



**City of Kodiak  
Financial Update**

**July 1, 2022 – April 30, 2023**

June 8, 2023

Mayor Branson and City Council Members  
Kodiak, Alaska 99615

Dear Mayor and Council Members:

Enclosed is the financial update for the first ten months of fiscal year 2023. The period of this report covers July 1, 2022 through April 30, 2023. The schedule below will provide you with the next scheduled financial updates.

Quarter	Reporting Period	Due Date
Quarter 1	July, August, September, October	2nd full Week in November
Quarter 2	November, December, January	First Full Week in April
Quarter 3	February, March, April	2nd full Week in May
Quarter 4	May, June	2nd full Week in August

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.

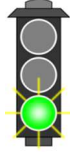
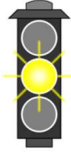
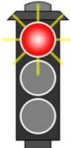
Each fund will provide an overview of revenues and expenses by sub-department. These will be compared to the current year budget for the same time period.

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 equal to or greater than 25% Over Budget	Budget to Actual Percentage Variance for the reporting period is equal to or 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,

David Freswick  
 June Freswick  
 Staff with Espelin & Associates, llc

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## **General Fund Overview**

The reporting period shows total general fund revenues of \$18,647,354 and total general fund expenses of \$21,360,808. This equates to a deficit for the ten months ended April 30, 2023 (i.e. the reporting period) of \$(2,713,454).

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 April 30, 2023, the actual amounts reported include the sales tax payments for the September 2022 through March 2023 quarters.
- **Rents and Royalties:**  
Rents and royalties are comprised of various lease agreements for City owned property. These lease agreements have various terms and payment dates. City staff will continue to monitor these agreements throughout the remainder of the fiscal year.

While overall expenses are over 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 number 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.
- **Non-departmental:**  
Transfers to other departments from the General Fund make up almost the entire over budget amount.

# General Fund Budget versus Actual Revenues

**For Ten Months Ended April 30, 2023**

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicato
Sales Tax	\$ 15,547,500	\$ 12,956,250	\$ 11,817,346	\$ (1,138,904)	-9%	Under	
Property Tax	\$ 1,205,000	\$ 1,004,167	\$ 1,205,406	\$ 201,239	20%	Over	
Licenses and Permits	\$ 101,000	\$ 84,167	\$ 188,738	\$ 104,571	124%	Over	
Intergovernmental	\$ 1,419,139	\$ 1,182,616	\$ 1,418,406	\$ 235,790	20%	Over	
Charges for Services	\$ 1,955,482	\$ 1,629,569	\$ 1,856,210	\$ 226,641	14%	Over	
Fines and Forfeitures	\$ 3,500	\$ 2,917	\$ 9,503	\$ 6,586	226%	Over	
Net Investment Income	\$ 50,000	\$ 41,667	\$ 95,784	\$ 54,117	130%	Over	
Rents and Royalties	\$ 150,000	\$ 125,000	\$ 121,164	\$ (3,836)	-3%	Under	
Miscellaneous Revenues	\$ 6,000	\$ 5,000	\$ 218,807	\$ 213,807	4276%	Over	
Interfund Charges	\$ 1,712,922	\$ 1,427,435	\$ 1,715,990	\$ 288,555	20%	Over	
Appropriation - Fund Bal	\$ 5,113,324	\$ 4,261,104	\$ -	\$ (4,261,104)	-100%	Under	
<b>Total General Fund Revenues</b>	<b>\$ 27,263,867</b>	<b>\$ 18,458,788</b>	<b>\$ 18,647,354</b>	<b>\$ 188,566</b>	<b>1%</b>		

**General Fund  
Budget versus Actual  
Revenues**

**Sales Tax:**

**Reporting Period Budget: \$12,956,250                      Actual: \$11,817,346                      Variance: - 9%**

Sales tax is reported on a quarterly basis. As such, at the end of the first month 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 March 31 for the quarters September 2022 through March 2023. Businesses have historically reported less during the 1st quarter and the 2<sup>nd</sup> quarter due to seasonal activity in Kodiak.

**Rents and Royalties:**

**Reporting Period Budget: \$125,000                      Actual: \$121,164                      Variance: - 3%**

The budgeted amount for this has not changed since 2020. All leases, rents and royalties have been posted through the end of April.








**Appropriation – Fund Balance:**

**Reporting Period Budget: \$4,261,104                      Actual: \$0                      Variance: - 100%**

Appropriation will only be used if necessary and only the necessary amount will be appropriated.

## General Fund Budget versus Actual Expenses - Overview

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Legislative	\$ 235,671	\$ 196,393	\$ 141,971	\$ (54,422)	-28%	Under	
Legal Services	\$ 60,000	\$ 50,000	\$ 68,463	\$ 18,463	37%	Over	
Administrative Departments	\$ 4,384,110	\$ 3,653,425	\$ 2,828,685	\$ (824,740)	-23%	Under	
Public Safety and Life Safety	\$ 9,637,149	\$ 8,030,958	\$ 6,882,744	\$ (1,148,214)	-14%	Under	
Public Works and Engineering	\$ 2,486,660	\$ 2,072,217	\$ 1,890,256	\$ (181,961)	-9%	Under	
Parks & Recreation and Library	\$ 2,558,234	\$ 2,131,862	\$ 1,791,386	\$ (340,476)	-16%	Under	
Nondepartmental	\$ 7,902,043	\$ 6,585,036	\$ 7,757,303	\$ 1,172,267	18%	Over	
<b>Total General Fund Expenses</b>	<b>\$ 27,263,867</b>	<b>\$ 22,719,891</b>	<b>\$ 21,360,808</b>	<b>\$ (1,359,083)</b>	<b>-6%</b>		

### Legal Services:

**Reporting Period Budget: \$50,000      Actual: \$68,463      Variance: 37%**

It appears there were unanticipated legal expenses starting around February 2023. The monthly expenses have been higher since that time.

### Non-departmental:







**Reporting Period Budget: \$6,585,036      Actual: \$7,757,303      Variance: 18%**

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. The entire overage amount is from one-time annual transfers to capital project funds.















## General Fund Budget versus Actual Administration Departments – Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Executive Administration	\$ 940,207	\$ 783,506	\$ 679,797	\$ (103,709)	-13%	Under	
Emergency Preparedness	\$ 48,228	\$ 40,190	\$ 22,967	\$ (17,223)	-43%	Under	
City Clerk Administration	\$ 355,610	\$ 296,342	\$ 264,901	\$ (31,441)	-11%	Under	
City Clerk Records Management	\$ 268,361	\$ 223,635	\$ 124,941	\$ (98,694)	-44%	Under	
Finance Administration & Utilities	\$ 1,790,513	\$ 1,492,095	\$ 985,696	\$ (506,399)	-34%	Under	
Finance IT	\$ 981,191	\$ 817,660	\$ 750,383	\$ (67,277)	-8%	Under	
<b>Total General Fund Administration Expenses</b>	<b>\$ 4,384,110</b>	<b>\$ 3,653,428</b>	<b>\$ 2,828,685</b>	<b>\$ (824,743)</b>	<b>-23%</b>		

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

	<b>For Ten Months Ended April 30, 2023</b>						Indicator
	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
Police Administration	\$ 1,009,814	\$ 841,512	\$ 743,368	\$ (98,144)	-12%	Under	
Police Station Bond Payments	\$ 446,950	\$ 372,459	\$ 346,475	\$ (25,984)	-7%	Under	
Police Uniform Patrol & Substation	\$ 2,089,785	\$ 1,741,488	\$ 1,664,427	\$ (77,061)	-4%	Under	
Substation	\$ 9,000	\$ 7,500	\$ 3,310	\$ (4,190)	-56%	Under	
Police Corrections	\$ 1,435,708	\$ 1,196,424	\$ 1,176,831	\$ (19,593)	-2%	Under	
Police Investigations	\$ 312,704	\$ 260,587	\$ 171,030	\$ (89,557)	-34%	Under	
Police Dispatch Services	\$ 465,874	\$ 388,229	\$ 325,809	\$ (62,420)	-16%	Under	
Police Animal Control	\$ 306,281	\$ 255,235	\$ 252,282	\$ (2,953)	-1%	Under	
Police Drug Enforcement	\$ 192,481	\$ 160,401	\$ 8,986	\$ (151,415)	-94%	Under	
Police Community Services	\$ 203,564	\$ 169,637	\$ 78,950	\$ (90,687)	-53%	Under	
Police Canine	\$ 6,680	\$ 5,567	\$ 6,689	\$ 1,122	20%	Over	
Fire Administration	\$ 3,158,308	\$ 2,631,924	\$ 2,104,587	\$ (527,337)	-20%	Under	
<b>Total General Fund Public Safety &amp; Life Safety Expenses</b>	<b>\$ 9,637,149</b>	<b>\$ 8,030,963</b>	<b>\$ 6,882,744</b>	<b>\$ (1,148,219)</b>	<b>-14%</b>		







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

**Police Canine:**

**Reporting Period Budget: \$5,567                      Actual: \$6,689                      Variance: 20%**

The Vehicle Replacement Fund expense is a quarterly entry posted at the beginning of each quarter. The Actual amount includes the expense for the entire year and other than \$10.00 the Vehicle Replacement Fund is the only expense budgeted in this sub-department.

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

	For Ten Months Ended April 30, 2023						Indicator
	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
Public Works Administration	\$ 165,833	\$ 138,195	\$ 109,813	\$ (28,382)	-21%	Under	
Public Works Streets	\$ 1,376,789	\$ 1,147,325	\$ 1,068,506	\$ (78,819)	-7%	Under	
Public Works Garage	\$ 306,329	\$ 255,275	\$ 267,799	\$ 12,524	5%	Over	
Public Works Building Inspectors	\$ 388,837	\$ 324,031	\$ 318,275	\$ (5,756)	-2%	Under	
Public Works Municipal Airport	\$ 20,219	\$ 16,850	\$ 17,073	\$ 223	1%	Over	
Engineering	\$ 228,653	\$ 190,545	\$ 108,790	\$ (81,755)	-43%	Under	
<b>Total General Fund Public Works &amp; Engineering Expenses</b>	<b>\$2,486,660</b>	<b>\$2,072,221</b>	<b>\$1,890,256</b>	<b>\$ (181,965)</b>	<b>-9%</b>		

**Public Works Garage**

**Reporting Period Budget: \$255,275                      Actual: \$ 267,799                      Variance: 5%**

The public works garage had higher employee labor related costs. The Salaries and Wages were lower but other line items were more than anticipated. City staff will continue to monitor this.







**Public Works Municipal Airport**

**Reporting Period Budget: \$16,850                      Actual: \$ 17,073                      Variance: 1%**

Insurance and bonding-insurance for the entire year is posted as a one-time allocation at the beginning of the 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 year.

# General Fund

## Budget versus Actual Parks & Recreation and Library Departments – Expenses

For Ten Months Ended April 30, 2023							
	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Parks & Recreation Administration	\$ 815,598	\$ 679,665	\$ 592,089	\$ (87,576)	-13%	Under	
Parks & Recreation Teen Center	\$ 310,886	\$ 259,072	\$ 216,064	\$ (43,008)	-17%	Under	
Parks & Recreation Aquatics	\$ 262,823	\$ 219,020	\$ 195,551	\$ (23,469)	-11%	Under	
Parks & Recreation Ice Rink	\$ 166,959	\$ 139,133	\$ 145,248	\$ 6,115	4%	Over	
Parks & Recreation Beautification	\$ 12,300	\$ 10,250	\$ 2,546	\$ (7,704)	-75%	Under	
Library Administration	\$ 989,668	\$ 824,724	\$ 639,888	\$ (184,836)	-22%	Under	
<b>Total General Fund Parks &amp; Recreation and Library Expenses</b>	<b>\$2,558,234</b>	<b>\$2,131,864</b>	<b>\$1,791,386</b>	<b>\$(340,478)</b>	<b>-16%</b>		

**Parks & Recreation Ice Rink**

**Reporting Period Budget: \$139,133**






**Actual: \$ 145,248**

**Variance: 4%**

Nearly the entire over budget amount is caused by Health Insurance.

## General Fund Budget versus Actual Non-departmental Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Nondepartmental Administration	\$ 788,811	\$ 657,343	\$ 628,979	\$ (28,364)	-4%	Under	
Nondepartmental Museum	\$ 107,200	\$ 89,334	\$ 114,250	\$ 24,916	28%	Over	
Nondepartmental Contributions	\$ 201,200	\$ 167,667	\$ 201,200	\$ 33,533	20%	Over	
Nondepartmental Downtown Maintenance	\$ 24,000	\$ 20,000	\$ 30,708	\$ 10,708	54%	Over	
Nondepartmental Transfers	\$ 6,780,832	\$ 5,650,694	\$ 6,782,166	\$ 1,131,472	20%	Over	
<b>Total NonDepartmental Expenses</b>	<b>\$ 7,902,043</b>	<b>\$ 6,585,038</b>	<b>\$ 7,757,303</b>	<b>\$ 1,172,265</b>	<b>18%</b>		

### Non-departmental - ALL:

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.

### Non-departmental Museum:

**Reporting Period Budget: \$89,334                      Actual: \$114,250                      Variance: 28%**

Non-departmental Museum includes a quarterly contract with the Kodiak Historical Society. These quarterly payments are made at the beginning of each quarter. 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. Additionally, due to an increase in Utility Service costs there is currently an over budget amount for utilities.

### Non-departmental Downtown Maintenance:

**Reporting Period Budget: \$20,000                      Actual: \$30,708                      Variance: 54%**

Non-departmental Downtown Maintenance over budget amount was caused by the costs associated with the Downtown Plaza.

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## Special Revenue Funds Overview




Tourism Fund:

The reporting period shows total revenues of \$267,196 and total expenses of \$235,600. This equates to a surplus for the ten months ended April 30, 2023 (i.e. the reporting period) of \$31,596.

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.

### Tourism Fund Budget versus Actual Revenues and Expenses

	For Ten Months Ended April 30, 2023					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Hotel / Motel Tax Revenues	\$ 250,000	\$ 208,333	\$ 252,286	\$ 43,953	21%	Over	
Net investment income	\$ 2,000	\$ 1,667	\$ 14,910	\$ 13,243	794%	Over	
Administrative Expenses	\$ 252,000	\$ 210,000	\$ 235,600	\$ 25,600	12%	Over	
<b>Tourism Fund - Net Revenues Less Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,596</b>	<b>\$ 31,596</b>			

#### Tourism Fund Administrative Expenses

**Reporting Period Budget: \$210,000**

**Actual: \$235,600**

**Variance: 12%**

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 quarter. The actual expenses noted above include four quarterly payments for July 1, October 1, January 1 and April 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 but will continue to monitor this area.







Enhancement Fund:

The reporting period shows total revenues to be a gain of \$172,644 with the only expense being the bank service fees.

**Enhancement Fund  
Budget versus Actual  
Revenues**

**For Ten Months Ended April 30, 2023**

	Annual Budget	Reporting Period (10 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	\$ 41,667	\$ 77,307	\$ 35,640	86%	Over	
Rents and Royalties	\$ 90,000	\$ 75,000	\$ 106,338	\$ 31,338	42%	Over	
Appropriation - Fund Bal	\$ (132,000)	\$ (110,000)	\$ -	\$ 110,000	-100%	Under	
Bank Service Fees	\$ 8,000	\$ 6,667	\$ 11,001	\$ 4,334	65%	Over	
<b>Enhancement Fund Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 172,644</b>	<b>\$ (172,644)</b>			

**Appropriation – Fund Balance**

The appropriation is a negative revenue amount so it is therefore equivalent to an expense. Though the Over or Under Budget column shows this as an under revenue, since it is negative the Under indicates that funds have not been spent so the Indicator should be green.

**Bank Service Fees:**

In September 2016 Alaska Permanent Capital Management Company (APCM) was retained to manage the Enhancement Fund portfolio. The fees paid to APCM are based on the current balance in the Fund. With the transfer of funds in February 2023 the service fees increased which resulted in the overage in bank service fees.

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## **Enterprise Funds Overview**

### **Cargo Fund:**

The reporting period shows total revenues of \$1,851,535 and total expenses of \$2,054,053. This equates to a deficit for the ten months ended April 30, 2023 (i.e. the reporting period) of \$(202,518).

### **Boat Harbor Fund:**

The reporting period shows total revenues of \$2,793,236 and total expenses of \$2,937,452. This equates to a deficit for the ten months ended April 30, 2023 (i.e. the reporting period) of \$(144,216).

### **Ship Yard Fund:**

The reporting period shows total revenues of \$327,348 and total expenses of \$687,832. This equates to a deficit for the ten months ended April 30, 2023 (i.e. the reporting period) of \$(360,484).

### **Harbor Electric Fund:**

The reporting period shows total revenues of \$657,172 and total expenses of \$571,942. This equates to a surplus for the ten months ended April 30, 2023 (i.e. the reporting period) of \$85,230.

### **Water Utility Fund:**

The reporting period shows total revenues of \$4,943,657 and total expenses of \$2,805,366. This equates to a surplus for the ten months ended April 30, 2023 (i.e. the reporting period) of \$2,138,291.

### **Sewer Utility Fund:**

The reporting period shows total revenues of \$4,996,857 and total expenses of \$4,477,989. This equates to a surplus for the ten months ended April 30, 2023 (i.e. the reporting period) of \$518,868.

### **Trident Basin Fund:**

The reporting period shows total revenues of \$56,390 and total expenses of \$245,195. This equates to a deficit for the ten months ended April 30, 2023 (i.e. the reporting period) of \$(188,804).

### **E-911 Services Fund:**







The reporting period shows total revenues of \$224,590 and total expenses of \$784,755. This equates to a deficit for the ten months ended April 30, 2023 (i.e. the reporting period) of \$(560,165).

While overall expenses are over budget in total 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 number 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 Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 8,847	\$ 7,373	\$ 4,215	\$ (3,158)	-43%	Under	
Charges for Services	\$ 1,700,000	\$ 1,416,667	\$ 1,389,980	\$ (26,687)	-2%	Under	
Net Investment Income	\$ 35,000	\$ 29,167	\$ 178,321	\$ 149,154	511%	Over	
Rentals	\$ 245,000	\$ 204,167	\$ 266,064	\$ 61,897	30%	Over	
Miscellaneous	\$ -	\$ -	\$ 12,954	\$ 12,954		Over	
Appropriation - Fund Bal	\$ 666,910	\$ 555,759	\$ -	\$ (555,759)	-100%	Under	
<b>Total Cargo Revenues</b>	<b>\$2,655,757</b>	<b>\$2,213,133</b>	<b>\$ 1,851,535</b>	<b>\$ (361,598)</b>	<b>-16%</b>		

### 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. The City has been notified that the State is not funding as much into PERS on Behalf as they have done in the past. City staff will continue to monitor PERS on Behalf throughout the fiscal year.

### Charges for Services:






Cruise Ship Revenue is significantly below budget.

### Appropriation – Fund Balance:

The appropriation is budgeted but will only be appropriated if needed and only the amount needed will be transferred. At this point no appropriation has been utilized.

## Cargo Fund Budget versus Actual Expenses

For Ten Months Ended April 30, 2023









	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Cargo Administration	\$ 670,694	\$ 558,912	\$ 550,268	\$ (8,644)	-2%	Under	
Interfund Charges	\$ 153,931	\$ 128,276	\$ 153,931	\$ 25,655	20%	Over	
Warehouse	\$ 6,500	\$ 5,417	\$ 5,270	\$ (147)	-3%	Under	
Pier II	\$ 1,802,232	\$ 1,501,860	\$ 1,344,338	\$ (157,522)	-10%	Under	
Pier III	\$ 22,400	\$ 18,667	\$ 245	\$ (18,422)	-99%	Under	
<b>Total Cargo Expenses</b>	<u>\$ 2,655,757</u>	<u>\$ 2,213,132</u>	<u>\$ 2,054,053</u>	<u>\$ (159,079)</u>	<u>-7%</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 Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 43,467	\$ 36,223	\$ 15,674	\$ (20,549)	-57%	Under	
Charges for Services	\$ 2,486,895	\$ 2,072,413	\$ 2,512,987	\$ 440,574	21%	Over	
Pier I Charges for Services		\$ -	\$ -	\$ -			
Net Investment Income	\$ 50,000	\$ 41,667	\$ 73,731	\$ 32,064	77%	Over	
Rentals	\$ 67,260	\$ 56,050	\$ 61,367	\$ 5,317	9%	Over	
Miscellaneous Revenues	\$ 3,300	\$ 2,750	\$ 50,802	\$ 48,052	1747%	Over	
Interfund Charges	\$ 78,675	\$ 65,563	\$ 78,675	\$ 13,112	20%	Over	
Appropriation - Fund Bal	\$ 1,321,552	\$ 1,101,294	\$ -	\$ (1,101,294)	-100%	Under	
<b>Total Harbor Revenues</b>	<b>\$ 4,051,149</b>	<b>\$ 3,375,960</b>	<b>\$ 2,793,236</b>	<b>\$ (582,724)</b>	<b>-17%</b>		

### 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. The City has been notified that the State is not funding as much into PERS on Behalf as they have done in the past. City staff will continue to monitor PERS on Behalf throughout the fiscal year.

### Appropriation – Fund Balance:

The appropriation is budgeted but will only be appropriated if needed and only the amount needed will be transferred. At this point no appropriation has been utilized.

## Harbor Fund Budget versus Actual Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Harbor Administration	\$ 3,586,079	\$ 2,988,400	\$ 2,491,227	\$ (497,173)	-17%	Under	
Interfund Charges	\$ 297,733	\$ 248,111	\$ 297,733	\$ 49,622	20%	Over	
Transfers to Ship Yard	\$ 143,837	\$ 119,865	\$ 143,837	\$ 23,972	20%	Over	
Pier I Expenses	\$ 23,500	\$ 19,584	\$ 4,655	\$ (14,929)	-76%	Under	
<b>Total Harbor Expenses</b>	<b>\$ 4,051,149</b>	<b>\$ 3,375,960</b>	<b>\$ 2,937,452</b>	<b>\$ (438,508)</b>	<b>-13%</b>		

### 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.

### Transfers to Ship Yard:

When the Ship Yard was established and the Marine Travel Lift purchased, the City Council approved revenue bonds and the establishment of the Ship Yard Enterprise Fund. This documentation includes a provision that the Boat Harbor Enterprise Fund would fund the Ship Yard if it was unable to meet operating expenditures. The fiscal year 2023 budget included a transfer to the Ship Yard fund for operations. As transfers occur once at the beginning of each fiscal year, City staff does not anticipate the actual expenses to exceed budget for the annual fiscal period.

## Shipyard Fund Budget versus Actual Revenues

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 1,387	\$ 1,156	\$ 540	\$ (616)	-53%	Under	
Charges for Services	\$ 128,500	\$ 107,084	\$ 129,512	\$ 22,428	21%	Over	
Net Investment Income	\$ 500	\$ 417	\$ -	\$ (417)	-100%	Under	
Rental Income	\$ 60,000	\$ 50,000	\$ 52,046	\$ 2,046	4%	Over	
Miscellaneous Revenue	\$ -	\$ -	\$ 1,412	\$ 1,412		Over	
Appropriation - Fund Bal	\$ 571,630	\$ 476,359	\$ -	\$ (476,359)	-100%	Under	
Transfers from Boat Harbor	\$ 143,837	\$ 119,865	\$ 143,837	\$ 23,972	20%	Over	
<b>Total Shipyard Revenues</b>	<b>\$ 905,854</b>	<b>\$ 754,881</b>	<b>\$ 327,348</b>	<b>\$ (427,533)</b>	<b>-57%</b>		

### 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. The City has been notified that the State is not funding as much into PERS on Behalf as they have done in the past. City staff will continue to monitor PERS on Behalf throughout the fiscal year.

### Net Investment Income:

The Shipyard Fund has a negative cash balance, therefore it is not allocated any Interest Income or Fair Market Value allocation.




### Appropriation – Fund Balance:

The appropriation is budgeted but will only be appropriated if needed and only the amount needed will be transferred. At this point no appropriation has been utilized.



## Shipyard Fund Budget versus Actual Expenses

**For Ten Months Ended April 30, 2023**






	Annual Budget	Reporting Period (10 Months)	Actual	Budget versus Actual	Budget versus Actual	Over or Under Budget for the Reporting Period	Indicator
		Budget		\$ Variance	% Variance		
Shipyard Administration	\$ 697,360	\$ 581,134	\$ 546,654	\$ (34,480)	-6%	Under	
Interfund Charges	\$ 64,657	\$ 53,881	\$ 64,657	\$ 10,776	20%	Over	
Interest Expense	\$ 143,837	\$ 119,865	\$ 76,521	\$ (43,344)	-36%	Under	
<b>Total Shipyard Expenses</b>	<u>\$ 905,854</u>	<u>\$ 754,880</u>	<u>\$ 687,832</u>	<u>\$ (67,048)</u>	<u>-9%</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 Electric Fund Budget versus Actual Revenues and Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Revenues - Charges for Services	\$ 627,500	\$ 522,917	\$ 642,173	\$ 119,256	23%	Over	
Revenues - Net Investment Income	\$ 5,000	\$ 4,167	\$ 14,999	\$ 10,832	260%	Over	
Appropriation - Fund Balance	\$ (11,665)	\$ (9,721)	\$ -	\$ 9,721	-100%	Under	
Administration Expenses	\$ 555,090	\$ 462,575	\$ 506,197	\$ 43,622	9%	Over	
Interfund Charges	\$ 65,745	\$ 54,788	\$ 65,745	\$ 10,957	20%	Over	
<b>Harbor Electric Fund - Net Revenues Less Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,230</u>	<u>\$ 85,230</u>			

### Administration Expenses:

The Purchase of Power-Resale has increased due to the increase in sales of power. While the increase in sales causes a positive budget difference in revenue the increase in expense causes an over budget amount in expenses.

### Appropriation – Fund Balance

The appropriation is a negative revenue amount so it is therefore equivalent to an expense. Though the Over or Under Budget column shows this as an under revenue, since it is negative the Under indicates that funds have not been spent so the Indicator should be green.







### 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.

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## Water Utility Fund Budget versus Actual Revenues

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Penalties & Interest	\$ 27,000	\$ 22,500	\$ 29,925	\$ 7,425	33%	Over	
PERS On Behalf	\$ 24,913	\$ 20,761	\$ 6,718	\$ (14,043)	-68%	Under	
Charges for Services	\$ 4,799,200	\$ 3,999,334	\$ 4,461,054	\$ 461,720	12%	Over	
Net Investment Income	\$ 30,000	\$ 25,000	\$ 428,726	\$ 403,726	1615%	Over	
Miscellaneous Revenues	\$ 5,000	\$ 4,167	\$ 17,233	\$ 13,066	314%	Over	
Appropriation - Fund Bal	\$ (1,378,433)	\$ (1,148,695)	\$ -	\$ 1,148,695	-100%	Under	
<b>Total Water Revenues</b>	<b>\$ 3,507,680</b>	<b>\$ 2,923,067</b>	<b>\$ 4,943,657</b>	<b>\$ 2,020,590</b>	<b>69%</b>		

### 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. The City has been notified that the State is not funding as much into PERS on Behalf as they have done in the past. City staff will continue to monitor PERS on Behalf throughout the fiscal year.

### Appropriation – Fund Balance:

The appropriation is a negative revenue amount so it is therefore equivalent to an expense. Though the Over or Under Budget column shows this as an under revenue, since it is negative the Under indicates that funds have not been spent so the Indicator should be green.






## Water Utility Fund Budget versus Actual Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Water Distribution	\$ 3,042,921	\$ 2,535,768	\$ 2,468,114	\$ (67,654)	-3%	Under	
Water Treatment	\$ 464,759	\$ 387,300	\$ 337,252	\$ (50,048)	-13%	Under	
<b>Total Water Utility Expenses</b>	<b>\$ 3,507,680</b>	<b>\$ 2,923,068</b>	<b>\$ 2,805,366</b>	<b>\$ (117,702)</b>	<b>-4%</b>		

## Sewer Utility Fund Budget versus Actual Revenues

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 33,841	\$ 28,201	\$ 15,360	\$ (12,841)	-46%	Under	
Charges for Services	\$ 5,398,979	\$ 4,499,150	\$ 4,760,544	\$ 261,394	6%	Over	
Net Investment Income	\$ 20,000	\$ 16,667	\$ 190,428	\$ 173,761	1043%	Over	
Miscellaneous Revenues	\$ 5,000	\$ 4,167	\$ 30,525	\$ 26,358	633%	Over	
Appropriation - Fund Bal	\$ (337,002)	\$ (280,835)	\$ -	\$ 280,835	-100%	Under	
<b>Total Sewer Revenues</b>	<u>\$ 5,120,818</u>	<u>\$ 4,267,350</u>	<u>\$ 4,996,857</u>	<u>\$ 729,507</u>	<u>17%</u>		

### 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. The City has been notified that the State is not funding as much into PERS on Behalf as they have done in the past. City staff will continue to monitor PERS on Behalf throughout the fiscal year.

### Appropriation – Fund Balance: For Information

The appropriation is a negative revenue amount so it is therefore equivalent to an expense. Though the Over or Under Budget column shows this as an under revenue, since it is negative the Under indicates that funds have not been spent so the Indicator should be green.

## Sewer Utility Fund Budget versus Actual Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Sewer Transfers	\$ 550,000	\$ 458,334	\$ 620,000	\$ 161,666	35%	Over	
Sewer Collection	\$ 793,716	\$ 661,430	\$ 887,995	\$ 226,565	34%	Over	
Wastewater Treatment	\$ 3,235,428	\$ 2,696,190	\$ 2,555,113	\$ (141,077)	-5%	Under	
Compost	\$ 541,674	\$ 451,395	\$ 414,880	\$ (36,515)	-8%	Under	
<b>Total Sewer Utility Expenses</b>	<b>\$ 5,120,818</b>	<b>\$ 4,267,349</b>	<b>\$ 4,477,989</b>	<b>\$ 210,640</b>	<b>5%</b>		

### Sewer Transfers:





Transfers include transfers to the Sewer Capital Improvement fund as well as Alaska DEC loan proceeds. As the draw down for loans fluctuate based on the expenditures incurred, these transfers will be updated for the loan draw down during the upcoming supplemental budget.

### Sewer Collection:

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.

## Trident Basin Fund Budget versus Actual Revenues and Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under	Indicator
						Budget for the Reporting Period	
Revenues - Charges for Services	\$ 15,000	\$ 12,500	\$ 13,309	\$ 809	6%	Over	
Revenues - Rentals	\$ 45,000	\$ 37,500	\$ 43,082	\$ 5,582	15%	Over	
Appropriation - Fund Bal	\$ 255,252	\$ 212,710	\$ -	\$ (212,710)	-100%	Under	
Administration Expenses	\$ 315,525	\$ 262,938	\$ 245,195	\$ (17,743)	-7%	Under	
<b>Trident Basin Fund - Net Revenues Less Expenses</b>	<u>\$ (255,525)</u>	<u>\$ (212,938)</u>	<u>\$ (188,804)</u>	<u>\$ 24,134</u>	<u>-11%</u>		






### Appropriation – Fund Balance:

The appropriation is budgeted but will only be appropriated if needed and only the amount needed will be transferred. At this point no appropriation has been utilized.



## E-911 Services Fund Budget versus Actual Revenues and Expenses

For Ten Months Ended April 30, 2023

	Annual Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Revenues - PERS On Behalf	\$ 25,343	\$ 21,120	\$ 8,838	\$ (12,282)	-58%	Under	
Revenues - E-911 Surcharge	\$ 300,000	\$ 250,000	\$ 203,789	\$ (46,211)	-18%	Under	
Discounts Received	\$ -	\$ -	\$ 11,964	\$ 11,964		Over	
Appropriation - Fund Bal	\$ 800,541	\$ 667,118	\$ -	\$ (667,118)	-100%	Under	
Administration Expenses	\$ 1,125,884	\$ 938,238	\$ 784,755	\$ (153,483)	-16%	Under	
<b>E-911 Services Fund - Net Revenues Less Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (560,165)</b>	<b>\$ (572,129)</b>			

### 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. The City has been notified that the State is not funding as much into PERS on Behalf as they have done in the past. City staff will continue to monitor PERS on Behalf throughout the fiscal year.

### E911 Surcharge:

E911 Surcharge is comprised of expenses incurred and charged to the Kodiak Island Borough for emergency 911 services provided to the Kodiak Island road system. Revenues recorded reflect the total amount billed to the Kodiak Island Borough for these services from July 1, 2022 through April 30, 2023. An adjustment is made record the amount that Kodiak Island Borough doesn't pay to the City of Kodiak.

### Appropriation – Fund Balance:

The appropriation is budgeted but will only be appropriated if needed and only the amount needed will be transferred. At this point no appropriation has been utilized.

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