Northwest Arctic Borough Village Improvement Fund Budget Ordinance 18-03 June 30, 2019

02-00 Village Improvement Fund

				\$ Variance	% Variance
Account		Proposed	Approved	Favorable/	Favorable/
#	REVENUE	FY19 Budget	FY18 Budget	(Unfavorable)	(Unfavorable)
4000	VIF Revenue	\$ 4,000,000	\$ 23,000,000	\$ (19,000,000)	-475%

Account		Proposed		Approved		\$ Variance Favorable/		% Variance Favorable/	
#	OPERATIONAL EXPENSES	FY19 Budget		FY	18 Budget	(Unfavorable)		(Unfavorable)	
6000	WAGES - VIF	\$	275,614	\$	275,197	\$	(416)	0%	
6100	ESC (Unemployment insurance)	\$	4,539	\$	4,447	\$	(92)	-2%	
6110	FICA	\$	8,204	\$	9,575	\$	1,371	17%	
6120	WORKER'S COMP	\$	2,095	\$	2,092	\$	(3)	0%	
6130	PERS	\$	60,635	\$	60,543	\$	(92)	0%	
6140	MEDICAL	\$	75,888	\$	75,888	\$	-	0%	
6210	AIR TRANSPORTATION	\$	35,658	\$	85,874	\$	50,216	141%	
6230	LODGING	\$	17,740	\$	46,350	\$	28,610	161%	
6240	MEETING FEES	\$	55,000	\$	73,000	\$	18,000	33%	
6250	PER DIEM	\$	19,998	\$	46,104	\$	26,106	131%	
6300	SUPPLIES	\$	30,000	\$	30,000	\$	-	0%	
6320	PRINTING & PUBLICATIONS	\$	1,500	\$	1,500	\$	-	0%	
6400	CONSULTANTS	\$	70,000	\$	70,000	\$	-	0%	
6450	LEGAL	\$	25,000	\$	25,000	\$	-	0%	
6460	ACCOUNTING/AUDITING	\$	20,000	\$	25,000	\$	5,000	25%	

Total Operational Expenditures \$ 701,870 \$ 830,570 \$ 128,701 18%

Account #	OTHER APPROPRIATIONS	Proposed FY19 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 2,098,130	\$ 6,069,430	\$ 3,971,299	189%
9002	SUSTAINABILITY FUND	\$ 1,200,000	\$ 16,100,000	\$ 14,900,000	1242%

TOTAL EXPENDITURES		4,000,000	\$ 23,000,000		\$ 19,000,000		475%	
Excess (Deficiency) of revenue over	\$	-	\$	-	\$	-	#DIV/0!	
expenditures								

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Village Improvement Fund Revenue:

Revenue is budgeted at \$4,000,000 for fiscal year 2019. A decrease of \$19,000,000.

A special note: the revenue received under the signed Memorandum of Commitment (MOC) is based on Teck Alaska Incorporated's Earning Before Income Taxes (TAI EBIT). TAI's fiscal year ends December 31. The EBIT value is finalized upon completion of their annual audit, which usually happens every March/April. Therefore, revenue each year will be budgeted at \$4,000,000 which is the **minimum payment** required under the MOC. The revenue will be adjusted every March/April based on the final EBIT value reported on TAI's audited financial statements.

Village Improvement Fund Expenditures:

Wages - VIF is budgeted at \$275,614. An increase of \$416. The salary schedule is as follows:

FY19	FY18	Difference		
\$83,205	\$71,351	(\$11,854)		
\$109,208	\$122,308	\$13,099		
\$83,200	\$81,538	(\$1,662)		
\$275,614	\$275,197	(\$416)		
	\$83,205 \$109,208 \$83,200	\$83,205 \$71,351 \$109,208 \$122,308 \$83,200 \$81,538		

ESC (Unemployment Insurance) is budgeted at \$4,539. An increase of \$92.

FICA is budgeted at \$8,204. A decrease of \$1,371.

Worker's Comp is budgeted at \$2,095. An increase of \$3.

PERS is budgeted at \$60,635. An increase of \$92.

Medical is budgeted at \$75,888; consistent with prior year.

Travel is budgeted at \$128,396. A decrease of \$122,932. See below for detail.

Meeting	Transportation 🍱	Lodging	Per Diem 💌	Meeting Fees 🔻	Total
Upriver VIC Members	9,072	4,122	\$ 3,564	\$ 9,000	25,758
Closer Village VIC Members	14,700	9,618	\$ 8,316	\$ 21,000	53,634
Kotzebue VIC Member	-	-	\$ 1,188	\$ 3,000	4,188
Capital Projects Manager	1,512	600	\$ 891	\$ -	3,003
Capital Projects Manager	2,450	1,400	\$ 2,079	\$ -	5,929
Grant Writer	1,512	300	\$ 594	\$ -	2,406
Grant Writer	2,450	700	\$ 1,386	\$ -	4,536
Coordinator	1,512	300	\$ 594	\$ -	2,406
Coordinator	2,450	700	\$ 1,386	\$ -	4,536
	\$ 35,658	\$ 17,740	\$ 19,998	\$ 55,000	\$ 128,396

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Village Improvement Fund expenditures continued:

Supplies is budgeted at \$30,000; consistent with prior year.

Printing & Publications is budgeted at \$1,500; consistent with prior year.

Consultants is budgeted at 70,000; consistent with prior year.

Legal is budgeted at \$25,000; consistent with prior year.

Accounting/Audit is budgeted at 20,000. A decrease of \$5,000 from prior year.

Village Accounts is budgeted at \$2,098,130. A decrease of \$3,971,299. This amount represents the money available for Improvement Projects as determined by the Village Improvement Commission and approved by the Assembly. The overall total will be adjusted through a budget amendment after the release of Teck Alaska's audited financial statements in March or April. Each of the 11 villages will have an account set-up to report the amount of money spent.

Sustainability Fund is budgeted at \$1,200,000. This amount represents 30% of the revenues, as mandated by Ordinance 17-07. Meaningful contributions to investments are a major part of the Sustainability Plan.