



**City of Kodiak
Financial Update**

July 1, 2016 – May 1, 2017



June 8, 2017

Mayor Branson and City Council Members
Kodiak, Alaska 99615

Dear Mayor and Council Members:

Enclosed is the financial update for the third quarter of fiscal year 2017. The period of this report covers July 1, 2016 through May 1, 2017. The schedule below will provide you with the next scheduled financial updates. Due to the timing of the first issue, fiscal year 2017 financial 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 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.



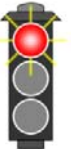
For comparability and ease of use, we have utilized a Traffic Signal indicator. These indicators will guide you through a more efficient assessment of the budget versus actual components. These indicators will fall within a percentage variance of Budget versus Actual for the reporting period of the financial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

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 expenses for 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 Ten Months Ended May 1, 2017

	Annual Amended Budget	Reporting Period (10 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	\$ 10,272,917	\$ 7,969,275	\$ (2,303,642)	-22%	Under	
Property Tax	\$ 953,500	\$ 794,584	\$ 1,072,296	\$ 277,712	35%	Over	
Licenses and Permits	\$ 52,300	\$ 43,584	\$ 95,623	\$ 52,039	119%	Over	
Intergovernmental	\$ 2,813,431	\$ 2,344,526	\$ 1,100,591	\$ (1,243,935)	-53%	Under	
Charges for Services	\$ 1,661,217	\$ 1,384,348	\$ 1,562,060	\$ 177,712	13%	Over	
Fines and Forfeitures	\$ 15,000	\$ 12,500	\$ 1,550	\$ (10,950)	-88%	Under	
Net Investment Income	\$ 10,000	\$ 8,334	\$ 15,079	\$ 6,745	81%	Over	
Rents and Royalties	\$ 230,000	\$ 191,667	\$ 123,712	\$ (67,955)	-35%	Under	
Miscellaneous Revenues	\$ 22,000	\$ 18,334	\$ 175,800	\$ 157,466	859%	Over	
Interfund Charges	\$ 1,565,978	\$ 1,304,982	\$ 1,578,842	\$ 273,860	21%	Over	
Total General Fund Revenues	\$ 19,650,926	\$ 16,375,776	\$ 13,694,828	\$ (2,680,948)	-16%		



General Fund Budget versus Actual Revenues

Sales Tax:

Reporting Period Budget: \$10,272,917 Actual: \$ 7,969,275 Variance: 22%

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 May 1 (January, February, and March 2017 sales tax) and all prior sales tax reporting from July 1 through January 31, 2017.

The percentage variance has decreased from 52% for the first reporting period, 25% for the second reporting period to 22% for this reporting period. City staff anticipates total annual sales tax for fiscal year 2017 to be lower than annual amended budget amounts.

Intergovernmental:

Reporting Period Budget: \$2,344,526 Actual: \$ 1,100,591 Variance: 53%

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 usually received in November and April each year.

As of the reporting period, the intergovernmental revenues received include the following:

- (1) PERS On Behalf payments – 3 quarters totaling \$173,014;
- (2) State Revenue Sharing annual amount of \$249,981;
- (3) Department of Revenue-Fish Tax annual amount of \$525,670;
- (4) DCED Shared Revenues total annual payments of \$126,865;
- (5) Alcohol Beverage revenue sharing annual amount of \$16,200;
- (6) Marijuana license fees \$500; and
- (7) Various small operating grants totaling \$ 8,361.

Remaining intergovernmental revenues to be received include one quarter of PERS on Behalf, utility revenue sharing, and fuel tax sharing.

Fines and forfeitures:

Reporting Period Budget: \$12,500 Actual: \$ 1,550 Variance: 88%

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.

Rents and Royalties:

Reporting Period Budget: \$191,667 Actual: \$123,712 Variance: 35%

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 Ten Months Ended May 1, 2017

	Annual Amended 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	\$ 288,404	\$ 240,337	\$ 195,791	\$ (44,546)	-19%	Under	
Legal Services	\$ 100,000	\$ 83,334	\$ 126,924	\$ 43,590	52%	Over	
Administrative Departments	\$ 2,738,217	\$ 2,281,851	\$ 1,926,391	\$ (355,460)	-16%	Under	
Public Safety and Life Safety	\$ 9,528,781	\$ 7,940,655	\$ 6,625,278	\$ (1,315,377)	-17%	Under	
Public Works and Engineering	\$ 2,488,112	\$ 2,073,429	\$ 1,492,235	\$ (581,194)	-28%	Under	
Parks & Recreation and Library	\$ 2,502,059	\$ 2,085,052	\$ 1,746,837	\$ (338,215)	-16%	Under	
Nondepartmental	\$ 1,973,661	\$ 1,644,719	\$ 1,863,568	\$ 218,849	13%	Over	
Total General Fund Expenses	\$ 19,619,234	\$ 16,349,377	\$ 13,977,024	\$ (2,372,353)	-15%		

Legal Services:

Legal services for the first ten 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 Council passed the supplemental budget Ordinance No. 1362 on May 11, 2017 to be effective on June 17, 2017. The legal budget was amended at this time. City staff will continue to monitor these expenses throughout the remainder of the fiscal year.

Reporting Period Three – Department Overview:

At the department level, general fund departments are reflecting an overall under-budget amount for the reporting period. For the first ten months of the fiscal year, many departments experienced staff turnover. Therefore, these vacancies are the primary factor for the departments being under budget.

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 Ten Months Ended May 1, 2017

	Annual Amended 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	\$ 755,603	\$ 629,670	\$ 512,946	\$(116,724)	-19%	Under	
Emergency Preparedness	\$ 38,000	\$ 31,667	\$ 20,489	\$ (11,178)	-35%	Under	
City Clerk Administration	\$ 350,890	\$ 292,409	\$ 244,657	\$ (47,752)	-16%	Under	
City Clerk Records Management	\$ 189,406	\$ 157,839	\$ 120,841	\$ (36,998)	-23%	Under	
Finance Administration & Utilities	\$ 860,535	\$ 717,113	\$ 577,514	\$(139,599)	-19%	Under	
Finance IT	\$ 543,783	\$ 453,153	\$ 449,944	\$ (3,209)	-1%	Under	
Total General Fund Administration Expenses	\$2,738,217	\$ 2,281,851	\$1,926,391	\$(355,460)	-16%		



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

	For the Ten Months Ended May 1, 2017					Over or Under Budget for the Reporting Period	Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Police Administration	\$ 948,258	\$ 790,215	\$ 626,926	\$ (163,289)	-21%	Under	
Police Station Bond Payments	\$ 532,240	\$ 443,534	\$ 396,213	\$ (47,321)	-11%	Under	
Police Uniform Patrol	\$ 1,594,160	\$ 1,328,467	\$ 1,156,737	\$ (171,730)	-13%	Under	
Police Corrections	\$ 1,458,828	\$ 1,215,690	\$ 1,032,077	\$ (183,613)	-15%	Under	
Police Investigations	\$ 350,270	\$ 291,892	\$ 155,605	\$ (136,287)	-47%	Under	
Police Dispatch Services	\$ 1,224,737	\$ 1,020,615	\$ 834,473	\$ (186,142)	-18%	Under	
Police Animal Control	\$ 221,358	\$ 184,465	\$ 166,701	\$ (17,764)	-10%	Under	
Police Drug Enforcement	\$ 152,431	\$ 127,026	\$ 81,912	\$ (45,114)	-36%	Under	
Police Community Services	\$ 208,147	\$ 173,456	\$ 155,173	\$ (18,283)	-11%	Under	
Police Canine	\$ 260,273	\$ 216,895	\$ 84,814	\$ (132,081)	-61%	Under	
Police School Resources	\$ 167,708	\$ 139,757	\$ 113,304	\$ (26,453)	-19%	Under	
Fire Administration	\$ 2,410,371	\$ 2,008,643	\$ 1,821,343	\$ (187,300)	-9%	Under	
Total General Fund Public Safety & Life Safety Expenses	\$ 9,528,781	\$ 7,940,655	\$ 6,625,278	\$ (1,315,377)	-17%		



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

	<u>For the Ten Months Ended May 1, 2017</u>						Indicator
	Annual Amended 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	\$ 127,629	\$ 106,358	\$ 86,370	\$ (19,988)	-19%	Under	
Public Works Streets	\$1,488,133	\$1,240,111	\$ 870,857	\$ (369,254)	-30%	Under	
Public Works Garage	\$ 278,995	\$ 232,496	\$ 206,008	\$ (26,488)	-11%	Under	
Public Works Building Inspectors	\$ 294,354	\$ 245,295	\$ 143,046	\$ (102,249)	-42%	Under	
Public Works Municipal Airport	\$ 18,550	\$ 15,459	\$ 12,082	\$ (3,377)	-22%	Under	
Engineering	\$ 280,451	\$ 233,710	\$ 173,872	\$ (59,838)	-26%	Under	
Total General Fund Public Works & Engineering Expenses	<u>\$2,488,112</u>	<u>\$2,073,429</u>	<u>\$1,492,235</u>	<u>\$(581,194)</u>	<u>-28%</u>		



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

	For the Ten Months Ended May 1, 2017						Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
Parks & Recreation Administration	\$ 717,073	\$ 597,561	\$ 530,650	\$ (66,911)	-11%	Under	
Parks & Recreation Museum	\$ 109,700	\$ 91,417	\$ 103,350	\$ 11,933	13%	Over	
Parks & Recreation Teen Center	\$ 267,317	\$ 222,765	\$ 183,878	\$ (38,887)	-17%	Under	
Parks & Recreation Aquatics	\$ 242,625	\$ 202,188	\$ 174,717	\$ (27,471)	-14%	Under	
Parks & Recreation Ice Rink	\$ 163,992	\$ 136,660	\$ 122,984	\$ (13,676)	-10%	Under	
Parks & Recreation Beautification	\$ 13,000	\$ 10,834	\$ 6,434	\$ (4,400)	-41%	Under	
Library Administration	\$ 988,352	\$ 823,627	\$ 624,824	\$(198,803)	-24%	Under	
Total General Fund Parks & Recreation and Library Expenses	<u>\$2,502,059</u>	<u>\$2,085,052</u>	<u>\$1,746,837</u>	<u>\$(338,215)</u>	<u>-16%</u>		

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 actual expenses noted above include four quarterly payments for July 1, October 1, January 1, and April 1 therefore 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**

For the Ten Months Ended May 1, 2017




	Annual Amended 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	\$ 504,557	\$ 420,465	\$ 392,551	\$ (27,914)	-7%	Under	
Nondepartmental Contributions	\$ 184,500	\$ 153,750	\$ 184,500	\$ 30,750	20%	Over	
Nondepartmental Downtown Maintenance	\$ 40,000	\$ 33,334	\$ 29,050	\$ (4,284)	-13%	Under	
Nondepartmental Transfers	\$ 1,244,604	\$ 1,037,170	\$ 1,257,467	\$ 220,297	21%	Over	
Total NonDepartmental Expenses	<u>\$ 1,973,661</u>	<u>\$ 1,644,719</u>	<u>\$ 1,863,568</u>	<u>\$ 218,849</u>	<u>13%</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 Ten Months Ended May 1, 2017						Over or Under Budget for the Reporting Period	Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance			
Hotel / Motel Tax Revenues	\$ 170,500	\$ 142,084	\$ 141,131	\$ (953)	-1%	Under		
Net Investment Income	\$ -	\$ -	\$ 824	\$ 824	100%	Over		
Administrative Expenses	\$ 189,500	\$ 157,917	\$ 164,150	\$ 6,233	4%	Over		
Tourism Fund - Net Revenues Less Expenses	\$ (19,000)	\$ (15,833)	\$ (22,195)	\$ (6,362)	40%			

Hotel / Motel Tax Revenues:

Hotel / Motel Tax revenues consist of a 5% additional bed tax. These revenues are based on actual amounts reported from July 1, 2016 through May 1, 2017, which consist of three full quarters. The actual amounts received for the first ten months of the fiscal year are slightly lower than budgeted amounts for the reporting period. City staff will continue to monitor sales tax and bed tax revenues throughout the remainder of the fiscal year.

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 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.



**Enhancement Fund
Budget versus Actual
Revenues**

	For Ten Months Ended May 1, 2017						Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
Net Investment Income	\$ 40,000	\$ 33,334	\$ 10,981	\$ (22,353)	-67%	Under	
Rents and Royalties	\$ 66,800	\$ 55,667	\$ 71,792	\$ 16,125	29%	Over	
Enhancement Fund Total Revenues	<u>\$ 106,800</u>	<u>\$ 89,001</u>	<u>\$ 82,773</u>	<u>\$ 6,228</u>	<u>7%</u>		

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. Investment management services with Alaska Permanent Capital Management begin during October 2016. 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 Ten Months Ended May 1, 2017

	Annual Amended Budget	Reporting Period (10 Months)		Budget versus Actual	Budget versus Actual	Over or Under	Indicator
		Budget	Actual	\$ Variance	% Variance	Budget for the Reporting Period	
PERS On Behalf	\$ 35,017	\$ 29,181	\$ 4,800	\$ (24,381)	-84%	Under	
Charges for Services	\$ 995,500	\$ 829,584	\$ 730,116	\$ (99,468)	-12%	Under	
Net Investment Income	\$ 7,000	\$ 5,834	\$ 8,177	\$ 2,343	40%	Over	
Rentals	\$ 222,500	\$ 185,417	\$ 210,753	\$ 25,336	14%	Over	
Miscellaneous Revenues	\$ -	\$ -	\$ 9,208	\$ 9,208	100%	Over	
Total Cargo Revenues	<u>\$1,260,017</u>	<u>\$1,050,016</u>	<u>\$963,054</u>	<u>\$ (86,962)</u>	<u>-8%</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 a quarterly basis throughout 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. Therefore, City staff anticipates the PERS on Behalf revenues to be under budget for the entire fiscal 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.



Cargo Fund Budget versus Actual Expenses

For the Ten Months Ended May 1, 2017

	Annual Amended 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	\$ 406,109	\$ 338,425	\$ 274,018	\$ (64,407)	-19%	Under	
Interfund Charges	\$ 141,686	\$ 118,072	\$ 141,686	\$ 23,614	20%	Over	
Transfers	\$ 815,000	\$ 679,167	\$ 815,000	\$ 135,833	20%	Over	
Warehouse	\$ 27,000	\$ 22,500	\$ 2,039	\$ (20,461)	-91%	Under	
Pier II	\$ 472,399	\$ 393,666	\$ 420,246	\$ 26,580	7%	Over	
Pier III	\$ 19,000	\$ 15,834	\$ 1,924	\$ (13,910)	-88%	Under	
Total Cargo Expenses	\$ 1,881,194	\$ 1,567,664	\$ 1,654,913	\$ 87,249	6%		

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.

Pier II:

Pier II expenses are supplies, repairs and maintenance, utilities, and depreciation expense related to this facility. Utilities expenses are slightly higher than anticipated. City staff will continue to monitor these expenses throughout the fiscal year.



Harbor Fund Budget versus Actual Revenues

	For the Ten Months Ended May 1, 2017						Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under Budget for the Reporting Period	
PERS On Behalf	\$ 147,365	\$ 122,805	\$ 20,360	\$(102,445)	-83%	Under	
Charges for Services	\$2,129,500	\$1,774,584	\$1,970,945	\$ 196,361	11%	Over	
Pier I Charges for Services	\$ 33,000	\$ 27,500	\$ -	\$ (27,500)	-100%	Under	
Net Investment Income	\$ 14,000	\$ 11,667	\$ 17,203	\$ 5,536	47%	Over	
Rentals	\$ 16,500	\$ 13,750	\$ 11,824	\$ (1,926)	-14%	Under	
Miscellaneous Revenues	\$ 7,300	\$ 6,084	\$ 23,332	\$ 17,248	283%	Over	
Interfund Charges	\$ 74,258	\$ 61,882	\$ 74,258	\$ 12,376	100%	Over	
Total Harbor Revenues	<u>\$2,421,923</u>	<u>\$2,018,272</u>	<u>\$2,117,922</u>	<u>\$ 99,650</u>	<u>5%</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 a quarterly basis throughout 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. Therefore, City staff anticipates the PERS on Behalf revenues to be under budget for the entire fiscal 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 Ten Months Ended May 1, 2017

	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under	Indicator
						Budget for the Reporting Period	
Harbor Administration	\$3,510,035	\$2,925,030	\$2,517,568	\$(407,462)	-14%	Under	
Interfund Charges	\$ 248,084	\$ 206,737	\$ 248,084	\$ 41,347	20%	Over	
Pier I Expenses	\$ 33,500	\$ 27,917	\$ 1,938	\$ (25,979)	-93%	Under	
Total Harbor Expenses	<u>\$3,791,619</u>	<u>\$3,159,684</u>	<u>\$2,767,590</u>	<u>\$(392,094)</u>	<u>-12%</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.



Shipyard Fund Budget versus Actual Revenues

	For the Ten Months Ended May 1, 2017					Over or Under	
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	Indicator
PERS On Behalf	\$ 23,235	\$ 19,363	\$ 2,929	\$ (16,434)	-85%	Under	
Charges for Services	\$ 688,000	\$ 573,334	\$ 287,587	\$ (285,747)	-50%	Under	
Net Investment Income	\$ 1,000	\$ 834	\$ 12	\$ (822)	-99%	Under	
Miscellaneous Revenues	\$ 2,000	\$ 1,667	\$ 2,920	\$ 1,253	75%	Over	
Total Shipyard Revenues	\$ 714,235	\$ 595,198	\$ 293,448	\$ (301,750)	-51%		

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 a quarterly basis throughout 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. Therefore, City staff anticipates the PERS on Behalf revenues to be under budget for the entire fiscal 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 per quarter on a pro rata basis to each of the funds. As investment management services have change during fiscal year 2017, City staff anticipates fluctuations in the Shipyard fund for the remainder of the fiscal year.



Shipyard Fund Budget versus Actual Expenses

For the Ten Months Ended May 1, 2017

	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under	Indicator
						Budget for the Reporting Period	
Shipyard Administration	\$ 1,172,241	\$ 976,868	\$ 757,772	\$ (219,096)	-22%	Under	
Interfund Charges	\$ 111,157	\$ 92,631	\$ 111,157	\$ 18,526	20%	Over	
Total Shipyard Expenses	<u>\$ 1,283,398</u>	<u>\$ 1,069,499</u>	<u>\$ 868,929</u>	<u>\$ (200,570)</u>	<u>-19%</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.



Water Utility Fund Budget versus Actual Revenues

For the Ten Months Ended May 1, 2017

	Annual Amended 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	\$ 14,700	\$ (7,800)	-35%	Under	
PERS On Behalf	\$ 91,563	\$ 76,303	\$ 10,371	\$ (65,932)	-86%	Under	
Charges for Services	\$4,542,000	\$3,785,000	\$3,851,282	\$ 66,282	2%	Over	
Net Investment Income	\$ 2,000	\$ 1,667	\$ 20,152	\$ 18,485	1109%	Over	
Miscellaneous Revenues	\$ 5,000	\$ 4,167	\$ 16,970	\$ 12,803	307%	Over	
Transfers from Other funds	\$ 30,000	\$ 25,000	\$ -	\$ (25,000)	-100%	Under	
Total Water Revenues	<u>\$4,697,563</u>	<u>\$3,914,637</u>	<u>\$3,913,475</u>	<u>\$ (1,162)</u>	<u>0%</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 a quarterly basis throughout 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. Therefore, City staff anticipates the PERS on Behalf revenues to be under budget for the entire fiscal year.

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 transfer had not yet been made.



Water Utility Fund Budget versus Actual Expenses

	For the Ten Months Ended May 1, 2017					Over or Under	
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period	Indicator
Water Transfers	\$ -	\$ -	\$ 548,128	\$ 548,128	100%	Over	
Water Distribution	\$2,726,447	\$2,272,040	\$ 1,945,585	\$ (326,455)	-14%	Under	
Water Treatment	\$ 639,541	\$ 532,951	\$ 499,979	\$ (32,972)	-6%	Under	
Total Water Utility Expenses	<u>\$3,365,988</u>	<u>\$2,804,991</u>	<u>\$ 2,993,692</u>	<u>\$ 188,701</u>	<u>7%</u>		

Water Transfers:

Water transfers consist of transfers to the Water Capital Improvement fund. These transfers are for loans received during the reporting period for specific Water capital improvement projects. The budgeted amount for this type of transfer is typically addressed during the supplemental budget ordinance throughout the fiscal year.



Sewer Utility Fund Budget versus Actual Revenues

For the Ten Months Ended May 1, 2017

	Annual Amended 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	\$ 151,373	\$ 126,145	\$ 15,067	\$ (111,078)	-88%	Under	
Charges for Services	\$4,189,800	\$3,491,500	\$3,480,287	\$ (11,213)	0%	Under	
Net Investment Income	\$ 4,000	\$ 3,334	\$ 3,109	\$ (225)	-7%	Under	
Miscellaneous Revenues	\$ -	\$ -	\$ 22,795	\$ 22,795	100%	Over	
Total Sewer Revenues	\$4,345,173	\$3,620,979	\$3,521,258	\$ (99,721)	-3%		

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 a quarterly basis throughout 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. Therefore, City staff anticipates the PERS on Behalf revenues to be under budget for the entire 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 per quarter on a pro rata basis to each of the funds. As investment management services have change during fiscal year 2017, City staff anticipates fluctuations in the Shipyard fund for the remainder of the fiscal year.



Sewer Utility Fund Budget versus Actual Expenses

For the Ten Months Ended May 1, 2017

	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Over or Under	Indicator
						Budget for the Reporting Period	
Transfers	\$ -	\$ -	\$ 1,794,604	\$ 1,794,604	100%	Over	
Sewer Collection	\$ 831,601	\$ 693,001	\$ 702,665	\$ 9,664	1%	Over	
Wastewater Treatment	\$3,066,170	\$2,555,142	\$ 2,066,146	\$ (488,996)	-19%	Under	
Compost	\$ 585,307	\$ 487,756	\$ 276,022	\$ (211,734)	-43%	Under	
Total Sewer Utility Expenses	<u>\$4,483,078</u>	<u>\$3,735,899</u>	<u>\$ 4,839,437</u>	<u>\$ 1,103,538</u>	<u>30%</u>		

Sewer Transfers:

Sewer transfers consist of transfers to the Sewer Capital Improvement fund. These transfers are for loans received during the reporting period for specific Sewer capital improvement projects. The budgeted amount for this type of transfer is typically addressed during the supplemental budget ordinance throughout the fiscal year.

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 Ten Months Ended May 1, 2017					Over or Under		Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance	Budget for the Reporting Period		
Revenues - Charges for Services	\$ 673,000	\$ 560,834	\$ 642,520	\$ 81,686	15%	Over		
Revenues - Net Investment Income	\$ 1,000	\$ 834	\$ 1,827	\$ 993	119%	Over		
Administration Expenses	\$ 576,042	\$ 480,035	\$ 442,113	\$ (37,922)	-8%	Under		
Interfund Charges	\$ 61,842	\$ 51,535	\$ 61,842	\$ 10,307	20%	Over		
Harbor Electric Fund - Net Revenues Less Expenses	<u>\$ 36,116</u>	<u>\$ 30,098</u>	<u>\$ 140,392</u>	<u>\$ 110,294</u>	<u>366%</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.



**Trident Basin Fund
Budget versus Actual
Revenues and Expenses**

	For the Ten Months Ended May 1, 2017					Over or Under Budget for the Reporting Period	Indicator
	Annual Amended Budget	Reporting Period (10 Months) Budget	Actual	Budget versus Actual \$ Variance	Budget versus Actual % Variance		
Revenues - Charges for Services	\$ 13,000	\$ 10,834	\$ 15,278	\$ 4,444	41%	Over	
Revenues - Rentals	\$ 33,000	\$ 27,500	\$ 38,945	\$ 11,445	42%	Over	
Administration Expenses	\$ 301,293	\$ 251,078	\$ 227,278	\$ (23,800)	-9%	Under	
Trident Basin Fund - Net Revenues Less Expenses	\$ (255,293)	\$ (212,744)	\$ (173,055)	\$ 39,689	-19%		



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