



**City and Borough of Wrangell
Borough Assembly Meeting
AGENDA**

Tuesday, March 14, 2017

7:00 p.m.

Location: Assembly Chambers, City Hall

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Mark Mitchell
- b. INVOCATION to be given by a member of the Baha'i Faith
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

2. ROLL CALL

3. AMENDMENTS TO THE AGENDA

4. CONFLICT OF INTEREST

5. CONSENT AGENDA

- a. Items (*) 6a and 7a through 7d

6. APPROVAL OF MINUTES

- a. Minutes of the Regular Assembly Meeting held February 28, 2017

7. COMMUNICATIONS

- *a. Minutes of the Parks & Recreation Board meetings held December 7, 2016 and January 4, 2017
- *b. Travel Report from 8/2016 to 2/2017
- *c. Acknowledge receipt of the City and Borough of Wrangell's Year 06-30-2016 End Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports
- *d. Letter sent to Senator MacKinnon regarding the AMHS

8. BOROUGH MANAGER'S REPORT

9. BOROUGH CLERK'S FILE

10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

- a. Reports by Assembly Members
- b. City Boards and Committees Appointments

11. PERSONS TO BE HEARD

12. UNFINISHED BUSINESS

- a. **PROPOSED ORDINANCE No. 930:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE RELATING TO PENALTIES AND INTEREST ON LATE PAYMENTS OF SALES TAX AND PROPERTY TAX (*second reading*)

13. NEW BUSINESS

- a. Approval of a Vacation Utility Easement in proposed Lot 7 BB of the proposed Larsson-Buhler Replat, the Replat of Lots 7B and 8B of Mitchell-Buhler Replat, creating Lots 7BB and 8BB, zoned Waterfront Development, requested by Diane Larsson, owned by DB AK Enterprises LLC.
- b. Approval to reschedule the Regular Assembly meeting of May 23, 2017 to May 30, 2017
- c. Approval of the Parks Policies and Procedures, along with the Appendices

14. ATTORNEY'S FILE**15. EXECUTIVE SESSION****16. ADJOURNMENT**

Agenda Items 1 - 6

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY

AGENDA ITEM

March 14, 2017

ITEM NO. 1 CALL TO ORDER:

INFORMATION: *The Mayor, by code, is required to call the meeting to order at 7:00 p.m. in the Borough Assembly Chambers. Special meetings or continued meetings may be called for at differing times but at the same location. Notice of such will be required by the Borough Clerk. The Mayor will call the meeting to order according to such special or continued meeting notice. At all meetings of the assembly, four assembly members or three members and the mayor shall constitute a quorum for the transaction of business, but a smaller number less than a quorum may adjourn a meeting to a later date.*

RECOMMENDED ACTION:

The Mayor, as presiding officer, is to call the meeting of the Borough Assembly to order, with the following actions to follow:

- a. Pledge of Allegiance to be given by Assembly Member Mark Mitchell
- b. Invocation to be given by a member of the Baha'i Faith
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

ITEM NO. 2 ROLL CALL – BOROUGH CLERK:

INFORMATION: *The Borough Clerk shall conduct a roll call of each elected and duly qualified Assembly Member. Such call shall result in an entry of those present or absent from the meeting. The roll call is primarily utilized in determining if sufficient member(s) are present to conduct a meeting. The Borough Clerk may randomly change the conduct of the roll to be fair to the members of the governing body unless the council determined an adopted procedure for roll call which is different than currently in use.*

RECOMMENDED ACTION:

Borough Clerk to conduct a roll call by voice vote. Each member to signify by saying here, present (or equal) to give evidence of attendance.

ITEM NO. 3 AMENDMENTS TO THE AGENDA:

INFORMATION: *The assembly may amend the agenda at the beginning of its meeting. The outline of the agenda shall be as from time to time prescribed and amended by resolution of the assembly. (WMC 3.04.100)*

RECOMMENDED ACTION:

The Mayor should request of the members if there are any amendments to the posted agenda. ***THE MAYOR MAY RULE ON ANY REQUEST OR THE ASSEMBLY MEMBERS MAY VOTE ON EACH AMENDMENT.***

ITEM NO. 4 CONFLICT OF INTEREST:

INFORMATION: *The purpose of this agenda item is to set reasonable standards of conduct for elected and appointed public officials and for city employees, so that the public may be assured that its trust in such persons is well placed and that the officials and employees themselves are aware of the high standards of conduct demanded of persons in like office and position.*

An elected city official may not participate in any official action in which he/she or a member of his/her household has a substantial financial interest.

ITEM NO. 5 CONSENT AGENDA:

INFORMATION: *Items listed on the Consent Agenda or marked with an asterisk (*) are considered part of the Consent Agenda and will be passed in one motion unless the item has been removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.*

RECOMMENDED ACTION:

Move to approve those Agenda items listed under the Consent Agenda and those marked with an asterisk (*) Item:

****6a & 7a through 7d***

ITEM NO. 6 APPROVAL OF MINUTES:

INFORMATION:

6a Minutes of the Regular Assembly meeting held February 28, 2017

Minutes of Regular Assembly Meeting Held on February 28, 2017

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., February 28, 2017, in the Borough Assembly Chambers. Assembly Members Gilbert, Prysunka, Decker, Powell, Mitchell, and Rooney were present. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

The Pledge of Allegiance was led by Assembly Member Steve Prysunka.

The Invocation was given by Nettie Covalt with the Presbyterian Church.

AMENDMENTS TO THE AGENDA

Manager Jabusch requested that Item 15a (Executive Session) be removed from the Agenda. There were no objections from the Assembly.

CONFLICT OF INTEREST – None

CONSENT AGENDA

M/S: Decker/Gilbert, to approve Consent Agenda Items marked with an () asterisk; Items 6a & 7a. Motion approved unanimously by polled vote.*

APPROVAL OF MINUTES

The minutes of the Special Assembly meeting held February 14, 2017 and the Public Hearing and Regular Assembly meetings held February 15, 2017 were approved as presented.

COMMUNICATIONS

*a. WMC Board Minutes from the meeting held January 18, 2017

BOROUGH MANAGER'S REPORT

Manager Jabusch's report was provided.

Prysunka asked Manager Jabusch to come up with guidelines so that if we get to a crucial level, there is a protocol on what we will do and what we will not do; i.e. not selling water to the cruise ships.

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Decker thanked the City workers for doing a great job with plowing the snow.

Prysunka reported on the last SEAPA Board Meeting in Petersburg:

- Revenues looking better
- Some concern about the water level at SWAN
- SWAN project is signed off; good for Wrangell and Petersburg because it adds capacity to both

- Reached near max capacity in December at Tyee
- He had called for an increase push on looking at a third turban at Tyee
- Toured the new Petersburg City Hall; met with City Manager and talked about staff levels; blown away at the staff that they have; impressed at how lean we are and appreciates what our staff does

Jack reported that he attended AML; some issues addressed with our Lobbyist and Senator Stedman was the Shoemaker Harbor project and the Alaska Marine Highway.

10b City Boards and Committees Appointments

Mayor Jack appointed Kevin Skeek to the Economic Development Committee with the term ending in October 2019. There were no objections from the Assembly.

The Mayor directed the Clerk to continue advertising since there was still one vacancy on the Economic Development Committee.

PERSONS TO BE HEARD

Mark Walker, AICS, passed out a presentation packet to the Assembly. Mr. Walker gave the Assembly the history and information of how AICS obtained Federal Grant monies and why they moved to the “Medical Campus”.

Daniel Neumeister, 3100 Channel Drive, Juneau, SEARHC, explained that they had submitted a Memorandum of Cooperation; expressed the desire to continue to utilize Wrangell Medical Center; four jobs listed for AICS right now; will use Wrangell Medical Center for the mandatory drug testing; challenges at the State funding level; allows for an Assembly Member be a representative along with the Hospital Administrator on the Advisory Council; will continue to pay the City property tax for the property; may be a misunderstanding on the Federal interest; committing that we will serve all patients, regardless of their ability to pay (as required by HRSA). Mr. Neumaister also stated that the AICS employees had all recently received a 3% pay increase.

Mayor Jack called a short recess so that Clerk Lane could get Wrangell Medical Center Board member, Barbara Conine on the phone since she wanted to be available to address any questions or concerns regarding item 13e.

Recessed at 7:37 p.m.

Reconvened at 7:40 p.m.

UNFINISHED BUSINESS – None

NEW BUSINESS

M/S: Rooney/Gilbert, to suspend the rules to move item 13e, Discussion of the information received from the Wrangell Medical Center Board regarding the request from the Assembly to conduct a cost benefit analysis. Motion approved unanimously by polled vote.

13e Discussion of the information received from the Wrangell Medical Center Board regarding the request from the Assembly to conduct a cost benefit analysis

Gilbert stated that she had read the cost analysis report that was submitted by the Wrangell Medical Center and it does appear that the amounts do pencils out; if there was any issues with your bill, you could still call the hospital to ask questions.

Rooney commented that she was surprised to see just how many hospitals contracted out their billing services; believed that it's a benefit to continue using TruBridge.

Mitchell stated that he had one complaint in the billing service; said that he had been billed for a service a year later; should receive a bill within 30 days.

Prysunka stated that he appreciated the report and the time that the committee put into it; haven't had a lot of complaints about the calls from TruBridge calling people in the community.

Barbara Conine, WMC Board Member (via telephone), thanked the Assembly for their comments; a year ago we wrote of 1.2 million dollars; can't do that anymore; explained that TruBridge takes on the responsibility in following the claim through the process of getting the money. Ms. Conine also explained that the issue with Assembly Member Mitchell's billing issue was that the primary insurance may have been billed, then a secondary insurance carrier may have been billed and so on; may have been a problem in the coding; if there is an issue in the coding, TruBridge can figure that out better than the hospital can.

Rose Shymanski, Wrangell Medical Center, explained that TruBridge does have the ability to identify when the coding is incorrect; they then send it to the billing staff at WMC to fix the coding; WMC does not have the staff to do this; often times if a bill was sent out to the primary and came back as denied, it would get sent off to the secondary without the coding being corrected; often times that led to the claim "timing out" and the claim not being able to be paid.

13a PROPOSED ORDINANCE No. 930: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE RELATING TO PENALTIES AND INTEREST ON LATE PAYMENTS OF SALES TAX AND PROPERTY TAX

M/S: Mitchell/Rooney, to approve first reading of Ordinance No. 930 and move to a second with a public hearing to be held on March 14, 2017. Motion approved unanimously by polled vote.

13b PROPOSED RESOLUTION No. 02-17-1364: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 2017 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FISHERIES MANAGEMENT IN FMA 18: CENTRAL SOUTHEAST

M/S: Prysunka/Gilbert, to adopt Resolution No. 02-17-1364 that adopts an alternative allocation method for the FY 2017 Shared Fisheries Business Tax Program. Motion approved unanimously by polled vote.

13c Discussion followed by a consensus for the Borough Manager final interview process

After discussion by the Assembly, the consensus was to hold face-to-face interviews with the final candidates in Executive Session and have a community reception later that evening.

M/S: Powell/Prysunka, to schedule a Special Assembly Meeting on Monday, March 20, 2017 at noon for the purpose of conducting Borough Manager Interviews. Motion approved unanimously by polled vote.

13d Approval to Change the Board of Equalization Meeting Date from May 8, 2017 to May 15, 2017

M/S: Rooney/Mitchell, to approve rescheduling the annual Board of Equalization meeting from May 8th to May 15th, 2017, as requested by our Assessor, Mike Renfro. Motion approved unanimously by polled vote.

13f Appointment of Carol Rushmore to the Interim Borough Manager position

M/S: Gilbert/Prysunka, to appoint Carol Rushmore as the interim borough Manager effective April 1, 2017 and to have her start working with the manager effective March 1, 2017 with additional compensation as follows: \$1,000 for the month of March and \$2,500 per month effective April 1, 2017 and for each month after with funding to come from the vacant manager position. Motion approved unanimously by polled vote.

13g Approval of a construction contract for the Waterfront Armor Rock – City Dock project

M/S: Prysunka/Gilbert to approve a bid award to BW Enterprises, LLC for construction of the Waterfront Armor Rock – City Dock project in the amount of \$31,280.00 funded from the Ports and Harbors FY17 Capital Projects fund. Motion approved unanimously by polled vote.

13h Approval to write letters of support for HB 76 (in concept with Resolution No. 10-15-1333) and HB 128

M/S: Mitchell/Gilbert, to approve writing letters of support in support of HB 76 and HB 128.

Decker explained that the Assembly had approved a Resolution that supported the amendment of the Mariculture Revolving Loan Fund so that they would use that pot of money that the State had already created to help develop the Mariculture Industry laws; Representative Ortiz had introduced HP 76 that essentially followed what our intent was in Resolution No. 10-15-1333; there is another bill (HP 128) that is somewhat related; puts in place a framework for the Department of Fish and Game to be able to permit or allow for Shellfish enhancement; State of Alaska now allows for Salmon enhancement. Decker stated that the governor had appointed her to the Alaska Mariculture Task Force; they, along with many other communities are in support of these two bills.

Motion approved unanimously by polled vote.

ATTORNEY'S FILE – Summary Report was provided to the Borough Assembly.

EXECUTIVE SESSION

15a Discuss with the Borough Attorney, the options regarding the Land Deal with SEARHC and the City and Borough of Wrangell – ***Removed from the Agenda under Amendments to the Agenda.***

Regular Assembly Meeting adjourned at 8:18 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Agenda Item 7

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM March 14, 2017

COMMUNICATIONS:

INFORMATION: The Assembly may receive items for Communications, reasons only which do not require separate action. This is an avenue to keep the Assembly informed, for the public to enter items on the record, if necessary. The Assembly also receives agenda communications directly by their constituents, Borough Manager, other agencies' Officers and Department Directors.

A MAIL BOX IS ALSO AVAILABLE IN THE BOROUGH CLERK'S OFFICE FOR EACH MEMBER OF THE ASSEMBLY AND SHOULD BE CHECKED ON A ROUTINE SCHEDULE.

All items appearing under Communications on the Agenda have been approved under the Consent Agenda unless removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.

- *a. Minutes of the Parks & Recreation Board meetings held December 7, 2016 and January 4, 2017
- *b. Travel Report from 8/2016 to 2/2017
- *c. Acknowledge receipt of the City and Borough of Wrangell's Year 06-30-2016 End Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports
- *d. Letter sent to Senator MacKinnon regarding the AMHS

**WRANGELL PARKS & RECREATION ADVISORY BOARD
REGULAR MEETING MINUTES DECEMBER 7, 2016
7:00 ASSEMBLY CHAMBERS**

CALL TO ORDER: Holly Padilla called the Parks & Recreation Advisory Board to order in the Assembly chambers at 7:00 p.m.

ROLL CALL: Board members in attendance were Cindy Martin, Haig Demerjian, Bob Lippert, Holly Padilla and Alice Rooney.

AMENDMENT TO AGENDA:

APPROVAL OF MINUTES: November 2, 2016 Parks & Recreation Advisory Board meeting minutes were moved to approve. 1st by Rooney 2nd by Demerjian motion passed to approve

CORRESPONDENCE:

PERSON'S TO BE HEARD:

BOARD MEMBER REPORTS:

Martin reported she is working on the board for Volunteer Trail and Drew Larrabee has materials left over from Mt. Dewey signs she could use.

The new trash can cover on Outer Drive much appreciated.

Lippert said he is working on a materials list cost and possible donation for materials for the Mt Dewey trail.

DIRECTOR'S REPORT

Verbal report.

250 people registered on the new software program

Continuing to work with the Learn to swim program with the Elementary school

Host lifeguarding course in spring.

In the process of doing the Winter Work out challenge.

Kate is working with Coach Rooney on plans for Wolf Pack Wrestling – 2 separate age group teams

Continuing on developing the Outdoor Work plan, road block on Mt Dewey trail signs installation. There are specific regulatory or regulations for street signs and what kind of signs can be posted on stop signs street signs and ours do not meet signage standards.

Peter Branson and Bob Lippert project list for Mt Dewey Trail cost and materials. This is different from Outdoor Plan.

Maintenance and personnel need for new policy development that has not been established. (Blood born pathogens)

Budget planning in January.

UNFINISHED BUSINESS:

- A. Developing Community Work Plan-Kate walked the Volunteer Park trail to get the yardage of rock. She talked with Brett Woodbury and he gave her 2 quotes, one for gravel and one for spread and compact the rock.

Lippert will help out with the list to prioritize the things that need to be done. Do a task list and then get a list of materials and show the different groups get this done by January. April 28, (also Earth Day) for the 1st Community Work Plan.

First Bank Grant-

Demerjian will do a solicitation letter-mail or bring to businesses. Also put out a donation box put in Wrangell Sentinel, maybe a 50/50 raffle.


Guidelines for T-Shirts from the arts class logo for the workday. Slogan-Hop In.

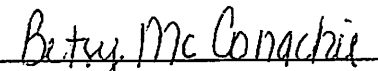
NEW BUSINESS:

- A. Mount Dewey Work Plan-Bob and Kate will do a list of things

CLOSING

- A. Next agenda items
 - a. Budget-review numbers
- B. Adjourn meeting at 8:00
- C. Next meeting January 4, 2017.


Chairman
Holly Padilla


Recording Secretary
Betsy McConachie

**WRANGELL PARKS & RECREATION ADVISORY BOARD
REGULAR MEETING MINUTES JANUARY 4, 2017
7:00 ASSEMBLY CHAMBERS**

CALL TO ORDER: Holly Padilla called the Parks and Recreation Advisory Board to order in the Assembly Chambers at 7:00 p.m.

ROLL CALL: Board members in attendance were Cindy Martin, Bob Lippert, Holly Padilla and Alice Rooney. Haig Demerjian was absent.

AMENDMENT TO AGENDA:

APPROVAL OF MINUTES: December 7, 2016 Parks & Recreation Advisory Board meeting minutes were Moved to approval 1st by Rooney 2nd by Lippert motion passed to approve.

CORRESPONDENCE: None

PERSON'S TO BE HEARD:

BOARD MEMBER REPORTS:

- Board Member Martin reported local contractor developed new idea for Mount Dewey Sign installation and would be proposing that to the director in next meeting.
- Board Member Padilla suggested and inspired a higher level of engagement from the board members. Suggested that she would be more involved in the grant application process in the coming weeks.
- Anne Luktemeyer is interested in learning more about Parks Logo for Community Outdoor Work Project
- Board member reported community member Padilla is interested in volunteered time removing alders in the volunteer park location.

DIRECTOR'S REPORT

- Elementary Swim Lessons are continuing
- WPR will be hosting a lifeguard course in April with night sessions
- Working to establish a facility use agreement with WSC-swim club
- WPR will be hosting the 1ST Annual Masters Swimming Dinner
- Wolfpack Wrestling begins this month
- The new bleachers will be addressed in the spring. Modifications to the roof need to be made prior to lifting again.

UNFINISHED BUSINESS

- A. Developing a Community Work Plan
 - a. Grant Applications
 - a. First Bank,
 - b. Wells Fargo
 - c. Rasmuson


- d. Tongass Credit Union
- b. Managing Community Contributions
 - a. Director met with local CVB board about Parks Project. CVB expressed interest in remodeling the downtown bathrooms. Additionally, recommendations were made for sponsorship levels, alternate workday and fundraising.
 - b. Target goal of \$20,000 for Volunteer Park
 - c. Lippert suggested prioritizing project list
- c. Community Work Day Committees were formed to focus on aspect of the project between meetings.
 - a. Padilla will work with Director on Grant Application
 - b. Rooney will work on Sponsorship package
 - c. Lippert/Padilla will with Director on Parks Policies
 - d. Martin/Padilla will work with Director on marketing

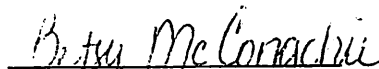
NEW BUSINESS

- A. WPR Parks Policies
- B. In 2014 under the leadership of Director Amber Al Haddad the board began reviewing the Parks Policies. The policies were left in draft form during the transition of leadership. The Director proposed that the policies be reviewed under the current board and formally adopted after the review process. The Parks Project is an excellent time to establish sound policies for public park operations.
- C. The following policies should be reviewed along with the City's municipal code to ensure consistency; litter, alcohol, smoking, political speech, animals, fireworks, tree ordinance.
- D. The director is recommending a no smoking policy within Public Park locations.

CLOSING

- A. Next agenda items- February 16, 2017 @ 7PM
 - a. Parks Policies
 - b. Budget
 - c. Community Work Plan
- B. Adjourn meeting-8:05


Chairman
Holly Padilla


Recording Secretary
Betsy McConachie

CITY OF WRANGELL
TRAVEL SUMMARY FOR MONTH OF AUGUST 20 16 - FEBRUARY 26, 2017

[illegible]

City and Borough of Wrangell, Alaska

**Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended June 30, 2016**

City and Borough of Wrangell, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information
and Single Audit Reports
Year Ended June 30, 2016

City and Borough of Wrangell, Alaska

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Tel: 907-278-8878
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www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Borough Assembly
City and Borough of Wrangell

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell, Alaska (the Borough), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell, Alaska, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 17, the budgetary comparison information on pages 62 through 64, and the Schedules of Net Pension Liability and Pension Contributions on pages 65 through 67, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City and Borough of Wrangell's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules listed in the table of contents for the year ended June 30, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Schedule of State Financial Assistance is required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City and Borough of Wrangell as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 15, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2017, on our consideration of City and Borough of Wrangell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City and Borough of Wrangell's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 7, 2017

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Management's Discussion and Analysis

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis Year Ended June 30, 2016

As management of the City and Borough of Wrangell (the Borough), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Borough for the fiscal year ended June 30, 2016. The intent of the Management's Discussion and Analysis (MD&A) is to provide the reader with some comparative discussion and analysis. We encourage readers to consider the information presented here in conjunction with the Borough financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the City and Borough of Wrangell exceeded its liabilities and deferred inflows at the close of the most current fiscal year by \$102,332,479 (total net position). Of this amount, \$13,397,325 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. Total net position decreased by \$1,890,813.
- As of the close of business of the current fiscal year, the City and Borough of Wrangell's governmental funds reported combined ending fund balances of \$22,213,382; of this total, \$7,291,134 is unassigned and available for spending at the government's discretion.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City and Borough of Wrangell's basic financial statements. The Borough's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Borough's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the City and Borough of Wrangell is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Borough that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Borough include general government, public safety, public works, parks and recreation, library, community services and education. The business-type activities of the City and Borough of Wrangell include water, sewer, electric, port and harbors, and sanitation/landfill operations.

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

The government-wide financial statements include not only the City and Borough of Wrangell itself (known as the primary government), but also a legally separate school district and a legally separate hospital for which the City and Borough of Wrangell is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Government-wide financial statements can be found on pages 20 and 21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City and Borough of Wrangell can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Borough maintains 16 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Permanent Fund, and National Forest Receipts Fund, which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. The 12 nonmajor governmental funds include Transient Tax Fund, Sales Tax Fund, Swimming Pool Fund, Museum Fund, Theater Fund, Miscellaneous Grants Fund, Debt Service Fund, Residential Construction Fund, Industrial Construction Fund, Miscellaneous Capital Projects Fund, School Renovation Fund, and the Economic Recovery Capital Projects Fund. The combining financial statements presentation for these 12 nonmajor funds can be found on pages 70 and 71 of this report.

The Borough adopts an annual appropriated budget for its General Fund, most special revenue funds and Debt Service Fund. Budgetary comparison statements have been provided in the basic financial statements for the General Fund, Permanent Fund, and National Forest Receipts Fund, to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary Funds. The Borough maintains enterprise funds, a type of proprietary fund, to report the same functions presented as business-type activities in the government-wide financial statements. The Borough uses enterprise funds to account for its water, sewer, electric, port and harbors, and sanitation operations.

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, electric, port and harbors, and sanitation operations. Based on total activity in these funds, all except the sanitation fund are considered to be major funds of the Borough.

The basic proprietary fund financial statements can be found on pages 26-29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-59 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City and Borough of Wrangell's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 61-67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 70 to 71. Other combining and individual fund statements and schedules can be found on pages 74 through 122.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets and deferred outflows exceeded liabilities and deferred inflows by \$102,332,479 at the close of the most recent fiscal year. This was a decrease of \$1,890,813 from the previous year.

By far the largest portion of the City and Borough of Wrangell's net position (76%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City and Borough of Wrangell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City and Borough of Wrangell's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

Table A-1
City and Borough of Wrangell's Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 23,815,018	\$ 22,950,542	\$ 12,120,577	\$ 8,781,130	\$ 35,935,595	\$ 31,731,672
Capital assets, net of depreciation	29,315,079	31,206,142	46,913,439	50,767,033	76,228,518	81,973,175
Total Assets	\$ 53,130,097	\$ 54,156,684	\$ 59,034,016	\$ 59,548,163	\$ 112,164,113	\$ 113,704,847
Deferred Outflows - related to pensions	674,600	275,370	352,899	146,012	1,027,499	421,382
Total Assets and Deferred Outflows	53,804,697	54,432,054	59,386,915	59,694,175	113,191,612	114,126,229
Liabilities						
Long-term debt outstanding	\$ 1,619,524	\$ 1,957,990	\$ 888,821	\$ 975,618	\$ 2,508,345	\$ 2,933,608
Net pension liability	4,112,239	2,889,746	2,165,743	1,532,230	6,277,982	4,421,976
Other liabilities	266,278	265,305	1,689,802	1,767,202	1,956,080	2,032,507
Total liabilities	\$ 5,998,041	\$ 5,113,041	\$ 4,744,366	\$ 4,275,050	\$ 10,742,407	\$ 9,388,091
Deferred Inflows						
Taxes collected in advance	\$ 5,580	\$ 3,957	\$ -	\$ -	\$ 5,580	\$ 3,957
Related to pensions	70,566	333,865	40,580	177,024	111,146	510,889
Total Deferred Inflows	\$ 76,146	\$ 337,822	\$ 40,580	\$ 177,024	\$ 116,726	\$ 514,846
Total Liabilities and Deferred Inflows	\$ 6,074,187	\$ 5,450,863	\$ 4,784,946	\$ 4,452,074	\$ 10,859,133	\$ 9,902,937
Net Position						
Net investment in capital assets	\$ 29,158,674	\$ 30,725,120	\$ 48,540,315	\$ 49,868,295	\$ 77,698,989	\$ 80,593,415
Restricted	11,236,165	11,249,490	-	-	11,236,165	11,249,490
Unrestricted	7,335,671	7,006,581	6,061,654	5,373,806	13,397,325	12,380,387
Total Net Position	\$ 47,730,510	\$ 48,981,191	\$ 54,601,969	\$ 55,242,101	\$ 102,332,479	\$ 104,223,292

An additional portion of the Borough's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$13,397,325 may be used to meet the government's ongoing obligations.

Net position decreased from 2015 to 2016 by a total of \$1,890,813.

Governmental Activities. The following table A-2 shows the changes in net position for 2016 with a comparison with 2015. Governmental activities net position decreased in 2016 by \$1,250,681. There were both significant increases and decreases that resulted in a net decrease and those key changes are as follows:

- Capital grants and contributions decreased by \$1,107,726 from 2015.
- Investment earnings were \$29,618 in 2016, a \$164,227 decrease from 2015.
- There were no Transfers Out in 2016, compared to \$493,102 in 2015.

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

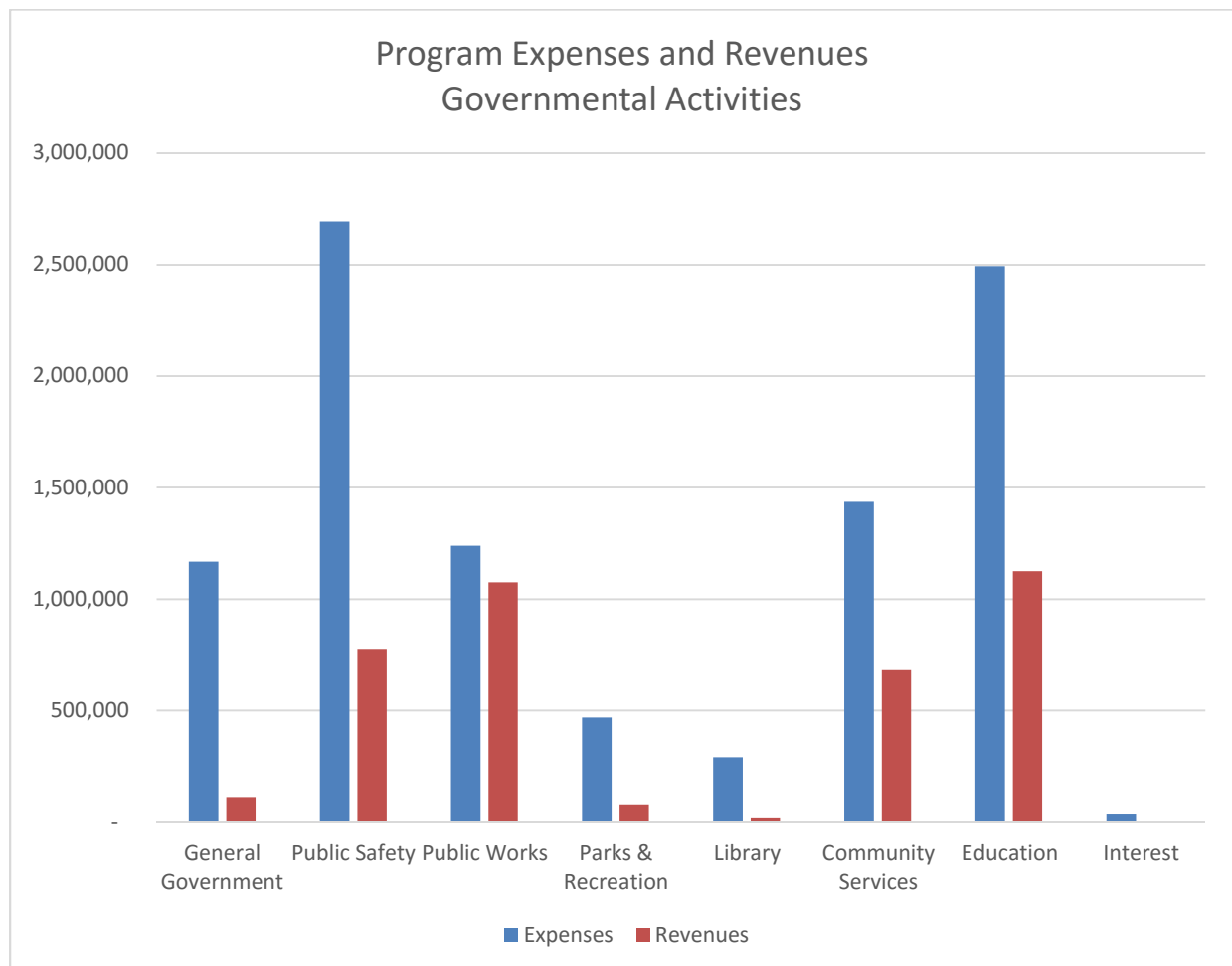
Table A-2
City and Borough of Wrangell's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 811,843	\$ 779,378	\$ 7,313,678	\$ 7,240,306	\$ 8,125,521	\$ 8,019,684
Operating grants and contributions	1,761,888	2,188,009	569,114	422,788	2,331,002	2,610,797
Capital grants and contributions	509,412	1,617,138	1,180,044	1,715,625	1,689,456	3,332,763
General revenues:						
Property taxes	1,689,923	1,620,821	-	-	1,689,923	1,620,821
Sales taxes	2,644,572	2,685,097	-	-	2,644,572	2,685,097
Other taxes	547,470	455,313	-	-	547,470	455,313
Grants & contributions not restricted to specific programs	576,834	611,268	-	-	576,834	611,268
Investment earnings	29,618	193,845	38,182	31,177	67,800	225,022
Other	4,611	7,318	-	-	4,611	7,318
Total Revenues	8,576,171	10,158,187	9,101,018	9,409,896	17,677,189	19,568,083
Expenses						
General government	\$ 1,168,359	\$ 1,037,418	\$ -	\$ -	\$ 1,168,359	\$ 1,037,418
Public safety	2,694,436	2,550,749	-	-	2,694,436	2,550,749
Public works	1,238,849	1,155,966	-	-	1,238,849	1,155,966
Parks and recreation	468,655	572,663	-	-	468,655	572,663
Library	289,694	377,821	-	-	289,694	377,821
Community service	1,435,684	1,506,092	-	-	1,435,684	1,506,092
Unallocated interest	36,759	112,885	-	-	36,759	112,885
Education	2,494,416	2,484,866	-	-	2,494,416	2,484,866
Electric utility	-	-	4,064,886	4,119,606	4,064,886	4,119,606
Water utility	-	-	1,256,059	1,097,378	1,256,059	1,097,378
Sewer utility	-	-	870,954	789,176	870,954	789,176
Sanitation utility	-	-	575,547	650,051	575,547	650,051
Port and harbors	-	-	2,973,704	2,932,797	2,973,704	2,932,797
Total Expenses	9,826,852	9,798,460	9,741,150	9,589,008	19,568,002	19,387,468
Increase (decrease) in net position before transfers	(1,250,681)	359,727	(640,132)	(179,112)	(1,890,813)	180,615
Transfers	-	(493,102)	-	493,102	-	-
Increase in net position	(1,251,675)	(133,375)	(640,132)	313,990	(1,890,813)	180,615
Net Position, beginning	48,981,191	49,114,566	55,242,101	54,928,111	104,223,292	104,042,677
Net Position, ending	\$47,730,510	\$ 48,981,191	\$54,601,969	\$55,242,101	\$ 102,332,479	\$ 104,223,292

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

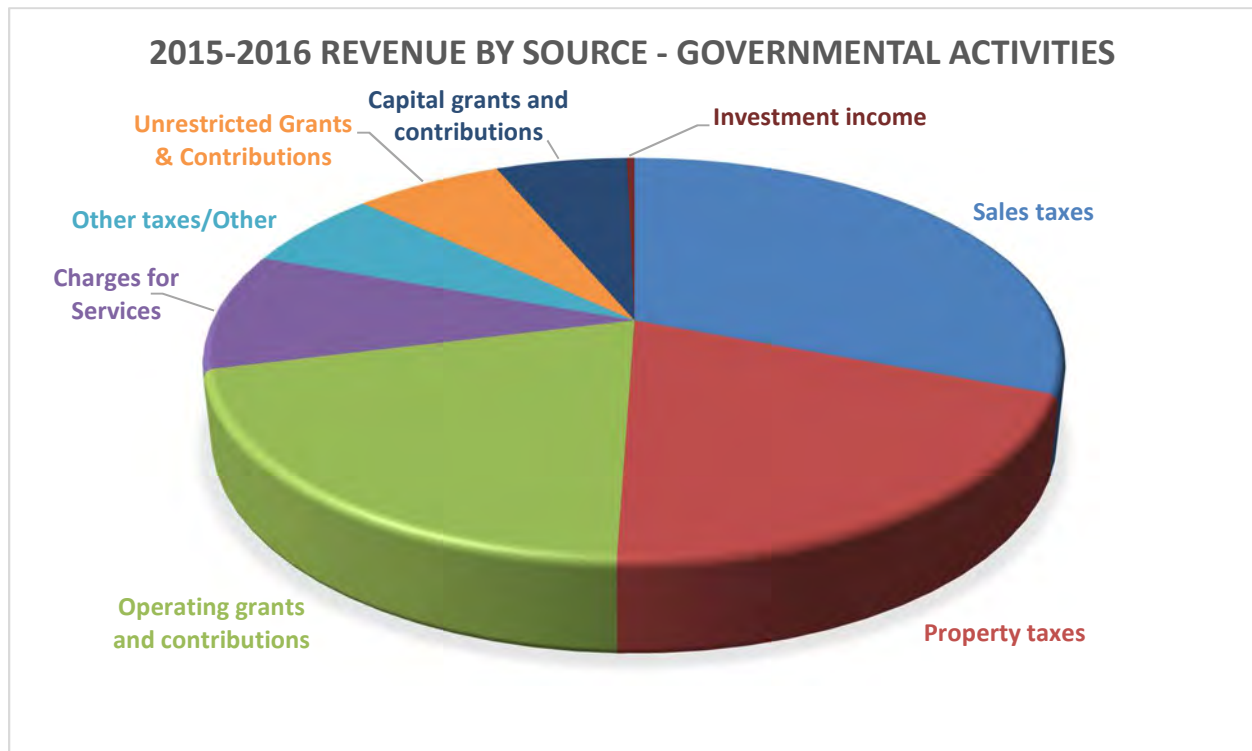
The following graph shows the governmental activities expenses and the related revenues dedicated to each activity. This shows the amount of dedicated revenues associated with the various kinds of activities. Other revenues also support governmental activities, but are general in nature and apply to all categories. They include property and sales taxes, payments in lieu of taxes, investment income, and other general revenues. This graph provides a picture of the information that can be found on page 21 of the financial statements.



The following graph shows the percentages of all revenue sources for governmental activities. Sales taxes represent the largest revenue stream, totaling \$2,644,572 or 31% of total governmental activities revenues. Operating grants and contributions were \$1,761,888 (21%). Property taxes totaled \$1,689,923 (20%). Capital grants and contributions were \$509,412 (6%) in 2016. Capital grants and contributions had the largest decrease by revenue source over 2015 (\$1,107,726). Sales taxes decreased \$40,525 from 2015. Operating grants and contributions decreased \$426,121 over 2015. Property taxes increased \$69,102 over 2015. Investment income decreased by 164,227 compared to 2015.

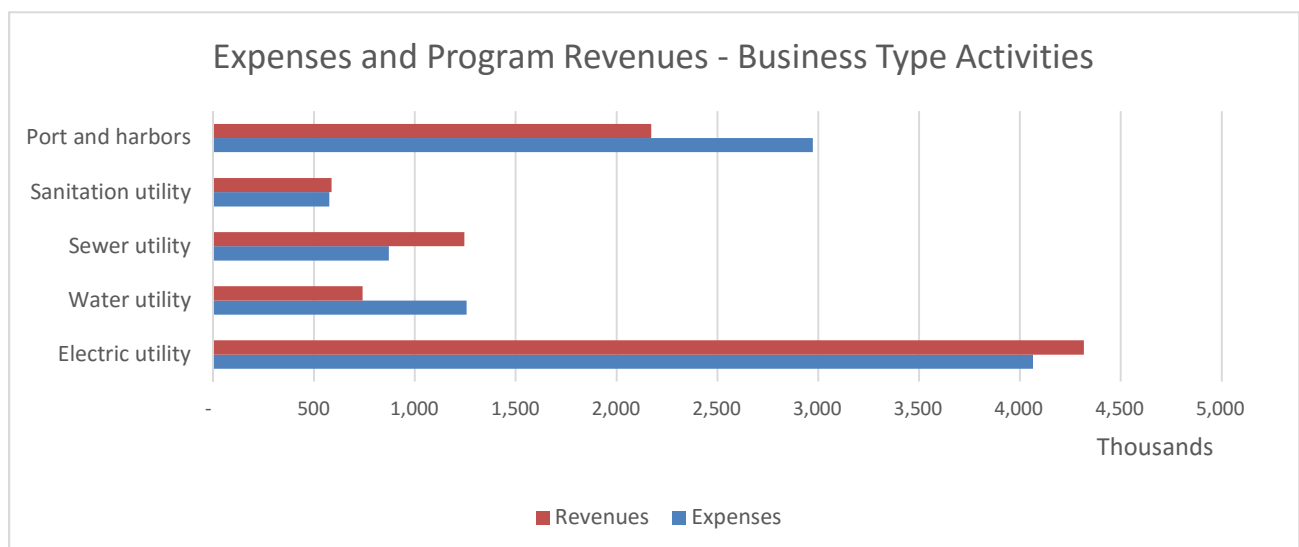
City and Borough of Wrangell, Alaska

Management's Discussion and Analysis



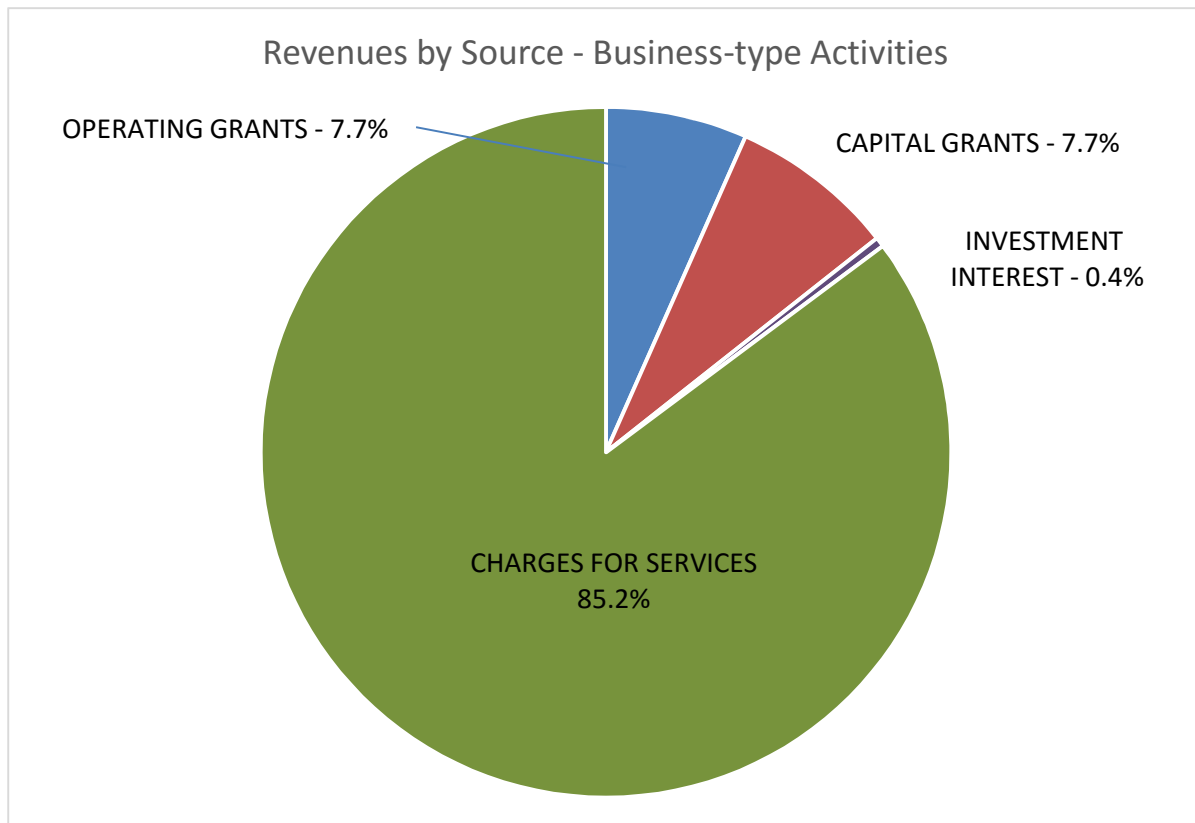
Business-type Activities. Business-type activities decreased the City and Borough of Wrangell's net position by \$640,132. Much of this decrease can be attributed to decreased level of capital construction activity and depreciation of existing assets, particularly in the Water and Port & Harbors funds relative to the prior year, and increased reflection of net pension liabilities pursuant to new accounting requirements.

The following graph shows expenses and program revenues for all of the business-type activities. Not included in the program revenues are investment earnings and transfers. The Water Utility Fund, Sewer Utility Fund and Sanitation Utility Fund show more expenses than revenues. The following pie graph shows all revenue sources for business-type activities.



City and Borough of Wrangell, Alaska

Management's Discussion and Analysis



Financial Analysis of the Government's Funds

As noted earlier, the Borough uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Borough's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Borough's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$22,213,382, an increase of \$859,072 in comparison with the prior year. The General Fund showed an increase of \$609,615. The National Forest Receipts Fund showed an increase of \$42,182. The Permanent Fund showed a decrease of \$38,486. Fund balances of combined non-major funds increased by 245,761.

The City and Borough of Wrangell's total fund balance is made up of five classifications. The five classifications are nonspendable, restricted, committed, assigned and unassigned.

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

A complete description of each classification can be found on page 35 and 36. The first classification is the nonspendable fund balance which makes up 1% of the total fund balance. Restricted fund balance represents 51% of the total fund balance. Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Committed is a classification for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Borough Assembly. This classification represents 13% of the total fund balance. Assigned fund balance represents 2%. Unassigned fund balance represents \$7,291,134 or 33% of the total fund balance.

The General Fund is the chief operating fund of the City and Borough of Wrangell. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,304,407, while total fund balance was \$7,435,193. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 174% of total General Fund expenditures. Total fund balance to total expenditures was 132% in 2015 and 177% in 2016, due primarily to State actions taken with respect to the unfunded pension liability and their impact on financial statements.

The total fund balance of the City and Borough of Wrangell's General Fund increased by \$609,615 during the current fiscal year. Greater than anticipated tax revenue and Payments In Lieu Of Taxes, changes in State of Alaska contributions toward the unfunded pension liability, as well as projected capital expenditures that were ultimately not expended in the current year, account for most of this increase, with the remainder coming from a variety of positive expenditure and revenue variances. The Permanent Fund had a decrease in fund balance in the amount of \$38,496. The National Forest Receipts Fund has an increase in fund balance of \$42,182.

Proprietary Funds. The City and Borough of Wrangell's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Electric Utility Fund's unrestricted net position was \$1,232,824, an increase of \$404,127. Overall net position increased by \$262,405 for the electric utility.

The Water Utility Fund's unrestricted net position was \$1,176,250 out of a total net position of \$6,802,222. The remainder represents net investment in capital assets. An original amount of \$847,052 was set aside to make all of the note payments for the Department of Environmental Conservation loan that assisted in building the water treatment plant. However, because this was not a constraint imposed by the creditor, it is typically not included in restricted net position. It should also be noted that the Water Fund's cash and investments show a decrease because this DEC reserve amount was reinvested into a time deposit during the year.

The Sewer Utility Fund has an unrestricted net position of \$33,847. This is a decrease of \$238,759 from the previous year, in part due to the net pension liability and also because of significant capital improvements on two pump stations during the year for which the Borough expects to receive additional federal funding, but because the loans involved were not closed before the end of the fiscal year, will not be reflected until next year.

The Sanitation Utility Fund has an unrestricted deficit of \$15,071. This was an increase of \$75,589 from the prior year.

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

The Port Fund has unrestricted net position of \$3,633,804. This is an increase of \$615,688 from the previous year. Total net position decreased by \$780,935; however the net pension liability decreased the unrestricted portion. A significant portion of this increase resulted from the increase to property, plant and equipment that was grant funded.

General Fund Budgetary Highlights

The overall difference in the final budget and actual was a positive variance of \$473,133. The major positive and negative components of the 2016 fiscal year are as follows:

- The 2016 Fiscal Year propose and adopted budget was balanced with the expectation of performing \$325,000 in renovations to the public safety building's court space leased to the State of Alaska. That cost was tentatively agreed to be repaid by the state over the 20-year course of its lease. However all bids for this work exceeded acceptable bidding thresholds and this project plan was discontinued, resulting in the largest difference between budgeted and actual expenditures.
- Sales taxes, property taxes and Payments In Lieu of Taxes had a cumulative positive variance of \$120,894 (page 75).
- Due to State of Alaska measures taken last year to stabilize the PERS unfunded liability, State of Alaska on-behalf payments were less than expected relative to the prior year, however this corresponds to lower than budgeted PERS expenditures.

Capital Assets and Debt Administration

Capital Assets. The Borough's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$79,848,676 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, and construction in progress. This is a decrease from the previous year of \$3,311,177.

Most of the following major capital additions were funded by capital grants:

- Commercial Passenger Vessel Facility
- Cassiar Street & Utility Improvements
- Wood Street

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City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

City and Borough of Wrangell's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Land and land improvements	\$ 1,186,678	\$ 1,186,678	\$ 959,233	\$ 959,233	\$ 2,145,911	\$ 2,145,911
Infrastructure	11,454,009	11,618,328	-	-	11,454,009	11,618,328
Buildings	14,349,081	15,864,911	2,515,187	2,705,623	16,864,268	18,570,534
Improvements other than buildings	2,406,289	2,572,778	42,690,831	43,484,288	45,097,120	46,057,066
Machinery and equipment	1,105,700	1,150,125	1,707,421	1,948,600	2,813,121	3,098,725
Construction in progress	-	-	1,474,247	1,669,289	1,474,247	1,669,289
Total Capital Assets	\$ 30,501,757	\$ 32,392,820	\$ 49,346,919	50,767,033	\$ 79,848,676	\$ 83,159,853

Additional information on the Borough's capital assets can be found in note 6 on pages 42 through 44 of this report.

Long-term Debt. At the end of the current fiscal year, the Borough had total long-term debt outstanding of \$8,688,244. Of this amount, the largest portion represents a net pension liability of \$6,277,982. \$1,245,000 comprises debt backed by the full faith and credit of the government (i.e., general obligation bonds). \$358,658 is for accrued leave due to current employees. The remainder of the Borough's debt represents bonds and loans secured solely by specified revenue sources (i.e., revenue bonds) in the amount of \$806,604. It should be noted that loans owed by the Port Fund to the General Fund and Permanent Fund totaling \$177,804 are not included in these amounts.

City and Borough of Wrangell's Outstanding Debt General Obligation Bonds, Revenue Bonds, Loans, and Other Long-term Debt

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 1,245,000	\$ 1,550,000	\$ -	\$ -	\$ 1,245,000	1,550,000
Accrued leave	276,441	290,290	82,217	76,880	358,658	367,170
Revenue bonds	-	-	376,229	386,066	376,229	386,066
Loans, long-term	-	-	430,375	512,672	430,375	512,672
Net pension liability	4,112,239	2,889,746	2,165,743	1,532,230	6,277,982	4,421,976
Total Long-term Debt	\$ 5,633,680	\$ 4,730,036	\$ 3,054,564	\$ 2,507,848	\$ 8,688,244	\$ 7,237,884

The Borough's general obligation bonds decreased by \$305,000. The Borough's business-type revenue bonds and loans decreased by a total of \$92,134. Of the total revenue bonds and loans outstanding of \$806,604, the Borough has restricted cash for bond and loan redemption sufficient to retire the debt.

City and Borough of Wrangell, Alaska

Management's Discussion and Analysis

Additional information on the Borough's long-term debt can be found in note 8 on pages 46 through 48.

Economic Factors and the Next Year's Budget and Rates

- State of Alaska funding for the community jail was reduced by \$266,134 in 2015, a 45% reduction in from the prior year, and the Borough has been informed that this reduced funding level will be carried forward into 2017.
- State of Alaska Revenue Sharing, otherwise known as Municipal Assistance Revenue, was reduced by \$189,193 in the current year.
- Barring a rapid rebound in oil prices, the Borough has been notified by the State of Alaska that it should expect Revenue Sharing/Municipal Assistance to remain at a 30-40% reduced funding level relative to 2014 and 2015 fiscal years.
- The General Fund was budgeted for 2016-2017 with a budgeted surplus of \$2,115. The mill rate remains at 12.75 mills, unchanged from 2007.
- Water, Sewer and Sanitation rates have been increased annually pursuant to recommendations from a comprehensive 2011 rate study. Water and sewer rates have no further scheduled rate increases beyond the fiscal year ending June 30, 2016. The sanitation rates will increase by 3% in fiscal year 2017, which is the last such increase recommended by the aforementioned study. The financial condition of the Sewer Fund is relatively stable, but the near-term infrastructure needs of the Sanitation and Water funds continue to significantly exceed reserves and projected revenues.
- Electric utility rates were increased by 7% in fiscal year 2015. Several capital priorities for this utility are anticipated to be able to be funded from reserves, however the utility's projected need for an additional backup diesel generator would may a combination of further rate increases or bonding. No electric rate increases are currently planned or scheduled.
- Total sales tax revenue was \$2,644,572 in 2016, exceeding the approved budget by \$119,572. Sales tax was budgeted for \$2,625,000 in 2016-2017.

Many of these issues were discussed, along with many others in the preparation of the 2016 fiscal year budget which can be accessed on our website, www.wrangell.com.

Requests for Information

This financial report is designed to provide a general overview of the City and Borough of Wrangell's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City and Borough of Wrangell, Attn: Finance Director, Box 531, Wrangell, Alaska 99929.

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Basic Financial Statements

City and Borough of Wrangell, Alaska

Statement of Net Position

	Primary Government			Component Units	
	Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools	Wrangell Medical Center
<i>June 30, 2016</i>					
Assets and Deferred Outflows of Resources					
Assets					
Cash and investments	\$ 21,138,255	\$ 6,988,275	\$ 28,126,530	\$ 1,609,747	\$ 83,745
Receivables, net of allowance for doubtful accounts:					
Property and sales taxes	726,599	-	726,599	-	-
Accounts	187,958	476,518	664,476	184,896	3,214,090
Grants and shared revenues	206,466	84,187	290,653	-	-
Land sales and improvements	64,273	-	64,273	-	-
Accrued interest	41,735	242	41,977	25,166	-
Internal balances	177,804	(177,804)	-	-	-
Inventories	85,250	162,820	248,070	184,860	159,029
Restricted cash and investments	-	2,152,859	2,152,859	19,080	35,481
Capital assets:					
Land, land improvements and construction in progress	1,186,678	2,433,480	3,620,158	-	-
Other capital assets, net of depreciation	29,315,079	46,913,439	76,228,518	-	2,223,969
Total Assets	53,130,097	59,034,016	112,164,113	2,023,749	5,716,314
Deferred Outflows of Resources, related to pensions	674,600	352,899	1,027,499	817,383	-
Total Assets and Deferred Outflows of Resources	\$ 53,804,697	\$ 59,386,915	\$ 113,191,612	\$ 2,841,132	\$ 5,716,314
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities					
Accounts payable	\$ 134,666	\$ 213,613	\$ 348,279	\$ 20,550	\$ 616,253
Customer utility deposits	-	98,745	98,745	-	-
Accrued interest payable	13,083	4,895	17,978	25,063	442,348
Unearned revenue	118,529	1,372,549	1,491,078	2,018	-
Noncurrent liabilities:					
Due within one year:					
Accrued leave	276,441	82,217	358,658	38,335	-
Bonds and loans	255,000	93,854	348,854	-	-
Due in more than one year:					
Unamortized bond premium	98,083	-	98,083	-	-
ADEC loan	-	346,844	346,844	-	-
Bonds	990,000	365,906	1,355,906	-	-
Net pension liability	4,112,239	2,165,743	6,277,982	3,716,645	-
Total Liabilities	5,998,041	4,744,366	10,742,407	3,802,611	1,058,601
Deferred Inflows of Resources					
Related to pensions	70,566	40,580	111,146	148,601	-
Taxes collected in advance	5,580	-	5,580	-	-
Total Deferred Inflows of Resources	76,146	40,580	116,726	148,601	-
Total Liabilities and Deferred Inflows of Resources	6,074,187	4,784,946	10,859,133	3,951,212	1,058,601
Net Position					
Net investment in capital assets	29,158,674	48,540,315	77,698,989	184,860	1,812,363
Restricted	11,236,165	-	11,236,165	-	-
Unrestricted	7,335,671	6,061,654	13,397,325	(1,294,940)	2,845,350
Total Net Position	47,730,510	54,601,969	102,332,479	(1,110,080)	4,657,713
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 53,804,697	\$ 59,386,915	\$ 113,191,612	\$ 2,841,132	\$ 5,716,314

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Statement of Activities

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government			Component Units	
					Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools	Wrangell Medical Center
Year Ended June 30, 2016	Expenses								
Functions									
Primary Government									
Governmental activities:									
General government	\$ 1,168,359	\$ 75,967	\$ 35,806	\$ -	\$ (1,056,586)	\$ -	\$ (1,056,586)		
Public safety	2,694,436	360,877	416,103	-	(1,917,456)	-	(1,917,456)		
Public works	1,238,849	80,304	44,649	160,526	(953,370)	-	(953,370)		
Parks and recreation	468,655	72,509	5,620	-	(390,526)	-	(390,526)		
Library	289,694	-	20,460	-	(269,234)	-	(269,234)		
Community services	1,435,684	222,186	114,377	348,886	(750,235)	-	(750,235)		
Education	2,494,416	-	1,124,873	-	(1,369,543)	-	(1,369,543)		
Unallocated interest	36,759	-	-	-	(36,759)	-	(36,759)		
Total governmental activities	9,826,852	811,843	1,761,888	509,412	(6,743,709)	-	(6,743,709)		
Business-type activities:									
Electric utility	4,064,886	4,272,491	44,652	-	-	252,257	252,257		
Water utility	1,256,059	666,642	73,618	-	-	(515,799)	(515,799)		
Sewer utility	870,954	572,114	10,437	663,538	-	375,135	375,135		
Sanitation utility	575,547	578,276	8,375	-	-	11,104	11,104		
Port and harbors	2,973,704	1,224,155	432,032	516,506	-	(801,011)	(801,011)		
Total business-type activities	9,741,150	7,313,678	569,114	1,180,044	-	(678,314)	(678,314)		
Total Primary Government	\$ 19,568,002	\$ 8,125,521	\$ 2,331,002	\$ 1,689,456	(6,743,709)	(678,314)	(7,422,023)		
Component Units									
School District	\$ 6,634,384	\$ 20,849	\$ 1,281,663	\$ -			\$ (5,331,872)	\$ -	
Medical Center	11,011,017	10,642,170	270,306	-			-	(98,541)	
Total Component Units	\$ 17,645,401	\$ 10,663,019	\$ 1,551,969	\$ -			(5,331,872)	(98,541)	
General Revenues									
Taxes:									
Property taxes					1,689,923	-	1,689,923	-	-
Sales taxes					2,644,572	-	2,644,572	-	-
Payments in lieu of taxes					455,831	-	455,831	-	-
Other taxes					91,639	-	91,639	-	-
Contributions from primary government					-	-	-	1,516,288	-
Grants and entitlements not restricted to a specific purpose					576,834	-	576,834	3,584,227	-
Investment income					29,618	38,182	67,800	636	756
Other					4,611	-	4,611	-	6,226
Total General Revenues					5,493,028	38,182	5,531,210	5,101,151	6,982
Change in Net Position					(1,250,681)	(640,132)	(1,890,813)	(230,721)	(91,559)
Net Position, beginning,					48,981,191	55,242,101	104,223,292	(879,359)	4,749,272
Net Position, ending					\$ 47,730,510	\$ 54,601,969	\$ 102,332,479	\$ (1,110,080)	\$ 4,657,713

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Governmental Funds
Balance Sheet

	Major Funds				Total Govern- mental Funds
	General	Permanent Fund Special Revenue	National Forest Receipts Special Revenue	Nonmajor Funds	
<i>June 30, 2016</i>					
Assets					
Cash and investments	\$ 6,681,329	\$ 7,030,830	\$ 4,128,080	\$ 3,298,016	\$ 21,138,255
Receivables, net of allowance for doubtful accounts:					
Property and sales taxes	505,380	-	-	221,219	726,599
Accounts	187,958	-	-	-	187,958
Grants and shared revenues	2,245	-	-	204,221	206,466
Accrued interest	20,293	21,439	-	3	41,735
Land sales and improvements	-	-	-	64,273	64,273
Interfund loans receivable	130,786	47,018	-	-	177,804
Due from other funds	150,022	-	-	-	150,022
Inventory	-	-	-	85,250	85,250
Total Assets	\$ 7,678,013	\$ 7,099,287	\$ 4,128,080	\$ 3,872,982	\$ 22,778,362
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 66,278	\$ -	\$ -	\$ 68,388	\$ 134,666
Unearned revenue	79,052	-	-	39,477	118,529
Due to other funds	-	-	-	150,022	150,022
Total Liabilities	145,330	-	-	257,887	403,217
Deferred Inflows of Resources					
Delinquent property taxes	91,910	-	-	-	91,910
Taxes collected in advance	5,580	-	-	-	5,580
Land sale receivables not yet due	-	-	-	64,273	64,273
Total Deferred Inflows of Resources	97,490	-	-	64,273	161,763
Total Liabilities and Deferred Inflows of Resources	242,820	-	-	322,160	564,980
Fund Balances					
Nonspendable	130,786	47,018	-	85,250	263,054
Restricted	-	7,052,269	4,128,080	55,816	11,236,165
Committed	-	-	-	2,940,640	2,940,640
Assigned	-	-	-	482,389	482,389
Unassigned (deficit)	7,304,407	-	-	(13,273)	7,291,134
Total Fund Balances	7,435,193	7,099,287	4,128,080	3,550,822	22,213,382
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,678,013	\$ 7,099,287	\$ 4,128,080	\$ 3,872,982	\$ 22,778,362

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2016

Total fund balances for governmental funds \$ 22,213,382

Total net position reported for governmental activities in the
Statement of Net Position is different because:

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

Land and land improvements	\$ 1,186,678	
Infrastructure	14,345,907	
Buildings	48,321,950	
Improvements other than buildings	6,253,302	
Machinery and equipment	6,013,930	
Accumulated depreciation	(45,620,010)	
Total capital assets		30,501,757

Other long-term assets are not available to pay for current
period expenditures and therefore are deferred in the funds.

These assets consist of:

Delinquent property taxes receivable	91,910	
Deferred land sales and improvements receivable	64,273	
Total long-term assets		156,183

Long-term liabilities, including bonds payable and net pension liability
are not due and payable in the current period and therefore are
not reported as fund liabilities. These liabilities consist of:

General obligation bonds payable	(1,245,000)	
Unamortized bond premium	(98,083)	
Accrued interest on bonds	(13,083)	
Accrued leave	(276,441)	
Net pension liability	(4,112,239)	
Total long term liabilities		(5,744,846)

Certain changes in net pension liabilities are deferred rather than
recognized immediately. These items are amortized over time.

Deferred outflows related to pensions	674,600	
Deferred inflows related to pensions	(70,566)	
Total deferred pension items		604,034

Total Net Position of Governmental Activities		\$ 47,730,510
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See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

	Major Funds				
		Permanent Fund Special Revenue	National Forest Receipts Special Revenue	Nonmajor Funds	Total Govern- mental Funds
Year Ended June 30, 2016	General				
Revenues					
Property taxes, penalties and interest	\$ 1,676,229	\$ -	\$ -	\$ -	\$ 1,676,229
Payments in lieu of taxes	455,831	-	-	-	455,831
Sales taxes, penalties and interest	1,804,621	-	-	839,951	2,644,572
Transient taxes	-	-	-	91,639	91,639
Intergovernmental	1,034,163	-	922,952	739,551	2,696,666
Charges for services	272,833	-	-	254,366	527,199
Sales and leases	194,777	31,440	-	24,762	250,979
Investment income (loss)	33,708	(67,333)	23,095	40,148	29,618
Land sales and improvements	-	-	-	14,188	14,188
Fines and forfeitures	5,989	-	-	-	5,989
Donations and contributions	-	-	-	100,000	100,000
Other	8,335	-	-	6,080	14,415
Total Revenues	5,486,486	(35,893)	946,047	2,110,685	8,507,325
Expenditures					
Current:					
General government	952,318	-	-	-	952,318
Public safety	2,110,906	-	-	137,121	2,248,027
Public works	648,964	-	-	-	648,964
Parks and recreation	50,851	-	-	455,996	506,847
Library	259,422	-	-	-	259,422
Community services	177,573	2,593	-	657,768	837,934
Education - contributions to school district	-	-	848,488	667,800	1,516,288
Debt service:					
Principal	-	-	-	305,000	305,000
Interest	-	-	-	56,376	56,376
Capital outlay	-	-	-	317,077	317,077
Total Expenditures	4,200,034	2,593	848,488	2,597,138	7,648,253
Excess of Revenues Over (Under) Expenditures	1,286,452	(38,486)	97,559	(486,453)	859,072
Other Financing Sources (Uses)					
Transfers in	55,377	-	-	771,214	826,591
Transfers out	(732,214)	-	(55,377)	(39,000)	(826,591)
Net Other Financing Sources (Uses)	(676,837)	-	(55,377)	732,214	-
Net Change in Fund Balances	609,615	(38,486)	42,182	245,761	859,072
Fund Balances, beginning	6,825,578	7,137,773	4,085,898	3,305,061	21,354,310
Fund Balances, ending	\$ 7,435,193	\$ 7,099,287	\$ 4,128,080	\$ 3,550,822	\$ 22,213,382

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska
Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities
Year Ended June 30, 2016

Net change in fund balances - total governmental funds \$ 859,072

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation (\$2,255,205) and loss on disposal of capital assets (\$42,109) exceeded capital outlays (\$406,251). (1,891,063)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the decrease in other long-term receivables. (493)

The repayment of the principal of long-term debt consumes current financial resources in governmental funds. Also, governmental funds report the effect of bond premiums when the debt is first issued, whereas this amount is deferred and amortized in the Statement of Activities. In addition, accrued interest is not recorded in the fund financial statements. This is the change in bond-related transactions:

Principal payments	\$	305,000	
Net decrease in bond premium		19,617	
Decrease in accrued interest		3,301	
		327,918	327,918

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.

Decrease in accrued leave		13,849	
Increase in net pension obligation and related accounts		(559,964)	
		(546,115)	(546,115)

Change in Net Position of Governmental Activities \$ (1,250,681)

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Net Position

June 30, 2016	Major Funds				Nonmajor Fund	Total
	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Enterprise Funds
Assets and Deferred Outflows of Resources						
Current Assets						
Cash and investments	\$ 2,015,947	\$ 487,495	\$ 159,997	\$ 4,214,333	\$ 110,503	\$ 6,988,275
Receivables, net of allowance for doubtful accounts:						
Accounts	249,861	52,072	51,645	75,564	47,376	476,518
Grants	-	23,177	-	61,010	-	84,187
Accrued interest	-	57	35	150	-	242
Inventories	162,820	-	-	-	-	162,820
Total Current Assets	2,428,628	562,801	211,677	4,351,057	157,879	7,712,042
Restricted Cash and Investments	-	755,270	25,040	1,372,549	-	2,152,859
Property, plant and equipment	7,074,644	16,653,110	12,465,427	57,504,793	1,445,174	95,143,148
Less accumulated depreciation	(5,140,499)	(10,408,655)	(8,631,620)	(20,732,405)	(883,050)	(45,796,229)
Net Property, Plant and Equipment	1,934,145	6,244,455	3,833,807	36,772,388	562,124	49,346,919
Total Assets	4,362,773	7,562,526	4,070,524	42,495,994	720,003	59,211,820
Deferred Outflows of Resources related to pensions	166,361	22,318	36,269	98,410	29,541	352,899
Total Assets and Deferred Outflows of Resources	\$ 4,529,134	\$ 7,584,844	\$ 4,106,793	\$ 42,594,404	\$ 749,544	\$ 59,564,719
Liabilities, Deferred Inflows of Resources, and Net Position						
Current Liabilities						
Accounts payable	\$ 166,131	\$ 11,413	\$ 2,281	\$ 15,739	\$ 18,049	\$ 213,613
Accrued leave	37,564	6,437	15,872	19,006	3,338	82,217
Customer utility deposits	89,200	9,545	-	-	-	98,745
Accrued interest payable	-	3,212	1,683	-	-	4,895
Unearned revenue	-	-	-	1,372,549	-	1,372,549
Current portion of bonds and loans	-	88,693	5,161	-	-	93,854
Interfund loans payable	-	-	-	34,959	-	34,959
Total Current Liabilities	292,895	119,300	24,997	1,442,253	21,387	1,900,832
Long-term Liabilities, net of current portion						
Revenue bonds	-	182,946	182,960	-	-	365,906
ADEC loan	-	346,844	-	-	-	346,844
Interfund loans payable	-	-	-	142,845	-	142,845
Net pension liability	1,044,269	132,173	216,631	594,241	178,429	2,165,743
Total Long-term Liabilities	1,044,269	661,963	399,591	737,086	178,429	3,021,338
Total Liabilities	1,337,164	781,263	424,588	2,179,339	199,816	4,922,170
Deferred Inflows of Resources, related to pensions	25,001	1,359	2,672	8,873	2,675	40,580
Net Position						
Net investment in capital assets	1,934,145	5,625,972	3,645,686	36,772,388	562,124	48,540,315
Unrestricted (deficit)	1,232,824	1,176,250	33,847	3,633,804	(15,071)	6,061,654
Total Net Position	3,166,969	6,802,222	3,679,533	40,406,192	547,053	54,601,969
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,529,134	\$ 7,584,844	\$ 4,106,793	\$ 42,594,404	\$ 749,544	\$ 59,564,719

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2016	Major Funds				Nonmajor Fund	Total
	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Enterprise Funds
Operating Revenues						
Charges for services	\$ 3,899,255	\$ 623,594	\$ 571,738	\$ 1,224,155	\$ 578,169	\$ 6,896,911
Operating Expenses						
Salaries and employee benefits	951,069	148,882	237,311	686,936	198,935	2,223,133
Other operating expenses	2,825,418	438,127	209,286	367,678	312,729	4,153,238
Depreciation	285,912	644,418	415,024	1,919,090	63,821	3,328,265
Total Operating Expenses	4,062,399	1,231,427	861,621	2,973,704	575,485	9,704,636
Income (Loss) from Operations	(163,144)	(607,833)	(289,883)	(1,749,549)	2,684	(2,807,725)
Nonoperating Revenues (Expenses)						
Investment income	10,148	5,288	2,006	20,076	664	38,182
Interest expense	(2,487)	(17,266)	(9,333)	-	-	(29,086)
State PERS relief	44,652	6,494	10,437	27,910	8,375	97,868
Pilot study grant	-	67,124	-	-	-	67,124
Other revenues	373,236	43,048	376	404,122	107	820,889
Other expenses	-	(7,366)	-	-	(62)	(7,428)
Net Nonoperating Revenues (Expenses)	425,549	97,322	3,486	452,108	9,084	987,549
Income (Loss) Before Contributions	262,405	(510,511)	(286,397)	(1,297,441)	11,768	(1,820,176)
Capital contributions	-	-	663,538	516,506	-	1,180,044
Change in Net Position	262,405	(510,511)	377,141	(780,935)	11,768	(640,132)
Net Position, beginning	2,904,564	7,312,733	3,302,392	41,187,127	535,285	55,242,101
Net Position, ending	\$ 3,166,969	\$ 6,802,222	\$ 3,679,533	\$ 40,406,192	\$ 547,053	\$ 54,601,969

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Cash Flows

Year Ended June 30, 2016	Major Funds				Nonmajor Fund	Total
	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Enterprise Funds
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 4,280,720	\$ 716,228	\$ 569,474	\$ 1,223,692	\$ 576,358	\$ 7,366,472
Payments for interfund services used	(104,219)	(94,192)	(49,994)	(45,118)	(74,764)	(368,287)
Payments to suppliers	(2,742,876)	(362,285)	(163,328)	(366,926)	(253,279)	(3,888,694)
Payments to employees	(771,996)	(120,213)	(193,114)	(577,251)	(167,062)	(1,829,636)
Net cash flows from operating activities	661,629	139,538	163,038	234,397	81,253	1,279,855
Cash Flows from Noncapital Financing Activities						
Noncapital grants received	-	-	-	-	442	442
Noncapital grant expense	-	-	-	-	(62)	(62)
State fish taxes received	-	-	-	404,122	-	404,122
Net cash flows from noncapital financing activities	-	-	-	404,122	380	404,502
Cash Flows from (for) Capital and Related Financing Activities						
Purchase of property, plant and equipment	(144,190)	(215,488)	(1,026,006)	(522,467)	-	(1,908,151)
Principal payments on long-term debt	-	(87,216)	(4,918)	(34,959)	-	(127,093)
Interest payments on long-term debt	(2,487)	(17,042)	(9,352)	-	-	(28,881)
Capital contributions received	-	-	665,852	564,733	-	1,230,585
Net cash flows from (for) capital and related financing activities	(146,677)	(319,746)	(374,424)	7,307	-	(833,540)
Cash Flows from Investing Activities						
Investment income received	10,148	5,264	2,006	20,026	664	38,108
Net Increase (Decrease) in Cash and Investments	525,100	(174,944)	(209,380)	665,852	82,297	888,925
Cash and Investments, beginning	1,490,847	1,417,709	394,417	4,921,030	28,206	8,252,209
Cash and Investments, ending	\$ 2,015,947	\$ 1,242,765	\$ 185,037	\$ 5,586,882	\$ 110,503	\$ 9,141,134
Reconciliation of Cash and Investments to Statement of Net Position						
Cash and investments:						
Current assets	\$ 2,015,947	\$ 487,495	\$ 159,997	\$ 4,214,333	\$ 110,503	\$ 6,988,275
Restricted assets	-	755,270	25,040	1,372,549	-	2,152,859
Total Cash and Investments	\$ 2,015,947	\$ 1,242,765	\$ 185,037	\$ 5,586,882	\$ 110,503	\$ 9,141,134

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Enterprise Funds

Statement of Cash Flows, continued

	Major Funds				Nonmajor Fund	Total
	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Enterprise Funds
Reconciliation of Loss from Operations to Net Cash						
Flows from Operating Activities						
Loss from operations	\$ (163,144)	\$ (607,833)	\$ (289,883)	\$ (1,749,549)	\$ 2,684	\$ (2,807,725)
Adjustments to reconcile loss from operations to net cash flows from operating activities:						
Depreciation	285,912	644,418	415,024	1,919,090	63,821	3,328,265
Noncash expense - PERS relief	44,652	6,494	10,437	27,910	8,375	97,868
Miscellaneous nonoperating revenues	373,236	110,172	376	-	-	483,784
Miscellaneous nonoperating expenses	-	(7,366)	-	-	-	(7,366)
(Increase) decrease in assets:						
Accounts receivable	11,189	(1,370)	(2,640)	(463)	(1,811)	4,905
Noncapital grants receivable	-	(16,593)	-	-	-	(16,593)
Inventories	(21,197)	-	-	-	-	(21,197)
Increase in deferred outflows related to pensions	(94,393)	(13,729)	(22,063)	(58,998)	(17,704)	(206,887)
Increase (decrease) in liabilities:						
Accounts payable	(480)	(10,984)	(4,036)	(44,256)	(15,314)	(75,070)
Accrued leave	2,025	2,918	2,814	(1,086)	(1,334)	5,337
Customer utility deposits	(2,960)	425	-	-	-	(2,535)
Net pension liability	289,042	42,040	67,560	180,659	54,212	633,513
Increase (decrease) in deferred inflows related to pension	(62,253)	(9,054)	(14,551)	(38,910)	(11,676)	(136,444)
Net Cash Flows from Operating Activities	\$ 661,629	\$ 139,538	\$ 163,038	\$ 234,397	\$ 81,253	\$ 1,279,855

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements Year Ended June 30, 2016

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Wrangell (City) was incorporated in 1903 as a home rule municipality under the laws of the State of Alaska. It operated as a home rule city until May 30, 2008, at which time it was incorporated and certified as a unified home rule borough by the State of Alaska. On May 30, 2008, the City and Borough of Wrangell (the Borough) was created and the City of Wrangell was dissolved. The City and Borough of Wrangell immediately succeeded to all rights, powers, duties, assets, and liabilities of the former City of Wrangell.

The Borough operates under an assembly-manager form of government and performs municipal duties allowed by Alaska statutes and as directed by its residents.

As required by generally accepted accounting principles, these financial statements present City and Borough of Wrangell (the primary government) and its component units. The component units discussed below are included in the Borough's reporting entity because of the significance of their operational or financial relationships with the Borough.

The component unit columns in the financial statements include the financial data of the Borough's component units. They are discretely presented in a separate column to emphasize that they are legally separate organizations from the Borough.

Wrangell Public Schools

Wrangell Public Schools is responsible for elementary and secondary education within the Borough. The voters elect the members of the School Board; however, the School District is fiscally dependent upon the Borough because the Borough Assembly approves the total annual budget of the School District, levies the necessary taxes and approves the issuance of bonds for School construction.

Wrangell Medical Center

Wrangell Medical Center provides health care, including long-term care, in the Wrangell area. The voters elect the members of the Hospital Board; however, the Borough Assembly approves the total annual budget of the Hospital and approves the issuance of bonds for construction.

Complete financial statements of individual component units can be obtained from their respective administrative offices at the addresses below:

Wrangell Public Schools
P.O. Box 2319
Wrangell, AK 99929

Wrangell Medical Center
P.O. Box 1081
Wrangell, AK 99929

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Related Organization

Thomas Bay Power Authority (TBPA), a related organization, was formed as a joint venture between the cities (now boroughs) of Petersburg and Wrangell. The function of TBPA in recent years was to operate and maintain the Tyee Lake Hydroelectric Project under contract to the Southeast Alaska Power Agency (SEAPA). TBPA had been overseen by a Commission composed of three appointed members from each community, with a seventh “at large” member chosen by the Commission.

In 2014 the two Boroughs surrendered the O&M contract to SEAPA. TBPA is now “dormant” until such time as the two communities agree on a specific task.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Borough and its component units. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and 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 operational 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.

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 Borough generally considers all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year 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 are recorded only to the extent they have matured.

Property and sales taxes, intergovernmental revenues, charges for services, sales and leases, and investment income 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when received by the government.

The Borough reports the following major funds based on the required quantitative calculations:

Major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *Permanent Fund Special Revenue Fund* accounts for monies set aside to help provide future economic stability to the citizens of Wrangell.

The *National Forest Receipts Special Revenue Fund* is established to provide for the receipt and subsequent use of National Forest Receipt monies.

Major proprietary funds:

The *Electric Utility Enterprise Fund* is used to account for the operations of the electric utility.

The *Water Utility Enterprise Fund* is used to account for the operations of the Borough water system.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

The *Sewer Utility Enterprise Fund* is used to account for the operations of the wastewater utility. The Borough has elected to report the Sewer Utility, as major based on public interest and consistency with prior years.

The *Port Enterprise Fund* is used to account for the operations of the municipal dock, boat harbors, and travel lift.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes, investment income, and State and federal entitlement revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Central Treasury

A central treasury is used to account for cash from most funds of the Borough to maximize interest income. Investments are stated at fair value. Investment earnings are allocated to most funds based on their respective cash balances. The School District and Medical Center maintain separate cash accounts from the Borough.

Cash and Cash Equivalents

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

Inventories

Inventories are valued at cost in governmental funds and at the lower of cost or market in the proprietary funds. Cost is determined by the first-in, first-out method. The cost is recorded as an expenditure or expense at the time individual inventory items are consumed.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to / from other funds” (i.e., the current portion of interfund loans) or “advances to / from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to / from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Grants and Other Intergovernmental Revenues

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

Property Taxes

Property taxes are assessed on real property on January 1 of each year. Mill rates are established annually by Borough ordinance. Taxes are levied on July 1 of each year and are due in two equal installments on August 15 and December 15. Property taxes are recorded as revenue when billed. Borough statutes call for annual foreclosures on property for delinquent taxes.

Interfund Transactions

During the course of normal operations, the Borough has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets (e.g. roads, sidewalks, etc.) were capitalized and included in capital assets for the first time during 2006. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Capital Assets, continued

Property, plant, and equipment of the Borough is depreciated using the straight line method over the following estimated useful lives:

Infrastructure	50 years
Buildings	20-40 years
Improvements other than buildings	20-50 years
Machinery and equipment	3-8 years

Long-term Debt

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Compensated Absences

The Borough allows employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since the Borough does not have a policy to pay any amounts when employees terminate employment. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

Pensions

Substantially all employees of the Borough participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska.

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.

Fund Balances

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

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

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Fund Balances, continued

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

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Borough Assembly. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the Borough's "intent" to be used for specific purposes, but are neither restricted nor committed. The Borough Assembly and Borough Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Any encumbrances outstanding at year end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above.

Unearned Grant Revenue

Amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use are shown as unearned revenue.

Comparative Data

Comparative data for the prior year have been presented in some of the accompanying individual financial statements in order to provide an understanding of changes in the Borough's financial position and operations. Certain amounts in the prior year data have been reclassified to conform to the current year's presentation.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

2. Stewardship, Compliance and Accountability

Budgetary Accounting

An operating budget is adopted each fiscal year for the General Fund, most Special Revenue Funds, and the Debt Service Fund on the same modified accrual basis used to reflect actual revenues and expenditures. Appropriations for these funds lapse at year end to the extent that they have not been expended or encumbered. Budgetary control is exercised at the department level. The Borough Manager is authorized to transfer budget amounts between line items within any department; however, any supplemental appropriations that amend the total expenditures of any department or fund require Assembly approval. The budgeted financial statements presented in this report reflect the final budget authorization, including Assembly amendments made during the year.

Budgetary comparison statements are presented as Required Supplementary Information for the following major funds: General Fund, Permanent Fund Special Revenue Fund and National Forest Receipts Special Revenue Fund.

Compliance with Bond Covenants

Certain covenants of the revenue bonds require establishment of bond redemption and bond reserve accounts. The balances in these accounts are included as restricted cash in the financial statements.

The 1997 Water Utility and Sewer Utility revenue bonds require that rates be maintained at a level that will produce net revenues at least equal to the annual debt service for each year. For the year ended June 30, 2016, the Borough met this requirement for the Water Utility and Sewer Utility.

Revenue requirements of the bonds are computed as follows:

<i>June 30, 2016</i>	Water Utility	Sewer Utility
Loss before contributions and transfers	\$ (510,511)	\$ (286,397)
Add back:		
Depreciation	644,418	415,024
Interest on bonded debt	9,369	9,333
Amount available for debt service	143,276	137,960
Requirement	14,270	14,270
Excess of Revenue Over Requirement	\$ 129,006	\$ 123,690

3. Cash and Investments

The City and Borough of Wrangell utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of "negative cash," is included in "due to other funds." The Borough also maintains water and sewer bond redemption and reserve accounts as required by the bond covenants.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2016.

	Pooled Cash and Investments	Other	Totals
Bank deposits	\$ 13,039,481	\$ 22,756	\$ 13,063,237
Investments	9,358,652	7,857,500	17,216,152
Total Cash and Investments	\$ 22,398,133	\$ 7,880,256	\$ 30,279,389
			Government- wide Statement of Net Position
Cash and investments			\$ 28,126,530
Restricted cash and investments			2,152,859
Total Cash and Investments			\$ 30,279,389

Investment Policy

The Borough's general investment policy authorizes investments in:

1. Treasury bonds, bills, notes or other general obligation evidences of indebtedness of the United States or an agency or instrumentality of the United States, or of the State of Alaska, or of other states of the United States, or of this Borough, of other cities of the State, and of boroughs of this State;
2. Fully insured or fully collateralized certificates of deposit, savings deposits, and other interest-bearing deposit accounts in member banks insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC); and/or
3. Repurchase agreements where the general checking balance at the end of each business day is used to buy a security from the bank and held overnight.

The Borough's Permanent Fund investment policy authorizes investments in:

1. Fixed income securities, including corporate notes and bonds, mortgage backed bonds, preferred stock, fixed income securities of foreign governments and corporations, and collateralized mortgage obligations;
2. Equity securities, including common stocks, convertible notes and bonds, convertible preferred stocks and other stocks;
3. Mutual funds which invest in allowable securities; and
4. Miscellaneous other assets.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Investments may be placed with or through member banks insured by the FDIC or FSLIC and broker dealers that are members of the New York Stock Exchange (NYSE), members of the Securities Investor Protection Corporation (SIPC) and registered broker dealers in Alaska.

The Permanent Fund's investment policy has the following asset allocation guidelines based on fair value:

Asset Class	Minimum	Maximum
Fixed income	30%	60%
Equities	35%	65%
Cash and cash equivalents	5%	15%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Investment maturities in general investments at June 30, 2016 are as follows:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More than 10 Years
Money market funds	\$ 34,815	\$ 34,815	\$ -	\$ -	\$ -
Certificates of deposit	7,917,689	2,375,907	5,541,782	-	-
U.S. Treasuries	289,851	96,203	145,391	48,257	-
U.S. government agencies	104,484	-	104,484	-	-
Corporate bonds	263,054	-	211,455	51,599	-
Total subject to interest rate risk	8,609,893	\$ 2,506,925	\$ 6,003,112	\$ 99,856	\$ -
Equity securities	320,087				
Total General Investments	\$ 8,929,980				

Fair Value Measurement

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

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Investments are classified in the fair value hierarchy as follows at June 30, 2016:

<i>Investment Type</i>	Level 1	Level 2	Level 3	Fair Value
U.S. Treasuries	\$ 289,851	\$ -	\$ -	\$ 289,851
U.S. government agencies	-	104,484	-	104,484
Corporate bonds	-	263,054	-	263,054
Equity securities	320,087	-	-	320,087
Total Investments at Fair Value	\$ 609,938	\$ 367,538	\$ -	\$ 977,476
Investments at amortized cost:	\$ -	\$ -	\$ -	-
Money market funds	-	-	-	34,815
Certificates of deposit	-	-	-	7,917,689
Total Investments at Amortized Cost	-	-	-	7,952,504
Total Investments	\$ -	\$ -	\$ -	\$ 8,929,980

The Borough has investments in money market funds and certificates of deposit that are not held at fair value, but instead are recorded at amortized cost, as of June 30, 2016.

Credit Risk

The Borough's general investments in corporate bonds of \$263,054 were rated as follows by Standard & Poors: \$10,184 rated AA+, \$20,372 rated AA, \$22,193 rated AA-, \$30,731 rated A+, \$49,674 rated A, \$44,910 rated A-, \$67,900 rated BBB+, \$8,987 rated BBB and \$8,103 rated BBB-. All of the Borough's investments in U.S. Treasuries are rated AAA. The U.S. government agencies are rated AA+.

Investment maturities in Permanent Fund investments at June 30, 2016 are as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10 Years
Money market funds	\$ 251,082	\$ 251,082	\$ -	\$ -	\$ -
U.S. Treasuries	1,054,052	296,463	651,629	105,960	-
U.S. government agencies	976,228	130,650	132,273	79,598	633,707
Corporate bonds	976,247	89,449	607,817	135,552	143,429
Total subject to interest rate risk	3,257,609	\$ 767,644	\$ 1,391,719	\$ 321,110	\$ 777,136
Equity securities	3,590,024				
Total Permanent Fund	\$ 6,847,633				

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Fair Value Measurement

Investments are classified in the fair value hierarchy as follows at June 30, 2016:

<i>Investment Type</i>	Level 1	Level 2	Level 3	Fair Value
Equity securities	\$ 3,590,024	\$ -	\$ -	3,590,024
Money market funds	251,082	-	-	251,082
Corporate bonds	-	976,247	-	976,247
U.S. Treasuries	1,054,052	-	-	1,054,052
U.S. government agencies	-	976,228	-	976,228
Total Investments at Fair Value	\$ 4,895,158	\$ 1,952,475	\$ -	6,847,633

Credit Risk

The Borough's Permanent Fund investments in corporate bonds of \$976,247 were rated as follows by Standard & Poors: \$10,683 rated AAA, \$77,921 rated AA+, \$45,802 rated AA, \$139,788 rated AA-, \$88,903 rated A+, \$270,785 rated A, \$188,928 rated A-, \$120,782 rated BBB+, and \$32,655 rated BBB. All of the Borough's investments in U.S. Treasuries are rated AAA. The U.S. government agencies are rated AA+.

4. Accounts Receivable and Valuation Allowances

The Borough maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful receivables. At June 30, 2016, receivables for the Borough's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

<i>June 30, 2016</i>	Major Governmental Funds			Total Governmental Funds
	General	Permanent Fund Special Revenue	Nonmajor Governmental Funds	
Governmental Activities				
Grants and shared revenues	\$ 2,245	\$ -	\$ 204,221	\$ 206,466
Property taxes	91,910	-	-	91,910
Sales taxes	413,470	-	221,219	634,689
Accounts	229,758	-	-	229,758
Land sales and improvements	-	-	64,273	64,273
Accrued interest	20,293	21,439	3	41,735
Total receivables	757,676	21,439	489,716	1,268,831
Less allowance for doubtful accounts	(41,800)	-	-	(41,800)
Net Receivables	\$ 715,876	\$ 21,439	\$ 489,716	\$ 1,227,031

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

	Major Enterprise Funds					Total Governmental Funds
	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	
Business-Type Activities						
Grants	\$ -	\$ 23,177	\$ -	\$ 61,010	\$ -	84,187
Accounts	382,861	52,072	51,645	98,564	47,376	632,518
Accrued interest	-	57	35	150	-	242
Total receivables	382,861	73,306	51,680	159,724	47,376	716,947
Less allowance for doubtful accounts	(133,000)	-	-	(23,000)	-	(156,000)
Net Receivables	\$ 249,861	\$ 75,306	\$ 51,680	\$ 136,724	\$ 47,376	560,947

5. Deferred Outflows and Deferred Inflows of Resources

A deferred outflow of resources is an item that will result in a future decrease or consumption of equity. In the Government-Wide and Enterprise Fund financial statements, deferred outflows are comprised entirely of pension related transactions.

A deferred inflow of resources is an item that will result in a future increase or acquisition of equity. In the Governmental Funds, deferred inflows are reported in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and taxes collected in advance of their levy date.

In the Government-Wide and Enterprise Fund Financial Statements, deferred inflows are reported in connection with taxes paid in advance and certain pension related transactions. Those items deferred under modified accrual in the governmental funds as “unavailable” are reversed to revenue at the full-accrual level.

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

6. Capital Assets

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

	Balance July 1, 2015	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, 2016
Governmental Activities				
<i>Capital assets not being depreciated -</i>				
Land and land improvements	\$ 1,186,678	\$ -	\$ -	\$ 1,186,678
<i>Capital assets being depreciated:</i>				
Infrastructure	14,182,010	163,897	-	14,345,907
Buildings	48,276,872	87,187	(42,109)	48,321,950
Improvements other than buildings	6,229,662	23,640	-	6,253,302
Machinery and equipment	5,986,315	131,527	(103,912)	6,013,930
Total capital assets being depreciated	74,674,859	406,251	(146,021)	74,935,089
<i>Less accumulated depreciation for:</i>				
Infrastructure	2,563,682	328,216	-	2,891,898
Buildings	32,411,961	1,560,908	-	33,972,869
Improvements other than buildings	3,656,884	190,129	-	3,847,013
Machinery and equipment	4,836,190	175,952	(103,912)	4,908,230
Total accumulated depreciation	43,468,717	2,255,205	(103,912)	45,620,010
Total capital assets being depreciated, net	31,206,142	(1,848,954)	(42,109)	29,315,079
Governmental Activity Capital Assets, net	\$ 32,392,820	\$ (1,848,954)	\$ (42,109)	\$ 30,501,757

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

	Balance July 1, 2015	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, 2016
Business-Type Activities				
<i>Capital assets not being depreciated -</i>				
Land and land improvements	\$ 959,233	\$ -	\$ -	\$ 959,233
Construction in progress	1,669,289	645,285	(840,327)	1,474,247
Total capital assets not being depreciated	2,628,522	645,285	(840,327)	2,433,480
<i>Capital assets being depreciated:</i>				
Buildings	8,660,506	193,616	-	8,854,122
Improvements other than buildings	76,609,109	1,847,971	(11,701)	78,445,379
Machinery and equipment	5,457,453	64,907	(112,193)	5,410,167
Total capital assets being depreciated	90,727,068	2,106,494	(123,894)	92,709,668
<i>Less accumulated depreciation for:</i>				
Buildings	5,954,883	384,052	-	6,338,935
Improvements other than buildings	33,124,821	2,638,127	(8,400)	35,754,548
Machinery and equipment	3,508,853	306,086	(112,193)	3,702,746
Total accumulated depreciation	42,588,557	3,328,265	(120,593)	45,796,229
Total capital assets being depreciated, net	48,138,511	(1,221,771)	(3,301)	46,913,439
Business-Type Activity Capital Assets, net	\$ 50,767,033	\$ (576,486)	\$ (843,628)	\$ 49,346,919

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Depreciation expense was charged to the functions as follows for the year ended June 30, 2016:

Governmental Activities	
General government	\$ 54,333
Public safety	246,188
Public works	449,556
Library	30,083
Parks and recreation	57,993
Community services	435,623
Education	981,429
Total Depreciation Expense - Governmental Activities	\$ 2,255,205

Business-Type Activities	
Electric utility	\$ 285,912
Water utility	644,418
Sewer utility	415,024
Sanitation utility	63,821
Port	1,919,090
Total Depreciation Expense - Business Type Activities	\$ 3,328,265

7. Interfund Receivables, Payables, and Transfers

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

Due to Other Funds	
Due to General Fund from:	
Nonmajor governmental funds for short-term capital advances	\$ 150,022
Total Amount Due to General Fund	\$ 150,022
Transfers	
From General Fund to:	
Nonmajor governmental fund to cover debt service costs	\$ 159,455
Nonmajor governmental funds to cover operating costs	450,192
Nonmajor governmental funds to cover capital costs	122,567
Total Transfers from General Fund	732,214
From National Forest Receipts Special Revenue Fund to General Fund for operating costs	55,377
From nonmajor governmental funds to other nonmajor governmental funds for operating costs	39,000
Total Transfers to Other Funds	\$ 826,591

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

8. Long-term Liabilities

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

Governmental Activities	Balance July 1, 2015	Additions	Retired	Balance June 30, 2016	Due Within One Year
General Obligation Bonds:					
\$1,289,000 refunding 2015A Series One School bond, due in annual installments of \$195,000 to \$240,000 through 2021, plus semi-annual interest payments at rates ranging from 2.0% to 5.0% per annum	\$ 1,280,000	\$ -	\$ 195,000	\$ 1,085,000	\$ 195,000
\$220,000 2011 school bonds, due in annual installments of \$20,000 to \$25,000 through 2021, plus semi-annual interest payments at rates ranging from 3.0% to 4.0% per annum	140,000	-	20,000	120,000	20,000
\$210,000 2011 refunding school bonds, due in a final installment of \$45,000 in 2016, plus semi-annual interest payments at rates ranging from 2.0% to 5.0% per annum	45,000	-	45,000	-	-
\$165,000 2011 refunding school bonds, due in annual installments of \$40,000 to \$45,000 through 2017, plus semi-annual interest payments at rates ranging from 4.0% to 5.0%	85,000	-	45,000	40,000	40,000
Accrued leave	290,290	33,160	47,009	276,441	276,441
Net pension liability	2,889,746	1,222,493	-	4,112,239	-
Total Governmental Activities	4,730,036	\$ 1,255,653	\$ 352,009	5,633,680	\$ 531,441
Plus unamortized bond premium	117,700			98,083	
	<u>\$4,847,736</u>			<u>\$ 5,731,763</u>	

Other long-term liabilities related to governmental activities, such as accrued leave are generally liquidated by the General Fund.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Business-Type Activities	Balance July 1, 2015	Additions	Retired	Balance June 30, 2016	Due Within One Year
Revenue Bonds:					
\$250,000 1997 Sewer Utility revenue bonds, due in semi-annual installments of \$7,135 including interest at 4.875% through 2038	\$ 193,039	\$ -	\$ 4,918	\$ 188,121	\$ 5,161
\$250,000 1997 Water Utility revenue bonds, due in semi-annual installments of \$7,135 including interest at 4.875% through 2038	193,027	-	4,919	188,108	5,162
Loans Payable:					
\$1,501,836 Water Utility loan due in annual installments of \$89,987 including interest at 1.5% through 2021	512,672	-	82,297	430,375	83,531
\$200,000 Port loan from the General Fund to be paid with 50% of port development fees	142,236	-	11,450	130,786*	11,450*
\$235,096 Port loan from the Permanent Fund Special Revenue Fund	70,527	-	23,509	47,018*	23,509*
Accrued leave	76,880	13,766	8,429	82,217	82,217
Net pension liability	1,532,230	633,513	-	2,165,743	-
Total Business-Type Activities	\$ 2,720,611	\$ 647,279	\$ 135,522	\$ 3,232,368	\$ 211,030

* These interfund loans have been eliminated from long-term debt and loans receivable on the government-wide Statement of Net Position.

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Annual debt service requirements to maturity for all of the above obligations, except the accrued leave and the Port loans, follow:

Governmental Activities Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 265,000	\$ 46,100	\$ 311,100
2018	230,000	37,325	267,325
2019	240,000	28,050	268,050
2020	250,000	18,250	268,250
2021	260,000	6,875	266,875
	\$ 1,245,000	\$ 136,600	\$ 1,381,600

Business-Type Activities Year Ending June 30,	Revenue Bonds			Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 10,323	\$ 18,217	\$ 28,540	\$ 83,531	6,456	89,987
2018	10,832	17,708	28,540	84,784	5,203	89,987
2019	11,367	17,173	28,540	86,056	3,931	89,987
2020	11,928	16,612	28,540	87,347	2,640	89,987
2021	12,516	16,024	28,540	88,657	1,330	89,987
2022-2026	72,477	70,223	142,700	-	-	-
2027-2031	92,212	50,488	142,700	-	-	-
2032-2036	117,322	25,378	142,700	-	-	-
2037-2038	37,252	1,495	38,747	-	-	-
	\$ 376,229	\$ 233,318	\$ 609,547	\$ 430,375	\$ 19,560	\$ 449,935

9. Net Position

In the Statement of Net Position, net position is reported in the following categories:

	Governmental Activities	Business -Type Activities	Total
Net investment in capital assets	\$ 29,158,674	\$ 48,540,315	\$ 77,698,989
Restricted:			
Barnes Endowment	50,000	-	50,000
Economic stability	7,052,269	-	7,052,269
Schools and roads	4,133,896	-	4,133,896
Total restricted	11,236,165	-	11,236,165
Unrestricted	7,335,671	6,061,654	13,397,325
Total Net Position	\$ 47,730,510	\$ 54,601,969	\$ 102,332,479

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

10. Fund Balances

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

	Major Governmental Funds			Nonmajor Funds	Totals
	General	Permanent Fund Special Revenue	National Forest Receipts Special Revenue		
Nonspendable:					
Interfund loans	\$ 130,786	\$ 47,018	\$ -	\$ -	\$ 177,804
Inventory	-	-	-	85,250	85,250
Total nonspendable	130,786	47,018	-	85,250	263,054
Restricted:					
Economic stability	-	7,052,269	-	-	7,052,269
Schools and roads	-	-	4,128,080	5,816	4,133,896
Barnes Endowment	-	-	-	50,000	50,000
Total restricted	-	7,052,269	4,128,080	55,816	11,236,165
Committed:					
Community services	-	-	-	212,753	212,753
Education and health	-	-	-	1,400,619	1,400,619
Swimming pool	-	-	-	1,009,042	1,009,042
Land and industrial development	-	-	-	318,226	318,226
Total committed	-	-	-	2,940,640	2,940,640
Assigned:					
Youth court	-	-	-	6,595	6,595
Projects	-	-	-	421,992	421,992
Community services	-	-	-	53,802	53,802
Total assigned	-	-	-	482,389	482,389
Unassigned (deficit)	7,304,407	-	-	(13,273)	7,291,134
Total Fund Balances	\$ 7,435,193	\$ 7,099,287	\$ 4,128,080	\$ 3,550,822	\$ 22,213,382

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

11. Municipal Landfill Closure and Postclosure Liability

On January 15, 1998, the Borough entered into an agreement with Regional Disposal Company to transport and dispose of municipal solid waste. State and federal laws and regulations require the Borough to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Borough has been successful in obtaining grants to assist with closing the landfill and the closure was completed at the end of fiscal year 2012. Management believes that the ongoing monitoring costs will be minimal; therefore no liability has been reflected in these financial statements.

12. Restrictions of Sales Tax Revenues

According to the Municipal Code, 28% of sales tax revenue is to be used (1) to pay principal and interest for any bond indebtedness relating to education and health of the Borough; (2) to operate and maintain school facilities; and (3) to construct and maintain sewers within the Borough and other purposes relating to the health and sanitation of the Borough.

Four percent of the total sales tax revenue is to be used to plan, design, construct, and/or improve streets and sidewalks, such as pavement of gravel streets or the repavement of previously paved streets.

The remaining 68% of the current sales tax is available for any General Fund purpose as authorized by law or charter.

13. School Support

The following is a summary of the total support provided by the Borough to the School District for the year ended June 30, 2016. Support provided to the School District does not include debt service payments on school facilities or capital expenditures.

Special Revenue Funds:	
Sales Tax	\$ 667,800
National Forest Receipts	848,488
<hr/>	
Total Contributions to School District	\$ 1,516,288

14. Defined Benefit (DB) Pension Plan

General Information About the Plan

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

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective June 30, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these footnotes.

Alaska Statute 39.35.255 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan’s past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis. The Borough records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Police and firefighters are required to contribute 7.5% of their annual covered salary.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

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 contractual 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. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. 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 change results in lower ARM Board Rates than previously adopted.

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. 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 in 2015 was significantly higher than the statutory amount. In 2016, the on-behalf contribution has returned to “normal” levels and generally equals the statutory calculation. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures in the year appropriated and transferred to the Plan by the State of Alaska. In the enterprise fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY16, the calculation uses an 8.00% pension discount rate and a 4.55% healthcare discount rate.

The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Contribution rates for the year ended June 30, 2016 were determined in the June 30, 2013 actuarial valuation.

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	13.25%	16.38%	3.63%	37.79%
Postemployment healthcare (see Note 17)	8.75%	10.81%	1.56%	58.73%
Total Contribution Rates	22.00%	27.19%	5.19%	96.52%

The Borough was credited with the following contributions to the pension plan.

	Borough FY15 Measurement Period	Borough FY16 Measurement Period
Employer contributions (including DBUL)	\$ 340,908	\$ 343,399
Nonemployer contributions (on-behalf)	1,479,198	127,047
Total Contributions	\$ 1,820,106	\$ 470,446

In addition, employee contributions to the Plan totaled \$176,901 during the Borough fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2016, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

	2016
Borough proportionate share of NPL	\$ 6,277,982
State's proportionate share of the NPL associated with the Borough	1,682,286
Total Net Pension Liability	\$ 7,960,268

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 entities, including the State, actuarially determined. At June 30, 2016, the Borough's proportion was .12944 percent, which was an increase of .034630 from its proportion measured as of June 30, 2015.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

For the year ended June 30, 2016, the Borough recognized pension expense of \$1,193,536 and on-behalf revenue of \$232,318 for support provided by the State. At June 30, 2016, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,318	\$ -
Changes in assumptions	367,080	-
Net difference between projected and actual earnings on pension plan investments	-	(111,146)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	309,702	-
Borough contributions subsequent to the measurement date	343,399	-
Total Deferred Outflows and Inflows Related to Pensions	\$ 1,027,499	\$ (111,146)

The \$343,399 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2017	\$ 552,216
2018	(10,879)
2019	(71,382)
2020	102,999

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2015 (Borough fiscal year 2016) was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2015. The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Actuarial Cost Method	Entry Age Normal - Level Percentage of Payroll
Asset Valuation Method	Invested assets are reported at fair value.
Allocation Methodology	Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively. Amounts for FY15 were allocated to employers based on the projected present value of contributions for FY2017-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.55% for healthcare
Salary Scale	Inflation - 3.12% per year Productivity - 0.50% per year Peace Officer/Firefighter - graded by years of service from 9.66% to 4.92% All others - graded by age and years of service from 8.55% to 4.34%
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience Post-termination - 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB

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 below exclude the inflation component):

<i>Asset Class</i>	<i>Long-term Expected Real Rate of Return</i>
Domestic equity	5.35%
Global equity (Non-U.S)	5.55%
Private equity	6.25%
Fixed income	0.80%
Real estate	3.65%
Alternative equity	4.70%

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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 Borough's 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 is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Borough's proportionate share of the net pension liability	0.12944% \$	8,346,045 \$	6,277,982 \$	4,536,886

Pension Plan Fiduciary Net Position

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

15. Defined Contribution Pension 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 in conjunction 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, and at the following website, as noted above. <http://doa.alaska.gov/drb/pers>.

Contributions to the Defined Contribution (DC) plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Borough contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Benefit Terms

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.

Employee Contribution Rate

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2016, the Borough was required to contribute 5% of covered salary into the Plan. In addition, during 2016, the State on-behalf contribution rate for OPEB was 1.56%.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2016 were \$55,173 and \$88,276, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

16. Other Post-Employment Benefit (OPEB) Plans

Defined Benefit OPEB

As part of its participation in the PERS DB Plan (Tiers I, II, III), the Borough participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier Level. The Plan is administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan described earlier in these notes.

Employer Contribution Rate

The Borough is required to contribute 8.75% of covered payroll into the OPEB plan. Employees do not contribute.

Annual Postemployment Healthcare Cost

Actual contributions into the Plan for the last three years were as follows. The amounts reported here include only the employer required contributions and do not include any amounts attributed to the on-behalf contributions by the State. In 2015, there were no on-behalf contributions into the OPEB plan; however, on-behalf contributions to the OPEB plan in 2016 and 2014 were \$54,405 and \$240,302, respectively.

<i>Year Ended June 30,</i>	<i>Annual OPEB Costs</i>	<i>Borough Contributions</i>	<i>% of Costs Contributed</i>
2016	\$226,771	\$226,771	100 %
2015	257,180	257,180	100 %
2014	361,371	361,371	100 %

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Defined Contribution OPEB

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment health care benefits.

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended June 30, 2016 were as follows:

	Other Tier IV	Police/Fire Tier IV
Retiree medical plan	1.68%	1.68%
Occupational death and disability benefits	0.22%	1.05%
Total Contribution Rates	1.90%	2.73%

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers in the plan*”. As of July 1, 2015, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$2,005 per year for each full-time employee, and \$1.28 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In 2016, the Borough contributed \$64,645 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

17. Risk Management

The Borough faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs. The Borough is a member of Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI provides insurance coverage for property and contents damage, torts, general and automobile liability, public officials and employees' liability, law enforcement professional liability and workers' compensation. The Borough has no coverage for potential losses from environmental damages. APEI is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2016. Coverage limits and the deductibles on the policies have stayed relatively constant for the last several years.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

18. Contingencies

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, would become a liability.

Environmental Remediation

The City and Borough of Wrangell foreclosed on a piece of property in 2004 for the owner's failure to pay property taxes. This property was previously used as a junk yard and is classified as contaminated by both the Alaska Department of Environmental Conservation (ADEC) and the U.S. Environmental Protection Agency (EPA). Both ADEC and EPA have met with the Borough in regards to cleaning this site up to a residential level. As of June 30, 2016, the debris has been removed and the EPA and ADEC have completed their assessment. Clean-up costs have been estimated in the \$4 million range. In September 2015, the ADEC announced that it would step in and manage the project with funding under the State's Oil and Hazardous Substance Release Prevention and Response Fund. Management believes that the State funding will cover the costs of clean up and that the Borough will only provide limited administrative support. No liability has been recorded in these financial statements in connection with this issue.

19. 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 that GASB Statement 75 will result in the biggest reporting change. However, actual impacts have not yet been determined.

GASB 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans - Effective for year-end June 30, 2017, with earlier application encouraged - This statement contains financial reporting guidelines for Postemployment Benefit Plans. This is the Plan side requirements applicable to OPEB benefits and generally brings the OPEB reporting rules into alignment with the new GASB 67 Pension rules.

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - Effective for year-end June 30, 2018, with earlier application encouraged - This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

GASB 77 - Tax Abatement Disclosures - Effective for year-end June 30, 2017 - This statement requires local governments to provide financial disclosures relating to tax abatements affecting the government. This includes information about abatement agreements entered into directly by the government, including conditions and criteria under which taxes can be abated, and the type and dollar amount of the tax. In addition, the statement requires disclosure of tax abatements issued by other governments that affect the local government's revenue recognition and reporting.

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

GASB 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans - Effective for year-end June 30, 2017 - This statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees through a cost-sharing multiple-employer defined benefit pension plan that is (1) not a state or local government pension plan, (2) used to provide defined benefit pensions to employees of both government and non-government employers, and (3) has no predominant state or local government employer, either individually or collectively with other governmental employers providing pensions in the plan.

GASB 80 - Blending Requirements for Certain Component Units - Effective for year-end June 30, 2017, with earlier application encouraged - This statement requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This statement amends the previous requirements established in paragraph 53 of GASB 14. The criterion specified in GASB 80 does not apply to component units included in the financial reporting entity pursuant to GASB 39.

GASB 81 - Irrevocable Split-Interest Agreements - Effective for year-end June 30, 2018, with earlier application encouraged - This statement establishes recording and recognition criteria for governments who receive resources pursuant to an irrevocable split-interest agreement.

GASB 82 - Pension-Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73 - Effective for year-end December 31, 2017, with earlier application encouraged - This statement further amends prior pension reporting to redefine "covered payroll" for required supplementary information, clarifies deviations from Actuarial standards, and clarifies the classification of employer-paid member contributions.

Required Supplementary Information

City and Borough of Wrangell, Alaska

General Fund

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

<i>Year Ended June 30, 2016</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 3,815,787	\$ 3,815,787	\$ 3,936,681	\$ 120,894
Intergovernmental	1,219,886	1,219,886	1,034,163	(185,723)
Charges for services	278,933	278,933	272,833	(6,100)
Sales and leases	117,000	117,000	194,777	77,777
Fines and forfeitures	10,000	10,000	5,989	(4,011)
Investment income	20,000	20,000	33,708	13,708
Other	9,000	9,000	8,335	(665)
Total Revenues	5,470,606	5,470,606	5,486,486	15,880
Expenditures				
General government	1,007,477	1,008,427	952,318	56,109
Public safety	2,390,595	2,390,595	2,110,906	279,689
Public works	746,725	746,725	648,964	97,761
Parks and recreation	59,400	59,400	50,851	8,549
Library	286,338	286,338	259,422	26,916
Community services	181,682	181,682	177,573	4,109
Total Expenditures	4,672,217	4,673,167	4,200,034	473,133
Excess of Revenues Over (Under)				
Expenditures	798,389	797,439	1,286,452	489,013
Other Financing Sources (Uses)				
Transfers in	-	310,000	55,377	(254,623)
Transfers out	(1,119,779)	(1,169,780)	(732,214)	437,566
Net Other Financing Sources (Uses)	(1,119,779)	(859,780)	(676,837)	182,943
Net Change in Fund Balance	\$ (321,390)	\$ (62,341)	609,615	\$ 671,956
Fund Balance, beginning			6,825,578	
Fund Balance, ending			\$ 7,435,193	

City and Borough of Wrangell, Alaska
Permanent Fund Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

<i>Year Ended June 30, 2016</i>	Original and Final Budget	Actual	Variance with Budget
Revenues			
Investment income (loss)	\$ 250,000	\$ (67,333)	\$ (317,333)
Lease revenue	34,440	31,440	(3,000)
Total Revenues	284,440	(35,893)	(320,333)
Expenditures - community services:			
Insurance	4,130	2,467	1,663
Other	-	126	(126)
Total Expenditures	4,130	2,593	1,537
Excess of Revenue Over (Under) Expenditures	280,310	38,486	318,796
Other Financing Uses - transfers out	(250,000)	-	250,000
Net Change in Fund Balance	<u>\$ 30,310</u>	(38,486)	<u>\$ (68,796)</u>
Fund Balance, beginning		<u>7,137,773</u>	
Fund Balance, ending		<u>\$ 7,099,287</u>	

City and Borough of Wrangell, Alaska
National Forest Receipts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

<i>Year Ended June 30, 2016</i>	Original and Final Budget	Actual	Variance with Budget
Revenues			
Intergovernmental - national forest receipts	\$ 804,838	\$ 922,952	\$ 118,114
Investment income	-	23,095	23,095
Total Revenues	804,838	946,047	141,209
Expenditures - education - contributions to school district	848,488	848,488	-
Excess of Revenues Over (Under) Expenditures	(43,650)	97,559	141,209
Other Financing Uses - transfers out	(50,000)	(55,377)	(5,377)
Net Change in Fund Balance	<u>\$ (93,650)</u>	42,182	<u>\$ 135,832</u>
Fund Balance, beginning		<u>4,085,898</u>	
Fund Balance, ending		<u>\$ 4,128,080</u>	

City and Borough of Wrangell, Alaska
Public Employees Retirement System (PERS)
Schedule of the Borough's Information on the Net Pension Liability

<i>Year Ended June 30,</i>	Borough's Proportion of the Net Pension Liability	Borough's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Borough's Covered Payroll	Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.09481%	\$ 4,421,796	\$ 3,807,733	\$ 8,229,709	\$ 3,598,834	122.87%	62.37%
2016	0.12944%	\$ 6,277,982	\$ 1,682,286	\$ 7,960,268	\$ 3,219,425	195.00%	63.96%

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska
Public Employees Retirement System (PERS)
Schedule of the Borough's Contributions

<i>June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 340,908	\$ 340,908	\$ -	\$ 3,219,425	10.59%
2016	\$ 343,399	\$ 343,399	\$ -	\$ 3,146,642	10.91%

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska

Notes to Required Supplementary Information June 30, 2016

1. Budgetary Comparison Schedules

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

2. Schedule of the Borough's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2016, the Plan measurement date is June 30, 2015.

There were no changes in benefit terms from the prior measurement period.

There were no changes in assumptions from the prior measurement period.

There was a significant change in the allocation methodology. For the measurement period ended June 30, 2014, the liability was allocated to participating employers based on actual contributions for 2014. For the measurement period ended June 30, 2015, the liability is allocated based on projected contributions for fiscal years 2017-2039, as calculated in the June 30, 2014 actuarial valuation.

3. Schedule of Borough Contributions - Public Employees Retirement System

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow on the Statement of Net Position.

Both pension tables are intended to present 10 years of information. Additional years information will be added to the schedules as it becomes available.

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Supplementary Information

City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

	Special Revenue Funds							Capital Project Funds						Total Nonmajor Govern- mental Funds
	Transient Tax	Sales Tax	Swimming Pool	Museum	Theater	Misc- ellaneous Grants	Residential Construc- tion	Industrial Construc- tion	Street Construc- tion	Misc- ellaneous	School Renovation	Economic Recovery		
<i>June 30, 2016</i>														
Assets														
Cash and investments	\$ 213,969	\$ 1,179,400	\$ 1,017,523	\$ 101,980	\$ 33,337	\$ 5,773	\$ -	\$ 318,226	\$ -	\$ -	\$ 5,816	\$ 421,992	\$ 3,298,016	
Receivables:														
Sales taxes	-	221,219	-	-	-	-	-	-	-	-	-	-	221,219	
Grants	-	-	-	-	-	822	-	-	56,549	146,850	-	-	204,221	
Accrued interest	-	-	-	3	-	-	-	-	-	-	-	-	3	
Land sales and improvements	-	-	-	-	-	-	-	64,273	-	-	-	-	64,273	
Inventory	-	-	-	85,250	-	-	-	-	-	-	-	-	85,250	
Total Assets	\$ 213,969	\$ 1,400,619	\$ 1,017,523	\$ 187,233	\$ 33,337	\$ 6,595	\$ -	\$ 382,499	\$ 56,549	\$ 146,850	\$ 5,816	\$ 421,992	\$ 3,872,982	
Liabilities, Deferred Inflows of Resources and Fund Balances														
Liabilities														
Accounts payable	\$ 1,216	\$ -	\$ 8,481	\$ 17,726	\$ 1,779	\$ -	\$ -	\$ -	\$ -	\$ 39,186	\$ -	\$ -	\$ 68,388	
Unearned revenue	-	-	-	12,013	-	-	-	-	-	27,464	-	-	39,477	
Due to other funds	-	-	-	-	-	-	13,273	-	56,549	80,200	-	-	150,022	
Total Liabilities	1,216	-	8,481	29,739	1,779	-	13,273	-	56,549	146,850	-	-	257,887	
Deferred Inflows of Resources - land sales not yet due	-	-	-	-	-	-	-	64,273	-	-	-	-	64,273	
Fund Balances														
Nonspendable - inventory	-	-	-	85,250	-	-	-	-	-	-	-	-	85,250	
Restricted:														
Schools and roads	-	-	-	-	-	-	-	-	-	-	5,816	-	5,816	
Barnes Endowment	-	-	-	50,000	-	-	-	-	-	-	-	-	50,000	
Committed:														
Community services	212,753	-	-	-	-	-	-	-	-	-	-	-	212,753	
Education and health	-	1,400,619	-	-	-	-	-	-	-	-	-	-	1,400,619	
Swimming pool	-	-	1,009,042	-	-	-	-	-	-	-	-	-	1,009,042	
Land development	-	-	-	-	-	-	-	318,226	-	-	-	-	318,226	
Assigned:														
Youth court	-	-	-	-	-	6,595	-	-	-	-	-	-	6,595	
Projects	-	-	-	-	-	-	-	-	-	-	-	421,992	421,992	
Community services	-	-	-	22,244	31,558	-	-	-	-	-	-	-	53,802	
Unassigned (deficit)	-	-	-	-	-	-	(13,273)	-	-	-	-	-	(13,273)	
Total Fund Balances	212,753	1,400,619	1,009,042	157,494	31,558	6,595	(13,273)	318,226	-	-	5,816	421,992	3,550,822	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 213,969	\$ 1,400,619	\$ 1,017,523	\$ 187,233	\$ 33,337	\$ 6,595	\$ -	\$ 382,499	\$ 56,549	\$ 146,850	\$ 5,816	\$ 421,992	\$ 3,872,982	

City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2016	Special Revenue Funds						Debt Service Fund	Capital Project Funds						Total Nonmajor Governmental Funds
	Transient Tax	Sales Tax	Swimming Pool	Museum	Theater	Miscellaneous Grants		Residential Construction	Industrial Construction	Street Construction	Miscellaneous	School Renovation	Economic Recovery	
Revenues														
Taxes	\$ 91,639	\$ 839,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,590
Intergovernmental	-	-	5,620	4,227	-	18,371	201,921	-	-	160,526	348,886	-	-	739,551
Charges for services	-	-	68,635	108,862	76,869	-	-	-	-	-	-	-	-	254,366
Sales and leases	-	-	-	24,762	-	-	-	-	-	-	-	-	-	24,762
Investment income	1,119	13,985	16,088	56	227	-	-	-	6,225	-	-	-	2,448	40,148
Land sales and improvements	-	-	-	-	-	-	-	-	14,188	-	-	-	-	14,188
Donations and contributions	-	-	-	100,000	-	-	-	-	-	-	-	-	-	100,000
Other	4,529	-	-	1,551	-	-	-	-	-	-	-	-	-	6,080
Total Revenues	97,287	853,936	90,343	239,458	77,096	18,371	201,921	-	20,413	160,526	348,886	-	2,448	2,110,685
Expenditures														
Public safety	-	-	-	-	-	28,977	-	-	-	-	108,144	-	-	137,121
Parks and recreation	-	-	455,477	-	-	-	-	-	-	-	519	-	-	455,996
Community services	34,713	-	-	334,706	78,162	-	-	-	-	-	210,187	-	-	657,768
Education - contributions to school district	-	667,800	-	-	-	-	-	-	-	-	-	-	-	667,800
Debt service:														
Principal	-	-	-	-	-	-	305,000	-	-	-	-	-	-	305,000
Interest	-	-	-	-	-	-	56,376	-	-	-	-	-	-	56,376
Capital outlay	-	2,894	-	-	-	-	-	112	766	160,526	152,603	-	176	317,077
Total Expenditures	34,713	670,694	455,477	334,706	78,162	28,977	361,376	112	766	160,526	471,453	-	176	2,597,138
Excess of Revenues Over (Under) Expenditures	62,574	183,242	(365,134)	(95,248)	(1,066)	(10,606)	(159,455)	(112)	19,647	-	(122,567)	-	2,272	(486,453)
Other Financing Sources (Uses)														
Transfers in	-	-	364,765	115,500	-	8,927	159,455	-	-	-	122,567	-	-	771,214
Transfers out	(10,000)	(29,000)	-	-	-	-	-	-	-	-	-	-	-	(39,000)
Net Other Financing Sources (Uses)	(10,000)	(29,000)	364,765	115,500	-	8,927	159,455	-	-	-	122,567	-	-	732,214
Net Change in Fund Balances	52,574	154,242	(369)	20,252	(1,066)	(1,679)	-	(112)	19,647	-	-	-	2,272	245,761
Fund Balances, beginning	160,179	1,246,377	1,009,411	137,242	32,624	8,274	-	(13,161)	298,579	-	-	5,816	419,720	3,305,061
Fund Balances, ending	\$ 212,753	\$ 1,400,619	\$ 1,009,042	\$ 157,494	\$ 31,558	\$ 6,595	\$ -	\$ (13,273)	\$ 318,226	\$ -	\$ -	\$ 5,816	\$ 421,992	\$ 3,550,822

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General Fund

The General Fund is established to account for the revenues and expenditures necessary to carry out basic governmental activities of the Borough such as fire and police protection, public works, recreation, planning, administrative services, etc. Appropriations are made from the General Fund annually.

Revenue is recorded by source, i.e., taxes, State of Alaska, charges for services, etc. Expenditures are recorded first by function then by activity and object of expenditure.

City and Borough of Wrangell, Alaska

General Fund
Balance Sheet

<i>June 30,</i>	2016	2015
Assets		
Cash and investments	\$ 6,681,329	\$ 6,162,602
Receivables:		
Property taxes	91,910	78,216
Sales taxes	413,470	430,524
Accounts	229,758	124,280
Accrued interest	20,293	16,843
Grants and shared revenues	2,245	2,672
Total receivables	757,676	652,535
Less allowance for doubtful accounts	(41,800)	(28,620)
Net receivables	715,876	623,915
Due from other funds	150,022	75,236
Interfund loan receivable	130,786	142,236
Total Assets	\$ 7,678,013	\$ 7,003,989
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$ 66,278	\$ 90,514
Unearned revenue	79,052	5,724
Total Liabilities	145,330	96,238
Deferred Inflows of Resources		
Delinquent property taxes	91,910	78,216
Taxes collected in advance	5,580	3,957
Total Liabilities and Deferred Inflows of Resources	242,820	178,411
Fund Balance		
Nonspendable - interfund loan receivable	130,786	142,236
Restricted for Campbell Library Trust	-	40,530
Unassigned	7,304,407	6,642,812
Total Fund Balance	7,435,193	6,825,578
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,678,013	\$ 7,003,989

City and Borough of Wrangell, Alaska

General Fund

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

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Revenues				
Taxes:				
Real property taxes	\$ 1,687,287	\$ 1,652,942	\$ (34,345)	\$ 1,604,970
Property tax penalties and interest	15,000	23,287	8,287	19,497
Payments in lieu of taxes	390,000	455,831	65,831	386,708
Sales taxes	1,717,000	1,785,571	68,571	1,824,183
Sales tax penalties and interest	6,500	19,050	12,550	2,775
Total taxes	3,815,787	3,936,681	120,894	3,838,133
Intergovernmental:				
State of Alaska:				
Jail contract	325,274	325,274	-	591,408
Revenue - sharing	566,830	568,634	1,804	598,068
Library grants	6,600	7,650	1,050	6,650
LEPC grant revenue	9,000	8,787	(213)	9,224
State PERS relief	294,182	108,618	(185,564)	876,436
Department of Corrections video grant revenue	-	-	-	14,021
Liquor licenses	12,000	8,200	(3,800)	13,200
Total State of Alaska	1,213,886	1,027,163	(186,723)	2,109,007
Federal government - library grants	6,000	7,000	1,000	6,000
Total intergovernmental	1,219,886	1,034,163	(185,723)	2,115,007
Charges for services:				
Cemetery services	3,000	2,604	(396)	4,805
Police services	119,000	104,560	(14,440)	110,671
911 surcharge	33,300	43,162	9,862	13,111
R/V revenues	5,000	3,874	(1,126)	6,240
Airport security	118,633	118,633	-	118,633
Total charges for services	278,933	272,833	(6,100)	253,460

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Revenues, continued				
Sales and leases:				
Court rental	\$ 71,000	\$ 70,162	\$ (838)	\$ 69,313
Tideland leases	43,400	41,303	(2,097)	43,395
Material sales	100	80,303	80,203	11,058
Cemetery plot sales	2,500	3,009	509	1,373
Total sales and leases	117,000	194,777	77,777	125,139
Fines and forfeitures	10,000	5,989	(4,011)	8,880
Investment income	20,000	33,708	13,708	21,012
Other revenues:				
Licenses and permits	4,000	2,760	(1,240)	3,039
Copies	250	464	214	16,265
Library grants	-	500	500	500
Miscellaneous	4,750	4,611	(139)	7,318
Total other revenues	9,000	8,335	(665)	27,122
Total Revenues	5,470,606	5,486,486	15,880	6,388,753
Expenditures				
General government:				
Finance:				
Personnel services:				
Salaries	237,710	234,930	2,780	212,630
Overtime salaries	7,160	6,988	172	7,702
Employee benefits	179,929	151,604	28,325	233,987
Total personnel services	424,799	393,522	31,277	454,319
Contractual services:				
Auditor	23,000	20,173	2,827	23,386
Assessor	40,000	52,410	(12,410)	44,700
Telephone	4,000	4,622	(622)	4,066
Travel and training	5,000	1,346	3,654	2,715

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Finance, continued:				
Contractual services, continued:				
Utilities	\$ 13,000	\$ 11,616	\$ 1,384	\$ 11,311
Equipment rental	2,000	849	1,151	1,167
Programming	15,000	11,308	3,692	11,743
Foreclosure costs	1,000	3,055	(2,055)	204
Collection charges	2,500	869	1,631	172
Total contractual services	105,500	106,248	(748)	99,464
Commodities:				
Materials and supplies	20,000	16,663	3,337	15,280
Custodial supplies	2,000	1,282	718	868
Postage	14,000	8,530	5,470	14,856
Building repairs and maintenance	4,000	5,436	(1,436)	5,322
Equipment repairs and maintenance	10,000	4,950	5,050	5,722
Capital expenditures	4,000	1,350	2,650	2,123
Total commodities	54,000	38,211	15,789	44,171
Total finance	584,299	537,981	46,318	597,954
Less charges to other funds	(160,392)	(160,392)	-	(119,587)
Net finance	423,907	377,589	46,318	478,367
Administration:				
Personnel services:				
Salaries	233,440	220,939	12,501	223,964
Employee benefits	75,900	67,108	8,792	99,733
Total personnel services	309,340	288,047	21,293	323,697

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Administration, continued:				
Contractual services:				
Attorney	\$ 45,000	\$ 48,394	\$ (3,394)	\$ 43,055
Telephone	5,700	6,558	(858)	6,380
Administration travel and training	7,500	6,252	1,248	4,258
Litigation	10,000	16,934	(6,934)	17,665
Tourism program	20,000	22,390	(2,390)	19,751
Total contractual services	88,200	100,528	(12,328)	91,109
Commodities- materials and supplies	2,000	5,063	(3,063)	7,045
General insurance	11,850	9,114	2,736	36,257
Total administration	411,390	402,752	8,638	458,108
Clerk and assembly:				
Personnel services:				
Salaries	72,000	70,223	1,777	66,744
Overtime salaries	100	259	(159)	137
Employee benefits	54,110	49,557	4,553	73,640
Total personnel services	126,210	120,039	6,171	140,521
Contractual services:				
Clerk travel and training	3,500	3,295	205	2,656
Assembly travel and training	13,000	13,296	(296)	12,788
Recorder fees	850	122	728	376
Public communications	7,120	7,120	-	7,120
Total contractual services	24,470	23,833	637	22,940

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Clerk and assembly, continued:				
Commodities:				
Materials and supplies	\$ 2,950	\$ 3,030	\$ (80)	\$ 5,933
Publications	14,000	17,851	(3,851)	10,866
Records preservation	500	690	(190)	1,912
Election supplies	2,000	2,930	(930)	2,048
Republishing WMC	3,000	3,604	(604)	4,989
Total commodities	22,450	28,105	(5,655)	25,748
Total clerk and assembly	173,130	171,977	1,153	189,209
Total general government	1,008,427	952,318	56,109	1,125,684
Public safety:				
Fire department:				
Personnel services:				
Salaries	83,470	81,233	2,237	77,263
Overtime salaries	11,000	12,072	(1,072)	11,193
Employee benefits	81,300	69,831	11,469	105,521
Contributions for fire calls	5,500	5,500	-	5,500
Total personnel services	181,270	168,636	12,634	199,477
Contractual services:				
Telephone	6,500	6,502	(2)	5,771
Travel and training	10,000	8,732	1,268	10,742
Fire prevention and education	2,000	1,017	983	1,159
Hydrant rental	39,750	42,112	(2,362)	39,729
Insurance	13,580	24,459	(10,879)	13,222
LEPC costs	9,000	8,062	938	9,236
Total contractual services	80,830	90,884	(10,054)	79,859

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety, continued:				
Fire department, continued:				
Commodities:				
Materials and supplies	\$ 11,000	\$ 10,968	\$ 32	\$ 6,305
Fire substation costs	13,500	12,449	1,051	12,031
Equipment repairs and maintenance	10,000	9,888	112	7,282
Allocated vehicle charges - garage	50,581	43,352	7,229	55,740
Turn out gear	7,000	7,373	(373)	6,331
Total commodities	92,081	84,030	8,051	87,689
Total fire department	354,181	343,550	10,631	367,025
Police department:				
Personnel services:				
Salaries	507,310	495,270	12,040	478,434
Overtime salaries	48,000	42,445	5,555	39,449
Employee benefits	384,220	326,178	58,042	534,597
Uniform allowances	5,700	3,125	2,575	3,500
Total personnel services	945,230	867,018	78,212	1,055,980
Contractual services:				
Telephone	12,000	11,575	425	12,815
Insurance	30,120	17,991	12,129	-
Travel and training	8,000	3,653	4,347	8,204
Professional dues	-	85	(85)	-
911 expenditures	5,000	1,359	3,641	643
Capital expenditures	6,000	4,047	1,953	2,314
Animal control	7,000	1,738	5,262	6,705
State portion of driver licenses	70,000	68,747	1,253	70,245
Vehicle impound	-	-	-	609
State portion of citations	500	400	100	310
Total contractual services	138,620	109,595	29,025	101,845
Commodities:				
Materials and supplies	12,750	7,960	4,790	17,229
Boat expenditures	10,000	827	9,173	990
Publications	1,000	45	955	105

City and Borough of Wrangell, Alaska

General Fund

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

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety, continued:				
Police department, continued:				
Commodities, continued:				
Ammunition	\$ 7,500	\$ 6,701	\$ 799	\$ 7,164
Special investigations	2,500	447	2,053	1,049
Equipment repairs and maintenance	8,000	4,001	3,999	2,166
Allocated vehicle charges - garage	48,071	45,616	2,455	52,950
Total commodities	89,821	65,597	24,224	81,653
Total police department	1,173,671	1,042,210	131,461	1,239,478
Police corrections department:				
Personnel services:				
Salaries	286,990	237,782	49,208	281,158
Overtime salaries	45,000	26,636	18,364	27,605
Employee benefits	250,200	180,265	69,935	335,355
Total personnel services	582,190	444,683	137,507	644,118
Contractual services:				
Telephone	1,500	1,500	-	1,500
Travel and training	-	-	-	1,243
Total contractual services	1,500	1,500	-	2,743
Commodities:				
Materials and supplies	3,500	7,030	(3,530)	16,988
Allocated vehicle charges - garage	2,313	2,086	227	2,550
Prisoner meals	22,000	15,699	6,301	19,357
Reimbursement of prisoner costs	-	(34)	34	(181)
Total commodities	27,813	24,781	3,032	38,714
Total police corrections department	611,503	470,964	140,539	685,575
Public safety building:				
Personnel services:				
Salaries	18,270	18,091	179	19,795
Overtime	710	101	609	-
Employee benefits	33,630	29,501	4,129	40,205
Total personnel services	52,610	47,693	4,917	60,000

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety, continued:				
Public safety building, continued:				
Contractual services:				
Telephone	\$ 530	\$ 507	\$ 23	\$ 511
Insurance	8,100	4,838	3,262	-
Utilities	110,000	120,382	(10,382)	113,760
Total contractual services	118,630	125,727	(7,097)	114,271
Commodities:				
Fuel oil	2,500	1,075	1,425	1,893
Custodial supplies	2,500	2,971	(471)	1,788
Facility repair and maintenance	75,000	76,716	(1,716)	63,049
Total commodities	80,000	80,762	(762)	66,730
Total public safety building	251,240	254,182	(2,942)	241,001
Total public safety	2,390,595	2,110,906	279,689	2,533,079
Public works:				
Garage:				
Personnel services:				
Salaries	121,400	131,568	(10,168)	135,895
Overtime salaries	7,500	2,145	5,355	3,412
Employee benefits	101,440	91,319	10,121	175,323
Total personnel services	230,340	225,032	5,308	314,630
Contractual services:				
Utilities	22,000	21,496	504	19,607
Insurance	1,740	1,039	701	-
Travel and training	6,000	(1,501)	7,501	729
Total contractual services	29,740	21,034	8,706	20,336

City and Borough of Wrangell, Alaska

General Fund

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

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public works, continued:				
Garage, continued:				
Commodities:				
Materials and supplies	\$ 125,000	\$ 158,743	\$ (33,743)	\$ 135,952
Fuel oil	5,000	5,533	(533)	3,472
Fuel and lubrication	95,000	45,039	49,961	68,182
Expendable tools	2,500	4,072	(1,572)	2,211
Total commodities	227,500	213,387	14,113	209,817
Total garage	487,580	459,453	28,127	544,783
Less charges to other departments and funds	(487,580)	(452,333)	(35,247)	(539,304)
Net garage	-	7,120	(7,120)	5,479
General:				
Personnel services:				
Salaries	423,160	412,706	10,454	431,728
Overtime salaries	25,000	9,008	15,992	21,884
Special projects salaries	7,500	1,680	5,820	15,033
Employee benefits	313,160	249,414	63,746	409,101
Total personnel services	768,820	672,808	96,012	877,746
Contractual services:				
Telephone	7,000	9,114	(2,114)	9,094
Travel and training	6,000	8,383	(2,383)	9,461
Total contractual services	13,000	17,497	(4,497)	18,555

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public works, continued:				
General, continued:				
Commodities:				
Materials and supplies	\$ 8,000	\$ 5,808	\$ 2,192	\$ 7,739
Engineering supplies	2,500	129	2,371	5,322
Building repairs and maintenance	5,000	24,528	(19,528)	2,772
Total commodities	15,500	30,465	(14,965)	15,833
Total general	797,320	720,770	76,550	912,134
Less charges to other departments and funds	(550,000)	(500,140)	(49,860)	(543,729)
Net general	247,320	220,630	26,690	368,405
Streets:				
Personnel services - allocated salaries - public works	165,000	122,227	42,773	195,693
Contractual services:				
Street lighting	19,000	20,978	(1,978)	20,189
Insurance	8,440	5,041	3,399	-
Rock quarry electricity	1,200	2,742	(1,542)	1,491
Sanding and snow removal	25,000	17,696	7,304	14,278
Total contractual services	53,640	46,457	7,183	35,958
Commodities:				
Materials and supplies	8,000	10,909	(2,909)	8,698
Street light fixtures	4,500	3,844	656	13,439
Culverts	-	-	-	2,000
Equipment repairs and maintenance	203,265	191,916	11,349	220,150
Crushing and maintenance	15,000	33,943	(18,943)	6,500
Street repairs and maintenance	50,000	11,918	38,082	53,270
Total commodities	280,765	252,530	28,235	304,057
Total streets	499,405	421,214	78,191	535,708
Total public works	746,725	648,964	97,761	909,592

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Parks and recreation:				
Personnel services:				
Salaries	\$ 16,000	\$ 15,870	\$ 130	\$ 16,990
Overtime salaries	2,000	202	1,798	174
Employee benefits	3,500	2,164	1,336	4,001
Allocated salaries - public works	6,000	2,920	3,080	4,242
Total personnel services	27,500	21,156	6,344	25,407
Contractual services:				
Insurance	630	376	254	-
Utilities	10,000	9,787	213	10,789
Total contractual services	10,630	10,163	467	10,789
Commodities:				
Allocated vehicle charges - garage	7,770	6,345	1,425	7,770
Materials and supplies	10,000	8,873	1,127	2,521
Capital expenditures	3,500	4,314	(814)	2,158
Total commodities	21,270	19,532	1,738	12,449
Total parks and recreation	59,400	50,851	8,549	48,645
Library:				
Personnel services:				
Salaries	116,720	115,517	1,203	130,841
Employee benefits	95,140	77,641	17,499	138,414
Total personnel services	211,860	193,158	18,702	269,255
Contractual services:				
Telephone	1,100	1,071	29	859
Internet	2,500	188	2,312	240
Travel and training	5,418	1,906	3,512	1,394
Insurance	2,860	1,708	1,152	-
Utilities	8,000	8,391	(391)	8,804
Total contractual services	19,878	13,264	6,614	11,297

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

<i>Years Ended June 30,</i>	2016			2015
			Variance with Budget	
	Budget	Actual		Actual
Expenditures, continued				
Library, continued:				
Commodities:				
Materials and supplies	\$ 5,000	\$ 4,365	\$ 635	\$ 4,137
Custodian supplies	1,500	652	848	992
Books, subscriptions and dues	20,000	17,258	2,742	18,828
Library grant expenditures	6,600	6,815	(215)	5,813
State early literature mini grant	-	-	-	523
State library grant expenditures	6,000	7,533	(1,533)	7,305
Postage	2,000	1,296	704	986
Building repairs and maintenance	5,000	7,488	(2,488)	4,805
Equipment repairs and maintenance	5,000	4,323	677	1,850
Capital expenditures	3,500	3,270	230	1,450
Total commodities	54,600	53,000	1,600	46,689
Total library	286,338	259,422	26,916	327,241
Community services:				
Community development:				
Contractual services:				
Dues and subscriptions	6,500	6,123	377	6,232
Lobbyist	67,200	67,200	-	55,700
Utilities - KSTK	8,500	8,500	-	9,200
Customs	-	271	(271)	948
Total contractual services	82,200	82,094	106	72,080

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

Years Ended June 30,	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Community services, continued:				
Contributions:				
Employee appreciation	\$ -	\$ -	\$ -	\$ 4,608
Chamber fireworks	4,000	4,000	-	4,000
Senior citizens program	15,000	11,144	3,856	13,945
Community promotion	10,000	15,597	(5,597)	29,421
Chamber of Commerce	23,000	23,000	-	25,000
Health Fair	-	-	-	3,000
Total contributions	52,000	53,741	(1,741)	79,974
Total community development	134,200	135,835	(1,635)	152,054
Planning and zoning:				
Personnel services - allocated clerical	22,182	22,182	-	16,180
Contractual services - travel and training	2,500	1,808	692	7,758
Commodities:				
Materials and supplies	-	29	(29)	-
Publications	1,000	1,074	(74)	854
Subdivisions and surveys	-	-	-	5,379
Mapping upgrade	10,000	4,659	5,341	9,834
Total commodities	11,000	5,762	5,238	16,067
Total planning and zoning	35,682	29,752	5,930	40,005
Cemetery:				
Personnel services -				
allocated salaries - public works	10,000	10,701	(701)	10,424
Commodities - materials and supplies	1,800	1,285	515	1,024
Total cemetery	11,800	11,986	(186)	11,448
Total community services	181,682	177,573	4,109	203,507

City and Borough of Wrangell, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, continued

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Education - contributions to school district	\$ -	\$ -	\$ -	\$ 17,800
Total Expenditures	4,673,167	4,200,034	473,133	5,165,548
Excess of Revenues Over (Under) Expenditures	797,439	1,286,452	489,013	1,223,205
Other Financing Sources (Uses)				
Transfers in	310,000	55,377	(254,623)	313,157
Transfers out	(1,169,780)	(732,214)	437,566	(1,164,200)
Net Other Financing Sources (Uses)	(859,780)	(676,837)	182,943	(851,043)
Net Change in Fund Balance	<u>\$ (62,341)</u>	609,615	<u>\$ 671,956</u>	372,162
Fund Balance, beginning		<u>6,825,578</u>		<u>6,453,416</u>
Fund Balance, ending		<u>\$ 7,435,193</u>		<u>\$ 6,825,578</u>

Special Revenue Funds

Transient Tax

This fund accounts for transient occupancy tax revenue, which is used to develop and implement a visitor industry program.

Sales Tax

This fund accounts for the portion of the sales tax revenue that is designated to finance various street, water and sewer, and community development activities.

Swimming Pool

This fund accounts for the operations and maintenance of the swimming pool and other recreational activities.

Museum

This fund accounts for the operating activities of the museum and civic center.

Theater

This fund accounts for the operating activities of the theater.

Permanent Fund

This fund accounts for monies set aside to help provide future economic stability to the citizens of Wrangell.

National Forest Receipts

This fund is established to provide for the receipt and subsequent use of National Forest Receipt monies.

Miscellaneous Grants

This fund was created to handle various miscellaneous operating type grants.

City and Borough of Wrangell, Alaska
Transient Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

<i>Years Ended June 30,</i>	2016		2015	
	Budget	Actual	Variance with Budget	Actual
Revenues				
Transient and excise taxes	\$ 40,000	\$ 91,639	\$ 51,639	\$ 68,605
Advertising and promotion	3,000	4,529	1,529	26,467
Investment income	-	1,119	1,119	598
Total Revenues	43,000	97,287	54,287	95,670
Expenditures - community services:				
Salaries	-	388	(388)	1,030
Employee benefits	-	43	(43)	112
Travel	8,000	2,750	5,250	5,604
Telephone	800	954	(154)	924
Postage	1,200	1,546	(346)	623
Promotional	15,000	5,744	9,256	17,003
Web hosting	1,100	1,197	(97)	918
Dues	5,000	5,445	(445)	685
Publications	15,000	7,479	7,521	7,368
CPV expenditures	-	9,167	(9,167)	32,394
Total Expenditures	46,100	34,713	11,387	66,661
Excess of Revenues Over (Under) Expenditures	(3,100)	62,574	65,674	29,009
Other Financing Uses - transfers out	(10,000)	(10,000)	-	(8,000)
Net Change in Fund Balance	\$ (13,100)	52,574	\$ 65,674	21,009
Fund Balance, beginning		160,179		139,170
Fund Balance, ending		\$ 212,753		\$ 160,179

City and Borough of Wrangell, Alaska
Sales Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Years Ended June 30,	2016					2015	
		Actual					
		Restricted			Variance with Budget	Actual	
	Budget	28%	4%	Total			
Revenues							
Sales tax	\$ 852,500	\$ 734,957	\$ 104,994	\$ 839,951	\$ (12,549)	\$ 858,139	
Investment income	-	-	13,985	13,985	13,985	8,840	
Total Revenues	852,500	734,957	118,979	853,936	1,436	866,979	
Expenditures							
Contributions to school district	667,800	667,800	-	667,800	-	650,000	
Street design/construction	-	-	2,119	2,119	(2,119)	90,017	
Professional services	-	-	775	775	(775)	-	
Total Expenditures	667,800	667,800	2,894	670,694	(2,894)	740,017	
Excess of Revenues Over Expenditures	184,700	67,157	116,085	183,242	(1,458)	126,962	
Other Financing Uses - transfers out	(29,000)	(29,000)	-	(29,000)	-	(29,000)	
Net Change in Fund Balance	<u>\$ 155,700</u>	38,157	116,085	154,242	<u>\$ (1,458)</u>	97,962	
Fund Balance, beginning		583,559	662,818	1,246,377		1,148,415	
Fund Balance, ending		\$ 621,716	\$ 778,903	\$ 1,400,619		\$ 1,246,377	

City and Borough of Wrangell, Alaska
Swimming Pool Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Years Ended June 30,	2016				Variance with Budget	2015
	Budget	Swimming Pool	Recreational Activity	Total		Actual
Revenues						
User fees	\$ 57,750	\$ 49,336	\$ 19,299	\$ 68,635	\$ 10,885	\$ 52,321
Investment income (loss)	20,000	16,088	-	16,088	(3,912)	(7,958)
Safety grant	-	-	-	-	-	942
Other	-	-	-	-	-	10,509
State PERS relief	-	2,810	2,810	5,620	5,620	49,730
Total Revenues	77,750	68,234	22,109	90,343	12,593	105,544
Expenditures - parks and recreation:						
Personnel services:						
Salaries	118,210	45,313	44,701	90,014	28,196	117,597
Extra help	15,000	-	29,211	29,211	(14,211)	10,719
Casual labor	60,500	60,800	-	60,800	(300)	38,089
Employee benefits	95,990	57,247	27,310	84,557	11,433	121,740
Total personnel services	289,700	163,360	101,222	264,582	25,118	288,145
Contractual services:						
Telephone	7,250	4,521	1,992	6,513	737	6,970
Utilities	56,500	44,038	6,030	50,068	6,432	44,163
Travel and training	5,000	7,438	-	7,438	(2,438)	4,164
Insurance	14,300	20,577	2,527	23,104	(8,804)	13,353
Total contractual services	83,050	76,574	10,549	87,123	(4,073)	68,650
Commodities:						
Materials and supplies	22,000	13,267	13,265	26,532	(4,532)	24,005
Heating fuel	55,000	34,916	-	34,916	20,084	55,656
Chemicals	15,000	14,723	-	14,723	277	14,864
Health reports and permits	2,860	397	400	797	2,063	1,019
Publications	2,200	984	1,110	2,094	106	2,125
Building repair and maintenance	45,000	21,137	3,573	24,710	20,290	52,859
Total commodities	142,060	85,424	18,348	103,772	38,288	150,528
Contributions - contribution to Swim Club	-	-	-	-	-	7,820
Total Expenditures	514,810	325,358	130,119	455,477	59,333	515,143
Excess of Revenues Over (Under) Expenditures	(437,060)	(257,124)	(108,010)	(365,134)	71,926	(409,599)
Other Financing Sources - transfers in	425,880	257,375	107,390	364,765	(61,115)	409,171
Net Change in Fund Balance	\$ (11,180)	\$ 251	\$ (620)	(369)	\$ 10,811	(428)
Fund Balance, beginning				1,009,411		1,009,839
Fund Balance, ending				\$ 1,009,042		\$ 1,009,411

City and Borough of Wrangell, Alaska
Museum Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Years Ended June 30,		2016				2015
		Actual			Variance	
	Budget	Museum	Civic Center	Total	with Budget	Actual
Revenues						
Admissions	\$ 24,000	\$ 27,764	\$ -	\$ 27,764	\$ 3,764	\$ 17,790
Museum gift store revenue	80,000	81,098	-	81,098	1,098	94,444
Donations and contributions	100,000	-	100,000	100,000	-	106,000
Rental revenue	25,000	-	24,762	24,762	(238)	41,885
Investment income	-	56	-	56	56	59
State PERS relief	-	553	3,674	4,227	4,227	31,448
Museum computer grant	-	1,551	-	1,551	1,551	1,390
Total Revenues	229,000	111,022	128,436	239,458	10,458	293,016
Expenditures - community services:						
Personnel services:						
Salaries	84,660	14,987	62,598	77,585	7,075	83,704
Casual labor	29,040	20,760	6,616	27,376	1,664	26,326
Employee benefits	47,000	4,049	30,055	34,104	12,896	62,741
Total personnel services	160,700	39,796	99,269	139,065	21,635	172,771
Contractual services:						
Collection management	1,500	508	-	508	992	1,709
Travel and training	4,000	1,115	1,075	2,190	1,810	3,375
Building maintenance and utilities	114,472	58,848	59,467	118,315	(3,843)	124,681
Credit card costs	2,500	2,652	-	2,652	(152)	2,450
Total contractual services	122,472	63,123	60,542	123,665	(1,193)	132,215
Commodities:						
Materials and supplies	9,400	2,093	4,787	6,880	2,520	10,789
Book store inventory	40,000	45,617	-	45,617	(5,617)	51,629
Books, subscriptions and dues	500	615	-	615	(115)	351
Publications and advertising	17,800	1,023	16,065	17,088	712	17,802
Postage	200	35	-	35	165	24
Equipment repairs and maintenance	-	1,442	-	1,442	(1,442)	1,521
Insurance on loaned artifacts	500	299	-	299	201	-
Total commodities	68,400	51,124	20,852	71,976	(3,576)	82,116
Total Expenditures	351,572	154,043	180,663	334,706	16,866	387,102
Excess of Revenues Over (Under) Expenditures	(122,572)	(43,021)	(52,227)	(95,248)	27,324	(94,086)
Other Financing Sources - transfers in	67,000	57,000	58,500	115,500	48,500	177,980
Net Change in Fund Balance	\$ (55,572)	\$ 13,979	\$ 6,273	20,252	\$ 75,824	83,894
Fund Balance, beginning				137,242		53,348
Fund Balance, ending				\$ 157,494		\$ 137,242

City and Borough of Wrangell, Alaska
Theater Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Revenues				
Admissions	\$ 45,000	\$ 42,755	\$ (2,245)	\$ 39,521
Concessions	32,000	34,114	2,114	28,129
Investment income	-	227	227	141
Total Revenues	77,000	77,096	96	67,791
Expenditures - community services:				
Personnel services:				
Salaries	22,650	19,656	2,994	16,204
Employee benefits	2,100	1,983	117	1,277
Total personnel services	24,750	21,639	3,111	17,481
Contractual services:				
Telephone	600	357	243	542
Building maintenance and utilities	7,684	7,489	195	7,878
Total contractual services	8,284	7,846	438	8,420
Commodities:				
Materials and supplies	3,700	4,386	(686)	3,503
Publications and advertising	2,000	2,487	(487)	1,892
Film costs	22,000	26,112	(4,112)	18,217
Concessions	18,000	15,603	2,397	14,279
Equipment repairs and maintenance	2,500	89	2,411	1,734
Total commodities	48,200	48,677	(477)	39,625
Total Expenditures	81,234	78,162	3,072	65,526
Net Change in Fund Balance	<u>\$ (4,234)</u>	(1,066)	<u>\$ 3,168</u>	2,265
Fund Balance, beginning		<u>32,624</u>		<u>30,359</u>
Fund Balance, ending		<u>\$ 31,558</u>		<u>\$ 32,624</u>

City and Borough of Wrangell, Alaska
National Forest Receipts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Revenues				
Intergovernmental - national forest receipts	\$ 804,838	\$ 922,952	\$ 118,114	\$ 1,052,610
Investment income	-	23,095	23,095	13,944
Total Revenues	804,838	946,047	141,209	1,066,554
Expenditures - education - contributions to school district	848,488	848,488	-	848,488
Excess of Revenues Over (Under) Expenditures	(43,650)	97,559	141,209	218,066
Other Financing Uses - transfers out	(50,000)	(55,377)	(5,377)	(63,157)
Net Change in Fund Balance	\$ (93,650)	42,182	\$ 135,832	154,909
Fund Balance, beginning		4,085,898		3,930,989
Fund Balance, ending		\$ 4,128,080		\$ 4,085,898

City and Borough of Wrangell, Alaska
Miscellaneous Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Revenues				
Intergovernmental	\$ 19,000	\$ 17,321	\$ (1,679)	\$ 19,531
State PERS relief	-	1,050	1,050	8,224
Total Revenues	19,000	18,371	(629)	27,755
Expenditures - public safety	23,210	28,977	(5,767)	37,263
Excess of Revenues Over (Under) Expenditures	(4,210)	(10,606)	(6,396)	(9,508)
Other Financing Sources - transfers in	-	8,927	8,927	9,489
Net Change in Fund Balance	<u>\$ (4,210)</u>	(1,679)	<u>\$ 2,531</u>	(19)
Fund Balance, beginning		<u>8,274</u>		<u>8,293</u>
Fund Balance, ending		<u>\$ 6,595</u>		<u>\$ 8,274</u>

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Debt Service Fund

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

City and Borough of Wrangell, Alaska
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
Revenues				
Intergovernmental - State of Alaska	\$ 198,314	\$ 201,921	\$ 3,607	\$ 206,006
Expenditures				
2011 series 3 (2000E) school bond principal	45,000	45,000	-	40,000
2011 series 3 (2000E) school bond interest	900	900	-	2,800
2011 series 3 (2002B) school bond principal	45,000	45,000	-	40,000
2011 series 3 (2002B) school bond interest	2,900	1,900	1,000	4,800
2015 series 1 school bond principal	195,000	195,000	-	190,000
2015 series 1 school bond interest	45,268	47,501	(2,233)	61,400
2011 series 1 school bond principal	20,000	20,000	-	20,000
2011 series 1 school bond interest	5,075	6,075	(1,000)	5,675
Bond issuance fees	-	-	-	11,314
Total Expenditures	359,143	361,376	(2,233)	375,989
Excess of Revenues Over (Under) Expenditures	(160,829)	(159,455)	1,374	(169,983)
Other Financing Sources (Uses):				
Transfers in	160,829	159,455	(1,374)	154,298
Refunding bonds issued	-	-	-	1,280,000
Premium on refunding bonds issued	-	-	-	117,700
Payment to refunded bond escrow agent	-	-	-	(1,382,015)
		-		
Net Other Financing Sources (Uses)	160,829	159,455	(1,374)	169,983
Net Change in Fund Balance	\$ -	-	\$ -	-
Fund Balance, beginning		-		-
Fund Balance, ending		\$ -		\$ -

Capital Project Funds

Residential Construction

This fund accounts for residential water, sewer, and street projects, which are financed by revenues derived from sales of residential property.

Industrial Construction

This fund accounts for industrial water, sewer, and street projects, which are financed by revenues derived from sales of industrial property.

Street Construction

This fund was established to account for costs associated with Cassiar Street construction.

Miscellaneous Capital Projects

This fund was established to account for various capital projects and equipment purchases. It is funded primarily by grants and operating transfers from other funds.

School Renovation

This fund was established to account for costs associated with the renovation of the school buildings.

Economic Recovery

This fund was established to account for the funding and interest earnings associated with a U.S. Department of Agriculture grant for the purpose of economic assistance within the Borough.

City and Borough of Wrangell, Alaska

Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

<i>Year Ended June 30, 2016</i>	Residential Construc- tion	Industrial Construc- tion	Street Construc- tion	Misc- ellaneous Capital Projects	School Renovation	Economic Recovery	Totals
Revenues							
Intergovernmental	\$ -	\$ -	\$ 160,526	\$ 348,886	\$ -	\$ -	\$ 509,412
Land sales and improvements	-	14,188	-	-	-	-	14,188
Investment income	-	6,225	-	-	-	2,448	8,673
Total Revenues	-	20,413	160,526	348,886	-	2,448	532,273
Expenditures							
Miscellaneous capital projects	112	766	-	-	-	176	1,054
Community Center renovation	-	-	-	19,515	-	-	19,515
City hall equipment	-	-	-	50,680	-	-	50,680
Parks equipment	-	-	-	519	-	-	519
Cassiar Street design	-	-	160,526	-	-	-	160,526
6 Mile property	-	-	-	90,656	-	-	90,656
DHS 911	-	-	-	62,894	-	-	62,894
AICS Medical Center	-	-	-	43,387	-	-	43,387
Fire equipment	-	-	-	105,054	-	-	105,054
Wood Street	-	-	-	38,307	-	-	38,307
Impound lot	-	-	-	3,090	-	-	3,090
Court improvements	-	-	-	34,118	-	-	34,118
Dog pound	-	-	-	397	-	-	397
Gun range	-	-	-	23,640	-	-	23,640
Waterfront improvements	-	-	-	(804)	-	-	(804)
Total Expenditures	112	766	160,526	471,453	-	176	633,033
Excess of Revenues Over (Under) Expenditures	(112)	19,647	-	(122,567)	-	2,272	(100,760)
Other Financing Sources							
Transfers in	-	-	-	122,567	-	-	122,567
Net Change in Fund Balances	(112)	19,647	-	-	-	2,272	21,807
Fund Balances (Deficit), beginning	(13,161)	298,579	-	-	5,816	419,720	710,954
Fund Balances (Deficit), ending	\$ (13,273)	\$ 318,226	\$ -	\$ -	\$ 5,816	\$ 421,992	\$ 732,761

Enterprise Funds

Electric Utility

This fund accounts for the electric utility revenues and the associated costs of generation, distribution, and administration.

Water Utility

This fund accounts for the activities associated with operating the Borough water systems.

Sewer Utility

This fund accounts for the activities associated with operating the Borough's sewer system.

Sanitation Utility

This fund accounts for user fees for refuse collection and landfill operations for the residents of the Borough.

Port

This fund accounts for the activities of the municipal dock and boat harbors.

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund

Statement of Net Position

<i>June 30,</i>	2016	2015
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 2,015,947	\$ 1,490,847
Receivables:		
Accounts	382,861	394,050
Less allowance for doubtful accounts	(133,000)	(133,000)
Net receivables	249,861	261,050
Inventories	162,820	141,623
Total Current Assets	2,428,628	1,893,520
Property, Plant and Equipment		
Land	10,900	10,900
Buildings	478,535	478,535
Improvements other than buildings	2,087,017	2,081,740
Equipment	4,370,637	4,359,279
Construction in progress	127,555	-
Total property, plant and equipment	7,074,644	6,930,454
Less accumulated depreciation	(5,140,499)	(4,854,587)
Net Property, Plant and Equipment	1,934,145	2,075,867
Total Assets	4,362,773	3,969,387
Deferred Outflows of Resources, related to pensions	166,361	71,968
Total Assets and Deferred Outflows of Resources	\$ 4,529,134	\$ 4,041,355
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 166,131	\$ 166,611
Accrued leave	37,564	35,539
Customer utility deposits	89,200	92,160
Total Current Liabilities	292,895	294,310
Long-term Liabilities - net pension liability	1,044,269	755,227
Total Liabilities	1,337,164	1,049,537
Deferred Inflows of Resources, related to pensions	25,001	87,254
Net Position		
Net investment in capital assets	1,934,145	2,075,867
Unrestricted	1,232,824	828,697
Total Net Position	3,166,969	2,904,564
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,529,134	\$ 4,041,355

City and Borough of Wrangell, Alaska
Electric Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2016	2015
Operating Revenues		
Residential	\$ 1,573,933	\$ 1,566,034
Commercial	2,245,489	2,398,788
Fuel surcharge	62,602	-
Labor charges	2,245	5,692
Other	14,986	21,624
Total Operating Revenues	3,899,255	3,992,138
Operating Expenses		
Generation	3,037,782	3,083,861
Distribution	610,888	638,602
General and administrative	127,817	103,518
Depreciation	285,912	291,720
Total Operating Expenses	4,062,399	4,117,701
Loss from Operations	(163,144)	(125,563)
Nonoperating Revenues (Expenses)		
Equipment and pole rental	100	39,168
Late fees	21,266	23,042
Investment income	10,148	4,328
Material sales	11,307	29,616
Interest expense	(2,487)	(1,905)
State PERS relief	44,652	12,456
SEAPA dividend	340,563	189,878
Net Nonoperating Revenues (Expenses)	425,549	296,583
Change in Net Position	262,405	171,020
Net Position, beginning, as previously reported	2,904,564	3,497,439
Restatement, cumulative effect of adoption of GASB 68	-	(763,895)
Net Position, beginning, as restated	2,904,564	2,733,544
Net Position, ending	\$ 3,166,969	\$ 2,904,564

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Statement of Cash Flows

<i>Years Ended June 30,</i>	2016	2015
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 4,280,720	\$ 4,383,646
Payments for interfund services used	(104,219)	(94,805)
Payments to suppliers	(2,742,876)	(2,926,670)
Payments to employees	(771,996)	(764,892)
Net cash flows from operating activities	661,629	597,279
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(144,190)	(57,591)
Interest payments on revenue bonds	(2,487)	(1,905)
Net cash flows for capital and related financing activities	(146,677)	(59,496)
Cash Flows from Investing Activities		
Investment income received	10,148	4,328
Net Increase in Cash and Investments	525,100	542,111
Cash and Investments, beginning	1,490,847	948,736
Cash and Investments, ending	\$ 2,015,947	\$ 1,490,847
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities		
Loss from operations	\$ (163,144)	\$ (125,563)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	285,912	291,720
Noncash expense - PERS relief	44,652	12,456
Increase in allowance for doubtful accounts	-	7,000
Miscellaneous nonoperating revenues	373,236	281,704
(Increase) decrease in assets:		
Accounts receivable	11,189	88,521
Inventories	(21,197)	19,365
Increase in deferred outflows related to pensions	(94,393)	(9,862)
Increase (decrease) in liabilities:		
Accounts payable	(480)	(2,379)
Accrued leave	2,025	3,554
Customer utility deposits	(2,960)	14,283
Net pension liability	289,042	(70,774)
Increase (decrease) in deferred inflows related to pensions	(62,253)	87,254
Net Cash Flows from Operating Activities	\$ 661,629	\$ 597,279

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2016	2015
Generation		
Salaries	\$ 183,770	\$ 175,116
Overtime salaries	385	2,487
Employee benefits	263,034	124,860
Telephone	4,330	4,537
Utilities	2,183	2,097
Travel and training	2,573	355
Materials and supplies	8,060	8,219
Gas and oil	8,011	21,635
Diesel fuel	52,516	66,767
Tyee hydro power purchases	2,480,241	2,601,290
Repairs and maintenance	18,771	71,143
O.S.H.A. requirements	13,908	5,355
Total Generation	3,037,782	3,083,861
Distribution		
Salaries	311,140	297,950
Overtime salaries	8,175	4,159
Employee benefits	184,565	182,948
Telephone	734	983
Utilities	956	906
Travel and training	6,187	8,529
Materials and supplies	42,085	39,752
Meters	14,102	14,756
Poles	(1,085)	15,977
Repairs and maintenance	6,403	28,692
Transformers	1,659	-
Allocated vehicle charges - garage	35,967	43,950
Total Distribution	610,888	638,602
General and Administrative		
Allocated overhead - finance	68,252	50,855
Professional services	10,525	9,268
Insurance	9,659	10,599
Credit card expense	39,381	32,796
Total General and Administrative	127,817	103,518
Depreciation	285,912	291,720
Total Operating Expenses	\$ 4,062,399	\$ 4,117,701

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Net Position

June 30,	2016	2015
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 487,495	\$ 1,392,805
Receivables:		
Accounts	52,072	50,702
Grants	23,177	6,584
Accrued interest	57	33
Total receivables	75,306	57,319
Total Current Assets	562,801	1,450,124
Restricted Cash and Investments		
Bond redemption reserve	25,032	24,904
ADEC loan	730,238	-
Total Restricted Cash and Investments	755,270	24,904
Property, Plant and Equipment		
Buildings	4,936,906	4,743,289
Improvements other than buildings	11,583,256	11,175,779
Equipment	127,843	101,069
Construction in progress	5,105	418,718
Total property, plant and equipment	16,653,110	16,438,855
Less accumulated depreciation	(10,408,655)	(9,765,470)
Net Property, Plant and Equipment	6,244,455	6,673,385
Total Assets	7,562,526	8,148,413
Deferred Outflows of Resources, related to pensions	22,318	8,589
Total Assets and Deferred Outflows of Resources	\$ 7,584,844	\$ 8,157,002
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 11,413	\$ 22,397
Accrued leave	6,437	3,519
Customer utility deposits	9,545	9,120
Accrued interest payable	3,212	2,988
Current portion:		
Revenue bonds	5,162	4,918
ADEC loan	83,531	82,297
Total Current Liabilities	119,300	125,239
Long-term Liabilities, net of current portion		
Revenue bonds	182,946	188,109
ADEC loan	346,844	430,375
Net pension liability	132,173	90,133
Total long-term Liabilities, net of current portion	661,963	708,617
Total Liabilities	781,263	833,856
Deferred Inflows of Resources, related to pensions	1,359	10,413
Net Position		
Net investment in capital assets	5,625,972	5,967,686
Unrestricted	1,176,250	1,345,047
Total Net Position	6,802,222	7,312,733
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 7,584,844	\$ 8,157,002

City and Borough of Wrangell, Alaska
Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2016	2015
Operating Revenues		
Water sales	\$ 623,594	\$ 600,079
Operating Expenses		
Salaries	60,210	57,700
Overtime salaries	13,780	5,096
Employee benefits	74,892	59,232
Allocated salaries - public works	39,188	85,808
Allocated overhead - finance	22,182	16,180
Telephone	3,167	3,415
Travel and training	265	-
Materials and supplies	19,931	41,235
Chlorination - electricity	87,520	81,808
Repairs and maintenance	205,464	56,925
Allocated vehicle charges - garage	32,822	39,670
Professional services	9,758	9,705
Compliance testing	9,455	8,944
Insurance	4,283	1,389
Credit card expense	4,092	3,407
Depreciation	644,418	608,623
Total Operating Expenses	1,231,427	1,079,137
Loss from Operations	(607,833)	(479,058)
Nonoperating Revenues (Expenses)		
Fire hydrant rental	42,112	39,730
Investment income	5,288	9,980
Material sales	936	2,477
Interest expense	(17,266)	(18,241)
General expense	(7,366)	-
Noncapital grant revenue	67,124	7,565
State PERS relief	6,494	6,430
Net Nonoperating Revenues (Expenses)	97,322	47,941
Loss before contributions	(510,511)	(431,117)
Capital contributions	-	281,027
Change in Net Position	(510,511)	(150,090)
Net Position, beginning, as previously reported	7,312,733	7,553,991
Restatement, cumulative effect of adoption of GASB 68	-	(91,168)
Net Position, beginning, as restated	7,312,733	7,462,823
Net Position, ending	\$ 6,802,222	\$ 7,312,733

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Cash Flows

<i>Years Ended June 30,</i>	2016	2015
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 716,228	\$ 655,615
Payments for interfund services used	(94,192)	(141,658)
Payments to suppliers	(362,285)	(186,038)
Payments to employees	(120,213)	(118,589)
Net cash flows from operating activities	139,538	209,330
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(215,488)	(281,027)
Principal payments on revenue bonds	(4,919)	(4,689)
Principal payments on loan	(82,297)	(81,080)
Interest payments on bonds and loan	(17,042)	(18,486)
Capital contributions received	-	274,443
Net cash flows for capital and related financing activities	(319,746)	(110,839)
Cash Flows from Investing Activities		
Investment income received	5,264	10,344
Net Increase (Decrease) in Cash and Investments	(174,944)	108,835
Cash and Investments, beginning	1,417,709	1,308,874
Cash and Investments, ending	\$ 1,242,765	\$ 1,417,709
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments:		
Current assets	\$ 487,495	\$ 1,392,805
Restricted assets	755,270	24,904
Total Cash and Investments	\$ 1,242,765	\$ 1,417,709
Reconciliation of Loss from Operations to Net Cash		
Flows from Operating Activities		
Loss from operations	\$ (607,833)	\$ (479,058)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	644,418	608,623
Noncash expense - PERS relief	6,494	6,430
Miscellaneous nonoperating revenues	110,172	49,772
Miscellaneous nonoperating expenses	(7,366)	-
(Increase) decrease in assets:		
Accounts receivable	(1,370)	4,694
Noncapital grants receivable	(16,593)	-
Increase in deferred outflows related to pensions	(13,729)	(1,177)
Increase (decrease) in liabilities:		
Accounts payable	(10,984)	20,790
Accrued leave	2,918	(3,780)
Customer utility deposits	425	1,070
Net pension liability	42,040	(8,447)
Increase (decrease) in deferred inflows related to pensions	(9,054)	10,413
Net Cash Flows from Operating Activities	\$ 139,538	\$ 209,330

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Net Position

June 30,	2016	2015
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 159,997	\$ 369,582
Receivables:		
Accounts	51,645	49,005
Grants	-	2,314
Accrued interest	35	35
Total receivables	51,680	51,354
Total Current Assets	211,677	420,936
Restricted Cash and Investments		
Bond redemption reserve	25,040	24,835
Property, Plant and Equipment		
Buildings	2,233,579	2,233,579
Improvements other than buildings	10,089,209	8,664,494
Equipment	142,639	115,864
Construction in progress	-	425,484
Total property, plant and equipment	12,465,427	11,439,421
Less accumulated depreciation	(8,631,620)	(8,216,596)
Net Property, Plant and Equipment	3,833,807	3,222,825
Total Assets	4,070,524	3,668,596
Deferred Outflows of Resources, related to pensions	36,269	14,206
Total Assets and Deferred Outflows of Resources	\$ 4,106,793	\$ 3,682,802
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,281	\$ 6,317
Accrued leave	15,872	13,058
Accrued interest payable	1,683	1,702
Current portion - revenue bonds	5,161	4,918
Total Current Liabilities	24,997	25,995
Long-term liabilities, net of current portion		
Revenue bonds	182,960	188,121
Net pension liability	216,631	149,071
Total Long-term Liabilities	399,591	337,192
Total Liabilities	424,588	363,187
Deferred Inflows of Resources, related to pensions	2,672	17,223
Net Position		
Net investment in capital assets	3,645,686	3,029,786
Unrestricted	33,847	272,606
Total Net Position	3,679,533	3,302,392
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,106,793	\$ 3,682,802

City and Borough of Wrangell, Alaska
Sewer Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2016	2015
Operating Revenues		
Sewer charges	\$ 571,205	\$ 533,320
Labor charges	533	500
Total Operating Revenues	571,738	533,820
Operating Expenses		
Collection and treatment	419,000	397,275
General and administrative	27,597	20,481
Depreciation	415,024	361,305
Total Operating Expenses	861,621	779,061
Loss from Operations	(289,883)	(245,241)
Nonoperating Revenues (Expenses)		
Equipment rentals	25	-
Material sales	351	-
Investment income	2,006	1,670
State PERS relief	10,437	10,635
Interest expense	(9,333)	(10,115)
Net Nonoperating Revenues (Expenses)	3,486	2,190
Loss before contributions	(286,397)	(243,051)
Capital contributions	663,538	287,554
Change in Net Position	377,141	44,503
Net Position, beginning, as previously reported	3,302,392	3,408,671
Restatement, cumulative effect of adoption of GASB 68	-	(150,782)
Net Position, beginning, as restated	3,302,392	3,257,889
Net Position, ending	\$ 3,679,533	\$ 3,302,392

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Cash Flows

<i>Years Ended June 30,</i>	2016	2015
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 569,474	\$ 537,102
Payments for interfund services used	(49,994)	(81,932)
Payments to suppliers	(163,328)	(155,085)
Payments to employees	(193,114)	(180,712)
Net cash flows from operating activities	163,038	119,373
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(1,026,006)	(329,849)
Principal payments on revenue bonds	(4,918)	(4,688)
Interest payments on bonds	(9,352)	(10,182)
Capital contributions received	665,852	323,879
Net cash flows for capital and related financing activities	(374,424)	(20,840)
Cash Flows from Investing Activities		
Investment income received	2,006	1,670
Net Increase (Decrease) in Cash and Investments	(209,380)	100,203
Cash and Investments, beginning	394,417	294,214
Cash and Investments, ending	\$ 185,037	\$ 394,417
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments:		
Current assets	\$ 159,997	\$ 369,582
Restricted assets	25,040	24,835
Total Cash and Investments	\$ 185,037	\$ 394,417
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities		
Loss from operations	\$ (289,883)	\$ (245,241)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	415,024	361,305
Noncash expense - PERS relief	10,437	10,635
Miscellaneous nonoperating revenues	376	-
(Increase) decrease in assets - accounts receivable	(2,640)	3,282
Increase in deferred outflows related to pensions	(22,063)	(1,947)
Increase (decrease) in liabilities:		
Accounts payable	(4,036)	(12,502)
Accrued leave	2,814	588
Net pension liability	67,560	(13,970)
Increase (decrease) in deferred inflows related to pensions	(14,551)	17,223
Net Cash Flows from Operating Activities	\$ 163,038	\$ 119,373

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2016	2015
Collection and Treatment		
Salaries	\$ 110,550	\$ 104,832
Overtime salaries	8,437	4,245
Employee benefits	118,324	84,164
Allocated salaries - public works	10,520	42,752
Telephone	3,828	3,507
Utilities	59,922	61,574
Travel and training	155	2,436
Materials and supplies	7,584	13,434
Fuel oil	47	-
Permits	1,680	1,680
Facilities repairs and maintenance	19,200	6,963
Systems repairs and maintenance	49,947	35,326
Allocated vehicle charges - garage	22,411	26,960
Compliance testing	6,395	9,402
Total Collection and Treatment	419,000	397,275
General and Administrative		
Allocated overhead - finance	17,063	12,220
Professional services	5,043	4,433
Insurance	1,911	847
Credit card expense	3,580	2,981
Total General and Administrative	27,597	20,481
Depreciation	415,024	361,305
Total Operating Expenses	\$ 861,621	\$ 779,061

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund

Statement of Net Position

<i>June 30,</i>	2016	2015
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 110,503	\$ 28,206
Receivables:		
Accounts	47,376	45,565
Grants	-	335
Total Current Assets	157,879	74,106
Property, Plant and Equipment		
Buildings	982,636	982,637
Equipment	462,538	462,538
Total property, plant and equipment	1,445,174	1,445,175
Less accumulated depreciation	(883,050)	(819,230)
Net Property, Plant and Equipment	562,124	625,945
Total Assets	720,003	700,051
Deferred Outflows of Resources, related to pensions	29,541	11,837
Total Assets and Deferred Outflows of Resources	\$ 749,544	\$ 711,888
Liabilities, Deferred Inflows or Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 18,049	\$ 33,363
Accrued leave	3,338	4,672
Total Current Liabilities	21,387	38,035
Long-term Liabilities - net pension liability	178,429	124,217
Total Liabilities	199,816	162,252
Deferred Inflows of Resources, related to pensions	2,675	14,351
Net Position		
Net investment in capital assets	562,124	625,945
Unrestricted (deficit)	(15,071)	(90,660)
Total Net Position	547,053	535,285
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 749,544	\$ 711,888

City and Borough of Wrangell, Alaska
Sanitation Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2016	2015
Operating Revenues		
User fees	\$ 578,169	\$ 512,223
Operating Expenses		
Collection	147,624	110,870
Landfill	349,154	430,598
General and administrative	14,886	11,294
Depreciation	63,821	70,142
Total Operating Expenses	575,485	622,904
Income (Loss) from Operations	2,684	(110,681)
Nonoperating Revenues (Expenses)		
State PERS relief	8,375	8,862
Investment income	664	221
Waste management grant	107	22,455
Waste management expense	(62)	(27,147)
Net Nonoperating Revenues (Expenses)	9,084	4,391
Change in Net Position	11,768	(106,290)
Net Position, beginning, as previously reported	535,285	767,218
Restatement, cumulative effect of adoption of GASB 68	-	(125,643)
Net Position, beginning, as restated	535,285	641,575
Net Position, ending	\$ 547,053	\$ 535,285

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund

Statement of Cash Flows

<i>Years Ended June 30,</i>	2016	2015
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 576,358	\$ 520,528
Payments for interfund services used	(74,764)	(95,564)
Payments to suppliers	(253,279)	(274,169)
Payments to employees	(167,062)	(168,712)
Net cash flows from (for) operating activities	81,253	(17,917)
Cash Flows from Noncapital Financing Activities		
Waste management grant received	442	28,055
Waste management grant expended	(62)	(27,147)
Net cash flows from noncapital financing activities	380	908
Cash Flows from Investing Activities		
Investment income received	664	221
Net Increase (Decrease) in Cash and Investments	82,297	(16,788)
Cash and Investments, beginning	28,206	44,994
Cash and Investments, ending	\$ 110,503	\$ 28,206
Reconciliation of Loss from Operations to Net Cash		
Flows from (for) Operating Activities		
Loss from operations	\$ 2,684	\$ (110,681)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:		
Depreciation	63,821	70,142
Noncash expense - PERS relief	8,375	8,862
Increase (decrease) in assets - accounts receivable	(1,811)	8,305
Increase in deferred outflows related to pensions	(17,704)	(1,622)
Increase (decrease) in liabilities:		
Accounts payable	(15,314)	5,480
Accrued leave	(1,334)	(1,113)
Net pension liability	54,212	(11,641)
Increase (decrease) in deferred inflows related to pensions	(11,676)	14,351
Net Cash Flows from (for) Operating Activities	\$ 81,253	\$ (17,917)

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund

Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2016	2015
Collection		
Salaries	\$ 44,034	\$ 42,898
Overtime salaries	941	112
Employee benefits	64,144	22,790
Allocated salaries - public works	6,357	3,682
Dumpsters	6,704	10,238
Materials and supplies	778	1,010
Allocated vehicle charges - garage	24,666	30,140
Total Collection	147,624	110,870
Landfill		
Salaries	45,230	43,511
Overtime salaries	991	2,881
Employee benefits	43,595	65,357
Allocated salaries - public works	12,250	27,262
Telephone	1,391	1,200
Utilities	7,851	8,741
Travel and training	675	-
Monitoring and testing	3,737	2,593
Disposal costs	192,201	196,422
Hazardous waste	8,790	19,493
Materials and supplies	2,319	4,263
Repairs and maintenance	1,403	10,368
Professional services	2,368	2,095
Allocated vehicle charges - garage	24,666	30,140
Landfill closure costs	1,687	16,272
Total Landfill	349,154	430,598
General and Administrative		
Allocated overhead - finance	6,825	4,340
Insurance	3,969	2,997
Credit card expense	4,092	3,957
Total General and Administrative	14,886	11,294
Depreciation	63,821	70,142
Total Operating Expenses	\$ 575,485	\$ 622,904

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Statement of Net Position

June 30,	2016	2015
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 4,214,333	\$ 3,548,481
Receivables:		
Accounts	98,564	98,101
Grants	61,010	109,237
Accrued interest	150	100
Less allowance for doubtful accounts	(23,000)	(23,000)
Net receivables	136,724	184,438
Restricted Cash and Investments - harbor improvements	1,372,549	1,372,549
Total Current Assets	5,723,606	5,105,468
Property, Plant and Equipment		
Land	948,333	948,333
Docks and improvements	8,959,944	8,962,061
Harbor floats	24,798,039	24,802,574
Travel lift	18,391,507	18,391,507
Gridiron	154,636	155,151
Buildings	222,466	222,466
Equipment	306,510	418,703
Paving	2,381,771	2,375,803
Construction in progress	1,341,587	825,087
Total property, plant and equipment	57,504,793	57,101,685
Less accumulated depreciation	(20,732,405)	(18,932,674)
Net Property, Plant and Equipment	36,772,388	38,169,011
Total Assets	42,495,994	43,274,479
Deferred Outflows of Resources, related to pensions	98,410	39,412
Total Assets and Deferred Outflows of Resources	\$ 42,594,404	\$ 43,313,891
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 15,739	\$ 59,995
Accrued leave	19,006	20,092
Unearned revenue	1,372,549	1,372,549
Interfund loans	34,959	29,517
Total Current Liabilities	1,442,253	1,482,153
Long-term Liabilities		
Interfund loans, net of current portion	142,845	183,246
Net pension liability	594,241	413,582
Total Long-term Liabilities	737,086	596,828
Total Liabilities	2,179,339	2,078,981
Deferred Inflows of Resources, related to pensions	8,873	47,783
Net Position		
Net investment in capital assets	36,772,388	38,169,011
Unrestricted	3,633,804	3,018,116
Total Net Position	40,406,192	41,187,127
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 42,594,404	\$ 43,313,891

City and Borough of Wrangell, Alaska

Port Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2016	2015
Operating Revenues		
Municipal dock:		
Storage fees	\$ 102,680	\$ 102,877
Wharfage fees	69,482	77,668
Dockage fees	54,392	55,312
Port development fees	22,899	12,017
Transient fees	166	785
Total municipal dock	249,619	248,659
Small boat harbor:		
Stall rentals and transient fees	570,396	591,728
Penalties and late fees	10,277	10,685
Materials sales	2,651	2,018
Other revenues	13,067	14,410
Total small boat harbor	596,391	618,841
Travel lift:		
Lift fees	169,672	178,777
Storage fees	191,495	197,438
Electric revenues	16,978	11,965
Total travel lift	378,145	388,180
Total Operating Revenues	1,224,155	1,255,680
Operating Expenses		
Municipal dock	156,917	160,943
Small boat harbor	612,013	513,964
Travel lift	188,478	227,044
General and administrative	97,206	89,902
Depreciation	1,919,090	1,940,944
Total Operating Expenses	2,973,704	2,932,797
Loss from Operations	(1,749,549)	(1,677,117)
Nonoperating Revenues		
Investment income	20,076	14,978
State PERS relief	27,910	29,506
State raw fish tax	392,076	329,987
State fisheries business tax	12,046	17,347
Total Nonoperating Revenues	452,108	391,818
Loss before contributions	(1,297,441)	(1,285,299)
Capital contributions	516,506	1,640,146
Change in Net Position	(780,935)	354,847
Net Position, beginning, as previously reported	41,187,127	41,250,609
Restatement, cumulative effect of adoption of GASB 68	-	(418,329)
Net Position, beginning, as restated	41,187,127	40,832,280
Net Position, ending	\$ 40,406,192	\$ 41,187,127

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Statement of Cash Flows

<i>Years Ended June 30,</i>	2016	2015
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 1,223,692	\$ 1,242,049
Payments for interfund services used	(45,118)	(37,667)
Payments to suppliers	(366,926)	(326,228)
Payments to employees	(577,251)	(571,039)
Net cash flows from operating activities	234,397	307,115
Cash Flows from Noncapital Financing Activities		
State fish taxes received	404,122	347,334
Cash Flows from Capital and Related Financing Activities		
Purchase of property, plant and equipment	(522,467)	(1,688,416)
Principal payments on loan payable to other fund	(34,959)	(29,518)
Capital contributions received	564,733	3,274,737
Net cash flows from capital and related financing activities	7,307	1,556,803
Cash Flows from Investing Activities		
Investment income received	20,026	14,901
Net Increase in Cash and Investments	665,852	2,226,153
Cash and Investments, beginning	4,921,030	2,694,877
Cash and Investments, ending	\$ 5,586,882	\$ 4,921,030
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments:		
Current assets	\$ 4,214,333	\$ 3,548,481
Restricted assets	\$ 1,372,549	\$ 1,372,549
Total Cash and Investments	\$ 5,586,882	\$ 4,921,030
Reconciliation of Loss from Operations to Net Cash		
Flows from Operating Activities		
Loss from operations	\$ (1,749,549)	\$ (1,677,117)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	1,919,090	1,940,944
Noncash expense - PERS relief	27,910	29,506
Increase in assets - accounts receivable	(463)	(13,631)
Increase in deferred outflows related to pensions	(58,998)	(5,401)
Increase (decrease) in liabilities:		
Accounts payable	(44,256)	15,725
Accrued leave	(1,086)	8,064
Net pension liability	180,659	(38,758)
Increase (decrease) in deferred inflows related to pensions	(38,910)	47,783
Net Cash Flows from Operating Activities	\$ 234,397	\$ 307,115

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2016	2015
Municipal Dock		
Salaries	\$ 84,836	\$ 75,757
Overtime salaries	110	-
Employee benefits	30,765	33,630
Materials and supplies	6,931	6,236
Insurance	7,227	13,692
Utilities	7,980	8,348
Capital expenditures	557	1,075
Repairs and maintenance	18,511	22,205
Total Municipal Dock	156,917	160,943
Small Boat Harbor		
Salaries	198,418	187,642
Overtime salaries	-	92
Employee benefits	260,540	172,437
Allocated salaries - public works	6,631	1,959
Materials and supplies	17,392	8,381
Insurance	765	2,919
Utilities	93,933	98,601
Repairs and maintenance	33,237	35,252
Miscellaneous expense	1,097	6,681
Total Small Boat Harbor	612,013	513,964
Travel Lift		
Salaries	58,611	75,568
Overtime salaries	2,602	4,844
Employee benefits	51,054	62,263
Materials and supplies	12,363	6,346
Insurance	16,068	12,161
Utilities	32,776	37,029
Repairs and maintenance	15,004	28,833
Total Travel Lift	188,478	227,044
General and Administrative		
Allocated overhead - finance	23,888	17,868
Travel and training	15,854	11,683
Professional services	5,920	5,246
Telephone	7,114	6,807
Materials and supplies	4,757	6,324
Allocated vehicle charges - garage	14,599	17,840
Insurance	1,105	1,946
Repairs and maintenance	4,458	5,131
Credit card expense	13,027	12,488
Publications	6,484	4,569
Total General and Administrative	97,206	89,902
Depreciation	1,919,090	1,940,944
Total Operating Expenses	\$ 2,973,704	\$ 2,932,797

City and Borough of Wrangell, Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass Through Entity Identifying Number	Federal CFDA Number	Total Grant Award	Federal Total Expend- itures
Department of Agriculture				
Passed through State of Alaska Department of Commerce, Community, and Economic Development - Forest Service Schools and Roads Cluster - National Forest Receipts	N/A	10.665	\$ 1,280,839	<u>\$ 903,865</u>
Department of Housing and Urban Development				
Renovation of Community Center		14.251	475,000	19,516
Passed through State of Alaska Department of Commerce, Community, and Economic Development - Sewer Pumps Replacement Project	12-CDBG-003	14.228	728,134	<u>617,892</u>
Total Department of Housing and Urban Development				<u>637,408</u>
Department of the Interior				
Payments in Lieu of Taxes		15.226	445,848	445,848
Passed through State of Alaska Department of Commerce, Community, and Economic Development - Protecting Coastal Areas through Waste Management Improvement	10-CIAP-032	15.668	85,693	<u>107</u>
Total Department of the Interior				<u>445,955</u>
Department of Homeland Security				
Passed through State of Alaska Department of Military and Veteran Affairs - 911 System Replacement	20SHSP-GY15	97.067	235,000	<u>56,917</u>
Institute of Museum and Library Services				
Passed through Wrangell Cooperative Association - IMLS Library Grant	NG-01-13-0078-13	45.311	19,000	<u>7,000</u>
Total Expenditures of Federal Awards				<u>\$ 2,051,145</u>

City and Borough of Wrangell, Alaska

Schedule of State Financial Assistance

Year Ended June 30, 2016

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
Department of Revenue			
* Raw Fish Tax	FY 2016	\$ 392,076	\$ 392,076
Liquor Licenses	FY 2016	8,200	8,200
CPV Excise Tax Revenue	CY 2013	38,845	38,845
Total Department of Revenue			<u>439,121</u>
Department of Commerce, Community and Economic Development			
* Commercial Passenger Vessel Facility	11-DC-642	325,000	216,232
* Cassiar Street Improvement	12-DC-438	1,000,000	160,526
Gun Range Improvements	13-DM-229	50,000	23,640
Wood Street Construction and Utility Improvements	13-DC-447	1,000,000	38,307
6 Mile Marine/Industrial Property Development Plan	15-DC-161	90,000	90,000
Former Institute Property Development Plan	15-DC-164	100,000	73,404
Water Treatment Plant Pilot Study	15-DC-166	150,000	65,894
* Shoemaker Bay Float Design	15-DC-165	600,000	300,269
Connection to Upper Reservoir	15-DC-162	615,000	1,230
* Revenue Sharing	FY 2016	568,634	568,634
Fisheries Business Tax	FY 2016	12,046	12,046
Total Department of Commerce, Community and Economic Development			<u>1,550,182</u>
Department of Education and Early Development			
* School Debt Reimbursement	FY 2016	201,921	201,921
Department of Health and Social Services			
Youth Court/Community Panels	609-239-1608	19,000	19,000
Department of Military and Veterans Affairs -			
Local Emergency Preparedness Committee	20LEPC-GY16	8,787	8,787
Department of Administration -			
* PERS On-Behalf	FY 2016	181,452	181,452
Total State Financial Assistance			<u>\$ 2,400,463</u>
* Major program			

City and Borough of Wrangell, Alaska

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended June 30, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and the schedule of state financial assistance (the "Schedules") include the federal and state grant activity of City and Borough of Wrangell, Alaska under programs of the federal and state governments for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City and Borough of Wrangell, Alaska, they are not intended to and do not present the financial position, changes in net assets, or cash flows of City and Borough of Wrangell, Alaska.

2. Summary of Significant Accounting Principles

Expenditures reports on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

The City and Borough of Wrangell, Alaska has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. National Forest Receipts

In accordance with the provisions of GASB Statement Number 33, National Forest Receipts are recorded directly to revenue and any unspent amounts are reported as restricted fund balance. The unspent balance reported in the Special Revenue Fund includes interest earnings as well as unspent grant proceeds. At June 30, 2016, there were no unspent interest earnings and unspent grant funds were \$4,128,080.

5. PERS On-Behalf

The Borough has recorded \$181,452 in PERS On-Behalf payments in the Schedule of State Financial Assistance. This represents the PERS relief payment appropriated and transferred into the plan during FY2016.

In the governmental fund financial statements, on-behalf revenue and expenditures have been recognized in the year appropriated and transferred to the plan. However, in the full accrual financial statements, GASB 68 provisions prescribe that on-behalf pension contributions in a special funding situation may only be recognized during the measurement period in which the plan recognizes the contributions, effectively creating a one-year timing difference between the cash contribution and revenue and expense recognition by the Borough.

As a result of these perspective and timing differences, amounts reported in the financial statements do not agree to the amounts reported on the Schedule of State Financial Assistance.

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Single Audit Reports



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3601 C Street, Suite 600
Anchorage, AK 99503

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

Honorable Mayor and Borough Assembly
City and Borough of Wrangell, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise City and Borough of Wrangell's basic financial statements and have issued our report thereon dated February 7, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
February 7, 2017



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Borough Assembly
City and Borough of Wrangell, Alaska

Report on Compliance for Each Major Federal Program

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

City and Borough of Wrangell's basic financial statements include the operations of the Wrangell Public Schools which received \$575,249 in federal awards which is not included in City and Borough of Wrangell's schedule of expenditures of federal awards during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Wrangell Public Schools because it was subjected to a separate audit in accordance with the Uniform Guidance. In addition, City and Borough of Wrangell's basic financial statements also include the operations of Wrangell Medical Center. Our audit, described below, did not include the operations of Wrangell Medical Center because it was subjected to a separate audit; however it did not meet the threshold for an audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

BDO USA, LLP

Anchorage, Alaska
February 7, 2017



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3601 C Street, Suite 600
Anchorage, AK 99503

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

Honorable Mayor and Borough Assembly
City and Borough of Wrangell, Alaska

Report on Compliance for Each Major State Program

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

City and Borough of Wrangell's basic financial statements include the operations of the Wrangell Public Schools which received \$8,701,062 in state awards which is not included in City and Borough of Wrangell's schedule of state financial assistance during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Wrangell Public Schools because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. In addition, City and Borough of Wrangell's basic financial statements also include the operations of Wrangell Medical Center. Our audit, described below, did not include the operations of Wrangell Medical Center because it was subjected to a separate audit; however it did not meet the threshold for an audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

BDO USA, LLP

Anchorage, Alaska
February 7, 2017

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no
Significant deficiency(ies) identified? ☐ yes ☒ (none reported)

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Financial Awards

Internal control over major federal programs:

Material weakness(es) identified? ☐ yes ☒ no
Significant deficiency(ies) identified? ☐ yes ☒ (none reported)

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster	Agency
10.665	Schools and Roads - Grants to States	Department of Agriculture
15.226	Payments in Lieu of Taxes	Department of the Interior

Dollar threshold used to distinguish between a type A and
type B program: \$ 750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? ☐ yes ☒ no
Significant deficiency(ies) identified? ☐ yes ☒ (none reported)

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

Dollar threshold used to distinguish a state major program: \$ 75,000

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2016

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for Federal Awards (as defined in 2 CFR 200.516(a) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.



CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

Office of the Borough Mayor

P.O. Box 531
Wrangell, AK 99929

907-874-2381
907-874-3952

March 7, 2017

Senator Anna MacKinnon, Co-Chair Senate Finance Committee

Dear Senator MacKinnon;

Our community has heard some of the comments you have made opposing support of the Alaska Marine Highway System (AMHS). Although I could repeat much of the information that others have voiced to you, I would suggest reading the attached information which can be found on <http://www.seconference.org/transportation-issues> prior to making judgment or a budget decision. It should only take a few minutes to review the economic impact portion and provide you with a wealth of information about the economic impact the ferries make to the entire state.

If you go to this site you also will be much more informed about the effort that Southeast Conference is doing to partner with the State of Alaska to reform and revitalize the state's ferry system. Governor Walker signed a memorandum of understanding with Southeast Conference to formally recognize and kick off this project. "For over 50 years, the Alaska Marine Highway System has served as a critical transportation link for Alaska's coastal communities," Said Governor Walker. "The ferries are a lifeline in many communities, and the economic benefits are felt throughout the state."

The site will show that in 2014 for every dollar spent the economic return was more than 2 to 1 over the cost. AMHS carried 319,000 passengers, 108,000 vehicles and nearly 4,000 container vans in 2014. Approximately 52% of AMHS passengers have Anchorage as a destination. These are just a few of the examples of the positive impact the ferries have in the state.

The economic benefits outweigh the cost and in this time of reduced benefits to the State and Communities, the Legislature should be considering funding for services that return revenue to communities and businesses to facilitate economic development opportunities, community prosperity and ease economic cuts.

Although this project is not complete, it does provide some hard economic facts that are important to know prior to making budget decisions that will affect negatively so many Alaskans and cause economic hardship to most of Alaska's coastal communities. This also impacts other parts of the state as visitors that travel the inside passage end up in Haines or Skagway and continue on to the rest of the state. The economic benefits are explained in the site attached and you may be surprised of the positive impact the ferries have in the state. We often see DOT/PF equipment moved from town to town, thousands of tourists that ride the ferry, students traveling for sports and other activities, Alaskans using it to access medical or vacations in other communities, Seafood transportation and many other uses and reasons the ferries are used.

Let the State of Alaska and Southeast Conference have a chance to complete the AMHS Reform Project before making any decision to reduce funding to this needed transportation system and economic engine. Often times a number on a piece of paper to help balance a budget looks good when it doesn't affect directly the people that voted you to office, but you have a responsibility to all Alaskans in your duties as a senator. Thank you for your service to Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Jack', with a long horizontal stroke extending to the right.

**David Jack
Mayor, City and Borough of Wrangell**

Cc (via email):

Wrangell Borough Assembly Members
Senator Bert Stedman
Senate Finance Committee
Representative Dan Ortiz
Representative Jonathan Kreiss-Tomkins
Ray Matiashowski, Lobbyist

**TO: THE HONORABLE MAYOR AND ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

RE: BOROUGH MANAGER'S REPORT

DATED: MARCH 14, 2017

Water Plant Update

The things we have wanted to do at the water plant have their issues. There were a host of things we wanted to do to get ready for the upcoming season. The following update was supplied by Amber Al-Haddad showing the status of those items.

Roughing Filter Modifications

The engineering design and review application for the roughing filters' modifications were finalized in December 2016 and submitted to DEC who recently provided their approval for the design modifications. Some of the materials that were purchased on our behalf by Trident were not approved and will be replaced with NSF-approved materials, while additional materials, necessary to complete the full design, as well will need to be ordered. A contractor may need to be hired to perform the majority of the work, possibly with some assistance from the Borough's work force. We may also need to hire temporary help as our staff is small and may not be available due to their regular work demands.

A work plan for the roughing filter modifications will begin development, including procuring materials, contracting with appropriate contractors, hiring temporary laborers, securing rental equipment, etc. Due to the planning needs, coupled with the labor intense nature of the proposed sand washing, if sand washing is to be pursued in lieu of sand replacement, the roughing filter work may not occur immediately. DEC approved our request to bypass the roughing filter treatment process altogether when the modification work begins; therefore, when performing the work, water flow will not be affected.

Following receipt of DEC's approval, cost estimates are being developed. Staff estimates this work will be in the range of \$80,000-\$100,000, which includes complying with DEC's requirement to replace a portion of the filter media with new material (a cost of approximately \$35,000 including material and shipping costs).

To our knowledge, this design is not a standard design found in roughing filters. There is no guarantee that these modifications will provide the benefit we seek; however, there is consensus that the changes could provide some benefit to this pre-treatment process.

Sand Cleaning

A new quotation was received for consideration in replacing the existing 18-year old sand. That quote was for the top layer of sand only at a cost of \$550,000, including shipping, but not including the labor/equipment for replacement (The handling of silica sand is extremely hazardous, when dry, and

requires specific exposure control methods). Our means and methods of maintenance on the sand filters is unconventional, in every aspect; and the continued use of 18-year old sand will not change the situation we find ourselves in today. Industry standard with slow sand filters is to extract the sand an inch or two at a time over the course of a year, discard it and replace it with new sand. As was suggested in previous years, we maintain recommendation to replace the sand in order to obtain the best treatment performance possible. Replacing the total quantity of sand at one time is a tremendous financial burden, therefore, considering phasing the replacement would be an option as well.

With funding likely to prevent the replacement of sand, we have considered options to clean the sand instead of replace the sand. Toward this effort, CRW Engineers prepared a sand dredging plan for our consideration. The problem with this plan is that there are two different size sand layers in the filter and the dredging action, with the slurry of water present, will not allow for maintaining the layer separation. Additionally the idea of partitioning the filter bay is further challenged by the existing grid system of piping found within the first sand layer. The engineer's time estimate for performing the sand dredging work was approximately 1-1/2 weeks each filter (or five weeks total time) and a cost estimate in the range of approximately \$60,000-\$100,000.

After realizing problems with the dredging option, we have been exploring ways to remove the sand, wash it, and then return it to the filter bays. Our current idea is to attempt to clean the sand with the use of a locally-owned sand screw. With this idea, we would haul the sand out of the filter bays to the sand screw, run it through with water for cleaning, and then return it to the filter bays. Challenges here are related to the labor intensity and time to perform the removal and replacement by hand, coupled with the distance for hauling in small loads and it's down time effect on the filter. There is approximately 300 CY of the top layer of sand in each of the four filter bays. The consideration of equipment use to aid in this process also has its challenges, finding equipment of adequate size to fit through the door and perform the work in a feasible manner, the weight of the equipment over the grid system of piping, a carbon monoxide atmosphere created by the equipment, having adequate hauling equipment to maintain consistent work flow. Options for this proposed sand cleaning plan are still being considered.

Ozone Generator Replacement

The purchase of a second replacement generator was approved as a DEC loan by the Assembly. DEC allowed, on the basis of product compatibility, a sole source procurement to the manufacturer of the unit we purchased in 2015. The order has been placed and we expect the new generators to arrive in Wrangell around the end of April.

Other Water Changes being worked on:

1. Conservation- I think we will begin this in the very near future to try and get people in the act of conserving and talking about the importance of water conservation. It helps keep costs down to operate the plant and certainly it goes a long way in help when we are in the summer crisis.
2. Talking to the two seafood plants- We will do this before I leave to be sure we are all on the same page and talk about things they have done to conserve water and what to expect next summer. We want to be sure they are doing their part in water conservation.

3. Ordinance changes- We hopefully will introduce an ordinance the last meeting of the month or the first meeting in April which will address the following water issues:
- Rate Increase- We have had to incur additional debt for the ozone generator, now the additional costs at the water plant and soon may have to come back to the assembly for another loan for matching a DEC grant to upgrade some failing water mains. All of this collectively is contributing to the requested increase. We will be asking for a 5% increase on July 1, 2017 and another 5% on July 1, 2018. This will amount to a \$2.04 increase in year 1 and a \$2.14 increase in year two. The current residential month rate is \$40.75.
 - Make a variety of other changes that will assist the borough in limiting the borough's costs with new water and sewer hookups.
 - Add a section that will provide the rules for what happens as we have low water issues like we did last summer and the tools to enforce it. An example might be that when we get below 20 feet in the tank, we don't give water to cruise ships, no watering of lawns, washing cars, etc. And in the case of resident's violations, we can issue them a citation and in extreme cases shut off water. This was suggested by Assembly Member Prysunka to have a preprogrammed list of things that happen as water levels drop in the treated water tanks or the reservoir.
 - We would like to have a workshop with the assembly early the week of March 20th so that staff can update the assembly directly on what we are doing, the challenges we are facing and give the assembly a chance to ask questions and provide ideas in the process.

To Support the above efforts, we will be requesting the following:

- Waive the procurement requirements for purchasing equipment for the water department only. This would amount to purchasing some equipment and likely renting other equipment. Anything we can rent or buy locally we will.
- Waive the requirements for advertising for employees. We may have to hire some temporary people to help in the various things that will need to be done and we don't know when or exactly what we are going to need them to do, so it is important that we don't have to wait until an advertisement in the paper occurs.
- We are going to have to spend some money on these various items and it is not going to be cheap. We are asking that we be allowed to spend what is necessary to rent or purchase small equipment, hire temporary employees and to hire specialized contractors to get the necessary work completed without have to come back to the assembly each time. Once we have an estimate of the dollar value of work needed we will come back to the assembly for a budget amendment.

Staff's Efforts:

I can tell you that Amber is spending almost all of her time on this project and will continue to do so, along with Wayne at the plant and other staff input. Staff has consulted with a variety of people in some of the things we are doing and most of it has never been done before. Most of that is people that have put in slow sand filter systems have pretty clean water going through

them and the sand does not clog up like ours does. As soon as the weather breaks and we thaw out, we will start.

New Plant:

The effort on the new plant is twofold. The first is to come up with an estimate of the cost of the new plant. Through Amber and Wayne's effort we believe that we can get the new plant for possibly the 8.5 million dollar range which is down from the 13 million original price tag. Most of this is utilizing the existing building instead of building a new building. Once the engineer has looked over and agrees with our cuts, we can revisit USDA with a preliminary application. Amber and Carol Rushmore are meeting with the Alaska EDA representative to see if there is any funding available with their organization.

What we don't know is what amount of the funding is going to be a grant and how much will be a loan. I believe they will analyze the water fund's financial situation and figure out how much we can afford in the form of a loan and make the rest a grant. Not sure the process for this determination but that is what was done on the Sewer Pump Station loan/grant we received from them.

State Legislature:

As anyone knows that follows the legislature, it is an evolving process with many twists and turns. The house originally was looking at possible cuts to the school debt reimbursement program of which next year we would normally receive about \$166,000, reduce the Base Student Allocation to schools or increase the employer rate of PERS (Public Employees Retirement System). They seem to have backed off those for the time being. The Senate is looking at part of the solution to come from the Permanent Fund, but I suspect other cuts affecting municipalities will be discussed. I think we can count on some municipal cuts somewhere.

We continue to work with the LIO office and Ray Matiashowski, our lobbyist to be sure we provide testimony when necessary and to write letters or provide other information when needed. We also have been talking to both Representative Ortiz and Senator Stedman's office on a wide range of topics, including Evergreen Avenue and Shoemaker Bay funding.

Budget:

We have met with all but one department head and will start plugging in the various requests, including capital and see where that all works out. There is not near enough money to do what is requested. It will be hard to complete a draft until later in April when the legislature is completed since that could have a major impact. Although Carol Rushmore, the interim manager, will be in charge I would look to Lee Burgess, the finance director, to be the key person with the budget.

We do know from our early conversations with department heads that the capital requests for some pretty basic things such as vehicles, equipment and buildings will far exceed our ability to do. We will prioritize with such things as the public safety building roof, plumbing and siding and the pool roof. We have talked to department heads that instead of buying new vehicles we

look at the state and federal surplus where we have gotten good deals on vehicles with pretty low mileage. We will just have to learn to do things with less money, but that could mean less services as well.

Income Survey:

Some people in the public may have been contacted about an income survey the borough is doing. We are not doing this to pry into people's business, we are doing this so that possibly, if successful, we can access state grant funds that would not otherwise be available to us. If after completing the survey and we are successful, we could access funds to do needed repairs at the Public Safety Building, purchase a new fire truck and other needed infrastructure projects.

Without this and to do these needed improvements, we would have little choice but to bond for these projects and then pay the bonds back through increased rates or taxes.

Please spend the few minutes it takes to do the survey to help us complete the project which is directed through the state and see if we can fund Wrangell projects through grant sources. In 2020, some of this same information will be asked when they do the 2020 ten year census. You do not have to tell the person the amount only a range and if over the medium income amount you just have to say over.

Agenda Item 9

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM

CLERK'S REPORT March 14, 2017

Mark Your Calendar:

- 3/15 Hospital Board Mtg. in the Nolan Center Classroom at 5:30pm
- 3/20 Special Assembly Mtg. to conduct Mgr. Interviews at Noon in the Assembly Chambers
- 3/25 Borough Manager, Jeff Jabusch's Retirement Party (**not a City event**) at the Nolan Center at 6:00 pm
- 3/27 Seward's Day - City Hall Closed
- 3/28 Regular Assembly Mtg. at 7pm in the Assembly Chambers
- 3/31 Tent City Days begins!

- 4/13 SEAPA Board Mtg. to be held in Ketchikan, with times TBD



Call the Question (rank 7)

Sophia: I call the question and move that we stop debate.

This motion may be the most commonly misunderstood motion. Many people mistakenly believe that if someone shouts out “question,” the group must take a vote immediately. This would give a single individual the right to shut down the debate and make everyone vote. Such an outcome would violate the principle that all members have equal rights, privileges and obligations.

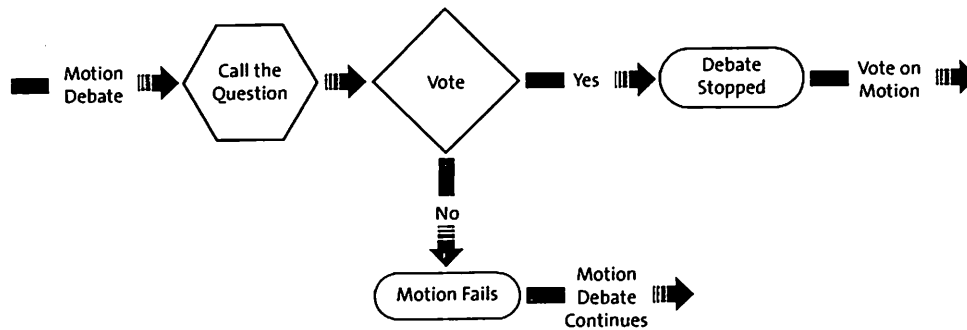


Figure 11. Call the Question

This motion means that one person believes it is time to stop debate and vote immediately on the pending question. It is a request, not an order.

Members must be recognized before calling the question. Don't let someone shout out “question” and take over the meeting without having obtained permission to speak.

When the question is called, the chair asks, “Is there a second?” If someone seconds the motion, the vote is taken immediately on the pending question. It takes two-thirds in favor for this motion to pass.

Call the question:

- needs a second,
- cannot be debated,
- cannot be amended, and
- takes a two-thirds vote to pass. (Under Robert's Rules of Order, a two-thirds vote is normally required when members' rights are being limited or expanded.)



Note that these terms all mean the same thing:

- Call the question
- Previous question
- Move the previous question

EXAMPLE

Jasmine: *I move that we build a mammalian outreach center.*

Benjamin: [without being recognized]: *Second!*

Mayor Pat: *It has been moved and seconded that we build a mammalian outreach center. We will now debate the motion.*

[Members debate the motion. During debate...]

Sophia: *I call the question.*

Tomas [without being recognized]: *Second!*

Mayor Pat: *It has been moved and seconded that we stop debate and vote on the pending question, the motion to build a mammalian outreach center.*

All those in favor of stopping debate and voting now, raise your right hand. [Members raise hands.]

Thank you, hands down.

All those opposed, raise your right hand. [Members raise hands.]

Thank you, hands down.

[If the ayes have it:] *There are two-thirds in favor and we will vote immediately.*

All those in favor of building a mammalian outreach center, say “aye.”
[etc.]

[If the noes have it] *There are not two-thirds in favor and debate will continue. Next speaker please...*

IN OUR EXPERIENCE

If you want to alarm people, you can tell them that this is a “vote on whether to vote,” which sounds worse than it really is. The term “previous question” is an unhappy leftover from the 19th century. The words meant something completely different in the British parliament. We believe that it would be better to rename this motion as “motion to stop debate” or “motion to vote immediately.” —Ann

*This section was taken from : Mastering Council Meetings
by Ann G. Macfarlane, PRP, CAE & Andrew L. Estep, CAE*

Let's Celebrate

PLEASE JOIN US AS
WE CELEBRATE THE

Retirement

OF

Jeff Labusch

SATURDAY, MARCH 25, 2017

6:00PM NO HOST COCKTAILS

7:00PM BUFFET

JAMES & ELSIE NOLAN CENTER

Agenda Items 10 a - b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM March 14, 2017

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS:

INFORMATION: This agenda item is reserved for the Mayor and Assembly Member's special reports. Such information items as municipal league activities, reports from committees on which members sit, conference attendance, etc., are examples of items included here.

➤ **Item 10a** Reports by Assembly Members

➤ **Item 10b** City Boards and Committee Appointments

There were no letters of interest received for the one vacancy on the EDC

Vacancies:

- One vacancy Economic Development Committee (Oct 2019)

Recommended Action:

Appointments to be filled by the Mayor with the consent of the assembly for the various seats.

Recommended Action if not approved with the consent of the Assembly:

Motion: Move to appoint _____ to fill the vacancy on the _____ for the term up until October _____.

Agenda Item 12a

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM March 14, 2017

INFORMATION:

PROPOSED ORDINANCE No. 930: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE RELATING TO PENALTIES AND INTEREST ON LATE PAYMENTS OF SALES TAX AND PROPERTY TAX

Attachments:

- 1. Proposed Ordinance No. 930**
2. Memo from Finance Director Burgess

RECOMMENDED ACTION:

Move to adopt Ordinance no. 930.

CITY AND BOROUGH OF WRANGELL, ALASKA
ORDINANCE No. 930

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE RELATING TO PENALTIES AND INTEREST ON LATE PAYMENTS OF SALES TAX AND PROPERTY TAX

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted.]**]

SEC. 1. Action. The purpose of this ordinance is to amend certain sections of Title 5, Revenue and Finance, of the Wrangell Municipal Code, specifically Section 5.04.360, Penalty and interest for late payments of property tax, and Section 5.08.100, Penalty and interest on late payments of sales tax, to promote compatibility between the policies concerning calculation and accrual of interest for late property tax payments and late sales tax payments and the programming and functional capabilities of the Finance Department's accounting and cash receipts software.

SEC. 2. Amendment of Section. Section 5.04.360, Penalty and interest for late payments of property tax, of the Wrangell Municipal Code is amended to read:

5.04.360 Penalty and interest for late payments.

When the general tax provided for in this chapter is not paid on or before the due date, penalties and interest will accrue as follows:

A. A penalty of 10 percent of the unpaid taxes shall be added thereto immediately upon delinquency.

B. Interest at an annual rate of **[10]** 12 percent shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. When interest is applied, it shall be calculated and accrue on a **[daily]** monthly basis.

SEC. 3. Amendment of Section. Section 5.08.100, Penalty and interest for late payments of sales tax, of the Wrangell Municipal Code is amended to read:

5.08.100 Penalty and interest.

In the event a return is not made or the appropriate tax not paid within one month following the reporting quarter, **[such failure is presumed willful and, regardless of willful or inadvertent,]** a penalty of five percent of such tax as is unpaid shall be added to such tax for the first month of delinquency or any fraction thereof, and an additional five percent shall be added for each additional month of delinquency or fraction thereof, until the total penalty of 15 percent has accrued. Interest at the rate of 15 percent per year from the date of delinquency until paid shall accrue **[in the same manner]** monthly. The borough assembly may upon a verified showing of medical necessity, as the reason for a failure to pay sales tax in a timely manner, waive all or any portion of the penalty and/or interest assessed hereinabove. Such penalty and interest shall be collected in the same manner as the tax.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 6. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: February 28_____, 2017

PASSED IN SECOND READING: _____, 2017

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

MEMORANDUM

To: Mayor David Jack and Assembly
From: Lee Burgess, Finance Director
Subject: Ordinance
Date: February 22, 2017

Background:

Wrangell Municipal Code Title 5 states 10% interest per year is charged for late payments of property taxes, and 15% per year for late payments of sales tax. This interest accrues daily. The sales tax chapter and section says interest shall accrue “in the same manner” as sales tax penalty, which is confusing to some, but the finance department has always taken this to mean that sales tax interest should also accrue daily.

In practice, the daily nature of this interest accrual creates two problems. The first is that there are often timing issues between when taxpayers pay what they believe they owe in interest and when payments are actually received or postmarked, at which point more interest has accrued. This leaves relatively small remainder amounts of tax owed which finance staff must spend considerable time trying to collect from customers who believe their tax bill is satisfied.

The second problem resulting from the daily accrual of interest is that it prevents us from taking full advantage of the Borough’s accounting software’s ability to automate significant aspects of this process, which would save significant finance department time.

Changing the interest accrual from daily to monthly will solve most if not all of these issues. It will allow significant elements of sales and property tax collection to be automated by the Borough’s new accounting software, it should significantly reduce the occurrence of slight underpayment of taxes, penalty and interest and the time spent addressing collection of small remainder due.

The recommended changes also include increasing the property tax interest rate to 12% from 10%. The reason for this is two-fold: 1) The monthly accrual of interest creates small “grace periods” in the middle of months whereby taxpayers under the new accrual method will pay slightly less than if the interest were still accruing daily, and 2) the 12% divides evenly into the twelve months making calculations easier for taxpayers and in general.

Attachments:

1. Memo from Finance Director Burgess
2. Proposed Ordinance No. 930

Recommendation:

Move to approve Ordinance No. 930.

Agenda Item 13a

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM March 14, 2017

INFORMATION:

Approval of a Vacation Utility Easement in proposed Lot 7 BB of the proposed Larsson-Buhler Replat, the Replat of Lots 7B and 8B of Mitchell-Buhler Replat, creating Lots 7BB and 8BB, zoned Waterfront Development, requested by Diane Larsson, owned by DB AK Enterprises LLC.

Attachments:

1. Memo from Carol Rushmore, Interim Borough Manager/Economic Development Director
2. Preliminary Plat

RECOMMENDED ACTION:

Move to approve the Vacation Easement, as part of the Larsson-Buhler Replat process and as recommended by the Planning & Zoning Commission.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: MS. CAROL RUSHMORE
ECONOMIC DEVELOPMENT DIRECTOR**

SUBJECT: Vacation of utility easement in proposed Lot 7 BB of the proposed Larsson-Buhler Replat, the replat of Lots 7B and 8B of Mitchell-Buhler Replat, creating Lots 7BB and 8BB, zoned Waterfront Development, requested by Diane Larsson, owned by DB AK Enterprises LLC.

DATE: March 7, 2017

BACKGROUND:

Dick Buhler in 2015 sold a portion of Lot 7B and 8B of the Mitchell-Buhler Replat to Diane Larsson by a contract deed. According to WMC 19.04.020, Subdivisions of land are required to be surveyed and platted. Mr. Buhler was informed of this requirement, and until the subdivision is completed, he is still the record of owner on the property.

Ms. Larsson presented a preliminary plat at the February Planning and Zoning Commission and requested a vacation of the utility easement that centers the existing lot line, both of which split the existing building. The Commission recommended moving forward to the Assembly approval of the vacation of the easement. Municipal Light and Power Superintendent Clay Hammer and Public Works Director Amber Al-Haddad both agree that the utility easement on the north and south portions of the proposed lot should be sufficient for future utility needs of the larger property.

RECOMMENDATION:

Planning and Zoning Commission recommends to the Assembly that the easement be vacated as part of the Larsson- Buhler Replat process.

ATTACHMENTS:

1. Preliminary Plat

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ PRINTED NAME _____
 SIGNATURE _____
 TITLE _____
 NAME AND TITLE OF AUTHORIZED REPRESENTATIVE
 DB AK ENTERPRISES LLC

NOTARY'S ACKNOWLEDGMENT

U.S. OF AMERICA
 STATE OF ALASKA
 CITY AND BOROUGH OF WRANGELL

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____, 20____, BEFORE ME, THE UNDERSIGNED A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____ TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND _____ ACKNOWLEDGED TO ME THAT _____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

MY COMMISSION EXPIRES _____

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)ss

I THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND AN ACTING ASSESSOR FOR THE CITY AND BOROUGH OF WRANGELL, HEREBY CERTIFY, THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY AND BOROUGH OF WRANGELL, IN THE NAME OF _____

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20____ WILL BE DUE ON OR BEFORE OCTOBER 15, 20____ DATED THIS DAY OF _____

ASSESSOR CITY AND BOROUGH OF WRANGELL

CERTIFICATE OF APPROVAL BY THE PLANNING COMMISSION

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF WRANGELL PLANNING COMMISSION, AND THAT SAID PLAT HAS BEEN APPROVED BY THE COMMISSION BY PLAT RESOLUTION NO. _____ DATED _____ 20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, WRANGELL, ALASKA.

DATE _____ CHAIRMAN, PLANNING COMMISSION

SECRETARY

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF WRANGELL ASSEMBLY AS RECORDED IN MINUTE BOOK _____ PAGE _____ DATED _____ 20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, WRANGELL, ALASKA.

DATE _____ MAYOR, CITY AND BOROUGH OF WRANGELL

ATTEST:

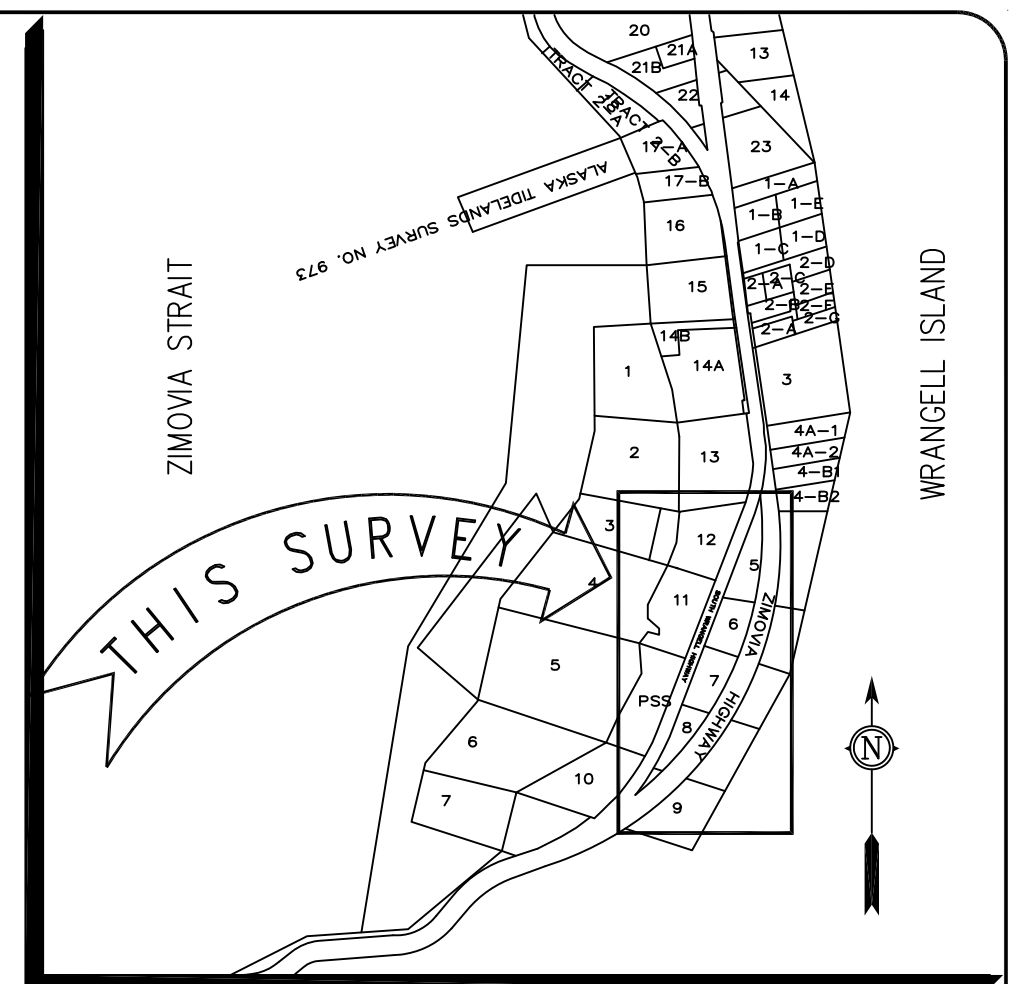
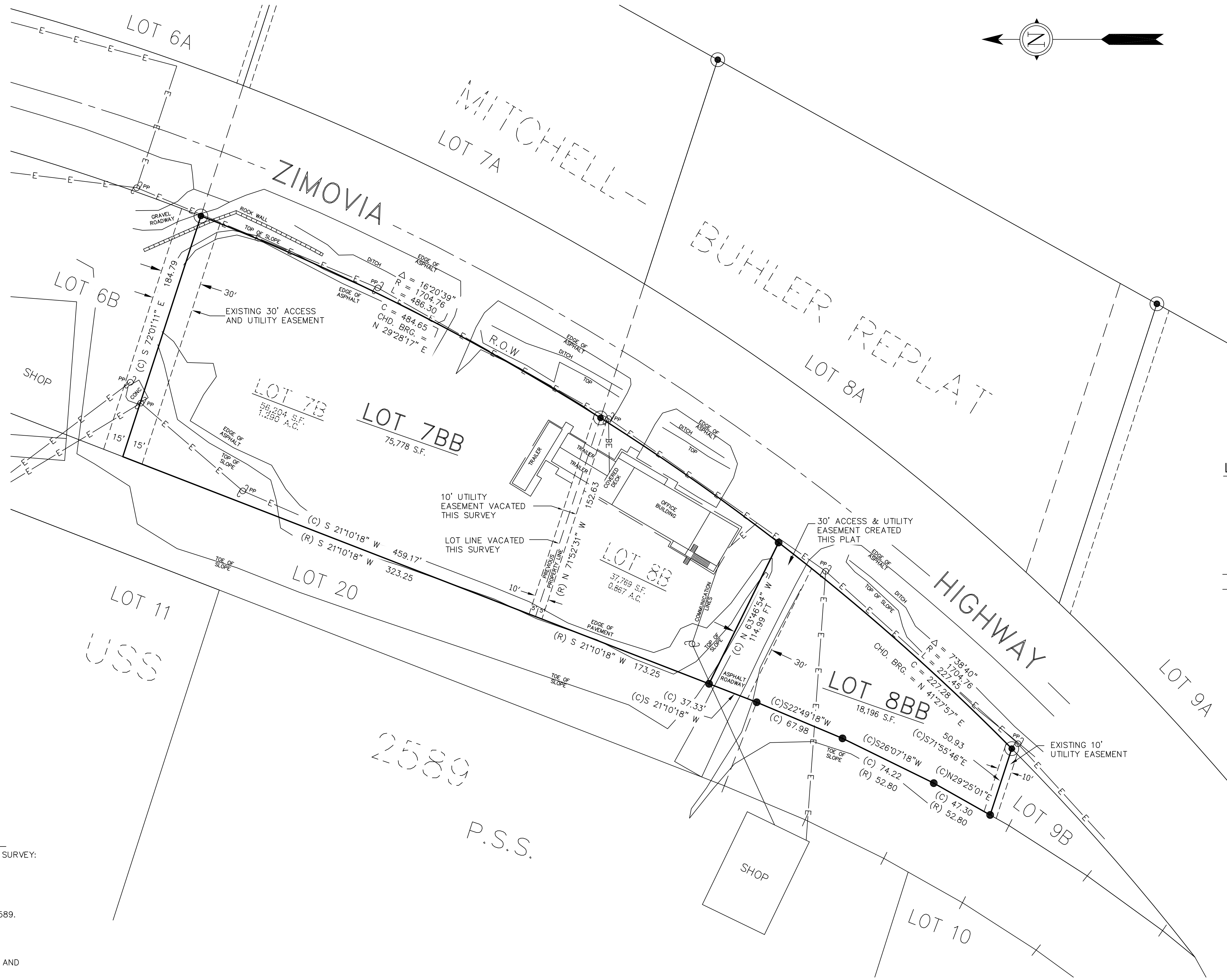
CITY CLERK

PLAT NOTES

REFERENCES WITHIN THE WRANGELL RECORDING DISTRICT UTILIZED FOR THIS SURVEY:

1. PLAT AND FIELD NOTES OF U.S.S. 3534
2. A.T.S. 604 ADL 17487
3. STATE OF AK. HIGHWAY PROJECT NO.'S
 A. STP-0943(22)
 B. RS-0943(19)
4. A. BOOK 3, PG 979-984, 30' ACCESS EASEMENT, AFFECTS LOT 8, S2589.
 B. BOOK 7, PAGE 967.
 C. BOOK 11, PAGE 97.
 D. BOOK 11, PAGE 96.
 E. BOOK 23, PAGE 274.
5. RECORD OF SURVEY DATED 08-04-2007 PREPARED BY GREG SCHEFF AND ASSOCIATES AS PROJECT #51284-08-00.
6. PLAT #2015-13
7. CONTRACT OF DEED #2016-000012-0
8. THE BASIS OF BEARING IS THE ACCEPTED BEARING OF S 65°03'59" E BETWEEN H&W BRASS CAPS NO. 294 & 295. THE TIE FROM H&W NO. 294 TO THE EAST CORNER OF LOT 29CC IS S 40°40'55" W A DISTANCE OF 14.33 FT.

DRAWN BY: MCH
 CHECKED BY: CGP
 DATE PLATTED: DEC 2016
 DATE SURVEYED: DEC. 07, 2016
 SCALE: 1"=40'
 SURVEYED BY: MCH
 PROJ NO.: 162762



VICINITY MAP
 SCALE 1"=1000'

LEGEND

- SCHEFF ALUMINUM CAP ON 5/8 REBAR MONUMENT RECOVERED
- 5/8 REBAR 30" LONG WITH 2" ALUM CAP WITH PLASTIC INSERT SET THIS SURVEY
- (R) DATA OF RECORD
- (C) CALCULATED DATA
- ⊙ REFERENCE CURVE DATA
- ROAD CENTERLINE
- OVERHEAD ELECTRICAL

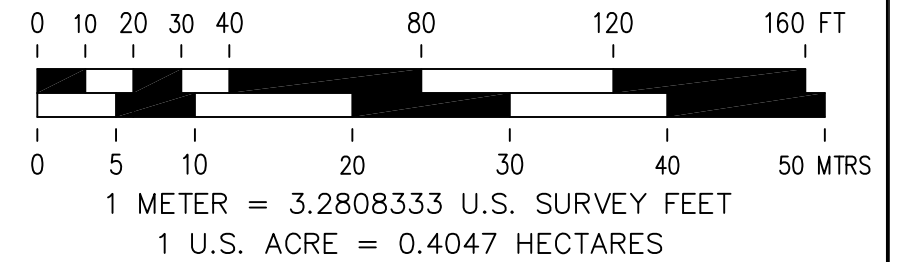
PREVIOUS LOT AREAS

1. LOT 7B (56,204 SQ. FT)
2. LOT 8B (37,769 SQ. FT)

NEW LOT AREAS

1. LOT 7BB (75,778 SQ. FT)
2. LOT 8BB (18,196 SQ. FT)

SCALE 1"=40'



1 METER = 3.2808333 U.S. SURVEY FEET
 1 U.S. ACRE = 0.4047 HECTARES

WRANGELL RECORDING DISTRICT

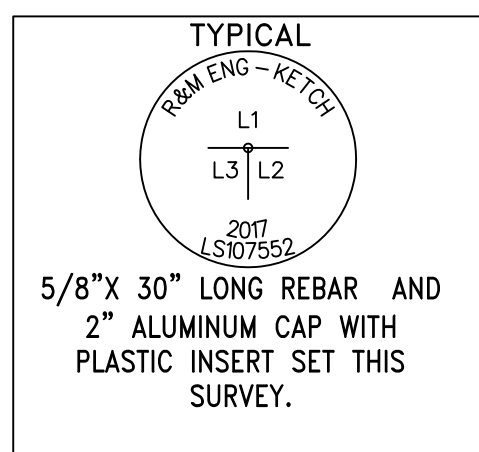
Revisions		
No.	Date	Description

R&M
 R&M ENGINEERING-KETCHIKAN
 355 Carlanna Lake Road
 Ketchikan, AK 99901
 Phone: (907) 225-7917
 Fax: (907) 225-3441
 Phone: (907) 826-2294

CRAIG OFFICE
 P.O. BOX 1273
 CRAIG, AK 99901
 Phone: (907) 826-2294

CERTIFICATE OF AUTHORIZATION #: C576

PROJECT: **LARSSON-BUHLER REPLAT**
 THE REPLAT OF LOTS 7B AND 8B,
 MITCHELL-BUHLER REPLAT,
 CREATING LOTS 7BB AND 8BB,
 WITHIN THE CITY AND BOROUGH OF WRANGELL



SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN 2016 A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

CHRISTOPHER G. PIBURN LS 107552

DATE



Agenda Item 13b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM March 14, 2017

INFORMATION:

Approval to reschedule the Regular Assembly meeting of May 23, 2017 to May 30, 2017

I will be gone from May 19th through May 26th for the IIMC Conference. Lavonne will be taking vacation from May 22nd through June 19th. Also, there will be an extra week at the end of May. That will still leave two weeks in between the last meeting in May and the first meeting in June.

Therefore, I am asking that the Regular Assembly meeting of May 23, 2017 be rescheduled to May 30, 2017. Kim Lane

RECOMMENDED ACTION:

Move to approve rescheduling the Regularly scheduled Borough Assembly Meeting of May 23, 2017 to May 30, 2017.

Agenda Item 13c

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM March 14, 2017

INFORMATION:

Approval of the Parks Policies and Procedures, along with the Appendices

Attachments:

1. Memo from Kate Thomas, Parks & Recreation Director
2. *Draft* Policies and Procedures

RECOMMENDED ACTION:

Move to approve the Parks & Recreation Policies and Procedures, along with the Appendices, as approved by the Parks & Recreation Board.

WRANGELL PARKS AND RECREATION MEMORANDUM

TO: WRANGELL ASSEMBLY
FROM: KATE THOMAS, DIRECTOR OF PARKS AND RECREATION
SUBJECT: WRANGELL PARKS POLICIES AND APPENDICES
DATE: MARCH 8, 2017
CC: JEFF JABUSCH

Background

The City of Wrangell Parks and Recreation department manages a total of 53 acres of park land. This land includes but is not limited to an indoor and outdoor shooting range (indoor range is only open in the winter months), two tennis courts, ball fields, park shelters, a number of playground areas, two trails in town, and a kayak/canoe portage trail.

In 2014 the Parks and Recreation Advisory Board and Director began researching and developing policies for Wrangell's Park facilities. The general public utilizes the recreational facilities for reservations and rentals for various activities and events. Due to the increase in Parks land and their value to the community, the Advisory Board deemed it prudent to establish and adopt a set of policies that would help guide the department in managing our municipal greenspace objectively and strategically. The policies are consistent with the Wrangell Municipal code and contain practical actions for the department to follow and uphold.

The final draft of the policies was approved by the Parks and Recreation Advisory Board during the regularly scheduled meeting in March of 2017.

Recommendations

The Parks and Recreation Advisory Board and Director recommends that the City Assembly adopt the Parks Policies.



PARKS POLICIES AND PROCEDURES

MISSION

Wrangell Parks and Recreation's Mission is to support active lifestyles through a variety of health, wellness and wilderness opportunities.

Adopted

March 2017

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Policies and Procedures

These policies are not all inclusive. Should a situation arise not covered in these policies and procedures during a function held at Wrangell Recreational Facilities, the Borough staff has the authority to take any step deemed necessary and appropriate to resolve it.

General Policies

Hours

Wrangell recreational facilities are open seven (7) days a week, unless otherwise posted as authorized by the Parks and Recreation Department.

The Parks and Recreation Office is open Monday – Friday, 8:00 A.M. – 4:30 P.M. except for holidays observed by the Borough.

Liability

Wrangell Parks and Recreation, its employees and agents are not responsible for injuries to persons or damages of loss of property; rather, this is entirely the responsibility of participants. Signatories further agree to pay for damages to the recreational facilities and equipment which results from their use of the recreational facilities.

Littering (WMC 9.16.010; 9.16.020)

It shall be prohibited for any person to throw or deposit litter on the grounds, streets, paths, pond, or stream in any recreation facility, except within public receptacles and in such a manner that the litter will be prevented from being carried or deposited by the elements upon any part of the recreation facility. Where public receptacles are not provided, all such litter shall be carried away from the park by the persons responsible for its presence and shall be properly disposed of elsewhere. It shall be prohibited to take into, carry through, or put into a recreation facility, any litter generated outside of the recreation facility.

Harvesting Trees (WMC 13.12.045)

No unauthorized person shall cut, top, remove or otherwise damage any tree or shrub, whether dead or alive, standing or downed, within any public park, recreation area, trail, conservation area, park reserve, or other public greenway area. Any person who violates this section shall be guilty of a civil violation and shall be liable on conviction to a fine not exceeding \$300.00.

Vehicle regulations (WMC 13.12.040)

No person in a park shall drive any vehicle on any area except the park roads or parking areas, or such other areas as may on occasion be specifically designated as temporary park roads or parking areas by the director.

Lost and Found

Wrangell Parks and Recreation Department is not responsible for lost or stolen items. Items found should be turned into the Parks and Recreation Office. Items not claimed after thirty (30) days will be donated to charity. All inquiries regarding lost items can refer to the Parks and Recreation Office.

Weapons (WMC 10.32.010; 10.36.010)

It shall be prohibited for any person to discharge a firearm or any weapon or similar device in a recreation facility, with the exception of the shooting range where firearms may be discharged. A weapon is defined as, a thing designed or used for inflicting bodily harm or physical damage. It shall be prohibited for any person to take on Parks and Recreation property any weapon, or to use, carry or employ any weapon or similar device in a recreational facility. On-duty law enforcement employees and those legally authorized to a carry permit shall be exempt from the limitations set forth in this section.

Fires

It shall be prohibited for any persons to build or maintain a fire in a Borough recreation facility except in designated areas which are clearly marked with grills placed by the Parks and Recreation employees or by permission, for other grills, by the Parks and Recreation Director.

Fireworks (WMC 9.12.010; 9.12.020; 9.12.030; 9.12.040)

No person shall cause to be ignited, discharged, or fired any fireworks or firecracker within the parks (Pursuant to Wrangell Municipal Code 9.12. Violation of any provision of this chapter shall be punishable as provided for in WMC 1.20.010.)

Animals (WMC 7.01; 7.04; 7.08)

Animals are defined as all non-human members of the kingdom Animalia. No person shall have or bring an animal within the parks unless the animal is on a leash or under competent voice control of the animal. The owner or other person in charge of the animal must immediately remove any waste on park property caused by the animal or be subject to a fine. An animal may be removed from the park, according to Wrangell Municipal Code if the

animal is allowed to run at large within the public space or otherwise become a nuisance within the park.

Parking (WMC 11.30)

Use of the parking lot is allowed by renting the Fields/Shelters; however, exclusive use of the parking lot is not guaranteed. Parking around concession stands, in the grass, or in the right-of-way is prohibited; however, vehicles may drive to the concession stands or shelters, for loading and unloading, provided a hard surface driving path is provided. Vehicles should not be left standing, parked in fire lanes, or parked in a recreation facility during hours when the recreation facility is closed. In such instances, the vehicles may be towed from the recreation facility at the owner's expense.

Smoking (WMC 10.46.010)

Wrangell park facilities are a smoke-free environment. Smoking is allowed in parking areas only. The use of marijuana within Wrangell's park facilities is strictly prohibited.

Alcoholic Beverages (WMC 10.44)

Alcoholic beverages are permitted within Wrangell's park facilities according to all state and local laws. Supplying alcohol to minors is strictly prohibited, and it is the responsibility of the contracting adult to ensure minors are not served alcohol.

Distribution or sale of alcohol is allowed only as local and state laws and regulations allow and requires prior approval by the Parks and Recreation Director. Any such authorization for the distribution or sale of alcohol shall be conditioned upon the licensed liquor dispenser providing proof of existence insurance coverage as required by its liquor license and state law and naming the City and Borough of Wrangell as additional insured.

Minors and Supervision of Children

Organized groups composed of youth, persons under the age of 18, shall, at the discretion of the Parks and Recreation Director, be supervised by at least one adult, persons 18 years of age or older, for each twelve (12) youth at all times while using any Wrangell Parks and Recreation Facility. The adult who will be responsible for the activity must make the reservation for use of the facility.

Liability Insurance

Events open to the general public may be required to provide the Borough with liability in the amount of \$1 million per occurrence and \$1,000,000 aggregate. Such insurance shall name the City and Borough of Wrangell as an additional insured. Exceptions to the requirement of liability insurance may be made by the Parks and Recreation Director.

General Solicitation, Selling, and Advertising

No individual or group shall solicit donations or vend, offer for sale or dispose of any goods, set up or maintain any exhibit, concert, or similar activity at any Wrangell Parks and Recreation facility without approval of the Parks and Recreation Director.

Political speech activities do not require prior approval. However, such activities are subject to the following rules:

1. No political speech activity shall have a duration of longer than two (2) hours.
2. No political speech shall interfere with or affect any other public or private activity taking place at a Wrangell Parks and Recreation facility.
3. Any individual engaging in political speech activity shall ensure that ingress and egress, to and from the Wrangell Parks and Recreation facility being utilized, remains unimpeded.

No individual or group shall install or place any banner or signage or similar device at any Wrangell Parks and Recreation facility without approval and designated location by the Parks and Recreation Director.

Fields and Shelters

Reservation Application and Agreement

Any scheduled event or event requiring guaranteed access to Wrangell's recreation facilities must have a fields/shelters reservation application and agreement on file with the Parks and Recreation Department for the use of the specified facility. This agreement is a legal and binding document. It is the responsibility of the signatory to notify the Parks and Recreation Department, in person, of any changes made to these documents. Failure to do so could lead to the cancellation of an event or loss of access to the requested facility. Misrepresentation of the type of event being held will also lead to cancellation of an event, with the possibility of forfeiture of any fees paid.

All signatories must fill out the Reservation Application and Agreement Form. Reservations will be accepted by mail, email, fax, or in person, on a first-come, first-serve basis. Reservation applications should be submitted at least seven (7) days in advance of the date requested to allow for application review and processing. Reservations will be accepted no more than one year in advance of the reservation date. Priority will be given to all Parks and Recreation Department- sponsored activities and Borough-wide special events by allowing these reservations to be made more than one-year in advance of the reservation date.

Applications will be approved for specific fields/shelters, depending on group size, type of activity, and availability. Applications will be reviewed, and use will be prioritized. Once

dates are approved and booked, the Parks and Recreation Staff will assess fees; all charges must be paid in full to complete the reservation. The applicant must sign and date the Rental Application and Agreement Form. The applicant is the responsible party for the function and must be present the day of the function. Until a signed rental agreement is on file there is no agreement for use.

Rental of a field or shelter does not provide private use of the adjacent fields and or other public park open spaces.

Rental to Responsible Parties

Only persons twenty-one (21) and older may contract for the use of recreational facilities if alcohol will be present. The Parks and Recreation Department reserves the right to cancel any function that is deemed detrimental to Wrangell.

Compliance (Park Staff)

During any function held on the recreational facilities, Parks and Recreation Department Staff may have full access to said facilities to ensure compliance with the terms of the contract, as well as with the policies and procedures. Staff has the authority to close any function found to be non-compliant.

Inappropriate Behavior

Wrangell Parks and Recreation Department operates a family-oriented facility. Use of the facilities implies an expectation of being respectful towards those who may be impacted by the activity or function. Inappropriate behavior by any person will not be tolerated. Inappropriate behavior includes but is not limited to verbal abuse of staff or other participants, vandalism of Borough property, illegal activities during a function, or putting at risk other users of the facilities. Staff has the authority to remove any person, or close any function, when inappropriate behavior is demonstrated.

Fee Schedule

See attached Fee Schedule

Fee Waiver

Fee waivers may be granted in cases where the rental fee would prohibit offering a unique and beneficial service that enhances the Parks and Recreation programs and is unavailable elsewhere in the community. Fee waivers are granted at the discretion of the Parks and Recreation Director. A written request for a waiver of the requirement for reservation, stating the justification, must be submitted to the Parks and Recreation Director seven

days prior to the event.

Refusal or Cancellation of Use

The Parks and Recreation Director has the right to refuse or cancel any application or contract through either written or verbal notice with an appropriate explanation to the signatory. If the Parks and Recreation Department, due to unforeseen circumstances, makes a cancellation because the facility is unusable or unsafe, a full refund shall be made to the signatory. Requests for refunds may be granted with a minimum seven-day advance cancellation of the reservation.

Fields

Tournaments

Request to schedule tournaments shall be provided to the Parks and Recreation Department no later than the first week of February for spring and summer sports and the first week of August for fall sports.

Inclement weather

Persons or organizations are responsible for decisions regarding closure of the field or park due to inclement weather or other unsafe conditions. Parks and Recreation staff may cancel a field event due to conditions which would cause either unsafe continued use of the field or damage to the field.

Restrooms

Restroom facilities are provided at Shoemaker Bay Park, City Park, downtown, and Volunteer Park. Restroom facilities are closed from mid-October through mid-April, depending on the weather.

Playgrounds

Playgrounds are provided for the enjoyment of children in a number of recreational facilities. Playgrounds may be reserved to guarantee availability for special events by contacting the Parks and Recreation Department office (see 2a above – Reservation Application and Agreement).

The following basic playground rules are recommended for your safety and the safety of others:

- Play carefully.
- Do not use play equipment improperly.

- No bare feet. Proper footwear is required.
- Report any damage or vandalism to the Parks and Recreation Director as soon as possible.
- Playgrounds are closed from dusk to dawn.
- Playgrounds are closed when surface material is frozen.
- Adult supervision is required.

RV Park and Tent Camping

General Information

There are 25 spaces available for RVs, of which nine are located in the Shoemaker Bay Harbor parking lot and sixteen, with electrical connection, are located north and adjacent to the Shoemaker Bay Harbor parking area. Wrangell Municipal Code, Section 13.12.030 allows up to ten (10) days in the RV parks. RV fees are to be paid daily. All sites are checked daily and the receipt must be displayed in the window of the renter's vehicle. Overnight RV parking is not allowed in the parks.

At the discretion of the Parks and Recreation Director, the 10-day length of stay might be extended. Long-term parking is not allowed.

There are two areas for tent camping. At the Shoemaker Bay Recreation Area tent camping is allowed adjacent to Institute Creek to the north. Wrangell Municipal Code, Section 13.12 allows up to five (5) days in the tent campground at Shoemaker Bay Recreation Area. At City Park tent camping is allowed within the grassy area; however, there is no camping in Public Day Use areas or Shelters. Wrangell Municipal Code, Section 13.12 allows up to forty-eight hours (48) in the tent campground at City Park. Tent camping is free.

RV Park Spaces

NORTH RV PARK- Entrance is located to the right (water side) from Zimovia highway prior to reaching the harbor parking lot entrance. Space numbers run 1-16.

Space #	Size of Space	Space #	Size of Space
1	13' x 15' back in	9	17' x 42' back-in
2	13' x 32' back in	10	17' x 42' back-in
3	13' x 24' back in	11	14' x 48' back-in
4	16' x 19' back in	12	15' x 48' back-in
5	11' x 24' back in	13	13' x 70' back-in
6	15' x 24' drive in	14	14' x 70' back-in
7	15' x 25' drive in	15	17' x 30' back-in
8	16' x 40' back in	16	13' x 46' back-in

HARBOR RV PARK-Enter through the harbor parking lot. The RV area is to the left, along the trees and creek line. Spaces numbers run 17-25.

Space #	Size of Space	Space #	Size of Space
17	15' x 25'	22	14' x 25'
18	13' x 25'	23	14' x 25'
19	14' x 25'	24	13' x 25'
20	13' x 25'	25	13' x 25'
21	14' x 25'		

RV Park Rules

1. Park in stalls identified for RVs only.
2. Permits must be displayed visibly, inside window facing access road.
3. Animals must be leashed and their waste picked up and disposed of by Owner.
4. No Loud Noise 10:00 pm to 8:00 am
No Generators 10:00 pm to 7:00 am
5. Fires and barbecue pits may not be left unattended, open fires are prohibited.
6. No camping in Public Day Use areas or Shelters.
7. Campers are responsible for disposing of trash and litter and for maintaining an orderly campsite.

Registration Procedure

1. RVers shall complete a permit form and place it, with required fees, in the pipe safe located near the entrance of each RV area. Permits should be attached to the inside of the RV window where it is clearly visible to the Park & Recreation staff.
2. Check out time is 4:00 pm.
3. 10 Day Stay Limit-Wrangell Municipal Code, Section 13.12.030.
4. RV fees are non-refundable and must be paid in advance.

Appendices

- a. Parks Listings and Fee schedule
- b. Field/Shelter Reservation Agreement Application

Appendix A

Parks Overview and Locations

The Parks and Recreation Department, which is fairly new and still growing, has a total of 53 acres of park land. Our facilities include; an indoor swimming pool, racquetball court, weight room, gym and an indoor and outdoor shooting range (indoor range is only open in the winter months), two tennis courts, ball fields, park shelters, a number of parks two trails in town, and a kayak/canoe portage trail. In addition to our facilities, other recreational facilities throughout Wrangell include a number of hiking trails, and a 9-hole golf course.

In the past several years we have had a number of parks developed by the former Alaska Pulp Corporation. These parks have all been constructed using reusable wood products and include the Outdoor Shooting Range, Volunteer Park, Muskeg Meadows Golf Course, as well as our RV Park.

In addition to our parks, the US Forest Service has a number of campgrounds and trails you might be able to take in during your stay. During the summer months the Forest Service provides naturalists on board the ferries who offer information about the various communities in Southeast Alaska.

If you any questions about Wrangell or other towns and sites in Southeast Alaska, please feel free to contact us. If we cannot answer the question, we will try to send you in the right direction.

1. City Park

- a. City Park is located approximately one mile south of downtown along Zimovia Highway. The park is a waterfront park with scenic views of the inside waters and surrounding islands. It is adjacent to a historic cemetery and the community garden. The park has four covered shelters, fire rings and picnic tables. Tent camping is allowed on a 48-hour basis only and there are restroom facilities available.

2. Shoemaker Bay Recreational Area

- a. Five miles south of town is Shoemaker Bay Recreational Area. This is a Wrangell favorite and is heavily used year-round. The park has a picnic shelter with a fireplace and picnic tables, tennis court, horseshoe pits, playground equipment, and public restroom facilities. Sports equipment used for horseshoes and croquet are available for use at no charge from the Parks and Recreation Department. The park area fronts not only the ocean but also Institute Creek and offers easy access to the tidelands and stream frontage. Shoemaker Bay Park is located next to Shoemaker Bay Harbor, a tent camping area, and near the Shoemaker Bay RV Park. Rainbow Falls Trail is located upland from this area, providing hiking and spectacular sight-seeing opportunities.

3. Volunteer Park
 - a. Just as the title implies, this multi-faceted park was constructed with volunteer help by local folks. This Park consists of a running track area (partially completed), a tennis court, sand volleyball court, two ball fields (for kids and adults), concession stand and public restrooms. For hikers and walkers, the Volunteer Park Trail, directly behind the ballfields, provides a 1.5 mile walk through Southeast Alaska rainforest country, offering forested and muskeg terrain. Wrangell hosted the Southeast Alaska and State of Alaska Little League Tournaments in 1996. This new recreational facility will be used to host other baseball and softball tournaments in the future. The running track area is also used for kite-flying, rocket launching and other outdoor sporting events.
4. Covered Playground
 - a. The Covered Playground is an open sided basketball court. It is also available for craft fairs and festivals.
5. Kyle Angerman Playground
 - a. The Kyle Angerman Playground is adjacent to the Wrangell Library and Post Office in town and offers an outdoor basketball court and playground equipment.
6. Shoemaker RV Park
 - a. There are 25 spaces available for RVs. We have nine spaces, located in the Shoemaker Harbor parking lot. There are sixteen spaces, just north and adjacent to the Shoemaker Harbor parking area. In addition to the RV sites we do have an area for tent camping. There are spaces for six tents located across from the RV stalls in Shoemaker Harbor parking area. For those needing electricity, the sixteen stalls in the north parking area have electrical hook-ups. The fee for these spaces is \$30.00 per day. Those located in the harbor parking lot, without electricity, are \$20.00 per day. Fees are to be paid daily. Please deposit money in the pipe safe where your vehicle is parked. All sites are checked daily and your receipt must be displayed in the window of your vehicle.
7. Mount Dewey Trail
8. Petroglyph Beach Historical Site
 - a. Petroglyph Beach in Wrangell has the highest concentration of petroglyphs in Southeast and was designated a State Historic Park in 2000. There is an accessible boardwalk to a deck overlooking Petroglyph Beach, the Stikine River and Zimovia Straits. Replicas of several designs are displayed on the deck for visitors to make rubbings on. Access to the beach is provided directly from the deck overlook. During construction of the interpretive facility, two new petroglyphs were unearthed, buried in the sand. One of these petroglyphs was long thought lost and its rediscovery was a delight to the local Tlingit natives and Wrangell residents.

Wrangell Recreational Park Facilities Fee Schedule

Park Shelter Reservation- Up to 3-Hrs.	\$15.00
Park Shelter Reservation - Over 3-Hrs.	\$30.00
Non-Electric Site / Night	\$20.00
Site with Electric Hook-Up / Night	\$30.00

Appendix B

See page 14.

PARK SHELTER RESERVATION

\$15 UP TO 3 HOURS

\$30 OVER 3 HOURS

RESERVATION DATE: ____/____/____

TIME: ____ to ____

____ City Park Shelter 1

____ City Park Shelter 3

____ Shoemaker Park Shelter

____ City Park Shelter 2 (Main Shelter)

____ City Park Shelter 4

____ Covered Basketball Court

RESERVATIONS, RENTALS & REFUNDS:

1. Parks & Recreation Shelters are available from 8:00 a.m. to 8:00 p.m., unless otherwise posted. Overnight camping is not allowed within the shelters.
2. Shelters may be reserved daily (or weekly, with Director's prior approval), year-round.
3. Reservations should be made at least one day prior to date of shelter use. Payment is due at the time of request.
4. Refunds will only be given if notification is received at least seven days prior to the reserved date.
5. Balls, nets, horseshoes and other assorted recreational equipment may be obtained for use with a required \$25 refundable deposit. Rental and pick-up of equipment arrangements can be made by contacting the Parks & Rec office at 907-874-2444.

USE & ACTIVITIES:

1. **PLEASE leave the area Clean and Litter-Free!** Receptacles are provided for a limited amount of garbage. Carry out what receptacles will not accommodate.
2. Groups greater than 50 people are required to rent a dumpster from the Public Works Department.
3. No person shall operate a motor vehicle within any recreation area, except on the roadways/parking areas designated for such use.
4. **Electricity is available at** Shoemaker Park Shelter, City Park Shelter 2, and at the Covered Basketball Court. Outlets are on one circuit of 20 amp 120 volt service (approx. 2400 watts). Read the watt use ratings on your appliances. If they add up to greater than 2400 watts, the breaker may be tripped.
5. **Shelter fire, fireplaces, grills.** Contain and control fires within fireplaces/grills. Make certain your fire is completely extinguished before leaving. Wood is not provided. Never burn treated wood or plastics. No open-pit bonfire burning. Charcoal coals and grease *must not* be dumped in the park or in park trash cans. Please remove and dispose of coals and grease from the premises.
6. **Please DO NOT nail or staple into picnic tables, benches or shelter structures.** Rusted nails and sharp staples create a hazard for you and other users.
7. No amplified sounds permitted.
8. Please bring your copy of the reservation receipt, issued by the P&R office, to your event. If anyone refuses to leave the shelter during your rental period, please call the Wrangell Police Department for assistance.
9. **The misuse of the facility or failure to conform to the rules of this permit will be sufficient reason for denying future facility rental.**

WAIVER & RELEASE:

I agree to hold the City & Borough of Wrangell, including its employees, volunteers, and insurers, with respect to any action, claim, or lawsuit arising out of or related to injury or damage to persons or property suffered in connection with the Permittee's activities unless such injury or damage is caused by the gross negligence of the City & Borough of Wrangell.

I certify the information contained in this application is true to the best of my knowledge. As Permittee's representative, I hereby agree to take responsibility to inform and assure that all group members follow the above Rules of this reservation.

Signature of Permittee Representative:	Permittee/Event Name:
Print Name:	Size of Group:
Address:	Contact Phone Number:
Email Address:	Alternate Phone Number:
Fee Received:	Deposit Received:
Deposit Returned:	

Agenda Item 14

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
March 14, 2017**

INFORMATION:

ATTORNEY'S FILE – None.

Agenda Item 15

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
March 14, 2017**

Information - None.