

CITY OF GUSTAVUS

Basic Financial Statements, Required Supplementary
Information and Additional Supplementary Information
(With Independent Accountant's Review Report)

Year Ended June 30, 2018

CITY OF GUSTAVUS

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(With Independent Accountant's Review Report)

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CITY OF GUSTAVUS

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Independent Accountant's Review Report

Honorable Mayor and City Council
City of Gustavus
Gustavus, Alaska

Ladies and Gentlemen:

We have reviewed the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Gustavus (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise of the City's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Honorable Mayor and City Council
City of Gustavus

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has omitted the Management's Discussion and Analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other information

The additional supplementary information included on page 24 through 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and do not express an opinion, a conclusion, nor provide any assurance on it.

Altman, Rogers & Co.

Anchorage, Alaska

May 23, 2019

CITY OF GUSTAVUS
Statement of Net Position
June 30, 2018

<u>Assets</u>	<u>Governmental Activities</u>
Current:	
Cash and cash equivalents	\$ 2,754,874
Investments	1,391,779
Receivables	9,568
Prepaid items	4,819
Total current assets	<u>4,161,040</u>
Non-current:	
Capital assets	7,544,094
Accumulated depreciation	<u>(2,439,530)</u>
Total non-current assets	<u>5,104,564</u>
Total assets	<u>\$ 9,265,604</u>
 <u>Liabilities</u>	
Current:	
Accounts payable	44,209
Accrued payroll	<u>3,092</u>
Total current liabilities	<u>47,301</u>
 <u>Net Position</u>	
Net investment in capital assets	5,104,564
Restricted	5,161
Unrestricted	<u>4,108,578</u>
Total net position	<u>\$ 9,218,303</u>

See accompanying notes to the financial statements and independent accountant's review report.

CITY OF GUSTAVUS
Statement of Activities
Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
General government	\$ 328,316	3,900	-	(324,416)
Public safety	207,624	7,102	7,313	(193,209)
Public works	147,752	-	12,378	(135,374)
Community services	367,177	118,072	-	(249,105)
Total governmental activities	\$ 1,050,869	129,074	19,691	(902,104)
General revenues:				
				450,198
				70,382
				252,218
				25,998
				798,796
				(103,308)
				9,321,611
				\$ 9,218,303

See accompanying notes to the financial statements and independent accountant's review report.

CITY OF GUSTAVUS

Balance Sheet - Governmental Funds

June 30, 2018

<u>Assets</u>	General Fund	CP17-04 GVFD Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 2,754,874	-	-	2,754,874
Investments	1,391,779	-	-	1,391,779
Receivables	9,568	-	-	9,568
Prepaid items	4,819	-	-	4,819
Due from other funds	-	5,940	255,797	261,737
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 4,161,040	5,940	255,797	4,422,777
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</u>				
Liabilities:				
Accounts payable	44,209	-	-	44,209
Accrued payroll	3,092	-	-	3,092
Due to other funds	261,737	-	-	261,737
Total liabilities	<u>309,038</u>	<u> </u>	<u> </u>	<u>309,038</u>
Fund Balances:				
Nonspendable:				
Prepaid items	4,819	-	-	4,819
Restricted:				
Volunteer Fire Assistance	-	-	5,161	5,161
Committed:				
Public Safety	-	5,940	-	5,940
Capital projects	-	-	250,636	250,636
Unassigned	3,847,183	-	-	3,847,183
Total fund balances	<u>3,852,002</u>	<u>5,940</u>	<u>255,797</u>	<u>4,113,739</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>4,161,040</u>	<u>5,940</u>	<u>255,797</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and are not reported in the funds.				<u>5,104,564</u>
Net position of governmental activities				\$ <u>9,218,303</u>

See accompanying notes to the financial statements and independent accountant's review report.

CITY OF GUSTAVUS

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

Year Ended June 30, 2018

	General Fund	CP17-04 GVFD Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Taxes	\$ 450,198	-	-	450,198
Charges for services	129,074	-	-	129,074
Interest and investment earnings	70,382	-	-	70,382
Other	25,998	-	2,100	28,098
Intergovernmental:				
State of Alaska	90,745	-	10,278	101,023
Federal sources	161,473	-	7,313	168,786
Total revenues	<u>927,870</u>	<u>-</u>	<u>19,691</u>	<u>947,561</u>
Expenditures:				
Current:				
General government	177,800	-	-	177,800
Public safety	136,036	4,540	9,253	149,829
Public works	103,200	-	-	103,200
Community services	295,273	-	14,097	309,370
Capital outlay	-	114,614	38,007	152,621
Total expenditures	<u>712,309</u>	<u>119,154</u>	<u>61,357</u>	<u>892,820</u>
Excess (deficiency) of revenues over expenditures	215,561	(119,154)	(41,666)	54,741
Other financing sources (uses):				
Transfer in	-	124,309	241,350	365,659
Transfer out	(365,659)	-	-	(365,659)
Net other financing sources (uses)	<u>(365,659)</u>	<u>124,309</u>	<u>241,350</u>	<u>-</u>
Net change in fund balances	(150,098)	5,155	199,684	54,741
Fund balances, beginning of year	<u>4,002,100</u>	<u>785</u>	<u>56,113</u>	<u>4,058,998</u>
Fund balances, end of year	<u>\$ 3,852,002</u>	<u>5,940</u>	<u>255,797</u>	<u>4,113,739</u>

See accompanying notes to the financial statements and independent accountant's review report.

CITY OF GUSTAVUS

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

Year Ended June 30, 2018

Net change in fund balance - total government funds	\$	54,741
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.</p> <p>This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital outlays		113,800
Depreciation expense		<u>(271,849)</u>
		<u>(158,049)</u>
Change in net position of governmental activities	\$	<u><u>(103,308)</u></u>

See accompanying notes to the financial statements and independent accountant's review report.

CITY OF GUSTAVUS

Notes to Basic Financial Statements

June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the City of Gustavus (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City of Gustavus, Alaska, is a municipal corporation and political subdivision of the State of Alaska, incorporated as a second class city in 2004. The City is a small town with population of approximately 550 people which operates under a Mayor-Council form of government.

The City provides a variety of services including general administration, street maintenance and fire services, solid waste and recycling services, boat harbor services, public improvements, and library services.

There are no component units combined with the City for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the City's financial statements present only the activities for which its elected governing board is financially accountable.

The more significant of the City's accounting policies are described below:

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City does not presently have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Deferred inflows of resources are the acquisition of Fund Balance / Net Position by the City that are applicable to a future reporting period. Deferred outflows of resources are the consumption of Fund Balance / Net Position by the City that are applicable to a future reporting period.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

Separate financial statements are provided for governmental fund types. Major individual governmental funds are reported as separate columns in the fund financial statements. All other funds presented in a single column as “other governmental funds”.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are reported when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates resources according to their intended purpose and is used to and management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It accounts for all financial resources of the City, except those reported to be accounted for in another fund.

The *CP17-04 GVFD* is a capital project fund that was created for the purchase and shipping of a fire engine.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

When both restricted and unrestricted resources are available for use for governmental activities, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Amounts reported as program revenues include 1) Charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Summarized below are the major sources of revenue, which are susceptible to accrual and the applicable recognition policies:

Intergovernmental Revenue:

State of Alaska and federal government cost reimbursable grants and contracts and State of Alaska construction grant revenues are recorded to the extent of allowable expenditures in the period the expenditures are incurred.

State of Alaska fisheries business tax, revenue sharing, federal funds passed through the State of Alaska in form of forest receipts and PILT payments are recorded in the fiscal year to which they relate.

Local Revenue:

The City collects various taxes and charges for services such as sales tax, bed tax, facilities usage fees, library and business license fees. The City also receives additional local revenue in the form of donations, lease payments, gravel sales and revenue from other local sources which are recognized in the year received. The City earns interest on their investments and the interest is recorded in the General Fund and susceptible to accrual.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, mutual funds and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments are stated at fair value. These investments are managed under Chapter 4.13 of the City's Code of Ordinances, Gustavus Endowment Fund. The goal is to minimize credit and market risks, mitigate negative effects of inflation and to preserve city assets for the benefit of present and future generations of Gustavus residents. The long-term goal of the fund is to achieve a three percent plus inflation total return on the investments.

The City's investments have maturities between less than one year to five years, and are reported at fair value in the accompanying financial statements.

The City participates in the Alaska Municipal League Investment Pool (AMLIP) and invests in certificates of deposits insured by the Federal Depository Insurance Corporation (FDIC) or secured by eligible collateral held by a third party in the City's name. AMLIP is not SEC registered and is unrated. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. The pool is incorporated in the State of Alaska as a nonprofit corporation and reports to its Board of Directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

The AMLIP manager is required to produce monthly disclosure statements to the pool. The pool has also retained an investment advisor to monitor the performance of the investment manager and to ensure compliance with investment policies. All participation in the pool is voluntary. The pool must maintain a dollar weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the pool are reviewed for fair value by an independent pricing service.

3. Short-term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the Fund Financial Statements and are eliminated in the preparation of the government-wide financial statements.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

4. Receivables

Receivables consist of both due from federal sources and local sources. Revenues from taxes, net of estimated refunds, are to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. As a result, tax payments due at year end, relating to the tax period ending June 30, 2018, are recorded as receivable.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaids are recognized when incurred and the expenditure is recorded in the period that is benefited using the purchase method. Reported prepaid items are equally offset by a non-spendable fund balance in the Fund Financial Statements, which indicates that they do not constitute "available spendable resources" even though they are a component of net position.

6. Capital Assets

Capital assets used in governmental fund types of the City are recorded in the Government-Wide Financial Statements at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are depreciated on the straight-line method in the Government-Wide Financial Statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives or are not individually greater than \$5,000 are not capitalized in the Government-Wide Financial Statements, but are instead considered part of Operations and Maintenance expenses.

7. Unearned Revenue/Unavailable Revenue

Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off benefits. A liability is reported for unpaid accumulated leave as a provision for payment or use upon termination. Leave is paid out at the current rate of pay at the date of termination. All paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is only reported in the governmental funds if they have matured, for example, as a result of employee resignations and retirements.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

9. Net Position

In the government-wide financial statements, net position is divided into three components:

- Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consists of assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

10. Fund Balance

In the fund financial statements, fund balance includes five classifications as follows:

Nonspendable fund balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid items, supplies, and long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.

Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted by the Council taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – amounts intended to be used by the City for specific purposes: intent can be expressed by the Council or by the City Mayor or designee. Such constraint is binding unless modified or eliminated by the Council or City Mayor. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

Unassigned Fund Balance – amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the General Fund. If another governmental fund, other than the General Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Compliance with the provisions of the Fund Balance Classification Policy are reviewed as part of the annual budget adoption process. The Mayor reports to the Council as close to the end of the year as possible the anticipated year-end fund balance or deficit. The Council takes appropriate action to commit or assign, or otherwise allocate prior year fund balances as a part of the budget planning process.

The City's Special Revenue Funds are used to account for services provided to its citizens and other programs that are restricted or committed.

11. Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the balance sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities, except for the City's investments. The carrying amount of the City's investments are determined based on quoted market prices.

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles general accepted in the United States of America for all governmental funds except the Capital Projects Funds. Capital Project Funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end. Unexpected Grant Funds are reappropriated at the beginning of the year for any unexpended prior year appropriations.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

Budgetary control is exercised at the fund level. The City is authorized to transfer budget amounts within a fund; however, any supplemental appropriations that amend the total expenditures of any fund require approval.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents and Investments

All deposits are carried at fair value. The City has adopted an investment policy for funds to be managed in accordance with the Prudent Expert Rule which requires management with care, skill, prudence, and diligence. The city funds may be invested in the following types of securities:

1. Obligations of the United States or obligations either insured by or guaranteed by agencies and instrumentalities of the United States.
2. Notes or bonds issued by the State of Alaska or its political subdivisions, or other states of the United States, maturing within two years, with a credit rating of A - /A3 or better from two national rating agencies.
3. Federally insured or fully collateralized certificates of deposit of banks and credit unions, maturing within two years.
4. Repurchase agreements are collateralized by U.S. Treasury securities and marked-to-market. If purchase agreements are overnight investments or if securities are collateralized in excess of one hundred two percent, marked-to-market is not necessary.
5. A state investment pool formed within the State of Alaska and comprised of agencies of the state and/or its political subdivisions.
6. Money market mutual funds whose portfolios consist entirely of U.S. government securities.
7. Any of the following:
 - (A) Mortgage-backed and asset backed obligations denominated in U.S. dollars with a credit rating of A-/A3 or better from two national rating agencies.
 - (B) Corporate debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a rating of A-/A3 or better from at least two national rating agencies.
 - (C) Convertible debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a rating of A-/A3 or better from at least two national rating agencies.
 - (D) Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard and Poor's 500 Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).
 - (E) Bond funds which taken as a whole, attempt to replicate the Barclays Aggregate Index or similar characteristics, including both mutual funds and exchange traded funds (ETFs).

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

All of the City's cash and investments at June 30, 2018 are either held by or purchased through United States banks, credit unions, or brokers.

Custodial credit risk – is the risk that in an event of a bank or counterparty failure, the City's deposits and investments will not be returned. The City maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the balance sheet as "Cash and cash equivalents" or amounts "due to/from funds." The City's bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000. At June 30, 2018, the City exceeded insured limits by \$2,361,100. The insured or collateralized balance does not protect against market share losses. Investments held by the City of Gustavus are protected by the Securities Investor Protection Corporation (SIPC) up to \$500,000 per customer per financial institution. At June 30, 2018, the City's investment balances were uninsured by \$938,855.

A listing of the City's investments is as follows:

	Carrying amount and fair value	Investment Maturity (in years)	
		1 to 5	5 to 10
Fixed income	\$ 806,822	806,822	-
Mutual funds:			
Large cap	317,319	317,319	-
Mid cap	30,191	30,191	-
Small cap	15,857	15,857	-
International equity	124,839	124,839	-
Emerging markets	40,958	40,958	-
Real estate EIF	55,793	55,793	-
Total investments	\$ 1,391,779	1,391,779	-

Credit risk: The City of Gustavus does limit its investments to specific ratings. At June 30, 2018, the City's ratings on bonds ranged from A to A3 or better from at least two national rating agencies.

Concentration of credit risk: The following ETF bonds and funds were greater than 5 percent of the total investments:

Type of Investments	Amount	Of Investment
Ishares Short Treasury Bond ETF	\$ 135,289	9%
Vanguard Short-term TIPS ETF	\$ 144,840	10%
Vanguard Total Bond Market ETF	\$ 492,225	34%
Flexshares Qual Div ETF	\$ 77,236	5%
SPDR S&P 500 ETF	\$ 240,083	16%
Ishares ETF Core MSCI EAFE	\$ 124,839	8%

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

Investments are reported fair value with unrealized gain or loss in investments reflected in the investment income. 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. The hierarchy are as follows:

- Level 1 inputs – quoted prices in active markets for identical assets.
- Level 2 inputs – significant other observable inputs which are valued using models with various inputs, such as, but not limited to, daily cash flow, snapshots of market indices and spread scales.
- Level 3 inputs – significant observable inputs.

The City has the following fair value measurements as of June 30, 2018.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Fixed income	\$ 806,822	806,822	-	-
Mutual funds:				
Large cap	317,319	317,319	-	-
Mid cap	30,191	30,191	-	-
Small cap	15,857	15,857	-	-
International equity	124,839	124,839	-	-
Emerging markets	40,958	40,958	-	-
Real estate EIF	55,793	55,793	-	-
Total investments at fair value	\$ <u>1,391,779</u>	<u>1,391,779</u>	<u>-</u>	<u>-</u>

B. Receivables

At June 30, 2018, receivables for the City's individual major funds, the General Fund and other governmental funds, are as follows:

<u>Receivables</u>	<u>General</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Local	\$ 9,568	9,568
Allowance	-	-
Total net receivables	\$ <u>9,568</u>	<u>9,568</u>

Management has determined that the receivable balance is fully collectible for year ended June 30, 2018.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenues in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, there were no *deferred inflows and unearned revenues* reported in the governmental funds.

C. Capital Assets

The following is a summary of changes in the capital assets for the year ended June 30, 2018:

	Balance <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 421,000	-	-	421,000
Total capital assets not being depreciated	<u>421,000</u>	<u>-</u>	<u>-</u>	<u>421,000</u>
Capital assets being depreciated:				
Building	4,945,752	-	-	4,945,752
Equipment	460,458	113,800	-	574,258
Infrastructure	1,603,084	-	-	1,603,084
Total capital assets being depreciated	<u>7,009,294</u>	<u>113,800</u>	<u>-</u>	<u>7,123,094</u>
Less accumulated depreciation for:				
Building	1,439,325	154,842	-	1,594,167
Equipment	392,175	28,959	-	421,134
Infrastructure	336,181	88,048	-	424,229
Net accumulated depreciation	<u>2,167,681</u>	<u>271,849</u>	<u>-</u>	<u>2,439,530</u>
Net capital assets, being depreciated	<u>4,841,613</u>	<u>(158,049)</u>	<u>-</u>	<u>4,683,564</u>
City capital assets, net	<u>\$ 5,262,613</u>	<u>(158,049)</u>	<u>-</u>	<u>5,104,564</u>

Depreciation expense was charged to functions of the City as follows:

General government	\$ 150,516
Public safety	56,981
Community services	44,552
Public works	<u>19,800</u>
Total	<u>\$ 271,849</u>

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

Buildings, vehicles, equipment and infrastructure used in the governmental fund types are depreciated under the straight-line method with estimated useful lives as follows:

	<u>Life in Years</u>
Buildings	30
Vehicles	5-7
Equipment	5-15
Infrastructure	10-30

E. Interfund Receivables and Payables and Transfers

Interfund receivables and payables are shown as “Due To” and “Due From” in each of the individual funds. These balances at June 30, 2018 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
CP17-04 GVFD Capital Project Fund	General Fund	5,940
Other Governmental Funds	General Fund	<u>255,797</u>
		\$ <u>261,737</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	<u>Transfers In</u>		
<u>Transfers Out</u>	<u>CP17-04 GVFD Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
General fund	\$ 124,309	241,350	<u>365,659</u>

Transfers are used to move unrestricted revenues to finance various programs that the City accounts for in other funds, including amounts provided as subsidies or matching funds for various grant programs.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

F. Landfill Closure and Postclosure 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 certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United State of America require that the City report a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. However, at this time, the study to estimate the ultimate cost of closure and postclosure monitoring has not been completed. As a result, there is no accrual to provide for these costs in the financial statements.

IV. OTHER INFORMATION

A. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the City's. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City's management expects such amounts, if any, to be immaterial.

B. Land Lease

The City has land lease agreements with GCI Communication, AT&T and ACS for \$2,905, \$6,157, and \$3,658 each year, respectively. These lease expires on May 31, 2023, August 13, 2019 and June 1, 2032 with the option to renew, respectively.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

D. Related Parties

As a result of the City's business activities and the geographic isolation of its operations, transactions are conducted in the normal course of business with management and City members.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

E. Concentrations

The City is dependent upon federal and state revenues to provide 27% of total revenues. A significant reduction of federal/state revenue or awards could impair the City's ability to continue City's operations.

F. Deferred Compensation

The City participates in a 457(b) deferred compensation program. Participation is voluntary. The City contributes a matching contribution up to a maximum of 7% of the employees' straight time pay, overtime pay, and paid time off on a monthly basis. During the year ended June 30, 2018, the City made contributions totaling \$10,301.

G. Subsequent Accounting Pronouncements

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

- GASB 83 – *Certain Retirement Obligations*. Effective for fiscal years beginning after June 15, 2018.
- GASB 84 – *Fiduciary Activities*. Effective for fiscal years beginning after December 15, 2018.
- GASB 87 – *Leases*. Effective for fiscal years beginning after December 15, 2019.
- GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Effective for fiscal years beginning after June 15, 2018.
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2019.
- GASB 90 – *Majority Equity Interests*. Effective for fiscal years beginning after December 15, 2018.

Statements 83, 84 and 90 are not expected to have any significant impact on the financial statements of the City.

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

CITY OF GUSTAVUS

Notes to Basic Financial Statements, continued

GASB Statement No. 88, the objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct payments. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt and requires enhanced footnote disclosures.

GASB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF GUSTAVUS

General Fund

Statement of Revenues, Expenditures and Changes in Fund
Balance - Original and Final Budget and Actual

Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Taxes	\$ 401,000	450,198	49,198
Charges for services	109,790	129,074	19,284
Interest and investment revenue	70	70,382	70,312
Other	30,741	25,998	(4,743)
Intergovernmental:			
State of Alaska	84,171	90,745	6,574
Federal sources	161,458	161,473	15
Total revenues	<u>787,230</u>	<u>927,870</u>	<u>140,640</u>
Expenditures:			
Current:			
General government	225,920	177,800	48,120
Public safety	158,100	136,036	22,064
Public works	121,200	103,200	18,000
Community services	293,332	295,273	(1,941)
Total expenditures	<u>798,552</u>	<u>712,309</u>	<u>86,243</u>
Excess (deficiency) of revenues over expenditures	(11,322)	215,561	226,883
Other financing sources (uses) - transfer out	<u>(365,659)</u>	<u>(365,659)</u>	<u>-</u>
Net change in fund balances	<u>\$ (376,981)</u>	(150,098)	<u>226,883</u>
Fund balance, beginning of year		<u>4,002,100</u>	
Fund balance, end of year		<u>\$ 3,852,002</u>	

**ADDITIONAL SUPPLEMENTARY
INFORMATION**

CITY OF GUSTAVUS

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Taxes:			
Sales tax	\$ 401,000	450,198	49,198
Charges for services:			
Disposal & recycling fees	88,280	95,837	7,557
First aid and safety patrol fees	1,500	7,102	5,602
Facilities usage fees	14,000	20,638	6,638
Library fees	3,000	1,597	(1,403)
Business license fees	3,010	3,900	890
Total charges for services	<u>109,790</u>	<u>129,074</u>	<u>19,284</u>
Interest and investment earnings	<u>70</u>	<u>70,382</u>	<u>70,312</u>
Other:			
Fundraising	5,200	1,155	(4,045)
Gravel sales	8,000	9,906	1,906
Leases	15,541	13,470	(2,071)
Donations	2,000	1,467	(533)
Total other	<u>30,741</u>	<u>25,998</u>	<u>(4,743)</u>
Total local sources	<u>541,601</u>	<u>675,652</u>	<u>134,051</u>
Intergovernmental:			
State of Alaska:			
Fisheries business tax	1,656	1,921	265
Revenue sharing	82,515	88,824	6,309
Total State of Alaska	<u>84,171</u>	<u>90,745</u>	<u>6,574</u>
Federal sources passed through the State of Alaska:			
National forest receipts	53,913	53,928	15
Payment in lieu of taxes	107,545	107,545	-
Total federal sources passed through	<u>161,458</u>	<u>161,473</u>	<u>15</u>
Total revenues	<u>\$ 787,230</u>	<u>927,870</u>	<u>140,640</u>

(continued)

CITY OF GUSTAVUS

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures:			
General government:			
Salaries and employee benefits	\$ 123,220	96,180	27,040
Professional and technical services	30,000	25,507	4,493
Administrative costs	4,000	3,024	976
Travel and training	13,600	12,898	702
Supplies and equipment	12,000	7,432	4,568
Postage and freight	600	596	4
Maintenance and repairs	3,500	752	2,748
Insurance	4,000	4,883	(883)
Utilities	3,000	1,384	1,616
Telephone	6,500	6,793	(293)
Contractual	16,500	11,000	5,500
Advertising	2,500	1,082	1,418
Dues and fees	2,000	1,686	314
Other	4,500	4,583	(83)
Total general government	225,920	177,800	48,120
Public Safety:			
Salaries and employee benefits	90,000	83,972	6,028
Travel and training	13,945	10,086	3,859
Supplies and equipment	17,500	14,472	3,028
Postage and freight	500	155	345
Maintenance and repairs	5,000	1,472	3,528
Insurance	4,755	4,942	(187)
Utilities	5,100	3,873	1,227
Telephone	6,700	7,051	(351)
Contractual	10,000	8,163	1,837
Dues and fees	500	138	362
Other	4,100	1,712	2,388
Total public safety	158,100	136,036	22,064
Public works:			
Administrative costs	5,000	-	5,000
Supplies and equipment	100	-	100
Postage and freight	100	-	100
Professional and technical services	10,000	-	10,000
Maintenance and repairs	105,000	103,200	1,800
Contractual	1,000	-	1,000
Total public works	121,200	103,200	18,000

(continued)

CITY OF GUSTAVUS

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Community services:			
General - contributions	\$ 10,540	27,632	(17,092)
Disposal and recycling services:			
Salaries and employee benefits	98,070	92,358	5,712
Travel and training	530	560	(30)
Supplies and equipment	7,815	6,044	1,771
Maintenance and repairs	3,600	2,755	845
Insurance	630	681	(51)
Utilities	1,740	1,804	(64)
Telephone	1,610	1,818	(208)
Contractual	23,090	22,554	536
Freight	17,260	16,494	766
Dues and fees	700	402	298
Other	1,280	1,703	(423)
Total disposal and recycling services	<u>156,325</u>	<u>147,173</u>	<u>9,152</u>
Library services:			
Salaries and employee benefits	53,600	52,413	1,187
Travel and training	2,000	211	1,789
Supplies and equipment	4,820	4,653	167
Postage and freight	450	444	6
Maintenance and repairs	15,502	14,874	628
Insurance	1,990	1,989	1
Utilities	6,670	5,634	1,036
Telephone	5,800	5,768	32
Contractual	3,780	3,328	452
Dues and fees	3,900	3,725	175
Other	350	174	176
Total library services	<u>98,862</u>	<u>93,213</u>	<u>5,649</u>
Marine facilities:			
Salaries and employee benefits	15,360	15,191	169
Supplies and equipment	1,450	1,407	43
Maintenance and repairs	5,020	5,074	(54)
Insurance	2,245	2,400	(155)
Contractual	3,330	3,000	330
Freight	200	183	17
Total marine facilities	<u>27,605</u>	<u>27,255</u>	<u>350</u>
Total community services	<u>293,332</u>	<u>295,273</u>	<u>(1,941)</u>
Total expenditures	<u>798,552</u>	<u>712,309</u>	<u>86,243</u>

(continued)

CITY OF GUSTAVUS

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Excess (deficiency) of revenues over expenditures	<u>(11,322)</u>	<u>215,561</u>	<u>226,883</u>
Other financial sources (uses):			
Transfers out:			
Capital project funds:			
SRP Playground	(20,000)	(20,000)	-
CP18-07 Household Haz Waste Facility	(59,450)	(59,450)	-
CP18-06 DRC Storage Bins	(18,000)	(18,000)	-
CP18-05 DRC Pre-Processing	(26,400)	(26,400)	-
CP18-04 LIDAR of Gustavus	(28,400)	(28,400)	-
CP18-03 Road Name Signs	(22,100)	(22,100)	-
CP18-02 Wilson Road Drainage	(40,000)	(40,000)	-
CP18-01 Salmon River Harbor	(27,000)	(27,000)	-
CP17-04 GVFD	<u>(124,309)</u>	<u>(124,309)</u>	<u>-</u>
Net other financing sources (uses)	<u>(365,659)</u>	<u>(365,659)</u>	<u>-</u>
Net change in fund balances	\$ <u>(376,981)</u>	(150,098)	<u>226,883</u>
Fund balance, beginning of year		<u>4,002,100</u>	
Fund balance, end of year		\$ <u><u>3,852,002</u></u>	

CITY OF GUSTAVUS

CP17-04 GVFD Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

	<u>Actual Amounts</u>
Revenues:	\$ <u>-</u>
Expenditures:	
Public safety:	
Supplies and equipment	136
Training and travel	2,032
Freight and postage	2,347
Dues and fees	25
Total public safety	<u>4,540</u>
Capital outlay:	
Equipment purchase	114,614
Total expenditures	<u>119,154</u>
Excess (deficiency) of revenues over expenditures	(119,154)
Other financing sources:	
Transfer in:	
General Fund	<u>124,309</u>
Net change in fund balance	5,155
Fund balance, beginning of year	<u>785</u>
Fund balance, end of year	\$ <u><u>5,940</u></u>

CITY OF GUSTAVUS
 Other Governmental Funds
 Combining Balance Sheet
 June 30, 2018

	Special Revenue Fund	Capital Project Funds									Total Capital Project Funds	Total Other Governmental Funds
	Volunteer Fire Assistance 2017-2018	2018 EFG - SRP Playground	CP 18-07 Household Hazardous Waste Facility	CP 18-06 DRC Storage Bins	CP 18-05 DRC Pre-processing	CP18-04 LIDAR of Gustavus	CP18-03 Road Name Signs	CP18-02 Wilson Road Drainage	CP18-01 Salmon River Harbor	CP17-02 DRC		
<u>Assets</u>												
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-	-	-	-
Receivables:												
Federal	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	5,161	18,541	59,450	18,000	26,400	28,400	22,100	40,000	26,752	10,993	250,636	255,797
Total Assets	<u>\$ 5,161</u>	<u>18,541</u>	<u>59,450</u>	<u>18,000</u>	<u>26,400</u>	<u>28,400</u>	<u>22,100</u>	<u>40,000</u>	<u>26,752</u>	<u>10,993</u>	<u>250,636</u>	<u>255,797</u>
<u>Liabilities and Fund Balances</u>												
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:												
Restricted	5,161	-	-	-	-	-	-	-	-	-	-	5,161
Committed	-	18,541	59,450	18,000	26,400	28,400	22,100	40,000	26,752	10,993	250,636	250,636
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balance	<u>5,161</u>	<u>18,541</u>	<u>59,450</u>	<u>18,000</u>	<u>26,400</u>	<u>28,400</u>	<u>22,100</u>	<u>40,000</u>	<u>26,752</u>	<u>10,993</u>	<u>250,636</u>	<u>255,797</u>
Total liabilities and fund balances	<u>\$ 5,161</u>	<u>18,541</u>	<u>59,450</u>	<u>18,000</u>	<u>26,400</u>	<u>28,400</u>	<u>22,100</u>	<u>40,000</u>	<u>26,752</u>	<u>10,993</u>	<u>250,636</u>	<u>255,797</u>

CITY OF GUSTAVUS
 Other Governmental Funds
 Combining Statements of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended June 30, 2018

	Special Revenue Funds					Total Special Revenue Fund
	Volunteer Fire Assistance 2017-2018	Public Library Assistance	State of Alaska OWL Internet Subsidy	Reading with Rachel	Factory Mutual Global	
Revenues:						
Local sources						
Charges for services	\$ -	-	-	-	-	-
Other	-	-	-	600	1,500	2,100
Intergovernmental:						
State of Alaska	-	7,000	3,278	-	-	10,278
Federal sources	7,313	-	-	-	-	7,313
Total revenues	<u>7,313</u>	<u>7,000</u>	<u>3,278</u>	<u>600</u>	<u>1,500</u>	<u>19,691</u>
Expenditures:						
Current:						
Public safety	9,253	-	-	-	-	9,253
Community services	-	7,000	3,290	600	1,500	12,390
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>9,253</u>	<u>7,000</u>	<u>3,290</u>	<u>600</u>	<u>1,500</u>	<u>21,643</u>
Excess (deficiency) of revenues over expenditures	(1,940)	-	(12)	-	-	(1,952)
Other financing sources - transfer in	-	-	-	-	-	-
Net change in fund balances	(1,940)	-	-	-	-	(1,940)
Fund balances (deficit), beginning of year	7,101	-	12	-	-	7,113
Fund balances (deficit), end of year	<u>\$ 5,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,161</u>

(continued)

CITY OF GUSTAVUS
 Other Governmental Funds
 Combining Statements of Revenues, Expenditures and
 Changes in Fund Balances (Deficit), Continued

	Capital Project Funds										
	2018 EFG - SRP Playground	CP 18-07 Household Hazardous Waste Facility	CP 18-06 DRC Storage Bins	CP 18-05 DRC Pre-processing	CP18-04 LIDAR of Gustavus	CP18-03 Road Name Signs	CP18-02 Wilson Road Drainage	CP18-01 Salmon River Harbor	CP17-02 DRC	Total Capital Projects Fund	Total Other Governmental Funds
Revenues:											
Local sources											
Charges for services	\$ -	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	2,100
Intergovernmental:											
State of Alaska	-	-	-	-	-	-	-	-	-	-	10,278
Federal sources	-	-	-	-	-	-	-	-	-	-	7,313
Total revenues	-	-	-	-	-	-	-	-	-	-	19,691
Expenditures:											
Current:											
Public safety	-	-	-	-	-	-	-	-	-	-	9,253
Community services	1,459	-	-	-	-	-	248	-	-	1,707	14,097
Capital outlay	-	-	-	-	-	-	-	38,007	-	38,007	38,007
Total expenditures	1,459	-	-	-	-	-	248	38,007	-	39,714	61,357
Excess (deficiency) of revenues over expenditures	(1,459)	-	-	-	-	-	(248)	(38,007)	(39,714)	(41,666)	
Other financing sources - transfer in	20,000	59,450	18,000	26,400	28,400	22,100	40,000	27,000	-	241,350	241,350
Net change in fund balances	18,541	59,450	18,000	26,400	28,400	22,100	40,000	26,752	(38,007)	201,636	199,684
Fund balances (deficit), beginning of year	-	-	-	-	-	-	-	-	49,000	49,000	56,113
Fund balances (deficit), end of year	\$ 18,541	59,450	18,000	26,400	28,400	22,100	40,000	26,752	10,993	250,636	255,797

CITY OF GUSTAVUS

Volunteer Fire Assistance 2017-2018 Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 7,313	7,313	-
Expenditures:			
Public safety:			
Equipment	2,378	2,378	-
Freight/shipping	500	500	-
Supplies	6,375	6,375	-
Total expenditures	<u>9,253</u>	<u>9,253</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>(1,940)</u>	(1,940)	<u>-</u>
Fund balance, beginning of year		<u>7,101</u>	
Fund balance, end of year		\$ <u><u>5,161</u></u>	

CITY OF GUSTAVUS

Public Library Assistance Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 7,000	7,000	-
Expenditures:			
Community services:			
Library materials:			
Non-fiction add/replacement	6	6	-
Library materials - other	6,994	6,994	-
Total expenditures	7,000	7,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CITY OF GUSTAVUS

State of Alaska OWL Internet Subsidy Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ <u>3,278</u>	<u>3,278</u>	<u>-</u>
Expenditures:			
Community services:			
Library:			
Telecommunications	<u>3,290</u>	<u>3,290</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>(12)</u></u>	<u>(12)</u>	<u>-</u>
Fund balance, beginning of year		<u>12</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

CITY OF GUSTAVUS

Reading with Rachel Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources- other	\$ 600	600	-
Expenditures:			
Community services:			
Dues and fees	600	600	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CITY OF GUSTAVUS

Factory Mutual Global Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Local Sources - Other	\$ 1,500	1,500	-
Expenditures:			
Community services:			
Supplies and equipment	1,500	1,500	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CITY OF GUSTAVUS

2018 EFG - SRP Playground Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	<u>Actual Amounts</u>
Revenues	\$ <u>-</u>
Expenditures:	
Community services:	
Supplies	<u>1,459</u>
Excess of revenues over expenditures	(1,459)
Other financing sources:	
Transfer in:	
General Fund	<u>20,000</u>
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	\$ <u><u>18,541</u></u>

CITY OF GUSTAVUS

CP18-07 Household Hazardous Waste Facility Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	<u> -</u>
Excess of revenues over expenditures	-
Other financing sources:	
Transfer in:	
General Fund	<u> 59,450</u>
Net change in fund balance	59,450
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	\$ <u><u> 59,450</u></u>

CITY OF GUSTAVUS

CP18-06 DRC Storage Bins Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	<u> -</u>
Excess of revenues over expenditures	-
Other financing sources:	
Transfer in:	
General Fund	<u> 18,000</u>
Net change in fund balance	18,000
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	\$ <u><u> 18,000</u></u>

CITY OF GUSTAVUS

CP18-05 DRC Pre-Processing Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	<u> -</u>
Excess of revenues over expenditures	-
Transfer in:	
General Fund	<u> 26,400</u>
Net change in fund balance	26,400
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	\$ <u><u> 26,400</u></u>

CITY OF GUSTAVUS

CP18-04 LIDAR of Gustavus Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	<u> -</u>
Excess of revenues over expenditures	-
Other financing sources:	
Transfer in:	
General Fund	<u> 28,400</u>
Net change in fund balance	28,400
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	\$ <u><u> 28,400</u></u>

CITY OF GUSTAVUS

CP18-03 Road Name Signs Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	<u> -</u>
Excess of revenues over expenditures	-
Other financing sources:	
Transfer in:	
General Fund	<u> 22,100</u>
Net change in fund balance	22,100
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	\$ <u><u> 22,100</u></u>

CITY OF GUSTAVUS

CP18-02 Wilson Road Drainage Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	<u> -</u>
Excess of revenues over expenditures	-
Other financing sources:	
Transfer in:	
General Fund	<u> 40,000</u>
Net change in fund balance	40,000
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	\$ <u><u> 40,000</u></u>

CITY OF GUSTAVUS

CP18-01 Salmon River Harbor Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	
Community services:	
Supplies	<u> 248</u>
Total expenditures	<u> 248</u>
Excess of revenues over expenditures	(248)
Other financing sources:	
Transfer in:	
General Fund	<u> 27,000</u>
Net change in fund balance	26,752
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	<u><u> 26,752</u></u>

CITY OF GUSTAVUS

CP17-02 DRC Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	
Capital outlay:	
Contractual services	<u> 38,007</u>
Total expenditures	<u> 38,007</u>
Excess of revenues over expenditures	(38,007)
Fund balance, beginning of year	<u> 49,000</u>
Fund balance, end of year	\$ <u><u> 10,993</u></u>