for reimbursement.

There is no guarantee that the State Legislature will make appropriations to fund at any level the payments authorized. In the event funds are not available to fully fund the State school debt reimbursement program, the funds that are available will be distributed pro rata among the eligible local governments.

In recent fiscal years, school debt reimbursement has been reduced either by reductions in appropriations or by exercise by the Governor of line item veto authority to reduce or eliminate appropriations. This has resulted in increases in various years to the Borough's required payment share. In fiscal year 2017 the State funded 75% of the school debt reimbursement; the amount vetoed was approximately \$5,000,000. Since the veto occurred after the Borough had adopted its mill rate and budget for the fiscal year the reduction was off-set by a number of operating and capital budget cuts.

In fiscal year 2020 the State funded 50% of the school debt reimbursement. In anticipation of this reduction, the Borough (i) reduced its approved budget by \$8 million; and (ii) increased the available mill rate by 0.055 mills. The fiscal year 2020 mill rate was 10.386. This unbudgeted funding was placed in a reserve and utilized in preparation of the fiscal year 2021 budget.

In fiscal year 2021, school debt reimbursement was reduced by 100%, resulting in a required payment share increase for the Borough of \$17 million. The Borough utilized the reserve established in fiscal year 2020 and was able to reduce the mill rate to 10.322.

For fiscal year 2022, the Borough budgeted a 62.5% reduction of the State school debt reimbursement that resulted in a required payment share increase for the Borough of \$10,555,397. The State ultimately paid 100% of the debt service reimbursement for fiscal year 2022 and reimbursed the Borough retroactively for the 2017, 2020 and 2021 reductions. The total received was \$44,413,717. The Borough utilized the funding to provide a rebate to taxpayers and to fund school construction and transportation projects approved by the voters in 2021.

In fiscal years 2023, 2024 and 2025 the State funded 100% of the school debt reimbursement program. The Borough was able to reduce the mill rate to 8.901 and 8.485. The Borough budgeted for 100% of the school debt reimbursement in fiscal year 2026 but the State legislature only funded 71% of the reimbursement. Because of the reduction in fiscal year 2026 the Borough plans to budget for only 70% of the anticipated reimbursement. [This needs to be updated as the 2026 Budget passed.] In future fiscal years the Borough plans to has retained approximately 50% of the annual debt service payment in fund balance.

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The following table shows total Statewide entitlement payments and actual State aid payments made to the Borough reported by the State Department of Education and Early Development for the State fiscal years ended June 30, 2016 through 2025. Between 1993 and 2016, in fiscal years 2018 and 2019 and in fiscal years 2022 through 2025, the State has fully funded all entitlements under the school debt reimbursement program. School debt reimbursement was reduced by 29% in fiscal year 2026 as the result of a State Legislature reduction of the Governor's full funding request and a correction to include omitted eligible bonds for two districts.

**ALASKA DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
STATEWIDE DEBT SERVICE REIMBURSEMENT**

<u>Fiscal Year Ended June 30</u>	<u>Statewide Entitlement Payments</u>	<u>Borough Receipt of Entitlement Payments</u>
2025	\$ 50,550,472	\$10,273,402
2024	67,168,160	18,333,455
2023	78,975,676	15,225,886
2022	83,543,959	44,413,717
2021 ⁽¹⁾	0	0
2020 ⁽²⁾	48,910,250	8,787,348
2019	105,022,612	19,942,047
2018	112,824,287	22,610,591
2017 ⁽³⁾	90,676,900	17,764,283
2016	116,739,477	22,673,550

Source: Alaska Department of Education and Early Development

- (1) School debt reimbursement was funded at 0% by the State Legislature. The State retroactively reimbursed the Borough in 2022.
- (2) School debt reimbursement was funded at 50% by the State Legislature. The State retroactively reimbursed the Borough in 2022.
- (3) School debt reimbursement was reduced by 25% in fiscal year 2017 following full funding approval by the State Legislature and a line item veto by the then Governor. The State retroactively reimbursed the Borough in 2022.

Borough School Debt Reimbursement Entitlement

After the issuance of the 2026 Bonds and the refunding of the Prior Bonds, the Borough will have four series of outstanding school bonds eligible for State reimbursement under the school debt reimbursement program and two series of outstanding school bonds not eligible for State reimbursement under the school debt reimbursement program. The following table shows the outstanding balance, final maturity date, and school debt reimbursement eligibility for each series.

OUTSTANDING BOROUGH SCHOOL BONDS

<u>Series ⁽¹⁾</u>	<u>Outstanding Balance</u>	<u>Final Maturity</u>	<u>Debt Service Reimbursement Eligibility</u>
2016 Series A	\$3,070,000*	7/1/26*	70.0
2019 Series A	[50,955,000]	3/1/33	70.0
2025 Series A ⁽²⁾	[32,065,000]	11/1/45	0.0
2025 Series B	[47,835,000]	11/1/34	70.0
2026 Series A ⁽²⁾	[]*	[]*	0.0
2026 Series B	[]*	[]*	[]

- (1) As of [March], 2026. Excludes Prior Bonds.
- (2) Related to financing of a Borough charter school and ineligible for state debt service reimbursement.
- * Preliminary, subject to change.

If the State appropriates funds for school debt reimbursement at less than the full entitlement, the Borough's local share of debt service increases accordingly. As discussed above under "– School Debt Reimbursement Program," school debt reimbursement by the State in fiscal year 2017 was reduced by 25%, in fiscal year 2020 by 50%, in fiscal year 2021 by 100% and in fiscal year 2025 by 29%. The legislature adopted an operating budget for fiscal year 2022 that not only paid the fiscal year contribution at 100%, but also retroactively repaid the reductions from fiscal years 2017, 2020 and 2021.

STATE OPERATING AID FOR EDUCATION

The State is required under the State constitution to establish and maintain a system of public schools. Each public school district in the State is funded through three primary sources: State aid, a required local contribution and eligible federal impact aid. In addition to aid for school construction, the State also provides aid to local school districts for the payment of operating expenses under the public school foundation program. The purpose of the foundation program is to provide a uniform system of public school aid throughout the State.

State aid to boroughs and cities is subject to annual appropriations. The price of oil and the quantity of oil produced in the State may have an impact on the willingness and/or the ability of the State to continue these aid programs at the same levels.

ASSESSED VALUATION AND PROPERTY TAXATION

The assessed valuation of the taxable property within the Borough, except oil and gas property described below, is determined as of January 1 each year by the Borough Assessor (the “Assessor”). The Assessor is required to complete the assessment roll of all taxable property as of January 1 of each year, from which he prepares the abstract of assessment. The abstract is reviewed by the State Property Tax Administration. If necessary, the Borough Board of Equalization orders the Assessor to adjust the assessments on appeal, which may be subject to further appeal in the State courts. Under provisions of State law, the Assessor assesses all taxable property in the Borough at its full and true value. Taxes are levied on July 1 and are payable in two installments in August and February.

Property used in exploration, production or pipeline transportation of gas or unrefined oil is assessed by the State Department of Revenue as authorized by the State Legislature in 1973. The State levies a 20 mill tax on such property. Local governments and service areas may levy and collect a property tax based on the State’s assessed valuation of those properties within the local jurisdiction. Payments made by the owners of oil and gas property to local jurisdictions are allowed as a credit toward payments due the State.

Property Tax and Tax Limitations

State law imposes no limitation on the rate or amount of taxes which may be levied for debt service on general obligation bonds, such as the 2026 Bonds. Ad valorem taxes levied by an Alaska municipality for purposes other than debt service on general obligation bonds are limited by State statute (Alaska Statute 29.45.090) to an amount equal to 3% of the assessed valuation of taxable property in the municipality. In fiscal year 2025, the Borough levied ad valorem taxes for purposes other than debt service on general obligation bonds in an amount equal to 1.30% of the assessed valuation of taxable property in the Borough.

All property on which an ad valorem tax is levied must be taxed at the same rate during the year. In addition, a municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may not levy ad valorem taxes for purposes other than debt service on general obligation bonds (a) that will result in tax revenues from all sources exceeding \$1,500 a year for each person residing within the municipality or (b) upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of 375% of the average per capita assessed valuation of all taxable property in the State multiplied by the number of residents in a municipality, such as the Borough, that does not levy a tax on oil and gas property under Alaska Statute 43.56.010 in excess of 18 mills. In fiscal year 2025, the Borough, together with municipalities occupying the same geographical area as the Borough, levied ad valorem taxes for purposes other than debt service on general obligation bonds (a) that resulted in tax revenues from all sources in an amount equal to \$1,721 for each person residing within the Borough

and (b) upon value that, when combined with the value of property otherwise taxable by the Borough, equaled the product of 74% of the average per capita assessed valuation of all taxable property in the State multiplied by the number of residents in the Borough.

In 2018, the Borough adopted an ordinance (the “2018 Ordinance”) limiting the areawide real property mill rate to a maximum of 10.5 mills. Taxes required to fund additional services mandated by voter approved ballot issues after 2018 and any taxes needed to pay voter approved bonds because of a failure of the State to provide match funds are excluded from the limit. The 2018 Ordinance expired on July 1, 2023 and was not extended by the Borough.

Assessed Valuation and Tax Collections

The certified assessed valuation of the taxable property in the Borough for the fiscal year ended June 30, 2026 is \$16,511,631,041. This represents an increase of approximately 6.3% over the prior year’s assessed valuation.

Historical Assessed Valuation and Tax Collection Record

Fiscal Year Ended June 30	Assessed Valuation (All Property)	% Increase in Assessed Valuation		Net Tax Levy (2)	Tax Collections on Current Levy		Collections Subsequent Years (3)	Total Collections to Date (3)	
		From Previous Year	Areawide Tax Rate (Mills) (1)		Amount	%		Amount	%
2025	\$15,503,207,472	5.8%	8.748	\$175,195,534	\$172,145,366	98.3	(0)	\$172,145,366	98.3
2024	14,678,007,728	8.9	8.396	161,496,772	160,408,499	99.3	\$254,041	160,662,640	99.5
2023	13,479,327,934	13.4	8.901	155,024,646	153,380,196	98.9	631,638	154,011,834	99.4
2022	11,888,943,449	6.2	9.942	151,761,075	149,328,084	98.4	1,120,801	150,448,885	99.1
2021	11,197,673,028	4.6	10.322	145,797,613	142,251,044	97.6	1,999,548	144,250,592	98.9
2020	10,703,603,022	3.7	10.386	140,443,703	135,753,457	96.7	3,187,520	138,940,977	99.9
2019	10,324,910,454	3.8	10.331	137,119,008	133,194,431	97.1	3,010,905	136,205,336	99.3
2018	9,944,945,242	3.5	10.332	132,715,228	126,903,605	95.6	4,850,359	131,753,964	99.3
2017	9,613,575,846	3.7	9.984	126,423,474	122,648,889	97.0	3,347,556	125,996,445	99.7
2016	9,266,261,014	2.9	9.984	121,803,400	116,527,024	97.7	2,575,719	119,102,743	99.8
2015	9,004,077,191	3.5	9.662	111,744,106	108,285,996	96.9	3,334,402	111,620,398	99.9
2014	8,702,239,019	2.0	9.852	109,986,586	106,109,708	96.5	3,742,766	109,852,474	99.9

- (1) Areawide rate; does not include Service Areas or Non-Areawide rates. The areawide tax rate for fiscal year ending June 30, 2026 is set at 8.485 mills.
- (2) Tax Levy after adjustment for senior citizens and disabled veterans’ levy reductions mandated under State law and Borough Code. Includes Non-Areawide and Service Areas levies.
- (3) Includes collections on prior year’s levies and penalty payments. Interest rate on delinquent taxes is currently 5.25% per annum.
- (4) Not available.

Source: Annual Comprehensive Financial Report of the Borough and Borough records.

Ten Largest Taxpayers

Taxpayer	Nature of Business	As of January 1, 2025 Assessed Valuation (1)	Percentage of Borough's 2025 Assessed Valuation
Mat-Su Valley Medical Center	Medical Facilities	\$ 168,346,900	1.08%
Semco/Enstar/Alaska Pipeline	Private Utility	72,564,400	0.47%
Kroger/Fred Meyer Stores, Inc.	Retail Store	60,575,493	0.39%
Alaska Hotel Properties	Hotels	48,499,800	0.31%
ACER, LLC	Network Infrastructure	43,186,500	0.28%
CATC/Cook Inlet Region/CIRI Land Development	Real Estate Rental, Leasing & Management	33,048,800	0.21%
Wal-Mart Stores, Inc.	Retail	31,417,134	0.20%
DBC, LLC/Target	Property Development/Retail	26,462,567	0.17%
Global Finance/Gary Lundgren	Real Estate, Rental/Leasing	23,550,600	0.15%
Schweiger, John – Coming Attraction Theaters	Real Estate, Rental/Leasing	23,049,800	0.15%
Total		<u>\$ 530,701,994</u>	<u>3.41%</u>

(1) Reflects certified data of the Borough as of July 1, 2025. Includes real and personal property.

CERTAIN OTHER TAXES

There is no general Borough sales tax. The Borough levies an excise tax of 0.128 cents per cigarette and on 55% of the wholesale price of other tobacco products. The excise tax revenue in fiscal year 2025 was \$9,278,349. The Borough levies a 5.00% tax on rentals for hotel and motel accommodations. The bed tax revenue in fiscal year 2025 was \$2,285,033. The Borough levies a 5% cannabis sales tax. The cannabis sales tax revenue in fiscal year 2025 was \$1,749,800. The Borough levies a sales tax in the Talkeetna Sewer and Water Service Area. The Talkeetna Sewer and Water Service Area sales tax revenue in fiscal year 2025 was \$1,030,556. The City of Palmer levies a 3.00% sales tax, the City of Wasilla levies a 2.50% sales tax and the City of Houston levies a 3.00% sales tax. There is no State sales tax, personal income tax or property tax (other than on oil and gas property).

BOROUGH FINANCIAL MATTERS

General

The Borough's accounting records are maintained on a modified accrual basis in conformity with generally accepted accounting principles. Alaska law requires that an annual independent audit by a public accountant be made of the books of account and financial records and transactions of the Borough. The Borough has complied with this requirement, and the auditor's report for the fiscal year ended June 30, 2025 is included as APPENDIX A hereto. The Government Finance Officers Association of the United States and Canada has awarded to the Borough its Certificate of Achievement for Excellence in Financial Reporting for the past 35 years.

The State Department of Education and Early Development promulgates the basis of accounting and reporting for schools, including the School District. These procedures must be adhered to for eligibility for State revenues under the public school foundation program. See "STATE OPERATING AID FOR EDUCATION" herein. The Education Operating Fund is utilized to account for all education related revenues and expenditures. The School District maintains detailed departmental accounting records for operating budget and reports to the State.

Budgeting

Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. All departments and service areas submit budgets to the Borough Manager on or about January 31 of each year. The Borough Manager uses these requests for developing a proposed budget. The Borough Manager submits the proposed budget to the Assembly on the third Tuesday of April. The Assembly is required to hold public hearings on the proposed budget and to adopt the budget by May 31.

The School District is required by Borough Code to submit its annual budget including capital expenditures to the Borough Assembly for approval. All educational capital outlay expenditures are made directly by the School District with budgetary control and detailed accounting records maintained by the Borough Finance Department. The Borough Finance Department is responsible for the issuance of budgetary status and general ledger reporting. The School District does not have the authority to engage in direct treasury activity.

Labor Relations

[*Update:*] As of June 30, 2025, the Borough employed [403] people on a full-time basis in general government positions and approximately [1,911] full time equivalent employees in school operations. Borough officials consider employee relations to be satisfactory. General government employees of the Borough are represented by the Matanuska-Susitna Borough Employees Association and have a three-year contract with the Borough that extends through December 31, 2027. There have been no strikes by Borough employees in recent years. Most employees of the School District are represented by the Matanuska-Susitna Borough Education Association. The current contract with the School District expires on [June 30, 2026]. [*Add Comment on Discussion of New Contract.*]

Retirement Plans and Other Post-Employment Benefits

Permanent employees of the Borough participate in the Alaska Public Employees Retirement System (“PERS”) and the Supplemental Benefits System (“SBS”), and teachers of the School District participate in the Alaska Teachers Retirement System (“TRS”).

State legislation passed in 2005 affected retirement benefits for new employees under PERS and TRS. The legislation requires all new eligible employees hired on or after July 1, 2006 to be participants in newly created defined contribution retirement plans.

For fiscal year 2025, employees in defined contribution plans are required to contribute 8% of compensation and employers are required to contribute 5% of compensation for PERS-covered employees and 7% for TRS-covered employees, plus additional amounts for certain medical insurance (1.07% of compensation for PERS-covered employees and 0.83% for TRS-covered employees) and occupational death and disability benefits (0.69% for peace officers and fire fighters, 0.24% for other PERS-covered employees and 0.08% for TRS-covered employees). In addition, employers are required to contribute to a health reimbursement account for each PERS and TRS-covered employee 3.00% of the average annual compensation of all PERS and TRS-covered employees (converted to a per pay period amount for each pay period the employee is employed).

Employees first hired prior to July 1, 2006 continue to accrue benefits under the existing defined benefit plans and, with respect to those plans, the employer will pay contribution rates set by the Alaska Retirement Management (“ARM”) Board. Pre-July 1, 2006, non-vested employees may elect to switch from the defined benefit to the appropriate defined contribution plan.

As part of the 2005 legislation, the then existing rate-setting and investment boards were eliminated and replaced with the ARM Board on October 1, 2005. The assets of PERS, TRS, and SBS are managed and invested by the ARM Board. The State Department of Administration is the administrator of the plans.

In April 2008, the State converted the existing PERS from an agent-multiple employer plan to a cost-sharing plan. Under the cost-sharing arrangement, the State Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers. TRS has been operating as a cost-sharing plan for some time.

PERS requires a uniform employer contribution rate of 22% or less of active member wages, subject to a wage floor, and TRS requires a uniform employer contribution rate of 12.56% or less. The State is required to contribute in the event that the employer contribution rates adopted by the ARM Board, which include a component to amortize past service liability, exceeds those rates. Any such additional contributions are currently recognized by each employer as an on-behalf payment from the State.

In 2014, the State Legislature appropriated \$1 billion to reduce the unfunded actuarial accrued liability of PERS and \$2 billion to reduce the unfunded actuarial accrued liability of TRS. The State Legislature also directed the ARM Board to adopt employer contribution rates for liquidating the past service liability of PERS and TRS using a level percent of pay method over a closed term of 25 years ending in 2039, rather than the level dollar method that had been used by the ARM Board. This change in methodology resulted in significantly lower adopted employer contribution rates beginning in fiscal year 2016. All of the subsequent reductions in employer contributions have been reflected in lower on-behalf payments from the State.

Employees in PERS defined benefit plans are required to contribute 6.75% of their annual covered salaries to PERS (7.5% for peace officers and firefighters), and employees in TRS defined benefit plans are required to contribute 8.65% of their annual covered salaries to TRS.

Employer contribution rates were set for fiscal year 2025 based on assumptions and projections from the actuary designed to achieve full funding of TERS and PERS over a closed term of 25 years ending in 2042. The consolidated rate for fiscal year 2025 was set at 26.76% for all PERS employers. Since the consolidated rate exceeds the uniform employer contribution rate of 22%, the State is required to make a 4.76% on-behalf payment for fiscal year 2025. The consolidated rate for fiscal year 2025 was set at 28.59% for all TRS employers. Since the consolidated rate exceeds the uniform employer contribution rate of 12.56%, the State is required to make a 16.03% on-behalf payment for fiscal year 2025.

The true costs of a defined benefit retirement plan cannot be determined until its future unfolds. The return on fund assets, member termination rates, future salary levels, medical costs, mortality experience, and other relevant factors cannot be precisely predicted. Estimates based on experience with similar groups, along with the judgment of the actuary and the plan sponsor, can provide a reasonable approximation of this true cost. However, as actual experience emerges under any retirement plan, it will be necessary to study the continued appropriateness of the techniques and assumptions employed and to adjust the contribution rate, as necessary.

The SBS was designed to provide benefits in lieu of those under Social Security when the State withdrew from that system. Certain political subdivisions, including the Borough, also elected to participate in the SBS. The Borough currently contributes 6.13% of an employee's wages up to the current Social Security wage base.

At June 30, 2025, the Borough reported a liability for its proportionate share of the net pension liability of State retirement programs in which the Borough participates of \$48.8 million. The Borough's proportionate share reflects a reduction of \$18.3 million for State pension support provided to the Borough.

At June 30, 2025, the Borough reported an asset for its proportionate share of the net other post-employment benefits (“*OPEB*”) asset of State *OPEB* programs in which the Borough participates of \$19.6 million. The Borough’s proportionate share reflects a reduction of \$7.3 million for State *OPEB* support provided to the Borough.

For more information on pension plans, including the Borough’s share of net pension liability and the Borough’s net liability for other post-employment benefits, see Note 11 in “BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” in APPENDIX A hereto.

At June 30, 2025, the School District reported a liability for its proportionate share of the net pension liability of State retirement programs in which the School District participates of \$55.4 million. The School District’s proportionate share reflects a reduction of \$20.7 million for State pension support provided to the School District. At June 30, 2025, the School District reported an asset for its proportionate share of the net *OPEB* asset of State *OPEB* programs in which the School District participates of \$22.3 million. The School District’s proportionate share reflects a reduction of \$8.8 million for State *OPEB* support provided to the School District. Additional information about the School District’s pension and *OPEB* plans can be found in its separately issued financial statements.

Risk Management

The Borough and the School District are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; cyber incidents; and illness of and injuries to employees, for all of which the Borough and the School District carry commercial insurance. The Borough’s insurance, including coverage applicable to the School District, is written on an occurrence basis except for fiduciary liability, crime, cyber liability, employed lawyers liability, employee benefit liability, and medical incident liability, which are written on a claims-made basis.

The Borough and the School District jointly share most major lines of property and casualty coverage. For fiscal year 2026, property and casualty claims where there is a self-insurance retention or deductible requirement are paid by the Borough or the School District respective to their losses. Major coverages, which are in effect until June 30, 2026, are as follows:

Property Coverage is provided with limits totaling \$130,000,000 per occurrence and annual aggregate, inclusive of primary and excess property insurance. Flood coverage is provided with sublimits of up to \$25,000,000 per occurrence, subject to reduced limits applicable to moderate and high hazard flood zones. Equipment breakdown coverage is provided with a \$25,000,000 limit. Property coverage is subject to a \$1,000,000 deductible per occurrence for all other perils. Equipment breakdown and contractors’ equipment are subject to a \$500,000 deductible. Earth movement losses are subject to a deductible equal to 5% per unit of insurance, subject to a \$100,000 minimum per location.

Public Entity Liability Coverage is provided with limits of \$5,000,000 per occurrence or claim and \$5,000,000 aggregate, subject to a self-insurance retention of \$750,000 per occurrence or claim. Excess liability insurance provides total liability limits of \$20,000,000 per occurrence. Earth movement liability coverage is provided with an additional \$10,000,000 per occurrence, subject to applicable deductibles.

The Borough (excluding the School District) is self-insured for workers’ compensation and maintains excess workers’ compensation insurance. The self-insurance retention is \$500,000 per occurrence for all Borough employees except fire responders. The retention for fire responders is \$750,000 per occurrence, or \$1,000,000 for presumptive firefighter claims. Workers’ compensation claims are administered by a third-party administrator. Excess workers’ compensation insurance provides statutory workers’ compensation benefits and employers’ liability limits of \$1,000,000 per occurrence.

The Borough (excluding the School District) provides health insurance benefits on a self-insured basis, subject to stop-loss coverage. Health insurance claims are paid by the Borough on a reimbursement basis and are administered by a third-party administrator. Health insurance for the School District is provided on a fully insured, premium basis.

Unemployment insurance is paid by the Borough and the School District on a reimbursement basis to the State when individual claims are filed.

Cybersecurity insurance is maintained by the Borough. Coverage includes network security, privacy liability, and related response costs, subject to policy terms and conditions. In addition to insurance, the Borough continually evaluates and updates its information security practices, controls, and response protocols to address the evolving nature of cybersecurity risks.

Seismic Activity, Natural Disasters and Other Considerations

The Borough is in an area of seismic activity, including a 7.0 earthquake in November 2018, which resulted in damage to the Houston Junior High School within the Borough. The Houston Junior High School re-build was completed March 2023 and redesignated as the Houston High School. The former Houston High School was redesignated as the Houston Junior High School. The re-build was fully funded by a combination of insurance, Federal Emergency Management Agency, Borough and State funds. See Note 14 in "BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" in APPENDIX A hereto. The Borough maintains insurance related to seismic activity.

The occurrence of natural disasters, including but not limited to floods, wildfires, volcanoes and earthquakes, may damage part or all of the Borough, interrupt utility services to part or all of the Borough or otherwise impair the operation of part or all of the Borough. Climate change may also affect the Borough in ways that cannot be predicted.

The Borough can give no assurance regarding the effect of any future natural disasters, including but not limited to floods, wildfires, volcanoes and earthquakes, or any impact resulting from ongoing climate change.

Cash Management and Investment Policy

The Borough's investment policy is to invest public funds in a manner which will provide the highest investment return consistent with the maximum preservation of capital while meeting the daily cash flow demands of the Borough. Investments of the Borough's short-term operating funds (not including bond proceeds) are authorized only in (i) obligations of, or guaranteed by, the United States; (ii) obligations of an agency or instrumentality of the United States; (iii) repurchase agreements and certificates of deposit collateralized with obligations described under (i) and (ii); (iv) money market mutual funds invested only in obligations described under (i) and (ii); (v) taxable general obligations of a state or municipality rated AA or higher by at least two nationally recognized rating agencies; and (vi) the Alaska Municipal League Investment Pool, whose investments are limited to those permitted under Alaska Statutes Chapter 37.23.

As of June 30, 2025, substantially all of the Borough's cash was invested. The amount of investment income (loss) for Governmental Fund Types in fiscal year 2025 was \$15,977,854. The amount of investment income for Agency Funds in fiscal year 2025 was zero. [\[Confirming zero? Yes this is Zero. We have no agency funds\]](#). Total interest investment income (loss) in fiscal year 2025 was \$15,977,854.

Revenues and Expenditures

State contributions and property taxes are the major revenue sources for the Borough; general government and school operations accounted for approximately 77% of total expenditures in fiscal year 2025. The State makes payments to Alaska local governments that operate schools under various programs (for operating, debt service and capital improvement purposes). (See “STATE OPERATING AID FOR EDUCATION” and “STATE DEBT REIMBURSEMENT PROGRAMS – School Debt Reimbursement Program” herein.) State funds accounted for approximately 67% of the Borough’s educational operating revenues in fiscal year 2025.

Revenues for general governmental functions (which include the General, Special Revenue and Debt Service Funds) totaled \$493.0 million in fiscal year 2024 and \$497.0 million in fiscal year 2025. General property taxes, registration fees and special assessments produced \$177.2 million in fiscal year 2024 and \$192.0 million in fiscal year 2025.

Fiscal Years 2024 and 2025 Revenues

(Amounts in thousands)

Source	2024		2025	
	Amount (000)	Percent of Total	Amount (000)	Percent of Total
Taxes and Assessments.....	\$177,184	36%	\$191,982	39%
State and Federal Funds.....	286,086	58	277,809	55
Other	29,731	6	27,223	5
TOTAL	\$493,001	100%	\$497,014	100%

Source: Annual Comprehensive Financial Report of the Borough, June 30, 2025.

Expenditures totaled \$479.9 million in fiscal year 2024 and \$505.0 million in fiscal year 2025 as shown on the following table.

Fiscal Years 2024 and 2025 Expenditures

(Amounts in thousands)

Source	2024		2025	
	Amount (000)	Percent of Total	Amount (000)	Percent of Total
General Government.....	\$31,608	7%	\$37,044	7%
Education Operating	342,246	71	355,672	70
Education Debt Service	25,508	5	24,213	5
Other	80,496	17	88,022	18
TOTAL	\$479,858	100%	\$504,951	100%

Source: Annual Comprehensive Financial Report of the Borough, June 30, 2025.

General Government Operating Revenues

(Amounts in thousands)

Fiscal Year (June 30)	Property Taxes	% of Total	State Funds	% of Total	Federal Funds	% of Total	Other	% of Total	Total
2025	\$191,982	39%	\$244,547	49%	\$33,262	7%	\$27,223	5%	\$497,014
2024	177,184	36	235,278	48	50,808	10	29,731	6	493,001
2023	173,189	37	230,343	50	41,579	9	17,587	4	462,698
2022	167,620	34	259,409	53	59,174	12	1,406	1	487,609
2021	162,016	38	212,121	50	38,435	9	13,530	3	426,102
2020	156,842	37	224,842	53	26,926	6	19,534	4	428,144
2019	151,200	35	232,644	54	27,721	6	22,458	5	434,023
2018	144,208	35	230,304	55	26,003	6	15,301	4	415,816
2017	137,968	34	225,173	55	23,968	6	20,565	5	407,674
2016	132,535	33	228,628	56	25,221	6	21,815	5	408,199

Source: Annual Comprehensive Financial Report of the Borough, June 30, 2025.

(1) Reflects on-behalf payment from the State related to PERS and TRS. See "BOROUGH FINANCIAL MATTERS – Retirement Plans" herein.

General Government Expenditures

(Amounts in thousands)

Fiscal Year (June 30)	General Government (1)	% of Total	Education		% of Total	Other (3)	% of Total	Total
			Operating (2)	Debt Service				
2025	\$37,044	7%	\$355,672	\$24,213	75%	\$88,022	18%	\$504,951
2024	31,608	7	342,246	25,508	76	80,496	17	479,858
2023	34,316	7	327,866	25,515	75	80,129	18	467,826
2022	30,091	7	317,506	24,520	76	77,265	17	449,382
2021	30,014	7	311,101	23,257	73	92,323	20	456,695
2020	28,350	7	287,623	26,707	76	73,031	17	415,711
2019	28,342	7	278,915	29,156	74	82,427	19	418,840
2018	27,301	7	279,791	33,692	78	61,117	15	401,901
2017	28,413	7	296,688	33,481	79	57,796	14	416,378
2016	27,297	7	288,563	34,141	80	54,009	13	404,010

Source: Compiled from the Annual Comprehensive Financial Report of the Borough, June 30, 2025

(1) Includes General Government, Road Service Areas and Land Management Expenditures, net of Recovery of Expenses from Other Funds.

(2) Education Operating and Education Special Revenue expenditures.

(3) Includes Public Safety, Fire Service Area Debt Service, Parks and Indoor Recreation, Matanuska-Susitna College, Libraries, Cultural Resources and Solid Waste Disposal.

Combined Statement of Revenues, Expenditures and Transfers for All Governmental Funds

(Fiscal Years Ended June 30)
(Amounts in thousands)

	2025	2024	2023	2022	2021	2020
Combined Beginning Fund Balance, July 1 .	\$288,560	\$288,919	\$266,019	\$245,565	\$241,807 ⁽¹⁾	\$221,106
Revenues:						
Taxes and Assessments	\$191,982	\$177,184	\$173,189	\$167,620	\$162,016	\$156,842
Intergovernmental.....	300,482	304,704	300,353	338,258	295,590	259,212
Charges for Services.....	10,397	9,685	10,560	9,686	10,113	9,546
Interest Income & Other.....	22,566	24,475	10,511	(7,578)	4,376	12,823
Total Revenues.....	\$525,427	\$517,408	\$494,613	\$507,986	\$472,095	\$438,423
Expenditures:						
General Government.....	\$37,044	\$31,608	\$34,316	\$30,091	\$30,014	\$28,350
Public Safety.....	39,923	38,739	35,803	33,848	38,000	29,533
Public Services	396,044	377,118	365,323	354,584	358,696	324,272
Debt Service.....	31,940	32,393	32,383	30,860	29,985	33,557
Capital Outlays & Other.....	42,500	36,803	29,061	48,154	14,713	20,213
Total Expenditures.....	\$547,451	\$516,661	\$496,886	\$497,537	\$471,408	\$435,925
Excess of Revenues over Expenditures	\$(22,024)	\$387	\$2,273	\$10,446	\$687	\$2,498
Other Financing Sources (Uses)						
Bond Proceeds.....	62,719	-	12,000	-	-	(278)
Net Transfers & Other.....	(2,727)	(851,095) ⁽²⁾	11,315	(1,846)	3,071	15,540
Excess of Revenues over Expenditures and Other Financing Sources	\$37,968	\$(850,708) ⁽²⁾	\$25,588	\$8,600	\$3,758	\$17,760
Combined Ending Fund Balance	\$321,995	\$288,560	\$288,919	\$266,019	\$245,565	\$238,866
Ending General Fund Balance	\$62,203	\$47,784	\$32,681	\$64,524	\$63,262	\$69,096
Ending General Fund Cash Balance.....	\$53,545	\$44,225	\$25,846	\$16,817	\$51,561	\$58,370

Source: Annual Comprehensive Financial Reports of the Borough.

(1) Restated, change in Accounting Principle GASB Statement No. 84 Fiduciary Activities.

(2) Change from 2023 resulting in part from transfer of (i) \$12.5 million from the Health Care Self Insurance and Worker's Compensation Self Insurance Funds into the operating fund; (ii) \$8.8 million from unspent insurance proceeds related to the Houston High School and (iii) approximately \$12 million was to property taxpayers as a rebate from the back payment of Debt Service Reimbursement from the State of Alaska.

School District Debt Service Account

	Year Ended June 30,					
	2025	2024	2023	2022	2021	2020
Beginning Account Balance	\$9,107,515	\$14,472,312	\$21,741,218	\$14,989,290	\$3,660,043	\$3,563,540
Revenues						
State Reimbursement ⁽¹⁾	\$15,252,082	\$18,333,455	\$12,266,627	\$44,413,717	\$0	\$8,487,348
General Fund Transfers	22,183,803	19,721,396	20,813,282	30,849,200	34,163,972	17,922,901
Other Revenues.....	30,309	28,393	39,933	29,349	28,683	393
TOTAL	\$37,466,194	\$38,083,244	\$33,119,842	\$30,878,549	\$34,192,655	\$26,410,642
Expenditures						
Bond Redemption	\$18,205,000	\$19,145,000	\$18,395,000	\$16,635,000	\$14,655,000	\$16,780,000
Bond Interest.....	5,254,774	5,969,586	6,727,121	7,491,621	8,208,408	9,534,139
Bond Issuance Costs.....	359,429	--	--	--	--	--
Bond Fees.....	--	--	--	--	--	--
TOTAL	\$23,819,203	\$25,114,586	\$25,122,121	\$24,126,621	\$22,863,408	\$26,314,139
Ending Account Balance	\$7,861,853	\$9,107,515	\$14,472,312	\$21,741,218	\$14,989,290	\$3,660,043

Source: Annual Comprehensive Financial Reports of the Borough. The School Debt Service Account is maintained in the Debt Service Fund.

(1) See "STATE DEBT REIMBURSEMENT PROGRAMS – School Debt Reimbursement Program" herein.

Resource Sales and Conveyances

Under Alaska Statute 29.65.010, boroughs in Alaska were given the right to select ten percent of "vacant, unappropriated and unreserved" State lands within their boundaries. The State has the right to select certain quantities of land owned by the U.S. government. Under the State Municipal Entitlement Act, the Borough has been granted a land entitlement of 355,210 acres. The Borough has received patent to over 278,318 acres of this entitlement and has management authority for an additional 73,397 acres which must be surveyed before being patented. The Borough has finalized its land selections under the Municipal Land Act and is interested in increasing the amount of the general grant land entitlement. This will require a change to Alaska Statutes, and it is a 2025 Borough Assembly legislative priority to support that change, including reducing administrative burdens to obtaining the lands. [\[Update last sentence.\]](#)

Additional land entitlement would enable the Borough to meet the needs of the public, address growth, and plan for the future. The Borough has managed its lands in terms of material resource sales, spruce bark beetle mitigation, and recreation area development. In addition, annual land sales programs have increased in recent years. As the Borough's inventory of desirable lands has dwindled, obtaining additional State lands would create an opportunity for more development, benefitting both the Borough and the State.

[\[Update:\]](#) The Borough piloted two successful all online land sales in 2024. The auctions sold a combined 49 residential parcels, which are now on the tax roll. In addition to land sales, the Land and Resource Management Division generates revenue from leases, permits and timber and gravel sales. Timber sales have been the priority for the Division. Over 1500 acres were offered in 2024 and an additional 1000 acre sale was completed in January 2025.

Revenue generated from these sources in fiscal year 2025 was approximately \$1.5 million; 25% of the proceeds are deposited in the Land Management Fund (the "Fund"). The Fund helps the Borough secure properties and other capital investments into the future. In previous years, the Fund has been utilized to

purchase future fire station sites, port infrastructure and other Borough needed lands. The remaining 75% of proceeds directly support the staffing and operations for the Land and Resource Management Division.

BOROUGH GOVERNMENT

The Borough was incorporated as a second class borough on January 1, 1964. The Borough is governed by a seven-member Borough Assembly, elected from single-member districts, and a Mayor, elected at large. The Borough Assembly appoints the Borough Manager, who serves as chief administrator, and an Attorney and Clerk. There is an appointed Planning Commission, Platting Board, Transportation Advisory Board, and several other advisory committees.

Powers

There are three categories of Borough powers: areawide powers (exercised throughout the Borough), non-areawide powers (not exercised within cities), and powers exercised through a service area (a district in which a tax is levied to finance special services provided within the district). The Borough's areawide powers include: assessment and collection of taxes; education; planning and zoning; parks and recreation; ports, harbors and wharves; ambulance service; transportation systems; air pollution control; day care facilities; historic preservation; transient accommodations taxation; and restriction of motorized equipment on lakes and waterways.

The Borough's non-areawide powers include: fireworks; motor vehicles and operators; snow vehicles; solid waste; libraries; septic tank waste disposal; economic development; nudity; limited health and social service; natural gas local improvement districts; electric local improvement districts; animal control; water pollution control; housing rehabilitation and improvement; roads and trails; and emergency services communication center.

Additionally, following voter approval, the Borough is responsible for 30 active service areas for water, sewer, flood, water erosion, fire and/or roads. Service area boards of supervisors are appointed by the Borough Assembly to advise on the affairs of each service area.

School District

The School District is a dependent unit of the Borough, governed by an elected school board. The Borough issues bonds and levies taxes on behalf of the School District. The school system consists of six high schools; five middle schools; seven small attendance area schools; one comprehensive correspondence/home school program; seventeen elementary schools; six charter schools; and five alternative education schools and is the second largest school district in the State, after Anchorage.

School District Enrollment

Fiscal Year Ending June 30	Average Daily Attendance (K-12)	Average Daily Enrollment	Professional Teaching Staff	Number of Schools
2025	19,412	19,067	1,173	48
2024	19,383	19,372	1,098	48
2023	19,292	19,286	1,066	48
2022	18,896	18,886	1,060	47
2021	18,354	17,885	1,237	47
2020	19,609	19,080	1,247	47
2019	17,855	18,932	1,259	47
2018	18,276	18,968	1,243	47
2017	18,153	18,809	1,243	47
2016	18,719	18,465	1,279	47

Source: School District records.

Borough Administration

The administration of the Borough government is directed by the Borough Manager. The Director of Finance is responsible for financial matters. Biographical information with respect to the Borough Manager and the Director of Finance is set forth below:

Mike Brown was appointed Borough Manager in December 2020. He served 21 years in the United States Army as an officer and retired in the Borough in 2013. Mr. Brown began his career in local government with the Borough as the Capital Projects Director in 2013 and spent five years with the School District as the Executive Director of Operations. He has master's degrees in Telecommunications and Military Operational Art and Science.

Cheyenne Heindel was appointed as the Director of Finance of the Borough in January 2017. Ms. Heindel began her career at the Matanuska-Susitna Borough in 1994 as the Assistant Comptroller. In 2004 she was promoted to the Borough Budget & Revenue Division Manager and served in that capacity until she was appointed Interim Director of Finance in July 2016. Prior to her employment at the Borough, she worked as a Certified Public Accountant in Alaska from 1986 to 1994 with Mikunda, Cottrell and Associates, CPAs and Zitzmann & Hanrahan, CPAs. Ms. Heindel has a bachelor's degree in business administration from Boise State University. She is the past President of the Board for the Alaska Municipal League Investment Pool and has served as a board member since 2017.

School District Administration

Dr. Randy Trani was hired to serve as the Superintendent of the School District in 2020. He was born in Denver, Colorado, but grew up in Cordova, Alaska. After teaching all grades, K-12, for eight years at small Alaskan school districts in the 1990s, he moved to Corbett, Oregon, where he served as a Teacher, Principal and Superintendent for 16 years. While at Corbett, he led Corbett Middle School to be named the only School To Watch in Oregon, and Corbett High School to be recognized as one of the top public high schools in the country by Newsweek, The Washington Post, and US News and World Report. Dr. Trani has led the School District to a 700% increase in Advance Placement Achievement, surpassed the State's average performance in both reading and math proficiency, and increased the three -year average graduation rate to its highest level in more than 25 years. Dr. Trani was named the 2026 Superintendent of the Year for the State of Alaska.

Katherine Gardner was selected to serve as the Deputy Superintendent for Business and Operations in February 2023. Mrs. Gardner was born in Palmer, Alaska, and grew up in the Borough. She received a

Bachelor of Science in Business Administration from Kansas State University and a Master of Science in Human Resources Management and Labor Relations with Distinction from the New York Institute of Technology. Before becoming the Deputy Superintendent, Mrs. Gardner served as the School District’s Human Resources Director since 2008.

GENERAL AND ECONOMIC DATA

Description of Borough

The Borough lies in the heart of southcentral Alaska, encompassing more than 25,000 square miles of rolling low land, mountains, lakes, rivers and streams. The Borough includes portions of the Alaska Range to the northwest; portions of the Chugach Mountains to the southeast; and essentially the entire Talkeetna and Clearwater Ranges in its interior. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineate the Borough’s southern boundary.

There are three incorporated cities within the Borough: Palmer, Wasilla, and Houston. Additionally, there are several unincorporated communities and 21 Borough recognized community councils.

The majority of the Borough’s population resides in the “core area,” surrounding the cities of Palmer and Wasilla and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. Two major highways, the Glenn Highway and George Parks Highway, traverse the Borough. Virtually all tourist related highway traffic travels through the Borough via one of these two highways. The Alaska Railroad’s mainline also traverses the Borough connecting southcentral Alaska and Anchorage with interior Alaska.

Population

The population reported from the 2020 census is 107,081. The estimated population for 2025 using the yearly growth rate for the Borough is 116,313, with an estimated population of 2,214 in the City of Houston, 5,908 in the City of Palmer and 9,617 in the City of Wasilla. The Borough remains Alaska’s fastest growing region for the last two decades and is the second most populous municipality in the State, after Anchorage. The 2025 estimated population represents an increase of 8.6% over the 2020 U.S. Census population of 107,081.

The population of the Borough, along with its two largest cities, Palmer and Wasilla, are shown below:

	Population				
	Estimated 2025	2020	2010	2000	1990
Borough.....	116,313	107,081	88,995	59,322	39,683
Wasilla	9,617	8,963	7,831	5,469	4,028
Palmer	5,908	5,997	5,937	4,533	2,866

Sources: Alaska Department of Commerce, Community and Economic Development; 1990, 2000, 2010 and 2020 U.S. Census.

Population Distribution

Age Groups	2020		2005	
	Population	% Total	Population	% Total
Under 25	37,015	34.6%	29,312	39.2%
25-34	14,194	13.3	7,940	10.6
35-44	14,619	13.7	11,961	16.0
45-54	12,885	12.0	13,402	17.9
55-65	14,162	13.2	7,166	9.6
Over 65	14,206	13.3	5,090	6.8
TOTAL	105,743	100.0%	74,871	100.0%

Source: Alaska Department of Labor and Workforce Development.

Originally settled by gold miners in the late 1800s, Palmer is now characterized as the agricultural center of Alaska. The federal government took over the local railroad's efforts to attract settlers to Palmer in 1935.

The Matanuska Valley region has been the State's primary agricultural producer since the mid-1930s. Grains and grasses and commercial vegetables are the major crops; total cropland includes approximately 14,000 acres. In recent years, some land previously devoted to agriculture has been converted to residential use.

Residential and recreational land, the subject of development and subdivision since 1970, is one of the most important Borough resources. The southern portion of the Borough provides residential support to Anchorage. The State estimates that 32% of the working population within the Borough commutes on a regular basis to Anchorage and that 12% commutes to areas outside of southcentral Alaska.

Government, transportation, construction, retail trade and other services provide the bulk of employment within the Borough; agriculture also plays an important role in the economy. Tourism and the development of natural resources, primarily coal and forest products, could expand the economic base in the future.

Employment

There has been significant growth in employment in the Borough. From 2000 to 2012, wage and salary employment in the Borough grew more than 50%, more than four times as fast as Anchorage and Statewide. Most of the growth in the Borough was a result of population growth.

The Borough's employment level and major employment categories are detailed in the tables below. The difference in total employment and employment in the Borough reflects the large portion of the labor force that works in the Anchorage area (approximately 32%) or outside of southcentral Alaska (12%). The relatively high unemployment rate in the Borough reflects the fact that a large number of Borough residents are engaged in part time oil related employment on the North Slope or are seasonal workers in the fishing industry.

While unemployment has traditionally been higher in the Borough and income lower when compared to Statewide figures, the long term trends indicate decreasing differentials in unemployment and income between the Borough and the State. *[Confirm whether 2025 data will be available prior to printing.]*

Borough Labor Force and Unemployment Rate

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Labor Force.....	[]	50,206	49,710	49,476	49,521	47,848	48,361	48,169	48,345
Unemployment Rate ...	[]%	5.06%	4.8%	4.8%	6.0%	8.3%	6.1%	6.8%	7.7%

Borough Employment by Industry

2019 — 2024

	2024	2023	2022	2021	2020	2019
Goods – Producing	[]	3,959	3,969	3,442	3,260	3,015
Natural Resources & Mining.....	[]	299	284	263	242	206
Construction	[]	3,198	3,221	2,834	2,718	2,499
Manufacturing	[]	462	464	345	300	310
Service – Providing	[]	19,626	18,724	18,031	16,416	16,790
Trade, Transportation & Utilities	[]	5,842	5,561	5,466	5,225	4,994
Wholesale Trade	[]	219	188	180	169	N/A
Retail Trade	[]	4,439	4,267	4,212	4,020	3,770
Transportation, Warehousing	[]	830	759	739	691	855
Utilities	[]	353	346	335	345	N/A
Information.....	[]	467	445	446	469	512
Financial Activities	[]	922	927	922	867	859
Professional & Business Services	[]	1,776	1,677	1,642	1,407	1,433
Educational & Health Services.....	[]	5,903	5,688	5,578	5,031	4,962
Leisure & Hospitality Services.....	[]	3,649	3,394	2,986	2,509	3,066
Other Services	[]	1,062	1,024	1,006	891	960
Unclassified establishments	[]	5	10	4	16	4
Government — Total	[]	5,423	5,230	5,127	4,982	5,031
Federal	[]	277	260	243	317	230
State	[]	1,609	1,568	1,523	1,415	1,427
Local.....	[]	3,537	3,402	3,361	3,250	3,374
Total	[]	29,007	27,923	26,600	24,658	24,835

Source: Alaska Department of Labor.

Wages and income have traditionally been lower in the Borough than the average in the State. In 2024, the average monthly wage and salary job in the Borough earned \$[4,574] versus \$[5,663] Statewide. Most of this difference is explained by the employment mix.

Military Bases

Joint Base Elmendorf-Richardson (“JBER”), located in Anchorage, is an important part of the economy of the Anchorage area, including the Borough. According to its website JBER has a population of over [32,000] service members, civilians and family members. In 2010 that number was 17,094 according to an Installation Fact Sheet published in January 2016.

New Construction

The number of units and the value of non-residential construction and residential construction in the Borough in calendar years 2015 to 2024 (measured through December 31 of the preceding year) are set forth in the following table.

Value of New Construction

2015 — 2024

Year	Nonresidential construction		Residential construction	
	Number of Units	Value	Number of Units	Value
2024	4	\$40,586,000	1,197	\$257,753,200
2023	25	12,925,900	756	190,288,200
2022	30	18,955,300	831	179,929,100
2021	97	51,163,528	616	119,334,100
2020	148	73,036,950	658	119,446,000
2019	142	99,825,710	475	97,417,700
2018	235	79,831,600	629	124,037,900
2017	250	89,565,700	533	112,393,300
2016	252	104,608,300	542	120,329,500
2015	57	78,770,200	737	146,167,600

Source: Borough Assessment Department.

Economic Development

The Borough has experienced substantial and sustained growth for the last 40 years. According to an article in the June 2023 edition of the *Alaska Economic Trends Magazine*, the Borough grew even during the pandemic. The Borough’s population has continued to grow, including through migration, even though the State and most areas lost people to migration. The Borough is the only part of Alaska with consistently positive net migration.

In March 2020, the Borough completed a strategic plan centered around three focus areas: (i) economic growth and diversification, (ii) delivering high-quality services and (iii) managing growth. These focus areas continue to inform policy and guide annual budgeting and resource allocation.

Between 2022 and 2023, jobs in the Borough increased 3% and total wages paid increased 9%. [\[is there an update to this statement?\]](#) The Borough has made public infrastructure a priority, with significant investments in transportation, education, water and wastewater, solid waste, and parks and recreation facilities over the past several years. The State Department of Transportation and Public Facilities continues to improve and advance transportation improvements within the Borough in response to the Borough’s rapid population growth and resultant vehicle traffic increases.

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The growth has led to significant economic developments in the Borough. Partnerships with the cities of Palmer and Wasilla to expand existing city water systems have enabled higher density and commercial development within the most populated area of the Borough. For example, The Shoppes at Sun Mountain is a 32-acre mixed use development. The location is just east of downtown Wasilla, among a cluster of large retail stores that include Target, a Walmart Supercenter, Fred Meyer and Lowe’s. The shopping center part of the new development takes up about twenty of the property’s thirty-two acres. Five acres are offices and three acres each are taken up by senior housing and townhouse condominiums. One and a half acres remain open space because it is home to an eagle’s nest and therefore must remain undeveloped. Retail outlets include the first Sonic Drive-In restaurant in Alaska, Alaska Cake Studio, Blue & Gold Boardshop, D’s Tuxedo Formal Wear & Gifts, House of Fire Pizza, Krispy Kreme Doughnuts, Planet Fitness, Tacos Cancun Mexican Grill, and ZAGG Wasilla. In addition, Matanuska Telephone Association relocated its office to The Shoppes. Hilton is also building a 107-room hotel at The Shoppes. A growing number of credit unions such as Credit Union 1 and MAC Federal Credit Union have established

offices in the Borough to serve the growing Borough population. [\[Does the Borough Manager know of any other openings since Spring 2025?\]](#)

The Borough has allocated additional resources to meet the rising demands in areas such as medical services, largely driven by population growth, specifically the expansion of specialty services (including heart and vascular, orthopedic, dermatology and imaging) in the Seward-Meridian area in Wasilla. Medical facilities on Seward Meridian Parkway include Family Medicine of Alaska, Empower Medical & Wellness, Northwest Medical, and Valley Charities. The Southcentral Foundation is an Alaska Native-owned, nonprofit health care organization serving nearly 65,000 Alaska Native and American Indian people living in Anchorage, Matanuska Susitna Valley and 60 rural villages. It is currently undertaking an expansion of its Benteh Nuutah Valley Native Primary Care Center, a two-story 85,000 square foot outpatient health care facility constructed in 2012 in Wasilla. **The proposed expansion includes (i) Phase 1: 126,000 square feet of new construction, two story construction and mechanical penthouse and (ii) Phase 2: 28,000 square feet of remodel.** [\[Update?\]](#)

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[\[Is there an update to the project?\]](#) In 2025, the City of Wasilla accepted an FAA grant to construct approximately 2,000 linear feet of taxiway, 130,000 square feet of aircraft parking apron, 2,350 linear feet of access road and approximately 334,800 square feet of lease lot area as part of a larger expansion effort. The project is part of a shared vision for the airport to become a driving force for diversifying the economy and bringing valuable jobs to Wasilla and the Mat-Su Borough. The Borough is leveraging approximately \$30 million in Federal funding for Port MacKenzie and a future visitor center to extend the life of port facilities and develop tourism opportunities within the Borough. A new barge ramp, intended to create new barging and maintenance opportunities for the Port will begin construction in 2026. The Borough works with the Mat-Su Convention and Visitors Bureau for tourism marketing and operating the new visitor center that will open in the summer of 2026. In 2024, the Borough hosted the Arctic Winter Games, an international sporting event, demonstrating that the Borough is capable of hosting world-class sporting and cultural events

Thirty percent of Denali National Park, which includes Mount McKinley, lies within the Borough. The Borough is one of two major gateways to the Park, the principal tourist destination in Alaska. Over 450,000 recreational visitors visit Denali National Park each year. The National Park Service, the State, and the Borough continue to work together to develop the South Denali Visitor Center in the Borough, which is expected to draw an estimated 250,000 to 300,000 annual visitors.

The Borough continues its support in developing downhill and Nordic ski trails, recreation facilities, bicycle, hiking, and multi-use trail systems for visitors and residents alike. The Settlers Bay Coastal Park is one of the fastest growing areas of the Borough in the Knik/Fairview area. In addition, the Borough continues to work with a local nonprofit organization to develop an alpine (downhill) ski hill at Hatcher Pass. Skeetawk's development as a year-round recreation attractor in the Borough will be an economic accelerator for the southcentral region of Alaska. Skeetawk will function as a day-use facility, meaning overnight accommodations and services that don't directly support alpine recreation activities will occur in other core areas of the Borough. Amenities typically found around alpine recreation facilities (i.e., hotels, bed and breakfasts, restaurants, and other services) will result in opportunities for entrepreneurial growth and business activity. Installing the gondola that supports year-round recreation will ignite and maximize economic growth in the region. Since Skeetawk's first season in 2020, the number of customers utilizing Skeetawk each winter has grown steadily. To meet the demand for more alpine recreation, Skeetawk will install a longer and higher capacity lift. This gondola will transport users higher up the mountain, accessing substantially more skiable acreage and increased difficulty of ski runs. The Borough supports State development to open access to the western side of the Borough with a new road and bridges across the Little Susitna and Susitna Rivers. The goal is to open access to millions of acres of State and Borough lands for resource development, land sales, and recreation access. The first 25 miles of the road with bridges is expected to begin construction in [] 2026.

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The growth in the Borough has resulted in increased traffic volumes, congestion, and safety issues on the existing road network. The Borough is completing \$68 million in transportation improvements from a 2021 voter-approved package that the Borough was able to fund without additional debt. In the past five years, the Borough has initiated or is completing approximately \$200 million in transportation projects by leveraging federal and state funding. Twelve million dollars were local bond funds in addition to the 2026C Bonds.

Port MacKenzie Development

Port MacKenzie is comprised of approximately 9,000 acres of uplands and tidelands dedicated solely to commercial and industrial development. The Port is situated on a deep-water channel that is not dependent on dredging and has the flexibility to handle a variety of Panamax-sized vessels including some of the larger bulk carrier vessels currently in service and calling on ports throughout the world. The Port consists of a waterfront dependent zone with a 15-acre wharf providing access to a 1,200' long deep-water dock, a 375' long barge dock, and a bow ramp berth; and an uplands zone with more than 5,000 acres of developable land for warehouses, laydown area, roads, rail embankment, and a rail loop. The deep-draft dock maintains a depth of 60' at mean low water. The Port is also able to handle smaller oceangoing and river barges at the barge dock and bow ramp. Feeder vessels and barges are often used for both bulk and container operations.

In 2011, a 32-mile-long rail corridor known as the Port MacKenzie Rail Extension (“PMRE”) was approved for construction through the Federal Surface Transportation Board and received funding from the State of Alaska, as part of an effort to improve multimodal capabilities at the Port. As a result of this effort a 200' wide right-of-way was acquired, and general preparation began. Today more than 25 miles of embankment has been constructed, including six rail bridges across water. Once completed, the 32 mile-long rail extension will connect the Alaska Railroad mainline to Port MacKenzie and provide a shorter rail route from Interior Alaska to tidewater, which in turn is expected to substantially boost the export of Alaska’s minerals and natural resources, helping diversify the statewide economy.

Recently the Borough signed land use permits for a potential bulk storage, critical minerals processing facility, and an agreement to market lands for a technology park. An advancing West Susitna Access Road project will open up vast areas of the Susitna valley for development to include future access to mining claims and increased Port activity.

CONTINUING DISCLOSURE

For purposes of complying with paragraph (b)(5)(i) of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240 § 240.15c2-12) (“Rule 15c2-12”), the Borough will execute a Continuing Disclosure Certificate (the “*Disclosure Certificate*”) constituting a written undertaking for the benefit of the holders of the 2026 Bonds to provide continuing disclosure. The form of the Disclosure Certificate is attached as APPENDIX D hereto.

The Borough will undertake to provide or cause to be provided to the Municipal Securities Rulemaking Board (the “MSRB”), in electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, (i) annual financial statements prepared (except as

noted in the financial statements) in accordance with generally accepted accounting principles applicable to Alaska municipalities, as such principles may be changed from time to time, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the Borough they will be provided, and (ii) the annual comprehensive financial report of the Borough. Such information will be provided to the MSRB not later than the last day of the seventh month after the end of each fiscal year of the Borough (currently, not later than January 31 for a fiscal year ending June 30), as such fiscal year may be changed as required or permitted by State law, commencing with the Borough's fiscal year ended June 30, 2026.

The Borough will also undertake to provide or cause to be provided to the MSRB timely notice of the occurrence of certain events with respect to the 2026 Bonds as set forth in the Disclosure Certificate attached as APPENDIX D hereto.

No failure by the Borough to comply with its undertaking shall constitute a default in respect of the 2026 Bonds. The sole remedy of any holder of a 2026 Bond shall be to take such actions as that holder deems necessary, including seeking an order of specific performance from an appropriate court, to compel the Borough to comply with its undertaking. The Borough's undertaking is subject to amendment and termination as set forth in the Disclosure Certificate attached as APPENDIX D hereto.

[**Confirm/update:**] For the fiscal year ended June 30, 2022, the Borough filed its financial statements 11 days late. For the fiscal years ended June 30, 2021 and 2022, the Borough filed its operating data ___ and ___ days late, respectively. The Borough also failed to file notice of a rating upgrade that occurred on May 24, 2024. The Borough has since filed notice of the rating upgrade and notice of these failures to comply with prior undertakings to provide continuing disclosure.

The Borough has adopted procedures to assure future compliance with its continuing disclosure undertakings. Other than as may be described in this section, in the previous five years, the Borough has complied in all material respects with each continuing disclosure undertaking that it has previously entered into pursuant to Rule 15c2-12.

LITIGATION AND REGULATORY PROCEEDINGS

In the ordinary course of business, from time to time the Borough has been and is named as a defendant in lawsuits relating to personnel, commercial and environmental matters, and inverse condemnation proceedings. In addition, the Borough is a plaintiff in various condemnation proceedings to acquire lands for public infrastructure. Although the ultimate effect, if any, of these matters is not presently determinable, the Borough has determined in consultation with counsel that, collectively, such matters will not have a material adverse impact on the finances or operations of the Borough.

[**Confirm updates:**] The Borough secured several federal appropriations from the U.S. Department of Transportation's Federal Transit Administration totaling \$22.0 million for the design and construction of ferry terminal facilities at Port MacKenzie and Anchorage. See "GENERAL AND ECONOMIC DATA – Port MacKenzie Development" herein. A \$3.6 million ferry terminal building at Port MacKenzie was completed in November 2006. The project to establish ferry service was never realized in part because the Municipality of Anchorage never approved any plan for the construction of the Anchorage terminal facility that would be required for any ferry service from Anchorage. A \$70 million icebreaking ferry funded by the U.S. Navy Office of Naval Research was acquired in 2010. Title to the ferry was transferred to the Borough, but because the overall project was deemed non-viable, the ferry was sold to the Philippine Red Cross in June 2016. In August 2014, the Federal Transit Administration requested that the Borough repay the Federal Transit Administration approximately \$12 million for non-use of the ferry and the ferry terminal facilities. In February 2017, the FTA revised the payment demand to \$9.3 million. The Borough anticipates

continuing to negotiate further reductions in the amount owed to the Federal Transit Administration and pursue a multi-year payment plan for the remaining balance.

Upon the delivery of the 2026 Bonds, the Borough will furnish a certificate to the effect that, among other things, other than as disclosed in this section of this Official Statement, there is no litigation pending in any court to restrain or enjoin the issuance or delivery of the 2026 Bonds, or in any way contesting the validity or enforceability of the 2026 Bonds or the Bond Ordinance.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Borough of the 2026 Bonds are subject to the legal opinion of Foster Garvey PC, of Seattle, Washington, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, of Chicago, Illinois. The proposed form of the opinion of Bond Counsel is attached as APPENDIX B hereto. The opinion of Bond Counsel is given based on factual representations made to Bond Counsel, and under existing law, as of the date of initial delivery of the 2026 Bonds, and Bond Counsel assumes no obligation to revise or supplement its opinion to reflect any facts or circumstances that may thereafter come to its attention, or any changes in law that may thereafter occur. Bond Counsel will be compensated only upon the issuance and sale of the 2026 Bonds. From time to time, Bond Counsel serves as counsel to the Underwriter and to the Municipal Advisor on transactions unrelated to the 2026 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not guarantee a particular result, or become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

MUNICIPAL ADVISOR

In connection with the authorization and issuance of the 2026 Bonds, the Borough has retained Hilltop Securities Inc. as municipal advisor (the "*Municipal Advisor*") to the Borough in the offering of the 2026 Bonds. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement or any other related information available to the Borough with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

UNDERWRITING

RBC Capital Markets, LLC (the "*Underwriter*" or "*RBCCM*") has agreed to purchase, subject to certain conditions (i) the 2026A Bonds at a price of \$_____ (reflecting an underwriting discount of \$_____ and [net] [original issue discount / bond premium] of \$_____), (ii) the 2026B Bonds at a price of \$_____ (reflecting an underwriting discount of \$_____ and [net] original issue discount / bond premium] of \$_____), and (iii) the 2026C Bonds at a price of \$_____ (reflecting an underwriting discount of \$_____). The Underwriter's obligation to purchase the 2026 Bonds is subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the 2026 Bonds if any 2026 Bonds are purchased.

The prices and other terms respecting the offering and sale of the 2026 Bonds may be changed from time to time by the Underwriter after the 2026 Bonds are released for sale, and the 2026 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the 2026 Bonds into investment accounts. In connection with the offering of the 2026 Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the 2026 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Borough. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Borough.

RBCCM has entered into a distribution arrangement with its affiliate City National Securities, Inc. (“CNS”). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the 2026 Bonds.

FINANCIAL STATEMENTS

The financial statements of the Borough as of and for the year ended June 30, 2025, included in this Official Statement as APPENDIX A hereto have been audited by Altman Rogers & Co., independent certified public accountants, as stated in their report thereon.

CERTAIN VERIFICATIONS

Upon delivery of the 2026 Bonds, Causey Public Finance, LLC will deliver its report to the Borough and the Underwriter, stating that the firm, at the request of the Borough and the Underwriter, has examined the arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the sufficiency of principal and interest received on Government Obligations to be applied, together with other available funds, to timely pay the principal, redemption premium if any and interest on the Prior Bonds.

RATINGS

Fitch Ratings has assigned the 2026 Bonds a rating of “[]” ([] outlook). S&P Global Ratings has assigned the 2026 Bonds a rating of “[]” ([] outlook). The Borough is not obligated to keep such ratings outstanding over the term of the 2026 Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the 2026 Bonds.

A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The Borough has furnished to the

rating agencies certain information and materials relating to the 2026 Bonds and the Borough, including certain information and materials which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information, materials, and investigations, studies and assumptions by the respective rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price and marketability of the 2026 Bonds.

TAX MATTERS

2026AB Bonds

Exclusion From Gross Income for Federal Income Tax Purposes. In the opinion of Bond Counsel, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issue date of the 2026AB Bonds, interest on the 2026AB Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax applicable to individuals. However, interest on the 2026AB Bonds will be taken into account in determining adjusted financial statement income that may be subject to the alternative minimum tax applicable to certain corporations.

Continuing Requirements. The Borough is required to comply with certain requirements of the Code after the date of issuance of the 2026AB Bonds in order to maintain the exclusion of the interest on the 2026AB Bonds from gross income for federal income tax purposes, including, without limitation, requirements concerning the qualified use of 2026AB Bond proceeds and the facilities financed or refinanced with 2026AB Bond proceeds, limitations on investing gross proceeds of the 2026AB Bonds in higher yielding investments in certain circumstances, and the requirement to comply with the arbitrage rebate requirement to the extent applicable to the 2026AB Bonds. The Borough has covenanted in the Bond Ordinance to comply with those requirements, but if the Borough fails to comply with those requirements, interest on the 2026AB Bonds could become taxable retroactive to the date of issuance of the 2026AB Bonds. Bond Counsel has not undertaken and does not undertake to monitor the Borough’s compliance with such requirements.

Tax on Certain Passive Investment Income of S Corporations. Under Section 1375 of the Code, certain excess net passive investment income, including interest on the 2026AB Bonds, received by an S corporation (a corporation treated as a partnership for most federal tax purposes) that has Subchapter C earnings and profits at the close of the taxable year may be subject to federal income taxation at the highest rate applicable to corporations if more than 25% of the gross receipts of such S corporation is passive investment income.

Foreign Branch Profits Tax. Interest on the 2026AB Bonds may be subject to the foreign branch profits tax imposed by Section 884 of the Code when the 2026AB Bonds are owned by, and effectively connected with a trade or business of, a United States branch of a foreign corporation.

Possible Consequences of Tax Compliance Audit. The Internal Revenue Service (the “IRS”) has established a general audit program to determine whether issuers of tax -exempt obligations, such as the 2026AB Bonds, are in compliance with requirements of the Code that must be satisfied in order for interest on those obligations to be, and continue to be, excluded from gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS would commence an audit of the 2026AB Bonds. Depending on all the facts and circumstances and the type of audit involved, it is possible that commencement of an audit of the 2026AB Bonds could adversely affect the market value and liquidity of the 2026AB Bonds until the audit is concluded, regardless of its ultimate outcome.

State Tax Exemption. In the opinion of Bond Counsel, interest on the 2026AB Bonds is free from taxation by the State of Alaska except for transfer, estate and inheritance taxes.

Reduction of Loss Reserve Deductions for Property and Casualty Insurance Companies. Under Section 832 of the Code, interest on the 2026AB Bonds received by property and casualty insurance companies will reduce tax deductions for loss reserves otherwise available to such companies by an amount equal to 25% of tax exempt interest received during the taxable year.

Effect on Certain Social Security and Retirement Benefits. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take receipts or accruals of interest on the 2026AB Bonds into account in determining gross income.

Other Possible Federal Tax Consequences. Receipt of interest on the 2026AB Bonds may have other federal tax consequences as to which prospective purchasers of the 2026AB Bonds may wish to consult their own tax advisors.

Potential Future Federal Tax Law Changes. From time to time, there are legislative proposals in Congress which, if enacted into law, could adversely affect the tax treatment, market value or marketability of the 2026AB Bonds. It cannot be predicted whether future legislation may be proposed or enacted that would affect the federal tax treatment of interest received on the Bonds. Prospective purchasers of the 2026AB Bonds should consult with their own tax advisors regarding any proposed or pending legislation that would change the federal tax treatment of interest on the 2026AB Bonds.

2026C Bonds

The following discussion generally describes certain aspects of the principal U.S. federal tax treatment of U.S. persons that are beneficial owners (“Owners”) of 2026C Bonds who have purchased 2026C Bonds in the initial offering and who hold the 2026C Bonds as capital assets within the meaning of Section 1221 of the Code. For purposes of this discussion, a “U.S. person” means an individual who, for U.S. federal income tax purposes, is (1) a citizen or resident of the United States, (2) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source of income, or (4) a trust, if either: (A) a United States court is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust or (b) a trust has a valid election in effect to be treated as a United States person under the applicable treasury regulations.

This summary is based on the Code, published revenue rulings, administrative and judicial decisions, and existing and proposed Treasury regulations (all as of the date hereof and all of which are subject to change, possibly with retroactive effect). This summary does not discuss all of the tax consequences that may be relevant to an Owner in light of its particular circumstances, such as an Owner who may purchase 2026C Bonds in the secondary market, or to Owners subject to special rules, such as certain financial institutions, insurance companies, tax-exempt organizations, non-U.S. persons, taxpayers who may be subject to the personal holding company provisions of the Code, or dealers in securities. **Accordingly, before deciding whether to purchase any 2026C Bonds, prospective purchasers should consult their own tax advisors regarding the United States federal income tax consequences, as well as tax consequences under the laws of any state, local or foreign taxing jurisdiction or under any applicable tax treaty, of purchasing, holding, owing and disposing of the 2026C Bonds.**

In General. Interest on the 2026C Bonds is not excludable from the gross income of the Owners for federal income tax purposes, and Owners of the 2026C Bonds will not be allowed any federal tax credits as a result of ownership of or receipt of interest payments on the 2026C Bonds.

Payments of Interest. Interest paid on the 2026C Bonds will generally be taxable to Owners as ordinary interest income at the time it accrues or is received, in accordance with the Owner's method of accounting for U.S. federal income tax purposes. Owners who are cash-method taxpayers will be required to include interest in income upon receipt of such interest payment; Owners who are accrual-method taxpayers will be required to include interest as it accrues, without regard to when interest payments are actually received.

Defeasance of 2026C Bonds. If the Borough defeases any 2026C Bonds, such 2026C Bonds may be deemed to be retired for federal income tax purposes as a result of the defeasance. In such event, the Owner of a defeased 2026C Bond would recognize a taxable gain or loss on the defeased 2026C Bond equal to the difference between the amount realized from the deemed retirement of the 2026C Bond and the Owner's adjusted tax basis in the 2026C Bond.

Information Reporting and Backup Withholding. Payments of interest on the 2026C Bonds generally will be subject to U.S. information reporting and may be subject to backup withholding. An Owner may, under certain circumstances, be subject to "backup withholding" (currently at the rate of 24%, but subject to change in the future) with respect to "reportable payments," which include interest on the 2026C Bonds and proceeds of a sale, exchange, redemption, retirement or other disposition of the 2026C Bonds. This withholding generally applies if the Owner of a 2026C Bond (1) fails to furnish the Bond Registrar or other payor with its taxpayer identification number; (2) furnishes the Bond Registrar or other payor an incorrect taxpayer identification number; (3) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (4) under certain circumstances, fails to provide the Bond Registrar or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the Owner is not subject to backup withholding. Any amount withheld may be creditable against the Owner's U.S. federal income tax liability and be refundable to the extent it exceeds the Owner's U.S. federal income tax liability. The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the 2026C Bonds will be reported to the Owners and to the Internal Revenue Service.

ERISA CONSIDERATIONS

The Employees Retirement Income Security Act of 1974, as amended ("*ERISA*"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "*Plans*") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans should consult their own tax advisors with respect to the consequences of any investment in the 2026C Bonds.

MISCELLANEOUS

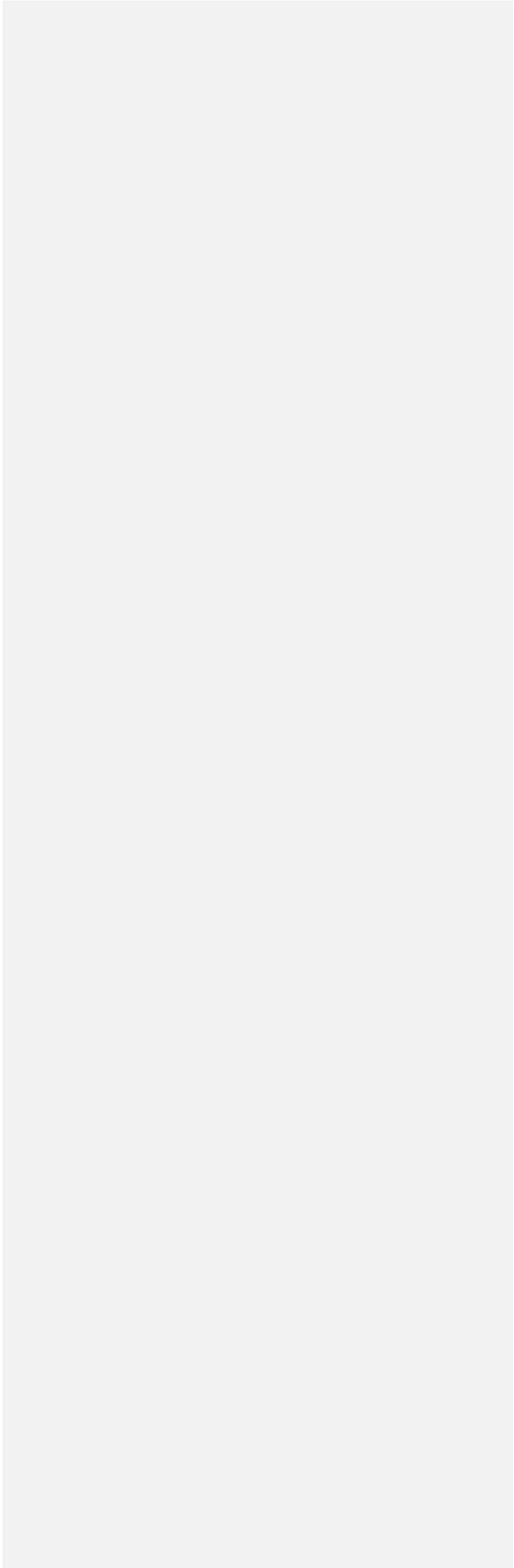
The summaries or descriptions of provisions in the Bond Ordinance and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such documents or provisions and reference is hereby made to the complete documents relating to such matters for further information, copies of which will be furnished by the Borough on request.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

The Borough has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the Borough's Director of Finance on behalf of the Matanuska-Susitna Borough, Alaska.

MATANUSKA-SUSITNA BOROUGH

Director of Finance



APPENDIX A
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

APPENDIX B
PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX C
BOOK-ENTRY SYSTEM

BOOK-ENTRY SYSTEM

The following information has been provided by The Depository Trust Company, New York, New York (“DTC”). The Borough makes no representation regarding the accuracy or completeness thereof. Each actual purchaser of a 2025 Bond (a “Beneficial Owner”) should therefore confirm the following with DTC or the Participants (as hereinafter defined).

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the 2026 Bonds, in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with Direct Participants, “Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2025 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC’s records reflect only the

identity of the Direct Participants to whose accounts such 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Bond documents. For example, Beneficial Owners of the 2026 Bonds may wish to ascertain that the nominee holding the 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Bonds of like maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's Operational Arrangements and the Issuer/Paying Agent General Operating Procedures ("*MMI Procedures*"). Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal (and redemption proceeds) and interest payments on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal (and redemption proceeds) and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2026 Bonds at any time by giving reasonable notice to the Borough or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of the book-entry transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

