

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

The carrying amount of notes receivable and notes payable approximates fair value for those financial instruments with interest at variable rates, as those rates approximate current market rates for notes with similar maturities and credit quality.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Federal National Mortgage Association - US Agency Security	\$ 291,597	291,597	-	-

IV. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 follows:

Governmental Activities	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated:				
Land and land improvements	\$ 4,862,446	-	-	4,862,446
Construction in progress	4,204,395	1,221,405	-	5,425,800
Total assets not being depreciated	9,066,841	1,221,405	-	10,288,246
Capital assets being depreciated:				
Buildings	24,606,898	-	-	24,606,898
Improvements other than buildings	30,188,093	-	-	30,188,093
Machinery and equipment	7,965,608	1,884,066	502,133	9,347,541
Total capital assets being depreciated	62,760,599	1,884,066	502,133	64,142,532
Less accumulated depreciated for:				
Buildings	7,336,291	679,080	-	8,015,371
Improvements other than buildings	11,843,854	917,972	-	12,761,826
Machinery and equipment	4,038,696	490,762	435,456	4,094,002
Total accumulated depreciated	23,218,841	2,087,814	435,456	24,871,199
Total capital assets being depreciated, net	39,541,758	(203,748)	66,677	39,271,333
Governmental activity capital assets, net	\$ 48,608,599	1,017,657	66,677	49,559,579

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

Depreciation expense was charged to the functions as follows:

General government	\$ 67,951
Public safety	135,155
Public works	134,085
Community services	8,205
Water and sewer	459,549
Boat harbor	237,501
Dock	352,189
Senior citizen center	12,749
Landfill	115,742
Education	<u>564,688</u>
Total depreciation expense	\$ <u>2,087,814</u>

**V. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A schedule of interfund balances and transfers for the year ended June 30, 2016 is as follows:

Due From Other Funds

Due to the General Fund from:

Other governmental funds for advances to cover operating and capital costs	\$ 145,328
Wastewater treatment plant for advances to cover capital costs	748,652

Due to Other Funds

Due to Dock Special Revenue Fund from:

General Fund to cover operating costs	563,209
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Due to Other Governmental Funds from:

General Fund to cover operating costs	<u>1,270,606</u>
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Total due to/from other funds	\$ <u>2,727,795</u>
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Transfers

From General Fund to:

Other governmental funds for debt service	354,082
Other governmental funds to cover operating costs of special revenue funds	920,142
Other governmental funds for capital projects	499,576
From Enhanced 911 Special Revenue Fund to General Fund for operating costs	44,571
From Dock Special Revenue Fund to Harbor and other governmental funds for operating costs	<u>131,947</u>
Total transfers	\$ <u>1,950,318</u>

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

**VI. LONG-TERM DEBT**

In 2008, the City issued \$15,105,000 in 2008 Series One General Obligation School Bonds for the purpose of major renovation of school facilities. The bonds were issued at a premium of \$345,686.

The following is a summary of long-term debt transactions for the year ended June 30, 2016:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due Within</u> <u>One Year</u>
<b>\$15,105,000 2008 Series One General</b>					
Obligation School Bonds, due in annual installments of \$600,000 to \$1,120,000, plus interest at 4.0% to 5.0% through April 1, 2028	\$ 11,275,000	-	665,000	10,610,000	695,000
Bond premium	224,697	-	17,284	207,413	17,284
Public works - grader lease	78,982	-	72,787	6,195	6,195
Public works - vehicle lease	23,874	-	7,466	16,408	7,948
Animal control vehicle lease	5,059	-	5,059	-	-
Public safety vehicle lease (2012)	7,049	-	7,049	-	-
Two public safety vehicle leases (2013)	38,040	-	11,955	26,085	12,666
Public safety vehicle lease (2015)	24,763	-	5,623	19,140	5,986
Dock crane	-	1,197,000	-	1,197,000	130,792
Accrued leave (net)	172,482	222,492	223,195	171,779	171,779
Estimated landfill closure costs	121,000	124,110	121,000	124,110	-
Net pension liability	2,822,639	1,986,028	-	4,808,667	-
<b>Total Long-Term Debt</b>	<b>\$ 14,793,585</b>	<b>3,529,630</b>	<b>1,136,418</b>	<b>17,186,797</b>	<b>1,047,650</b>

Other long-term liabilities such as accrued leave are generally liquidated by the General Fund and bond premiums are amortized over term of the bond.

The annual requirements to amortize the general obligation bonds outstanding at June 30, 2016 are as follows:

Year Ending June 30,	General Obligation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 695,000	481,340	1,176,340
2018	725,000	453,540	1,178,540
2019	750,000	424,540	1,174,540
2020	780,000	394,540	1,174,540
2021	815,000	361,390	1,176,390
2022-2026	4,655,000	1,231,353	5,886,353
2027-2028	2,190,000	165,500	2,355,500
<b>Total</b>	<b>\$ 10,610,000</b>	<b>3,512,203</b>	<b>14,122,203</b>

The bond premium is amortized over the life of the bond. \$17,284 is amortized each year through April 1, 2028.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

**VII. CAPITAL LEASES**

The City has entered into lease agreements as lessee for financing the acquisition of a grader, a streets vehicle, a vehicle for animal control, three vehicles for general public safety and a dock crane. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. The following is a summary of the assets acquired with the capital leases that have an outstanding balance as of June 30, 2016:

	Public Works	Public Safety	Dock	Total
Machinery and equipment	\$ 378,251	162,008	1,497,000	2,037,259
Less accumulated depreciation	(222,403)	(113,760)	(49,900)	(386,063)
Carrying value	\$ 155,848	48,248	1,447,100	1,651,196

The following is a schedule of future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016:

<u>Year Ending June 30.</u>	<u>General Fund</u>
2017	\$ 169,495
2018	163,640
2019	140,416
2020	133,196
2021	133,196
2022-2026	665,979
Total minimum lease payments	1,405,922
Less interest portion	(141,094)
Present value of future minimum lease payments	1,264,828
Less current portion	(163,587)
Total	\$ 1,101,241

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

**VIII. FUND BALANCES**

Fund balances at June 30, 2016, reported in the City's individual major funds and other governmental funds in the aggregate on the governmental funds balance sheet is subject to the following constraints:

	General Fund	Dock Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable - prepaid	\$ 446,464	26,950	-	473,414
Restricted:				
Enhanced 911	-	-	175,091	175,091
Asset forfeiture	-	-	2,994	2,994
Dillingham Police Department reward	-	-	400	400
Local support	-	-	2,293	2,293
Landfill	-	-	172,044	172,044
Mary Carlson Estate	-	-	393,280	393,280
Total restricted	-	-	746,102	746,102
Committed:				
Equipment replacement	-	-	155,172	155,172
Ambulance reserve	-	-	673,757	673,757
Project planning	-	-	28,885	28,885
Total committed	-	-	857,814	857,814
Assigned:				
Water and sewer	-	-	12,660	12,660
Dock	-	703,455	-	703,455
Boat harbor	-	-	33,950	33,950
Total assigned	-	703,455	46,610	750,065
Unassigned (deficits)	4,125,240	-	(112,880)	4,012,360
Total fund balances	\$ 4,571,704	730,405	1,537,646	6,839,755

The restricted funds in the Mary Carlson Permanent Fund are all expendable for repairs, maintenance, and improvements on the existing structure.

In the government-wide net investment in capital assets at June 30, 2016 is made up of the following:

Capital assets, net of accumulated depreciation	\$ 49,559,579
Less:	
Bonds payable	10,610,000
Bond premium	207,413
Capital leases	1,264,828
Net investment in capital assets	\$ 37,477,338

The Landfill and Senior Citizen Center Special Revenue Funds, have deficits of \$74,870 and 38,010, respectively at year end. The deficits will be covered by a transfer from the General Fund in FY2017.

**IX. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform monitoring after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United States of America require that the City record a portion of these closure and post-closure care costs as an operating expenditure in each period based on landfill capacity used during that period.

The current landfill has an estimated life of 50 years, with the installation of new more efficient incinerator equipment, resulting in the landfill lasting longer. Closure and post closure costs are estimated to be \$1,379,000. There is currently \$172,044 set aside in the Landfill Capital Project Fund. The City will recognize the remaining estimated cost of closure and post closure care cost based on a 50-year life. In FY2016 costs of \$121,000 were incurred to close one of the landfill's cells.

**X. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

The City follows *Governmental Accounting Standards Board (GASB) Codification P20, Accounting for Pensions by State and Local Governmental Employees and GASB Codification P50, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. *GASB Codification P20 and GASB Codification P50* establish uniform standards for the measurement, recognition and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

All full-time employees and certain permanent part-time employees of the City participate the State of Alaska Public Employees' Retirement System (PERS). In addition to the pension plan the system also administers other post-employment benefit plans.

The system is governed by the Alaska Retirement Management Board. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The administrator of the plan is the Commissioner of Administration or the Commissioner's agent.

*Summary of Significant Accounting Policies.* The financial statements for PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

PERS acts as the common investment and administrative agencies for the following multiple-employer plans:

<u>Plan Name</u>	<u>Type of Plan</u>
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (DB)	
Occupational Death and Disability Plan	Cost-sharing, Defined Benefits OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing, Defined Benefits OPEB
Retiree Medical Plan	Cost-sharing, Defined Benefits OPEB
Defined Contribution Other Postemployment Benefits (DC)	
Healthcare Reimbursement Arrangement Plan	Defined Contribution OPEB

***Other Postemployment Benefit Plans (OPBP)***

***Occupational Death and Disability Plan (DB)***

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System.

***Alaska Retiree Healthcare Trust Plan (DB)***

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF).

***Healthcare Reimbursement Arrangement Plan (DC)***

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants.

***Alaska Public Employee Retirement System (PERS) – Defined Benefit Plan (DB)***

***Plan Description.*** The City participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at <http://doa.alaska.gov/drb/pers>.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

*Pension Benefits.* All tier employee benefits vest with five years of credited service. There are three tiers of employees based on entry date. Tier I employees enrolled prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For tier II and III employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. All tier employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

The PERS defined benefit is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

Currently there are 159 employers participating in PERS, including the State of Alaska and 158 political subdivisions and public organizations.

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for Police/Fire members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

The percentage multipliers for police/fire personnel are 2% for the first ten years of service and 2.5% for all service over 10 years. The percentage multipliers for all other participants are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Post-employment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986, but before July 1, 2006 and who have not reached age 60 may elect to pay for major medical benefits.

*Post Retirement Pension Adjustments.* Post retirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit, including past PRPAs, times:

- (a) 75% of the CPI increase in the preceding calendar year or 9%, whichever is less, if the recipient is at least 65 or on PERS disability; or
- (b) 50% of the CPI increase in the preceding calendar year or 6%, whichever is less, if the recipient is at least 60, or has been receiving benefits for at least five years.

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who first entered the PERS before July 1, 1986, if the CPI increases and the financial condition of the fund will permit an increase. In a year where an ad hoc PRPA is granted, eligible recipients will receive the higher of the two calculations.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

**Funding Policy.** In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

**Salary Floor.** During the 25<sup>th</sup> legislation session, Senate Bill 125 passed, which established a June 30, 2008 salary floor under AS 39.35.255(a)(2). The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The statute requires the Division of Retirement and Benefits (Division) to collect employer contributions at a minimum based on FY 2008 base salaries.

**Termination Costs.** If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For fiscal year 2016 the past service rate is 16.53%.

**Employee Contribution Rate.** The City PERS active members are required to contribute 6.75% (4.12% pension costs and 2.63% OPEB) and non-teacher City employees are required to contribute 9.60% (5.86% pension and 3.74% OPEB) of their annual covered salary.

**Employer and Other Contribution Rates.** There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

**Employer Effective Rate:** This is the actual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% (13.25% pension costs and 8.75% OPEB) of eligible wages, subject to the salary floor, and other termination costs as described above. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined benefit plan.

**ARM Board Adopted Rate:** This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. This rate is 27.19% (16.59% pension and 10.60% OPEB). Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

**On-behalf Contribution Rate:** This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. As a result, the On-behalf Contribution Rate for 2016 is 5.19% (3.63% pension and 1.56% OPEB). On-behalf contribution amounts have been recognized in these financial statements as both revenue and expenditures.

**GASB Rate:** This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board (GASB)*. Medicare Part D subsidies are not reflected in this rate. The rate uses an 8% pension discount rate and a 4.55% healthcare discount rate. The current rate is 96.52% (37.79% pension and 58.73% OPEB).

Employer contributions for the years ended June 30, 2016, 2015 and 2014 are as follows:

		Pensions (DB)	Other Post-Employment Benefits (DB)	Total
2016	\$	116,122	137,404	253,526
2015		122,218	92,208	214,426
2014		106,259	113,470	219,729

The defined benefit unfunded liability (DBUL) presented under the defined contribution plan includes employer contributions of \$137,404 (pension) and \$90,733 (OPEB).

For the year ended June 30, 2016 the State of Alaska contributed \$167,034 (70% pension cost, 30% OPEB) on-behalf of the City, which has been recorded in the fund financial statement under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2015 to a total of \$178,141, to represent the pension expense attributable to the State under the full accrual basis of accounting.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2016, the City reported a liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	4,808,667
State's proportionate share of the net pension liability		<u>1,289,971</u>
Total	\$	<u>6,098,638</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the present value of contributions for FY2017 through FY2039, as determined by projections based on the June 30, 2014 valuation. At June 30, 2016, the City's proportion was 0.0992%, which is an increase of 0.0387% from its proportion measured as of June 30, 2015.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

Based on the measurement date of June 30, 2015, the City recognized pension expense of \$1,458,013 for the year ended June 30, 2016. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,605	-
Changes of assumptions	281,168	-
Net difference between projected and actual earnings on pension plan investments	-	(85,133)
Changes in proportion and differences between City contributions and proportionate share of contributions	578,968	-
City contributions subsequent to the measurement date	<u>253,526</u>	<u>-</u>
Total	<u>\$ 1,119,267</u>	<u>(85,133)</u>

\$253,526 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2017	\$ 735,717
2018	20,673
2019	(54,675)
2020	78,893
Total	<u>\$ 780,608</u>

For the year ended June 30, 2016, the City recognized \$615,811, of amortization of the net deferred outflows and inflows of resources.

*Actuarial Assumptions:* The total pension liability in the June 30, 2015 (latest available) actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions were based upon the results of an actuarial experience study performed as of June 30, 2013.

Investment return / discount rate	8% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 3.12% per year Productivity – 0.50% per year
Payroll growth	3.62% per year (inflation + productivity)

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 3.12% annually.
Mortality (Pre-termination)	Based upon 2010-2013 actual mortality experience. 60% of male rates and 65% of female rates of post termination mortality rates. Deaths are assumed to be occupational 70% of the time for peace officers, and firefighters, 50% of the time for others.
Mortality (Post-termination)	96% of all rates of the RP-2000 combined mortality table, 2000 base year projected to 2018.
Total turnover	Based upon the 2010-2013 actual withdrawal experience.
Disability	Incidence rates based on 2010-2013 actual experience. Post-disability mortality in accordance with the RP-2000 Disabled Retiree Mortality Table. Disabilities are assumed to be occupational 70% of the time for peace officers / firefighters, 50% of the time for others.
Retirement	Retirement rates based upon the 2010-2013 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date for others. For peace officers/firefighters, Tier 1 deferred vested members are assumed to retire at age 55 and Tiers 2 and 3 deferred vested members are assumed to retire at age 60.
Marriage and age difference	Wives are assumed to be three years younger than husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.77%
International Equity	7.50%
Private Equity	10.86%
Fixed Income	2.05%
Real Estate	3.63%
Absolute Return	4.80%

*Discount Rate:* The discount rate used to measure the total pension liability was 8.00%. The projection of the cash flows used to determine the discount rate assumed that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net pension was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The following presents the net pension liability of the plan calculated using the discount rate of 8%, as well as what the Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	<u>1% Decrease (7%)</u>	<u>Current Rate (8%)</u>	<u>1% Increase (9%)</u>
Net pension liability	\$ 6,392,716	4,808,667	3,475,062

**Alaska Public Employee Retirement System (PERS) – Defined Contribution Plan (DC)**

*Plan Description and Funding Requirements.* Citys and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.68% for the retiree medical plan (DB), 0.22% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Plan members are 100% vested with their contributions.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

Members become vested in employers' contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

Plan provisions and contribution requirements and amendments are established by the Alaska Retirement Management Board (ARMB). The administrator of the plan is the Commissioner of Administration or the Commissioner's agent. Total contributions for the year ended June 30, 2016 are as follows:

	<u>Employer</u>	<u>Employee</u>
Defined contribution (DC)	\$ 101,015	161,624
Other post-employment benefits (DB):		
Retiree medical plan	33,941	-
Occupational death and disability benefits	8,007	-
Other post-employment benefits (DC) –		
Health reimbursement agreement (HRA)	73,348	-
Defined benefit unfunded liability (DBUL)	<u>228,137</u>	<u>-</u>
	<u>\$ 444,448</u>	<u>161,624</u>

Actual contributions were equal to the annual required contributions. The Defined Benefit Unfunded Liability (DBUL) is computed as the difference between the statutory employer contribution rate less employer contributions for the defined contribution, major medical, occupational death and disability and the health reimbursement arrangement. The DBUL calculation is allocated 60% pension and 40% OPEB.

Employer contributions for the years ended June 30, 2016, 2015 and 2014 are as follows:

	<u>Contributions / Pensions</u>	<u>Other Post-Employment Benefits</u>	<u>Total</u>
2016	\$ 238,419	206,029	444,448
2015	211,662	198,777	410,439
2014	213,157	174,902	388,059

**XI. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years up to legal limits. No contributions are made by the City. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Plan must be held in trust for the exclusive benefit of participants and their beneficiaries.

**XII. RISK MANAGEMENT**

The City faces a considerable number of risks of loss, including: (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs.

The City participates in the Alaska Municipal League Joint Insurance Association (AML/JIA) which provides insurance coverage for property and contents damage, torts, general and automobile liability and workers' compensation. The AML/JIA is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each members' annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2016.

The City has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

**XIII. CONDUIT DEBT**

On May 19, 2005, the City Council authorized the issuance of nonrecourse revenue refunding bonds in a principal amount not to exceed \$1,300,000 to refinance previously issued nonrecourse revenue bonds on behalf of Bristol Bay Native Association. The outstanding balance at June 30, 2016 was \$405,355. These bonds do not constitute a general obligation debt or pledge of the full faith and credit of the City. Accordingly, the bonds and related assets are not reflected in the accompanying financial statements.

**XIV. CONTINGENT LIABILITIES AND COMMITMENTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be nominal. In the normal course of its activities, the City is involved in various claims and pending litigation.

**XV. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had expenditures that exceeded their final budgets:

	<u>Amount</u>
Special Revenue Funds:	
Water and sewer	\$ 39,679
Dock	418,448
Library	<u>1,094</u>
Total expenditures exceeding budgets	\$ <u>459,221</u>

Excess of expenditures over appropriations were funded through available revenues or operating transfers through the General Fund.

**XVI. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March XX, 2017, the date which the financial statements were available for issue, and one subsequent event was identified that was necessary to disclose for proper presentation of the financial statements as follows. In November of 2017 the City of Dillingham refinanced their school bond to achieve better terms.

**XV. SUBSEQUENT ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates covering several topics as follows:

- GASB 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Effective for fiscal years beginning after June 15, 2016.
- GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Effective for fiscal years beginning after June 15, 2017.
- GASB 77 – *Tax Abatement Disclosures*. Effective for fiscal years beginning after December 15, 2015.
- GASB 78 – *Pension Provided through Certain Multiple – Employer Defined Benefit Pension Plans*. Effective for fiscal years beginning after December 15, 2015.
- GASB 80 – *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*. Effective for fiscal years beginning after June 15, 2016.
- GASB 81 – *Irrevocable Split –Interest Agreements*. Effective for fiscal years beginning after December 15, 2016.
- GASB 82 – *Pension Issues – an Amendment of GASB Statement No. 67, No. 68, and No. 73*

Statements, 77, 78, and 81 are not expected to have any significant impact on the financial statements of the Borough.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, continued

GASB Statements No. 74 and 75, the objective of these Statements is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, this Statement requires two financial statements—a statement of fiduciary net position and a statement of changes in fiduciary net position. Note disclosures and required supplemental information are addressed in these statements. GASB Statement 75 establishes standards for measuring liabilities, deferred inflow and outflows of resources, and expenses/expenditures.

GASB Statement No. 80 – This statement amends the blending requirements for the financial statements presentation of component units of all State and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation when the primary government is the sole corporate member.

GASB Statement No. 82 – The objective of this statement is to address certain pension issues. This statement defines covered payroll in required supplementary information as “the payroll on which contributions to a pension plan are based, and the ratios that use that measure”. This statement also addresses classification of employer paid member contributions as being member contributions. Finally this statement addresses selection of assumptions and clarifies that a deviation is not considered in conformity with the requirements of GASB Statements No. 67, No. 68, or No. 73.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY**

## CITY OF DILLINGHAM, ALASKA

## Schedule of City's Proportionate Share of the Net Pension Liability

## Public Employees' Retirement System

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.0992%	0.0605%
City's proportionate share of net pension liability (asset)	\$ 4,808,667	2,822,639
State's proportionate share of the net pension liability (asset) associated with the City	1,289,971	2,767,785
Total	<u>6,098,638</u>	<u>5,590,424</u>
City's covered employee payroll	\$ 1,918,860	2,172,967
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	251%	130%
Plan fiduciary net position as a percentage of the total pension liability	63.96%	62.37%

Notes to schedule

1. Information presented for 2016 is based upon Plan measurement date June 30, 2015.
2. This schedule is intended to present 10 years of information. Additional years will be included as it becomes available.

CITY OF DILLINGHAM, ALASKA  
 Schedule of City's Contributions  
 Public Employees' Retirement System  
 June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 253,526	240,625
Contributions in relation to the contractually required contribution	<u>(253,526)</u>	<u>(240,625)</u>
Contribution deficiency (excess)	-	-
City's covered-employee payroll	\$ 1,913,404	1,918,860
Contributions as a percentage of covered employee payroll	13.25%	12.54%

Notes to schedule

1. Valuation date: June 30, 2014
  
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.
  
- Methods and assumptions used to determine contribution rates:
  
3. Actuarial cost method: Entry Age Normal.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, layered.
6. Equivalent single amortization period: 17 years.
7. Asset valuation method: Actuarial value that smoothes investment gains and losses over 5 years, constrained to a range of 80% - 120% of fair value.
8. Inflation: 3.12% per annum.
9. Salary increases: Ranges from 6.36% to 4.12% based on service for Peace Officer/Firefighter. Ranges from 9.60% to 3.62% based on age and service for All Others.
10. Investment rate of return: 8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
11. Retirement age: An age-related assumption is used for participants not yet receiving payments.
12. Mortality: 1994 Group Annuity Mortality (GAM) Table, sex distinct, 1994 Base Year without margin projected to 2013 using projection Scale AA, 80% of the male table for males and 60% of the female table for females for pre-termination mortality for Peace Officer/Firefighter, 1994 Base Year without margin projected to 2013 using Projection Scale AA, 75% of the male table for males and 55% of the female table for females for pre-termination mortality for All Others and the 1994 GAM Table, sex-distinct, 1994 Base Year without margin projected to 2013 using Projection Scale AA for males and with a 1-year set-forward for females for post-termination mortality.
13. This schedule is intended to present 10 years of information. Additional years will be included as it becomes available.

# **ADDITIONAL SUPPLEMENTARY INFORMATION**

**PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY**

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual

Years Ended June 30,	2016			2015
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
<b>Federal government:</b>				
Payment in lieu of taxes	\$ 443,838	443,838	-	446,844
Federal surplus property donation	-	187,081	187,081	-
<b>Total federal government</b>	<u>443,838</u>	<u>630,919</u>	<u>187,081</u>	<u>446,844</u>
<b>State of Alaska:</b>				
Revenue sharing	198,898	202,035	3,137	210,423
Raw fish tax	433,564	433,564	-	407,654
Shared fisheries business tax	20,000	27,135	7,135	18,357
Electric and telephone co-op tax	75,000	65,540	(9,460)	68,037
PERS relief	486,183	127,653	(358,530)	1,029,484
Liquor licenses	1,500	4,000	2,500	4,900
Motor vehicle tax	27,000	28,104	1,104	28,569
<b>Total State of Alaska</b>	<u>1,242,145</u>	<u>888,031</u>	<u>(354,114)</u>	<u>1,767,424</u>
<b>Local sources:</b>				
<b>Taxes:</b>				
Sales taxes	2,700,000	2,717,040	17,040	2,703,076
Alcohol sales taxes	300,000	282,164	(17,836)	297,325
Transient lodging sales taxes	85,000	78,449	(6,551)	83,338
Nushagak raw fish tax	-	3,941	3,941	15,770
Real property taxes	1,600,000	1,712,970	112,970	1,615,896
Payment in lieu of taxes - BBHA	2,000	3,117	1,117	1,485
Personal property taxes	550,000	654,603	104,603	516,624
Penalty and interest on property taxes	60,000	56,002	(3,998)	62,196
Penalty and interest on sales taxes	16,000	72,751	56,751	18,928
Gaming taxes	75,000	118,382	43,382	68,584
<b>Total taxes</b>	<u>\$ 5,388,000</u>	<u>5,699,419</u>	<u>311,419</u>	<u>5,383,222</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual, continued

Years Ended June 30,	2016			2015
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Revenues, continued:</b>				
<b>Local sources, continued:</b>				
<b>Charges for services:</b>				
Contract revenue	\$ 535,000	534,851	(149)	666,564
Commissary	6,500	6,325	(175)	6,178
Court deposits	20,000	8,138	(11,862)	21,910
Fines and fees	4,500	6,976	2,476	6,009
Insurance proceeds	-	-	-	711
Administrative overhead charges	377,214	503,667	126,453	413,951
Document copies	200	-	(200)	261
Platting and mapping fees	700	150	(550)	1,000
Ambulance fees	55,000	48,277	(6,723)	53,687
Other	1,200	1,032	(168)	865
<b>Total charges for services</b>	<u>1,000,314</u>	<u>1,109,416</u>	<u>109,102</u>	<u>1,171,136</u>
<b>Licenses and permits:</b>				
Animal licenses	2,000	1,407	(593)	1,904
Business licenses	15,000	15,600	600	14,525
Land use permits	900	975	75	1,100
<b>Total licenses and permits</b>	<u>17,900</u>	<u>17,982</u>	<u>82</u>	<u>17,529</u>
<b>Fines and forfeitures:</b>				
Title 47 fines	12,000	10,424	(1,576)	11,631
<b>Lease and rental income</b>	<u>30,000</u>	<u>64,714</u>	<u>34,714</u>	<u>45,116</u>
<b>Investment income</b>	<u>30,000</u>	<u>56,005</u>	<u>26,005</u>	<u>29,072</u>
<b>Other revenues:</b>				
DMV commission revenue	43,000	29,306	(13,694)	41,965
Trooper dispatch	20,000	20,000	-	20,000
Equipment sales	3,000	4,558	1,558	-
Property sales	20,000	46,639	26,639	-
Other	12,700	25,101	12,401	3,841
<b>Total other revenues</b>	<u>98,700</u>	<u>125,604</u>	<u>26,904</u>	<u>65,806</u>
<b>Total revenues</b>	<u>\$ 8,262,897</u>	<u>8,602,514</u>	<u>339,617</u>	<u>8,937,780</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual, continued

Years Ended June 30,	2016			2015
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Expenditures:</b>				
<b>General government:</b>				
<b>City council:</b>				
Lobbying	\$ 40,000	30,000	10,000	36,500
Contract labor	-	2,280	(2,280)	4,532
Annexation project	15,000	3,495	11,505	18,613
Council contributions	4,000	18,441	(14,441)	3,120
Subscriptions and memberships	4,700	4,086	614	1,607
Telephone	300	393	(93)	233
Travel	6,000	-	6,000	2,880
Training	1,300	1,744	(444)	670
Food	300	860	(560)	537
Supplies	250	217	33	362
Advertising	2,500	1,950	550	2,447
Total city council	<u>74,350</u>	<u>63,466</u>	<u>10,884</u>	<u>71,501</u>
<b>City clerk:</b>				
Salaries	77,899	78,119	(220)	71,729
Employee benefits	53,669	41,561	12,108	75,196
Automobile	-	-	-	3,947
Subscriptions and memberships	220	-	220	260
Supplies	350	-	350	487
Elections	3,400	4,077	(677)	3,126
Codification	3,000	3,921	(921)	1,406
Minor tools and equipment	100	120	(20)	40
Major equipment	-	-	-	1,265
Total city clerk	<u>138,638</u>	<u>127,798</u>	<u>10,840</u>	<u>157,456</u>
<b>City administration:</b>				
Salaries	190,521	197,123	(6,602)	169,604
Overtime salaries	-	174	(174)	257
Employee benefits	136,837	101,096	35,741	171,259
Project manager	10,000	-	10,000	5,588
Contract labor	10,000	3,350	6,650	825
Advertisement	500	442	58	-
Travel	4,000	3,071	929	6,511
Subscriptions and memberships	285	390	(105)	877
Supplies	1,000	633	367	226
Training	1,300	525	775	525
Minor tools and equipment	-	-	-	473
Total city administration	<u>\$ 354,443</u>	<u>306,804</u>	<u>47,639</u>	<u>356,145</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,

	2016		Variance	2015
	Budget	Actual		Actual
<b>Expenditures, continued:</b>				
General government, continued				
Finance:				
Salaries	\$ 364,110	364,551	(441)	325,016
Overtime salaries	4,000	1,720	2,280	1,934
Employee benefits	248,420	203,710	44,710	339,969
Recruiting	3,000	3,000	-	-
Appraisal	24,860	25,511	(651)	24,016
Contract labor	40,000	40,343	(343)	37,366
Advertising	1,500	468	1,032	2,368
Subscriptions and memberships	95	90	5	95
Travel	800	649	151	304
Bank charges	5,000	17,247	(12,247)	4,473
Supplies	3,000	1,507	1,493	2,721
Computer software	5,000	11,028	(6,028)	11,380
Minor tools and equipment	500	735	(235)	373
Total finance	<u>700,285</u>	<u>670,559</u>	<u>29,726</u>	<u>750,015</u>
Legal	<u>109,000</u>	<u>121,020</u>	<u>(12,020)</u>	<u>58,813</u>
Insurance:				
General liability	61,991	67,433	(5,442)	56,855
Property	33,427	62,894	(29,467)	62,121
Automobile	21,664	30,192	(8,528)	22,692
Claims deductibles	5,000	5,000	-	14,368
Total insurance	<u>122,082</u>	<u>165,519</u>	<u>(43,437)</u>	<u>156,036</u>
Nondepartmental:				
Contract labor	-	-	-	8,617
Accounting services and audit	58,000	69,552	(11,552)	46,395
Advertising	500	364	136	1,321
Credit card processing fees	68,000	46,605	21,395	51,376
Supplies	6,000	6,616	(616)	4,283
Postage	9,000	9,023	(23)	11,027
Telephone	10,000	9,633	367	9,402
Internet	6,174	6,265	(91)	6,333
Food	500	378	122	462
Gas, oil and grease	-	91	(91)	572
Vehicle maintenance	-	2,240	(2,240)	1,256
Copier repair and maintenance	-	-	-	520
Computer hardware	2,500	-	2,500	2,686
Computer supplies and software	-	-	-	6
Computer support services	38,500	32,312	6,188	28,422
Equipment maintenance	2,127	2,665	(538)	2,444
Leased equipment	1,874	1,917	(43)	2,108
Total nondepartmental	<u>\$ 203,175</u>	<u>187,661</u>	<u>15,514</u>	<u>177,230</u>

(continued)

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
<b>Expenditures, continued:</b>				
<b>General government, continued:</b>				
<b>Planning:</b>				
Salaries	\$ 3,376	2,862	514	68,798
Overtime salaries	-	221	(221)	-
Employee benefits	20	1,897	(1,877)	58,215
Contract labor	57,500	22,240	35,260	22,837
Advertising	2,236	403	1,833	1,092
Subscriptions and memberships	1,080	400	680	940
Travel	-	-	-	726
Training	-	-	-	590
Recording fees	200	36	164	1,718
Supplies	1,300	-	1,300	1,313
Telephone	-	49	(49)	91
Total planning	<u>65,712</u>	<u>28,108</u>	<u>37,604</u>	<u>156,320</u>
<b>Foreclosed property:</b>				
Salaries	-	11,039	(11,039)	-
Overtime salaries	-	1,647	(1,647)	-
Employee benefits	-	7,261	(7,261)	-
Contractual	-	28,328	(28,328)	-
Supplies	-	75	(75)	-
Advertising	-	4,232	(4,232)	-
Foreclosure costs	10,000	7,531	2,469	5,367
Legal	5,000	3,657	1,343	3,444
Gas, oil and grease	-	1,487	(1,487)	-
Sample testing	-	200	(200)	-
Building repairs	-	7,655	(7,655)	-
Electricity	-	1,964	(1,964)	-
Refuse collection	-	1,632	(1,632)	-
Heating fuel	-	16,307	(16,307)	-
Total foreclosed property	<u>15,000</u>	<u>93,015</u>	<u>(78,015)</u>	<u>8,811</u>
Total general government	<u>1,782,685</u>	<u>1,763,950</u>	<u>18,735</u>	<u>1,892,327</u>
<b>Education -</b>				
Contribution to school district	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>	<u>1,300,000</u>
<b>Public safety:</b>				
<b>Police dispatch:</b>				
Salaries	255,204	271,744	(16,540)	213,531
Overtime salaries	36,000	16,018	19,982	27,603
Employee benefits	208,824	169,511	39,313	247,420
Travel	1,500	-	1,500	1,889
Training	2,550	-	2,550	-
Telephone	450	204	246	5,250
Internet	-	-	-	7,206
APSN contract	1,450	709	741	-
Uniforms	250	293	(43)	523
Minor tools and equipment	1,500	1,599	(99)	2,743
Total police dispatch	<u>\$ 507,728</u>	<u>460,078</u>	<u>47,650</u>	<u>506,165</u>

(continued)

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public safety, continued:				
Police department:				
Salaries	\$ 450,237	421,245	28,992	316,767
Overtime salaries	60,000	51,570	8,430	40,335
Employee benefits	339,589	223,681	115,908	403,600
Recruiting	3,000	1,952	1,048	1,379
Contract labor and towing	600	370	230	-
Travel and training	3,000	1,826	1,174	2,515
Supplies	400	135	265	924
Uniforms	2,500	3,562	(1,062)	2,013
Gas, oil and grease	-	-	-	35,076
Vehicle lease	21,600	9,628	11,972	21,438
Minor tools and equipment	7,500	6,170	1,330	7,349
Major equipment	-	-	-	11,366
Vehicle maintenance	-	-	-	10,970
Utilities and telephone	-	-	-	1,442
Required inspections	-	-	-	110
Equipment maintenance	1,000	1,449	(449)	1,425
Total police department	<u>889,426</u>	<u>721,588</u>	<u>167,838</u>	<u>856,709</u>
Jail:				
Salaries	319,962	317,644	2,318	296,439
Overtime salaries	25,000	29,926	(4,926)	24,797
Employee benefits	164,208	173,170	(8,962)	314,953
Insurance	18,000	16,067	1,933	17,741
Travel	850	840	10	936
Training	-	50	(50)	150
Supplies	10,100	10,163	(63)	8,399
Uniforms	-	-	-	811
Food	36,883	27,534	9,349	34,883
Minor tools and equipment	-	-	-	4,241
Major equipment	-	-	-	2,864
Telephone	7,600	4,763	2,837	2,867
Internet	4,322	3,465	857	6,585
Electricity	11,200	11,398	(198)	17,741
Heating fuel	7,875	8,163	(288)	17,524
Water and sewer	2,550	3,883	(1,333)	4,482
Refuse collection	950	1,272	(322)	1,872
Janitorial	-	-	-	14,639
Building repairs	-	-	-	2,649
Equipment maintenance	1,800	219	1,581	1,244
Required inspections	1,000	1,256	(256)	1,764
Total jail	<u>\$ 612,300</u>	<u>609,813</u>	<u>2,487</u>	<u>777,581</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,

	2016			2015
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public safety, continued:				
Department of motor vehicles:				
Salaries	\$ 29,872	33,612	(3,740)	74,643
Overtime salaries	1,000	19	981	1,185
Employee benefits	23,688	14,728	8,960	73,926
Travel	-	2,283	(2,283)	-
Telephone	-	-	-	513
Building maintenance	-	-	-	36
Minor tools and equipment	250	424	(174)	115
Total department of motor vehicles	<u>54,810</u>	<u>51,066</u>	<u>3,744</u>	<u>150,418</u>
Fire department:				
Salaries	114,382	102,373	12,009	89,634
Overtime salaries	-	808	(808)	255
Employee benefits	80,909	49,356	31,553	97,605
Contractual	-	338	(338)	1,780
Insurance	500	446	54	450
Advertising	700	-	700	624
Subscriptions and memberships	800	400	400	445
Travel	4,000	2,052	1,948	1,297
Training	12,500	9,913	2,587	401
Supplies	1,000	1,140	(140)	918
Postage	300	144	156	70
EMS and fire supplies	7,500	7,852	(352)	3,720
Personal protective equipment	10,000	-	10,000	5,209
Public education	500	555	(55)	471
Ambulance billing	5,000	3,255	1,745	2,534
Gas, oil and grease	-	-	-	3,895
Minor tools and equipment	5,000	1,348	3,652	-
Janitorial	-	37	(37)	-
Fire department equipment replacement	11,000	23,796	(12,796)	341
Building repairs	-	-	-	2,583
Vehicle maintenance	-	11	(11)	4,819
Telephone	3,000	2,751	249	2,955
Internet	3,500	4,038	(538)	2,453
Electricity	6,500	6,614	(114)	6,602
Heating fuel	14,500	8,278	6,222	19,329
Water and sewer	6,100	6,948	(848)	6,660
Refuse	1,500	1,368	132	1,416
Required inspections	1,500	713	787	3,704
Sample testing	350	-	350	75
Medical tests	500	-	500	-
Member recognition	5,500	2,299	3,201	1,275
Airport lease	550	550	-	550
Equipment maintenance	-	-	-	2,068
Total fire department	<u>\$ 297,591</u>	<u>237,383</u>	<u>60,208</u>	<u>264,138</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016		2015	
	Budget	Actual	Variance	Actual
<b>Expenditures, continued:</b>				
<b>Public safety, continued:</b>				
<b>Animal control:</b>				
Salaries	\$ 51,299	56,603	(5,304)	49,628
Overtime salaries	2,000	2,254	(254)	1,143
Employee benefits	34,032	28,856	5,176	49,205
Subscriptions and memberships	100	-	100	-
Supplies	600	575	25	1,060
Food items	1,200	-	1,200	603
Gas, oil and grease	-	-	-	2,319
Uniforms	300	69	231	-
Minor tools and equipment	1,500	1,109	391	211
Leased equipment	5,350	5,346	4	5,346
Telephone and internet	2,800	2,819	(19)	1,088
Electricity	2,900	3,297	(397)	1,735
Heating fuel	2,400	1,579	821	2,153
Water and sewer	2,200	1,971	229	670
Refuse collection	1,000	1,096	(96)	1,200
Vehicle maintenance	-	-	-	235
Building repairs	-	-	-	770
Required inspections	-	78	(78)	48
Total animal control	<u>107,681</u>	<u>105,652</u>	<u>2,029</u>	<u>117,414</u>
<b>Information technology:</b>				
Computer hardware	1,000	515	485	1,270
Computer software	-	165	(165)	-
Computer support services	13,000	10,965	2,035	14,551
Total information technology	<u>\$ 14,000</u>	<u>11,645</u>	<u>2,355</u>	<u>15,821</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public safety, continued:				
Administration:				
Salaries	\$ 66,166	67,796	(1,630)	61,422
Employee benefits	45,844	38,336	7,508	68,695
Advertising	500	546	(46)	-
Insurance	18,000	16,067	1,933	7,063
Subscriptions and memberships	300	280	20	200
Travel	2,000	144	1,856	1,640
Training	500	-	500	-
Court processing	1,000	510	490	569
Supplies	2,000	840	1,160	2,249
Postage	1,600	1,474	126	1,511
Uniforms	350	147	203	120
Gas, oil and grease	-	-	-	70
Vehicle lease	7,520	7,520	-	7,520
Telephone	7,600	8,411	(811)	6,280
Internet	4,322	2,683	1,639	1,482
Electricity	7,200	11,398	(4,198)	5,394
Water and sewer	2,550	2,884	(334)	2,178
Heating fuel	7,875	8,175	(300)	6,353
Refuse collection	950	1,272	(322)	624
Building repairs	-	-	-	2,337
Janitorial	-	-	-	4,550
Required inspections	1,000	550	450	-
Total administration	<u>177,277</u>	<u>169,033</u>	<u>8,244</u>	<u>180,257</u>
Total public safety	<u>2,660,813</u>	<u>2,366,258</u>	<u>294,555</u>	<u>2,868,503</u>
Public works:				
Administration:				
Salaries	124,518	100,394	24,124	100,154
Overtime salaries	-	779	(779)	317
Employee benefits	78,753	44,182	34,571	99,680
Advertising	500	1,982	(1,482)	1,215
Subscriptions and memberships	350	269	81	543
Travel	400	1,039	(639)	1,866
Training	-	25	(25)	50
Supplies	500	125	375	918
Gas, oil and grease	-	-	-	4,543
Telephone	1,500	1,714	(214)	1,690
Internet	2,200	2,481	(281)	400
Minor tools and equipment	1,229	660	569	393
Leased equipment	1,176	-	1,176	3,101
Equipment maintenance	295	295	-	-
Vehicle maintenance	-	-	-	206
Total administration	<u>\$ 211,421</u>	<u>153,945</u>	<u>57,476</u>	<u>215,076</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,

	2016			2015
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works, continued:				
Building and grounds maintenance:				
Salaries	\$ 116,321	99,644	16,677	98,478
Overtime salaries	10,000	9,828	172	16,415
Employee benefits	91,057	67,755	23,302	106,047
Contract labor	-	-	-	900
Travel	500	35	465	-
Training	500	25	475	89
Supplies	2,000	1,189	811	3,860
Gas, oil and grease	-	-	-	4,354
Safety equipment	1,500	213	1,287	1,027
Minor tools and equipment	2,500	1,424	1,076	1,266
Telephone	1,200	1,657	(457)	1,475
Electricity	10,000	12,064	(2,064)	12,558
Heating fuel	20,000	14,206	5,794	26,584
Water and sewer	1,500	1,449	51	1,389
Refuse collection	300	-	300	-
Janitorial	47,300	46,229	1,071	25,115
Building repairs	40,500	21,303	19,197	15,717
Vehicle maintenance	-	-	-	4,394
Equipment repairs	-	-	-	2,943
Required inspections	-	108	(108)	597
Total building and grounds maintenance	<u>345,178</u>	<u>277,129</u>	<u>68,049</u>	<u>323,208</u>
Shop maintenance:				
Salaries	61,820	19,212	42,608	13,189
Overtime salaries	2,500	3,239	(739)	3,073
Employee benefits	89,486	65,488	23,998	107,043
Travel	500	210	290	-
Training	500	25	475	19
Supplies	8,000	4,712	3,288	7,796
Gas, oil and grease	88,000	84,593	3,407	1,990
Used oil management	1,500	120	1,380	1,019
Minor tools and equipment	3,500	1,659	1,841	8,406
Safety equipment	1,000	418	582	1,772
Telephone	1,500	613	887	1,025
Electricity	12,000	12,056	(56)	12,713
Heating fuel	10,000	13,733	(3,733)	16,894
Refuse collection	2,300	2,496	(196)	2,544
Building repairs	-	-	-	2,330
Vehicle maintenance	36,800	40,378	(3,578)	2,210
Required inspections	600	1,229	(629)	995
Equipment maintenance	73,000	84,642	(11,642)	422
Total shop maintenance	<u>\$ 393,006</u>	<u>334,823</u>	<u>58,183</u>	<u>183,440</u>

(continued)

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works, continued:				
Streets:				
Salaries	\$ 94,509	102,752	(8,243)	72,467
Overtime salaries	30,000	33,738	(3,738)	21,392
Employee benefits	76,974	64,771	12,203	97,282
Contractual	125,000	133,500	(8,500)	34,939
Insurance	11,306	7,082	4,224	10,278
Travel	500	35	465	-
Training	500	405	95	125
Supplies	2,692	1,815	877	4,854
Gas, oil and grease	-	211	(211)	49,859
Salt and calcium	29,246	39,246	(10,000)	16,976
Street signs	4,500	776	3,724	3,722
Road maintenance	15,000	19,980	(4,980)	86,064
Gravel and sand	33,750	33,750	-	50,725
Minor tools and equipment	3,800	4,784	(984)	3,554
Safety equipment	1,000	791	209	942
Electricity	24,000	25,599	(1,599)	26,456
Vehicle maintenance	-	-	-	9,855
Equipment repairs	-	954	(954)	57,861
Leased equipment	82,040	89,797	(7,757)	77,368
Total streets	<u>534,817</u>	<u>559,986</u>	<u>(25,169)</u>	<u>624,719</u>
Total public works	<u>1,484,422</u>	<u>1,325,883</u>	<u>158,539</u>	<u>1,346,443</u>
Community services:				
Library:				
Salaries	75,399	67,907	7,492	60,233
Overtime salaries	-	5	(5)	527
Employee benefits	25,775	15,514	10,261	43,086
Subscriptions and memberships	1,625	1,615	10	1,675
Travel	-	24	(24)	165
Training	-	-	-	25
Supplies	400	582	(182)	196
Postage	200	206	(6)	284
Audio visual	700	743	(43)	1,569
Books	1,200	24	1,176	1,990
Periodicals	750	791	(41)	729
Collection preservation	1,200	402	798	1,502
Summer reading program	500	1,248	(748)	497
Minor tools and equipment	1,100	34	1,066	-
Telephone	400	545	(145)	494
Internet	416	1,995	(1,579)	1,246
Electricity	4,000	3,750	250	4,354
Heating fuel	4,000	2,530	1,470	5,449
Water and sewer	1,400	1,449	(49)	1,389
Refuse collection	300	300	-	300
Janitorial	-	-	-	7,980
Building repairs	-	-	-	376
Required inspections	200	48	152	103
Software	600	599	1	599
Equipment maintenance	1,000	1,804	(804)	2,960
Total library	<u>\$ 121,165</u>	<u>102,115</u>	<u>19,050</u>	<u>137,728</u>

(continued)

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA  
General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual, continued

Years Ended June 30,	Budget	2016 Actual	Variance	2015 Actual
Expenditures, continued:				
Community services, continued:				
Meeting hall:				
Telephone	\$ 550	548	2	533
Electricity	1,000	900	100	907
Water and sewer	1,300	1,449	(149)	1,389
Janitorial	150	-	150	60
Total meeting hall	<u>3,000</u>	<u>2,897</u>	<u>103</u>	<u>2,889</u>
Total community services	<u>124,165</u>	<u>105,012</u>	<u>19,153</u>	<u>140,617</u>
Capital outlay:	<u>-</u>	<u>187,081</u>	<u>(187,081)</u>	<u>-</u>
Total expenditures	<u>7,352,085</u>	<u>7,048,184</u>	<u>303,901</u>	<u>7,547,890</u>
Excess of revenues over expenditures	<u>910,812</u>	<u>1,554,330</u>	<u>643,518</u>	<u>1,389,890</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	21,217	21,217	-
Transfers in	48,571	44,571	(4,000)	-
Transfers out	(1,685,957)	(1,773,800)	(87,843)	(1,169,771)
Net other financing sources (uses)	<u>(1,637,386)</u>	<u>(1,708,012)</u>	<u>(70,626)</u>	<u>(1,169,771)</u>
Net change in fund balance	<u>\$ (726,574)</u>	<u>(153,682)</u>	<u>572,892</u>	<u>220,119</u>
Fund balance at beginning of year		<u>4,725,386</u>		<u>4,505,267</u>
Fund balance at end of year		<u>\$ 4,571,704</u>		<u>4,725,386</u>

CITY OF DILLINGHAM, ALASKA  
 Dock Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual

Years Ended June 30,

	2016		Variance	2015
	Budget	Actual		Actual
<b>Revenues:</b>				
Intergovernmental -				
State PERS relief	\$ 29,059	10,933	(18,126)	79,500
Local sources:				
Charges for services:				
Wharfage and handling	625,000	699,335	74,335	540,002
Docking	95,000	121,454	26,454	51,882
Labor income	8,000	8,410	410	2,416
Equipment rental	57,500	59,552	2,052	16,709
Fuel flowage fees	50,000	87,006	37,006	41,446
Total charges for services	<u>835,500</u>	<u>975,757</u>	<u>140,257</u>	<u>652,455</u>
Investment income	500	10,048	9,548	4,718
Other	1,500	105,278	103,778	9,337
Total revenues	<u>866,559</u>	<u>1,102,016</u>	<u>235,457</u>	<u>746,010</u>
<b>Expenditures:</b>				
Dock:				
Salaries	155,045	137,313	17,732	146,085
Overtime salaries	35,000	40,279	(5,279)	47,220
Employee benefits	133,312	131,314	1,998	183,977
Insurance	26,000	26,337	(337)	26,000
Travel and training	500	1,368	(868)	2,463
Supplies	1,000	566	434	1,616
Gravel	-	-	-	24,000
Gas, oil and grease	15,000	12,047	2,953	26,074
Minor tools and equipment	1,000	885	115	636
Utilities and telephone	19,700	16,808	2,892	23,194
Building and equipment repairs	1,431	36,859	(35,428)	16,451
Dock repair and maintenance	32,069	32,615	(546)	15,785
Inspections	1,200	9,325	(8,125)	911
Administrative overhead	97,192	160,756	(63,564)	123,346
Total dock	<u>518,449</u>	<u>606,472</u>	<u>(88,023)</u>	<u>637,758</u>
Capital outlay:				
Major equipment	1,197,000	1,527,425	(330,425)	-
Total expenditures	<u>1,715,449</u>	<u>2,133,897</u>	<u>(418,448)</u>	<u>637,758</u>
Excess (deficiency) of revenues over expenditures	<u>(848,890)</u>	<u>(1,031,881)</u>	<u>(182,991)</u>	<u>108,252</u>
<b>Other financing sources (uses):</b>				
Proceeds from lease financing	1,197,000	1,197,000	-	-
Transfers out	(152,204)	(131,947)	20,257	(78,410)
Net other financing sources (uses)	<u>1,044,796</u>	<u>1,065,053</u>	<u>20,257</u>	<u>(78,410)</u>
Net change in fund balance	<u>\$ 195,906</u>	<u>33,172</u>	<u>(162,734)</u>	<u>29,842</u>
Fund balance at beginning of year		<u>697,233</u>		<u>667,391</u>
Fund balance at end of year		<u>\$ 730,405</u>		<u>697,233</u>

CITY OF DILLINGHAM, ALASKA  
Other Governmental Funds  
Combining Balance Sheet

June 30, 2016

Special Revenue Funds

	Water and Sewer	Landfill	Boat Harbor	Enhanced 911 Service	Asset Forfeiture	Senior Citizen Center	Dillingham Police Department Reward	Public Safety	Local Support	Debt Service Fund
<b>Assets</b>										
Cash and investments	-	100	100	-	-	510	-	-	-	-
Receivables:										
Accounts	166,700	7,299	30,986	-	-	850	-	-	-	8,255
Grants	-	-	6,312	-	-	6,938	-	4,041	25,648	-
Allowance for uncollectible accounts	(34,830)	(639)	(5,490)	-	-	-	400	-	-	-
Due from other funds	-	52,729	15,510	175,091	2,994	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 131,870	\$ 59,489	\$ 47,428	\$ 175,091	\$ 2,994	\$ 8,298	\$ 400	\$ 4,041	\$ 25,648	\$ 8,255
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>										
Liabilities:										
Accounts payable	11,502	121,985	7,420	-	-	3,008	-	-	5,821	-
Accrued payroll and related liabilities	5,285	12,364	3,949	-	-	3,422	-	-	5,590	-
Due to other funds	3,628	-	-	-	-	19,878	-	4,041	11,944	8,255
Unearned revenue	-	-	-	-	-	20,000	-	-	-	-
Total liabilities	20,415	134,359	11,369	-	-	46,308	-	4,041	23,355	8,255
Deferred inflows of resources	98,795	-	2,109	-	-	-	-	-	-	-
Fund balances(deficits):										
Restricted	-	-	-	175,091	2,994	-	400	-	2,293	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	12,660	-	33,950	-	-	-	-	-	-	-
Unassigned	-	(74,870)	(33,950)	175,091	2,994	(38,010)	400	-	2,293	-
Total fund balances (deficits)	12,660	(74,870)	(33,950)	175,091	2,994	(38,010)	400	-	2,293	-
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 131,870	\$ 59,489	\$ 47,428	\$ 175,091	\$ 2,994	\$ 8,298	\$ 400	\$ 4,041	\$ 25,648	\$ 8,255

(continued)

PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA  
Other Governmental Funds  
Combining Balance Sheet, continued

	Capital Project Funds										Total Other Governmental Funds
	Dock and Harbor	Library	School Bonds	Equipment Replacement	Ambulance Reserve	Planning	Landfill	Public Safety	Local Support	Mary Carlson Estate Permanent Fund	
<b>Assets</b>											
Cash and Investments											710
Receivables:											
Accounts											214,100
Grants		542				15,251		2,938			82,705
Allowance for uncollectible accounts											(40,859)
Due from other funds	5,285			157,514	674,507	157,991					1,270,608
Restricted cash			77,071							393,857	470,928
Total assets	\$ 5,285	\$ 542	\$ 77,071	\$ 157,514	\$ 674,507	\$ 172,942	\$ 822	\$ 2,938	\$ 393,857	\$ 393,857	\$ 1,968,060
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>											
Liabilities:											
Accounts payable				2,342	750	898			67		166,243
Accrued payroll and related liabilities											30,610
Due to other funds		542	77,071				748	2,938	510		145,328
Unearned revenue	5,285						74				23,359
Total liabilities	\$ 5,285	\$ 542	\$ 77,071	\$ 2,342	\$ 750	\$ 898	\$ 822	\$ 2,938	\$ 577	\$ 359,540	\$ 100,904
Deferred inflows of resources											
Fund balances (deficits):											
Restricted						172,044			393,280		746,102
Committed				155,172	673,757	28,885					857,814
Assigned											46,610
Unassigned (deficits)				155,172	673,757	172,044					(112,880)
Total fund balances (deficits)				\$ 155,172	\$ 673,757	\$ 172,044			\$ 393,280		\$ 1,537,646
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 5,285	\$ 542	\$ 77,071	\$ 157,514	\$ 674,507	\$ 172,942	\$ 822	\$ 2,938	\$ 393,857	\$ 393,857	\$ 1,968,060

PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended June 30, 2016

	Special Revenue Funds										Debt Service Fund	
	Water and Sewer	Landfill	Boat Harbor	Enhanced 911 Service	Asset Forfeiture	Senior Citizen Center	Dillingham Police Department Reward	Library	Public Safety	Local Support		
<b>Revenues:</b>												
Intergovernmental:												
Federal sources	9,473	9,566	3,833	-	-	87,743	-	8,213	21,209	-	-	-
State of Alaska	-	-	-	-	-	52,782	-	24,775	-	-	-	825,508
Local sources:												
Local assistance	-	-	-	-	-	-	400	76,791	2,500	70,855	-	-
Charges for services	458,554	132,191	110,422	68,617	-	30,980	-	-	-	-	-	-
Lease and rental income	-	-	18,902	2,256	39	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Other	21,650	-	11,803	-	-	11,025	-	-	-	-	-	-
Total revenues	487,677	141,777	145,080	70,873	39	182,510	400	108,779	23,709	70,855	-	825,508
<b>Expenditures:</b>												
Current:												
Public safety	-	-	-	219	1,158	-	-	-	23,709	-	-	-
Community services	-	-	-	-	-	-	-	109,779	-	68,562	-	-
Water and sewer	722,114	-	-	-	-	-	-	-	-	-	-	-
Landfill	-	937,109	-	-	-	-	-	-	-	-	-	-
Dock	-	-	-	-	-	-	-	-	-	-	-	-
Boat harbor	-	-	203,762	-	-	-	-	-	-	-	-	-
Senior citizen center	-	-	-	-	-	292,657	-	-	-	-	-	1,179,590
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	722,114	937,109	203,762	219	1,158	292,657	400	109,779	23,709	68,562	-	1,179,590
Excess (deficiency) of revenues over expenditures	(234,437)	(795,332)	(58,702)	70,654	(1,119)	(110,147)	-	-	-	2,293	-	(354,082)
Other financing sources (uses):												
Transfers in	188,615	714,740	76,947	-	-	71,787	-	-	-	-	-	354,082
Transfers out	-	-	-	(44,571)	-	-	-	-	-	-	-	-
Net other financing sources (uses)	188,615	714,740	76,947	(44,571)	-	71,787	-	-	-	-	-	354,082
Net change in fund balances	(45,822)	(80,592)	18,245	26,083	(1,119)	(38,360)	400	-	-	2,293	-	-
Fund balances (deficits) at beginning of year	56,482	5,722	15,705	149,008	4,113	350	-	-	-	-	-	-
Fund balances (deficits) at end of year	12,660	(74,870)	33,950	175,091	2,994	(38,010)	400	-	-	2,293	-	-

(continued)

PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits), continued

	Capital Project Funds										Mary Carlson Estate Permanent Fund	Total Other Governmental Funds
	Dock and Harbor	Library	School Bonds	Equipment Replacement	Ambulance Reserve	Planning	Landfill	Public Safety	Local Support			
Revenues:												
Intergovernmental:												
Federal government												
State of Alaska		27,284					39,808	8,932				128,097
Local sources:								1,371				984,520
Local assistance												
Charges for services							104,911		8,343			263,800
Lease and rental income												787,784
Investment income (loss)			69									49,862
Other											7,887	10,251
Total revenues	1,920	27,284	69				144,719	10,303	8,343		6,408	52,807
Total revenues	1,920	27,284	69				144,719	10,303	8,343		14,286	2,265,121
Expenditures:												
Current:												
Public safety												25,086
Community services											3,172	181,513
Water and sewer												722,114
Landfill												937,109
Dock												
Boat harbor												203,782
Senior citizen center												292,657
Debt service												1,179,590
Capital outlay	1,920	27,284	67,882	156,479	3,010	2,941	265,719	10,303	8,343			543,681
Total expenditures	1,920	27,284	67,882	156,479	3,010	2,941	265,719	10,303	8,343		3,172	4,085,512
Excess (deficiency) of revenues over expenditures			(67,813)	(156,479)	(3,010)	(2,941)	(121,000)				11,124	(1,820,391)
Other financing sources (uses) -												
Transfers in	155,469		2,607	160,000	60,500		121,000					1,905,747
Transfers out												(44,571)
Net other financing sources (uses)	155,469		2,607	160,000	60,500		121,000					1,861,176
Net change in fund balances	155,469		(65,006)	3,521	57,490	(2,941)					11,124	40,785
Fund balances (deficits) at beginning of year	(155,469)		65,008	151,651	616,267	31,826	172,044				382,156	1,486,861
Fund balances (deficits) at end of year				155,172	673,757	28,885	172,044				393,280	1,537,646

PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY

## **Non-Major**

### **Special Revenue Funds**

A Special Revenue Fund is established to finance particular activities and is created from receipts of designated revenues that are restricted for expenditures for specified purposes. The City of Dillingham's Special Revenue Funds are as follows:

*Water and Sewer* – this fund accounts for the operations of the water and sewer system.

*Landfill* – this fund accounts for the operations of the City's landfill.

*Boat Harbor* – this fund accounts for the activities of the City's small boat harbor.

*Enhanced 911 Service* – this fund accounts for activities of the 911 services.

*Asset Forfeiture* – this fund accounts for the use of funds from asset forfeitures.

*Senior Citizen Center* – this fund accounts for the various grants and activities of the Senior Citizen Center.

*Dillingham Police Department Reward* – this fund accounts for donations by the public that are to be paid out by the police department to individuals who provide information on criminal activity in the area.

*Library* – this fund accounts for the various grants and operating activities of the Public Library.

*Public Safety* – this fund accounts for use of funds for public safety.

*Local Support* – this fund accounts for the use of local grants received for various community projects.

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA  
Water and Sewer Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
<b>Revenues:</b>				
Intergovernmental -				
State PERS relief	\$ 22,992	9,473	(13,519)	68,276
Local sources:				
Charges for services:				
Water sales	172,500	174,828	2,328	129,727
Sewer fees	299,670	281,726	(17,944)	251,970
Total charges for services	472,170	456,554	(15,616)	381,697
Other	14,500	21,650	7,150	18,828
Total revenues	509,662	487,677	(21,985)	468,801
<b>Expenditures:</b>				
Water:				
Salaries	56,326	48,703	7,623	54,929
Overtime salaries	15,000	13,670	1,330	16,265
Employee benefits	59,642	40,447	19,195	70,522
Contract labor	153,000	150,000	3,000	1,000
Insurance	3,859	2,417	1,442	3,859
Travel and training	2,000	847	1,153	823
Supplies	4,500	3,707	793	4,686
Gas, oil and grease	2,500	3,500	(1,000)	3,705
Minor tools and equipment	9,000	3,674	5,326	5,152
Utilities and telephone	26,800	29,567	(2,767)	48,043
Advertising	-	109	(109)	-
Building and equipment repairs	16,500	14,449	2,051	5,681
Sample testing and inspections	4,750	4,507	243	4,719
Administrative overhead	36,375	61,586	(25,211)	40,603
Total water	390,252	377,183	13,069	259,987
Sewer:				
Salaries	56,326	55,554	772	46,712
Overtime salaries	35,000	44,140	(9,140)	33,177
Employee benefits	64,110	61,179	2,931	90,449
Contract labor	7,000	46,744	(39,744)	5,790
Insurance	2,000	1,253	747	-
Travel and training	1,000	352	648	70
Supplies	3,000	2,738	262	4,808
Chemicals	6,300	6,829	(529)	7,110
Gas, oil and grease	2,500	3,613	(1,113)	4,864
Minor tools and equipment	3,500	2,849	651	2,189
Utilities and telephone	44,500	47,377	(2,877)	58,377
Building and equipment repairs	12,000	11,435	565	16,166
Sample testing and inspections	10,250	12,463	(2,213)	10,460
Administrative overhead	44,697	48,405	(3,708)	52,251
Total sewer	292,183	344,931	(52,748)	332,423
Total expenditures	682,435	722,114	(39,679)	592,410
Excess (deficiency) of revenues over expenditures	(172,773)	(234,437)	(61,664)	(123,609)
Other financing sources - transfers in	203,756	188,615	(15,141)	167,174
Net change in fund balance	\$ 30,983	(45,822)	(76,805)	43,565
Fund balance at beginning of year		58,482		14,917
Fund balance at end of year		\$ 12,660		58,482

CITY OF DILLINGHAM, ALASKA  
Landfill Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance (Deficit) - Budget and Actual

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
<b>Revenues:</b>				
Intergovernmental -				
State PERS relief	\$ 24,418	9,586	(14,832)	55,746
Local sources:				
Charges for services - landfill fees	140,000	132,191	(7,809)	123,988
Total revenues	<u>164,418</u>	<u>141,777</u>	<u>(22,641)</u>	<u>179,734</u>
<b>Expenditures:</b>				
Landfill:				
Salaries	167,474	174,881	(7,407)	119,953
Overtime salaries	20,000	21,168	(1,168)	11,372
Employee benefits	93,118	88,043	5,075	112,483
Contractual	240,000	238,594	1,406	50,548
Insurance	5,000	3,132	1,868	4,911
Advertising	800	208	592	958
Training and travel	1,000	705	295	581
Supplies	3,190	3,244	(54)	3,351
Gravel	27,789	-	27,789	17,600
Gas, oil and grease	175,000	168,893	6,107	69,374
Minor tools and equipment	8,500	4,254	4,246	6,031
Utilities and telephone	32,600	33,393	(793)	18,675
Building and equipment repairs	39,000	34,883	4,117	20,615
Sample testing and inspections	57,983	12,898	45,085	21,169
Administrative overhead	100,391	152,813	(52,422)	85,762
Total expenditures	<u>971,844</u>	<u>937,109</u>	<u>34,735</u>	<u>543,383</u>
Excess (deficiency) of revenues over expenditures	(807,426)	(795,332)	12,094	(363,649)
Other financing sources - transfers in	<u>807,426</u>	<u>714,740</u>	<u>(92,686)</u>	<u>366,921</u>
Net change in fund balance	\$ <u>-</u>	(80,592)	<u>(80,592)</u>	3,272
Fund balance at beginning of year		<u>5,722</u>		<u>2,450</u>
Fund balance (deficit) at end of year		\$ <u>(74,870)</u>		<u>5,722</u>