



**City of Kodiak  
Financial Update**

**July 1, 2016 – October 31, 2016**



March 21, 2017

Mayor Branson and City Council Members  
Kodiak, Alaska 99615

Dear Mayor and Council Members:

Enclosed is the quarterly financial update for quarter 1 fiscal year 2017. The period of this report covers July 1, 2016 through October 31, 2016. The schedule below will provide you with the next scheduled quarterly updates. Due to the timing of this first issue, fiscal year 2017 quarterly updates will be provided as close to this schedule as possible.

Quarter	Reporting Period	Due Date
Quarter 1	July, August, September, October	2nd full Week in November
Quarter 2	November, December, January	2nd full Week in February
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 Quarterly 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, and Trident Basin Fund. Funds not included are the Street Assessment funds and Capital Project funds.

Each fund will provide an overview of revenues and expenses by subdepartment. 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 quarterly 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

Traffic Light Color	Symbol	Expenses - Trigger Points	Revenues - Trigger Points
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 each subdepartment, 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 subdepartments.

**Conclusion**

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

Very respectfully,



Kelly Mayes  
Finance Director



## General Fund Budget versus Actual Revenues

For Four Months Ended October 31, 2016

	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Sales Tax	\$ 12,327,500	\$ 4,109,167	\$ 1,975,235	\$ (2,133,932)	-52%	Under	
Property Tax	\$ 953,500	\$ 317,834	\$ 510,235	\$ 192,401	61%	Over	
Licenses and Permits	\$ 52,300	\$ 17,434	\$ 42,336	\$ 24,902	143%	Over	
Intergovernmental	\$ 2,813,431	\$ 937,811	\$ 3,388	\$ (934,423)	-100%	Under	
Charges for Services	\$ 1,661,217	\$ 553,739	\$ 692,760	\$ 139,021	25%	Over	
Fines and Forfeitures	\$ 15,000	\$ 5,000	\$ 725	\$ (4,275)	-86%	Under	
Net Investment Income	\$ 10,000	\$ 3,334	\$ -	\$ (3,334)	-100%	Under	
Rents and Royalties	\$ 230,000	\$ 76,667	\$ 65,014	\$ (11,653)	-15%	Under	
Miscellaneous Revenues	\$ 22,000	\$ 7,334	\$ 169,299	\$ 161,965	2208%	Over	
Interfund Charges	\$ 1,565,978	\$ 521,993	\$ 1,466,710	\$ 944,717	181%	Over	
<b>Total General Fund Revenues</b>	<u>\$ 19,650,926</u>	<u>\$ 6,550,313</u>	<u>\$ 4,925,702</u>	<u>\$ (1,624,611)</u>	<u>-25%</u>		



**General Fund**  
**Budget versus Actual**  
**Revenues**

**Sales Tax:**

**Reporting Period Budget: \$4,109,167      Actual: \$ 1,975,235      Variance: 52%**

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 October 31 for July, August, and September 2017. Businesses have historically reported less during this quarter and the 2<sup>nd</sup> quarter (October, November, and December) due to seasonal activity in Kodiak. As the percentage variance is noted at 52% of the reporting period budget, these amounts will smooth out over the remaining quarters of the fiscal year.

**Intergovernmental:**

**Reporting Period Budget: \$937,811      Actual: \$ 3,388      Variance: 100%**

Intergovernmental revenues consist of PERS On Behalf, State Revenue Sharing Community Assistance Program, Department of Revenue Fish Taxes, Business Shared Fisheries Fish Taxes, Fuel Sharing, Alcohol Beverage Sharing, Utility Revenue Sharing, and State Operating Grants. The City typically receives revenue from these sources in one or two installment payments throughout the year. These are typically received in November and April each year. As of the reporting period, only a portion of the State Operating Grant had been received.

**Fines and forfeitures:**

**Reporting Period Budget: \$5,000      Actual: \$ 725      Variance: 86%**

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: \$3,334      Actual: \$-0-      Variance: 100%**

Investment gains and losses on the operating investments, interest earned on operating investments, and interest earned on citywide bank accounts are recorded each month in the Central Treasury and allocated once a year on a pro rata basis to each of the funds. As such, the allocations have not been recorded. Due to the timing of this report, City staff will update this procedure to perform allocations on a quarterly basis for future reporting periods.

**Rents and Royalties:**

**Reporting Period Budget: \$76,667      Actual: \$65,014      Variance: 15%**

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 fiscal year.



## General Fund Budget versus Actual Expenses

	For the Four Months Ended October 31, 2016					Over or Under	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	
Legislative	\$ 288,404	\$ 96,135	\$ 90,053	\$ (6,082)	-6%	Under	
Legal Services	\$ 100,000	\$ 33,334	\$ 40,217	\$ 6,883	21%	Over	
Administrative Departments	\$ 2,703,650	\$ 901,219	\$ 698,697	\$ (202,522)	-22%	Under	
Public Safety and Life Safety	\$ 9,550,366	\$ 3,183,459	\$ 2,447,965	\$ (735,494)	-23%	Under	
Public Works and Engineering	\$ 2,508,494	\$ 836,167	\$ 645,410	\$ (190,757)	-23%	Under	
Parks & Recreation and Library	\$ 2,502,059	\$ 834,022	\$ 741,149	\$ (92,873)	-11%	Under	
Nondepartmental	\$ 1,945,261	\$ 648,421	\$ 1,595,607	\$ 947,186	146%	Over	
<b>Total General Fund Expenses</b>	<b>\$ 19,598,234</b>	<b>\$ 6,532,757</b>	<b>\$ 6,259,098</b>	<b>\$ (273,659)</b>	<b>-4%</b>		

**Legal Services:**

Legal services for the first four months of the fiscal year include general counsel and ongoing citywide litigation expenses. Legal services related to construction projects are not included in these amounts and are included in the specific capital project. City staff will continue to monitor legal services throughout the upcoming months.

**Nondepartmental:**

Nondepartmental 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 nondepartmental 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 the Four Months Ended October 31, 2016**

	Annual Budget	Reporting Period (4 Months)		Budget versus Actual	Budget versus Actual	Over or Under	Indicator
		Budget	Actual	\$ Variance	% Variance	Budget for the Reporting Period	
Executive Administration	\$ 704,353	\$ 234,785	\$ 179,918	\$ (54,867)	-23%	Under	
Emergency Preparedness	\$ 38,000	\$ 12,667	\$ 6,073	\$ (6,594)	-52%	Under	
City Clerk Administration	\$ 350,890	\$ 116,964	\$ 98,900	\$ (18,064)	-15%	Under	
City Clerk Records Management	\$ 189,406	\$ 63,136	\$ 49,703	\$ (13,433)	-21%	Under	
Finance Administration & Utilities	\$ 877,218	\$ 292,406	\$ 191,105	\$ (101,301)	-35%	Under	
Finance IT	\$ 543,783	\$ 181,261	\$ 172,998	\$ (8,263)	-5%	Under	
<b>Total General Fund Administration Expenses</b>	<b>\$2,703,650</b>	<b>\$ 901,219</b>	<b>\$ 698,697</b>	<b>\$ (202,522)</b>	<b>-22%</b>		



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

	For the Four Months Ended October 31, 2016					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Police Administration	\$ 948,258	\$ 316,086	\$ 225,632	\$ (90,454)	-29%	Under	
Police Station Bond Payments	\$ 532,240	\$ 177,414	\$ 163,620	\$ (13,794)	-8%	Under	
Police Uniform Patrol	\$ 1,594,160	\$ 531,387	\$ 449,504	\$ (81,883)	-15%	Under	
Police Corrections	\$ 1,458,828	\$ 486,276	\$ 380,658	\$ (105,618)	-22%	Under	
Police Investigations	\$ 350,270	\$ 116,757	\$ 27,080	\$ (89,677)	-77%	Under	
Police Dispatch Services	\$ 1,224,737	\$ 408,246	\$ 318,318	\$ (89,928)	-22%	Under	
Police Animal Control	\$ 221,358	\$ 73,786	\$ 81,725	\$ 7,939	11%	Over	
Police Drug Enforcement	\$ 152,431	\$ 50,811	\$ 38,751	\$ (12,060)	-24%	Under	
Police Community Services	\$ 208,147	\$ 69,383	\$ 46,654	\$ (22,729)	-33%	Under	
Police Canine	\$ 281,858	\$ 93,953	\$ -	\$ (93,953)	-100%	Under	
Police School Resources	\$ 167,708	\$ 55,903	\$ 43,954	\$ (11,949)	-21%	Under	
Fire Administration	\$ 2,410,371	\$ 803,457	\$ 672,069	\$ (131,388)	-16%	Under	
<b>Total General Fund Public Safety &amp; Life Safety Expenses</b>	<b>\$9,550,366</b>	<b>\$3,183,459</b>	<b>\$2,447,965</b>	<b>\$ (735,494)</b>	<b>-23%</b>		

### Animal Control

The Animal Control department includes a quarterly contract with the Kodiak Humane Society. These quarterly payments are made at the beginning of each quarter. The July 1 and the October 1 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**  
**Public Works and Engineering Departments – Expenses**

	<b>For the Four Months Ended October 31, 2016</b>					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Public Works Administration	\$ 127,629	\$ 42,543	\$ 31,491	\$ (11,052)	-26%	Under	
Public Works Streets	\$ 1,488,133	\$ 496,045	\$ 425,617	\$ (70,428)	-14%	Under	
Public Works Garage	\$ 278,995	\$ 92,999	\$ 64,437	\$ (28,562)	-31%	Under	
Public Works Building Inspectors	\$ 314,736	\$ 104,912	\$ 62,419	\$ (42,493)	-41%	Under	
Public Works Municipal Airport	\$ 18,550	\$ 6,184	\$ 6,644	\$ 460	7%	Over	
Engineering	\$ 280,451	\$ 93,484	\$ 54,802	\$ (38,682)	-41%	Under	
<b>Total General Fund Public Works &amp; Engineering Expenses</b>	<u>\$2,508,494</u>	<u>\$ 836,167</u>	<u>\$ 645,410</u>	<u>\$ (190,757)</u>	<u>-23%</u>		

**Municipal Airport:**

Municipal airport expenses include annual insurance allocations. These allocations are recorded at the beginning of the fiscal year for the entire 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.



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

	For the Four Months Ended October 31, 2016					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
	Parks & Recreation Administration	\$ 717,073	\$ 239,025	\$ 270,211	\$ 31,186		
Parks & Recreation Museum	\$ 109,700	\$ 36,567	\$ 49,023	\$ 12,456	34%	Over	
Parks & Recreation Teen Center	\$ 267,317	\$ 89,106	\$ 64,165	\$(24,941)	-28%	Under	
Parks & Recreation Aquatics	\$ 242,625	\$ 80,875	\$ 65,708	\$(15,167)	-19%	Under	
Parks & Recreation Ice Rink	\$ 163,992	\$ 54,664	\$ 17,563	\$(37,101)	-68%	Under	
Parks & Recreation Beautification	\$ 13,000	\$ 4,334	\$ 2,558	\$(1,776)	-41%	Under	
Library Administration	\$ 988,352	\$ 329,451	\$ 271,921	\$(57,530)	-17%	Under	
<b>Total General Fund Parks &amp; Recreation and Library Expenses</b>	<b>\$2,502,059</b>	<b>\$ 834,022</b>	<b>\$ 741,149</b>	<b>\$(92,873)</b>	<b>-11%</b>		

**Parks & Recreation Administration:**

Parks and Recreation Administration department had one-time vehicle and equipment purchases that were expensed during the first four months of the 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.

**Parks & Recreation Museum:**

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 and October 1 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**  
**Nondepartmental Expenses**



	<b>For the Four Months Ended October 31, 2016</b>					Over or Under	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	
Nondepartmental Administration	\$ 497,157	\$ 165,719	\$ 285,568	\$ 119,849	72%	Over	
Nondepartmental Contributions	\$ 184,500	\$ 61,500	\$ 177,201	\$ 115,701	188%	Over	
Nondepartmental Downtown Maintenance	\$ 40,000	\$ 13,334	\$ 8,503	\$ (4,831)	-36%	Under	
Nondepartmental Transfers	\$ 1,223,604	\$ 407,868	\$ 1,124,335	\$ 716,467	176%	Over	
<b>Total NonDepartmental Expenses</b>	<u>\$ 1,945,261</u>	<u>\$ 648,421</u>	<u>\$ 1,595,607</u>	<u>\$ 947,186</u>	<u>146%</u>		

**Nondepartmental:**

Nondepartmental 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 nondepartmental 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.



## Tourism Fund Budget versus Actual Revenues and Expenses



	For Four Months Ended October 31, 2016						Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
Hotel / Motel Tax Revenues	\$ 170,500	\$ 56,834	\$ 67,393	\$ 10,559	19%	Over	
Administrative Expenses	\$ 189,500	\$ 63,167	\$ 108,150	\$ 44,983	71%	Over	
<b>Tourism Fund - Net</b>							
<b>Revenues Less Expenses</b>	<u>\$ (19,000)</u>	<u>\$ (6,333)</u>	<u>\$ (40,757)</u>	<u>\$ (34,424)</u>	<u>544%</u>		

**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 Four Months Ended October 31, 2016						
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator	
Net Investment Income	\$ 40,000	\$ 13,334	\$ 5,063	\$ (8,271)	-62%	Under		
Rents and Royalties	\$ 66,800	\$ 22,267	\$ 32,343	\$ 10,076	45%	Over		
<b>Enhancement Fund Total Revenues</b>	<b>\$ 106,800</b>	<b>\$ 35,601</b>	<b>\$ 37,406</b>	<b>\$ (1,805)</b>	<b>-5%</b>			

**Net Investment Income:**

For the four months ended October 31, 2016, the City Enhancement fund was invested in various U.S. agency bonds and certificates of deposit. During this time, many agency bonds were called prior to maturity and the City began contracting services with Alaska Permanent Capital Management as a third party investment management and advisory group. Due to this change in investment management policies, City staff anticipates increased returns on investments throughout the remainder of the fiscal year.



## Cargo Fund Budget versus Actual Revenues

	For the Four Months Ended October 31, 2016					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
PERS On Behalf	\$ 35,017	\$ 11,673	\$ -	\$ (11,673)	-100%	Under	
Charges for Services	\$ 995,500	\$ 331,834	\$ 310,729	\$ (21,105)	-6%	Under	
Net Investment Income	\$ 7,000	\$ 2,334	\$ -	\$ (2,334)	-100%	Under	
Rentals	\$ 222,500	\$ 74,167	\$ 72,473	\$ (1,694)	-2%	Under	
Miscellaneous Revenues	\$ -	\$ -	\$ 6,568	\$ 6,568	100%	Over	
<b>Total Cargo Revenues</b>	<u>\$ 1,260,017</u>	<u>\$ 420,008</u>	<u>\$ 389,770</u>	<u>\$ (30,238)</u>	<u>-7%</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. 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 include wharfage and handling, preferential use agreements with Matson, dockage at Pier III, and cruise ship revenues. Some charges for services are seasonal and will fluctuate throughout the year. City staff will continue to monitor these revenue sources throughout the fiscal year.

**Net Investment Income:**

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded each month in the Central Treasury and allocated once a year on a pro rata basis to each of the funds. As such, the allocations have not been recorded. Due to the timing of this report, City staff will update this procedure to perform allocations on a quarterly basis for future reporting periods.

**Rentals:**

Rentals include warehouse rental and van storage rental facilities. These revenues will fluctuate year over year based on usage. City staff will continue to monitor these revenue sources throughout the fiscal year.



## Cargo Fund Budget versus Actual Expenses

**For the Four Months Ended October 31, 2016**

	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Cargo Administration	\$ 406,109	\$ 135,370	\$ 121,378	\$ (13,992)	-10%	Under	
Interfund Charges	\$ 141,686	\$ 47,229	\$ 141,686	\$ 94,457	200%	Over	
Transfers	\$ 815,000	\$ 271,667	\$ 815,000	\$ 543,333	200%	Over	
Warehouse	\$ 27,000	\$ 9,000	\$ 607	\$ (8,393)	-93%	Under	
Pier II	\$ 472,399	\$ 157,467	\$ 141,647	\$ (15,820)	-10%	Under	
Pier III	\$ 19,000	\$ 6,334	\$ 480	\$ (5,854)	-92%	Under	
<b>Total Cargo Expenses</b>	<b>\$ 1,881,194</b>	<b>\$ 627,067</b>	<b>\$ 1,220,798</b>	<b>\$ 593,731</b>	<b>95%</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:**

Transfers are one-time transfers to other funds. These are approved during the budget process or approved through City Council action items and recorded immediately after approved. 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 the Four Months Ended October 31, 2016					Over or Under	
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 147,365	\$ 49,122	\$ -	\$ (49,122)	-100%	Under	
Charges for Services	\$2,129,500	\$ 709,834	\$1,018,782	\$ 308,948	44%	Over	
Pier I Charges for Services	\$ 33,000	\$ 11,000	\$ -	\$ (11,000)	-100%	Under	
Net Investment Income	\$ 14,000	\$ 4,667	\$ 4,778	\$ 111	2%	Over	
Rentals	\$ 16,500	\$ 5,500	\$ 3,941	\$ (1,559)	-28%	Under	
Miscellaneous Revenues	\$ 7,300	\$ 2,434	\$ 22,560	\$ 20,126	827%	Over	
Interfund Charges	\$ 74,258	\$ 24,753	\$ 74,258	\$ 49,505	100%	Over	
<b>Total Harbor Revenues</b>	<u>\$2,421,923</u>	<u>\$ 807,310</u>	<u>\$1,124,319</u>	<u>\$ 317,009</u>	<u>39%</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. 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 will be 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.

**Rentals:**

Rentals include office space rental for the Alaska Marine Highway System. 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 the Four Months Ended October 31, 2016**





	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Harbor Administration	\$3,510,035	\$1,170,012	\$1,064,021	\$(105,991)	-9%	Under	
Interfund Charges	\$ 248,084	\$ 82,695	\$ 248,084	\$ 165,389	200%	Over	
Pier I Expenses	\$ 33,500	\$ 11,167	\$ 773	\$ (10,394)	-93%	Under	
<b>Total Harbor Expenses</b>	<b><u>\$3,791,619</u></b>	<b><u>\$1,263,874</u></b>	<b><u>\$1,312,878</u></b>	<b><u>\$ 49,004</u></b>	<b><u>4%</u></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.



## Shipyard Fund Budget versus Actual Revenues

	For the Four Months Ended October 31, 2016					Over or Under	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	
PERS On Behalf	\$ 23,235	\$ 7,745	\$ -	\$ (7,745)	-100%	Under	
Charges for Services	\$ 688,000	\$ 229,334	\$ 111,309	\$ (118,025)	-51%	Under	
Net Investment Income	\$ 1,000	\$ 334	\$ 12	\$ (322)	-96%	Under	
Miscellaneous Revenues	\$ 2,000	\$ 667	\$ 2,911	\$ 2,244	336%	Over	
<b>Total Shipyard Revenues</b>	<b>\$ 714,235</b>	<b>\$ 238,080</b>	<b>\$ 114,232</b>	<b>\$ (123,848)</b>	<b>-52%</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. 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 will fluctuate based on the number of vessels lifted and stored in the yard for a period of time. The number of vessel lifts and the number of vessels in the yard for an extended period have decreased as compared to prior years. The Port and Harbor Advisory Board and the Harbormaster are currently exploring ways to increase revenues in the shipyard.

**Net Investment Income:**

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded each month in the Central Treasury and allocated once a year on a pro rata basis to each of the funds. As such, the allocations have not been recorded. Due to the timing of this report, City staff will update this procedure to perform allocations on a quarterly basis for future reporting periods.



## Shipyard Fund Budget versus Actual Expenses

For the Four Months Ended October 31, 2016						
Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	Indicator
Shipyard Administration	\$ 1,172,241	\$ 390,747	\$ 347,542	\$ (43,205)	-11%	Under
Interfund Charges	\$ 111,157	\$ 37,053	\$ 111,157	\$ 74,104	200%	Over
<b>Total Shipyard Expenses</b>	<b>\$ 1,283,398</b>	<b>\$ 427,800</b>	<b>\$ 458,699</b>	<b>\$ 30,899</b>	<b>7%</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.



## Water Utility Fund Budget versus Actual Revenues

For the Four Months Ended October 31, 2016

	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under	Indicator
						Budget for the Reporting Period	
Penalties & Interest	\$ 27,000	\$ 9,000	\$ 7,000	\$ (2,000)	-22%	Under	
PERS On Behalf	\$ 91,563	\$ 30,521	\$ -	\$ (30,521)	-100%	Under	
Charges for Services	\$4,542,000	\$1,514,000	\$1,513,382	\$ (618)	0%	Consistent	
Net Investment Income	\$ 2,000	\$ 667	\$ -	\$ (667)	-100%	Under	
Miscellaneous Revenues	\$ 5,000	\$ 1,667	\$ 14,639	\$ 12,972	778%	Over	
Transfers from Other funds	\$ 30,000	\$ 10,000	\$ -	\$ (10,000)	-100%	Under	
<b>Total Water Revenues</b>	<u>\$4,697,563</u>	<u>\$1,565,855</u>	<u>\$1,535,021</u>	<u>\$ (30,834)</u>	<u>-2%</u>		

**Penalties & Interest:**

Penalties and interest are charged on past due water utility accounts. These will fluctuate based on the user's timely payments. City staff will continue to monitor penalties and interest throughout the fiscal year.

**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. 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 each month in the Central Treasury and allocated once a year on a pro rata basis to each of the funds. As such, the allocations have not been recorded. Due to the timing of this report, City staff will update this procedure to perform allocations on a quarterly basis for future reporting periods.

**Transfers from Other Funds:**

These transfers represent the one-time purchase of joint equipment to be used with Parks and Recreation and the Water fund departments. As of the reporting period, this purchase had not yet been made.



## Water Utility Fund Budget versus Actual Expenses

	For the Four Months Ended October 31, 2016					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Water Distribution	\$2,726,447	\$ 908,816	\$ 928,258	\$ 19,442	2%	Over	
Water Treatment	\$ 639,541	\$ 213,181	\$ 283,185	\$ 70,004	33%	Over	
<b>Total Water Utility Expenses</b>	<u>\$3,365,988</u>	<u>\$1,121,997</u>	<u>\$1,211,443</u>	<u>\$ 89,446</u>	<u>8%</u>		

**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. 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 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 the Four Months Ended October 31, 2016						Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Reporting Period		
PERS On Behalf	\$ 151,373	\$ 50,458	\$ -	\$ (50,458)	-100%	Under		
Charges for Services	\$4,189,800	\$1,396,600	\$1,400,543	\$ 3,943	0%	Over		
Net Investment Income	\$ 4,000	\$ 1,334	\$ -	\$ (1,334)	-100%	Under		
Miscellaneous Revenues	\$ -	\$ -	\$ 21,657	\$ 21,657	100%	Over		
<b>Total Sewer Revenues</b>	<b>\$4,345,173</b>	<b>\$1,448,392</b>	<b>\$1,422,200</b>	<b>\$ (26,192)</b>	<b>-2%</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. 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 each month in the Central Treasury and allocated once a year on a pro rata basis to each of the funds. As such, the allocations have not been recorded. Due to the timing of this report, City staff will update this procedure to perform allocations on a quarterly basis for future reporting periods.



## Sewer Utility Fund Budget versus Actual Expenses

	For the Four Months Ended October 31, 2016					Over or Under	
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	Indicator
Sewer Collection	\$ 831,601	\$ 277,201	\$ 400,010	\$ 122,809	44%	Over	
Wastewater Treatment	\$3,066,170	\$1,022,057	\$ 904,948	\$(117,109)	-11%	Under	
Compost	\$ 585,307	\$ 195,103	\$ 144,923	\$ (50,180)	-26%	Under	
<b>Total Sewer Utility Expenses</b>	<b>\$4,483,078</b>	<b>\$1,494,361</b>	<b>\$1,449,881</b>	<b>\$ (44,480)</b>	<b>-3%</b>		

**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.



## Harbor Electric Fund Budget versus Actual Revenues and Expenses

	For the Four Months Ended October 31, 2016					Over or Under Budget for the Reporting Period	Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Revenues - Charges for Services	\$ 673,000	\$ 224,334	\$ 149,658	\$ (74,676)	-33%	Under	
Revenues - Net Investment Income	\$ 1,000	\$ 334	\$ -	\$ (334)	-100%	Under	
Administration Expenses	\$ 576,042	\$ 192,014	\$ 119,128	\$ (72,886)	-38%	Under	
Interfund Expenses	\$ 61,842	\$ 20,614	\$ 61,842	\$ 41,228	200%	Over	
<b>Harbor Electric Fund - Net Revenues Less Expenses</b>	<u>\$ 36,116</u>	<u>\$ 12,040</u>	<u>\$ (31,312)</u>	<u>\$ (43,352)</u>	<u>-360%</u>		

**Charges for Services:**

Charges for services primarily consist of electric charges to boats in the harbor. This revenue is directly offset by the expense of obtaining the electricity. As such, you will notice that administration expenses are under budget by the same approximate amount as the revenues for the corresponding charges. These revenues are seasonal and will fluctuate based on the number of users in the harbor. City staff will continue to monitor these charges for services throughout the fiscal year.

**Net Investment Income:**

Investment gains and losses, interest for the operating investments, and interest earned on citywide bank accounts are recorded each month in the Central Treasury and allocated once a year on a pro rata basis to each of the funds. As such, the allocations have not been recorded. Due to the timing of this report, City staff will update this procedure to perform allocations on a quarterly basis for future reporting periods.

**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 the Four Months Ended October 31, 2016						Indicator
	Annual Budget	Reporting Period (4 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
Revenues - Charges for Services	\$ 13,000	\$ 4,334	\$ 14,333	\$ 9,999	231%	Over	
Revenues - Rentals	\$ 33,000	\$ 11,000	\$ 14,428	\$ 3,428	31%	Over	
Administration Expenses	\$ 301,293	\$ 100,431	\$ 95,847	\$ (4,584)	-5%	Under	
<b>Trident Basin Fund - Net Revenues Less Expenses</b>	<u>\$ (255,293)</u>	<u>\$ (85,097)</u>	<u>\$ (67,086)</u>	<u>\$ 18,011</u>	<u>-21%</u>		



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