

**CITY OF SAND POINT, ALASKA**

Basic Financial Statements  
and Supplementary Information

Year Ended June 30, 2012

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# CITY OF SAND POINT, ALASKA

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# CITY OF SAND POINT, ALASKA

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Independent Auditor's Report

Honorable Mayor and City Council  
City of Sand Point, Alaska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sand Point, Alaska, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Sand Point's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sand Point, Alaska, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Honorable Mayor and City Council  
City of Sand Point, Alaska

Our audit for the year ended June 30, 2012 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sand Point's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are 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 basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2012.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, City of Sand Point's basic financial statements as of and for the year ended June 30, 2011 which are not presented with the accompanying financial statements. In our report dated January 23, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sand Point's basic financial statements as a whole. The individual fund financial statements and schedules related to the June 30, 2011 financial statements are presented for purposes of additional analysis and are 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 June 30, 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2011.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
December 20, 2012

## **BASIC FINANCIAL STATEMENTS**

## CITY OF SAND POINT, ALASKA

## Statement of Net Assets

June 30, 2012

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 1,676,130	1,082,588	2,758,718
Accounts receivable (net)	334,727	114,049	448,776
Investment in Southwest Governments, LLC	321,859	-	321,859
Internal balances	1,076,170	(1,076,170)	-
Capital assets not being depreciated	1,113,177	63,810	1,176,987
Other capital assets, net of accumulated depreciation	<u>6,544,541</u>	<u>4,521,898</u>	<u>11,066,439</u>
 Total assets	 \$ <u>11,066,604</u>	 <u>4,706,175</u>	 <u>15,772,779</u>
<u>Liabilities</u>			
Liabilities:			
Accounts payable	390,466	10,999	401,465
Accrued liabilities	40,060	-	40,060
Unearned revenue	(781)	80,531	79,750
Noncurrent liabilities:			
Due within one year - accrued leave	88,567	18,004	106,571
Due in more than one year - landfill closure costs payable	-	74,480	74,480
Total liabilities	<u>518,312</u>	<u>184,014</u>	<u>702,326</u>
<u>Net Assets</u>			
Invested in capital assets	7,657,718	4,585,708	12,243,426
Unrestricted (deficit)	<u>2,890,574</u>	<u>(63,547)</u>	<u>2,827,027</u>
Total net assets	<u>10,548,292</u>	<u>4,522,161</u>	<u>15,070,453</u>
 Total liabilities and net assets	 \$ <u>11,066,604</u>	 <u>4,706,175</u>	 <u>15,772,779</u>

See accompanying notes to basic financial statements.



**CITY OF SAND POINT, ALASKA**  
Statement of Activities  
Year Ended June 30, 2012

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 1,158,058	81,924	206,570	(869,564)	-	(869,564)
Parks and recreation	31,869	-	2,653	(29,216)	-	(29,216)
Public safety	488,299	-	47,253	(441,046)	-	(441,046)
Public works	967,072	216,778	51,745	(698,549)	-	(698,549)
Health clinic	31,986	39,131	-	7,145	-	7,145
Community development	37,238	24,154	-	(13,084)	-	(13,084)
Total governmental activities	<u>2,714,522</u>	<u>361,987</u>	<u>308,221</u>	<u>(2,044,314)</u>	<u>-</u>	<u>(2,044,314)</u>
<b>Business-type activities:</b>						
Bingo	722,005	679,341	10,521	-	(32,143)	(32,143)
Boat harbor	737,781	566,545	39,804	-	(131,432)	(131,432)
Refuse collection	297,591	158,115	14,006	-	(125,470)	(125,470)
Water and sewer	518,907	187,741	14,633	-	(316,533)	(316,533)
Total business-type activities	<u>2,276,284</u>	<u>1,591,742</u>	<u>78,964</u>	<u>-</u>	<u>(605,578)</u>	<u>(605,578)</u>
Total	\$ <u>4,990,806</u>	<u>1,953,729</u>	<u>387,185</u>	<u>(2,044,314)</u>	<u>(605,578)</u>	<u>(2,649,892)</u>
<b>General revenues:</b>						
<b>Taxes:</b>						
Sales taxes				\$ 983,972	-	983,972
Local raw fish taxes				1,041,664	-	1,041,664
Accommodations taxes				19,614	-	19,614
Grants and entitlements not restricted to a specific purpose				525,793	-	525,793
Investment income				12,278	-	12,278
Total general revenues				<u>2,583,321</u>	<u>-</u>	<u>2,583,321</u>
Change in net assets				539,007	(605,578)	(66,571)
Beginning net assets				<u>10,009,285</u>	<u>5,127,739</u>	<u>15,137,024</u>
Ending net assets				\$ <u>10,548,292</u>	<u>4,522,161</u>	<u>15,070,453</u>

See accompanying notes to basic financial statements.

## CITY OF SAND POINT, ALASKA

## Governmental Funds

## Balance Sheet

June 30, 2012

	Major Fund			Total Governmental Funds
	General	School Loop Capital Project	Nonmajor Funds	
<u>Assets</u>				
Cash and investments	\$ 1,474,358	67,281	134,491	1,676,130
Receivables:				
Sales tax	50,159	-	-	50,159
Fish tax	216,751	-	-	216,751
Other	67,817	-	-	67,817
Investment in Southwest Governments, LLC	321,859	-	-	321,859
Due from other funds	340,942	-	-	340,942
Advance to other funds	735,228	-	-	735,228
	<u>3,207,114</u>	<u>67,281</u>	<u>134,491</u>	<u>3,408,886</u>
Total assets	\$ <u>3,207,114</u>	<u>67,281</u>	<u>134,491</u>	<u>3,408,886</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 24,830	333,650	31,986	390,466
Deferred revenue	1,950	-	(2,731)	(781)
Accrued liabilities	40,060	-	-	40,060
Total liabilities	<u>66,840</u>	<u>333,650</u>	<u>29,255</u>	<u>429,745</u>
Fund balances:				
Nonspendable:				
Investment in Southwest Governments, LLC	321,859	-	-	321,859
Advance to other funds	735,228	-	-	735,228
Assigned:				
Silver Salmon Derby	-	-	23,532	23,532
Clinic	-	-	81,704	81,704
Unassigned (deficit)	2,083,187	(266,369)	-	1,816,818
Total fund balances	<u>3,140,274</u>	<u>(266,369)</u>	<u>105,236</u>	<u>2,979,141</u>
Total liabilities and fund balances	\$ <u>3,207,114</u>	<u>67,281</u>	<u>134,491</u>	<u>3,408,886</u>

See accompanying notes to basic financial statements.

**CITY OF SAND POINT, ALASKA**  
 Reconciliation of Governmental Funds Balance Sheet  
 to Statement of Net Assets  
 June 30, 2012

Total fund balances for governmental funds \$ 2,979,141

Total net assets reported for governmental activities in the  
 Statement of Net Assets is different because:

Capital assets used in governmental activities are not  
 financial resources and therefore are not reported  
 in the funds. These assets, net of accumulated  
 depreciation, consist of:

Construction in progress	\$ 1,113,177	
Buildings	8,590,637	
Improvements other than buildings	48,548	
Equipment and vehicles	<u>1,799,326</u>	
Total capital assets	11,551,688	
Accumulated depreciation	<u>(3,893,970)</u>	
Total capital assets, net		7,657,718

Long-term liabilities are not due and payable in the current  
 period and therefore are not reported as fund liabilities.

This liability consists of accrued leave. (88,567)

Total net assets of governmental activities \$ 10,548,292

**CITY OF SAND POINT, ALASKA**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2012**

	Major Fund			Total Governmental Funds
	General	Loop Project	Nonmajor Funds	
<b>Revenues:</b>				
Taxes	\$ 2,045,250	-	-	2,045,250
State of Alaska	743,608	-	-	743,608
Federal government	15,000	-	39,131	54,131
Investment income	12,278	-	-	12,278
Other revenues	<u>274,108</u>	<u>100,000</u>	<u>24,154</u>	<u>398,262</u>
<b>Total revenues</b>	<u><b>3,090,244</b></u>	<u><b>100,000</b></u>	<u><b>63,285</b></u>	<u><b>3,253,529</b></u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	857,867	-	-	857,867
Parks and recreation	27,101	-	-	27,101
Public safety	445,780	-	-	445,780
Public works	839,223	-	-	839,223
Health clinic	-	-	31,986	31,986
Community development	-	-	25,009	25,009
Capital outlay	-	<u>427,008</u>	-	<u>427,008</u>
<b>Total expenditures</b>	<u><b>2,169,971</b></u>	<u><b>427,008</b></u>	<u><b>56,995</b></u>	<u><b>2,653,974</b></u>
Excess of revenues over (under) expenditures	920,273	(327,008)	6,290	599,555
<b>Other financing sources (uses):</b>				
Transfers in	-	100,000	-	100,000
Transfers out	<u>(100,000)</u>	-	-	<u>(100,000)</u>
<b>Net other financing sources (uses)</b>	<u><b>(100,000)</b></u>	<u><b>100,000</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
Net change in fund balances	820,273	(227,008)	6,290	599,555
Beginning fund balances (deficit)	<u>2,320,001</u>	<u>(39,361)</u>	<u>98,946</u>	<u>2,379,586</u>
Ending fund balances (deficit)	<u><b>\$ 3,140,274</b></u>	<u><b>(266,369)</b></u>	<u><b>105,236</b></u>	<u><b>2,979,141</b></u>

See accompanying notes to basic financial statements.

**CITY OF SAND POINT, ALASKA**  
 Reconciliation of Change in Fund Balances of Governmental Funds  
 to Statement of Activities  
 Year Ended June 30, 2012

Net change in fund balances - total governmental funds	\$ 599,555
<p>The change in net assets reported for governmental activities in the Statement of Activities is different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$544,005) exceeded capital outlays (\$513,717) in the current year.</p>	(30,288)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. This is the amount of the increase in accrued leave.</p>	<u>(30,260)</u>
Change in net assets of governmental activities	\$ <u><u>539,007</u></u>

See accompanying notes to basic financial statements.

**CITY OF SAND POINT, ALASKA**  
**General Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2012**

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Taxes	\$ 1,832,496	1,766,500	2,045,250	278,750
State of Alaska	152,000	609,196	743,608	134,412
Federal government	20,000	20,000	15,000	(5,000)
Investment income	8,500	3,500	12,278	8,778
Other revenues	<u>111,350</u>	<u>261,412</u>	<u>274,108</u>	<u>12,696</u>
Total revenues	<u>2,124,346</u>	<u>2,660,608</u>	<u>3,090,244</u>	<u>429,636</u>
Expenditures - current:				
General government	698,614	900,794	857,867	42,927
Parks and recreation	50,504	53,607	27,101	26,506
Public safety	480,636	461,476	445,780	15,696
Public works	<u>772,203</u>	<u>857,227</u>	<u>839,223</u>	<u>18,004</u>
Total expenditures	<u>2,001,957</u>	<u>2,273,104</u>	<u>2,169,971</u>	<u>103,133</u>
Excess of revenues over expenditures	122,389	387,504	920,273	532,769
Other financing uses - transfers out	<u>(157,900)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(35,511)</u></u>	<u><u>287,504</u></u>	820,273	<u><u>532,769</u></u>
Beginning fund balance			<u>2,320,001</u>	
Ending fund balance			\$ <u><u>3,140,274</u></u>	

See accompanying notes to basic financial statements.

**CITY OF SAND POINT, ALASKA**  
Enterprise Funds  
Statement of Net Assets  
June 30, 2012

<u>Assets</u>	<u>Major Funds</u>				Total Enterprise Funds
	<u>Bingo</u>	<u>Boat Harbor</u>	<u>Refuse Collection</u>	<u>Water and Sewer</u>	
Current assets:					
Cash and investments	\$ 134,740	526,026	421,822	-	1,082,588
Accounts receivable, net	-	50,297	29,732	34,020	114,049
Total current assets	<u>134,740</u>	<u>576,323</u>	<u>451,554</u>	<u>34,020</u>	<u>1,196,637</u>
Capital assets:					
Buildings and improvements	-	491,732	12,000	4,533,003	5,036,735
Equipment and vehicles	14,541	624,166	493,383	201,881	1,333,971
Sanitary landfill	-	-	1,996,889	-	1,996,889
Construction in progress	-	63,810	-	-	63,810
Less accumulated depreciation	<u>(9,556)</u>	<u>(460,423)</u>	<u>(1,358,795)</u>	<u>(2,016,923)</u>	<u>(3,845,697)</u>
Net capital assets	<u>4,985</u>	<u>719,285</u>	<u>1,143,477</u>	<u>2,717,961</u>	<u>4,585,708</u>
Total assets	<u>\$ 139,725</u>	<u>1,295,608</u>	<u>1,595,031</u>	<u>2,751,981</u>	<u>5,782,345</u>
<u>Liabilities and Net Assets</u>					
Liabilities:					
Current liabilities:					
Accounts payable	-	959	825	9,215	10,999
Accrued leave	1,119	10,503	3,592	2,790	18,004
Unearned revenue	-	80,531	-	-	80,531
Due to other funds	<u>340,942</u>	-	-	-	<u>340,942</u>
Total current liabilities	<u>342,061</u>	<u>91,993</u>	<u>4,417</u>	<u>12,005</u>	<u>450,476</u>
Long term liabilities:					
Advance from other funds	-	-	-	735,228	735,228
Landfill closure costs payable	-	-	74,480	-	74,480
Total liabilities	<u>342,061</u>	<u>91,993</u>	<u>78,897</u>	<u>747,233</u>	<u>1,260,184</u>
Net assets:					
Invested in capital assets	4,985	719,285	1,143,477	2,717,961	4,585,708
Unrestricted (deficit)	<u>(207,321)</u>	<u>484,330</u>	<u>372,657</u>	<u>(713,213)</u>	<u>(63,547)</u>
Total net assets (deficit)	<u>(202,336)</u>	<u>1,203,615</u>	<u>1,516,134</u>	<u>2,004,748</u>	<u>4,522,161</u>
Total liabilities and net assets	<u>\$ 139,725</u>	<u>1,295,608</u>	<u>1,595,031</u>	<u>2,751,981</u>	<u>5,782,345</u>

See accompanying notes to basic financial statements.

**CITY OF SAND POINT, ALASKA**  
**Enterprise Funds**  
**Statement of Revenues, Expenses and Changes in Net Assets (Deficit)**  
**Year Ended June 30, 2012**

	Major Funds				Total Enterprise Funds
	Bingo	Boat Harbor	Refuse Collection	Water and Sewer	
Operating revenues - charges for services	\$ 679,341	566,545	158,115	187,741	1,591,742
Operating expenses:					
Salaries and benefits	104,805	431,634	151,079	155,528	843,046
Services and supplies	614,292	243,035	52,689	230,924	1,140,940
Depreciation	2,908	63,112	93,823	132,455	292,298
Total operating expenses	722,005	737,781	297,591	518,907	2,276,284
Operating loss	(42,664)	(171,236)	(139,476)	(331,166)	(684,542)
Nonoperating revenues - State PERS relief	10,521	39,804	14,006	14,633	78,964
Change in net assets	(32,143)	(131,432)	(125,470)	(316,533)	(605,578)
Beginning net assets (deficit)	(170,193)	1,335,047	1,641,604	2,321,281	5,127,739
Ending net assets (deficit)	\$ (202,336)	1,203,615	1,516,134	2,004,748	4,522,161

See accompanying notes to basic financial statements.



## CITY OF SAND POINT, ALASKA

## Enterprise Funds

## Statement of Cash Flows

Year Ended June 30, 2012

	Major Funds				Total Enterprise Funds
	Bingo	Boat Harbor	Refuse Collection	Water and Sewer	
Cash flows from operating activities:					
Receipts from customers	\$ 679,341	635,762	159,255	187,453	1,661,811
Payments for goods and services	(614,348)	(252,081)	(43,849)	(240,140)	(1,150,418)
Payments for salaries and benefits	(93,165)	(391,349)	(134,914)	(139,668)	(759,096)
Net cash flows from operating activities	<u>(28,172)</u>	<u>(7,668)</u>	<u>(19,508)</u>	<u>(192,355)</u>	<u>(247,703)</u>
Cash flows from noncapital financing activities:					
Increase in due to other funds	43,940	-	-	-	43,940
Increase in advance from other funds	-	-	-	233,298	233,298
Net cash flows from noncapital financing activities	<u>43,940</u>	<u>-</u>	<u>-</u>	<u>233,298</u>	<u>277,238</u>
Cash flows from capital and related financing activities - additions to capital assets					
	-	(27,900)	-	(40,943)	(68,843)
Net increase (decrease) in cash and investments	15,768	(35,568)	(19,508)	-	(39,308)
Beginning cash and investments	<u>118,972</u>	<u>561,594</u>	<u>441,330</u>	<u>-</u>	<u>1,121,896</u>
Ending cash and investments	\$ <u>134,740</u>	<u>526,026</u>	<u>421,822</u>	<u>-</u>	<u>1,082,588</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ (42,664)	(171,236)	(139,476)	(331,166)	(684,542)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,908	63,112	93,823	132,455	292,298
Noncash expense - PERS relief	10,521	39,804	14,006	14,633	78,964
(Increase) decrease in assets - accounts receivable (net)	-	(11,314)	1,140	(288)	(10,462)
Increase (decrease) in liabilities:					
Accounts payable	(56)	(9,046)	(470)	(9,216)	(18,788)
Accrued leave	1,119	481	2,159	1,227	4,986
Unearned revenue	-	80,531	-	-	80,531
Landfill closure costs payable	-	-	9,310	-	9,310
Net cash flows from operating activities	\$ <u>(28,172)</u>	<u>(7,668)</u>	<u>(19,508)</u>	<u>(192,355)</u>	<u>(247,703)</u>

See accompanying notes to basic financial statements.

# CITY OF SAND POINT, ALASKA

## Notes to Basic Financial Statements

June 30, 2012

(1) **Summary of Significant Accounting Policies**

**Reporting Entity**

The City of Sand Point was incorporated in 1966 and has operated as a first-class city since 1978 under a council/mayor form of government. The City provides a full range of services to its citizens including, but not limited to, public safety, streets, health and social services, water and sewer, refuse collection, boat harbor, and general administration.

The basic principle used in determining the scope of the entity for financial reporting purposes is the exercise of oversight responsibility over other governmental units by the City's elected officials. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. No other entities exist for which the City has oversight responsibility.

The accounting policies of City of Sand Point conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

**Government-wide and Fund Financial Statements**

Government-wide financial statements include the statement of net assets and statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed, but statements distinguish governmental activities from business-type activities which are generally financed in whole or in part with fees charged to external customers. The statement of activities reports expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and proprietary funds are reported in separate columns with composite columns for nonmajor funds.

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide and proprietary fund financial statements report using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only to the extent they have matured.

Major revenue sources susceptible to accrual include charges for services, intergovernmental revenues and investment income. In general, other revenues are recognized when received.

##### Fund Types and Major Funds

The City reports the following major governmental funds:

*General Fund* – Reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

*School Loop Capital Project Fund* – to account for the School Loop Capital Project to include state, federal, and local funding sources.

The City reports the following major proprietary funds:

*Bingo Enterprise Fund* – to account for gaming activities.

*Boat Harbor Enterprise Fund* – to account for activities of the boat harbor.

*Refuse Collection Enterprise Fund* – to account for refuse collection.

*Water and Sewer Enterprise Fund* – to account for water and sewer utilities.

##### Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers all cash and investments to be cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

##### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF SAND POINT, ALASKA**

Notes to Basic Financial Statements, continued

**Summary of Significant Accounting Policies, continued**

Receivables and Payables

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/from other funds.” Long-term loans between funds are classified as “advances to/from other funds.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

At the fund financial reporting level, an “advance receivable” is offset by nonspendable fund balance to indicate that it is not available for general appropriation.

Capital Assets

The City’s property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded.

Estimated useful lives in years for depreciable assets are as follows:

Buildings	20 – 40
Machinery and equipment	5 – 10
Vehicles	5 – 10
Infrastructure assets	50

Compensated Absences

It is the City’s policy to allow employees to accumulate earned but unused annual leave. Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenue

Amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met are recorded as deferred revenue.

Long-term Debt

In government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Governmental fund financial statements recognize proceeds of debt and premiums as other financing sources of the current period.

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

#### **Summary of Significant Accounting Policies, continued**

##### **Fund Balances**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources:

*Nonspendable fund balance* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* – This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

##### **Use of Estimates**

Preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect amounts reported in these financial statements. Accordingly, actual results could differ from those estimates.

**CITY OF SAND POINT, ALASKA**

Notes to Basic Financial Statements, continued

**Summary of Significant Accounting Policies, continued**

**Budgetary Accounting**

The annual City operating budget is prepared by management in the spring preceding the fiscal year to which it relates. The budget is submitted to the City Council for review and approval. Legal enactment of the budget is obtained through passage of a City ordinance. Amendments to the budget can occur any time during the fiscal year through City Council action.

**Grants and Other Intergovernmental Revenues**

In applying the measurable and available concept to grants and intergovernmental revenues, legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered “earned”; therefore, revenues are recognized based on expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

(2) **Cash and Investments**

**Reconciliation of Deposit and Investment Balances**

The following is a reconciliation of the City’s deposit and investment balances to the financial statements as of June 30, 2012.

	<u>Totals</u>
Deposit accounts and cash on-hand	\$ 412,554
Pooled investments	<u>2,346,164</u>
	<u>\$ 2,758,718</u>

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a policy for custodial credit risk. At June 30, 2012, all of the City’s bank balance was insured by the Federal Deposit Insurance Corporation.

**Investments**

Pooled investments are invested with the Alaska Municipal League Investment Pool, Inc. (AMLIP). The AMLIP is an external investment pool which is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is approximately equal to fair value.

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

#### **Cash and Investments, continued**

##### **Southwest Governments, LLC**

The City holds a 20% interest in Southwest Governments, LLC, a company that owns and rents an office building in Anchorage, Alaska. At June 30, 2012, the City's investment in the LLC was \$321,859. This investment is considered noncurrent, and accordingly, an equal amount of fund balance of the General Fund is shown as nonspendable.

#### (3) **Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b><u>Governmental activities</u></b>				
<i>Capital assets not being depreciated -</i>				
Construction in progress	\$ <u>716,653</u>	<u>396,524</u>	<u>-</u>	<u>1,113,177</u>
<i>Capital assets being depreciated:</i>				
Buildings	8,485,944	104,693	-	8,590,637
Improvements other than buildings	48,548	-	-	48,548
Equipment and vehicles	<u>1,786,826</u>	<u>12,500</u>	<u>-</u>	<u>1,799,326</u>
Total assets being depreciated	<u>10,321,318</u>	<u>117,193</u>	<u>-</u>	<u>10,438,511</u>
Less accumulated depreciation for:				
Buildings	2,192,172	429,532	-	2,621,704
Improvements other than buildings	16,216	4,855	-	21,071
Equipment and vehicles	<u>1,141,577</u>	<u>109,618</u>	<u>-</u>	<u>1,251,195</u>
Total accumulated depreciation	<u>3,349,965</u>	<u>544,005</u>	<u>-</u>	<u>3,893,970</u>
Total capital assets being depreciated, net	<u>6,971,353</u>	<u>(426,812)</u>	<u>-</u>	<u>6,544,541</u>
Governmental activity capital assets, net	\$ <u>7,688,006</u>	<u>(30,288)</u>	<u>-</u>	<u>7,657,718</u>

**CITY OF SAND POINT, ALASKA**

Notes to Basic Financial Statements, continued

**Capital Assets, continued**

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2012</u>
<b><u>Business-type activities</u></b>				
<i>Capital assets not being depreciated –</i> construction in progress	\$ <u>63,810</u>	-	-	<u>63,810</u>
<i>Capital assets being depreciated:</i>				
Building and improvements	5,036,735	-	-	5,036,735
Equipment and vehicles	1,279,080	68,844	13,953	1,333,971
Landfill	<u>1,996,889</u>	-	-	<u>1,996,889</u>
Total assets being depreciated	<u>8,312,704</u>	<u>68,844</u>	<u>13,953</u>	<u>8,367,595</u>
Less accumulated depreciation for:				
Building and improvements	1,867,884	134,973	-	2,002,857
Equipment and vehicles	763,425	94,922	13,953	844,394
Landfill	<u>936,043</u>	<u>62,403</u>	-	<u>998,446</u>
Total accumulated depreciation	<u>3,567,352</u>	<u>292,298</u>	<u>13,953</u>	<u>3,845,697</u>
Total capital assets being depreciated, net	<u>4,745,353</u>	<u>(223,454)</u>	-	<u>4,521,898</u>
Business-type activity capital assets, net	\$ <u>4,809,162</u>	<u>(223,454)</u>	-	<u>4,585,708</u>

Depreciation expense was charged to the functions as follows:

**Governmental activities**

General government	\$ 407,676
Parks and recreation	2,315
Public safety	36,499
Public works	85,286
Community development	<u>12,229</u>
Total depreciation expense - governmental activities	\$ <u>544,005</u>

**Business-type activities**

Bingo	\$ 2,908
Boat harbor	63,112
Refuse collection	93,823
Water and sewer	<u>132,455</u>
Total depreciation expense - business-type activities	\$ <u>292,298</u>



**CITY OF SAND POINT, ALASKA**

Notes to Basic Financial Statements, continued

(4) **Long Term Debt**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2012:

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Retired</u>	Balance June 30, <u>2012</u>	Due Within <u>One Year</u>
<b><u>Governmental Activities</u></b>					
Accrued leave	\$ <u>58,307</u>	<u>109,042</u>	<u>78,782</u>	<u>88,567</u>	<u>88,567</u>
<b><u>Business-Type Activities</u></b>					
Landfill closure liability	\$ 65,170	9,310	-	74,480	-
Accrued leave	<u>13,018</u>	<u>22,654</u>	<u>17,668</u>	<u>18,004</u>	<u>18,004</u>
Total business-type activities	\$ <u>78,188</u>	<u>31,964</u>	<u>17,668</u>	<u>92,484</u>	<u>18,004</u>

(5) **Fund Balances**

Fund balances, reported for the major funds and nonmajor funds in the aggregate on the governmental funds balance sheet is subject to the following constraints:

	<u>General Fund</u>	<u>School Loop Capital Project Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Nonspendable:				
Investment in Southwest Governments, LLC	\$ 321,859	-	-	321,859
Advance to other funds	<u>735,228</u>	-	-	<u>735,228</u>
Total nonspendable	<u>1,057,087</u>	-	-	<u>1,057,087</u>
Assigned:				
Silver Salmon Derby Clinic	-	-	23,532	23,532
	-	-	<u>76,275</u>	<u>76,275</u>
Total assigned	-	-	<u>99,807</u>	<u>99,807</u>
Unassigned (deficit)	<u>2,019,637</u>	<u>(266,369)</u>	-	<u>1,753,268</u>
Total fund balances	\$ <u>3,076,724</u>	<u>(266,369)</u>	<u>99,807</u>	<u>2,910,162</u>

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

(6) **Interfund Balances**

A schedule of interfund balances and transfers for the year ended June 30, 2012, follows:

*Due to other funds:*

Due to the General Fund from Bingo Enterprise Fund for operating costs	\$ <u>340,942</u>
Advance from the General Fund to Water and Sewer Enterprise Fund for operating costs	\$ <u>735,228</u>

*Transfers to other funds:*

Transfer from the General Fund to the School Loop Capital Project Fund for capital costs	\$ <u>100,000</u>
---------------------------------------------------------------------------------------------	-------------------

(7) **Defined Benefit Pension Plan**

The City participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, Alaska 99811-0203

**Conversion to Cost Sharing**

In April 2008, the Alaska Legislature passed Senate Bill (SB) 125 which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers. The cost-sharing plan requires a uniform employer contribution rate of 22% of active member wages, subject to a wage floor. Legislation provides for State contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions are recognized by each employer as an on-behalf payment.

In addition, in fiscal year 2008, the State of Alaska passed legislation (SB 123) which requires that the employer contribution be calculated on all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

**CITY OF SAND POINT, ALASKA**

Notes to Basic Financial Statements, continued

**Defined Benefit Pension Plan, continued**

Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (3.21% for pension and 3.54% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (3.57% for pension and 3.93% for healthcare).

The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay both pension and postemployment healthcare benefits when due.

Under current legislation, the employer contribution rate is statutorily capped at 22%. However, the State of Alaska contributes any amount over 22% such that the total contribution equals the Alaska Retirement Management Board adopted rate which is generally consistent with the actuarially determined rate.

The City's contribution rates for the year ended June 30, 2012 were determined as part of the June 30, 2009 actuarial valuation and are as follows:

	Contractual <u>Rate</u>	ARM Board Adopted <u>Rate</u>	GASB 43* <u>Rate</u>
Pension	9.92%	15.10%	23.10%
Postemployment healthcare	<u>12.08%</u>	<u>18.39%</u>	<u>32.74%</u>
Total contribution rate	<u>22.00%</u>	<u>33.49%</u>	<u>55.84%</u>

\* This rate uses an 8.25% pension discount rate and a 7.43% healthcare discount rate and disregards all future Medicare Part D payments.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial values of assets.

Projected benefits for financial reporting purposes do not incorporate any potential effects of legal or contractual funding limitations.

**CITY OF SAND POINT, ALASKA**

Notes to Basic Financial Statements, continued

**Defined Benefit Pension Plan, continued**

**Annual Pension and Postemployment Healthcare Cost – PERS**

The City is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 11.49% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the City has recorded the State on-behalf payment in the amount of \$123,389 as revenue and expense/expenditures in these financial statements. However, because the City is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>City Contri- butions</u>	<u>% of TBC Contributed</u>
2012	\$ 57,211	\$ 69,668	\$ 126,879	\$ 126,879	100%
2011	68,716	123,865	192,851	192,851	100%
2010	56,954	96,599	153,553	153,553	100%

(8) **Defined Contribution Pension Plan**

The State of Alaska Legislature approved Senate Bill 141 to create the Public Employees’ Retirement System (PERS) Tier IV for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II or III defined benefit plans. The Plan is administered by the State of Alaska, Department of Administration, and benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. Employees are required to contribute 8.0% of their annual covered salary, and the City is required to make the following contributions:

	<u>Others Tier IV</u>	<u>Police/Fire Tier IV</u>
Individual account	5.00%	5.00%
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	0.51	0.51
Occupational death and disability benefits	<u>0.11</u>	<u>0.97</u>
	<u>8.62 %</u>	<u>9.48%</u>

\*Health Reimbursement Arrangement – AS 39.30.370 requires that the employer contribute “an amount equal to three percent of the average employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period.

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

#### **Defined Contribution Pension Plan, continued**

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The City and employee contributions to PERS including the HRA contribution for the year ended June 30, 2012 were \$54,888 and \$43,806, respectively.

#### (9) **Landfill Closure and Postclosure Liability**

The City operates a local landfill. 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, generally accepted accounting principles require that the City report a portion of these closure and postclosure care costs each period based on landfill capacity used as of each balance sheet date.

The City has estimated the closure and post closure costs to be \$242,060 with an estimated remaining life through 2030. At June 30, 2012, the City has recognized \$74,480 of this liability on the statement of net assets, an increase of \$9,310 from the prior year. The City will recognize the remaining estimated cost of closure and post closure care of \$167,580 as the remaining expected usage is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2012. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The remaining life of the landfill is estimated to be approximately 18 years.

At June 30, 2012 the City has not committed or assigned any fund balance to fund the cost of closure and post closure monitoring, nor have any assets been restricted for this purpose.

#### (10) **Risk Management**

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees.

The City is a member of the Alaska Public Entity Insurance (APEI), a governmental insurance pool established by the Alaska Municipal League. APEI provides the City coverage for property, including building and contents, automobiles, mobile equipment, data processing equipment and boiler and machinery; casualty, including general liability, public officials and employees liability, law enforcement professional liability, auto liability and employee benefit liability; workers' compensation, including employers liability; and commercial blanket bond. The City maintains supplemental marine insurance and firefighters group accident coverage with insurance companies placed through APEI. The City has no coverage for potential losses from environmental damages.

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

#### **Risk Management, continued**

The JIA is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's deposit contribution in comparison to the aggregate deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2012.

#### (11) **Contingencies**

##### **Grants**

The City has received grants which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grant. Management believes that such disallowances for grants, if any, would not be material.

#### (12) **New Accounting Pronouncements**

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

*GASB 60 – Service Concession Arrangements* – Effective for year end June 30, 2013 – This statement provides guidance on proper accounting for service concession arrangements, a type of public private partnership associated with the operation of a public facility.

*GASB 61 – The Financial Reporting Entity* – Effective for year end June 30, 2013 – This statement will require a review of all entities reported as component units.

*GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* – Effective for year end June 30, 2013 – This statement will result in a change to the government's presentation of proprietary fund statements and government-wide statements from a traditional "Balance Sheet" format to a new "Statement of Net Position" format which will segregate deferred inflows and deferred outflows from assets and liabilities respectively.

*GASB 65 – Items Previously Reported as Assets and Liabilities* – Effective for year end June 30, 2014 – This statement is a companion to GASB Statement 63 and establishes accounts to be reclassified as deferred inflows and outflows. In addition, certain items previously reported as assets or liabilities will be moved to the income statement. For example, debt issuance costs will no longer be capitalized and amortized but will be expensed as incurred, and certain regulatory assets and liabilities will be reclassified to deferred inflows and outflows.

## CITY OF SAND POINT, ALASKA

### Notes to Basic Financial Statements, continued

#### **New Accounting Pronouncements, continued**

*GASB 66 – Technical Corrections – 2012* – Effective for year end June 30, 2014 – This statement contains certain technical corrections to prior GASB statements on the topics of Risk Financing, Operating Leases, Loan Purchases, and Servicing Fees.

*GASB 68 – Accounting and Financial Reporting for Pensions* – Effective for year end June 30, 2015 – This statement will require all governments that participate in defined benefit pension plans to report any “net pension liability” (as newly defined). An additional GASB statement provides guidance for the Plan reporting with a one year earlier implementation.

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**SUPPLEMENTARY INFORMATION**

**CITY OF SAND POINT, ALASKA**  
 General Fund  
 Balance Sheet  
 June 30, 2012  
 (With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash and investments	\$ 1,474,358	1,188,259
Receivables:		
Sales tax	50,159	50,159
Fish tax	216,751	59,813
Other	67,817	5,093
Prepaid items	-	17,411
Investment in Southwest Governments, LLC	321,859	309,879
Due from other funds	340,942	329,141
Advance to other funds	<u>735,228</u>	<u>501,930</u>
 Total assets	 \$ <u>3,207,114</u>	 <u>2,461,685</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	24,830	85,501
Deferred revenue	1,950	1,950
Accrued liabilities	<u>40,060</u>	<u>54,233</u>
Total liabilities	<u>66,840</u>	<u>141,684</u>
 Fund balance:		
Nonspendable:		
Prepaid items	-	17,411
Investment in Southwest Governments, LLC	321,859	309,879
Advance to other funds	735,228	501,930
Unassigned	<u>2,083,187</u>	<u>1,490,781</u>
Total fund balance	<u>3,140,274</u>	<u>2,320,001</u>
 Total liabilities and fund balance	 \$ <u>3,207,114</u>	 <u>2,461,685</u>

## CITY OF SAND POINT, ALASKA

## General Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
Year Ended June 30, 2012  
(With Comparative Amounts for 2011)

	2012			2011
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues:				
Taxes:				
Sales taxes	\$ 851,500	983,972	132,472	729,740
Local raw fish taxes	900,000	1,041,664	141,664	730,531
Accommodation taxes	15,000	19,614	4,614	9,045
Total taxes	<u>1,766,500</u>	<u>2,045,250</u>	<u>278,750</u>	<u>1,469,316</u>
State of Alaska:				
Shared fisheries and raw fish tax	306,000	229,620	(76,380)	160,704
Fish resource landing tax	-	75,977	75,977	68,108
Library grants	6,500	6,500	-	6,300
Community grant	30,000	30,000	-	-
KSDP grant	74,000	74,000	-	-
State revenue sharing	192,696	195,196	2,500	146,202
State PERS relief	-	127,315	127,315	58,614
State business license refund	-	5,000	5,000	2,100
Total State of Alaska	<u>609,196</u>	<u>743,608</u>	<u>134,412</u>	<u>442,028</u>
Federal government:				
Emergency management grants	20,000	15,000	(5,000)	15,000
Street light maintenance grant	-	-	-	48,700
Total Federal government	<u>20,000</u>	<u>15,000</u>	<u>(5,000)</u>	<u>63,700</u>
Investment income	<u>3,500</u>	<u>12,278</u>	<u>8,778</u>	<u>13,668</u>
Other revenues:				
Building rental	85,000	112,609	27,609	117,645
Equipment rental	5,000	4,169	(831)	19,614
Business licenses	2,500	2,475	(25)	2,375
EMS fund	-	3,350	3,350	7,954
Sweatshirt sales	-	580	580	1,750
Anchorage office	20,000	20,000	-	-
Local donation	53,206	55,406	2,200	2,195
Fuel sales	-	-	-	38,506
Other	95,706	75,519	(20,187)	44,149
Total other revenues	<u>261,412</u>	<u>274,108</u>	<u>12,696</u>	<u>234,188</u>
Total revenues	<u>2,660,608</u>	<u>3,090,244</u>	<u>429,636</u>	<u>2,222,900</u>

## CITY OF SAND POINT, ALASKA

## General Fund

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

	2012		Variance Positive (Negative)	2011
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
Legislative:				
Salaries	\$ 36,000	37,329	(1,329)	36,400
Fringe benefits	85,409	88,109	(2,700)	68,991
Travel and per diem	15,000	12,247	2,753	16,676
Dues and fees	<u>8,000</u>	<u>7,670</u>	<u>330</u>	<u>1,142</u>
Total legislative	<u>144,409</u>	<u>145,355</u>	<u>(946)</u>	<u>123,209</u>
Administration:				
Salaries	248,905	240,702	8,203	236,384
Fringe benefits	78,380	107,170	(28,790)	75,664
Contractual services	22,000	34,815	(12,815)	33,900
Travel and per diem	12,500	9,800	2,700	11,208
Telephone	10,000	11,062	(1,062)	8,054
Postage	5,000	6,589	(1,589)	6,526
Supplies	12,500	21,129	(8,629)	37,703
Equipment and maintenance	16,000	24,364	(8,364)	18,031
Dues and fees	14,000	10,863	3,137	23,599
Audit	40,000	37,076	2,924	25,732
Legal	12,000	7,333	4,667	3,722
Insurance	170,000	87,374	82,626	95,990
Bank service charges	8,000	9,218	(1,218)	9,985
Freight/speed paks	3,000	3,092	(92)	2,284
Elections	1,200	1,050	150	1,230
Donations	86,000	82,781	3,219	16,278
Hospitality	2,200	3,806	(1,606)	794
Library	3,700	4,699	(999)	3,764
Fuel	1,000	177	823	-
Other	<u>10,000</u>	<u>9,412</u>	<u>588</u>	<u>43,293</u>
Total administration	<u>756,385</u>	<u>712,512</u>	<u>43,873</u>	<u>654,141</u>
Total general government	<u>900,794</u>	<u>857,867</u>	<u>42,927</u>	<u>777,350</u>

## CITY OF SAND POINT, ALASKA

## General Fund

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

	2012		Variance Positive (Negative)	2011
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Parks and recreation:				
Salaries	\$ 36,345	17,624	18,721	22,673
Fringe benefits	12,262	4,477	7,785	4,958
Donations	5,000	5,000	-	-
Total parks and recreation	<u>53,607</u>	<u>27,101</u>	<u>26,506</u>	<u>27,631</u>
Public safety:				
Police:				
Salaries	244,768	213,531	31,237	251,714
Fringe benefits	106,578	116,842	(10,264)	111,625
Dispatchers	20,000	24,298	(4,298)	24,125
Travel and per diem	5,000	4,139	861	5,334
Telephone	8,000	8,808	(808)	8,097
Supplies	10,000	6,401	3,599	10,255
Equipment	5,000	10,300	(5,300)	3,830
Equipment maintenance	5,000	9,678	(4,678)	1,958
Dues and fees	3,250	4,540	(1,290)	2,270
Fuel	10,000	16,975	(6,975)	13,004
Freight/speed paks	500	1,489	(989)	73
Relocation costs	2,500	-	2,500	2,000
Dog expense	680	676	4	-
Total police	<u>421,276</u>	<u>417,677</u>	<u>3,599</u>	<u>434,285</u>
Fire:				
Volunteer stipends	5,000	8,200	(3,200)	7,600
Travel and per diem	500	-	500	-
Contractual services	9,000	6,000	3,000	10,250
Telephone	2,500	1,665	835	2,977
Supplies	2,000	530	1,470	3,596
Equipment	5,000	2,831	2,169	3,769
Equipment maintenance	5,000	4,510	490	868
Insurance	8,000	-	8,000	7,211
Freight	700	1,085	(385)	260
Fuel	1,000	488	512	150
Utilities	500	498	2	262
Total fire	<u>39,200</u>	<u>25,807</u>	<u>13,393</u>	<u>36,943</u>

## CITY OF SAND POINT, ALASKA

## General Fund

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

	2012		Variance Positive (Negative)	2011
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Animal control:				
Salaries	\$ -	749	(749)	13,227
Fringe benefits	-	1,547	(1,547)	6,187
Supplies	-	-	-	860
Fuel	-	-	-	4,416
Travel and per diem	-	-	-	6,230
Dues and fees	-	-	-	1,915
Utilities	1,000	-	1,000	-
Total animal control	<u>1,000</u>	<u>2,296</u>	<u>(1,296)</u>	<u>32,835</u>
Total public safety	<u>461,476</u>	<u>445,780</u>	<u>15,696</u>	<u>504,063</u>
Public works:				
General:				
Salaries	243,171	272,984	(29,813)	255,049
Fringe benefits	112,913	147,516	(34,603)	115,444
Contractual	-	-	-	1,768
Travel and per diem	5,000	3,846	1,154	-
Telephone	3,000	2,348	652	2,972
Supplies	30,000	29,813	187	33,975
Equipment	10,000	14,820	(4,820)	90,458
Equipment maintenance	80,000	21,893	58,107	54,396
Equipment fuel	20,000	23,004	(3,004)	51,673
Dues and fees	30,000	859	29,141	3,555
Street lights	40,000	37,233	2,767	20,004
Utilities	1,500	19	1,481	39
Fuel	15,000	17,517	(2,517)	58,286
Repairs	8,000	7,420	580	3,129
Relocation costs	-	2,500	(2,500)	-
Freight/speed paks	20,000	21,926	(1,926)	25,176
Landfill clean-up costs	-	-	-	40,922
Total general	<u>618,584</u>	<u>603,698</u>	<u>14,886</u>	<u>756,846</u>

## CITY OF SAND POINT, ALASKA

## General Fund

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

	2012		Variance Positive (Negative)	2011
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public works, continued:				
Facilities:				
Salaries	\$ 55,354	58,792	(3,438)	84,430
Fringe benefits	24,539	37,501	(12,962)	41,913
Dues and fees	-	2,460	(2,460)	1,200
Municipal building:				
Supplies	8,000	4,360	3,640	5,487
Utilities	20,000	14,935	5,065	5,917
Equipment	2,500	2,988	(488)	-
Fuel	50,000	57,905	(7,905)	57,638
Repairs	20,000	5,105	14,895	32,514
Freight/speed paks	2,500	1,898	602	472
City houses:				
Supplies	3,000	3,374	(374)	-
Fuel	7,500	3,400	4,100	-
Equipment	1,000	690	310	-
Repairs	1,000	-	1,000	-
Freight/speed paks	1,500	963	537	-
RATNET building - utilities	750	769	(19)	333
Fire hall - utilities	7,500	6,980	520	3,509
Clinic facility:				
Supplies	1,000	1,281	(281)	218
Repairs	4,000	568	3,432	3,113
Fuel	-	3,751	(3,751)	-
Freight	1,000	331	669	786
4-plex:				
Supplies	2,000	56	1,944	12
Equipment	2,000	-	2,000	-
Fuel	10,000	14,108	(4,108)	3,156
Utilities	7,500	3,732	3,768	2,793
Repairs	2,000	967	1,033	132
Teen center:				
Fuel	1,500	6,119	(4,619)	1,462
Utilities	2,500	2,416	84	748
Repairs	-	76	(76)	-
Supplies	-	-	-	63
Total facilities	<u>238,643</u>	<u>235,525</u>	<u>3,118</u>	<u>245,896</u>
Total public works	<u>857,227</u>	<u>839,223</u>	<u>18,004</u>	<u>1,002,742</u>

## CITY OF SAND POINT, ALASKA

## General Fund

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

	2012		Variance Positive (Negative)	2011
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Community development:				
Contribution to Aleutian Pacific Seafoods	\$ -	-	-	2,321
Capital outlay - gear shed	-	-	-	6,384
Dues and fees	-	-	-	6,000
Travel and per diem	-	-	-	793
Total community development	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,498</u>
Total expenditures	<u>2,273,104</u>	<u>2,169,971</u>	<u>103,133</u>	<u>2,327,284</u>
Excess of revenues over (under) expenditures	387,504	920,273	532,769	(104,384)
Other financing sources (uses):				
Transfers in	-	-	-	221,932
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(149,761)</u>
Net other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>72,171</u>
Net change in fund balance	\$ <u>287,504</u>	820,273	<u>532,769</u>	(32,213)
Beginning fund balance		<u>2,320,001</u>		<u>2,352,214</u>
Ending fund balance		\$ <u>3,140,274</u>		<u>2,320,001</u>



**CITY OF SAND POINT, ALASKA**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2012

	Special Revenue Funds		Total
	Silver	Clinic	Nonmajor
	Salmon	Operations	Governmental
	<u>Derby</u>	<u>Operations</u>	<u>Funds</u>
<u>Assets</u>			
Cash and investments	\$ 23,532	110,959	134,491
Accounts receivable	-	2,731	2,731
Total assets	\$ 23,532	113,690	137,222
<u>Liabilities and Fund Balances</u>			
Liabilities - accounts payable	\$ -	31,986	31,986
Fund balances:			
Assigned:			
Silver Salmon Derby	23,532	-	23,532
Clinic	-	81,704	81,704
Total fund balances	23,532	81,704	105,236
Total liabilities and fund balances	\$ 23,532	113,690	137,222

**CITY OF SAND POINT, ALASKA**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended June 30, 2012

	<u>Special Revenue Funds</u>		Total
	Silver	Clinic	Nonmajor
	<u>Derby</u>	<u>Operations</u>	<u>Governmental</u>
			<u>Funds</u>
Revenues:			
Federal government	\$ -	39,131	39,131
Other revenues	24,154	-	24,154
Total revenues	<u>24,154</u>	<u>39,131</u>	<u>63,285</u>
Expenditures:			
Health clinic	-	31,986	31,986
Community development	25,009	-	25,009
Total expenditures	<u>25,009</u>	<u>31,986</u>	<u>56,995</u>
Net change in fund balances	(855)	7,145	6,290
Beginning fund balances	<u>24,387</u>	<u>74,559</u>	<u>98,946</u>
Ending fund balances	<u>\$ 23,532</u>	<u>81,704</u>	<u>105,236</u>

**CITY OF SAND POINT, ALASKA**  
**Bingo Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2012**  
(With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Current assets - cash and investments	\$ <u>134,740</u>	<u>118,972</u>
Capital assets:		
Equipment and vehicles	14,541	28,493
Less accumulated depreciation	<u>(9,556)</u>	<u>(20,600)</u>
Net capital assets	<u>4,985</u>	<u>7,893</u>
 Total assets	 \$ <u><u>139,725</u></u>	 <u><u>126,865</u></u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	-	56
Accrued leave	1,119	-
Due to other funds	<u>340,942</u>	<u>297,002</u>
Total liabilities	<u>342,061</u>	<u>297,058</u>
Net assets:		
Invested in capital assets	4,985	7,893
Unrestricted (deficit)	<u>(207,321)</u>	<u>(178,086)</u>
Total net assets (deficit)	<u>(202,336)</u>	<u>(170,193)</u>
 Total liabilities and net assets	 \$ <u><u>139,725</u></u>	 <u><u>126,865</u></u>

**CITY OF SAND POINT, ALASKA**  
**Bingo Enterprise Fund**  
Statement of Revenues, Expenses and Changes in Deficit  
Year Ended June 30, 2012  
(With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Pull tab revenue	\$ 638,972	414,734
Bingo revenue	38,808	31,472
Concessions	1,561	512
Other	-	25
Total operating revenues	<u>679,341</u>	<u>446,743</u>
Operating expenses:		
Salaries and benefits	104,805	47,409
Travel and per diem	-	525
Telephone	932	581
Supplies	404	469
Depreciation	2,908	2,909
Concessions	1,808	733
Equipment and equipment maintenance	3,699	2,383
Dues and fees	1,106	2,741
Bank service charges	2,527	2,406
Freight/speed paks	894	691
Payouts to winners	525,290	353,871
Prizes	7,185	2,115
Pull tab tax	4,792	1,400
Pull tab purchases	15,010	8,459
Donations	50,645	-
Total operating expenses	<u>722,005</u>	<u>426,692</u>
Operating income (loss)	(42,664)	20,051
Nonoperating revenues - State PERS relief	<u>10,521</u>	<u>2,433</u>
Change in net assets	(32,143)	22,484
Beginning deficit	<u>(170,193)</u>	<u>(192,677)</u>
Ending deficit	\$ <u><u>(202,336)</u></u>	<u><u>(170,193)</u></u>

**CITY OF SAND POINT, ALASKA**  
**Bingo Enterprise Fund**  
**Statement of Cash Flows**  
**Year Ended June 30, 2012**  
(With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 679,341	446,743
Payments for goods and services	(614,348)	(376,318)
Payments for salaries and benefits	<u>(93,165)</u>	<u>(44,976)</u>
Net cash flows from operating activities	<u>(28,172)</u>	<u>25,449</u>
Cash flows from noncapital financing activities - increase in due to other funds	<u>43,940</u>	<u>49,601</u>
Net increase in cash and investments	15,768	75,050
Beginning cash and investments	<u>118,972</u>	<u>43,922</u>
Ending cash and investments	\$ <u><u>134,740</u></u>	<u><u>118,972</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ (42,664)	20,051
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,908	2,909
Noncash expense - PERS relief	10,521	2,433
Increase (decrease) in liabilities:		
Accrued leave	1,119	-
Accounts payable	<u>(56)</u>	<u>56</u>
Net cash flows from operating activities	\$ <u><u>(28,172)</u></u>	<u><u>25,449</u></u>

**CITY OF SAND POINT, ALASKA**  
**Boat Harbor Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2012**  
(With Comparative Amounts for 2011)

<u>Assets</u>	<u>2012</u>	<u>2011</u>
<b>Current assets:</b>		
Cash and investments	\$ 526,026	561,594
Accounts receivable, net of allowance of \$78,091 (\$53,806 in 2011)	<u>50,297</u>	<u>38,983</u>
<b>Total current assets</b>	<b><u>576,323</u></b>	<b><u>600,577</u></b>
<b>Capital assets:</b>		
Building and floats	491,732	491,732
Equipment and vehicles	624,166	596,266
Construction in progress	63,810	63,810
Less accumulated depreciation	<u>(460,423)</u>	<u>(397,311)</u>
<b>Net capital assets</b>	<b><u>719,285</u></b>	<b><u>754,497</u></b>
<b>Total assets</b>	<b>\$ <u>1,295,608</u></b>	<b><u>1,355,074</u></b>
 <u>Liabilities and Net Assets</u>  		
<b>Current liabilities:</b>		
Accounts payable	\$ 959	10,005
Accrued leave	10,503	10,022
Unearned revenue	<u>80,531</u>	<u>-</u>
<b>Total current liabilities</b>	<b><u>91,993</u></b>	<b><u>20,027</u></b>
<b>Net assets:</b>		
Invested in capital assets	719,285	754,497
Unrestricted	<u>484,330</u>	<u>580,550</u>
<b>Total net assets</b>	<b><u>1,203,615</u></b>	<b><u>1,335,047</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>1,295,608</u></b>	<b><u>1,355,074</u></b>

**CITY OF SAND POINT, ALASKA**  
**Boat Harbor Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2012**  
**(With Comparative Amounts for 2011)**

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Moorage	\$ 189,399	151,969
Travel lift	101,222	75,734
Wharfage	39,094	81,723
Van storage	18,371	14,067
Electricity	9,604	2,881
Penalties and interest	3,501	2,484
Rents	197,494	104,697
Other	7,860	-
Total operating revenues	<u>566,545</u>	<u>433,555</u>
Operating expenses:		
Salaries and benefits	431,634	357,635
Contractual	3,793	6,944
Travel and per diem	2,252	-
Telephone	2,813	2,868
Supplies	3,730	18,665
Depreciation	63,112	57,855
Equipment and equipment maintenance	147,352	30,019
Dues and fees	3,370	11,958
Utilities	27,634	10,821
Fuel	17,223	7,288
Repairs	20,315	2,497
Freight/speed paks	14,553	6,189
Other	-	1,119
Total operating expenses	<u>737,781</u>	<u>513,858</u>
Operating loss	(171,236)	(80,303)
Nonoperating revenues - State PERS relief	<u>39,804</u>	<u>16,015</u>
Change in net assets	(131,432)	(64,288)
Beginning net assets	<u>1,335,047</u>	<u>1,399,335</u>
Ending net assets	\$ <u>1,203,615</u>	<u>1,335,047</u>

**CITY OF SAND POINT, ALASKA**  
 Boat Harbor Enterprise Fund  
 Statement of Cash Flows  
 Year Ended June 30, 2012  
 (With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 635,762	442,023
Payments for goods and services	(252,081)	(88,363)
Payments for salaries and benefits	(391,349)	(341,249)
Net cash flows from operating activities	<u>(7,668)</u>	<u>12,411</u>
 Cash flows from capital and related financing activities - additions to capital assets	 <u>(27,900)</u>	 <u>(104,610)</u>
 Net decrease in cash and investments	 (35,568)	 (92,199)
 Beginning cash and investments	 <u>561,594</u>	 <u>653,793</u>
 Ending cash and investments	 \$ <u><u>526,026</u></u>	 <u><u>561,594</u></u>
 Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (171,236)	(80,303)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	63,112	57,855
Noncash expense - PERS relief	39,804	16,015
(Increase) decrease in assets - accounts receivable (net)	(11,314)	8,468
Increase (decrease) in liabilities:		
Accounts payable	(9,046)	10,005
Accrued leave	481	371
Deferred revenue	80,531	-
Net cash flows from operating activities	\$ <u><u>(7,668)</u></u>	<u><u>12,411</u></u>



**CITY OF SAND POINT, ALASKA**  
 Refuse Collection Enterprise Fund  
 Statement of Net Assets  
 June 30, 2012  
 (With Comparative Amounts for 2011)

<u>Assets</u>	<u>2012</u>	<u>2011</u>
<b>Current assets:</b>		
Cash and investments	\$ 421,822	441,330
Accounts receivable, net of allowance of \$9,245 ((\$7,629 in 2011))	<u>29,732</u>	<u>30,872</u>
<b>Total current assets</b>	<u><b>451,554</b></u>	<u><b>472,202</b></u>
<b>Capital assets:</b>		
Buildings	12,000	12,000
Equipment and vehicles	493,383	493,383
Sanitary landfill	1,996,889	1,996,889
Less accumulated depreciation	<u>(1,358,795)</u>	<u>(1,264,972)</u>
<b>Net capital assets</b>	<u><b>1,143,477</b></u>	<u><b>1,237,300</b></u>
<b>Total assets</b>	<b>\$ <u><u>1,595,031</u></u></b>	<b><u><u>1,709,502</u></u></b>
 <u>Liabilities and Net Assets</u>  		
<b>Current liabilities:</b>		
Accounts payable	\$ 825	1,295
Accrued leave	<u>3,592</u>	<u>1,433</u>
<b>Total current liabilities</b>	<u><b>4,417</b></u>	<u><b>2,728</b></u>
Landfill closure costs payable	<u>74,480</u>	<u>65,170</u>
<b>Total liabilities</b>	<u><b>78,897</b></u>	<u><b>67,898</b></u>
<b>Net assets:</b>		
Invested in capital assets	1,143,477	1,237,300
Unrestricted	<u>372,657</u>	<u>404,304</u>
<b>Total net assets</b>	<u><b>1,516,134</b></u>	<u><b>1,641,604</b></u>
<b>Total liabilities and net assets</b>	<b>\$ <u><u>1,595,031</u></u></b>	<b><u><u>1,709,502</u></u></b>

**CITY OF SAND POINT, ALASKA**  
 Refuse Collection Enterprise Fund  
 Statement of Revenues, Expenses and Changes in Net Assets  
 Year Ended June 30, 2012  
 (With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Operating revenues - user charges	\$ <u>158,115</u>	<u>171,053</u>
Operating expenses:		
Salaries and benefits	151,079	131,783
Travel and per diem	740	-
Supplies	5,905	1,116
Landfill closure expense	9,310	9,310
Depreciation	93,823	101,027
Equipment and equipment maintenance	22,376	2,004
Dues and fees	150	150
Utilities	5,617	1,107
Fuel	4,999	5,500
Repairs	438	-
Freight/speed paks	3,154	-
Total operating expenses	<u>297,591</u>	<u>251,997</u>
Operating loss	(139,476)	(80,944)
Nonoperating revenues - State PERS relief	<u>14,006</u>	<u>5,216</u>
Change in net assets	(125,470)	(75,728)
Beginning net assets	<u>1,641,604</u>	<u>1,717,332</u>
Ending net assets	\$ <u><u>1,516,134</u></u>	<u><u>1,641,604</u></u>

**CITY OF SAND POINT, ALASKA**  
 Refuse Collection Enterprise Fund  
 Statement of Cash Flows  
 Year Ended June 30, 2012  
 (With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 159,255	222,545
Payments for goods and services	(43,849)	(8,582)
Payments for salaries and benefits	(134,914)	(126,427)
Net cash flows from operating activities	<u>(19,508)</u>	<u>87,536</u>
Cash flows from capital and related financing activities - additions to capital assets	<u>-</u>	<u>(12,000)</u>
Net increase (decrease) in cash and investments	(19,508)	75,536
Beginning cash and investments	<u>441,330</u>	<u>365,794</u>
Ending cash and investments	\$ <u><u>421,822</u></u>	<u><u>441,330</u></u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (139,476)	(80,944)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	93,823	101,027
Noncash expense - PERS relief	14,006	5,216
(Increase) decrease in assets - accounts receivable (net)	1,140	51,492
Increase (decrease) in liabilities:		
Accounts payable	(470)	1,295
Accrued leave	2,159	140
Landfill closure costs payable	9,310	9,310
Net cash flows from operating activities	\$ <u><u>(19,508)</u></u>	<u><u>87,536</u></u>

**CITY OF SAND POINT, ALASKA**  
**Water and Sewer Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2012**  
(With Comparative Amounts for 2011)

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets- accounts receivable, net of allowance of \$15,813 (\$14,103 in 2011)	\$ <u>34,020</u>	<u>33,732</u>
Capital assets:		
Buildings and improvements	4,533,003	4,533,004
Equipment and vehicles	201,881	160,937
Less accumulated depreciation	<u>(2,016,923)</u>	<u>(1,884,468)</u>
Net capital assets	<u>2,717,961</u>	<u>2,809,473</u>
 Total assets	 \$ <u>2,751,981</u>	 <u>2,843,205</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 9,215	18,431
Accrued leave	<u>2,790</u>	<u>1,563</u>
Total current liabilities	12,005	19,994
 Advance from other funds	 <u>735,228</u>	 <u>501,930</u>
Total liabilities	<u>747,233</u>	<u>521,924</u>
Net assets:		
Invested in capital assets	2,717,961	2,809,473
Unrestricted (deficit)	<u>(713,213)</u>	<u>(488,192)</u>
Total net assets	<u>2,004,748</u>	<u>2,321,281</u>
 Total liabilities and net assets	 \$ <u>2,751,981</u>	 <u>2,843,205</u>

**CITY OF SAND POINT, ALASKA**  
**Water and Sewer Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2012**  
**(With Comparative Amounts for 2011)**

	<u>2012</u>	<u>2011</u>
Operating revenues - user charges	\$ <u>187,741</u>	<u>180,045</u>
Operating expenses:		
Salaries and benefits	155,528	142,030
Travel and per diem	6,281	4,343
Telephone	3,231	3,320
Supplies	40,579	29,092
Equipment and equipment maintenance	10,478	17,267
Dues and fees	10,672	7,188
Utilities	113,325	62,426
Fuel	35,389	7,278
Repairs	-	3,854
Freight/speed paks	10,969	4,802
Depreciation	<u>132,455</u>	<u>125,631</u>
Total operating expenses	<u>518,907</u>	<u>407,231</u>
Operating loss	(331,166)	(227,186)
Nonoperating revenues - State PERS relief	<u>14,633</u>	<u>6,569</u>
Change in net assets	(316,533)	(220,617)
Beginning net assets	<u>2,321,281</u>	<u>2,541,898</u>
Ending net assets	\$ <u><u>2,004,748</u></u>	<u><u>2,321,281</u></u>

**CITY OF SAND POINT, ALASKA**  
Water and Sewer Enterprise Fund  
Statement of Cash Flows  
Year Ended June 30, 2012  
(With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 187,453	182,784
Payments for goods and services	(240,140)	(121,445)
Payments for salaries and benefits	<u>(139,668)</u>	<u>(137,286)</u>
Net cash flows from operating activities	<u>(192,355)</u>	<u>(75,947)</u>
 Cash flows from noncapital financing activities -		
Increase in advance from other funds	<u>233,298</u>	<u>75,947</u>
 Cash flows from capital and related financing activities -		
additions to capital assets	<u>(40,943)</u>	<u>-</u>
 Net increase in cash and investments	-	-
 Beginning cash and investments	<u>-</u>	<u>-</u>
 Ending cash and investments	\$ <u><u>-</u></u>	<u><u>-</u></u>
 Reconciliation of operating loss to net cash flows		
from operating activities:		
Operating loss	\$ (331,166)	(227,186)
Adjustments to reconcile operating loss to net		
cash provided (used) by operating activities:		
Depreciation	132,455	125,631
Noncash expense - PERS relief	14,633	6,569
(Increase) decrease in assets -		
Accounts receivable (net)	(288)	2,739
Increase (decrease) in liabilities:		
Accounts payable	(9,216)	18,125
Accrued leave	<u>1,227</u>	<u>(1,825)</u>
Net cash flows from operating activities	\$ <u><u>(192,355)</u></u>	<u><u>(75,947)</u></u>