

CITY OF DILLINGHAM, ALASKA
Boat Harbor 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
Revenues:				
Intergovernmental -				
State PERS relief	\$ 11,460	3,933	(7,527)	21,393
Local sources:				
Charges for services - boat harbor fees	100,000	110,422	10,422	99,633
Lease and rental income	33,600	18,902	(14,698)	23,554
Other	5,100	11,803	6,703	4,792
Total revenues	<u>150,160</u>	<u>145,060</u>	<u>(5,100)</u>	<u>149,372</u>
Expenditures:				
Boat harbor:				
Salaries	68,798	53,255	15,543	44,118
Overtime salaries	6,000	6,075	(75)	4,114
Employee benefits	48,795	30,998	17,797	44,300
Contract labor	-	1,463	(1,463)	-
Advertising	600	988	(388)	819
Memberships	250	150	100	150
Travel and training	-	125	(125)	-
Supplies	3,500	3,246	254	4,027
Gas, oil and grease	2,000	2,575	(575)	6,704
Minor tools and equipment	5,000	1,782	3,218	2,678
Utilities and telephone	43,410	39,869	3,541	39,154
Janitorial services	5,000	5,620	(620)	4,700
Building and equipment repairs	21,500	24,706	(3,206)	27,417
Inspections	1,700	1,305	395	393
Administrative overhead	40,811	31,605	9,206	33,503
Total expenditures	<u>247,364</u>	<u>203,762</u>	<u>43,602</u>	<u>212,077</u>
Excess (deficiency) of revenues over expenditures	(97,204)	(58,702)	38,502	(62,705)
Other financing sources - transfers in	<u>97,204</u>	<u>76,947</u>	<u>(20,257)</u>	<u>78,410</u>
Net change in fund balance	\$ <u>-</u>	<u>18,245</u>	<u>18,245</u>	<u>15,705</u>
Fund balance at beginning of year		<u>15,705</u>		<u>-</u>
Fund balance at end of year		<u>\$ 33,950</u>		<u>15,705</u>

CITY OF DILLINGHAM, ALASKA
Enhanced 911 Service 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
Revenues:				
Charges for services:				
E911 revenue	\$ 76,000	68,617	(7,383)	75,524
Local:				
Investment income	760	2,256	1,496	1,008
Total revenues	<u>76,760</u>	<u>70,873</u>	<u>(5,887)</u>	<u>76,532</u>
Expenditures - public safety - equipment	<u>8,500</u>	<u>219</u>	<u>8,281</u>	<u>7,130</u>
Excess of revenues over expenditures	68,260	70,654	2,394	69,402
Other financing sources - transfers out	<u>(44,571)</u>	<u>(44,571)</u>	-	-
Net change in fund balance	\$ <u>23,689</u>	26,083	<u>2,394</u>	69,402
Fund balance at beginning of year		<u>149,008</u>		<u>79,606</u>
Fund balance at end of year		\$ <u>175,091</u>		<u>149,008</u>

CITY OF DILLINGHAM, ALASKA
 Asset Forfeiture Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues - investment income	\$ <u>39</u>	<u>41</u>
Expenditures - public safety:		
Travel	<u>1,158</u>	<u>2,000</u>
Excess (deficiency) of revenues over expenditures	(1,119)	(1,959)
Fund balance at beginning of year	<u>4,113</u>	<u>6,072</u>
Fund balance at end of year	\$ <u><u>2,994</u></u>	<u><u>4,113</u></u>

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

Year Ended June 30,

	2016			2015
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
Federal sources	\$ 87,133	87,743	610	93,872
State of Alaska	47,326	47,326	-	51,748
State PERS relief	26,260	5,456	(20,804)	51,783
Local sources:				
Local assistance	-	-	-	25,000
Lease and rental income	28,400	30,960	2,560	28,669
Other	26,500	11,025	(15,475)	13,850
Total revenues	<u>215,619</u>	<u>182,510</u>	<u>(33,109)</u>	<u>264,922</u>
Expenditures:				
Senior citizen center:				
Nutrition, transportation, and support services:				
Salaries	54,860	56,483	(1,623)	59,548
Employee benefits	42,904	43,482	(578)	37,822
Insurance	-	-	-	2,000
Food	16,759	15,942	817	21,397
Supplies	-	427	(427)	1,673
Gas, oil, and grease	13,496	9,030	4,466	14,416
Utilities and telephone	6,440	7,440	(1,000)	5,940
Minor tools and equipment	-	-	-	5
Building and equipment repairs	-	-	-	1,850
Major equipment	-	-	-	225
Maintenance	-	4,466	(4,466)	-
Total nutrition, transportation, and support services	<u>134,459</u>	<u>137,270</u>	<u>(2,811)</u>	<u>144,876</u>
Operations:				
Salaries	46,769	45,520	1,249	69,812
Employee benefits	56,131	16,486	39,645	99,186
Food	3,241	968	2,273	1,677
Minor tools and equipment	1,000	440	560	-
Inspections	1,566	1,961	(395)	2,215
Insurance	10,000	6,264	3,736	8,000
Supplies	4,800	1,114	3,686	844
Gas, oil, and grease	3,981	2,895	1,086	6,224
Building and equipment repairs	9,500	7,934	1,566	7,098
Utilities and telephone	26,493	23,826	2,667	36,073
Major equipment	-	-	-	26,080
Administrative overhead	56,618	47,979	8,639	75,132
Total operations	<u>220,099</u>	<u>155,387</u>	<u>64,712</u>	<u>332,341</u>
Total expenditures	<u>354,558</u>	<u>292,657</u>	<u>61,901</u>	<u>477,217</u>
Excess (deficiency) of revenues over expenditures	(138,939)	(110,147)	28,792	(212,295)
Other financing sources - transfers in	<u>138,939</u>	<u>71,787</u>	<u>(67,152)</u>	<u>212,645</u>
Net change in fund balance	\$ <u>-</u>	<u>(38,360)</u>	<u>(38,360)</u>	<u>350</u>
Fund balance at beginning of year		<u>350</u>		<u>-</u>
Fund balance (deficit) at end of year		\$ <u>(38,010)</u>		<u>350</u>

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA
Dillingham Police Department Reward Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues - local assistance	\$ <u>400</u>	<u>-</u>
Expenditures	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	400	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>400</u></u>	<u><u>-</u></u>

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

Year Ended June 30,

	2016			2015
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
Federal	\$ 8,000	8,213	213	10,994
State of Alaska	7,000	24,775	17,775	16,194
Local assistance	93,685	76,791	(16,894)	43,798
Total revenues	<u>108,685</u>	<u>109,779</u>	<u>1,094</u>	<u>70,986</u>
Expenditures:				
Community services:				
Salaries	2,780	2,430	350	4,633
Employee benefits	-	1,102	(1,102)	2,477
Travel and training	1,000	2,000	(1,000)	3,000
Audio visual	2,360	2,468	(108)	2,450
Internet and phone	93,685	93,497	188	49,761
Summer reading program	2,500	1,965	535	2,495
Books	6,360	6,317	43	6,170
Total expenditures	<u>108,685</u>	<u>109,779</u>	<u>(1,094)</u>	<u>70,986</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>	-
Fund balance at beginning of year		-		-
Fund balance at end of year		\$ <u>-</u>		<u>-</u>

CITY OF DILLINGHAM, ALASKA
Public Safety Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30,	<u>2016</u>	<u>2015</u>
Revenues:		
Intergovernmental:		
Federal sources	\$ 21,209	76,504
State of Alaska	-	29,864
Local assistance	<u>2,500</u>	<u>-</u>
Total revenues	<u>23,709</u>	<u>106,368</u>
Expenditures:		
Public safety:		
Salaries	21,209	31,228
Gas, oil, grease	2,500	-
Advertising	-	614
Travel	-	1,309
Equipment	<u>-</u>	<u>48,217</u>
Total public safety	<u>23,709</u>	<u>81,368</u>
Dock:		
Advertising	-	598
Equipment	<u>-</u>	<u>24,402</u>
Total dock	<u>-</u>	<u>25,000</u>
Total expenditures	<u>23,709</u>	<u>106,368</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA
Local Support Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues:		
Local assistance	\$ <u>70,855</u>	<u>48,104</u>
Expenditures:		
Public safety:		
Utilities	<u>-</u>	<u>923</u>
Community services:		
Salaries	48,771	43,013
Overtime salaries	1,202	2,018
Employee benefits	2,822	2,150
Training	<u>15,767</u>	<u>-</u>
Total community services	<u>68,562</u>	<u>47,181</u>
Total expenditures	<u>68,562</u>	<u>48,104</u>
Excess of revenues over expenditures	2,293	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>2,293</u></u>	<u><u>-</u></u>

Non-Major

Debt Service Fund

The Debt Service Fund accounts for the accumulation of monies for payments of the General Obligation School Bonds. Servicing of this debt requires various annual and semi-annual payments of principal and interest. Financing is provided by the State of Alaska debt reimbursement program, and transfers, determined annually by budget, from the General Fund.

**PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY**

CITY OF DILLINGHAM, ALASKA
Debt Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Years Ended June 30,	2016			2015
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental - State of Alaska	\$ 825,713	825,508	(205)	823,059
Expenditures:				
Principal	665,000	665,000	-	630,000
Interest	514,590	514,590	-	546,090
Total expenditures	1,179,590	1,179,590	-	1,176,090
Excess (deficiency) of revenues over expenditures	(353,877)	(354,082)	(205)	(353,031)
Other financing sources - transfers in	353,877	354,082	205	353,031
Net change in fund balance	\$ -	-	-	-
Fund balance at beginning of year		-		-
Fund balance at end of year		\$ -		-

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

Non-Major

Capital Project Funds

Capital Project Funds are used to account for the acquisition and construction of major capital facilities. These funds evolved from the need for special accounting for grants and contributions for the acquisition or construction of capital assets.

Capital Project Funds provide a formal mechanism which enables administrators to ensure that revenues dedicated to a certain capital related purpose are used only for that purpose and further enables them to report to granting agencies that their requirements regarding the use of the proceeds were satisfied. The City's Capital Project Funds are as follows:

Dock and Harbor – these funds account for various projects involving the dock and harbor facilities.

Library – this fund accounts for various library improvement projects and grants.

School Bonds – this fund accounts for use of bond generated funds for the various repairs and replacements at the School District facilities.

Equipment Replacement – this fund is used to accumulate funds to purchase capital assets.

Ambulance Reserve – this fund is used to accumulate funds to purchase a new ambulance.

Planning – this fund is used for the planning of capital projects.

Landfill – this fund accounts for capital grants and activity associated with the landfill and related landfill closure activities.

Public Safety – this fund accounts for use of funds for public safety and related capital grant funds.

Local Support – this fund accounts for the use of local grants received for capital improvements.

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA
 Dock and Harbor Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues:		
Intergovernmental:		
State of Alaska	\$ -	56,003
Local sources - other	<u>1,920</u>	<u>21</u>
Total revenues	<u>1,920</u>	<u>56,024</u>
 Expenditures - capital outlay - dock	 <u>1,920</u>	 <u>56,024</u>
 Excess of revenues over expenditures	 -	 -
 Other financing uses - transfers in	 <u>155,469</u>	 <u>-</u>
 Net change in fund balance	 155,469	 -
 Fund balance (deficit) at beginning of year	 <u>(155,469)</u>	 <u>(155,469)</u>
 Fund balance (deficit) at end of year	 \$ <u><u>-</u></u>	 <u><u>(155,469)</u></u>

CITY OF DILLINGHAM, ALASKA
 Library Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues:		
Intergovernmental -		
State of Alaska	\$ <u>27,284</u>	<u>45,484</u>
Expenditures - capital outlay - community services	<u>27,284</u>	<u>45,484</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA
 School Bonds Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues - investment income	\$ <u>69</u>	<u>426</u>
Expenditures - capital outlay - school building projects	<u>67,682</u>	<u>12,183</u>
Excess (deficiency) of revenues over expenditures	(67,613)	(11,757)
Other financing sources (uses):		
Transfer in	<u>2,607</u>	<u>-</u>
Net change in fund balance	(65,006)	(11,757)
Fund balance at beginning of year	<u>65,006</u>	<u>76,763</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>65,006</u></u>

CITY OF DILLINGHAM, ALASKA
Equipment Replacement Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues	\$ <u> -</u>	<u> -</u>
Expenditures - capital outlay - public works	<u> 156,479</u>	<u> 19,523</u>
Excess (deficiency) of revenues over expenditures	(156,479)	(19,523)
Other financing sources - transfers in	<u> 160,000</u>	<u> 50,000</u>
Net change in fund balance	3,521	30,477
Fund balance at beginning of year	<u> 151,651</u>	<u> 121,174</u>
Fund balance at end of year	\$ <u> 155,172</u>	<u> 151,651</u>

CITY OF DILLINGHAM, ALASKA
 Ambulance Reserve Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues	\$ <u>-</u>	<u>-</u>
Expenditures - capital outlay - public safety	<u>3,010</u>	<u>25,713</u>
Excess (deficiency) of revenues over expenditures	<u>(3,010)</u>	<u>(25,713)</u>
Other financing sources (uses):		
Transfer in	<u>60,500</u>	<u>35</u>
Net change in fund balance	57,490	(25,678)
Fund balance at beginning of year	<u>616,267</u>	<u>641,945</u>
Fund balance at end of year	\$ <u><u>673,757</u></u>	<u><u>616,267</u></u>

CITY OF DILLINGHAM, ALASKA
 Planning Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues	\$ <u>-</u>	<u>-</u>
Expenditures - capital outlay - public safety	<u>2,941</u>	<u>11,918</u>
Excess (deficiency) revenues over expenditures	(2,941)	(11,918)
Other financing sources - transfer in	<u>-</u>	<u>20,000</u>
Net change in fund balance	(2,941)	8,082
Fund balance at beginning of year	<u>31,826</u>	<u>23,744</u>
Fund balance at end of year	\$ <u><u>28,885</u></u>	<u><u>31,826</u></u>

CITY OF DILLINGHAM, ALASKA
Landfill Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues:		
Intergovernmental:		
State of Alaska	\$ 39,808	1,348,401
Local sources - local assistance	<u>104,911</u>	<u>145,089</u>
Total revenues	<u>144,719</u>	<u>1,493,490</u>
 Expenditures - capital outlay - public works	 <u>265,719</u>	 <u>1,493,490</u>
 Excess (deficiency) of revenues over expenditures	 (121,000)	 -
 Other financing sources - transfers in	 <u>121,000</u>	 <u>-</u>
 Net change in fund balance	 -	 -
 Fund balance at beginning of year	 <u>172,044</u>	 <u>172,044</u>
 Fund balance at end of year	 <u>\$ 172,044</u>	 <u>172,044</u>

CITY OF DILLINGHAM, ALASKA
 Public Safety Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues:		
Intergovernmental:		
Federal sources	\$ 8,932	359,495
State of Alaska	1,371	136,391
Total revenues	<u>10,303</u>	<u>495,886</u>
Expenditures - capital outlay - public safety	<u>10,303</u>	<u>495,851</u>
Excess of revenues over expenditures	<u>-</u>	<u>35</u>
Other financing sources (uses):		
Transfers out	<u>-</u>	<u>(35)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>-</u>

PRELIMINARY DRAFT
 FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA
Local Support Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2016</u>	<u>2015</u>
Revenues:		
Grant revenue - local assistance	\$ <u>8,343</u>	<u>31,717</u>
Expenditures - capital outlay - public safety	<u>8,343</u>	<u>31,717</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

Non-Major

Permanent Fund

Permanent funds are legally restricted to the extent that only earnings and not principal may be used for purposes that support the City's programs.

Mary Carlson Estate Permanent Fund – this fund was established to account for assets bequeathed by Mary Carlson to be used for museum and literary purposes.

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA
Mary Carlson Estate Permanent Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance

Years Ended June 30,	<u>2016</u>	<u>2015</u>
Revenues - investment income		
Local sources:		
Investment income	\$ 7,887	3,730
Other	6,409	-
Total revenues	<u>14,296</u>	<u>3,730</u>
Expenditures:		
Community services:		
Salaries and benefits	223	-
Utilities	861	5,979
Administrative overhead	520	1,621
Building repairs	34	73
Advertising	908	1,232
Insurance	626	830
Total expenditures	<u>3,172</u>	<u>9,735</u>
Excess (deficiency) of revenues over expenditures	11,124	(6,005)
Fund balance at beginning of year	<u>382,156</u>	<u>388,161</u>
Fund balance at end of year	<u>\$ 393,280</u>	<u>382,156</u>

CITY OF DILLINGHAM, ALASKA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grant Title	Grant Number/ Pass-through Entity Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	Federal Share of Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through State of Alaska Department of Natural Resources				
Division of Forestry				
Volunteer Fire Assistance				
	none	10.664	\$ 8,932	8,932
DEPARTMENT OF THE INTERIOR				
Passed through State of Alaska Department of Commerce, Community and Economic Development:				
Payment in Lieu of Taxes				
	none	15.226	443,838	443,838
DEPARTMENT OF JUSTICE				
Passed through State of Alaska Department of Public Safety:				
Justice Assistance Grant				
	16-202	16.738	35,000	21,209
DEPARTMENT OF HOMELAND SECURITY				
Passed through State of Alaska Department of Administration				
Donation of Federal Surplus Property				
	none	39.003	187,081	187,081
DEPARTMENT OF MUSEUM AND LIBRARY SERVICES				
Passed through Curyung Tribal Council:				
Native American Library Services Basic Grant				
	NG-05-15-0210-15	45.311	7,000	6,213
Passed through State of Alaska Department of Education and Early Development:				
Alaska State Library- Continuing Education				
	none	45.310	2,000	2,000
Total Department of Museum and Library Services				
			9,000	8,213
ENVIRONMENTAL PROTECTION AGENCY				
Passed through Alaska Native Tribal Health Consortium				
Wastewater project - Sewer Lagoon				
	AN 15-N3E	66.458	634,483	10,413
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through State of Alaska Department of Health and Social Services:				
Aging Cluster:				
Nutrition, Transportation and Support Service				
	607-309-1607	93.044	47,386	47,386
Nutrition, Transportation and Support Service				
	607-309-1607	93.045	35,747	35,747
Nutrition Services Incentive Program				
	none	93.053	4,610	4,610
Total Aging Cluster				
			87,743	87,743
Total Expenditures of Federal Awards			\$ 1,406,077	\$ 767,429

See accompanying notes to Schedule.

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA

Notes to Schedule of Expenditures of Federal awards

Year ended June 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Dillingham, Alaska under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of City of Dillingham, Alaska, it is not intended to and does not present the basic financial statements of City of Dillingham, Alaska.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. City of Dillingham, Alaska has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

CITY OF DILLINGHAM, ALASKA
Schedule of State Financial Assistance
Year Ended June 30, 2016

	Grant Number	Total Grant Award	State Share of Expenditures
DEPARTMENT OF ADMINISTRATION			
Direct Programs:			
* State PERS Relief	none	\$ 167,034	\$ 167,034
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT			
Direct Programs:			
* Debt Service - School Bonds	none	825,508	825,508
Public Library Assistance	none	6,650	6,650
Alaska OWL Program	none	18,125	18,125
Total Department of Education and Early Development		<u>850,283</u>	<u>850,283</u>
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT			
Direct Programs:			
* State Revenue Sharing	none	202,035	202,035
* Wastewater Treatment Plant Upgrades	13-DC-516	2,280,000	282,302
E911 Critical System Upgrade	14-DC-046	200,000	822
Landfill Regulatory Compliance Improvements	14-DC-047	1,900,000	39,808
Library & Museum Repair	15-RR-052	84,942	27,284
Total Department of Commerce, Community and Economic Development		<u>4,666,977</u>	<u>552,251</u>
DEPARTMENT OF REVENUE			
Direct Programs:			
Fisheries Business Tax	none	27,135	27,135
* Raw Fish Tax	none	433,564	433,564
Electric and Telephone Co-op Tax	none	65,540	65,540
Liquor Licenses	none	4,000	4,000
Motor Vehicle Tax	none	28,104	28,104
Total Department of Revenue		<u>558,343</u>	<u>558,343</u>
DEPARTMENT OF ENVIRONMENTAL CONSERVATION			
Direct Programs:			
* Wastewater System Improvements and Upgrades	28307	3,000,000	747,025
Wastewater System Improvements	28308	2,140,119	1,279
Total Department of Environmental Conservation		<u>5,140,119</u>	<u>748,304</u>
DEPARTMENT OF HEALTH AND SOCIAL SERVICES			
Direct Programs:			
Nutrition, Transportation and Support Services	607-309-1607	47,326	47,326
DEPARTMENT OF CORRECTIONS			
Direct Programs:			
Regional and Community Jails Program Capital Projects	none	20,000	549
Total State Financial Assistance		\$ <u>11,450,082</u>	\$ <u>2,924,090</u>

See accompanying notes to the Schedule.

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

CITY OF DILLINGHAM, ALASKA

Notes to Schedule of State Financial Assistance

Year ended June 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of City of Dillingham, Alaska under programs of the State of Alaska for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City of Dillingham, Alaska, it is not intended to and does not present the basic financial statements of City of Dillingham, Alaska.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

COMPLIANCE REPORTS

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dillingham, Alaska as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Dillingham, Alaska's basic financial statements and have issued our report thereon dated XXX XX, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dillingham, Alaska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dillingham, Alaska's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dillingham, Alaska's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Mayor and City Council
City of Dillingham, Alaska

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dillingham, Alaska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anchorage, Alaska
XXX XX, 2017

Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

Report on Compliance for Each Major Federal Program

We have audited the City of Dillingham, Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Dillingham, Alaska's major federal programs for the year ended June 30, 2016. City of Dillingham, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

The City of Dillingham, Alaska's basic financial statements include the operations of its component unit, Dillingham City School District, which received \$1,922,355 in federal awards, which is not included in the schedule for the year ended June 30, 2016. Our audit, described below, did not include the operations of Dillingham City School District because it was subjected to a separate audit in accordance with *Uniform Guidance*.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Dillingham, Alaska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Dillingham, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Dillingham, Alaska's compliance.

Opinion on Each Major Federal Program

In our opinion; the City of Dillingham, Alaska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the City of Dillingham, Alaska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Dillingham, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Dillingham, Alaska's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CITY OF DILLINGHAM, ALASKA
 Federal Schedule of Findings and Questioned Costs
 Year Ended June 30, 2016

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report? Yes No

Internal control over financial reporting:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))? Yes No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)(3) or (4)? Yes No

Identification of major programs:

CFDA Number(s)
15.226

Name of Federal Program or Cluster
Payment in Lieu of Taxes

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF DILLINGHAM, ALASKA

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

The City of Dillingham, Alaska did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

The City of Dillingham, Alaska did not have any findings related to the federal awards.

Section IV – Summary of Prior Audit Findings

Finding 2015-001

Significant Deficiency

Internal Control over Accounts Payable

Condition:

Check requests should have proper supporting documentation along with a review and approval before checks are written and signed.

Status:

This finding has been resolved.

Finding 2015-002

Significant Deficiency

Internal Control over Accounts Payable Accrual

Condition:

The City of Dillingham, Alaska did not properly accrue year-end activities to properly reflect accounts payable.

Status:

This finding has been resolved.

Finding 2015-003

Significant Deficiency

Internal Control over Financial Reporting and Year End Close

Condition:

The balance sheet accounts were not properly reconciled in a timely manner.

Status:

This finding has been resolved.

Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance as Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

Report on Compliance for Each Major State Program

We have audited City of Dillingham, Alaska's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City of Dillingham, Alaska's major state programs for the year ended June 30, 2016. City of Dillingham, Alaska's major state programs are identified in the accompanying schedule of state financial assistance.

The City of Dillingham, Alaska's basic financial statements include the operations of its component unit, Dillingham City School District, which received \$7,402,218 in state awards, which is not included in the schedule for the year ended June 30, 2016. Our audit, described below, did not include the operations of Dillingham City School District because it was subjected to a separate audit in accordance with the Guide.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Dillingham, Alaska's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of Dillingham, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However our audit does not provide a legal determination of City of Dillingham, Alaska's compliance.

Opinion on Each Major State Program

In our opinion, City of Dillingham, Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of City of Dillingham, Alaska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Dillingham, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Dillingham, Alaska's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and City Council
City of Dillingham, Alaska

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Anchorage, Alaska
Month XX, 2016

CITY OF DILLINGHAM, ALASKA

State Schedule of Findings and Questioned Costs

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified?

 Yes X None reported

Material weakness(es) identified?

 Yes X No

Noncompliance material to financial statements noted?

 Yes X No

State Awards

Internal control over major programs:

Significant deficiency(ies) identified?

 Yes X None reported

Material weakness(es) identified?

 Yes X No

Type of auditor's report issued on compliance
for major programs:

Unmodified

Dollar threshold used to distinguish a state major program:

\$ 75,000

Section II – Financial Statement Findings

See Federal Schedule of Findings and Questioned Costs

Section III – State Award Findings and Questioned Costs

The City of Dillingham, Alaska, did not have any findings related to their state awards.

Section IV – Prior Year State Award Findings and Questioned Costs

Finding 2015-004

Internal Control over Accounts Payable

Significant Deficiency

Department:

**Department of Commerce, Community, and Economic
Development, Division of Community and Regional Affairs**

Project Title:

Landfill Regulatory Compliance Improvements

Grant No.:

14-DC-047

Condition:

The City of Dillingham did not properly accrue year-end activities to properly accounts payable.

Status:

This finding has been resolved.

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CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2017-08

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ACCEPTING THE YEAR END
AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

WHEREAS, the Dillingham Municipal Code Section 4.04.050 calls for an "Independent Annual Audit"; and

WHEREAS, the City Council appointed Altman, Rogers and Co. to audit the FY2016 financial statements; and

WHEREAS, Altman, Rogers and Co. audited the financial statements for the fiscal year ending June 30, 2016, and rendered the opinion that the financial statements present fairly, in all material respects, the respective financial position, changes in financial position, and respective budgetary comparison of the City of Dillingham; and

WHEREAS, _____ of Altman, Rogers and Co. reviewed the Basic Financial Statements, Supplementary Information and Single Audit Reports at a Special Meeting of the City Council held on March 7, 2017, attending by way of teleconference; and

WHEREAS, the City Council intends to formally accept the FY2016 audited financial statements by this action;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that the work of Altman, Rogers and Co., and the audited financial statements for the fiscal year ending June 30, 2016 be accepted.

PASSED and ADOPTED by the Dillingham City Council on March 7, 2017.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

