



Denali Borough

Public Hearing Agenda

December 09, 2015
6:00 PM

Anderson School

Jill Boelsma
Seat A
Term Expires 11/2017

Kimberly Burrows
Deputy Presiding Officer
Seat B
Term Expires 11/2018

Tallon Shreeve
Seat C
Term Expires 11/2016

David Evans
Seat D
Term Expires 11/2016

Joe Chatfield
Seat E
Term Expires 11/2017

Krista Zappone
Seat F
Term Expires 11/2018

Jared Zimmerman
Presiding Officer
Seat G
Term Expires 11/2018

Don DeBlauw
Seat H
Term Expires 11/2016

Paddy Tatum
Seat I
Term Expires 11/2017

- 1.) ORDINANCE 15-12, Version A: An ordinance amending Denali Borough Code 2.15.030 titled Regular Assembly Meetings to change the rotation order
- 2.) ORDINANCE 15-15, Version B: An ordinance appropriating up to \$250,000 from the Major School Maintenance Reserve Fund to conduct a Comprehensive Condition Survey of the Denali Borough School Facilities

If you wish to testify on any of the items listed above, please limit your testimony to three (3) minutes.

Mission Statement: The Denali Borough Assembly, in the service of the Borough citizens, seeks to defend and sustain the spirit and will of the people.



Denali Borough

ASSEMBLY AGENDA

December 09, 2015 -
Following Public Hearing

Anderson School
Anderson, Alaska
Regular Meeting

Jill Boelsma
Seat A
Term Expires 11/2017

Kimberly Burrows
Deputy Presiding
Officer
Seat B
Term Expires 11/2018

Tallon Shreeve
Seat C
Term Expires 11/2016

David Evans
Seat D
Term Expires 11/2016

Joe Chatfield
Seat E
Term Expires 11/2017

Krista Zappone
Seat F
Term Expires 11/2018

Jared Zimmerman
Presiding Officer
Seat G
Term Expires 11/2018

Don DeBlauw
Seat H
Term Expires 11/2016

Paddy Tatum
Seat I
Term Expires 11/2017

- A. Pledge of Allegiance
- B. Roll Call
- C. Public Comments (During this section of the agenda the Assembly listens to oral communications from audience members. When speaking during this section of the agenda, please state your name, and limit your testimony to approximately three minutes per person.)
- D. Approval of Agenda
- E. Minutes of Previous Meetings
 - 1.) November 5, 2015 Canvass Committee Meeting
 - 2.) November 5, 2015 Assembly Special Meeting to Certify the Election
 - 3.) November 11, 2015 Public Hearing and Regular Meeting
- F. Reports: Financial, Mayor's, School District Superintendent, Commissions, Boards, Committees, and Assembly Comments
 - 1.) Receive the October 2015 Financial Report
 - 2.) Mayor's Report
 - 3.) School District Report
 - 4.) Assembly Comments
- G. Communication and Appearance Request
 - 1.) Garry Hutchison, CPA, Kohler, Schmitt & Hutchison, to discuss the Draft Denali Borough Fiscal Year 2015 Financial Statement
- H. Ordinances:
PENDING ORDINANCES:
 - 1.) ORDINANCE 15-12, Version A: An ordinance amending Denali Borough Code 2.15.030 titled Regular Assembly Meetings to change the rotation order
 - 2.) ORDINANCE 15-15, Version B: An ordinance appropriating up to \$250,000 from the Major School Maintenance Reserve Fund to conduct a Comprehensive Condition Survey of the Denali Borough School Facilities

Mission Statement: The Denali Borough Assembly, in the service of the Borough citizens, seeks to defend and sustain the spirit and will of the people.



I. Resolutions:

J. Other Business:

- 1.) Executive Session: The Denali Borough Assembly will go into Executive Session under Denali Borough Code of Ordinances 2.15.060 and 3.35.210 to discuss the proposal received for the Denali Borough School Facilities Condition Survey which per Code shall remain confidential. There will be no action taken during the Executive Session
- 2.) Award contract for Denali Borough School Facilities Conditional Survey
- 3.) Receive final report from Agnew:: Beck Consultants, "Recommendations for an Improved Land Management System"
- 4.) Public Comments (Please limit comments to three minutes per person)

K. Assembly Comments (Please limit comments to three minutes per person.)

L. Time and Place of next meeting:

- 1.) The next regular meeting will be held at _____, on Wednesday, January 13, 2016:
Public Hearing 6:00 PM and the regular meeting to follow.

M. Adjournment

**Minutes of the Denali Borough
Canvass Committee Meeting
Tri-Valley Community Center
November 05, 2015**

CALL TO ORDER

The Canvass Committee meeting was called to order by Chairman Jared Zimmerman at 6:15 PM.

ROLL CALL

A quorum was established with Krista Zappone, David Evans, Jared Zimmerman, Don DeBlauw and Kimberly Burrows present. Absent were Paddy Tatum, Jill Boelsma, Joe Chatfield and Tallon Shreeve. Mayor Clay Walker was also in attendance.

David EVANS MOVED to excuse Jill Boelsma, Tallon Shreeve, Joe Chatfield and Paddy Tatum Krista ZAPPONE seconded. The VOTE by show of hands was unanimous.

APPROVAL OF AGENDA

Kimber BURROWS MOVED to approve the agenda. David EVANS seconded. The VOTE by show of hands was unanimous.

PUBLIC COMMENTS

There were no public in attendance.

COMMITTEE COMMENTS

Chairman Jared Zimmerman thanked the staff and election boards for their hard work on the election.

REVIEW PRELIMINARY ELECTION RESULTS

The canvassing committee reviewed and compared the mailed in preliminary election results with the hand carried results received from the five precincts.

The borough clerk explained that one number was changed by the Election Chair from the Anderson Precinct. The explanation from the chair was that there was confusion whether to count a ballot that a voter had marked the candidates name but had also did a write-in vote but without marking the ballot in the appropriate circle. The Anderson Election Board deliberated and decided to count the ballot where the name was marked in the circle because that would be the correct way to vote and therefore felt that was the intent of the voter. The Election judge arrived at the Borough Clerk's office and decided the change the decision of the Election Board and subtracted one from the candidate for School Board seat H on the Precinct Preliminary Results.

The borough clerk reported that the Anderson Precinct Election Chair should not have changed the number because the Anderson Election Board made their decision and each had signed the preliminary results. Therefore the Borough Clerk used the number from the Anderson Preliminary Results as written by the board for the Denali Borough Preliminary Elections Results report.

Kimber BURROWS MOVED to approve the preliminary results of the election. Don DEBLAUW seconded. The VOTE by show of hands was unanimous.

The preliminary election results were as follows:

PART I: ELECTIVE OFFICES

ASSEMBLY CANDIDATES

Assembly Seat B, District 2

Burrows, Kimberly A.	145
Telirico, Dave	1
Killian, Scott	1

Assembly Seat C, District 3

Shreeve, Tallon	140
Graham, Rob	1
Smith, David	1
Lundgren, Terrie	1
Juhl, Joe	1
Giannechini, Michael	1
Ross, John	1

Assembly Seat F, District 3

Zappone, Krista	134
Banchard, Sandie	1
Wilburn, Terisa	1
Smith, Leslie	1
Juhl, Joe	1

Assembly Seat G, District 4

Zimmerman, Jared	142
Folberg, Teresa	1
Palin, Sasa	1
Chepoda, Darryl S.	1
Brennan, Rob	1

SCHOOL BOARD CANDIDATES

School Board Seat B, District 2

Tench, James E.	134
Lake, Kathleen	1
Norris, Linda	1

Terry, Charles	1
Lundgren, Dave	1
Wagner, Dale	2
Claspill, Dan	1
School Board Seat D, District 3	
Juszczak, Ryan A.	132
Craig, Sheila	1
Terri, Lauri	1
Crow, Kaden	1
Wagner, Dale	1
School Board Seat E, District 3	
Davis, Trista	132
Giannechini, Mike	1
Gaddis, Lacey	1
DeBlauw, Dorothy	1
Sawatzky, Dave	1
School Board Seat H, District 5	
Demers, Amy (Nikki)	118
Wagner, Dale	26
Reagen, Ed	1

TALLY QUESTIONED BALLOTS

The canvass committee reviewed the questioned ballot list which included 5 ballots cast.

Kimber BURROWS MOVED to not count numbers 1 and 3 because they are not registered to vote in the Denali Borough and 5 because they did not register in time for this election. David EVANS seconded. The VOTE by show of hands was unanimous.

Krista ZAPPONE MOVED to count numbers 2 and 4 on the questioned ballot list. David EVANS seconded. The VOTE by show of hands was unanimous.

The accepted ballots which totaled 2 were opened and placed in the ballot box to be tallied with the absentee ballots.

TALLY ABSENTEE BALLOTS

The committee reviewed the absentee ballot list provided by the borough clerk. The clerk explained that all of the absent ballot voters were registered to vote in the Denali Borough and that she had received all mailed ballots back.

The absentee ballots were opened by the committee members and placed in the ballot box with their respective secrecy sleeve. The ballots were then removed from the secrecy sleeves, placed in the ballot box with the questioned ballots as listed above. There were a total of 16 absentee ballots and 2 questioned ballots for a total of 18 ballots to tally. The clerk ran the 18 ballots through the optic-scan which produced a tally.

The committee tallied the write-in votes from the questioned and absentee ballots as listed above.

COMBINE CANDIDATE NAMES

There were no names to combine.

CANVASS COMMITTEE REPORT

The final tally was as follows:

DENALI BOROUGH CANVASS COMMITTEE REPORT

Regular ballots cast:	164
Absentee ballots cast:	16
Questioned ballots cast:	2
Total number of ballots cast in the election: (Including absentee and questioned ballots)	182

PART I: ELECTIVE OFFICES

ASSEMBLY CANDIDATES

Assembly Seat B, District 2

Burrows, Kimberly A.	159
Killian, Scott	1

Telirico, Dave	1
Forsberg, Will	1
Assembly Seat C, District 3	
Shreeve, Tallon	155
Giannechini, Michael	1
Graham, Rob	1
Juhl, Joe	1
Lundgren, Terrie	1
Ross, John	1
Smith, David	1
Assembly Seat F, District 3	
Zappone, Krista M.	148
Blanchard, Sandie	1
Juhl, Joe	1
Smith, Leslie	1
Wilburn, Terisa	1
Assembly Seat G, District 4	
Zimmerman, Jared M.	156
Brennan, Rob	1
Chepoda, Darryl S.	1
Floberg, Teresa	1
Palin, Sasa	1
Graham, Tony Sr.	1

SCHOOL BOARD CANDIDATES

School Board Seat C, District 3	
Tench, James E.	150
Claspill, Dan	1
Lake, Kathleen	1
Lundgren, Dave	1

Norris, Linda	1
Terry, Charles	1
Wagner, Dale	2
Lusby, Richard	

School Board Seat D, District 3

Juszczak, Ryan A.	148
Craig, Sheila	1
Crow, Kaden	1
Terri, Lauri	1
Wagner, Dale	2
Mayo, Danielle	1
Craig, Sheila	1

School Board Seat E, District 3

Davis, Trista	
DeBlauw, Dorothy	1
Gaddis, Lacey	1
Giannechini, Mike	1
Sawatzky, Dave	1
Wagner, Dale	1
DeBlauw, Dorothy	1
Gaddis, Lacey	1

School Board Seat H, District 5

Demers, Amy (Nikki)	129
Wagner, Dale	32
Reagen, Ed	1

APPROVE CANVASS COMMITTEE REPORT

Krista ZAPPONE MOVED to approve the canvass committee report and send the report to the Denali Borough Assembly. Kimber BURROWS seconded. The VOTE by show of hands was unanimous.

PUBLIC COMMENTS

There were no public present.

COMMITTEE COMMENTS

Krista ZAPPONE thanked everyone for their hard work.

ADJOURNMENT

Kimber BURROWS MOVED to adjourn the meeting at 7:20 PM. David EVANS seconded. The VOTE by show of hands was unanimous.

APPROVED: _____
Jared Zimmerman, Committee Chairman

ATTEST: _____
Gail Pieknik, Borough Clerk

Date Approved: _____

**Minutes of the Special Meeting to Certify the Election
Denali Borough Assembly
Tri-Valley Community Center
November 05, 2015**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

CALL TO ORDER Presiding Officer Jared Zimmerman called the Special Meeting to order at 7:20 PM.

ROLL CALL Assembly members present: David Evans, Jared Zimmerman, Don DeBlauw, Kimberly Burrows and Krista Zappone. Absent: Paddy Tatum, Jill Boelsma, Joe Chatfield and Talon Shreeve. Mayor Clay Walker was also in attendance.

David EVANS MOVED to excuse Paddy Tatum, Jill Boelsma, Joe Chatfield and Talon Shreeve. Kimber BURROWS seconded. The VOTE by show of hands was unanimous.

AGENDA Kimber BURROWS MOVED to approve the agenda. Krista ZAPPONE seconded. The VOTE by show of hands was unanimous.

CERTIFY ELECTION The assembly reviewed the Canvass Committee report.

David EVANS MOVED to certify the November 3, 2015 Denali Borough regular election. Kimber BURROWS seconded. The roll call VOTE was unanimous.

PUBLIC COMMENTS There were no public comments.

ASSEMBLY COMMENTS The assembly members thanked everyone that worked the election and congratulated the candidates.

ADJOURN Kimber BURROWS MOVED to adjourn. David EVANS seconded. The VOTE by show of hands was unanimous. The Presiding Officer declared the meeting adjourned at 7:30 PM.

APPROVED: _____
Jared Zimmerman, Presiding Officer

ATTEST: _____ Date Approved: _____
Gail Pieknik, Borough Clerk

1 **Minutes of the Public Hearing**
2 **Denali Borough Assembly**
3 **Cantwell School**
4 **November 11, 2015**
5
6

7 CALL TO ORDER: The public hearing was called to order by Presiding Officer Jared
8 Zimmerman at 6:08 p.m.
9

10 ROLL CALL: Assembly members present: Jared ZIMMERMAN, Don DEBLAUW, David
11 EVANS, Tallon SHREEVE, Kimberly BURROWS, Joe CHATFIELD, Absent: Krista
12 ZAPPONE, Jill BOELSMA, and Paddy TATUM.
13

14 ORDINANCE 15-12, Version A: An ordinance amending Denali Borough Code 2.15.030
15 titled Regular Assembly Meetings to change the rotation order
16

17 There were no comments.
18

19 ORDINANCE 15-14, Version A: An ordinance amending the Denali Borough Code of
20 Ordinances, Chapter 3.20.040 titled Investments
21

22 There were no comments.
23

24 ADJOURNMENT: The public hearing was adjourned at 6:09 p.m.
25
26

27 APPROVED: _____
28 Jared Zimmerman, Presiding Officer
29

30
31 ATTEST: _____ Date Approved: _____
32 Gail Pieknik, Borough Clerk
33

**Minutes of the Regular Meeting
Denali Borough Assembly
Cantwell School
November 11, 2015**

1
2
3
4
5
6
7 CALL TO ORDER: Presiding Officer Jared Zimmerman called the regular meeting to order at 6:10
8 PM. Mayor Clay Walker led those present in the Pledge of Allegiance.
9

10 Oath of Office

11 Borough Clerk Gail Pieknik led newly elected members Jared Zimmerman, Kimberly Burrows and
12 Tallon Shreeve in the Oath of Office.
13

14 Roll Call

15 Assembly members present: Tallon SHREEVE, Don DEBLAUW, David EVANS, Jared
16 ZIMMERMAN, Kimber BURROWS and Joe CHATFIELD. Absent: Paddy TATUM, Krista ZAPPONE
17 and Jill BOELSMA. Mayor Clay Walker was also present.
18

19 Kimber BURROWS MOVED to excuse Ms. Tatum, Ms. Zappone and Ms. Boelsma. David EVANS
20 seconded. The VOTE by show of hands was unanimous.
21

22 Selection of Presiding Officer and Deputy Presiding Officer

23 Kimber BURROWS MOVED to nominate Jared Zimmerman for Presiding Officer. Joe CHATFIELD
24 seconded.
25

26 Joe CHATFIELD MOVED to nominate Kimber BURROWS for Deputy Presiding Officer. David
27 EVANS seconded.
28

29 Kimber BURROWS nominated David EVANS for Deputy Presiding Officer. Tallon SHREEVE
30 seconded.
31

32 Kimber BURROWS MOVED to close nominations. Joe CHATFIELD seconded. The VOTE by show
33 of hands to close nominations was unanimous.
34

35 Jared Zimmerman was declared Presiding Officer by acclamation.
36

37 In the VOTE by paper ballot to select Deputy Presiding Officer, Kimber Burrows received 4 votes,
38 David Evans received 1 vote, and Jared Zimmerman received 1 vote as follows: Voting for Burrows
39 – Joe CHATFIELD, Jared ZIMMERMAN, Tallon SHREEVE and David EVANS; Voting for David
40 Evans – Kimber BURROWS; Voting for Jared Zimmerman – Don DEBLAUW. Kimber Burrows was
41 declared Deputy Presiding Officer.
42

43 PUBLIC COMMENTS

44 Dorothy DeBlauw, Kobe Subdivision resident, commented that many people did not know there was
45 a November election.
46
47
48

1 AGENDA

2 Kimber BURROWS MOVED to approve the meeting agenda as presented. Don DEBLAUW
3 seconded. The VOTE by show of hands was unanimous.

4
5 MINUTES

6 October 14, 2015 Denali Borough Assembly Public Hearing and Regular Meeting

7
8 Kimber BURROWS MOVED to approve the minutes of the October 14, 2015 public hearing and the
9 edited regular meeting minutes as presented. Tallon SHREEVE seconded. The VOTE by show of
10 hands was unanimous.

11
12 REPORTS

13 September 2015 Financial Report

14
15 Kimber BURROWS MOVED to receive the September 2015 financial report. Tallon SHREEVE
16 seconded. The Borough Treasurer noted that there is a report of the Borough's check registers as
17 required by Denali Borough Code 2.26.020(F) alongside meeting handouts. The VOTE by show of
18 hands to receive the financial report was unanimous.

19
20 PLANNING COMMISSION SEAT APPOINTMENTS

21 Mayor appoints and assembly confirms per DBC 5.25.050(A)

22 Seat B: Steve Jones
23 Seat F: Barbara Brease
24 Seat G: Susan Braun

25
26 Mayor Clay Walker reported that three open planning commission seats had been posted, and the
27 commissioners holding the seats were all interested in continuing, with no other applications
28 received.

29
30 Kimber BURROWS MOVED to confirm the appointment of Steve Jones to Seat B. Don DeBlauw
31 seconded. The VOTE by show of hands was unanimous.

32
33 Don DEBLAUW MOVED to confirm the appointment of Barbara Brease to Seat F. Kimber
34 BURROWS seconded. The VOTE by show of hands was 4 – 2 as follows: Yes – Don DEBLAUW,
35 Kimber BURROWS, Tallon SHREEVE and Jared ZIMMERMAN; No – Joe CHATFIELD and David
36 EVANS. The motion passed.

37
38 Kimber BURROWS MOVED to confirm the appointment of Susan Braun to Seat G. Tallon
39 SHREEVE seconded. The VOTE by show of hands was unanimous.

40
41 MAYOR'S REPORT

42 Mayor Clay Walker thanked those veterans present for their service, wished all present a happy
43 Veteran's Day, and congratulated newly elected assembly members. Mayor Walker noted that
44 recent agendas have not included a separate planning commission report, and that he has included
45 planning commission updates in the Mayor's report. On future agendas, the planning commission
46 report will be listed as a separate report.

47

1 The planning commission has discussed the mapping opportunity presented by the Alaska Division
2 of Community and Regional Affairs (DCRA), and recommends declining the invitation to participate
3 in the mapping project. Mayor Walker, with the consensus of the assembly, will notify DCRA. The
4 planning commission has been discussing three potential locations for a Healy Solid Waste Transfer
5 Station, and cost analysis estimates are being developed by administrative staff. The three sites are
6 Mile 252 and 253 of the Parks Highway, and Alaska Railroad Corporation (ARR) land on the Healy
7 Spur Road. The Railroad is amenable to a five year special use permit for the proposed location,
8 and have developed a draft permit.

9
10 Mayor Walker recently met with William O'Leary, Alaska Railroad Corporation (ARRC) President
11 and CEO, and Tim Sullivan, ARRC Corporate Affairs, to discuss relevant topics. The railroad is
12 working with the National Park Service (NPS) to run a special train during Winterfest 2017 to
13 celebrate the NPS Centennial. There has been some relief granted relating to the federally
14 mandated deadline for positive track control. ARRC freight transportation is trending down, while
15 passenger use is increasing. The new Healy wye has been very successful during its first year of
16 use.

17
18 Both the dump truck and loader advertised on invitations to bid have been purchased for amounts
19 above the minimum bid. The John Deere loader received a high bid of \$10,651 and the Ford dump
20 truck received a high bid of \$19,503. Both went to local residents.

21
22 Mayor Walker, David Evans, Emergency Services and Special Projects Coordinator Chris Noel,
23 DBSD Superintendent Dan Polta, and Maintenance Manager Curtis Hamel met to review requests
24 for proposals received for the comprehensive assessment of school facilities. A draft ordinance is on
25 this meeting's agenda to fund the assessment, with an amendment of the dollar amount
26 recommended.

27
28 The budget for fiscal year 2016 is leaner than previous years, and unexpected expenses have come
29 up. The D8 dozer, a critical piece of landfill equipment, has undergone a transmission rebuild costing
30 approximately \$29,000, which will likely overspend the repairs and maintenance line item for Solid
31 Waste. Also, the Alaska Department of Environmental Conservation has requested more and more
32 ground water monitoring be performed, which will result in another line item over expenditure.

33
34 Mayor Walker reported that a reflective beacon will be installed at the intersection of the Parks
35 Highway and Ranch Road in Healy, in direct response to a request from the Healy Transportation
36 and Pedestrian Safety Committee.

37
38 The Alaska Municipal League Fall Conference will be held November 16 – 20 in Anchorage. There
39 will be a Municipal Advisory Gas Project Review Board meeting in Anchorage on December 7,
40 where the report to the legislature will be crafted.

41 42 SCHOOL DISTRICT REPORT

43 Denali Borough School District (DBSD) Superintendent Dan Polta submitted a written report, which
44 contained a facilities update reporting that there are two DBSD projects on the Department of
45 Education and Early Development capital improvement projects list – the Anderson Water Main and
46 roof replacement for Anderson and Cantwell Schools, and the Anderson waterline reimbursement.
47 Both the Cantwell Sprinkler Project and the Tri-Valley Elementary Wing Energy Efficiency Upgrade
48 are online for construction work this summer. Mr. Polta also reported that DBSD enrollment numbers

1 are slightly above those projected, and that the school board passed a resolution in support of
2 maintaining the current minimum school size of ten students.

3
4 ASSEMBLY COMMENTS

5 Don DEBLAUW thanked those present for attending the meeting, and commented that he
6 appreciates the updates and reports. Mr. DeBlauw further commented that, while people didn't
7 seem to be aware of the recent election, there is always an election held the first Tuesday in
8 November.

9
10 David EVANS commented that the finance committee will be meeting December 1 to discuss the
11 capital projects and capital improvement funds.

12
13 Joe CHATFIELD thanked those present for attending the meeting, and congratulated the newly
14 elected assembly members.

15
16 Kimber BURROWS commented that the HTAPS committee is still working on edits of committee
17 recommendations, and that it may not be too late to include a roadside trail from McKinley
18 Village to the Denali Park entrance in the Milepost 231 developments. An upcoming meeting
19 regarding the developments will be held November 18. There will be a meeting with the Federal
20 Energy Regulating Commission regarding the Alaska liquid natural gas pipeline project on
21 November 17.

22
23 Tallon SHREEVE commented positively on the installation of a beacon at the Parks Highway
24 and Ranch Road, noting that people cross at that intersection year round.

25
26 Jared ZIMMERMAN commented that he has stepped back from the finance committee, and that
27 Krista Zappone has stepped into his seat, joining committee members Jill Boelsma and David
28 Evans. Mr. Zimmerman further commented that recent voter turn-out were typical for an off-
29 election year.

30
31 COMMUNICATION AND APPEARANCES

32 There were none.

33
34 DRAFT ORDINANCES

35 ORDINANCE 15-15: An ordinance appropriating up to \$100,000 from the Major School Maintenance
36 Reserve Fund to conduct a Comprehensive Condition Survey of the Denali Borough School
37 Facilities

38
39 David EVANS MOVED to introduce Ordinance 15-15. Kimber BURROWS seconded. Mayor
40 Clay Walker strongly recommended introduction of this ordinance, which is intended to provide
41 funding for a comprehensive condition survey of DBSD facilities. Mayor Walker noted that the
42 specifics of proposals may not be discussed publicly, that the administrative estimate of
43 \$100,000 for the survey was based upon limited information, and that a revised estimate of
44 \$250,000 is more appropriate. The request for proposals returned 11 proposals, which did not
45 include cost. Cost negotiations with the highest scoring proposal are anticipated.

46
47 The roll call VOTE on the motion to introduce Ordinance 15-15 was unanimous.
48

1 Kimber BURROWS MOVED to amend Ordinance 15-15 by deleting the amount of \$100,000 and
2 inserting \$250,000. Tallon SHREEVE seconded. Mayor Walker noted that information gleaned
3 from the survey will be very helpful in developing capital improvement project lists, and that this
4 process follows protocol dictated by Denali Borough Code.

5
6 The VOTE by show of hands to amend Ordinance 15-15 was unanimous.

7
8 Kimber BURROWS MOVED to postpone Ordinance 15-15 to the next meeting. David EVANS
9 seconded. The VOTE by show of hands was unanimous.

10
11 PENDING ORDINANCES

12 ORDINANCE 15-12, Version A: An ordinance amending Denali Borough Code (DBC) 2.15.030
13 titled Regular Assembly Meetings to change the rotation order

14
15 Kimber BURROWS MOVED to postpone Ordinance 15-12 to the next meeting. David EVANS
16 seconded. It was noted that postponement would allow the public hearings on the ordinance to
17 complete the rotation through Denali Borough communities. The VOTE by show of hands was
18 unanimous.

19
20 ORDINANCE 15-14, Version A: An ordinance amending the Denali Borough Code of
21 Ordinances, Chapter 3.20.040 titled Investments

22
23 Mayor Clay Walker noted that the proposed changes to DBC 3.20.040 are recommended by the
24 finance committee.

25
26 David EVANS MOVED to adopt Ordinance 15-14. Kimber BURROWS seconded. The roll call
27 VOTE to adopt Ordinance 15-14 was unanimous.

28
29 RESOLUTIONS

30 RESOLUTION 15-12: A resolution to maintain the current minimum school size at ten students
31 necessary to be counted as a school

32
33 Kimber BURROWS MOVED to approve Resolution 15-12. Tallon SHREEVE seconded. Points of
34 discussion that followed include DBSD Superintendent Dan Polta's request for such a resolution,
35 the potential for two of the Denali Borough's schools to fall under the increased minimum, the
36 significant number of Alaskan schools that would be affected by an increased minimum, the
37 funding situation for schools that fall under the minimum, and the desire to be proactive to attract
38 young families to our communities. The roll call VOTE to approve Resolution 15-12 was
39 unanimous.

40
41 OTHER BUSINESS

42 Agnew::Beck Consultants update dealing with Denali Borough owned lands

43
44 Mayor Clay Walker explained that Agnew::Beck representatives held a workshop prior to, and
45 presented at, the last assembly meeting. A final report from the firm is imminent, which may provide
46 a guide for implementation and further work on code language. There is the potential for further
47 engagement of a consultant to assist in code revisions. Mayor Walker suggested the assembly plan
48 a joint work session with the planning commission to discuss steps forward.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48

PUBLIC COMMENTS

Gordon Carlson, Cantwell resident, commented positively on Resolution 15-12, raising the question of how an increased minimum student enrollment would affect capital projects for school major maintenance. Mr. Carlson spoke in opposition to Ordinance 15-12, commenting that it seemed to be more for convenience and asked for a fiscal note of cost savings.

Rachel Carlson, Cantwell Resident, spoke in opposition to Ordinance 15-12, commenting that there may be a hidden motive to having six meetings a year in Healy. Ms. Carlson thanked the assembly for approving Resolution 15-12 and thanked the assembly for their work.

ASSEMBLY COMMENTS

Don DEBLAUW commented that there is no hidden agenda behind the meeting rotation change, stating that the Panguingue District did not have a meeting in their district. Mr. DeBlauw stated that the rotation of meetings is something that makes our assembly unique.

David EVANS commented that it would be more convenient for staff to hold more meetings in Healy, that there is a cost savings, and that there is a new district that is not included in the current rotation.

Joe CHATFIELD commented that it would be more convenient to hold more meetings in Healy, that there is a cost savings, and that he would like meetings to be streamed via the internet.

Kimber BURROWS thanked her fellow assembly members for their support of Resolution 15-12, as well as thanking borough staff and volunteers for the work they do.

Tallon SHREEVE thanked those present for coming to the meeting, commented that he appreciated getting to see the completed Cantwell shop, and that he likes travelling to borough communities.

Jared ZIMMERMAN thanked those present for coming to the meeting and to the public for their comments. Mr. Zimmerman commented that it is important for topics to be heard in the affected communities.

NEXT ASSEMBLY MEETING

The next regular meeting will be at Anderson School on Wednesday, December 9, 2015: Public Hearing 6:00 PM and the Regular meeting to follow.

David EVANS MOVED that the December meeting agenda include an executive session for the purpose of discussing the proposal received for the comprehensive assessment of Denali Borough School facilities. Kimber BURROWS seconded. The VOTE by show of hands was unanimous.

Kimber BURROWS MOVED to adjourn the meeting at 7:50 PM. David EVANS seconded. The VOTE by show of hands was unanimous.

ADJOURN: The meeting was adjourned at 7:50 PM.

1
2
3
4
5
6
7
8
9
10
11
12
13

APPROVED: _____
Jared Zimmerman, Presiding Officer

ATTEST: _____ Date Approved: _____
Gail Pieknik, Borough Clerk

Denali Borough Financial Report
October 2015

Balance Sheet

	Oct 31, 15	Oct 31, 14
ASSETS		
Current Assets		
Checking/Savings		
1010 - Petty Cash	200.00	200.00
1011 - Landfill Petty Cash	300.00	200.00
1012 - CTS Petty Cash	200.00	200.00
1031 - FNB General Fund	585,985.78	1,137,895.23
1032 - FNB Savings General Fund	2,924,353.73	2,543,439.51
1038 - FNB Perm Inv Fund	5,972.43	6,117.40
1041 - AMLIP		
1044 - Capital Improvements Fund	289,382.38	83,294.30
1046 - Disaster Contingency Fund	121,051.28	120,040.24
Total 1041 - AMLIP	410,433.66	203,334.54
1054 - FNB Savings Land Management	110,115.73	55,076.75
1056 - FNB Land Management Fund	36,031.38	29,719.03
1057 - FNB Land Sales Account	62,328.22	35,653.42
1058 - *FNB Land Enterprise	325,091.81	293,957.87
1061 - FNB Solid Waste Fund	111,877.50	69,557.59
1062 - Equipment Reserve Fund	172,172.90	116,791.61
1063 - FNB Solid Waste Savings	635,095.10	624,640.33
1064 - FNB Landfill Closure Fund	38,358.08	23,801.49
1067 - FNB Maj. School Maint. Reserve	24,252.25	57,204.32
1068 - FNB Savings MSMRF	651,031.64	570,512.07
1081 - FNB Capital Projects Fund	387,990.34	387,699.45
Total Checking/Savings	6,481,790.55	6,156,000.61
Accounts Receivable		
1110 - O/A Tax Receivable	379,671.12	334,370.19
1111 - Severance Tax Receivable	14,806.14	18,728.65
1200 - Accounts Receivable		
1201 - Solid Waste	12,465.66	60,748.19
1200 - Accounts Receivable - Other	4,323.38	113,142.20
Total 1200 - Accounts Receivable	16,789.04	173,890.39
1300 - Land Sales Receivable	145,522.95	142,515.28
Total Accounts Receivable	556,789.25	669,504.51
Other Current Assets		
1499 - Undeposited Funds	527,358.59	4,058.40
Total Other Current Assets	527,358.59	4,058.40
Total Current Assets	7,565,938.39	6,829,563.52
Fixed Assets		
1510 - Solid Waste Landfill	894,062.42	894,062.42
1515 - Accumulated Depreciation	-1,493,678.40	-1,368,480.67
1520 - Solid Waste Equipment	1,141,328.09	1,024,985.99
1525 - Land Enterprise Fund Assets	48,588.85	45,193.06
1530 - Solid Waste Building	281,584.68	281,584.68
1540 - Cantwell Transfer Station	278,397.14	278,397.14
1631 - Building Renovations - Gen Fund	9,110.20	9,110.20
1671 - Equipment - General Fund	190,833.91	198,175.78
1692 - School Buildings	30,878,795.25	30,878,795.25
1699 - Accum Deprec Gov't	-12,066,040.35	-11,647,875.97
Total Fixed Assets	20,162,981.79	20,593,947.88
Other Assets		
1910 - PIF - Morgan Stanley		
1913 - Money Market Funds	26,745.18	107,238.53
1914 - Stocks	150,406.85	150,406.85
1915 - Government Securities	6,644.77	7,893.54
1916 - Certificates of Deposit	1,063,000.00	975,075.39
1921 - Investments - Market Value ADJ	90,606.26	159,808.70
1931 - Mutual Fund	750,720.65	733,327.16
Total 1910 - PIF - Morgan Stanley	2,088,123.71	2,133,750.17
1912 - PIF - Vanguard		
1918 - Investments - Market Value ADJ	198,862.01	213,060.31
1925 - Vanguard Index Fund	305,983.80	295,031.20
Total 1912 - PIF - Vanguard	504,845.81	508,091.51

Denali Borough Financial Report
October 2015

Balance Sheet

1926 - PIF - Wells Fargo		
1924 - Stocks, Options, ETFs	149,540.55	199,460.68
1928 - Cash	248,764.57	38,324.51
1929 - Investments - Market Value ADJ	-4,380.35	-7,001.59
1930 - Certificates of Deposit	0.00	245,000.00
Total 1926 - PIF - Wells Fargo	393,924.77	475,783.60
1940 - TVI/ProEquities		
1943 - Accrued Int	11,254.30	8,047.98
1944 - Market Value Adj	-4,924.67	-789.09
1945 - Cash	14,165.90	103,722.80
1946 - Landfill Closure Fund CD	247,000.00	248,000.00
1947 - General Fund CD	2,476,000.00	2,231,000.00
Total 1940 - TVI/ProEquities	2,743,495.53	2,589,981.69
Total Other Assets	5,730,389.82	5,707,606.97
TOTAL ASSETS	33,459,310.00	33,131,118.37
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
1096 - FNB Credit Cards		
1097 - Solid Waste FNBCC	152.36	703.03
1098 - Land Enterprise FNBCC	452.00	1,602.60
1099 - General Fund FNBCC	983.08	1,185.64
Total 1096 - FNB Credit Cards	1,587.44	3,491.27
Total Credit Cards	1,587.44	3,491.27
Other Current Liabilities		
2100 - Payroll Liabilities		
2105 - FWT, FICA, Medicare	-416.08	0.00
2106 - Primerica Payable	16.13	241.25
2107 - SBS Payable	4,513.46	4,085.84
Total 2100 - Payroll Liabilities	4,113.51	4,327.09
2240 - Encumbrance	0.23	0.00
2340 - Accrued Vacation Leave	19,198.98	19,198.98
2350 - Accrued Sick Leave	15,387.05	15,387.05
2360 - Accrued Wages	17,174.58	31,741.44
2400 - Deferred Revenue	56,472.50	425,105.50
Total Other Current Liabilities	112,346.85	495,760.06
Total Current Liabilities	113,934.29	499,251.33
Long Term Liabilities		
2020 - Est. Liab. for Landfill Closure	252,900.00	247,900.00
Total Long Term Liabilities	252,900.00	247,900.00
Total Liabilities	366,834.29	747,151.33
Equity		
2510 - Invmt in Acct Group - Gen Fund	19,438,132.75	19,431,471.26
2515 - Investment in Acct Group - Land	5,751.06	5,751.06
2520 - Invmt in Acct Group - Landfill	1,149,991.23	1,149,991.23
2740 - Fund Balance		
2650 - Resv for subs exp	4,987,159.00	4,987,159.00
2741 - Permanent Fund	3,003,648.00	3,003,648.00
2742 - School Maintenance	400,934.23	400,934.23
2743 - Capital Projects	378,933.92	378,933.92
2744 - Landfill	739,786.00	739,786.00
2746 - Land	550,126.00	550,126.00
2748 - Legislative Grants	142,456.00	142,456.00
2750 - 2750 Capital Improvements	43,291.86	43,291.86
2751 - 2751 Spendable PIF	110,149.00	110,149.00
2752 - 2752 Disaster Contingency	119,036.58	119,036.58
2740 - Fund Balance - Other	1,216,065.28	1,216,065.28
Total 2740 - Fund Balance	11,691,585.87	11,691,585.87
2745 - Retained Earnings	495,722.48	154,643.24
Net Income	311,292.32	-49,475.62
Total Equity	33,092,475.71	32,383,967.04
TOTAL LIABILITIES & EQUITY	33,459,310.00	33,131,118.37

**Denali Borough Financial Report
October 2015**

Budget vs. Actual
GF: Assembly, DBSD, Fund Accounts,
Matching Grants

	Oct 15	Jul - Oct 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
3110 · Overnight Accommodation Tax	0.00	2,210,532.41	2,900,000.00	-689,467.59	76.23%
3120 · Severance Tax	25.00	31,267.38	90,000.00	-58,732.62	34.74%
3210 · PILT Act	25,190.00	320,755.00	304,000.00	16,755.00	105.51%
3310 · Revenue Sharing	0.00	477,824.00	436,670.00	41,154.00	109.43%
3320 · PERS On Behalf Payments	0.00	2,499.13	70,000.00	-67,500.87	3.57%
3330 · Electric/Telephone Co-op Tax	0.00	0.00	50,000.00	-50,000.00	0.0%
3410 · Interest Income	2,774.10	11,150.24	22,000.00	-10,849.76	50.68%
3420 · Unrecognized Gain (Loss) on Inv	2,714.66	-6,218.40	0.00	-6,218.40	100.0%
3910 · Miscellaneous Income	2,663.41	3,694.42	2,500.00	1,194.42	147.78%
3920 · Penalties/Interest	0.00	6,568.33	0.00	6,568.33	100.0%
Total Income	33,367.17	3,058,072.51	3,875,170.00	-817,097.49	78.92%
Gross Profit	33,367.17	3,058,072.51	3,875,170.00	-817,097.49	78.92%
Expense					
4001 · Nonstaff Stipends	1,850.00	5,550.00	22,800.00	-17,250.00	24.34%
4006 · Staff Salaries	11,677.69	46,819.83	158,661.00	-111,841.17	29.51%
4011 · Staff Benefits	3,810.74	12,475.83	258,629.00	-246,153.17	4.82%
4012 · Nonstaff Benefits	44.00	159.77	5,500.00	-5,340.23	2.91%
4014 · Workmen's Compensation	0.00	666.06	1,000.00	-333.94	66.61%
4021 · Nonstaff Travel	0.00	0.00	8,000.00	-8,000.00	0.0%
4022 · Staff Travel	363.40	451.90	7,000.00	-6,548.10	6.46%
4025 · Staff Training	650.00	1,125.00	4,000.00	-2,875.00	28.13%
4026 · Nonstaff Training	0.00	0.00	3,000.00	-3,000.00	0.0%
4030 · Rent	2,147.76	10,738.80	30,000.00	-19,261.20	35.8%
4031 · Utilities	411.19	1,164.96	6,000.00	-4,835.04	19.42%
4038 · Janitorial Services	216.00	792.00	2,400.00	-1,608.00	33.0%
4040 · Elections	2,864.00	2,924.54	13,000.00	-10,075.46	22.5%
4041 · Codification of Municipal Code	0.00	0.00	3,000.00	-3,000.00	0.0%
4050 · Equipment	0.00	0.00	16,500.00	-16,500.00	0.0%
4052 · Repairs and Maintenance	0.00	3,120.00	16,000.00	-12,880.00	19.5%
4055 · Equipment Rental	0.00	0.00	2,000.00	-2,000.00	0.0%
4060 · Supplies	972.03	2,441.84	6,000.00	-3,558.16	40.7%
4061 · Dues/Subscriptions/Advertising	1,213.00	3,688.50	9,000.00	-5,311.50	40.98%
4062 · Postage	-0.50	420.78	2,000.00	-1,579.22	21.04%
4070 · Vehicle Insurance	0.00	618.00	800.00	-182.00	77.25%
4082 · Audit Fees	10,889.00	10,889.00	30,000.00	-19,111.00	36.3%
4083 · Overnight Accom Audit Fees	0.00	0.00	10,000.00	-10,000.00	0.0%
4300 · Budgetary Reserve	0.00	0.00	948,147.00	-948,147.00	0.0%
4310 · Contingency	32.00	561.86	4,000.00	-3,438.14	14.05%
4320 · Disaster Contingency Reserve	0.00	0.00	1,000.00	-1,000.00	0.0%
6000 · Matching Grants					
Healy Hockey Association	0.00	0.00	19,288.00	0.00	0.0%
Total 6000 · Matching Grants	0.00	0.00	19,288.00	0.00	0.0%
7010 · DBSD Mandatory Contribution	0.00	659,242.00	659,242.00	0.00	100.0%
7020 · DBSD Additional Allowable Cont	0.00	1,647,654.00	1,647,654.00	0.00	100.0%
Total Expense	37,140.31	2,411,504.67	3,894,621.00	0.00	61.92%
Net Ordinary Income	-3,773.14	646,567.84	-19,451.00	0.00	-3,324.09%
Other Income/Expense					
Other Expense					
TRANSFERS OUT					
9120 · To Special Revenue Fund	0.00	0.00	12,000.00	-12,000.00	0.0%
9130 · To Capital Projects	0.00	80,000.00	80,000.00	0.00	100.0%
9150 · To MSMRF	0.00	60,000.00	60,000.00	0.00	100.0%
9160 · To Land Enter. Fund	0.00	100,000.00	170,000.00	-70,000.00	58.82%
9170 · To Solid Waste Enterprise Fund	0.00	62,000.00	82,000.00	-20,000.00	75.61%
Total TRANSFERS OUT	0.00	302,000.00	404,000.00	-102,000.00	74.75%
Total Other Expense	0.00	302,000.00	404,000.00	-102,000.00	74.75%
Net Other Income	0.00	-302,000.00	-404,000.00	102,000.00	74.75%
Net Income	-3,773.14	344,567.84	-423,451.00	768,018.84	-81.37%

**Denali Borough Financial Report
October 2015**

Budget vs Actual
GF: Mayor

	Oct 15	Jul - Oct 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
3320 · PERS On Behalf Payments	0.00	1,943.73	0.00	1,943.73	100.0%
Total Income	0.00	1,943.73	0.00	1,943.73	100.0%
Gross Profit	0.00	1,943.73	0.00	1,943.73	100.0%
Expense					
4005 · Mayor Salary	5,732.30	22,929.20	74,520.00	-51,590.80	30.77%
4006 · Staff Salaries	4,129.59	17,199.56	79,491.00	-62,291.44	21.64%
4009 · Staff Leave Replacement	0.00	0.00	3,000.00	-3,000.00	0.0%
4010 · Mayor Benefits	1,612.48	7,497.59	90,000.00	-82,502.41	8.33%
4011 · Staff Benefits	1,462.14	11,763.06	128,426.00	-116,662.94	9.16%
4014 · Workmen's Compensation	0.00	919.90	1,025.00	-105.10	89.75%
4022 · Staff Travel	151.20	151.20	3,500.00	-3,348.80	4.32%
4023 · Mayor Travel	0.00	1,847.66	8,000.00	-6,152.34	23.1%
4025 · Staff Training	0.00	0.00	2,000.00	-2,000.00	0.0%
4031 · Utilities	106.84	320.52	4,800.00	-4,479.48	6.68%
4050 · Equipment	0.00	0.00	4,000.00	-4,000.00	0.0%
4061 · Dues/Subscriptions/Advertising	40.00	40.00	1,500.00	-1,460.00	2.67%
4064 · Bank Fees	1,363.40	3,235.50	8,000.00	-4,764.50	40.44%
4071 · Property Insurance	0.00	359.00	375.00	-16.00	95.73%
4073 · Bonding & Insurance	50.00	10,311.75	12,500.00	-2,188.25	82.49%
4080 · Consultant Fees	0.00	8,338.00	22,000.00	-13,662.00	37.9%
4081 · Attorney Fees	0.00	900.00	18,000.00	-17,100.00	5.0%
4310 · Contingency	60.45	861.30	4,000.00	-3,138.70	21.53%
5110 · Public Safety Per Capita					
Cantwell Volunteer Fire Dept	0.00	5,190.00	5,190.00	0.00	100.0%
McKinley Volunteer Fire Dept	0.00	3,720.00	3,720.00	0.00	100.0%
Tri-Valley Volunteer Fire Dept	0.00	28,404.00	28,404.00	0.00	100.0%
Total 5110 · Public Safety Per Capita	0.00	37,314.00	37,314.00	0.00	100.0%
5200 · Nonprofit Contributions					
Cantwell Community Library	2,667.35	2,667.35	4,321.00	-1,653.65	61.73%
Community of Cantwell	3,846.32	3,846.32	26,700.00	-22,853.68	14.41%
Denali Chamber of Commerce	1,109.32	1,109.32	9,954.00	-8,844.68	11.14%
Denali Emergency Services Assn	0.00	61,916.00	65,316.00	-3,400.00	94.8%
Healy Hockey Association	488.46	488.46	15,000.00	-14,511.54	3.26%
McKinley Park Community Club	1,028.78	1,028.78	14,575.00	-13,546.22	7.06%
McKinley Volunteer Fire Dept	2,850.54	2,850.54	19,309.00	-16,458.46	14.76%
Panguingue Creek Homeowners Ass	2,650.77	2,650.77	10,200.00	-7,549.23	25.99%
Railbelt Mental Health and Addi	3,310.02	3,310.02	9,500.00	-6,189.98	34.84%
Tri-Valley Community Library	3,404.12	3,404.12	10,000.00	-6,595.88	34.04%
Tri-Valley Volunteer Fire Dept	116,903.40	116,903.40	189,282.00	-72,378.60	61.76%
Total 5200 · Nonprofit Contributions	138,259.08	200,175.08	374,157.00	-173,981.92	53.5%
5300 · Revenue Sharing Distribution	0.00	38,600.00	0.00	38,600.00	100.0%
5310 · Municipal Assistance	0.00	42,500.00	42,500.00	0.00	100.0%
5400 · Community Events (Winterfest)	0.00	0.00	5,000.00	-5,000.00	0.0%
Total Expense	152,967.48	405,263.32	924,108.00	-518,844.68	43.86%
Net Ordinary Income	-152,967.48	-403,319.59	-924,108.00	520,788.41	43.64%
Net Income	-152,967.48	-403,319.59	-924,108.00	520,788.41	43.64%

**Denali Borough Financial Report
October 2015**

Solid Waste
Budget vs Actual

	<u>Oct 15</u>	<u>Jul - Oct 15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense					
Income					
3320 · PERS On Behalf Payments	0.00	1,687.15	30,000.00	-28,312.85	5.62%
3410 · Interest Income	463.69	1,927.39	3,500.00	-1,572.61	55.07%
3420 · Unrecognized Gain (Loss) on Inv	208.46	-2,558.00	0.00	-2,558.00	100.0%
3710 · Tipping Fees	3,064.55	208,806.28	340,000.00	-131,193.72	61.41%
3720 · Ash Cover	0.00	699.86	5,000.00	-4,300.14	14.0%
3910 · Miscellaneous Income**	30,154.00	30,154.00	5,000.00	25,154.00	603.08%
Total Income	<u>33,890.70</u>	<u>240,716.68</u>	<u>378,500.00</u>	<u>-137,783.32</u>	<u>63.6%</u>
Gross Profit	33,890.70	240,716.68	378,500.00	-137,783.32	63.6%
Expense					
4006 · Staff Salaries	12,332.40	50,057.91	148,936.00	-98,878.09	33.61%
4011 · Staff Benefits	3,257.33	9,804.28	138,400.00	-128,595.72	7.08%
4014 · Workmen's Compensation	0.00	8,674.28	10,000.00	-1,325.72	86.74%
4022 · Staff Travel	151.20	302.40	3,000.00	-2,697.60	10.08%
4025 · Staff Training	0.00	0.00	2,000.00	-2,000.00	0.0%
4030 · Rent	301.44	1,507.20	3,620.00	-2,112.80	41.64%
4031 · Utilities	498.83	1,437.68	12,000.00	-10,562.32	11.98%
4033 · Heating Fuel	137.19	325.07	10,000.00	-9,674.93	3.25%
4050 · Equipment	0.00	1,444.97	25,000.00	-23,555.03	5.78%
4051 · Safety Equipment	64.45	763.13	3,000.00	-2,236.87	25.44%
4052 · Repairs and Maintenance	10,734.70	16,332.38	55,000.00	-38,667.62	29.7%
4053 · Equipment Fuel (Diesel)	2,603.92	11,094.11	33,000.00	-21,905.89	33.62%
4054 · Equipment Fuel (Gas)	0.00	0.00	1,500.00	-1,500.00	0.0%
4056 · Snow Plowing	0.00	0.00	4,000.00	-4,000.00	0.0%
4057 · Tools	488.99	618.98	3,000.00	-2,381.02	20.63%
4060 · Supplies	359.57	868.86	8,000.00	-7,131.14	10.86%
4061 · Dues/Subscriptions/Advertising	0.00	0.00	1,500.00	-1,500.00	0.0%
4062 · Postage	0.00	14.85	500.00	-485.15	2.97%
4063 · Freight	35.00	551.25	1,000.00	-448.75	55.13%
4064 · Bank Fees	410.53	582.29	1,500.00	-917.71	38.82%
4070 · Vehicle Insurance	0.00	1,856.00	2,500.00	-644.00	74.24%
4071 · Property Insurance	0.00	1,281.00	1,300.00	-19.00	98.54%
4072 · Equipment Insurance	0.00	2,548.00	3,000.00	-452.00	84.93%
4080 · Consultant Fees	0.00	0.00	8,000.00	-8,000.00	0.0%
4100 · Survey Fees	0.00	7,750.00	8,000.00	-250.00	96.88%
4101 · CTS Hauling Fees	2,393.15	7,328.03	30,000.00	-22,671.97	24.43%
4102 · Cover and Cell Maintenance	0.00	0.00	5,000.00	-5,000.00	0.0%
4103 · Well Monitoring	4,486.09	12,490.46	25,000.00	-12,509.54	49.96%
4105 · HHW Disposal	0.00	0.00	10,000.00	-10,000.00	0.0%
4107 · DEC Inspections	0.00	0.00	6,500.00	-6,500.00	0.0%
4310 · Contingency	0.00	0.00	3,000.00	-3,000.00	0.0%
Total Expense	<u>38,254.79</u>	<u>137,633.13</u>	<u>567,256.00</u>	<u>-429,622.87</u>	<u>24.26%</u>
Net Ordinary Income	-4,364.09	103,083.55	-188,756.00	291,839.55	-54.61%
Other Income/Expense					
Other Income					
TRANSFERS IN					
9000 · From General Fund	0.00	62,000.00	0.00	62,000.00	100.0%
Total TRANSFERS IN	<u>0.00</u>	<u>62,000.00</u>	<u>0.00</u>	<u>62,000.00</u>	<u>100.0%</u>
Total Other Income	<u>0.00</u>	<u>62,000.00</u>	<u>0.00</u>	<u>62,000.00</u>	<u>100.0%</u>
Net Other Income	<u>0.00</u>	<u>62,000.00</u>	<u>0.00</u>	<u>62,000.00</u>	<u>100.0%</u>
Net Income	<u><u>-4,364.09</u></u>	<u><u>165,083.55</u></u>	<u><u>-188,756.00</u></u>	<u><u>291,839.55</u></u>	<u><u>-87.46%</u></u>

**The Miscellaneous Income line item includes revenue received from sale of Solid Waste Equipment

**Denali Borough Financial Report
October 2015**

Land Management
Budget vs Actual

	<u>Oct 15</u>	<u>Jul - Oct 15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense					
Income					
3320 - PERS On Behalf Payments	0.00	472.02	18,000.00	-17,527.98	2.62%
3410 - Interest Income	0.00	18.28	150.00	-131.72	12.19%
3910 - Miscellaneous Income	0.00	0.00	0.00	0.00	0.0%
3930 - Application Fee	0.00	50.00	0.00	50.00	100.0%
Total Income	<u>0.00</u>	<u>540.30</u>	<u>18,150.00</u>	<u>-17,609.70</u>	<u>2.98%</u>
Gross Profit	0.00	540.30	18,150.00	-17,609.70	2.98%
Expense					
4001 - Nonstaff Stipends	1,025.00	2,675.00	11,400.00	-8,725.00	23.47%
4006 - Staff Salaries	2,967.76	11,871.05	38,581.00	-26,709.95	30.77%
4011 - Staff Benefits	1,037.03	4,511.13	42,572.00	-38,060.87	10.6%
4012 - Nonstaff Benefits	0.00	0.00	872.00	-872.00	0.0%
4014 - Workmen's Compensation	0.00	340.09	375.00	-34.91	90.69%
4021 - Nonstaff Travel	0.00	56.70	5,000.00	-4,943.30	1.13%
4022 - Staff Travel	0.00	94.60	5,000.00	-4,905.40	1.89%
4025 - Staff Training	0.00	675.00	4,000.00	-3,325.00	16.88%
4026 - Nonstaff Training	700.00	2,300.00	4,000.00	-1,700.00	57.5%
4030 - Rent	602.88	3,014.40	7,500.00	-4,485.60	40.19%
4031 - Utilities	0.00	0.00	2,000.00	-2,000.00	0.0%
4038 - Janitorial Services	72.00	288.00	1,800.00	-1,512.00	16.0%
4050 - Equipment	0.00	0.00	5,000.00	-5,000.00	0.0%
4052 - Repairs and Maintenance	0.00	1,173.00	2,000.00	-827.00	58.65%
4060 - Supplies	0.00	283.07	2,500.00	-2,216.93	11.32%
4061 - Dues/Subscriptions/Advertising	0.00	305.75	2,500.00	-2,194.25	12.23%
4062 - Postage	0.00	133.89	1,500.00	-1,366.11	8.93%
4081 - Attorney Fees	0.00	0.00	2,000.00	-2,000.00	0.0%
4202 - Land Administration	9,508.07	29,324.91	70,000.00	-40,675.09	41.89%
4310 - Contingency	452.00	529.45	3,000.00	-2,470.55	17.65%
Total Expense	<u>16,364.74</u>	<u>57,576.04</u>	<u>211,600.00</u>	<u>-154,023.96</u>	<u>27.21%</u>
Net Ordinary Income	-16,364.74	-57,035.74	-193,450.00	136,414.26	29.48%
Other Income/Expense					
Other Income					
TRANSFERS IN					
9000 - From General Fund	0.00	100,000.00	0.00	100,000.00	100.0%
Total TRANSFERS IN	<u>0.00</u>	<u>100,000.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>100.0%</u>
Total Other Income	<u>0.00</u>	<u>100,000.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>100.0%</u>
Net Other Income	0.00	100,000.00	0.00	100,000.00	100.0%
Net Income	<u><u>-16,364.74</u></u>	<u><u>42,964.26</u></u>	<u><u>-193,450.00</u></u>	<u><u>236,414.26</u></u>	<u><u>-22.21%</u></u>

DENALI BOROUGH
FINANCIAL STATEMENTS DRAFT
June 30, 2015

Draft Copy ~ December 1, 2015

DENALI BOROUGH

Table of Contents

	<u>Page</u>
Independent Auditor's Report (Not Included in this draft)	1
Management's Discussion and Analysis (MD&A) (Not included in this draft)	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet- Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	18
Statement of Net Position- Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows- Proprietary Funds	21
Notes to Basic Financial Statements	22
Required Supplementary Information	
Budgetary comparisons - general fund	
Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual General Fund	44
Notes to Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual General Fund	46
Public Employees Retirement System	
Schedule of Borough Information on the Pension Liability	47
Schedule of Borough Contributions	48
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Non-Major Governmental Funds	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	50

DENALI BOROUGH

Table of Contents, Continued

	<u>Page</u>
Schedules of Revenues and Expenditures – Budget and Actual – Special Revenue Funds	
Emergency Management Performance Grant	51
Local Emergency Planning Committee Grant	52
Homeland Security Grant Program	53
Solid Fuel Stove Change-Out Program	54
Legislative Grant Fund	55

Draft Copy ~ December 1, 2015

BASIC FINANCIAL STATEMENTS

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Draft Copy ~ December 1, 2015

DENALI BOROUGH
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Unit School District
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equity	\$ 5,221,387	1,252,988	6,474,375	
Investments	5,263,927	248,223	5,512,150	
Receivables	1,155,307	223,423	1,378,730	
Interfund balances	81,346	(81,346)	-	
Inventory	-	-	-	
Prepaid items	-	-	-	
Restricted cash and equivalents	-	36,353	36,353	
Capital assets, net of accumulated depreciation	19,012,699	1,150,283	20,162,982	
Total assets	30,734,666	2,829,924	33,564,590	
DEFERRED OUTFLOWS OF RESOURCES				
	26,039	10,300	36,339	
Total assets and deferred outflows of resources	\$ 30,760,705	2,840,224	33,600,929	
LIABILITIES				
Accounts payable	121,415	2,099	123,514	
Accrued payroll and accrued expenses	35,235	18,931	54,166	
Unearned revenue	352,824	-	352,824	
Long-term liabilities				
Due within one year				
Accrued leave	-	-	-	
Capital leases	-	-	-	
Due in more than one year				
PERS pension liability-employer portion	320,388	126,735	447,123	
Estimated liability for landfill closure and post-closure care costs	-	252,900	252,900	
Total liabilities	829,862	400,665	1,230,527	
DEFERRED INFLOWS OF RESOURCES				
	29,349	11,610	40,959	
NET POSITION				
Net investment in capital assets	19,012,699	1,150,283	20,162,982	
Restricted for:				
Permanent investment	3,028,951	-	3,028,951	
Forward funding of subsequent year expenditures	5,222,729	-	5,222,729	
Unrestricted	2,637,115	1,277,666	3,914,781	
Total net position	29,901,494	2,427,949	32,329,443	
Total liabilities, net position and deferred inflows of resources	\$ 30,760,705	2,840,224	33,600,929	

See accompanying notes to basic financial statements.

DENALI BOROUGH
STATEMENT OF ACTIVITIES
Year ended June 30, 2015

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services and Other</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Assembly	\$ 364,215	-	-
Mayor	808,369	-	-
School district	2,667,313	-	5,368
Borough matching grants	45,709	-	-
General government	182,251	-	20,965
Total governmental activities	4,067,857	-	20,965
Business-type activities:			
Landfill	568,725	467,607	51,624
Land enterprise	129,392	50,976	20,555
Total business type activities	698,117	518,583	72,179
Total primary government	4,765,974	518,583	93,144
Component unit:			
School District	\$ -	-	-

General revenues:

Taxes, grants and revenues not restricted to specific purposes:

Overnight accommodation tax

Severance tax

Federal grants

State grants and entitlements

Local grants

Borough local contribution

Investment earnings

Other

Transfers

Total general revenues

Changes in net position

Net position, July 1, as restated

Net position, June 30

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-type Activities	Total	School District
\$ (364,215)		(364,215)	
(808,369)		(808,369)	
(2,661,945)		(2,661,945)	
(45,709)		(45,709)	
(25,862)		(25,862)	
<u>(3,906,100)</u>		<u>(3,906,100)</u>	
	(49,494)	(49,494)	
	<u>(57,861)</u>	<u>(57,861)</u>	
	<u>(107,355)</u>	<u>(107,355)</u>	
<u>(3,906,100)</u>	<u>(107,355)</u>	<u>(4,013,455)</u>	
			<u><u> </u></u>
3,318,321	-	3,318,321	-
96,086	-	96,086	-
323,293	-	323,293	-
548,654	-	548,654	-
17,329	-	17,329	-
-	-	-	-
83,163	9,439	92,602	-
5,020		5,020	-
(240,000)	240,000	-	-
<u>4,151,866</u>	<u>249,439</u>	<u>4,401,305</u>	<u>-</u>
245,766	142,084	387,850	-
<u>29,655,728</u>	<u>2,285,865</u>	<u>31,941,593</u>	<u>3,205,830</u>
\$ <u>29,901,494</u>	<u>2,427,949</u>	<u>32,329,443</u>	<u>3,205,830</u>

See accompanying notes to basic financial statements.

DENALI BOROUGH
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2015

	<u>General</u>	<u>Permanent Investment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equity	\$ 4,007,154	25,181	1,189,052	5,221,387
Taxes receivable, net	1,131,412	-	-	1,131,412
Other receivables, net	-	-	-	-
Due from other funds	81,346	-	-	81,346
Receivables from other governments	-	-	23,895	23,895
Investments	2,234,855	3,029,072	-	5,263,927
Total assets	<u>\$ 7,454,767</u>	<u>3,054,253</u>	<u>1,212,947</u>	<u>11,721,967</u>
<u>LIABILITIES</u>				
Accounts payable	121,415	-	-	121,415
Unearned revenue	296,351	-	56,473	352,824
Other accrued expenses	35,235	-	-	35,235
Total liabilities	<u>453,001</u>	<u>-</u>	<u>56,473</u>	<u>509,474</u>
<u>FUND BALANCES</u>				
Fund balances:				
Nonspendable				
Permanent investment	-	3,028,951	-	3,028,951
Committed to				
Subsequent year expenditures	5,222,729	-	-	5,222,729
Permanent investment	-	25,302	-	25,302
School major maintenance	-	-	500,962	500,962
Capital projects	-	-	486,138	486,138
Capital improvements	-	-	169,374	169,374
Assigned to				
Disaster contingency	120,048	-	-	120,048
Unassigned	1,658,989	-	-	1,658,989
Total fund balances	<u>7,001,766</u>	<u>3,054,253</u>	<u>1,156,474</u>	<u>11,212,493</u>
Total liabilities and fund balances	<u>\$ 7,454,767</u>	<u>3,054,253</u>	<u>1,212,947</u>	<u>11,721,967</u>

See accompanying notes to basic financial statements.

DENALI BOROUGH
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 June 30, 2015

Total fund balances for governmental funds \$ 11,212,493

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 19,012,699

Long-term liabilities related to the PERS pension liability are not due and payable in the current period and therefore are not reported as fund liabilities. Deferred inflows and deferred outflows recorded in relation to these pension liabilities are also not reported as fund assets and liabilities.

These liabilities, deferred inflows and deferred outflows consist of:

PERS pension liability - employer portion	\$ (320,388)	
Deferred outflows of resources	26,039	
Deferred inflows of resources	<u>(29,349)</u>	<u>(323,698)</u>

Net position of governmental activities in the Statement of Net Position \$ 29,901,494

See accompanying notes to basic financial statements.

DENALI BOROUGH
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year ended June 30, 2015

	General	Permanent Investment	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 3,414,407	-	-	3,414,407
Intergovernmental	1,006,497	-	161,757	1,168,254
Local sources	-	-	17,329	17,329
Investment earnings	31,835	50,604	724	83,163
Miscellaneous	5,020	-	-	5,020
Total revenues	<u>4,457,759</u>	<u>50,604</u>	<u>179,810</u>	<u>4,688,173</u>
EXPENDITURES				
Assembly	454,031	-	-	454,031
Mayor	838,825	-	-	838,825
School district	2,208,800	-	-	2,208,800
Borough matching grants	45,709	-	-	45,709
Special revenue and capital projects	-	-	237,899	237,899
	<u>3,547,365</u>	<u>-</u>	<u>237,899</u>	<u>3,785,264</u>
Excess (deficiency) of revenues over expenditures	910,394	50,604	(58,089)	902,909
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>(385,533)</u>	<u>(110,148)</u>	<u>255,681</u>	<u>(240,000)</u>
Net change in fund balance	524,861	(59,544)	197,592	662,909
FUND BALANCES, July 1	<u>6,476,905</u>	<u>3,113,797</u>	<u>958,882</u>	<u>10,549,584</u>
FUND BALANCES, June 30	<u>\$ 7,001,766</u>	<u>3,054,253</u>	<u>1,156,474</u>	<u>11,212,493</u>

See accompanying notes to basic financial statements.

DENALI BOROUGH
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 Year ended June 30, 2015

Net change in fund balances - total governmental funds	\$	662,909
Amounts reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources		14,715
Statement of Activities reports the cost of capital assets over the estimated useful lives as depreciation expense		(432,167)
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 amount represents the expense recorded in relation to the change in the PERS pension liability and the related deferred inflows and outflows.		309
Changes in net assets of governmental activities	\$	245,766

See accompanying notes to basic financial statements.

DENALI BOROUGH
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-type - Enterprise Funds		
	Landfill	Land Enterprise	Total
ASSETS			
Current assets			
Cash and cash equity	\$ 772,462	480,526	1,252,988
Accounts receivable, net	65,069	158,354	223,423
Investments	248,223	-	248,223
Total current assets	<u>1,085,754</u>	<u>638,880</u>	<u>1,724,634</u>
Non-current assets			
Restricted cash and equivalents	36,353	-	36,353
Capital assets, net of accumulated depreciation	1,143,680	6,603	1,150,283
Total assets	<u>2,265,787</u>	<u>645,483</u>	<u>2,911,270</u>
Deferred outflows	7,406	2,894	10,300
Total assets and deferred outflows	<u>\$ 2,273,193</u>	<u>648,377</u>	<u>2,921,570</u>
LIABILITIES			
Current liabilities			
Accounts payable	367	1,732	2,099
Accrued liabilities	14,100	4,831	18,931
Due to other funds	35,558	45,788	81,346
Total current liabilities	<u>50,025</u>	<u>52,351</u>	<u>102,376</u>
Non-current liabilities			
Estimated liability for landfill closure and post-closure care costs	252,900	-	252,900
PERS pension liability- employer	91,129	35,606	126,735
Total liabilities	<u>394,054</u>	<u>87,957</u>	<u>482,011</u>
Deferred inflows	8,348	3,262	11,610
NET POSITION			
Invested in capital assets	1,143,680	6,603	1,150,283
Unrestricted	727,111	550,555	1,277,666
	<u>1,870,791</u>	<u>557,158</u>	<u>2,427,949</u>
Total liabilities, deferred inflows and net position	<u>\$ 2,273,193</u>	<u>648,377</u>	<u>2,921,570</u>

See accompanying notes to basic financial statements.

DENALI BOROUGH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year ended June 30, 2015

	Business-type - Enterprise Funds		
	Landfill	Land Enterprise	Total
OPERATING REVENUES			
Charges for services	\$ 467,607	-	467,607
Land sales and usage fees	-	49,538	49,538
Intergovernmental	51,624	20,555	72,179
Other	-	1,438	1,438
Total operating revenue	<u>519,231</u>	<u>71,531</u>	<u>590,762</u>
OPERATING EXPENSES			
Wages and benefits	273,357	91,205	364,562
Land administration	-	5,177	5,177
Planning Commission stipends	-	9,700	9,700
Cantwell Transfer Station haul and tipping fees	15,884	-	15,884
Well monitoring	15,878	-	15,878
Repairs and maintenance	49,299	1,066	50,365
Landfill closure and postclosure care costs	5,000	-	5,000
Equipment fuel	30,071	-	30,071
Rent	3,014	7,235	10,249
Heating fuel	2,906	-	2,906
Insurance	5,456	-	5,456
Professional fees	7,519	90	7,609
DEC inspections	3,171	-	3,171
Utilities	8,284	849	9,133
Training and travel	2,529	8,187	10,716
Equipment	3,818	545	4,363
Supplies	5,295	331	5,626
Hazardous waste fees	6,971	-	6,971
Miscellaneous	7,620	2,460	10,080
Depreciation	122,653	2,547	125,200
Total operating expenses	<u>568,725</u>	<u>129,392</u>	<u>698,117</u>
Operating income (loss)	(49,494)	(57,861)	(107,355)
NONOPERATING REVENUES			
Interest and investment revenue	(854)	10,293	9,439
Income (loss) before transfers	<u>(50,348)</u>	<u>(47,568)</u>	<u>(97,916)</u>
Operating transfers in	140,000	100,000	240,000
Change in net position	<u>89,652</u>	<u>52,432</u>	<u>142,084</u>
NET ASSETS - July 1, as restated	<u>1,781,139</u>	<u>504,726</u>	<u>2,285,865</u>
NET ASSETS - June 30	<u>\$ 1,870,791</u>	<u>557,158</u>	<u>2,427,949</u>

See accompanying notes to basic financial statements.

DENALI BOROUGH
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2015

	Business-type - Enterprise Funds		
	Landfill	Land Enterprise	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 452,100	38,583	490,683
Operating grants	51,624	20,555	72,179
Miscellaneous revenue	-	1,438	1,438
Cash payments to suppliers	(209,422)	(31,828)	(241,250)
Cash payments to employees	(284,103)	(108,156)	(392,259)
Net cash provided (used) by operating activities	<u>10,199</u>	<u>(79,408)</u>	<u>(69,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	693	-	693
Gain (loss) on sale of investments	(6,319)	-	(6,319)
Interest received on investments	5,465	10,293	15,758
Net cash provided (used) by investing activities	<u>(161)</u>	<u>10,293</u>	<u>10,132</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers from General Fund	140,000	100,000	240,000
Net cash provided (used) by non-capital and related financing activities	<u>140,000</u>	<u>100,000</u>	<u>240,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(116,342)	(3,398)	(119,740)
Net cash provided (used) by capital and related financing activities	<u>(116,342)</u>	<u>(3,398)</u>	<u>(119,740)</u>
Net increase (decrease) in cash	33,696	27,487	61,183
CASH, July 1	<u>775,119</u>	<u>453,039</u>	<u>1,228,158</u>
CASH, June 30	<u>\$ 808,815</u>	<u>480,526</u>	<u>1,289,341</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	(49,494)	(57,861)	(107,355)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	122,653	2,547	125,200
Changes in assets and liabilities:			
(Increase) decrease in net accounts receivable	(15,507)	(10,955)	(26,462)
(Increase) decrease in deferred outflow	814	977	1,791
Increase (decrease) in due to other funds	(41,475)	2,135	(39,340)
Increase (decrease) in accounts payable	(232)	1,677	1,445
Increase (decrease) in accrued expenses	5,822	(1,773)	4,049
Increase (decrease) in PERS employer pension liability	(25,730)	(19,417)	(45,147)
Increase (decrease) in PERS non-employer pension liability	-	-	-
Increase (decrease) in estimated liability for landfill closure and postclosure care costs	5,000	-	5,000
Increased (decrease) in deferred inflows	8,348	3,262	11,610
Net cash provided (used) by operating activities	<u>\$ 10,199</u>	<u>(79,408)</u>	<u>(69,209)</u>
RECONCILIATION OF CASH TO STATEMENT OF NET POSITION			
Cash and equivalents, unrestricted	772,462	480,526	1,252,988
Cash and equivalents, restricted	36,353	-	36,353
	<u>\$ 808,815</u>	<u>480,526</u>	<u>1,289,341</u>

See accompanying notes to basic financial statements.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

Denali Borough was organized December 7, 1990 and operates under an elected mayor/assembly form of government. The Borough powers include general administration, solid waste, education and land use planning. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component unit – The Denali Borough School District (School District or DBSD) is responsible for elementary and secondary education within the government's jurisdiction. The District is governed by an independently elected school board. The Denali Borough government is accountable for the School District because the government's assembly approves the District's budget, levies taxes (if necessary) and is responsible for providing local funds for school operations. However the School District develops and approves their budget independently.

The School District's audited financial statements may be obtained directly from the School District's administrative offices.

b) Basis of Presentation

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 primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the primary operating fund of the Borough and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The *permanent investment* fund accounts for the investment of funds designated by the Denali Borough as a permanent fund and its related earnings.

The government reports the following major proprietary funds:

The *landfill* enterprise fund accounts for the activities of the government's landfill operation.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the landfill enterprise fund and the land enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

d) Assets, Liabilities and Equity

Cash and cash equity - The government's cash and cash equity are considered to be cash on hand, demand deposits, savings accounts, certificates of deposits and short-term investments with an original maturity of three months or less.

Deposits and Investments - The Borough's formal policy governing types of investments it is authorized to hold requires that necessary cash balances be maintained in demand deposit accounts. Excess cash is invested in securities of the United States, any state or local government, commercial paper, time certificates of deposit or any other form of security as may be authorized by law commensurate with the following stipulations: 1) preference is to be given to Alaskan securities and financial institutions, 2) investment in corporate stocks and bonds is prohibited, 3) all transactions will be made and held in the name of the Borough.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

d) Assets, Liabilities and Equity, continued

In 1993 a permanent investment special revenue fund was established with a \$1 million transfer from the general fund. The following securities are authorized for investment of the permanent investment fund: 1) obligations of the United States Treasury, 2) obligations of agencies of the United States government including FDIC insured certificates of deposit, 3) Certificates of deposit that do not exceed the current FDIC insurance limit, 4) Exchange traded funds or stock mutual funds, 5) bank deposits or money market mutual funds, 6) state investment pool formed within the State of Alaska and comprised of agencies of the state and/or its political subdivisions, 7) common and preferred stock of U.S. domiciled corporations listed on a national exchange or NASDAQ or a mutual fund that invests in these stocks. No investment shall be made in any one security in excess of five percent of the total investment portfolio except for obligations of the United States Treasury and its agencies.

One-half the annual income earned by the fund may be appropriated by the Borough Assembly for the general fund in the following fiscal year. Disbursement of the principal requires an ordinance by the Assembly and voter approval. In 2015, \$110,148 was appropriated from income earned by the fund to the general fund.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables and Payables - During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include overnight accommodation taxes, severance taxes, and state and federal grants. Business-type activities report fees for operation of the landfill, and land sales as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals for overnight accommodation taxes, severance taxes, grants, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions, collectible but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Fees for operation of the landfill and land sales comprise the majority of proprietary fund receivables.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

d) Assets, Liabilities, and Equity, continued

Capital Assets - Capital assets, which include property, plant, and equipment are reported under governmental or business-type activities in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. The accounting treatment over property, plant, and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are accounted for as assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Major general infrastructure has not been retroactively capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The capital assets of the School District consist of equipment, furnishings, and vehicles. The Borough owns and provides to the School District all land, buildings and improvements. Capital assets are valued at cost or estimated historical cost when the original cost is not available. Donated fixed assets are valued at their estimated fair market value on the date received.

The range of estimated useful lives by type of asset is as follows:

<u>Assets</u>	<u>Years</u>
School buildings	70-80
Infrastructure	25-50
Landfill building	40
Transfer station	10-40
Improvements	10-80
School equipment	3-10
Machinery and equipment	5-15

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

d) Assets, Liabilities, and Equity, continued

Land - Under AS 29.65.030, when a municipality is incorporated it is entitled to 10 percent of the vacant, un-appropriated and unreserved lands within its boundaries. It has been determined that the Denali Borough is entitled to receive 49,789 acres. A total of 48,650 acres have been approved for conveyance to the Borough. The Borough holds the patent to 4,160 acres and has 44,490 acres under management authority. In the Panguingue Creek Subdivision 128 acres (21 lots) of the patented land are for sale. Of those, 107 acres (17 lots) have been sold. The financial statements do not reflect the value of the land at this time; as the value is not reasonably determinable.

Long-term Debt - The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists primarily of estimated liability for landfill closure and post-closure costs and pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for long-term debt in the proprietary funds is the same as it is in the government-wide statements.

Net Position - In the government-wide financial statements net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any.
- b. Restricted
 - i. Permanent investment - Borough ordinances require that only the earnings of the permanent fund, not principal, may be used for purposes that support the Borough's programs.
 - ii. Forward funding of subsequent year expenditures - Borough ordinances require the forward funding of general fund expenditures. The reserve for subsequent year expenditures is the amount of budgeted expenditures for the next fiscal year.
- c. Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

Proprietary net position is classified the same as in the government-wide financial statements.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

d) Assets, Liabilities, and Equity, continued

Fund Balance - In the fund financial statements, governmental fund balance is classified into five specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Borough is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The Borough's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of non-spendable, restricted, committed, assigned, or unassigned. The Borough's spending policy is for funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

The Borough reports the following classifications:

Non-spendable - The amounts of fund balance that cannot be spent because they are either (a) not in spendable form, such as consumable inventories or prepaid items, or (b) required to be maintained intact legally or contractually.

Restricted - The amounts of fund balance constrained for specific purpose by external parties, such as contractors, or imposed by law through constitutional provisions or enabling legislation.

Committed - The amounts of fund balance constrained for specific purposes imposed by formal action of the Borough Assembly. Commitments may only be changed by the assembly taking the same formal action that imposed the constraint originally. Commitments of fund balance must be in place before the end of the fiscal year.

Assigned - The amounts of fund balance constrained for a specific purpose by the Borough Assembly, such as departmental budgets. These amounts are not restricted or committed, and are intended to be used for the purpose of the fund. An assigned fund balance can never be negative.

Unassigned Fund Balance - The residual classification of fund balance that represents amounts not assigned to other funds, and not restricted, committed, or assigned to specific purposes within the general fund.

e) Revenues, Expenditures and Expenses

Overnight accommodation and severance tax - Denali Borough collects overnight accommodation and severance taxes, which represent approximately 74 percent of the Borough's general fund revenue. The overnight accommodation tax is assessed at 7 percent of gross rental sales and approximately 48 percent of this income is received from two merchants. The severance tax is assessed on coal, gravel and limestone extracted within the Borough at \$.05 per yard/ton.

In-kind support to the School District - Certain services are provided by the Borough to the School District. These include use of various Borough facilities. The costs of the facilities have not been charged to the School District.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

f) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a) Budgetary Information

Budgets for the general fund are adopted annually and all unencumbered appropriations lapse at the end of the fiscal year. Budgets are presented as originally adopted or as amended by the Assembly.

The budgetary data for the general fund presented in the financial statements was established by Assembly ordinance. A proposed operating budget for the following fiscal year is submitted to the Borough Assembly. The operating budget includes proposed expenditures and the means of financing them. At least one public hearing is held and the Assembly adopts the budget no later than June 15. Transfers between categories within a fund require Borough Assembly approval. Budget amendments are adopted by Assembly Ordinance.

Since encumbrances constitute the equivalent of expenditures for budgetary purposes, the accompanying statements present comparisons of actual results to the annual budgets of the general fund on the basis of budgeting. Adjustments to convert actual expenditures to the basis of budgeting are reflected in the actual on budgetary basis column in the accompanying statements. The adjustments include the addition for current year encumbrances and the deduction for expenditures of prior year encumbrances.

b) Budget Variances

During Fiscal Year 2015, the amount of electricity/telephone tax received from the State of Alaska was estimated to be \$883 higher than the amount actually received. Assembly staff salaries exceeded budgeted amounts by \$1,068 due to end of the year accrual adjustments. Assembly staff benefits exceeded budgeted amounts by \$6,092 and mayor benefits exceeded budgeted amounts by \$8,159 largely due to a miscalculation of the allocation of PERS on-behalf benefits paid by the State of Alaska. An overly conservative budget estimate resulted in expenditures for dues/subscriptions/advertisements to exceed budgeted amounts by \$1,140.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

3. DETAIL NOTES ON TRANSACTIONS CLASSES/ACCOUNTS

a) Cash and Equivalents

At June 30, 2015 the Borough's cash and equivalents are as follows:

Governmental activities	
Petty cash	\$ 200
General checking	1,160,465
General savings	2,423,943
AMLIP Disaster contingency fund	120,048
TVI/ProEquities cash	256,684
AMLIP - Capital improvement fund	209,374
Capital projects fund	387,917
Major school maintenance reserve - checking	46,663
Major school maintenance reserve - savings	590,911
Permanent investment savings	5,972
Morgan Stanley money market	17,543
Morgan Stanley cash	393
Wells Fargo cash	<u>1,274</u>
Total governmental activity cash and equivalents	\$ <u>5,221,387</u>
 Business-type activities	
Solid waste checking	99,828
Equipment reserve fund	112,149
Solid waste savings	559,985
Petty cash	500
Land sales savings	52,956
Land enterprise fund	318,359
Land management savings	60,098
Land management fund	<u>49,113</u>
Total business-type activity cash and equivalents	<u>1,252,988</u>
 Total cash and equivalents	 \$ <u>6,474,375</u>

The Borough also has restricted cash of \$36,353 in the Landfill Closure Fund.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

3. DETAIL NOTES ON TRANSACTIONS CLASSES/ACCOUNTS, CONTINUED

b) Investments

Investments at fair value consist of the following as of June 30, 2015:

	General	Permanent Investment	Landfill	Total
Mutual funds	\$ -	703,383	-	703,383
Exchange-traded funds	-	457,675	-	457,675
US Government securities	-	7,747	-	7,747
Certificates of deposit	2,234,855	1,320,611	248,223	3,803,689
Vanguard Index Trust 500	-	539,656	-	539,656
Total Fair Value	\$ 2,234,855	3,029,072	248,223	5,512,150

Interest rate risk: The US Government securities consist of notes and investment pools of governmental bonds with interest rates of 6.0 to 6.5 percent interest and maturities ranging from 2032 to 2033. These notes and bonds are sensitive to changes in interest rates, which affect their fair value.

Credit Risk: The Borough's formal policy governing types of investments it is authorized to hold requires that necessary cash balances be maintained in demand deposit accounts. Excess cash is invested in securities of the United States, any state or local government, commercial paper, time certificates of deposit or any other form of security as may be authorized by law. The AML investment pool is considered to be an external investment pool as defined by GASB Statement No. 31. The AML investment pool is not SEC-registered, but is a 2a-7 like pool, operating in a manner consistent with that rule.

Concentration of credit risk: The Borough investment policies provide for investment of excess cash in securities of the United States, any state or local governments, commercial paper, time certificates of deposit, or the Alaska Municipal League Investment Pool. Borough investment policies for the Borough Permanent Investment Fund provide guidelines for investment allocation as follows: FDIC insured debt instruments, and/or obligations of the US Government and agencies - 40 to 50 percent; diversified index mutual funds or exchange traded funds - 50 to 60 percent.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Neither the government nor the School District, a discretely presented component unit, has a deposit policy for custodial credit risk. As of June 30, 2015, \$5,689,483 of the government's bank balance of \$5,939,483 was exposed to custodial credit risk because it was uninsured. However, the uninsured balance of \$5,689,483 was covered by collateral. All of the School District's bank balances of \$XXXXXX and their separately maintained agency fund bank balances of \$XXXXXX were either insured or collateralized.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

3. DETAIL NOTES ON TRANSACTIONS CLASSES/ACCOUNTS, CONTINUED

c. Receivables

Accounts receivable of the business-type activities consists of transfer-site and landfill receivables. Accounts receivable of the governmental activities consists of overnight accommodation tax, and severance tax.

Management believes accounts receivable are fully collectable and therefore no allowance for uncollectable receivables has been recorded

d. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Primary Government				
Governmental Activities				
School Buildings	\$ 30,872,061	6,734	-	30,878,795
Equipment	196,857	7,981	(14,004)	190,834
Leasehold improvements	9,110	-	-	9,110
	<u>\$ 31,078,028</u>	<u>14,715</u>	<u>(14,004)</u>	31,078,739
Less accumulated depreciation				(12,066,040)
				<u>\$ 19,012,699</u>
Business-type Activities				
Landfill	894,062	-	-	894,062
Landfill building	281,585	-	-	281,585
Landfill equipment	1,024,986	116,342	-	1,141,328
Cantwell transfer station	278,397	-	-	278,397
Land enterprise fund	45,193	3,398	-	48,591
	<u>\$ 2,524,223</u>	<u>119,740</u>	<u>-</u>	2,643,963
Less accumulated depreciation				(1,493,680)
				<u>\$ 1,150,283</u>
Component Unit - School District				
Equipment	-	-	-	-
Vehicles	-	-	-	-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	-
Less accumulated depreciation				-
				<u>\$ -</u>

Depreciation expense was charged to governmental activities as follows: General Government \$22,568; Education \$409,599

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

3. DETAIL NOTES ON TRANSACTIONS CLASSES/ACCOUNTS, CONTINUED

e. Leases

The Borough leases office space from the Tri-Valley Volunteer Fire Department, under a month-to-month operating lease. The lease currently requires monthly rental payments in the amount of \$3,052. Lease expense was \$36,624 for the year ended June 30, 2015.

The School District rents office equipment under non-cancelable leases expiring in years through XX. Assets under capital leases are as follows: equipment \$XX; vehicles \$XX; accumulated depreciation \$XX; net asset \$XX.

Future capital lease payments are as follows:

	School District
Year ending June 30, 2016	\$ XX
Less amount representing interest	XX
Capital lease obligation	\$ XX

f. Long-term liabilities

The Denali Borough's long term liability activity for the year ended June 30, 2015 is as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
PERS Employer Pension Liability	\$ 520,406	-	73,283	447,123	-

The Denali Borough's School District component unit long-term liability activity for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital leases	\$ XX	-	-	XX	XX
PERS Pension Employer Portion	XX	-	-	XX	XX
Accrued leave	XX	-	-	XX	XX
	\$ XX	-	-	XX	XX

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

3. DETAIL NOTES ON TRANSACTIONS CLASSES/ACCOUNTS, CONTINUED

g. Interfund Receivables, Payable and Transfers

Interfund balances for the purposes of the entity-wide financial statements have been eliminated with the exception of balances that represent amounts receivable/payable between the governmental and business-type activities, resulting primarily from revenues and expenses recorded in general fund cash, but accounted for in other funds. The composition of interfund balances are as follows:

	Due from other funds	Due to other funds
Major governmental funds		
General	\$ 81,346	-
Landfill	-	35,558
Landfill enterprise fund	-	45,788
	\$ 81,346	81,346

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers consist of the following:

	General Fund	Permanent Investments	Other Governmental Funds	Proprietary Funds
Transfer in (out)				
General fund	\$ 110,148	(110,148)	-	-
Landfill	(140,000)	-	-	140,000
Land enterprise	(100,000)	-	-	100,000
Capital projects	(136,074)	-	136,074	-
Major school maint	(111,074)	-	111,074	-
Emergency Mgt	(8,533)	-	8,533	-
	\$ (385,533)	(110,148)	255,681	240,000

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

4. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 5(d) to the financial statements, the City participates in the Alaska Public Retirement System (PERS) plan. In 2015, the Borough adopted the provisions of GASB No. 68 *Accounting and Financial Reporting for Pensions*, which, among other accounting and reporting criteria, requires the City to recognize its proportionate share of the Net Pension Liability (and related deferred inflow/outflow accounts), as of the beginning of the Borough's fiscal year. As a result of the implementation of this statement, the Borough has recorded an opening balance adjustment to increase assets and liabilities and to decrease opening net position as follows:

	Opening net position, as originally presented	Change in accounting principle adjustment	Opening net position, as restated
Governmental Activities	\$ 29,979,736	(324,008)	29,655,728
Business-Type Activities	2,445,655	(159,790)	2,285,865
Landfill Fund	1,889,777	(108,638)	1,781,139
Land Mangement Fund	555,878	(51,152)	504,726

5. OTHER NOTES

a. Risk Management

The Borough and its component unit the School District are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough has joined the Alaska Municipal League Joint Insurance Association, Inc., a public entity risk pool, to insure against these potential losses. The Borough pays the Association an annual premium for liability, workers compensation, and property insurance. The Association insures general liability losses up to \$5,000,000 per occurrence; workers compensation losses up to statutory limits; property losses up to \$1,000,000,000 per occurrence with deductibles of \$5,000 to \$10,000 for most assets; \$50,000,000 per earthquake occurrence with a \$100,000 minimum deductible; and \$175,000,000 per flood occurrence with deductibles from \$100,000 to \$250,000. As a member of the public entity risk pool, the Borough is subject to premiums based on its loss experience and also the loss experience of the other pool members. However, Borough management believes any future premium increases, if any, due to loss claims would have an immaterial impact on the financial statements.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

a. Risk Management, continued

The School District participates in the Alaska Public Entity Insurance (APEI) which provides insurance coverage for property, general liability, and worker's compensation. APEI is a public entity risk pool organized to share risks among its members. The APEI'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 or at the discretion of the Board. Supplemental contributions are based on each member's annual deposit contribution in comparison to the aggregate annual deposit contribution of all members. No supplemental contributions have been assessed for the last several years. The District has no coverage for environmental damages. The School District participates in National Education Association (NEA) which provides insurance coverage for a health and insurance benefit program which covers all permanent full time employees.

b. Related Parties

Assemblyman David Evans is an owner of Evans Industries - Borough contracts with Evans Industries were approximately \$34,653 in FY2014.

c. Denali Borough Landfill

Under an agreement with State of Alaska Department of Environmental Conservation, the Borough has accepted ownership and responsibility for operation and maintenance of a landfill and transfer station. The Borough is required to assess user fees to ensure the system is self-supporting, and select individuals trained to operate and maintain the facility. The Borough will also be required to maintain and monitor the landfill for 30 years after closure.

The Borough operates the landfill. Revenue earned from operations is used to cover operating costs and future required closure and post-closure costs. In 2015, the Borough earned net tipping fees of \$467,607.

State and federal laws and regulations require that the Borough cover its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to current expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs is \$252,900 as of June 30, 2015, which is based on 44.5 percent usage (capacity) of the landfill. The Landfill Closure Plan and Cost Estimate dated June 27, 2014 projects the estimated remaining landfill life at 30 years.

It is estimated an additional \$244,386 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity in 2045. The estimated total current cost of the landfill closure and post-closure care (\$497,286) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2015. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. During the year, post-closure care costs totaled \$5,000, the same amount by which the liability increased.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

c. Denali Borough Landfill, continued

The Borough is required by state and federal laws and regulations to provide financial assurance for closure and post-closure care. The Borough is in compliance with these requirements. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the Borough for the landfill. The remaining portion of anticipated future inflation costs, including inadequate earnings on investments, if any, and additional costs that might arise from changes in post-closure requirements due to changes in technology or more rigorous environmental regulations, for example, may need to be covered by charges to future landfill users

d. Employee Retirement Systems and Pension Plans

As of June 30, 2015 all permanent employees and participating assembly members of the Denali Borough and of the School District component unit are members of either the Alaska Public Employees' Retirement System (PERS) or of the Alaska Teachers' Retirement System (TRS). Stand-alone financial statements for either plan can be obtained by contacting the Alaska Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska 99811-0203, or by calling 1-800-821-2251. The financial statements are also available on the web at <http://doa.alaska.gov/drb/prs>. The Borough and the School District participate in the PERS under separate agreements.

Alaska Public Employees' Retirement System

Defined Benefit Pension (DB) Plan

Plan Description

The Public Employees' Retirement System (PERS) is established and administered by the State of Alaska (State) to provide pension, post-employment healthcare, survivor, and disability benefits to eligible employees. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. Local government participation in the PERS is optional. Tiers I, II, and III are a defined benefit plan. Effective July 1, 2006, the State Legislature (Senate Bill 141) closed the defined benefit plan to new members and created PERS Tier IV, a defined contribution plan with a component of defined benefit post-employment healthcare. Effective July 1, 2008, the State Legislature (Senate Bill 125) changed Tiers II and III of the PERS from an agent multiple-employer to a cost sharing multiple-employer plan.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

d. Employee Retirement Systems and Pension Plans, continued

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the actual employer pay-in-rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined contribution plan.

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

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. Note that in 2015, the State Legislature appropriated a one-time contribution to the plan in the amount of \$1 billion. As a result, the On-Behalf Contribution Rate for 2015 significantly exceeds the statutory amount. On-behalf contributing amounts have been recognized in these financial statements as additional revenue and expense/expenditure.

Contribution rates for the year ended June 30, 2015 were determined in the June 30, 2013 actuarial valuation.

	Employee Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	12.54%	27.42%	42.41%
Post employment healthcare	9.46%	16.61%	0.00%
Total contribution rate	22.00%	44.03%	42.41%

In 2015, the Borough made the following contributions into the plan using the employer effective rate of 22%.

	Pension
Employer Contributions	29,209
On-behalf Contributions	206,729
	\$ 235,938

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

d. Employee Retirement Systems and Pension Plans, continued

Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2015, the Borough reported a liability of \$447,123 for its proportionate share of the employer pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entries, actuarially determined. At June 30, 2014, the Borough's proportion was .009586% for the employer portion which was a decrease of .000323% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Borough recognized pension expense of \$ 24,691. At June 30, 2015, the Borough reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments including changes in proportion between employer contributions and proportionate share of contributions-Employer portion	\$ -	40,959
Borough contributions subsequent to the measurement date-Employer portion	36,339	-
Total	\$ 36,339	40,959

\$36,339 reported as deferred outflows of resources resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Amounts recognized as deferred inflows of resources will be recognized in pension expense as follows:

Years Ended June 30,	Amount to be recognized
2016	\$15,130
2017	\$12,915
2018	\$12,914
2019	-
Thereafter	-

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

d. Employee Retirement Systems and Pension Plans, continued

Actuarial assumptions

The actuarial valuation for the year ended June 30, 2014 was prepared by Buck Consultants. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the Jun 30, 2014 valuation was based on the results of an actuarial experience study performed as of June 30, 2013.

Investment Return/Discount Rate	8.00% per year (geometric), compounded annually net of expenses.
Salary Scale	Inflation-3.12% per year. Productivity-.050% per year.
Payroll Growth	3.62% per year. (inflation + Productivity)
Mortality(Pre-termination)	Based upon 2005-2009 actual mortality experience. 75% of male rates and 55% of female rates of post termination mortality rates. Deaths are assumed to be occupational 55% of the time for Others(not Peace Officers/Firefighters).
Mortality (Post-termination)	1994 Base Year without margin projected to 2013 using Projection Scale AA for males and with a 1-year set-forward for females.
Total Turnover	Based upon the 2005-2009 actual withdrawal experience.
Disability	Incidence rates based on 2005-2009 actual experience. Disabilities are assumed to be occupational 55% of the time for Others(Not Peace Officers/Firefighters)
Retirement	Retirement rates based upon the 2005-2009 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date for Others (Non Peace Officer/Firefighter).
Marriage and Age Difference	Wives are assumed to be three years younger than husbands. 80% of male members and 70% of female members are assumed to be married.

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

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

d. Employee Retirement Systems and Pension Plans, continued

Actuarial assumptions, continued

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	6.77%
International equity	7.50%
Private equity	10.86%
Fixed income	2.05%
Real estate	3.63%
Absolute return	4.80%

Discount Rate

The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that Employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the Retirement System's net pension liability and the Borough' proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that one percentage point lower (7.00 percent) or one percentage point higher (9.00 percent) than the current rate:

	<u>Proportional Share</u>	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
System Net Pension Liability	100.00%	\$ 6,115,582	\$ 4,664,140	\$ 3,441,889
Borough's proportionate share of the net pension liability-Employer portion	0.009586%	586,264	447,123	329,953

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. OTHER NOTES, CONTINUED

d. Employee Retirement Systems and Pension Plans, continued

Pension plan fiduciary net position

Detailed information about pension plan's fiduciary net position is available in the separately issued PERS financial report.

Defined Contribution Pension (DB) Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This plan is administered by the State of Alaska, Department of Administration as with the defined benefit plan noted above. 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. This Plan is included in the comprehensive annual financial report for PERS, as noted above.

Employee Contribution Rates

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rates

For the year ended June 30, 2015, the Borough was required to contribute 5% of covered salary into the plan.

However, the total employer contribution must equal 22% of covered payroll. After subtracting, the defined contribution (DC) pension rates, ODD, Retiree medical, and the HRA contribution, any residual amount of the 22% is deposited into the defined benefit (DB) plan. Locally known as the defined benefit unfunded liability (DBUL) payment, this amount is intended to mitigate against the declining payroll base that resulted from the creation of the DC plan.

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. The Borough and employee contributions to PERS including the HRA contribution for year ended June 30, 2015 were \$69,653 and \$25,317, respectively. The Borough contribution amount was recognized as pension expense.

DENALI BOROUGH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

6. CONTINGENCIES

PERS Pension Liability

The Borough has recorded its allocated percentage of the PERS Employer Net Pension Liability. However, there is an additional allocation of the PERS Non-Employer Net Pension Liability which the Borough has not recorded. If this PERS Non-Employer Net Pension Liability been recorded, there would have been an additional PERS Non-Employer Net Pension Liability of \$466,509 with related deferred inflows of \$ 45,166 as of June 30, 2015.

Other Contingencies

The Borough, from time to time, may be a participant in legal proceedings related to the conduct of business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. In the opinion of management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the Borough.

7. NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes GASB Statement 68 will result in the biggest reporting change.

GASB 72- Fair Value Measurement and Application- Effective for year ended June 30, 2016- This statement establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured as fair value.

GASB 73- Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68- Effective for year-end June 30, 2016- This statement will establish a single framework for the presentation of information about pensions.

GASB 74 -Financial Reporting for Postemployment Benefit Plans Other than Pension Plans- Effective for year-end June 30, 2017- This standard will improve the usefulness of information about postemployment benefits.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

Required Supplementary Information (RSI)

Budgetary Comparisons - General Fund
Notes to Budgetary Comparisons
Schedule of the Borough's Information on the Net Pension Liability
Schedule of Borough Contributions

Draft Copy ~ December 2015

DENALI BOROUGH
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2015

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes:				
Overnight accommodation tax	\$ 2,700,000	2,800,000	3,318,321	518,321
Severance tax	90,000	90,000	96,086	6,086
	<u>2,790,000</u>	<u>2,890,000</u>	<u>3,414,407</u>	<u>524,407</u>
Intergovernmental:				
Federal				
PILT Act	304,000	304,000	323,293	19,293
State of Alaska				
PERS on-behalf payment	35,000	70,000	134,550	64,550
Shared taxes				
Revenue sharing	457,272	499,537	499,537	-
Electric/telephone co-op	46,000	50,000	49,117	(883)
	<u>842,272</u>	<u>923,537</u>	<u>548,654</u>	<u>82,960</u>
Other:				
Miscellaneous	2,000	3,000	5,020	2,020
Gains (losses) on investments	-	-	2,996	2,996
Interest Income	18,000	24,000	28,839	4,839
	<u>20,000</u>	<u>27,000</u>	<u>36,855</u>	<u>9,855</u>
Total revenues	<u>3,652,272</u>	<u>3,840,537</u>	<u>4,457,759</u>	<u>617,222</u>
EXPENDITURES				
Assembly:				
Nonstaff stipends	22,200	22,200	21,450	750
Nonstaff benefits	2,500	5,500	4,549	951
Staff salaries	121,310	121,310	122,378	(1,068)
Staff benefits	170,988	180,000	186,092	(6,092)
Nonstaff travel	10,000	8,000	5,258	2,742
Workers compensation	500	700	669	31
Staff travel	6,000	6,000	3,567	2,433
Mayor travel	-	-	-	-
Staff training	4,000	2,000	275	1,725
Nonstaff training	4,000	3,000	1,475	1,525
Rent	30,000	30,000	26,376	3,624
Utilities	6,000	6,000	3,700	2,300
Postage	5,000	5,000	1,035	3,965
Janitorial Services	2,400	2,400	2,286	114
Dues/subscriptions/advertisement	7,500	7,500	8,640	(1,140)
Codification of municipal code	3,000	3,000	1,370	1,630
Elections	13,000	13,000	6,330	6,670
Equipment	20,000	16,000	9,820	6,180
Repairs and maintenance	4,000	16,000	15,491	509
Equipment rental	2,000	2,000	1,152	848
Supplies	8,000	6,000	5,775	225
Overnight Accommodations Audit Fees	10,000	10,000	4,802	5,198
Audit Fees	30,000	30,000	21,167	8,833
Budgetary reserve	835,658	-	-	-
Contingency	5,000	5,000	374	4,626
	<u>1,323,056</u>	<u>500,610</u>	<u>454,031</u>	<u>46,579</u>

DENALI BOROUGH
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2015

EXPENDITURES, CONTINUED	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Mayor:				
Mayor salary	\$ 72,000	70,000	69,814	186
Mayor benefits	86,407	94,000	102,159	(8,159)
Staff salary	109,518	98,000	65,620	32,380
Staff benefits	200,994	180,000	112,242	67,758
Staff leave replacement	3,000	3,000	-	3,000
Worker's compensation	1,500	1,000	935	65
Staff travel	5,000	3,500	2,077	1,423
Mayor travel	9,000	8,000	7,008	992
Staff training	2,000	2,000	175	1,825
Utilities	1,800	1,800	1,268	532
Equipment	5,000	5,000	2,155	2,845
Vehicle insurance	800	800	716	84
Property insurance	150	150	147	3
Bonding & insurance	12,500	12,500	10,594	1,906
Attorney fees	18,000	18,000	7,200	10,800
Consultant fees	22,000	22,000	12,015	9,985
Bank fees	5,000	8,000	4,413	3,587
Emergency fuel reserve	6,000	-	-	-
Public safety contributions	298,235	298,235	285,522	12,713
Public safety per capita funding	44,794	44,794	44,794	-
Nonprofit contributions	74,306	74,306	63,366	10,940
Revenue sharing distribution	36,582	40,400	40,400	-
Community Events	5,000	5,000	3,077	1,923
Contingency	5,000	5,000	3,128	1,872
	<u>1,024,586</u>	<u>995,485</u>	<u>838,825</u>	<u>156,660</u>
School District:				
School operating fund				
Mandatory contribution	660,233	660,233	660,233	-
Additional contribution	1,548,567	1,548,567	1,548,567	-
	<u>2,208,800</u>	<u>2,208,800</u>	<u>2,208,800</u>	<u>-</u>
Borough matching grants				
Matching grants	45,717	45,717	45,709	8
	<u>45,717</u>	<u>45,717</u>	<u>45,709</u>	<u>8</u>
Total expenditures	<u>4,602,159</u>	<u>3,750,612</u>	<u>3,547,365</u>	<u>203,247</u>
Excess (deficiency) of revenues over expenditures	<u>(949,887)</u>	<u>89,925</u>	<u>910,394</u>	<u>820,469</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in(out)				
From Permanent Investment Fund	-	-	110,148	110,148
To Disaster Contingency Fund	(1,000)	(1,000)	-	1,000
To Capital Projects Fund	(10,000)	(10,000)	(10,000)	-
To Capital Improvement Fund	-	(126,074)	(126,074)	-
To Major School Maintenance Reserve Fund	(56,000)	(111,074)	(111,074)	-
To Land Management Fund	(171,000)	(100,000)	(100,000)	-
To Landfill Closure Fund	(5,000)	(5,000)	(5,000)	-
To Solid Waste Equipment Reserve Fund	(30,000)	(135,000)	(135,000)	-
To Solid Waste Enterprise Fund	(100,000)	-	-	-
To Special Revenue	(12,000)	(12,000)	(8,533)	3,467
Total other financing uses	<u>(385,000)</u>	<u>(500,148)</u>	<u>(385,533)</u>	<u>114,615</u>
Net change in fund balance	<u>(564,887)</u>	<u>(410,223)</u>	<u>524,861</u>	<u>935,084</u>
FUND BALANCE, July 1	<u>6,476,905</u>	<u>6,476,905</u>	<u>6,476,905</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 5,912,018</u>	<u>6,066,682</u>	<u>7,001,766</u>	<u>935,084</u>

See accompanying notes to required supplementary information.

**DENALI BOROUGH
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND**

BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the Borough is prepared on the modified accrual basis of accounting.

EXCESS OF EXPENDITURES OVER BUDGET

At June 30, 2015, the Borough had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

Draft Copy ~ December 1, 2015

SCHEDULE OF THE DENALI BOROUGH'S INFORMATION ON THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FISCAL YEAR

EMPLOYER PORTION	2015
Borough proportion of the net pension liability (asset)	0.00958639%
Borough proportionate share of the net pension liability (asset)	\$ 447,123
Borough's covered employee payroll	\$ 449,225
Borough's proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	99.53%
Plan fiduciary net position as a percentage of the total pension liability	62.37%

Information presented for 2015 is based on Plan Measurement Date- June 30, 2014.

This schedule is intended to present 10 years of information. Additional years information will be included as it becomes available.

SCHEDULE OF THE DENALI BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FISCAL YEAR

	2015
Contractually required contribution	\$ 98,861
Contributions in relation to the contractually required contribution	\$ 98,861
Contribution deficiency (excess)	\$ -
Borough's covered payroll	\$ 449,225
Contributions as a percentage of covered- employee payroll	22%

Information presented here is based on the Denali Borough Fiscal Year End Date.

This schedule is intended to present 10 years of information. Additional years information will be included as it becomes available.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Non-Major Governmental Funds

Combining Balance Sheet

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Schedules of Revenues and Expenditures - Budget and Actual
Special Revenue Funds

Draft Copy ~ December 2015

DENALI BOROUGH
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2015

	Special Revenue Fund		
	Emergency Management Performance Grant	Local Emergency Planning Committee	Homeland Security Grant Program
<u>ASSETS</u>			
Cash and cash equity	\$ (2,195)	(4,872)	(3,691)
Receivables from other governments	2,195	4,872	3,691
Total Assets	\$ -	-	-
<u>LIABILITIES</u>			
Unearned revenue	-	-	-
<u>FUND EQUITY</u>			
Committed to			
School major maintenance	-	-	-
Capital projects	-	-	-
Capital improvements	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ -	-	-

Draft Copy ~ December 1, 2015

<u>Special Revenue Fund</u>			
<u>Solid Fuel Stove Change Out</u>	<u>Legislative Grant Program</u>	<u>Capital Projects</u>	<u>Total</u>
\$ -	140,251	1,059,559	1,189,052
-	13,137	-	23,895
\$ -	<u>153,388</u>	<u>1,059,559</u>	<u>1,212,947</u>
-	56,473	-	56,473
-	<u>56,473</u>	-	<u>56,473</u>
-	-	500,962	500,962
-	96,915	389,223	486,138
-	-	169,374	169,374
-	<u>96,915</u>	<u>1,059,559</u>	<u>1,156,474</u>
\$ -	<u>153,388</u>	<u>1,059,559</u>	<u>1,212,947</u>

See Independent Auditor's Report.

DENALI BOROUGH
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended June 30, 2015

	Special Revenue Fund		
	Emergency Management Performance Grant	Local Emergency Planning Committee	Homeland Security Grant Program
REVENUES			
Intergovernmental	\$ 8,533	12,432	10,999
Local sources	-	-	-
Investment income	-	-	-
Total revenues	<u>8,533</u>	<u>12,432</u>	<u>10,999</u>
EXPENDITURES			
Current			
General government	17,066	12,432	-
Capital Outlay	-	-	10,999
Total expenditures	<u>17,066</u>	<u>12,432</u>	<u>10,999</u>
Excess (deficiency) of revenues over expenditures	<u>(8,533)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer (to) from general fund	<u>8,533</u>	<u>-</u>	<u>-</u>
	<u>8,533</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>

<u>Special Revenue Fund</u>			
<u>Solid Fuel Stove Change Out</u>	<u>Legislative Grant Program</u>	<u>Capital Projects</u>	<u>Total</u>
\$ -	129,793	-	161,757
17,329	-	-	17,329
-	-	724	724
<u>17,329</u>	<u>129,793</u>	<u>724</u>	<u>179,810</u>
17,329	-	-	46,827
-	175,334	4,739	191,072
<u>17,329</u>	<u>175,334</u>	<u>4,739</u>	<u>237,899</u>
-	(45,541)	(4,015)	(58,089)
-	-	247,148	255,681
-	-	247,148	255,681
-	(45,541)	243,133	197,592
-	142,456	816,426	958,882
\$ -	96,915	1,059,559	1,156,474

See Independent Auditor's Report.

DENALI BOROUGH
SPECIAL REVENUE FUND
EMERGENCY MANAGEMENT PERFORMANCE GRANT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year ended June 30, 2015

	Award	Prior	Actual Current	Total	Variance (Unfavorable)
REVENUES					
State of Alaska -					
Division of Homeland Security and Emergency Management	\$ 8,533	-	8,533	8,533	-
EXPENDITURES					
Division of Homeland Security and Emergency Management	17,066	-	17,066	17,066	-
Excess (deficiency) of revenues over expenditures	(8,533)	-	(8,533)	(8,533)	-
OTHER FINANCING SOURCES					
Transfers in	8,533	-	8,533	8,533	-
Excess of revenues over expenditures and other financing sources	\$ -	-	-	-	-

See Independent Auditor's Report.

DENALI BOROUGH
SPECIAL REVENUE FUND
LOCAL EMERGENCY PLANNING COMMITTEE GRANT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year ended June 30, 2015

	Award	Prior	Actual Current	Total	Variance Favorable (Unfavorable)
REVENUES					
State of Alaska -					
Division of Homeland Security and Emergency Management	\$ 12,432	-	12,432	12,432	-
EXPENDITURES					
Division of Homeland Security and Emergency Management	12,432	-	12,432	12,432	-
 Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Independent Auditor's Report.

DENALI BOROUGH
SPECIAL REVENUE FUND
HOMELAND SECURITY GRANT PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 Year ended June 30, 2015

	Award	Prior	Actual Current	Total	Variance Favorable (Unfavorable)
REVENUES					
State of Alaska -					
Division of Homeland Security and Emergency Management					
2013 SHSP Award	39,200	38,000	1,200	39,200	-
2014 SHSP Award	\$ 11,200	-	9,799	9,799	1,401
Total revenues	<u>50,400</u>	<u>38,000</u>	<u>10,999</u>	<u>9,799</u>	<u>1,401</u>
EXPENDITURES					
Division of Homeland Security and Emergency Management					
2013 SHSP Award	39,200	38,000	1,200	39,200	-
2014 SHSP Award	11,200	-	9,799	9,799	1,401
Total expenditures	<u>50,400</u>	<u>38,000</u>	<u>10,999</u>	<u>9,799</u>	<u>1,401</u>
Excess (deficiency) of revenues over expenditures	\$ -	-	-	-	-

See Independent Auditor's Report.

DENALI BOROUGH
SPECIAL REVENUE FUND
SOLID FUEL STOVE CHANGE OUT PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 Year ended June 30, 2015

	Award	Prior	Actual Current	Total	Variance Favorable (Unfavorable)
REVENUES					
Other					
Golden Valley Electric Association	\$ 75,000	37,095	17,329	54,424	20,576
EXPENDITURES					
Other					
Golden Valley Electric Association	75,000	37,095	17,329	54,424	20,576
Excess (deficiency) of revenues over expenditures	\$ -	-	-	-	-

See Independent Auditor's Report.

DENALI BOROUGH
SPECIAL REVENUE FUND
LEGISLATIVE GRANT PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year ended June 30, 2015

	Award	Prior	Actual		Variance Favorable (Unfavorable)
			Current	Total	
REVENUES					
State of Alaska -					
Department of Commerce, Community and Economic Development					
11-DC-207 Tri-Valley Fire Department Well	\$ 30,000	11,302	13,137	24,439	5,561
13-DM-161 School District Asbestos Hazard Emergency Response	35,000	21,867	3,373	25,240	9,760
13-DM-088 Cantwell Fuel Tank	25,000	-	1,995	1,995	23,005
13-DM-223 Landfill Shop	50,000	-	3,288	3,288	46,712
15-DC-TVFD-Ambulance	108,000	-	108,000	108,000	-
Department of Education and Early Development					
GR-14-009 Cantwell K-12 School Sprinkler and Fire Alarm Upgrades	704,863	-	-	-	-
Total revenues	<u>952,863</u>	<u>33,169</u>	<u>129,793</u>	<u>162,962</u>	<u>85,038</u>
EXPENDITURES					
State of Alaska -					
Department of Commerce, Community and Economic Development					
11-DC-207 Tri-Valley Fire Department Well	30,000	11,302	13,137	24,439	5,561
13-DM-161 School District Asbestos Hazard Emergency Response	35,000	21,867	3,373	25,240	9,760
13-DM-088 Cantwell Fuel Tank	25,000	-	1,995	1,995	23,005
13-DM-223 Landfill Shop	50,000	-	3,288	3,288	46,712
15-DC-TVFD Ambulance	108,000	-	108,000	108,000	-
Department of Education and Early Development					
GR-14-009 Cantwell K-12 School Sprinkler and Fire Alarm Upgrades	704,863	33,760	45,541	79,301	79,301
Total expenditures	<u>952,863</u>	<u>66,929</u>	<u>175,334</u>	<u>242,263</u>	<u>164,339</u>
OTHER FINANCING SOURCES					
Transfers in	-	176,216	-	176,216	176,216
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>142,456</u>	<u>(45,541)</u>	<u>96,915</u>	<u>96,915</u>

See Independent Auditor's Report.

DENALI BOROUGH, ALASKA
ORDINANCE NO. 15-12
VERSION A

INTRODUCED BY: Assembly Member David Evans

AN ORDINANCE AMENDING DBC 2.15.030 TITLED REGULAR ASSEMBLY MEETINGS
TO CHANGE THE ROTATION ORDER

BE IT ENACTED BY the Assembly of the Denali Borough:

Section 1. Classification. This ordinance is of a general and permanent nature

Section 2. Purpose. The purpose of this ordinance is to amend Denali Borough Code of Ordinances 2.15.030 to change the rotation order as follows:

**CHAPTER 2.15
ASSEMBLY MEETINGS**

2.15.030 Regular assembly meetings.

All regular meetings of the assembly shall be held on the second Wednesday of each month; meetings may be preceded by work sessions. Such meetings will be rotated in order among the four major communities of Healy, McKinley Park, Cantwell and Anderson. The order of rotation shall be as follows: Cantwell, Healy, McKinley, Healy, Anderson, Healy.

The date and/or location of individual regular meetings may be changed by a majority vote of the assembly, provided such changes are published per DBC 1.050.020. In the event any condition renders the meeting place unfit to conduct any meeting of the assembly, the meeting may be moved to such other place as the assembly may choose, provided reasonable prior notice is given.

Section 3. First Meeting. The first regular meeting in the new rotation shall take place on January 13, 2016 in Cantwell.

Section 4. Effective Date. This ordinance becomes effective upon adoption by the Denali Borough Assembly and signature of Denali Borough Mayor.

DATE INTRODUCED: AUGUST 12, 2015
FIRST READING: AUGUST 12, 2015
PUBLIC HEARING: SEPTEMBER 09, 2015

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this ___ day of _____, 2015.

CLAY WALKER, DENALI BOROUGH MAYOR

ATTEST: _____
GAIL PIEKNIK, BOROUGH CLERK

DENALI BOROUGH, ALASKA
ORDINANCE 15-15
VERSION B

INTRODUCED BY: Mayor Clay Walker

AN ORDINANCE APPROPRIATING UP TO ~~\$100,000~~ \$250,000 FROM THE
MAJOR SCHOOL MAINTENANCE RESERVE FUND TO CONDUCT A COMPREHENSIVE
CONDITION SURVEY OF THE BOROUGH SCHOOL FACILITIES

BE IT ENACTED by the Assembly of the Denali Borough, Alaska that:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Appropriation—Source and Amount. The Denali Borough Assembly appropriates up to \$100,000 from the Major School Maintenance Reserve Fund.

Section 3. Purpose. The purpose of this ordinance is to appropriate funds from the Major School Maintenance Reserve Fund to procure a comprehensive school facility condition survey from a qualified architecture and engineering firm. The condition survey will assess major systems including but not limited to the building envelope, HVAC, water and wastewater, lighting and energy efficiency, and building security and life safety. The condition survey will guide Capital Improvement Program decisions over the next ten years and the Survey will be in a format acknowledged by the Alaska Department of Education and Early Development.

Section 4. Procedure. The project will be completed in accordance with Denali Borough Code of Ordinances 3.35, titled Procurement, Procedures, and Contracting Standards; and the Project contract. Any contract over \$50,000 will not be awarded without prior Denali Borough Assembly approval.

Section 5. Effective Date. This ordinance becomes effective upon adoption by the Denali Borough Assembly and signature of the Mayor.

DATE INTRODUCED: NOVEMBER 11, 2015
FIRST READING: NOVEMBER 11, 2015
PUBLIC HEARING: _____

PASSED AND APPROVED by the Denali Borough Assembly this ____ day of _____, 2015.

CLAY WALKER, MAYOR

ATTEST: _____
GAIL PIEKNIK, BOROUGH CLERK