



**City of Kodiak
Financial Update**

July 1, 2021 – January 31, 2022

This page intentionally left blank.



February 22, 2022

Mayor Branson and City Council Members
Kodiak, Alaska 99615

Dear Mayor and Council Members:

Enclosed is the financial update for the first six months of fiscal year 2022. The period of this report covers July 1, 2021 through January 31, 2022.

The City's fiscal year end is June 30 each year. Due to the timing of sales tax payments, fiscal year fourth quarter payments are due July 31. The City records the activity in the corresponding June month to record a full year of sales tax payments for the corresponding quarters. As such, the due dates for the Council quarterly reports will coincide to the due dates and recording of all sales tax payments for the corresponding quarters. The fiscal year covered by this report will only report the current fiscal year's activity.

Purpose

The purpose of this report is to provide the Mayor and City Council with financial updates throughout the fiscal year.

Document Organization

The Council Financial Update presents information for the following funds: General Fund, Tourism Fund, Enhancement Fund, Cargo Fund, Harbor Fund, Shipyard Fund, Harbor Electric Fund, Water Fund, Sewer Fund, Trident Basin Fund, and E-911 Services Fund. Funds not included are the Street Assessment funds and Capital Project funds.

Each fund will provide an overview of revenues and expenses by sub-department. These will be compared to the current year budget for the same time period.

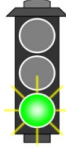
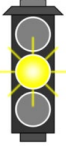
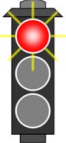
For comparability and ease of use, we have utilized a Traffic Signal indicator. These indicators will guide you through a more efficient assessment of the budget versus actual components. These indicators will fall within a percentage variance of Budget versus Actual for the reporting period of the financial update. This is calculated as follows:

- Annual Budget divided by 12 months = Average Monthly Budget
- Monthly Budget multiplied by the # of months in the reporting period = Reporting Period Budget
- Reporting Period Budget less Actual Revenues or Expenditures in the Reporting Period = \$ Variance
- \$ Variance Divided By the Reporting Period Budget = Budget to Actual Percentage Variance

All significant Budget versus Actual Percentage Variances that result in a Yellow Traffic Light or Red Traffic Light indicator will be accompanied by further explanations.



Traffic Light Indicators

<u>Traffic Light Color</u>	<u>Symbol</u>	<u>Expenses - Trigger Points</u>	<u>Revenues - Trigger Points</u>
Green		Budget to Actual Percentage Variance for the reporting period includes all items that are Under Budget	Budget to Actual Percentage Variance for the reporting period includes all items that are Over Budget
Yellow		Budget to Actual Percentage Variance for the reporting period is less than 25% Over Budget	Budget to Actual Percentage Variance for the reporting period is less than 25% Under Budget
Red		Budget to Actual Percentage Variance for the reporting period is greater than 25% Over Budget	Budget to Actual Percentage Variance for the reporting period is greater than 25% Under Budget

The remainder of this report will show the General Fund revenues and expenses for each sub-department, the Special Revenue funds’ revenues and expenses, and the Enterprise funds’ revenues and expenses. The Traffic Light indicators and signifying events noted above will be shown through each of these funds, departments, and sub-departments.

Conclusion

The directors and City Manager are available to provide further explanations as we work through this fiscal year.

Very respectfully,



Julie Liew
Finance Director



General Fund Overview

The reporting period shows total general fund revenues of \$10,517,394 and total general fund expenses of \$10,469,243. This equates to a surplus for the seven months ended January 31, 2022 (i.e. the reporting period) of \$48,151.

While overall revenues are under budget for the reporting period, you should note the following items:

- **Sales taxes:** Sales taxes are seasonal in Kodiak and will fluctuate based on the quarter. Typically, sales tax revenues are higher in the quarter ending June 30 and September 30 each year. However, due to accrual based accounting requirements, the City records an entry at the end of each fiscal year for proper financial reporting. For the reporting period ending January 31, 2022, the actual amounts reported do not include the online sales tax payments for the October to December 2021 quarter due to timing of payments.
- **Net Investment Income:** Interest rates have declined as a result of the impact the COVID-19 had on the U.S. and global economy.

While overall expenses are under budget for the reporting period, you should note the following items:

- **One-time insurance expenditures:** Each year, the City budgets insurance allocations from the internal service fund for insurance premiums to the general fund and each of the enterprise funds. These expenses are shown one time at the beginning of each fiscal year.
- **One-time capital expenditures:** Each year, the City departments budget for one-time capital expenditure needs for equipment, vehicles, software, etc. Depending upon timing and availability of the capital equipment needs requested, these funds may be spent early or late in the fiscal year.
- **Staffing:** Staffing across all departments may fluctuate year over year. Positions that were filled at the beginning of the fiscal year may become vacant or vice versa. All budgeted positions approved by the City Council each fiscal year are budgeted. Due to the recruiting process and the amount of qualified applicants, these positions may be vacant for several weeks before being filled. Therefore, many departments may show under budget due to staffing vacancies.



General Fund Budget versus Actual Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Sales Tax	\$ 14,547,500	\$ 8,486,042	\$ 5,627,156	\$ (2,858,886)	-34%	Under	
Property Tax	\$ 1,100,000	\$ 641,667	\$ 1,201,630	\$ 559,963	87%	Over	
Licenses and Permits	\$ 50,300	\$ 29,342	\$ 76,382	\$ 47,040	160%	Over	
Intergovernmental	\$ 1,482,279	\$ 864,663	\$ 1,119,652	\$ 254,989	29%	Over	
Charges for Services	\$ 1,929,282	\$ 1,125,415	\$ 1,002,265	\$ (123,150)	-11%	Under	
Fines and Forfeitures	\$ 3,000	\$ 1,750	\$ 4,662	\$ 2,912	166%	Over	
Net Investment Income	\$ 50,000	\$ 29,167	\$ -	\$ (29,167)	-100%	Under	
Rents and Royalties	\$ 150,000	\$ 87,500	\$ 98,377	\$ 10,877	12%	Over	
Miscellaneous Revenues	\$ 8,500	\$ 4,959	\$ 1,102	\$ (3,857)	-78%	Under	
Interfund Charges	\$ 1,583,532	\$ 923,727	\$ 1,208,768	\$ 285,041	31%	Over	
Transfers In	\$ 177,400	\$ 103,484	\$ 177,400	\$ 73,916	71%	Over	
Total General Fund Revenues	\$ 21,081,793	\$ 12,297,716	\$ 10,517,394	\$ (1,780,322)	-14%		



General Fund Budget versus Actual Revenues

Sales Tax:

Reporting Period Budget: \$8,486,042 Actual: \$ 5,627,156 Variance: -34%

Sales tax is reported on a quarterly basis. As such, at the beginning of each fiscal year, July 31, the fourth quarter for the previous fiscal year is due. An accrual entry is made for fourth quarter sales tax each year to record sales tax revenues in the proper reporting period. Therefore, this reporting period will show sales tax reported and recorded as of January 31 (October, November, and December 2021 sales tax) and all prior sales tax reporting from July 1 through January 31, 2022. Businesses have historically reported less during this quarter due to seasonal activity in Kodiak. Remote sales tax contributed \$418,634 to the total sales tax collected during this reporting period and staff will continue to monitor sales tax as we work through the fiscal year.

Property Tax:

Reporting Period Budget: \$641,667 Actual: \$ 1,201,630 Variance: 87%

Property taxes are paid in two annual installments that typically occur in October and January each fiscal year.

Licenses and Permits:

Reporting Period Budget: \$40,150 Actual: \$ 22,844 Variance: 160%

Licenses and permits consist of taxi, building, electric, and plumbing permits along with animal and other licenses issued by the City. These will fluctuate based on need throughout the fiscal year. Typically more permits are issued during the spring months in anticipation for the upcoming construction season.

Charges for Services:

Reporting Period Budget: \$1,125,415 Actual: \$ 1,002,265 Variance: -11%

Charges for services consist of State contracts for boarding prisoners, animal control contract and fees, ambulance service fees, parks and recreation fees, library fees, and public works fees. State contracts are paid on a quarterly basis while parks and recreation and library fees are based upon user activity. As these departments move through different seasonal programs, enrollment in these programs will fluctuate quarter over quarter.

Fines and forfeitures:

Reporting Period Budget: \$1,750 Actual: \$ 4,662 Variance: 166%

Fines and forfeitures are primarily from police related activities. These are miscellaneous charges that are received throughout the year. City staff anticipates these charges to fluctuate on a quarterly basis.

Net Investment Income:

Reporting Period Budget: \$25,000 Actual: \$ - Variance: 100%

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



General Fund Budget versus Actual Expenses

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Legislative	\$ 232,011	\$ 135,340	\$ 97,285	\$ (38,055)	-28%	Under	
Legal Services	\$ 60,000	\$ 35,000	\$ 31,269	\$ (3,731)	-11%	Under	
Administrative Departments	\$ 3,474,885	\$ 2,027,017	\$ 1,619,898	\$ (407,119)	-20%	Under	
Public Safety and Life Safety	\$ 9,273,924	\$ 5,409,789	\$ 4,312,680	\$ (1,097,109)	-20%	Under	
Public Works and Engineering	\$ 2,524,919	\$ 1,472,870	\$ 1,141,824	\$ (331,046)	-22%	Under	
Parks & Recreation and Library	\$ 2,522,107	\$ 1,471,230	\$ 1,147,729	\$ (323,501)	-22%	Under	
Nondepartmental	\$ 2,671,306	\$ 1,558,262	\$ 2,118,503	\$ 560,241	36%	Over	
Total General Fund Expenses	<u>\$ 20,759,152</u>	<u>\$ 12,109,508</u>	<u>\$ 10,469,243</u>	<u>\$ (1,640,265)</u>	<u>-14%</u>		

Non-departmental:

Non-departmental includes several one-time allocations and transfers made at the beginning of each fiscal year for the entire year. These allocations, contributions, and transfers include: (1) annual citywide insurance allocations; (2) council directed annual nonprofit grant contributions; (3) downtown maintenance; and (4) general fund transfers to capital project funds. All other non-departmental expenses are those expenses not attributable to a specific fund. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



General Fund
Budget versus Actual
Administration Departments – Expenses

	For Seven Months Ended January 31, 2022					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Executive Administration	\$ 948,078	\$ 553,046	\$ 453,093	\$ (99,953)	-18%	Under	
Emergency Preparedness	\$ 75,300	\$ 43,925	\$ 18,111	\$ (25,814)	-59%	Under	
City Clerk Administration	\$ 332,382	\$ 193,890	\$ 160,079	\$ (33,811)	-17%	Under	
City Clerk Records Management	\$ 195,132	\$ 113,827	\$ 70,725	\$ (43,102)	-38%	Under	
Finance Administration & Utilities	\$ 1,069,454	\$ 623,849	\$ 497,191	\$ (126,658)	-20%	Under	
Finance IT	\$ 854,539	\$ 498,482	\$ 420,698	\$ (77,784)	-16%	Under	
Total General Fund Administration Expenses	<u>\$ 3,474,885</u>	<u>\$ 2,027,019</u>	<u>\$ 1,619,898</u>	<u>\$ (407,121)</u>	<u>-20%</u>		



General Fund
Budget versus Actual
Public Safety and Life Safety Departments – Expenses

	For Six Months Ended December 31, 2020					Over or Under	
	Annual Budget	Reporting Period (6 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	Indicator
Police Administration	\$ 800,446	\$ 400,223	\$ 311,901	\$ (88,322)	-22%	Under	
Police Station Bond Payments	\$ 451,650	\$ 225,825	\$ 340,575	\$ 114,750	51%	Over	
Police Uniform Patrol & Substation	\$ 2,196,142	\$ 1,098,071	\$ 173,591	\$ (924,480)	-84%	Under	
Police Corrections	\$ 1,481,058	\$ 740,529	\$ 585,239	\$ (155,290)	-21%	Under	
Police Investigations	\$ 343,301	\$ 171,651	\$ 82,416	\$ (89,235)	-52%	Under	
Police Dispatch Services	\$ 449,483	\$ 224,742	\$ 66,710	\$ (158,032)	-70%	Under	
Police Animal Control	\$ 272,624	\$ 136,312	\$ 166,591	\$ 30,279	22%	Over	
Police Drug Enforcement	\$ 213,724	\$ 106,862	\$ 77,502	\$ (29,360)	-27%	Under	
Police Community Services	\$ 183,624	\$ 91,812	\$ 90,520	\$ (1,292)	-1%	Under	
Police Canine	\$ 6,679	\$ 3,340	\$ 3,340	\$ (0)	0%	Under	
Police School Resources	\$ 156,095	\$ 78,048	\$ 3,846	\$ (74,202)	-95%	Under	
Fire Administration	\$ 3,145,890	\$ 1,572,945	\$ 344,942	\$ (1,228,003)	-78%	Under	
Total General Fund Public Safety & Life Safety Expenses	\$ 9,700,716	\$ 4,850,360	\$ 2,247,173	\$ (2,603,187)	-54%		



General Fund
Budget versus Actual
Public Safety & Life Safety Expenses

Police Station Bond Payments:

Reporting Period Budget: \$261,071

Actual: \$ 341,075

Variance: 31%

The City has an outstanding general obligation bond for the construction of the police station during fiscal year 2022. This bond was refinanced during fiscal year 2016. During refinancing, the bond principal and interest payments changed to December and June each fiscal year. Due to the timing of payments, City staff anticipates the principal and interest payments to remain consistent with the fiscal year 2022 budget.



General Fund
Budget versus Actual
Public Works and Engineering Departments – Expenses

	<u>For Seven Months Ended January 31, 2022</u>					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Public Works Administration	\$ 137,223	\$ 80,047	\$ 83,896	\$ 3,849	5%	Over	
Public Works Streets	\$ 1,490,016	\$ 869,176	\$ 617,650	\$ (251,526)	-29%	Under	
Public Works Garage	\$ 315,964	\$ 184,313	\$ 160,176	\$ (24,137)	-13%	Under	
Public Works Building Inspectors	\$ 331,171	\$ 193,184	\$ 171,834	\$ (21,350)	-11%	Under	
Public Works Municipal Airport	\$ 34,275	\$ 19,994	\$ 12,652	\$ (7,342)	-37%	Under	
Engineering	\$ 216,270	\$ 126,158	\$ 95,617	\$ (30,541)	-24%	Under	
Total General Fund Public Works & Engineering Expenses	\$ 2,524,919	\$ 1,472,872	\$ 1,141,824	\$ (331,048)	-22%		



General Fund
Budget versus Actual
Parks & Recreation and Library Departments – Expenses

	For Seven Months Ended January 31, 2022					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
	Parks & Recreation Administration	\$ 788,673	\$ 460,060	\$ 341,468	\$ (118,592)		
Parks & Recreation Museum	\$ 107,200	\$ 62,534	\$ 76,533	\$ 13,999	22%	Over	
Parks & Recreation Teen Center	\$ 277,183	\$ 161,691	\$ 137,573	\$ (24,118)	-15%	Under	
Parks & Recreation Aquatics	\$ 258,059	\$ 150,535	\$ 125,896	\$ (24,639)	-16%	Under	
Parks & Recreation Ice Rink	\$ 166,434	\$ 97,087	\$ 78,561	\$ (18,526)	-19%	Under	
Parks & Recreation Beautification	\$ 13,000	\$ 7,584	\$ 2,290	\$ (5,294)	-70%	Under	
Library Administration	\$ 911,558	\$ 531,743	\$ 385,407	\$ (146,336)	-28%	Under	
Total General Fund Parks & Recreation and Library Expenses	\$ 2,522,107	\$ 1,471,234	\$ 1,147,729	\$ (323,505)	-22%		

Parks & Recreation Museum:

Reporting Period Budget: \$62,534

Actual: \$ 76,533

Variance: 22%

Parks and Recreation Museum department includes a quarterly contract with the Kodiak Historical Society. These quarterly payments are made at the beginning of each quarter. The July 1, 2021 and October 1, 2021 and January 1, 2022 payments are included in the actual totals for the reporting period, causing a timing difference. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



General Fund
Budget versus Actual
Non-departmental Expenses

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Nondepartmental Administration	\$ 682,542	\$ 398,150	\$ 536,033	\$ 137,883	35%	Over	
Nondepartmental Contributions	\$ 175,000	\$ 102,084	\$ 175,000	\$ 72,916	71%	Over	
Nondepartmental Downtown Maintenance	\$ 39,000	\$ 22,750	\$ 7,470	\$ (15,280)	-67%	Under	
Nondepartmental Transfers	\$ 1,774,764	\$ 1,035,279	\$ 1,400,000	\$ 364,721	35%	Over	
Total NonDepartmental Expenses	\$ 2,671,306	\$ 1,558,263	\$ 2,118,503	\$ 560,240	36%		

Non-departmental:

Non-departmental includes several one-time allocations and transfers made at the beginning of each fiscal year for the entire year. These allocations, contributions, and transfers include: (1) annual citywide insurance allocations; (2) council directed annual nonprofit grant contributions; (3) downtown maintenance; and (4) general fund transfers to capital project funds. All other non-departmental expenses are those expenses not attributable to a specific department. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Special Revenue Funds Overview

Tourism Fund:

The reporting period shows total revenues of \$138,137 and total expenses of \$141,100. This equates to a deficit for the five months ended January 31, 2022 (i.e. the reporting period) of \$(2,963).

While the Tourism fund shows an overall deficit, you should note the following items:

- **Hotel / Motel taxes:** Hotel / Motel taxes are seasonal in Kodiak and will fluctuate based on the quarter. Typically, sales tax revenues are higher in the quarter ending June 30 and September 30 each year.

Enhancement Fund:




The reporting period shows total revenues of \$31,932 and total expenses of \$3,985. This equates to a surplus for the five months ended January 31, 2022 (i.e. the reporting period) of \$27,947.

While the Enhancement fund shows an overall surplus, you should note the following items:

Net Investment Income: The City utilizes risk-based measures to ensure that public funds are invested in low-risk markets. Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



Tourism Fund Budget versus Actual Revenues and Expenses

For Seven Months Ended January 31, 2022							
Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator	
Hotel / Motel Tax Revenues	\$ 200,000	\$ 116,667	\$ 138,137	\$ 53,915	46%	Over	
Net investment income	\$ 2,000	\$ 1,167	\$ -	\$ (1,167)	-100%	Under	
Administrative Expenses	\$ 202,000	\$ 117,834	\$ 141,100	\$ 119,100	101%	Over	
Tourism Fund - Net Revenues Less Expenses	\$ 404,000	\$ 235,668	\$ (2,963)	\$ (238,631)	-101%		

Net Investment Income:

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



Administrative Expenses:

Administrative expenses include quarterly payments to the Chamber of Commerce and Discover Kodiak. These are expended on the first day of each quarter for the entire fiscal year. The actual expenses noted above include two quarterly payments for July 1, and October 1. In addition, this fund includes annual allocations for services performed by administration, parks and recreation, and public works departments. These allocations are recorded for the entire year at the beginning of each fiscal year. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Enhancement Fund Budget versus Actual Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Net Investment Income	\$50,000	\$ 29,167	\$ (8,519)	\$ (37,686)	-129%	Under	
Rents and Royalties	\$40,000	\$ 23,334	\$40,451	\$ 17,117	73%	Over	
Enhancement Fund Total Revenues	\$90,000	\$ 52,501	\$31,932	\$ 20,569	39%		

Net Investment Income:

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



This page intentionally left blank.



Enterprise Funds Overview

Cargo Fund:

The reporting period shows total revenues of \$1,144,621 and total expenses of \$581,253. This equates to a surplus for the five months ended January 31, 2022 (i.e. the reporting period) of \$563,368.

Boat Harbor Fund:

The reporting period shows total revenues of \$2,402,943 and total expenses of \$1,601,140. This equates to surplus for the five months ended January 31, 2022 (i.e. the reporting period) of \$801,803.

Ship Yard Fund:

The reporting period shows total revenues of \$126,823 and total expenses of \$374,989. This equates to a deficit for the five months ended January 31, 2022 (i.e. the reporting period) of \$(248,166).

Harbor Electric Fund:

The reporting period shows total revenues of \$456,430 and total expenses of \$367,476. This equates to a surplus for the five months ended January 31, 2022 (i.e. the reporting period) of \$88,954.

Water Utility Fund:

The reporting period shows total revenues of \$2,703,710 and total expenses of \$1,454,713. This equates to a surplus for the five months ended January 31, 2022 (i.e. the reporting period) of \$1,248,997.

Sewer Utility Fund:

The reporting period shows total revenues of \$3,144,413 and total expenses of \$1,957,672. This equates to a surplus for the five months ended January 31, 2022 (i.e. the reporting period) of \$1,186,741.

Trident Basin Fund:

The reporting period shows total revenues of \$46,892 and total expenses of \$48,690. This equates to a deficit for the five months ended January 31, 2022 (i.e. the reporting period) of \$(1,797).

E-911 Services Fund:

The reporting period shows total revenues of \$478,165 and total expenses of \$556,199. This equates to a deficit for the five months ended January 31, 2022 (i.e. the reporting period) of \$(78,035).

While overall expenses are under budget for the reporting period, you should note the following items:

- **Annual insurance and interfund allocations:** Insurance and interfund administration charges are allocated once a year to the enterprise funds. These charges are allocated at the beginning of each fiscal year to cover the entire year.
- **One-time capital expenditures:** Each year, the City departments budget for one-time capital expenditure needs for equipment, vehicles, software, etc. Depending upon timing and availability of the capital equipment needs requested, these funds may be spent early or late in the fiscal year.
- **Staffing:** Staffing across all departments may fluctuate year over year. Positions that were filled at the beginning of the fiscal year may become vacant or vice versa. All budgeted positions approved by the City Council each fiscal year are budgeted. Due to the recruiting process and the amount of qualified applicants, these positions may be vacant for several weeks before being filled. Therefore, many departments may show under budget due to staffing vacancies.



Cargo Fund
Budget versus Actual
Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 7,506	\$ 4,379	\$ -	\$ (4,379)	-100%	Under	
Charges for Services	\$ 1,375,000	\$ 802,084	\$ 941,456	\$ 139,372	17%	Over	
Net Investment Income	\$ 15,000	\$ 8,750	\$ -	\$ (8,750)	-100%	Under	
Rentals	\$ 275,000	\$ 160,417	\$ 187,554	\$ 27,137	17%	Over	
Miscellaneous Revenue	\$ -	\$ -	\$ 15,611	\$ 15,611	100%	Over	
Total Cargo Revenues	\$ 1,672,506	\$ 975,630	\$ 1,144,621	\$ 168,991	17%		

PERS on Behalf:

PERS on Behalf payments are made by the State of Alaska throughout the year based on City reported payrolls. The City records this allocation on an annual basis at the end of the fiscal year. While the actual amount shows \$-0- received for the reporting period, thus resulting in an under-budget amount, this is actually due to the timing of the allocation made at the end of the year.

Net Investment Income:

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



Cargo Fund Budget versus Actual Expenses

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under	Indicator
						Budget for the Reporting Period	
Cargo Administration	\$ 555,510	\$ 324,048	\$ 392,709	\$ 68,661	21%	Over	
Interfund Charges	\$ 159,217	\$ 92,877	\$ 159,217	\$ 66,340	71%	Over	
Warehouse	\$ 42,500	\$ 24,792	\$ 6,068	\$ (18,724)	-76%	Under	
Pier II	\$ 1,802,232	\$ 1,051,302	\$ 21,648	\$ (1,029,654)	-98%	Under	
Pier III	\$ 32,400	\$ 18,900	\$ 1,611	\$ (17,289)	-91%	Under	
Total Cargo Expenses	<u>\$2,591,859</u>	<u>\$1,511,919</u>	<u>\$ 581,253</u>	<u>\$ (930,666)</u>	<u>-62%</u>		

Interfund Charges:

Interfund charges are one-time allocations for the entire year. These are recorded at the beginning of each fiscal year. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Harbor Fund Budget versus Actual Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 37,759	\$ 22,027	\$ 614	\$ (21,413)	-97%	Under	
Charges for Services	\$ 2,508,368	\$ 1,463,215	\$ 2,258,783	\$ 795,568	54%	Over	
Pier I Charges for Services	\$ 13,000	\$ 7,584	\$ -	\$ (7,584)	-100%	Under	
Net Investment Income	\$ 26,000	\$ 15,167	\$ 20,171	\$ 5,004	33%	Over	
Rentals	\$ 67,260	\$ 39,235	\$ 40,320	\$ 1,085	3%	Over	
Miscellaneous Revenues	\$ 7,300	\$ 4,259	\$ 3,592	\$ (667)	-16%	Under	
Interfund Charges	\$ 79,463	\$ 46,354	\$ 79,463	\$ 33,109	100%	Over	
Total Harbor Revenues	\$ 2,739,150	\$ 1,597,841	\$ 2,402,943	\$ 805,102	50%		

PERS on Behalf:

PERS on Behalf payments are made by the State of Alaska throughout the year based on City reported payrolls. The City records this allocation on an annual basis at the end of the fiscal year. While the actual amount shows \$-0- received for the reporting period, thus resulting in an under-budget amount, this is actually due to the timing of the allocation made at the end of the year.

Pier I Charges for Services:

Pier I Charges for services were implemented upon signing the agreement with the State of Alaska for the new ferry dock terminal. Per this agreement, separate subsections of revenues and expenses related to Pier I must be maintained. City staff will continue to monitor throughout the fiscal year and adjust the budget accordingly.

Miscellaneous Revenue:

These revenues are miscellaneous in nature and will fluctuate year over year. These revenues are under budget for the reporting period due to the timing of payments. City staff anticipates these revenues to align over the course of the fiscal year.



Harbor Fund Budget versus Actual Expenses

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Harbor Administration	\$ 3,216,443	\$ 1,876,259	\$ 1,325,159	\$ (551,100)	-29%	Under	
Interfund Charges	\$ 273,190	\$ 159,361	\$ 273,190	\$ 113,829	71%	Over	
Pier I Expenses	\$ 28,500	\$ 16,625	\$ 2,791	\$ (13,834)	-83%	Under	
Total Harbor Expenses	\$ 3,518,133	\$ 2,052,245	\$ 1,601,140	\$ (451,105)	-22%		

Interfund Charges:

Interfund charges are one-time allocations for the entire year. These are recorded at the beginning of each fiscal year. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Shipyard Fund Budget versus Actual Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 1,198	\$ 699	\$ -	\$ (699)	-100%	Under	
Charges for Services	\$ 468,000	\$ 273,000	\$ 91,776	\$ (181,224)	-66%	Under	
Net Investment Income	\$ 500	\$ 292	\$ -	\$ (292)	-100%	Under	
Miscellaneous Revenue	\$ 60,000	\$ 35,000	\$ 35,047	\$ 47	0%	Over	
Total Shipyard Revenues	\$ 529,698	\$ 308,991	\$ 126,823	\$ (182,168)	-59%		

Charges for Services:

Charges for services will fluctuate based on the number of vessels lifted and stored in the yard for a period of time. In August 2020, the shipyard operations was outsourced to Highmark Marine Fabrication, LLC. The number of vessel lifts and the number of vessels in the yard have increased as compared to prior years.

Net Investment Income:

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



Miscellaneous Revenues:

These revenues include the rental income – service contracts and other miscellaneous and will fluctuate year over year. City staff will continue to monitor these revenues throughout the fiscal year.



Shipyard Fund
Budget versus Actual
Expenses

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Shipyard Administration	\$ 815,695	\$ 475,823	\$ 278,849	\$ (196,974)	-41%	Under	
Interfund Charges	\$ 96,140	\$ 56,082	\$ 96,140	\$ 40,058	71%	Over	
Total Shipyard Expenses	\$ 911,835	\$ 531,905	\$ 374,989	\$ (156,916)	-30%		

Interfund Charges:

Interfund charges are one-time allocations for the entire year. These are recorded at the beginning of each fiscal year. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Water Utility Fund Budget versus Actual Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Penalties & Interest	\$ 27,000	\$ 15,750	\$ 20,335	\$ 4,585	29%	Over	
PERS On Behalf	\$ 21,042	\$ 12,275	\$ -	\$ (12,275)	-100%	Under	
Charges for Services	\$ 4,799,200	\$ 2,799,534	\$ 2,680,402	\$ (119,132)	-4%	Under	
Net Investment Income	\$ 30,000	\$ 17,500	\$ -	\$ (17,500)	-100%	Under	
Miscellaneous Revenues	\$ 5,000	\$ 2,917	\$ 2,973	\$ 56	2%	Over	
Total Water Revenues	\$ 4,882,242	\$ 2,847,976	\$ 2,703,710	\$ (144,266)	-5%		

Penalties & Interest:

Penalties and interest are charged on past due water utility accounts. These will fluctuate based on the user's timely payments.

PERS on Behalf:



PERS on Behalf payments are made by the State of Alaska throughout the year based on City reported payrolls. The City records this allocation on an annual basis at the end of the fiscal year. While the actual amount shows \$-0- received for the reporting period, thus resulting in an under-budget amount, this is actually due to the timing of the allocation made at the end of the year.

Net Investment Income:

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



Water Utility Fund Budget versus Actual Expenses

For Seven Months Ended January 31, 2022							
	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Water Distribution	\$ 2,809,299	\$ 1,638,758	\$ 1,135,186	\$ (503,572)	-31%	Under	
Water Treatment	\$ 518,733	\$ 302,595	\$ 319,527	\$ 16,932	6%	Over	
Total Water Utility Expenses	\$ 3,328,032	\$ 1,941,353	\$ 1,454,713	\$ (486,640)	-25%		

Water Distribution:

Insurance and interfund administration charges are allocated once a year to the Water Distribution department. These charges are allocated at the beginning of each fiscal year to cover the entire year. Other expenses within this department are falling within the specified budget parameters for the reporting periods.

Water Treatment:

Insurance and interfund administration charges are allocated once a year to the Water Treatment department. These charges are allocated at the beginning of each fiscal year to cover the entire year. Other expenses within this department are falling within the specified budget parameters for the reporting periods. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Sewer Utility Fund Budget versus Actual Revenues

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 34,425	\$ 20,082	\$ -	\$ (20,082)	-100%	Under	
Charges for Services	\$ 5,387,404	\$ 3,142,653	\$ 3,139,564	\$ (3,089)	0%	Under	
Net Investment Income	\$ 20,000	\$ 11,667	\$ -	\$ (11,667)	-100%	Under	
Miscellaneous Revenues	\$ -	\$ -	\$ 4,849	\$ 4,849	100%	Over	
Total Sewer Revenues	\$ 5,441,829	\$ 3,174,402	\$ 3,144,413	\$ (29,989)	-1%		

PERS on Behalf:

PERS on Behalf payments are made by the State of Alaska throughout the year based on City reported payrolls. The City records this allocation on an annual basis at the end of the fiscal year. While the actual amount shows \$-0- received for the reporting period, thus resulting in an under-budget amount, this is actually due to the timing of the allocation made at the end of the year.

Charges for Services:

Charges for Services are slightly below budget but above prior year.

Net Investment Income:

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded in the Central Treasury and allocated on a quarterly basis to each of the funds. At the timing of this report, the allocations have not been recorded.



Sewer Utility Fund Budget versus Actual Expenses

For Seven Months Ended January 31, 2022

	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Sewer Transfers	\$ -	\$ -	\$ -	\$ -	0%	Over	
Sewer Collection	\$ 785,746	\$ 458,352	\$ 529,768	\$ 71,416	16%	Over	
Wastewater Treatment	\$ 2,946,421	\$ 1,718,746	\$ 1,192,109	\$ (526,637)	-31%	Under	
Compost	\$ 482,646	\$ 281,544	\$ 235,795	\$ (45,749)	-16%	Under	
Total Sewer Utility Expenses	\$ 4,214,813	\$ 2,458,642	\$ 1,957,672	\$ (500,970)	-20%		

Sewer Utility Expenses:

Insurance and interfund administration charges are allocated once a year to the Sewer Collection department. These charges are allocated at the beginning of each fiscal year to cover the entire year. Other expenses within this department are falling within the specified budget parameters for the reporting periods. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Harbor Electric Fund Budget versus Actual Revenues and Expenses

	For Seven Months Ended January 31, 2022					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (7 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Revenues - Charges for Services	\$ 584,500	\$ 340,959	\$ 456,430	\$ 115,471	34%	Over	
Revenues - Net Investment Income	\$ 1,286	\$ 751	\$ -	\$ (751)	-100%	Under	
Administration Expenses	\$ 525,960	\$ 306,810	\$ 314,547	\$ 7,737	3%	Over	
Interfund Charges	\$ 52,929	\$ 30,876	\$ 52,929	\$ 22,053	71%	Over	
Harbor Electric Fund - Net Revenues Less Expenses	<u>\$ 6,897</u>	<u>\$ 4,024</u>	<u>\$ 88,954</u>	<u>\$ 84,930</u>	<u>2111%</u>		

Revenues – Charges for Services:




The Harbor Electric Enterprise Fund provides electricity to users currently residing within the Boat Harbor. These revenues will fluctuate each month based on the number of users. Expenses related to acquiring electricity to provide to the end users will directly correlate with the amount of revenue received. City staff anticipates these revenues and corresponding expenses to fluctuate. City staff will continue to monitor these revenues and expenses throughout the fiscal year.

Interfund Charges:

Interfund charges are one-time allocations for the entire year. These are recorded at the beginning of each fiscal year. While the budget to actual percentage variance shows an overage for the reporting period, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.



Trident Basin Fund Budget versus Actual Revenues and Expenses

	For Seven Months Ended January 31, 2022					Over or Under	Indicator
	Annual	Reporting		Budget	Budget	Budget	
	Budget	Period (7 Months) Budget	Actual	versus Actual \$ Variance	versus Actual % Variance	for the Reporting Period	
Revenues - Charges for Services	\$ 15,000	\$ 8,750	\$ 14,378	\$ 5,628	64%	Over	
Revenues - Rentals	\$ 40,000	\$ 23,334	\$ 32,514	\$ 9,180	39%	Over	
Administration Expenses	\$ 310,777	\$ 181,287	\$ 48,690	\$(132,597)	-73%	Under	
Trident Basin Fund - Net Revenues Less Expenses	<u>\$(255,777)</u>	<u>\$(149,203)</u>	<u>\$ (1,797)</u>	<u>\$ 147,406</u>	<u>-99%</u>		

Revenues:

Charges for services consist of moorage and quarry royalties.

Administrative Expenses:

The Trident Basin Airport Fund administrative expenses consist of insurance and depreciation expenses, security patrols and waste utility service.



E-911 Services Fund Budget versus Actual Revenues and Expenses

For Seven Months Ended January 31, 2022						
Annual Budget	Reporting Period (Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Revenues - PERS	\$ 19,839	\$ 11,573	\$ -	\$ (11,573)	-100%	Under
Revenues - E-911 Surcharge	\$ 450,000	\$ 262,500	\$ 478,165	\$ 215,665	82%	Over
Administration Expenses	\$ 969,377	\$ 565,470	\$ 556,199	\$ (9,271)	-2%	Under
E-911 Services Fund - Net Revenues Less Expenses	<u>\$ (499,538)</u>	<u>\$ (291,397)</u>	<u>\$ (78,035)</u>	<u>\$ 213,362</u>	<u>-73%</u>	

Revenues – E-911 Surcharge:

The City receives payments from the Kodiak Island Borough under the Alaska State Statue for the E-911 surcharge on all landline and cellular telephones. At the timing of this report, the second quarterly payment from the Kodiak Island Borough has been received.

Administration Expenses:

The E-911 Fund administration expenses consist of 70% of dispatch staff salaries and benefits, emergency staff training, professional services for maintaining the E-911 system.



This page intentionally left blank.