

CITY OF SAINT PAUL, ALASKA

Basic Financial Statements, Required Supplementary  
Information, Supplementary Information and  
Compliance Section  
(With Independent Auditor's Report Thereon)

Year Ended December 31, 2021

CITY OF SAINT PAUL, ALASKA

Basic Financial Statements, Required Supplementary  
Information, Supplementary Information and  
Compliance Reports  
(With Independent Auditor's Report Thereon)

Year Ended December 31, 2021

CITY OF SAINT PAUL, ALASKA

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
<b>Independent Auditor's Report</b>		1-4
<b>Basic Financial Statements:</b>		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	5
Statement of Activities	B-1	6
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	7
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	C-2	8
Statement of Revenues, Expenditures and Changes in Fund Balances	D-1	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	10
Enterprise Funds:		
Statement of Net Position	E-1	11-12
Statement of Revenues, Expenses and Changes in Net Position	E-2	13
Statement of Cash Flows	E-3	14-15
Notes to Basic Financial Statements		16-44
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:		
General Fund	F-1	45
Public Employees' Retirement System:		
Schedule of the City's Information on the Net Pension Liability	G-1	46
Schedule of the City's Information on the Net OPEB Liability (Asset)	G-2	47
Schedule of City Contributions	G-3	48
Schedule of City Contributions OPEB	G-4	49
Notes to Required Supplementary Information		50-51

CITY OF SAINT PAUL, ALASKA

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information:</b>		
Combining and Individual Fund Financial Statements:		
Nonmajor Governmental Funds:		
Balance Sheet	H-1	52-53
Combining Statement of Revenues, Expenses and Changes in Fund Balance	H-2	54-55
Nonmajor Enterprise Funds:		
Combining Schedule of Net Position	I-1	56
Combining Schedule of Revenues, Expenses and Changes in Fund Balance	I-2	57
Combining Schedule of Cash Flows	I-3	58
General Fund –		
Balance Sheet	J-1	59
Schedules of Revenues, Expenses and Change in Fund Balance – Budget and Actual	J-2	60-63
Enterprise Funds:		
Electric Utility:		
Schedules of Net Position	K-1	64
Schedules of Revenues, Expenses, and Changes in Net Position	K-2	65
Schedules of Cash Flows	K-3	66
Water and Sewer Utility:		
Schedules of Net Position	K-4	67
Schedules of Revenues, Expenses, and Changes in Net Position	K-5	68
Schedules of Cash Flows	K-6	69
Marine Sales:		
Schedules of Net Position	K-7	70
Schedules of Revenues, Expenses, and Changes in Net Position	K-8	71
Schedules of Cash Flows	K-9	72

CITY OF SAINT PAUL, ALASKA

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information, Continued:</b>		
Combining and Individual Fund Financial Statements:		
Enterprise Funds, Continued:		
Bulk Fuel Farm:		
Schedules of Net Position	K-10	73
Schedules of Revenues, Expenses, and Changes in Net Position	K-11	74
Schedules of Cash Flows	K-12	75
Harbor:		
Schedules of Net Position	K-13	76
Schedules of Revenues, Expenses, and Changes in Net Position	K-14	77
Schedules of Cash Flows	K-15	78
Home Energy Loan:		
Schedules of Net Position	K-16	79
Schedules of Revenues, Expenses, and Changes in Net Position	K-17	80
Schedules of Cash Flows	K-18	81
Refuse:		
Schedules of Net Position	K-19	82
Schedules of Revenues, Expenses, and Changes in Net Position	K-20	83
Schedules of Cash Flows	K-21	84
USCG Caretaker Service:		
Schedules of Net Position	K-22	85
Schedules of Revenues, Expenses, and Changes in Net Position	K-23	86
Schedules of Cash Flows	K-24	87
Schedule of Expenditures of Federal Awards	L-1	88
Notes to Schedule of Expenditures of Federal Awards		89

CITY OF SAINT PAUL, ALASKA

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>Compliance Section:</b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		90-91
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the <i>Uniform Guidance</i>		92-94
Schedule of Findings and Questioned Costs		95-96

## **Independent Auditor's Report**

Honorable Mayor and Members of the City Council  
City of Saint Paul, Alaska  
Saint Paul, Alaska

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saint Paul, Alaska (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, 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.

### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter- Loan Repayment Moratorium Status**

The accompanying financial statements have been prepared assuming the City will continue as a going concern. As discussed in Note IV to the financial statements, the Department of Commerce revenue bond repayment moratorium expired in September 2016. The City has applied for an additional extension of the moratorium, but has not yet received approval or denial of this request. The financial statements have been prepared assuming the moratorium terms remain in place. If the extension request is not approved, it is unclear what repayment terms would be established which could raise doubts about the City's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund on page 45, the Public Employees' Retirement System Schedule of the City's Information on the Net Pension Liability, the Schedule of City Contributions, The Public Employees' Retirement System Schedule of the City's Information on the net OPEB Liability, and the Schedule of the City's Contributions (OPEB) and notes to the required supplementary information on pages 46-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards, combining and individual fund financial statements listed in the table of contents 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*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and Members of the City Council  
City of Saint Paul, Alaska

The City was previously audited by a different CPA firm, 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, the basic financial statement of City of Saint Paul, Alaska as of and for the year ended December 31, 2020 (not presented herein), and have issued their report thereon dated September 27, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended December 31, 2020 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 related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 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 the other auditor's opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2022, on our consideration of the City'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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.



Anchorage, Alaska  
September 14, 2022

## CITY OF SAINT PAUL, ALASKA

## Statement of Net Position

December 31, 2021

<u>Assets and Deferred Outflows of Resources</u>	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 7,718,011	5,616,343	13,334,354
Receivables:			
Accounts	100,028	377,763	477,791
Intergovernmental	-	121,886	121,886
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	(8,104)	(16,866)
Internal balances	2,335,197	(2,335,197)	-
Inventory	41,488	172,184	213,672
Net pension and OPEB assets	1,439,305	354,450	1,793,755
Capital assets:			
Land and construction in progress	75,773	2,516,433	2,592,206
Other capital assets, net of depreciation	23,275,565	7,887,482	31,163,047
Total assets	<u>34,993,295</u>	<u>14,703,240</u>	<u>49,696,535</u>
Deferred outflows of resources:			
Pension and OPEB deferrals	250,128	65,117	315,245
Total assets and deferred outflows of resources	<u>35,243,423</u>	<u>14,768,357</u>	<u>50,011,780</u>
<u>Liabilities and Deferred Inflows of Resources</u>			
Current:			
Accounts payable	112,349	135,872	248,221
Accrued liabilities	85,880	7,701	93,581
Customer deposits	21,935	49,841	71,776
Unearned revenue - grants	945,519	50,351	995,870
Due within one year			-
Accrued leave	80,015	26,811	106,826
Revenue bonds	-	97,883	97,883
Note payable - USACE	-	35,177	35,177
Noncurrent liabilities:			-
Revenue bonds, net of unamortized discount and current portion	-	5,947,092	5,947,092
Note payable - USACE, net of current portion	-	1,532,768	1,532,768
Accrued interest payable	-	1,905,144	1,905,144
Landfill closure and post closure care costs	-	26,804	26,804
Net pension and OPEB liability	1,944,588	500,578	2,445,166
Total liabilities	<u>3,190,286</u>	<u>10,316,022</u>	<u>13,506,308</u>
Deferred inflows of resources:			
Pension and OPEB deferrals	1,563,713	384,593	1,948,306
Total liabilities and deferred inflows of resources	<u>4,753,999</u>	<u>10,700,615</u>	<u>15,454,614</u>
<u>Net Position</u>			
Net invested in capital assets	23,351,338	4,358,940	27,710,278
Restricted for debt service and depreciation reserve	-	950,000	950,000
Unrestricted	7,138,086	(1,241,198)	5,896,888
Total net position	<u>30,489,424</u>	<u>4,067,742</u>	<u>34,557,166</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,243,423</u>	<u>14,768,357</u>	<u>50,011,780</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total Governmental Activities
Primary government:						
Governmental activities:						
General government	\$ 2,811,165	683,367	(18,578)	(2,146,376)	-	(2,146,376)
Public safety	1,371,661	-	260,901	(1,110,760)	-	(1,110,760)
Public works	1,745,680	88,747	98,974	(1,557,959)	-	(1,557,959)
Total governmental activities	5,928,506	772,114	341,297	(4,815,095)	-	(4,815,095)
Business-type activities:						
Electric	1,635,476	1,364,574	(1,835)	-	(272,737)	(272,737)
Water and sewer	696,160	412,158	(7,910)	-	(291,912)	(291,912)
Bulk fuel farm	2,016,231	1,691,997	(1,801)	-	(326,035)	(326,035)
Harbor	267,835	118,868	(2,060)	-	(151,027)	(151,027)
Refuse	192,495	160,975	(1,680)	-	(33,200)	(33,200)
Nonmajor funds	78,218	88,030	(243)	-	9,569	9,569
Total business-type activities	4,886,415	3,836,602	(15,529)	-	(1,065,342)	(1,065,342)
Total activities	\$ 10,814,921	4,608,716	325,768	(4,815,095)	(1,065,342)	(5,880,437)
General revenues:						
Sales and fisheries taxes				\$ 3,741,712	-	3,741,712
Grant and entitlements not restricted to a specific purpose				938,971	-	938,971
Federal payment in lieu of taxes				78,606	-	78,606
Investment income				74,283	76,035	150,318
Other revenue				54,692	713	55,405
Transfers				5,000	(5,000)	-
Total general revenues and transfers				4,893,264	71,748	4,965,012
Change in net position				78,169	(993,594)	(915,425)
Net position, beginning of year				30,411,255	5,061,336	35,472,591
Net position, end of year				\$ 30,489,424	4,067,742	34,557,166

See accompanying notes to basic financial statements.

## CITY OF SAINT PAUL, ALASKA

## Balance Sheet - Governmental Funds

December 31, 2021

<u>Assets</u>	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 7,301,765	416,246	7,718,011
Receivables, net of allowance for doubtful accounts:			
Accounts	16,243	83,785	100,028
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	-	(8,762)
Due from other funds	167,467	-	167,467
Advances to other funds	2,335,197	-	2,335,197
Inventory	41,488	-	41,488
Total assets	<u>\$ 9,870,088</u>	<u>500,031</u>	<u>10,370,119</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 92,005	20,344	112,349
Accrued expenses	83,467	2,413	85,880
Customer deposits	21,935	-	21,935
Unearned revenue	741,306	204,213	945,519
Due to other funds	-	167,467	167,467
Total liabilities	<u>938,713</u>	<u>394,437</u>	<u>1,333,150</u>
Fund balances:			
Nonspendable:			
Inventory	41,488	-	41,488
Advances to other funds	2,335,197	-	2,335,197
Committed	-	215,220	215,220
Unassigned	6,554,690	(109,626)	6,445,064
Total fund balances	<u>8,931,375</u>	<u>105,594</u>	<u>9,036,969</u>
Total liabilities and fund balances	<u>\$ 9,870,088</u>	<u>500,031</u>	<u>10,370,119</u>

CITY OF SAINT PAUL, ALASKA

Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position

December 31, 2021

Total fund balances for governmental funds	\$ 9,036,969
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:	
Construction in progress	75,773
Breakwater	47,642,984
Buildings and improvements	8,669,627
Machinery and equipment	4,467,085
Accumulated depreciation	<u>(37,504,131)</u>
Total capital assets, net of accumulated depreciation	23,351,338
Proportionate share of the collective net pension and OPEB liability PERS	(1,944,588)
Proportionate share of the collective net pension and OPEB asset PERS	1,439,305
Deferred inflow and outflow of resources are the result of timing differences in the actuarial report:	
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:	
PERS	250,128
Pension and OPEB related liabilities in the current fiscal year are presented as deferred outflows of resources:	
PERS	(1,563,713)
Long-term liabilities, including accrued leave, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued leave	<u>(80,015)</u>
Total net position of governmental activities	\$ <u><u>30,489,424</u></u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

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

Year Ended December 31, 2021

	General Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 3,741,712	-	3,741,712
Intergovernmental	1,159,698	403,269	1,562,967
Charges for services	772,114	-	772,114
Investment income	74,283	-	74,283
Other revenue	54,672	1,846	56,518
Total revenues	<u>5,802,479</u>	<u>405,115</u>	<u>6,207,594</u>
Expenditures:			
General government	1,913,305	-	1,913,305
Public safety	1,213,590	292,850	1,506,440
Public works	2,065,973	205,537	2,271,510
Total expenditures	<u>5,192,868</u>	<u>498,387</u>	<u>5,691,255</u>
Excess of revenues over (under) expenditures	<u>609,611</u>	<u>(93,272)</u>	<u>516,339</u>
Other financing sources (uses):			
Transfers in	-	63,889	63,889
Transfers out	(58,889)	-	(58,889)
Total other financing sources (uses)	<u>(58,889)</u>	<u>63,889</u>	<u>5,000</u>
Net change in fund balances	550,722	(29,383)	521,339
Fund balances, beginning of year	<u>8,380,653</u>	<u>134,977</u>	<u>8,515,630</u>
Fund balances, end of year	<u>\$ 8,931,375</u>	<u>105,594</u>	<u>9,036,969</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities

Year Ended December 31, 2021

Net change in fund balance - total governmental funds	\$	521,339
Amounts reported for governmental activities in the statement of activities are different because:		
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 the governmental funds:		
Change in the unfunded net pension and OPEB liability and assets: PERS		1,672,366
Changes in deferred inflows and outflows of resources are the result of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability PERS		(1,521,115)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	726,392	
Depreciation expense	(1,345,199)	(618,807)
The issuance of long-term debt and accrual of the compensated absences provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:		
Increase in accrued leave		24,386
Change in net position of governmental activities	\$	78,169

See accompanying notes to basic financial statements.



## CITY OF SAINT PAUL, ALASKA

## Enterprise Funds

## Statement of Net Position

December 31, 2021

Assets and Deferred Outflows of Resources	Major Funds					Nonmajor Funds	Total
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Current Assets:							
Cash and investments	\$ 5,095,784	-	975	-	-	519,584	5,616,343
Receivables:							
Accounts	175,765	24,464	54,919	85,951	32,619	4,045	377,763
Intergovernmental	121,886	-	-	-	-	-	121,886
Allowance for doubtful accounts	(3,067)	(782)	(4,255)	-	-	-	(8,104)
Inventory	12,263	-	119,462	3,649	-	36,810	172,184
Total current assets	<u>5,402,631</u>	<u>23,682</u>	<u>171,101</u>	<u>89,600</u>	<u>32,619</u>	<u>560,439</u>	<u>6,280,072</u>
Noncurrent Assets :							
Net pension and OPEB asset	94,057	100,324	74,554	42,666	37,050	5,799	354,450
Capital assets:							
Property, plant and equipment	8,270,319	10,596,014	6,742,986	5,152,385	1,445,827	46,708	32,254,239
Accumulated depreciation	(4,319,105)	(7,073,080)	(5,645,260)	(4,070,888)	(698,295)	(43,696)	(21,850,324)
Net property, plant and equipment	<u>3,951,214</u>	<u>3,522,934</u>	<u>1,097,726</u>	<u>1,081,497</u>	<u>747,532</u>	<u>3,012</u>	<u>10,403,915</u>
Total noncurrent assets	<u>4,045,271</u>	<u>3,623,258</u>	<u>1,172,280</u>	<u>1,124,163</u>	<u>784,582</u>	<u>8,811</u>	<u>10,758,365</u>
Total assets	<u>9,447,902</u>	<u>3,646,940</u>	<u>1,343,381</u>	<u>1,213,763</u>	<u>817,201</u>	<u>569,250</u>	<u>17,038,437</u>
Deferred Outflows of Resources -							
Pension and OPEB deferrals	31,118	9,607	17,844	438	4,621	1,489	65,117
Total assets and deferred outflows of resources	<u>\$ 9,479,020</u>	<u>3,656,547</u>	<u>1,361,225</u>	<u>1,214,201</u>	<u>821,822</u>	<u>570,739</u>	<u>17,103,554</u>

(Continued)

## CITY OF SAINT PAUL, ALASKA

## Enterprise Funds

## Statement of Net Position, Continued

Liabilities, Deferred Inflows of Resources and Net Position	Major Funds					Nonmajor Funds	Total
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Current liabilities:							
Accounts payable	\$ 7,311	-	128,202	-	357	2	135,872
Accrued liabilities	2,051	1,838	1,718	1,834	260	-	7,701
Accrued leave	2,666	10,237	5,695	6,831	1,382	-	26,811
Customer deposits	49,841	-	-	-	-	-	49,841
Unearned revenue	-	4,157	-	46,194	-	-	50,351
Current portion of revenue bonds	97,883	-	-	-	-	-	97,883
Current portion of note payable - USACE	-	-	-	35,177	-	-	35,177
Total current liabilities	<u>159,752</u>	<u>16,232</u>	<u>135,615</u>	<u>90,036</u>	<u>1,999</u>	<u>2</u>	<u>403,636</u>
Noncurrent liabilities:							
Advances from other funds	-	430,998	1,000,165	822,973	81,061	-	2,335,197
Revenue bonds, net of unamortized discount and current portion	91,214	-	4,389,672	1,466,206	-	-	5,947,092
Note payable - USACE, net of current portion	-	-	-	1,532,768	-	-	1,532,768
Accrued interest payable	-	-	1,377,175	527,969	-	-	1,905,144
Landfill closure and post closure care costs	-	-	-	-	26,804	-	26,804
Net pension and OPEB liability	218,124	87,298	130,852	14,643	38,856	10,805	500,578
Total noncurrent liabilities	<u>309,338</u>	<u>518,296</u>	<u>6,897,864</u>	<u>4,364,559</u>	<u>146,721</u>	<u>10,805</u>	<u>12,247,583</u>
Total liabilities	<u>469,090</u>	<u>534,528</u>	<u>7,033,479</u>	<u>4,454,595</u>	<u>148,720</u>	<u>10,807</u>	<u>12,651,219</u>
Deferred Inflows of Resources-							
Pension and OPEB deferrals	<u>100,112</u>	<u>110,095</u>	<u>80,313</u>	<u>47,333</u>	<u>40,508</u>	<u>6,232</u>	<u>384,593</u>
Net Position:							
Net invested in capital assets	3,762,117	3,522,934	(3,291,946)	(384,709)	747,532	3,012	4,358,940
Restricted for debt service and depreciation reserve	-	-	950,000	-	-	-	950,000
Unrestricted (deficit)	<u>5,147,701</u>	<u>(511,010)</u>	<u>(3,410,621)</u>	<u>(2,903,018)</u>	<u>(114,938)</u>	<u>550,688</u>	<u>(1,241,198)</u>
Total net position	<u>8,909,818</u>	<u>3,011,924</u>	<u>(5,752,567)</u>	<u>(3,287,727)</u>	<u>632,594</u>	<u>553,700</u>	<u>4,067,742</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>9,479,020</u>	<u>3,656,547</u>	<u>1,361,225</u>	<u>1,214,201</u>	<u>821,822</u>	<u>570,739</u>	<u>17,103,554</u>

See accompanying notes to basic financial statements.

## CITY OF SAINT PAUL, ALASKA

## Enterprise Funds

## Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2021

	Major Funds					Nonmajor Funds	Total
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Operating revenues	\$ 1,364,574	412,158	1,691,997	118,868	160,975	88,030	3,836,602
Cost of goods sold	-	-	(1,474,438)	-	-	(26,200)	(1,500,638)
Net operating revenues	<u>1,364,574</u>	<u>412,158</u>	<u>217,559</u>	<u>118,868</u>	<u>160,975</u>	<u>61,830</u>	<u>2,335,964</u>
Operating expenses:							
Salaries and benefits	160,062	93,297	125,051	58,734	56,005	6,932	500,081
Other operating expenses	1,103,989	136,369	188,539	62,589	26,166	23,141	1,540,793
Administrative cost allocation	188,759	175,276	188,759	26,966	74,155	20,224	674,139
Depreciation and amortization	174,297	291,218	39,444	67,481	36,169	1,721	610,330
Total operating expenses	<u>1,627,107</u>	<u>696,160</u>	<u>541,793</u>	<u>215,770</u>	<u>192,495</u>	<u>52,018</u>	<u>3,325,343</u>
Operating income (loss)	<u>(262,533)</u>	<u>(284,002)</u>	<u>(324,234)</u>	<u>(96,902)</u>	<u>(31,520)</u>	<u>9,812</u>	<u>(989,379)</u>
Nonoperating revenues (expenses):							
State PERS relief	(1,835)	(7,910)	(1,801)	(2,060)	(1,680)	(243)	(15,529)
Investment income	69,001	-	-	-	-	7,034	76,035
Interest expense	(8,369)	-	-	(52,065)	-	-	(60,434)
Miscellaneous revenue	-	713	-	-	-	-	713
Net nonoperating revenues (expenses)	<u>58,797</u>	<u>(7,197)</u>	<u>(1,801)</u>	<u>(54,125)</u>	<u>(1,680)</u>	<u>6,791</u>	<u>785</u>
Income (loss) before transfers	<u>(203,736)</u>	<u>(291,199)</u>	<u>(326,035)</u>	<u>(151,027)</u>	<u>(33,200)</u>	<u>16,603</u>	<u>(988,594)</u>
Transfers out	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Change in net position	<u>(208,736)</u>	<u>(291,199)</u>	<u>(326,035)</u>	<u>(151,027)</u>	<u>(33,200)</u>	<u>16,603</u>	<u>(993,594)</u>
Net position, beginning	<u>9,118,554</u>	<u>3,303,123</u>	<u>(5,426,532)</u>	<u>(3,136,700)</u>	<u>665,794</u>	<u>537,097</u>	<u>5,061,336</u>
Net position, ending	<u>\$ 8,909,818</u>	<u>3,011,924</u>	<u>(5,752,567)</u>	<u>(3,287,727)</u>	<u>632,594</u>	<u>553,700</u>	<u>4,067,742</u>

See accompanying notes to basic financial statements.

## CITY OF SAINT PAUL, ALASKA

## Enterprise Funds

## Statement of Cash Flows

Year Ended December 31, 2021

	Major Funds					Nonmajor Funds	Total
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Cash flows provided (used) by operating activities:							
Receipts from customers and users	\$ 1,297,874	431,247	1,710,175	36,452	157,773	101,708	3,735,229
Payments of interfund services used	(188,759)	(175,276)	(188,759)	(26,966)	(74,155)	(20,224)	(674,139)
Payments to suppliers	(1,136,267)	(142,664)	(1,684,680)	(62,626)	(36,725)	(64,161)	(3,127,123)
Payments to employees	(172,997)	(110,744)	(143,025)	(61,505)	(60,621)	(7,756)	(556,648)
Net cash flows (provided) by operating activities	(200,149)	2,563	(306,289)	(114,645)	(13,728)	9,567	(622,681)
Cash flows provided (used) by noncapital financing activities -							
Miscellaneous revenue	-	713	-	-	-	-	713
Transfer out	(5,000)	-	-	-	-	-	(5,000)
Increase (decrease) in advances from other funds	-	33,765	306,289	242,786	13,728	-	596,568
Net cash flows provided (used) by capital and related financing activities	(5,000)	34,478	306,289	242,786	13,728	-	592,281
Cash flows provided (used) by capital and related financing activities:							
Purchases of capital assets	(456,697)	(37,041)	-	(42,006)	-	-	(535,744)
Principal paid	(97,883)	-	-	(34,070)	-	-	(131,953)
Interest paid	(731)	-	-	(52,065)	-	-	(52,796)
Net cash flows provided (used) by capital and related financing activities	(555,311)	(37,041)	-	(128,141)	-	-	(720,493)
Cash flows from investing activities -							
Investment income received	69,001	-	-	-	-	7,034	76,035
Net change in cash and investments	(691,459)	-	-	-	-	16,601	(674,858)
Cash and investments, beginning	5,787,243	-	975	-	-	502,983	6,291,201
Cash and investments, ending	\$ 5,095,784	-	975	-	-	519,584	5,616,343

(Continued)

## CITY OF SAINT PAUL, ALASKA

## Enterprise Funds

## Statement of Cash Flows, Continued

	Major Funds					Nonmajor Funds	Total
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Reconciliation of operating income (loss) to net cash flows from operating activities:							
Operating income (loss)	\$ (262,533)	(284,002)	(324,234)	(96,902)	(31,520)	9,812	(989,379)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation and amortization	174,297	291,218	39,444	67,481	36,169	1,721	610,330
Noncash expenses - PERS relief	(1,835)	(7,910)	(1,801)	(2,060)	(1,680)	(243)	(15,529)
Increase in allowance for doubtful accounts	-	-	(550)	-	-	-	(550)
(Increase) decrease in assets and deferred outflows of resources:							
Receivables	(82,630)	19,089	18,728	(82,416)	(3,202)	13,678	(116,753)
Inventory	44,773	-	(26,574)	-	-	(14,818)	3,381
Net pension and OPEB asset	(73,560)	(90,332)	(61,741)	(40,253)	(32,820)	(4,751)	(303,457)
Deferred outflows of resources - Pension and OPEB deferrals	7,511	9,223	6,304	4,110	3,351	485	30,984
Increase (decrease) in liabilities and deferred inflows of resources:							
Accounts payable	(77,051)	(6,295)	4,871	(37)	(10,559)	(2)	(89,073)
Accrued liabilities	(2,686)	(3,433)	(2,307)	506	260	-	(7,660)
Accrued leave	563	4,919	(6,332)	3,695	809	-	3,654
Customer deposits	15,930	-	-	-	-	-	15,930
Net pension and OPEB liability	(25,694)	(31,553)	(21,566)	(14,060)	(11,464)	(1,660)	(105,997)
Deferred inflows of resources - Pension and OPEB deferrals	82,766	101,639	69,469	45,291	36,928	5,345	341,438
Net cash flows used by operating activities	\$ <u>(200,149)</u>	<u>2,563</u>	<u>(306,289)</u>	<u>(114,645)</u>	<u>(13,728)</u>	<u>9,567</u>	<u>(622,681)</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA  
Notes to Basic Financial Statements  
December 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Saint Paul, Alaska (the City) was incorporated as a fourth-class city under Alaska State Law (Title 29) on June 29, 1971. In September 1972, all incorporated fourth-class cities were reclassified as second-class cities by the State of Alaska. The City operates under a council-manager form of government and provides or supports the following services: public services (electric utilities, refuse collection, sewer, water, Harbor of Saint Paul, bulk fuel delivery, and marine sales); road and street maintenance; recreation; planning and zoning; public improvements; economic development; and general administrative services. Education services are provided by the Pribilof Islands School District (the School District). The School District is a separate governmental entity and the City has no oversight responsibility. Accordingly, the School District's financial statements are not included herein.

For financial reporting purposes, the City includes all funds and activities that are controlled by or dependent on the City's governing body. Management has determined the City to be a single reporting entity for financial reporting purposes by applying the criteria established by the Governmental Accounting Standards Board. By applying these criteria, management has determined that the City has no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statements of net position and the statements of activities) report information on all of the activities of the City. 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 statements 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, investment income, grants and entitlements not restricted to a specific purpose, other than 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 government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of 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 transactions occurred and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as 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 City generally considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to accrued leave are recorded only to the extent they have matured.

Sales and fish taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when received by the government.

The City reports the following major funds:

Major Governmental Funds:

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

Major Propriety Funds:

- The Electric Utility Enterprise Fund is used to account for the operations of the electric utility.
- The Water and Sewer Utility Enterprise Fund is used to account for the operations of the City water and sewer systems.
- The Bulk Fuel Farm Enterprise Fund is used to account for the operations of the local fueling facility.
- The Harbor Enterprise Fund is used to account for the activities of the local port and harbor.
- The Refuse Enterprise Fund is used to account for the operations of the pickup and disposal of refuse into the City's solid waste landfill site and burn box operations. The Refuse Enterprise Fund did not meet the quantitative criteria for a major fund presentation; however, the City has elected to report it as a major fund for consistency and due to public interest.

As a general rule, the effect of the 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.

## CITY OF SAINT PAUL, ALASKA

### Notes to Basic Financial Statements, Continued

Accounts 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 revenue.

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.

#### **D. Budgets**

An operating budget is adopted each year for the General Fund on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. Appropriations lapse at year end to the extent that they have not been expended or encumbered. Budgetary control is exercised at the department level. The City manager is authorized to transfer budget amounts between line items within any department; however, any supplemental appropriations that amend the total expenditures or fund require Council approval.

#### **E. Central Treasury**

A central treasury is used to account for cash from most funds of the City to maximize interest income. Investments are stated at fair value. Investment earnings are allocated to most funds based on their respective cash balances.

#### **F. 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.

#### **G. Inventory**

Inventory is valued at cost in governmental funds and at the lower of cost and net realizable value 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. In the governmental funds reported inventory is equally offset by a portion of fund balance classified as nonspendable in the financial statements which indicates that these do not constitute "available spendable resources" even though they are a component of net current assets.



**H. 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” “advances to/from other funds.” The receivables and payables between governmental funds are classified as “due from other funds” and “due to other funds” on the balance sheet of the Fund Financial Statements and are eliminated in the preparation of the Government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**I. Grants and Other Intergovernmental Revenue**

In applying the measurable and available concepts to grants and intergovernmental revenue, 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 on expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

**J. Interfund Transactions**

During the course of normal operations, the City 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.

**K. Accrued Leave**

The City allows employees to accumulate earned but unused vacation and sick leave benefits. All sick and 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).

**L. Deferred Inflows/Outflows of Resources**

A deferred outflow of resources represents the consumption of the government’s net position or fund balance that is applicable to a future period. A deferred inflow of resources represents the acquisition of net position or fund balance that is applicable to a future reporting period. For example, revenues that have been earned but are not yet available in the government funds are reported as deferred inflows.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

**M. 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. Capital assets are defined by the City 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 acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

The cost of normal maintenance and repair that does not add to the value of the asset or materially extend the useful life of the asset is not capitalized. 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.

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

Breakwater and improvements	50 years
Plant in service	35-60 years
Fuel tanks and lines	25 years
Dock and mooring	10 years
Buildings	35-60 years
Machinery and equipment	5-15 years
Landfill	20 years

**N. Unearned Grant Revenue**

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

**O. 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. Bonds payable are reported net of the applicable bond premium or discount.

**P. 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. The nonspendable fund balance 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.

The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Notes to Basic Financial Statements, 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 resolutions or ordinances of the City Council-the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance:* This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council and City 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 City's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

**Q. Net Position**

Government-wide net position is divided into three components:

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

**R. 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.

**S. Pension Plan and Other Postemployment Benefits (OPEB) Plan**

All employees of the City participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska. For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the 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.

The City 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."

**II. CASH AND INVESTMENTS**

At December 31, 2021, the City's cash and investments consisted of the following:

Deposits	\$ 3,211,797
CDs and equivalents	<u>10,122,557</u>
	<u>\$ 13,334,354</u>

**A. General Investments***Investment Policy*

The City's investment policy authorizes investments in:

- A. U.S. Treasury securities that mature in four years or less;
- B. Other obligations by the U.S. Government, its agencies and instrumentalities that mature in four years or less;
- C. Repurchase agreements of acceptable securities specified in Category A or B above which meet a margin requirement of 102%;
- D. Collateralized certificates of deposit and other deposits at banks and savings and loan associations;
- E. Uncollateralized deposits at banks and savings and loan associations, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC);
- F. Bonds and notes which are issued by any state or political subdivision thereof, and which are General Obligation Bonds graded A or higher by Moody's Investor's Service, Inc., or M by Standard and Poor's Corporation which mature in four years or less;
- G. Prime bankers' acceptances offered by the 50 largest banks which mature in 180 days or less;
- H. Money market mutual funds whose portfolios consist entirely of instruments specified in Category A, B, or C above;
- I. The Alaska Municipal League Investment Pool, Inc. (AMLIP), made in accordance with the terms of that pool's "Common Investment Agreement."

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

**B. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates which 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 the market interest rates.

Investment maturities in general investments at December 31, 2021 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Certificates of deposits	\$ 9,696,730	2,763,981	6,932,749
U.S. government agency bonds	385,246	-	385,246
AMLIP pooled investments	40,581	40,581	-
Total subject to interest rate risk	\$ 10,122,557	2,804,562	7,317,995

**C. Fair Value Measurement**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). 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.

The City has the following recurring fair value measurements as of December 31, 2021:

U.S. government agency securities of \$385,246 are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs).

The City has investments in certificates of deposits totaling \$9,696,730 that are not held at fair value, but instead recorded at amortized cost, at December 31, 2021. The City's investment in AMLIP totaling \$40,581 is measured at net asset value as of December 31, 2021 as a practical expediency. Management believes these values approximate fair value.

**D. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the U.S. government agency investments above are rated Aaa by Moody's.

The AMLIP is an external investment pool, which is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of December 31, 2021, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

**E. Custodial Credit Risk – Deposits**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. Of the bank balance at December 31, 2021, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC). The City maintains a collateral agreement with its depository financial institution, Federal Home Loan Bank, of up to \$4,408,338. As a result, all money was insured as of December 31, 2021.

**III. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 43,252	66,340	33,819	75,773
Capital assets being depreciated:				
Breakwater	47,642,984	-	-	47,642,984
Buildings and improvements	8,669,627	-	-	8,669,627
Machinery and equipment	3,773,214	693,871	-	4,467,085
Total assets being depreciated	60,085,825	693,871	-	60,779,696
Less accumulated depreciation for:				
Breakwater	29,004,736	952,860	-	29,957,596
Buildings and improvements	4,569,903	184,486	-	4,754,389
Machinery and equipment	2,584,293	207,853	-	2,792,146
Total accumulated depreciation	36,158,932	1,345,199	-	37,504,131
Total capital assets, being depreciated, net	23,926,893	(651,328)	-	23,275,565
Total capital assets, net	\$ 23,970,145	(584,988)	33,819	23,351,338

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 256,236	-	-	256,236
Construction in progress	1,781,709	478,488	-	2,260,197
Total assets not being depreciated	<u>2,037,945</u>	<u>478,488</u>	<u>-</u>	<u>2,516,433</u>
Capital assets being depreciated:				
Plant in service	14,229,393	7,957	-	14,237,350
Fuel tanks and lines	5,249,823	-	-	5,249,823
Dock and mooring	5,045,532	-	-	5,045,532
Buildings	3,317,998	-	-	3,317,998
Machinery and equipment	1,838,253	49,299	449	1,887,103
Total assets being depreciated	<u>29,680,999</u>	<u>57,256</u>	<u>449</u>	<u>29,737,802</u>
Less accumulated depreciation for:				
Plant in service	9,369,455	347,397	-	9,716,852
Fuel tanks and lines	5,212,913	6,366	-	5,219,279
Dock and mooring	3,972,158	61,781	-	4,033,939
Buildings	1,502,422	70,267	-	1,572,689
Machinery and equipment	1,187,239	120,775	449	1,307,565
Total accumulated depreciation	<u>21,244,187</u>	<u>606,586</u>	<u>449</u>	<u>21,850,324</u>
Total capital assets, being depreciated, net	<u>8,436,812</u>	<u>(549,330)</u>	<u>-</u>	<u>7,887,482</u>
Total capital assets, net	<u>\$ 10,474,757</u>	<u>(70,842)</u>	<u>-</u>	<u>10,403,915</u>

Depreciation expense was charged to the functions as follows for the year ended December 31, 2021:

Government Activities:

General government	\$ 952,860
Public safety	184,486
Public works	207,853
Total depreciation expense – governmental activities	<u>\$ 1,345,199</u>

Business-Type Activities:

Electric utility	\$ 174,297
Water and sewer utility	291,218
Bulk fuel farm	39,444
Harbor	67,481
Marine sales	1,721
Refuse	32,425
Total depreciation expense – business-type activities	<u>\$ 606,586</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

**IV. LONG-TERM LIABILITIES**

The following is a summary of long-term liability transactions for the year ended December 31, 2021:

Governmental Activities	Balance January 1, 2021	Additions	Deductions	Balance December 31, 2021	Due Within One Year
Accrued leave	\$ 104,401	95,990	120,376	80,015	80,015
Net pension liability	2,377,516	-	432,928	1,944,588	-
Total governmental activities	\$ 2,481,917	95,990	553,304	2,024,603	80,015
Business-Type Activities	Balance January 1, 2021	Additions	Deductions	Balance December 31, 2021	Due Within One Year
Revenue Bonds:					
\$6,562,878 revenue bonds payable to the U.S. Department of Commerce with interest at 5% (see note below for moratorium on payments)	\$ 5,855,878	-	-	5,855,878	-
\$150,000 electric revenue bonds payable to the State of Alaska in 25 equal annual installments of \$8,614 including 3% interest	\$ 24,769	-	7,883	16,886	7,883
\$2,250,000 electric revenue bonds payable to the State of Alaska in 25 equal annual installments of \$90,000, discounted at an imputed interest rate of 3% with an unamortized discounts of \$25,463 at December 31, 2019	\$ 270,000	-	90,000	180,000	90,000
Less unamortized discount	(15,427)	-	(7,638)	(7,789)	-
Total revenue bonds payable	\$ 6,135,220	-	90,245	6,044,975	97,883



CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Business-Type Activities (continued)	Balance January 1, 2021	Additions	Deductions	Balance December 31, 2021	Due Within One Year
Note payable to U.S. Army Corps of Engineers (USACE), payable in 30 equal annual installments of \$86,135 including interest of 3.25% interest beginning July 1, 2020	\$ 1,602,015	-	34,070	1,567,945	35,177
Accrued interest payable	1,905,144	-	-	1,905,144	-
Accrued leave	23,157	29,793	26,139	26,811	26,811
Landfill closure and post closure care costs	22,463	4,341	-	26,804	-
Net pension and OPEB liability	606,575	-	105,997	500,578	-
<b>Total business-type activities</b>	<b>\$ 10,294,574</b>	<b>34,134</b>	<b>256,451</b>	<b>10,072,257</b>	<b>159,871</b>

On March 17, 2009, the National Oceanic and Atmospheric Administration (NOAA) and the City reached an agreement regarding the Department of Commerce revenue bonds whereby there is a moratorium on interest accrual and principal payments retroactive to April 18, 2005, and continuing for five years from the date of the order or until March 18, 2016. In March 2016, that agreement was extended until September 18, 2016. As of December 2016, an application for an additional extension of the moratorium has been filed with NOAA. To date, such extension has not been approved; however, management believes that this extension will be approved or forgiven and, therefore, has not reported any portion of the loan balance or the accrued interest payable as a current liability.

As a result of the 2009 decision, \$811,404 of accrued interest previously recorded on the books was waived leaving \$1,905,144 of accrued interest on the City's financial statements related to the bonds. This accrued interest payable of \$1,905,144 is reflected as a long-term liability, as it is uncertain when the City will be required to pay these amounts. Additionally, the outstanding balance of the bond principal is also reflected as a long-term liability. It is critical to note that if the moratorium is not extended, it is unclear what repayment terms would be established and could impact the City's ability to continue as a going concern.

In April 2020, the City submitted the \$150,000 set aside in the Bulk Fuel Farm Enterprise Fund per the terms of the fourth Tripartite Amendment to NOAA. The agency supports and is in a position to move forward with a recommendation to Congress that the City's Department of Commerce revenue bond be forgiven.

The annual debt service requirements of the electric revenue bonds outstanding and the note payable to USACE at December 31, 2021, are scheduled out below. The Department of Commerce revenue bond has not been included in the future payments.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The annual debt service requirements of the electric revenue bonds outstanding and the note payable to USACE at December 31, 2021, are scheduled out below. The Department of Commerce revenue bond has not been included in the future payments.

Business-Type Activities	Principal	Interest	Total
Year Ending December 31,			
2022	\$ 133,297	51,453	184,750
2023	134,684	50,066	184,750
2024	37,500	48,635	86,135
2025	38,719	47,416	86,135
2026	39,978	46,157	86,135
Thereafter	<u>1,380,653</u>	<u>600,861</u>	<u>1,981,514</u>
	<u>\$ 1,764,831</u>	<u>844,588</u>	<u>2,609,419</u>

**V. LANDFILL CLOSURE AND POSTCLOSURE LIABILITY**

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, GAAP require that the City report a portion of these closure and postclosure care costs each period based on landfill capacity used as of each balance sheet date.

The future total estimated closure cost of the landfill is approximately \$139,690. The \$26,804 reported as landfill closure costs payable at December 31, 2021 for the landfill represents the cumulative amount reported to date based on the expected usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$112,886 as the remaining expected usage is filled. These amounts are based on an estimate of cost to perform all closure and postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The remaining life of the landfill is estimated to be approximately 30 years.

**VI. FUND BALANCES**

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

	General Fund	Nonmajor Funds	Total
Nonspendable:			
Inventory	\$ 41,488	-	41,488
Advance to Water and Sewer Utility Enterprise Fund	430,998	-	430,998
Advance to Bulk Fuel Farm Enterprise Fund	1,000,165	-	1,000,165
Advance to Harbor Enterprise Fund	822,973	-	822,973
Advance to Refuse Enterprise Fund	81,061	-	81,061
Total nonspendable	<u>\$ 2,376,685</u>	<u>-</u>	<u>2,376,685</u>
Committed for public works	\$ -	215,220	215,220
Unassigned	6,554,690	(109,626)	6,445,064
Total fund balances	<u>\$ 8,931,375</u>	<u>105,594</u>	<u>9,036,969</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The following funds had fund deficits at December 31, 2021:

Bulk Fuel Farm Enterprise Fund	\$ 5,752,567
Harbor Enterprise Fund	3,287,727
Covid-19 Incident Special Revenue Fund	<u>89,302</u>
Total fund balances	<u>\$ 9,129,596</u>

**VII. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

The City follows *Governmental Accounting Standards Board (GASB) Codification P20*, Accounting for Pensions by State and Local Governmental Employees and *GASB Codification P50*, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions. *GASB Codification P20* and *GASB Codification P50* establish uniform standards for the measurement, recognition, and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

All full-time employees and certain permanent part-time employees of the City participate in the State of Alaska Public Employees' Retirement System (PERS). In addition to the pension plan, PERS also administers other post-employment benefit (OPEB) plans.

The system is governed by the Alaska Retirement Management Board. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee.

*Summary of Significant Accounting Policies.* The financial statements for PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value.

PERS acts as the common investment and administrative agencies for the following multiple-employer plans:

<u>Plan Name</u>	<u>Type of Plan</u>
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB):	
Occupational Death and Disability Plan	Cost-sharing, Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing, Defined Benefit OPEB
Retiree Medical Plan	Cost-sharing, Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	Defined Contribution OPEB

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

**Other Postemployment Benefit Plans (OPEB)**

*Occupational Death and Disability Plan (ODD)*

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended December 31, 2021 the employer contribution rate is 0.31%.

Membership in the plan consisted of the following at June 30, 2021 (latest available report):

Membership	PERS
Active plan members	24,481
Participating employers	151

*Alaska Retiree Healthcare Trust Plan (ARHCT)*

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2021 (latest available information) employer contributions were 7.43% of annual payroll. Membership in the plan consisted of the following at June 30, 2021 (latest report available):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	36,704
Inactive plan members entitled to but not yet receiving benefits	5,112
Inactive plan members not entitled to benefits	10,366
Active plan members	10,066
Total plan membership	62,248

*Retiree Medical Plan (RMP)*

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended December 31, 2021 employer contributions were 1.07%. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	67
Inactive plan members entitled to but not yet receiving benefits	2,082
Inactive plan members not entitled to benefits	16,249
Active plan members	24,481
Total plan membership	42,879

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

*Healthcare Reimbursement Arrangement Plan*

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the plan. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	113
Inactive plan members entitled to but not yet receiving benefits	2,082
Inactive plan members not entitled to benefits	16,249
Active plan members	24,481
Total plan membership	42,925

**Investments**

The Board is the investment oversight authority of the system's investments. As the fiduciary, the Board has the statutory authority to invest the assets under the Prudent Investor Rule. Fiduciary responsibility for the Board's invested assets is pursuant to AS 37.10.210.390.

State of Alaska Department of Treasury provides staff for the Board. Treasury has created a pooled environment by which it manages investments of the Board. Additionally, Treasury manages a mix of Pooled Investment Funds and Collective Investment Funds for the DC Participant-directed Pension plans under the Board's fiduciary responsibility.

**Rate of Return**

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2021 (latest available report) for the DB Plan for PERS is 29.77%, for the ARHCT plan is 30.00%, for the ODD Plan is 29.55%, and for the RMP is 29.54%.

For additional information on securities lending, interest rates, credit risks, foreign exchange, derivatives, fair value, and counterparty credit risks, see the separately issued report on the Invested Assets of the State of Alaska Retirement and Benefits Plans at:

<http://treasury.dor.alaska.gov/armb/Reports-and-Policies/Annual-Audited-Financial-Schedules.aspx>.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The long-term expected rate of return on pension and OPEB plan investments was determined using the 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 adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS plan:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.63%
Global Equity (non-U.S.)	5.41%
Aggregate Bonds	0.76%
Opportunistic	4.39%
Real Assets	3.16%
Private Equity	9.29%
Cash Equivalents	0.13%

*Discount Rate:* The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were 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 and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.18% as of June 30, 2021.

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

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

*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. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

*On-behalf Contribution Rate:* This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. On-behalf contribution amounts have been recognized in these financial statements as both revenue and expenditures.

*GASB Rate:* This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.38% discount rate.

Employer Contribution rates for the year ended December 31, 2021 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	15.54%	21.27%	8.11%
OPEB	6.46%	8.84%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>30.11%</u>	<u>8.11%</u>

*Termination Costs:* If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For fiscal year 2022 the past service rate for PERS is 18.31%.

*Actuarial Assumptions:* The total pension and OPEB liabilities on June 30, 2021 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2021. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.
Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%.



Notes to Basic Financial Statements, Continued

As a result of the latest experience study, the Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. In addition to the changes in assumptions resulting from the experience study, the following assumption changes related to the ARHCT plan have been made since the prior valuation:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent experience.
3. Healthcare cost trends were updated to reflect the repeal of the Cadillac Tax.

The changes of assumptions from the latest experience study created substantial deferred outflows of resources attributable to the City, as well as an OPEB benefit recognized by the City for the State's proportionate share of OPEB plan expense attributable to the City. In some instances, the reduction of revenues and expenses reported for the State's proportionate share of OPEB plan expense attributable to the City creates a net negative Pension/OPEB expense (net pension/OPEB benefit) which results in negative operating grants and contributions for certain functions reported on the Statement of Activities.

**Alaska Public Employee Retirement System (PERS) – Defined Benefit Plan (DB)**

*Plan Description.* The City participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at: <http://doa.alaska.gov/drb/pers>.

*Pension Benefits.* All tier employee benefits vest with five years of credited service. There are three tiers of employees based on entry date. Tier I employees enrolled prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For Tier II and III employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. All tier employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

The PERS defined benefit is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

Currently there are 150 employers participating in PERS defined benefit plan and 151 participating in PERs defined contribution and OPEB plans.

The DB Plan's membership consisted of the following at June 30, 2021 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,704
Inactive plan members entitled to but not receiving benefits	5,112
Inactive members not entitled to benefits	10,366
Active plan members	<u>10,066</u>
Total DB plan membership	<u>62,248</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for peace officers/firefighters members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

The percentage multipliers for peace officers/firefighters are 2% for the first ten years of service and 2.5% for all service over 10 years. The percentage multipliers for all other participants are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Post-employment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986, but before July 1, 2006, and who have not reached age 60 may elect to pay for major medical benefits.

*Post Retirement Pension Adjustments.* Post retirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit, including past PRPAs, times:

- (a) 75% of the CPI increase in the preceding calendar year or 9%, whichever is less, if the recipient is at least 65 or on PERS disability; or
- (b) 50% of the CPI increase in the preceding calendar year or 6%, whichever is less, if the recipient is at least 60, or has been receiving benefits for at least five years.

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who first entered the PERS before July 1, 1986, if the CPI increases and the financial condition of the fund will permit an increase. In a year where an ad hoc PRPA is granted, eligible recipients will receive the higher of the two calculations.

*Funding Policy.* In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, 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 (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

*Salary Floor.* During the 25<sup>th</sup> legislation session, Senate Bill 125 passed, which established a June 30, 2008 salary floor under AS 39.35.255(a)(2). The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The statute requires the Division of Retirement and Benefits (Division) to collect employer contributions at a minimum based on FY 2008 base salaries.

*Employee Contribution Rate.* The City's PERS active members are required to contribute 6.75%.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Employer contributions for the year ended December 31, 2021, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>267,009</u>	<u>64,247</u>	<u>331,256</u>

**Public Employees Retirement Plans**

For the year ended December 31, 2021 the State of Alaska contributed \$177,378 (100% pension cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2021 to a total of (\$78,955), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

*Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB:* At December 31, 2021, the City reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the City were as follows:

Defined Benefit:	<u>Pension</u>
City's proportionate share of the net pension liability	\$ 2,445,166
State's proportionate share of the net pension liability	<u>332,361</u>
Total	\$ <u>2,777,527</u>
	<u>OPEB</u>
City's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,716,317)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(228,936)</u>
Total	\$ <u>(1,945,253)</u>
City's proportionate share of the ODD OPEB liability (asset)	\$ <u>(50,207)</u>
City's proportionate share of the RMP OPEB liability (asset)	\$ <u>(27,231)</u>
Total City's share of net pension and OPEB liabilities and assets	\$ <u>651,411</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2021, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The City's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2023 through FY2039, as determined by projections based on the June 30, 2021 valuation.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The City's proportionate share and changes in the pension and OPEB liabilities and assets were as follows:

	June 30, 2020 Measurement	June 30, 2021 Measurement	Change
Pension	0.0506%	0.0667%	0.0161%
OPEB:			
ARHCT	0.0506%	0.0669%	0.0163%
ODD	0.1043%	0.1139%	0.0096%
RMP	0.0916%	0.1015%	0.0099%

Based on the measurement date of June 30, 2021, the City recognized pension and OPEB expense of \$753,187 and \$689,203, respectively, for the year ended December 31, 2021. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	(10,833)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(964,245)
Changes in proportion and differences between City contributions and proportionate share of contributions	136,483	-
City contributions subsequent to the measurement date	133,460	-
Total	\$ <u>269,943</u>	<u>(975,078)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(18,024)
Changes of assumptions	-	(64,860)
Net difference between projected and actual earnings on OPEB plan investments	-	(803,144)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(16,443)
City contributions subsequent to the measurement date	18,443	-
Total	\$ <u>18,443</u>	<u>(902,471)</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(13,713)
Changes of assumptions	-	(381)
Net difference between projected and actual earnings on OPEB plan investments	-	(8,051)
Changes in proportion and differences between City contributions and proportionate share of contributions	1,772	(5,561)
City contributions subsequent to the measurement date	2,869	-
Total	\$ <u>4,641</u>	<u>(27,706)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,025	(1,295)
Changes of assumptions	8,464	(16,183)
Net difference between projected and actual earnings on OPEB plan investments	-	(24,362)
Changes in proportion and differences between City contributions and proportionate share of contributions	3,620	(1,211)
City contributions subsequent to the measurement date	8,109	-
Total	\$ <u>22,218</u>	<u>(43,051)</u>

\$133,462 and \$45,302 are reported as deferred outflows of resources related to pension and OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended December 31, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended December 31,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2022	\$ (98,428)	(287,478)	(4,809)	(6,402)
2023	(220,871)	(184,961)	(4,803)	(6,413)
2024	(238,921)	(198,610)	(4,888)	(6,659)
2025	(280,375)	(231,422)	(5,157)	(7,435)
2026	-	-	(3,237)	(366)
Thereafter	-	-	(3,040)	(1,667)
Total	\$ <u>(838,595)</u>	<u>(902,471)</u>	<u>(25,934)</u>	<u>(28,942)</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

For the year ended December 31, 2021, the City recognized \$749,204 and (\$22,502) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

*Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate:* The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.38%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

	<b>1% Decrease (6.38%)</b>	<b>Current Rate (7.38%)</b>	<b>1% Increase (8.38%)</b>
Net pension liability (asset)	\$ 3,621,632	2,445,166	1,456,784
Net OPEB ARHCT liability (asset)	\$ (1,122,446)	(1,716,317)	(2,209,483)
Net OPEB ODD liability (asset)	\$ (48,075)	(50,207)	(51,904)
Net OPEB RMP liability	\$ 17,773	(27,231)	(61,223)

*Sensitivity of the City's proportionate share of the Net OPEB liability and assets to changes in the healthcare cost trend rates.* The following present the City's proportionate share of the net OPEB liability (asset), as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Net OPEB ARHCT liability (asset)	\$ (2,267,214)	(1,716,317)	(1,051,528)
Net OPEB ODD liability (asset)	\$ NA	(50,207)	NA
Net OPEB RMP liability (asset)	\$ (66,088)	(27,231)	25,714

**Alaska Public Employee Retirement System (PERS) – Defined Contribution Plan (DC)**

*Plan Description and Funding Requirements.* Cities and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.07% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The City contributed \$135,920 for the year ended December 31, 2021, which included forfeitures of \$7,389 which have been applied as employer contributions.

**VIII. RISK MANAGEMENT**

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

The City is a member of the Alaska Public Entity Insurance Association (APEI), a governmental insurance pool. The APEI provides the City coverage for property, including building and contents, automobiles, mobile equipment, data processing equipment and boiler and machinery; casualty, including general liability, public officials and employee's liability, law enforcement professional liability, auto liability and employee benefit liability; workers' compensation, including employer's liability; and commercial blanket bond. The City maintains supplemental marine insurance and firefighter's group accident coverage with insurance companies placed through APEI.

The 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 on each member's deposit contribution in comparison to the aggregate deposit contributions of all members. The Association made no supplemental assessments during the year ended December 31, 2021.

**IX. INTERFUND BALANCES**

Fund balance in the General Fund has been classified as nonspendable for the amount of the advances to other funds.

A schedule of interfund balances at December 31, 2021 follows:

<u>Advances to Other Funds</u>	
Advance from the General Fund to:	
Water and Sewer Utility Enterprise Fund	\$ 430,998
Bulk Fuel Farm Enterprise Fund	1,000,165
Harbor Enterprise Fund	822,973
Refuse Enterprise Fund	<u>81,061</u>
Total advances to other funds	<u>\$ 2,335,197</u>
Due to/from other funds –	
Non Major Special Revenue Funds	<u>\$ 167,467</u>

**X. CONTINGENCIES****A. Litigation**

The City is involved in various claims and pending litigation as part of the normal course of its activities. In the opinion of management, the disposition of these matters is not expected to have a material adverse effect on the City's financial statements.

**XI. NEW ACCOUNTING PRONOUNCEMENTS**

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

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 91 *Conduit Debt Obligations*. Effective for fiscal years beginning after December 15, 2021.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Effective for fiscal years beginning after June 15, 2021.
- GASB 98 *The Annual Comprehensive Financial Report*. Effective for fiscal years ending after December 15, 2021.

GASB Statements No. 94 and No. 98 are not expected to have any significant impact on the financial statements of the City.



CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

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

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

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures

GASB Statement No. 92, the objectives of this Statement are to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 95 provides temporary relief to governments in light of the COVID-19 pandemic. The effective dates of the following pronouncement are postponed by one year: GASB Statements No. 83, No. 84, No. 88, No. 89, No. 90, No. 91, No. 92, and No. 93. The effective date for GASB 87 has been postponed by 18 months.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 96 will improve financial reporting by establishing a definition for Subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

GASB Statement No. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

## CITY OF SAINT PAUL, ALASKA

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

## General Fund

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Sales	\$ 388,000	394,282	6,282
Fish	3,347,280	3,347,430	150
Total taxes	<u>3,735,280</u>	<u>3,741,712</u>	<u>6,432</u>
Intergovernmental:			
State fisheries taxes	909,389	844,918	(64,471)
State PERS relief	-	142,101	142,101
Federal payment in lieu of taxes	78,606	78,606	-
State revenue sharing	76,794	76,794	-
Remote sellers sales tax	13,925	17,259	3,334
Other	-	20	20
Total intergovernmental	<u>1,078,714</u>	<u>1,159,698</u>	<u>80,984</u>
Charges for services:			
Building/housing revenue	76,929	88,747	11,818
Allocated administrative charges	674,798	674,183	(615)
Other contract and labor revenues	4,608	9,184	4,576
Total charges for services	<u>756,335</u>	<u>772,114</u>	<u>15,779</u>
Investment income	610,206	74,283	(535,923)
Other revenue	33,927	54,672	20,745
Total revenue	<u>6,214,462</u>	<u>5,802,479</u>	<u>(411,983)</u>
Expenditures:			
General government	1,836,990	1,913,305	(76,315)
Public safety	1,472,410	1,213,590	258,820
Public works	1,974,327	2,065,973	(91,646)
Total expenditures	<u>5,283,727</u>	<u>5,192,868</u>	<u>90,859</u>
Excess of revenues over expenditures	930,735	609,611	(321,124)
Other financing uses - transfers out	(346,388)	(58,889)	287,499
Net change in fund balance	\$ <u>584,347</u>	550,722	<u>(33,625)</u>
Fund balance, beginning of year		<u>8,380,653</u>	
Fund balance, end of year		<u>\$ <u>8,931,375</u></u>	

## CITY OF SAINT PAUL, ALASKA

## Schedule of City's Proportionate Share of the Net Pension Liability

## Public Employees' Retirement System (PERS)

December 31, 2021

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0616%	\$ 2,986,268	\$ 800,510	\$ 3,786,778	\$ 1,623,160	184%	62.37%
2016	0.0525%	\$ 2,935,604	\$ 367,692	\$ 3,303,296	\$ 1,491,677	197%	63.96%
2017	0.0457%	\$ 2,361,271	\$ 880,458	\$ 3,241,729	\$ 1,222,885	193%	59.55%
2018	0.0370%	\$ 1,838,340	\$ 533,475	\$ 2,371,815	\$ 1,160,380	158%	63.37%
2019	0.0445%	\$ 2,434,625	\$ 967,561	\$ 3,402,186	\$ 1,369,752	178%	65.19%
2020	0.0506%	\$ 2,984,091	\$ 1,235,203	\$ 4,219,294	\$ 1,594,495	187%	63.42%
2021	0.0667%	\$ 2,445,116	\$ 332,361	\$ 2,777,477	\$ 1,892,842	129%	61.61%

See accompanying notes to Required Supplementary Information.

## CITY OF SAINT PAUL, ALASKA

## Schedule of City's Proportionate Share of the Net OPEB Liability (Asset)

## Public Employees' Retirement System (PERS)

December 31, 2021

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0370%	\$ 379,695	\$ 110,950	\$ 490,645	\$ 1,160,380	32.72%	88.12%
2019	0.0496%	\$ 66,175	\$ 26,146	\$ 92,321	\$ 1,369,752	4.83%	98.13%
2020	0.0506%	\$ (228,924)	\$ (95,151)	\$ (324,075)	\$ 1,594,495	-14.36%	105.15%
2021	0.0669%	\$ (1,716,317)	\$ (228,936)	\$ (1,945,253)	\$ 1,892,842	-90.67%	106.15%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.0642%	\$ (12,474)	\$ -	\$ (12,474)	\$ 1,160,380	-1.07%	270.62%
2019	0.0957%	\$ (23,203)	\$ -	\$ (23,203)	\$ 1,369,752	-1.69%	297.43%
2020	0.1043%	\$ (28,430)	\$ -	\$ (28,430)	\$ 1,594,495	-1.78%	283.80%
2021	0.1139%	\$ (50,207)	\$ -	\$ (50,207)	\$ 1,892,842	-2.65%	283.80%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.0642%	\$ 8,173	\$ -	\$ 8,173	\$ 1,160,380	0.70%	88.71%
2019	0.0813%	\$ 19,443	\$ -	\$ 19,443	\$ 1,369,752	1.42%	83.17%
2020	0.0916%	\$ 6,495	\$ -	\$ 6,495	\$ 1,594,495	0.41%	95.23%
2021	0.1015%	\$ (27,231)	\$ -	\$ (27,231)	\$ 1,892,842	-1.44%	92.23%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA  
 Schedule of City's Contributions (Pensions)  
 Public Employees' Retirement System (PERS)  
 December 31, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 128,719	\$ (128,719)	\$ -	\$ 1,491,677	8.63%
2016	\$ 118,075	\$ (118,075)	\$ -	\$ 1,222,885	9.66%
2017	\$ 139,695	\$ (139,695)	\$ -	\$ 1,160,380	12.04%
2018	\$ 158,646	\$ (158,646)	\$ -	\$ 1,369,752	11.58%
2019	\$ 169,640	\$ (169,640)	\$ -	\$ 1,594,495	10.64%
2020	\$ 217,971	\$ (217,971)	\$ -	\$ 1,892,842	11.52%
2021	\$ 267,009	\$ (267,009)	\$ -	\$ 2,123,527	12.57%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA

Schedule of City's Contributions (OPEB)

Public Employees' Retirement System (PERS)

December 31, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 51,411	\$ (51,411)	\$ -	\$ 1,369,752	3.75%
2019	\$ 64,898	\$ (64,898)	\$ -	\$ 1,594,495	4.07%
2020	\$ 59,226	\$ (59,226)	\$ -	\$ 1,892,842	3.13%
2021	\$ 40,074	\$ (40,074)	\$ -	\$ 2,123,527	1.89%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ 2,834	\$ (2,834)	\$ -	\$ 1,369,752	0.21%
2019	\$ 4,263	\$ (4,263)	\$ -	\$ 1,594,495	0.27%
2020	\$ 5,286	\$ (5,286)	\$ -	\$ 1,892,842	0.28%
2021	\$ 6,055	\$ (6,055)	\$ -	\$ 2,123,527	0.29%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 8,561	\$ (8,561)	\$ -	\$ 1,369,752	0.63%
2019	\$ 12,981	\$ (12,981)	\$ -	\$ 1,594,495	0.81%
2020	\$ 17,336	\$ (17,336)	\$ -	\$ 1,892,842	0.92%
2021	\$ 18,118	\$ (18,118)	\$ -	\$ 617,818	2.93%

See accompanying notes to Required Supplementary Information.



CITY OF SAINT PAUL, ALASKA

Notes to Required Supplementary Information

Year Ended December 31, 2021

**1. General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budgets and Budgetary Accounting**

An operating budget is adopted each fiscal year for the General Fund on the same modified accrual basis used to reflect actual revenues and expenditures.

The City follows these procedures in establishing the budgetary data reflected in the required budgetary comparison schedule:

- a. Starting in September, the Finance Director meets with Department Heads and assembles the needs of the coming year, including maintenance and deferred maintenance needs, supplies, projects, equipment replacement or repair needs, regulation requirements, etc. By the end of September, the Finance Director meets with the City Manager and works to prioritize the list assembled. At times, Department Heads may be called in to answer questions regarding their requests.
- b. By the third week in October, the City Manager presents the budget proposal for the next fiscal year to the Council, in a workshop. Workshops are open to the public, but are not recorded, allowing free discussion and questions, from the Council, the workforce, and/or the public.
- c. By the end of November, the City Manager presents the budget to the Council for the first reading of the budget ordinance. Additional information regarding any significant changes in the line items is provided.
- d. By the middle of December, the City Manager and the Finance Director finalize the budget and present it to the Council for a second reading and adoption of the Ordinance in a regular meeting. Upon adoption, the funds are appropriated.
- e. Public comment is taken in all meetings, and a public hearing is posted with the second reading in December to obtain taxpayer/citizen comments.
- f. The Council may increase or decrease appropriations during the course of the year and may amend the budget using the same method as for initial adoption (two readings at Council meetings).
- g. The City Manager may establish line item expenditures within an authorized department, fund or project appropriation, and/or transfer from one authorized department, fund, or project appropriation to another any amount which would not annually exceed ten percent of that department, fund or project appropriation. Expenditures may not exceed appropriations at the fund level.
- h. Appropriations lapse at the end of the fiscal year to the extent they have not been fully expended or fully encumbered. Capital appropriations remain in force until the project is finished or abandoned.

Notes to Required Supplementary Information, continued

**2. Excess of Expenditures over Appropriations**

For the year ended December 31, 2021, expenditures exceeded appropriation in the General Fund for the following functions:

General Government	\$76,315
Public Works	91,646

**3. Public Employees' Retirement System**

**Schedule of City's Proportionate Share of Net Pension and OPEB Liability (Asset)**

The table is presented based on the Plan measurement date which is six months prior to fiscal year end for all years presented.

***Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021:***

There were no changes in actuarial methods since the prior valuation.

***Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021:***

- All Plans - The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.
- OPEB ARHCT – Healthcare claims costs are updated annually. Retired member contributions were updated to reflect the 2.55% increase from 2020 to 2021.
- OPEB RMP – The per capital claims cost assumption is updated annually. The medical and prescription drug relative value factors were updated and the 0.2% annual trend rate adjustment factor between the DB and DCR plans was removed.

***Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021:***

There were no changes in benefit provisions since the prior valuation.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the City will present only those years for which information is available.

**Schedule of City's Contributions (Pension) and (OPEB)**

The table valuation date is June 30, 2020 which was rolled forward to June 30, 2021. Actuarially determined contribution rates are calculated as of June 30<sup>th</sup>, two years prior to the fiscal year in which contributions are reported.

## **SUPPLEMENTARY INFORMATION**

## CITY OF SAINT PAUL, ALASKA

## Nonmajor Governmental Funds

## Combining Balance Sheet

December 31, 2021

	<u>Special Revenue Funds</u>				
	<u>Harbor Navigation</u>	<u>AEA VEEP Grant</u>	<u>COVID-19 Incident</u>	<u>APUN</u>	<u>EDA Tech Assist</u>
<u>Assets</u>					
Cash and investments	\$ 309,386	235	-	-	20
Accounts receivable	-	-	-	22,170	-
Total assets	<u>\$ 309,386</u>	<u>235</u>	<u>-</u>	<u>22,170</u>	<u>20</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	-	-	-	20,344
Accrued expenses	-	-	2,413	-	-
Unearned revenue	94,401	-	3,207	-	-
Due to other funds	-	-	83,682	22,170	-
Total liabilities	<u>94,401</u>	<u>-</u>	<u>89,302</u>	<u>22,170</u>	<u>20,344</u>
Fund Balances:					
Committed	214,985	235	-	-	-
Unassigned	-	-	(89,302)	-	(20,324)
Total fund balances	<u>214,985</u>	<u>235</u>	<u>(89,302)</u>	<u>-</u>	<u>(20,324)</u>
Total liabilities and fund balances	<u>\$ 309,386</u>	<u>235</u>	<u>-</u>	<u>22,170</u>	<u>20</u>

(continued)

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet, continued

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Emergency Siren Notification</u>	<u>ARPA</u>	<u>COVID-19 Emergency Operations</u>	
<u>Assets</u>				
Cash and investments	\$ -	106,605	-	416,246
Accounts receivable	51,903	-	9,712	83,785
Total assets	<u>\$ 51,903</u>	<u>106,605</u>	<u>9,712</u>	<u>500,031</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	-	-	20,344
Accrued Expenses	-	-	-	2,413
Unearned revenue	-	106,605	-	204,213
Due to other funds	51,903	-	9,712	167,467
Total liabilities	<u>51,903</u>	<u>106,605</u>	<u>9,712</u>	<u>394,437</u>
Fund Balances:				
Committed	-	-	-	215,220
Unassigned	-	-	-	(109,626)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,594</u>
Total liabilities and fund balances	<u>\$ 51,903</u>	<u>106,605</u>	<u>9,712</u>	<u>500,031</u>

## CITY OF SAINT PAUL, ALASKA

## Nonmajor Governmental Funds

## Combining Statement of Revenues, Expenditures, and Change in Fund Balance

Year Ended December 31, 2021

	Special Revenue Funds				
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	CARES Act	EDA Tech Assist
Revenues:					
Intergovernmental	\$ -	-	68,685	215,112	57,857
Other	-	-	-	-	1,846
Total revenues	<u>-</u>	<u>-</u>	<u>68,685</u>	<u>215,112</u>	<u>59,703</u>
Expenditures:					
Public safety:					
Salaries and wages	-	-	38,641	24,588	-
Employee benefits	-	-	4,005	1,200	-
Material and supplies	-	-	2,452	98,286	-
Fuel, utilities and telephone	-	-	137	6,515	-
Repairs and maintenance	-	-	-	8,634	-
Legal and consulting	-	-	26,173	49,510	-
Other	-	-	6,330	10,280	-
Capital outlay	-	-	-	16,099	-
Total public safety	<u>-</u>	<u>-</u>	<u>77,738</u>	<u>215,112</u>	<u>-</u>
Public works:					
Salaries and wages	-	-	-	-	2,642
Employee benefits	-	-	-	-	1,065
Material and supplies	-	-	-	-	-
Legal and consulting	-	-	-	-	105,347
Other	-	-	-	-	2,951
Capital outlay	-	-	-	-	1,840
Indirect costs	-	-	-	-	19,159
Total public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,004</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>77,738</u>	<u>215,112</u>	<u>133,004</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(9,053)</u>	<u>-</u>	<u>(73,301)</u>
Other financing sources - Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,971</u>
Net change in fund balances	-	-	(9,053)	-	(20,330)
Fund balance, beginning	214,985	235	(80,249)	-	6
Fund balance, ending	<u>\$ 214,985</u>	<u>235</u>	<u>(89,302)</u>	<u>-</u>	<u>(20,324)</u>

(continued)

## CITY OF SAINT PAUL, ALASKA

## Nonmajor Governmental Funds

## Combining Statement of Revenues, Expenditures, and Change in Fund Balance, continued

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Emergency Siren Notification	USDA RUS	COVID-19 Emergency Operations	
Revenues:				
Intergovernmental	\$ 51,903	-	9,712	403,269
Other	-	-	-	1,846
Total revenues	<u>51,903</u>	<u>-</u>	<u>9,712</u>	<u>405,115</u>
Expenditures:				
Public safety:				
Salaries and wages	-	-	-	63,229
Employee benefits	-	-	-	5,205
Material and supplies	-	-	-	100,738
Fuel, utilities and telephone	-	-	-	6,652
Repairs and maintenance	-	-	-	8,634
Legal and consulting	-	-	-	75,683
Other	-	-	-	16,610
Capital outlay	-	-	-	16,099
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,850</u>
Public works:				
Salaries and wages	-	-	-	2,642
Employee benefits	-	-	-	1,065
Material and supplies	57,821	-	9,712	67,533
Legal and consulting	-	5,000	-	110,347
Other	-	-	-	2,951
Capital outlay	-	-	-	1,840
Indirect costs	-	-	-	19,159
Total public works	<u>57,821</u>	<u>5,000</u>	<u>9,712</u>	<u>205,537</u>
Total expenditures	<u>57,821</u>	<u>5,000</u>	<u>9,712</u>	<u>498,387</u>
Excess of revenues over (under) expenditures	<u>(5,918)</u>	<u>(5,000)</u>	<u>-</u>	<u>(93,272)</u>
Other financing sources -				
Transfers in	<u>5,918</u>	<u>5,000</u>	<u>-</u>	<u>63,889</u>
Net change in fund balances	-	-	-	(29,383)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,977</u>
Fund balance, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>105,594</u>

CITY OF SAINT PAUL, ALASKA  
 Nonmajor Enterprise Funds  
 Combining Schedule of Net Position  
 December 31, 2021

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
<u>Assets and Deferred Outflows of Resources</u>				
Current assets:				
Cash and investments	\$ 430,674	115	88,795	519,584
Accounts receivable	4,045	-	-	4,045
Inventory	36,810	-	-	36,810
Total current assets	<u>471,529</u>	<u>115</u>	<u>88,795</u>	<u>560,439</u>
Noncurrent:				
Net pension and OPEB asset	<u>3,329</u>	<u>-</u>	<u>2,470</u>	<u>5,799</u>
Property, plant and equipment:				
Machinery and equipment	46,708	-	-	46,708
Accumulated depreciation	<u>(43,696)</u>	<u>-</u>	<u>-</u>	<u>(43,696)</u>
Net property, plant and equipment	<u>3,012</u>	<u>-</u>	<u>-</u>	<u>3,012</u>
Total assets	<u>477,870</u>	<u>115</u>	<u>91,265</u>	<u>569,250</u>
Deferred outflows of resources -				
Pension and OPEB deferrals	<u>195</u>	<u>-</u>	<u>1,294</u>	<u>1,489</u>
Total assets and deferred outflows of resources	<u>\$ 478,065</u>	<u>115</u>	<u>92,559</u>	<u>570,739</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>				
Current liabilities :				
Accounts payable	\$ 2	-	-	2
Total current liabilities	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Noncurrent liabilities:				
Net pension and OPEB liability	<u>2,132</u>	<u>-</u>	<u>8,673</u>	<u>10,805</u>
Total noncurrent liabilities	<u>2,132</u>	<u>-</u>	<u>8,673</u>	<u>10,805</u>
Total liabilities	<u>2,134</u>	<u>-</u>	<u>8,673</u>	<u>10,807</u>
Deferred inflows of resources -				
Pension and OPEB deferrals	<u>3,670</u>	<u>-</u>	<u>2,562</u>	<u>6,232</u>
Net position:				
Net investment in capital assets	3,012	-	-	3,012
Unrestricted	<u>469,249</u>	<u>115</u>	<u>81,324</u>	<u>550,688</u>
Total net position	<u>472,261</u>	<u>115</u>	<u>81,324</u>	<u>553,700</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 478,065</u>	<u>115</u>	<u>92,559</u>	<u>570,739</u>



## CITY OF SAINT PAUL, ALASKA

## Nonmajor Enterprise Funds

## Combining Schedule of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2021

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Operating revenues:				
Operating revenues	\$ 56,768	-	31,262	88,030
Cost of goods sold	(26,200)	-	-	(26,200)
Net operating revenues	<u>30,568</u>	<u>-</u>	<u>31,262</u>	<u>61,830</u>
Operating expenses:				
Salaries and wages	3,778	-	1,927	5,705
Employee benefits	870	-	357	1,227
Material and supplies	6,157	-	-	6,157
Fuel and utilities	26	-	-	26
Depreciation	1,721	-	-	1,721
Repairs and maintenance	-	-	939	939
Contractors and consulting services	-	-	509	509
Insurance	15,510	-	-	15,510
Administrative cost allocation	20,224	-	-	20,224
Total operating expenses	<u>48,286</u>	<u>-</u>	<u>3,732</u>	<u>52,018</u>
Operating income (loss)	<u>(17,718)</u>	<u>-</u>	<u>27,530</u>	<u>9,812</u>
Nonoperating revenues (expenses):				
State PERS relief	(156)	-	(87)	(243)
Investment income	5,832	-	1,202	7,034
Net nonoperating revenues	<u>5,676</u>	<u>-</u>	<u>1,115</u>	<u>6,791</u>
Change in net position	(12,042)	-	28,645	16,603
Net position, beginning	<u>484,303</u>	<u>115</u>	<u>52,679</u>	<u>537,097</u>
Net position, ending	<u>\$ 472,261</u>	<u>115</u>	<u>81,324</u>	<u>553,700</u>

## CITY OF SAINT PAUL, ALASKA

## Nonmajor Enterprise Funds

## Combining Schedule of Cash Flows

Year Ended December 31, 2021

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Cash flows provided (used) by operating activities:				
Receipts from customers and users	\$ 70,446	-	31,262	101,708
Payments of interfund services used	(20,224)	-	-	(20,224)
Payments to suppliers	(62,713)	-	(1,448)	(64,161)
Payments to employees	(5,179)	-	(2,577)	(7,756)
Net cash flows used by operating activities	<u>(17,670)</u>	<u>-</u>	<u>27,237</u>	<u>9,567</u>
Cash flows provided by investing activities -				
Investment income received	<u>5,832</u>	<u>-</u>	<u>1,202</u>	<u>7,034</u>
Net change in cash and investments	<u>(11,838)</u>	<u>-</u>	<u>28,439</u>	<u>16,601</u>
Cash and investments, beginning	<u>442,512</u>	<u>115</u>	<u>60,356</u>	<u>502,983</u>
Cash and investments, ending	<u>\$ 430,674</u>	<u>115</u>	<u>88,795</u>	<u>519,584</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (17,718)	-	27,530	9,812
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation and amortization	1,721	-	-	1,721
Noncash expenses - PERS relief	(156)	-	(87)	(243)
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	13,678	-	-	13,678
Inventory	(14,818)	-	-	(14,818)
Net pension and OPEB asset	(3,060)	-	(1,691)	(4,751)
Deferred outflows of resources - pension and OPEB deferrals	312	-	173	485
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	(2)	-	-	(2)
Net pension and OPEB liability	(1,069)	-	(591)	(1,660)
Deferred inflows of resources - pension and OPEB deferrals	3,442	-	1,903	5,345
Net cash flows used by operating activities	<u>\$ (17,670)</u>	<u>-</u>	<u>27,237</u>	<u>9,567</u>

## CITY OF SAINT PAUL, ALASKA

## Balance Sheets

## General Fund

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and investments	\$ 7,301,765	7,273,485
Receivables:		
Accounts	16,243	-
Taxes	-	48,461
Interest	16,690	16,690
Allowance for doubtful accounts	(8,762)	(8,768)
Due from other funds	167,467	226,073
Advances to other funds	2,335,197	1,738,629
Inventory	41,488	45,674
Total assets	\$ <u>9,870,088</u>	<u>9,340,244</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	92,005	68,312
Accrued expenses	83,467	180,699
Customer deposits	21,935	22,835
Unearned revenue	741,306	687,745
Total liabilities	<u>938,713</u>	<u>959,591</u>
Fund Balance:		
Nonspendable	2,376,685	1,784,303
Unassigned	6,554,690	6,596,350
Total fund balance	<u>8,931,375</u>	<u>8,380,653</u>
Total liabilities and fund balance	\$ <u>9,870,088</u>	<u>9,340,244</u>

## CITY OF SAINT PAUL, ALASKA

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

## General Fund

Years Ended December 31, 2021 and 2020

	2021			2020
	Original and Final Budget	Actual	Variance	Actual
Revenues:				
Taxes:				
Sales	\$ 388,000	394,282	6,282	402,878
Fish	3,347,280	3,347,430	150	1,827,855
Total taxes	<u>3,735,280</u>	<u>3,741,712</u>	<u>6,432</u>	<u>2,230,733</u>
Intergovernmental:				
State fisheries taxes	909,389	844,918	(64,471)	849,722
State PERS relief	-	142,101	142,101	113,656
Federal payment in lieu of taxes	78,606	78,606	-	76,454
State revenue sharing	76,794	76,794	-	75,000
Remote sellers sales tax	13,925	17,259	3,334	7,067
Other	-	20	20	-
Total intergovernmental	<u>1,078,714</u>	<u>1,159,698</u>	<u>80,984</u>	<u>1,121,899</u>
Charges for services:				
Building/housing revenue	76,929	88,747	11,818	194,137
Allocated administrative charges	674,798	674,183	(615)	649,675
Other contract and labor revenues	4,608	9,184	4,576	25,558
Total charges for services	<u>756,335</u>	<u>772,114</u>	<u>15,779</u>	<u>869,370</u>
Investment income	<u>610,206</u>	<u>74,283</u>	<u>(535,923)</u>	<u>212,581</u>
Other revenue	<u>33,927</u>	<u>54,672</u>	<u>20,745</u>	<u>37,639</u>
Total revenue	<u>6,214,462</u>	<u>5,802,479</u>	<u>(411,983)</u>	<u>4,472,222</u>
Expenditures:				
General government:				
Mayor and council:				
Salaries and wages	8,800	9,254	(454)	11,468
Employee benefits	1,969	1,328	641	1,815
Material and supplies	1,469	1,469	-	72
Fuel, utilities and telephone	1,645	3,540	(1,895)	2,299
Other	29,168	65,799	(36,631)	49,503
Total mayor and council	<u>43,051</u>	<u>81,390</u>	<u>(38,339)</u>	<u>65,157</u>

## CITY OF SAINT PAUL, ALASKA

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

## General Fund

	2021			2020
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
City manager:				
Salaries and wages	\$ 140,026	141,215	(1,189)	85,569
Employee benefits	52,550	58,345	(5,795)	42,475
Material and supplies	9,758	7,981	1,777	866
Fuel, utilities and telephone	3,410	3,415	(5)	3,161
Repairs and maintenance	380	380	-	966
Insurance	610	724	(114)	581
Legal and consulting	242,191	261,471	(19,280)	197,164
Other	12,818	8,640	4,178	15,802
Capital outlay	50,945	50,945	-	-
Total city manager	<u>512,688</u>	<u>533,116</u>	<u>(20,428)</u>	<u>346,584</u>
City clerk:				
Salaries and wages	120,437	116,582	3,855	72,896
Employee benefits	50,925	53,978	(3,053)	36,956
Material and supplies	4,505	4,942	(437)	3,301
Fuel, utilities and telephone	3,630	3,650	(20)	3,616
Repairs and maintenance	511	511	-	-
Insurance	520	504	16	-
Other	5,583	6,555	(972)	6,682
Total city clerk	<u>186,111</u>	<u>186,722</u>	<u>(611)</u>	<u>123,451</u>
Finance:				
Salaries and wages	286,525	243,493	43,032	245,596
Employee benefits	110,689	102,232	8,457	125,020
Material and supplies	8,665	8,847	(182)	6,674
Fuel, utilities and telephone	6,390	6,411	(21)	11,476
Repairs and maintenance	-	-	-	34
Insurance	587	631	(44)	683
Legal and consulting	3,746	3,746	-	1,121
Other	138,326	114,185	24,141	105,812
Capital outlay	-	-	-	34,529
Total finance	<u>554,928</u>	<u>479,545</u>	<u>75,383</u>	<u>530,945</u>

(Continued)

## CITY OF SAINT PAUL, ALASKA

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

## General Fund

	2021			2020
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
Housing:				
Salaries and wages	\$ 11,100	9,946	1,154	17,359
Employee benefits	3,408	3,796	(388)	6,627
Material and supplies	14,229	15,262	(1,033)	10,736
Fuel, utilities and telephone	54,602	55,439	(837)	51,040
Repairs and maintenance	78,790	80,746	(1,956)	14,760
Insurance	20,453	21,265	(812)	20,290
Other	11,047	9,826	1,221	10,302
Capital outlay	-	-	-	11,839
Total housing	<u>193,629</u>	<u>196,280</u>	<u>(2,651)</u>	<u>142,953</u>
Nondepartmental:				
Salaries and wages	79,200	79,200	-	72,000
Employee benefits	7,037	7,339	(302)	6,940
Material and supplies	120	860	(740)	3,501
Fuel, utilities and telephone	-	510	(510)	-
Insurance	59,562	30,390	29,172	45,738
Legal and consulting	124,754	84,864	39,890	84,818
Other	75,910	233,089	(157,179)	34,112
Total nondepartmental	<u>346,583</u>	<u>436,252</u>	<u>(89,669)</u>	<u>247,109</u>
Total general government	<u>1,836,990</u>	<u>1,913,305</u>	<u>(76,315)</u>	<u>1,456,199</u>
Public safety:				
Police, fire and EMS:				
Salaries and wages	879,442	700,878	178,564	584,919
Employee benefits	382,478	290,001	92,477	304,161
Material and supplies	54,071	45,681	8,390	44,855
Fuel, utilities and telephone	32,432	41,178	(8,746)	41,497
Repairs and maintenance	10,706	3,236	7,470	-
Insurance	34,945	44,475	(9,530)	28,343
Legal and consulting	31,500	45,290	(13,790)	-
Other	46,836	42,851	3,985	63,795
Capital outlay	-	-	-	57,634
Total public safety	<u>1,472,410</u>	<u>1,213,590</u>	<u>258,820</u>	<u>1,125,204</u>
Public works:				
Machine shop and motor pool:				
Salaries and wages	93,892	102,273	(8,381)	97,589
Employee benefits	46,258	52,632	(6,374)	64,916
Material and supplies	38,174	32,378	5,796	14,132
Fuel, utilities and telephone	7,872	14,311	(6,439)	17,140
Repairs and maintenance	12,567	6,209	6,358	2,059
Insurance	27,598	31,145	(3,547)	24,921
Other	23,269	22,350	919	26,520
Capital outlay	77,192	77,192	-	-
Total machine shop and motor pool	<u>326,822</u>	<u>338,490</u>	<u>(11,668)</u>	<u>247,277</u>

(Continued)

## CITY OF SAINT PAUL, ALASKA

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

## General Fund

	2021			2020
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works, continued:				
Maintenance and labor pool:				
Salaries and wages	\$ 335,020	346,179	(11,159)	280,748
Employee benefits	137,769	155,253	(17,484)	119,898
Material and supplies	446,485	460,430	(13,945)	43,904
Fuel, utilities and telephone	103,427	111,897	(8,470)	108,215
Repairs and maintenance	42,974	32,487	10,487	51,386
Insurance	69,254	96,090	(26,836)	57,279
Legal and consulting	1,839	4,870	(3,031)	-
Other	32,845	11,215	21,630	9,990
Capital outlay	85,467	88,497	(3,030)	35,342
Total maintenance and labor pool	<u>1,255,080</u>	<u>1,306,918</u>	<u>(51,838)</u>	<u>706,762</u>
Administration:				
Salaries and wages	226,866	247,017	(20,151)	121,784
Employee benefits	86,231	92,744	(6,513)	57,407
Material and supplies	17,572	17,850	(278)	1,622
Fuel, utilities and telephone	16,543	16,412	131	17,481
Repairs and maintenance	-	-	-	106
Insurance	713	1,410	(697)	574
Legal and consulting	9,978	9,978	-	-
Other	34,522	35,154	(632)	7,259
Capital outlay	-	-	-	34,529
Total administration	<u>392,425</u>	<u>420,565</u>	<u>(28,140)</u>	<u>240,762</u>
Total public works	<u>1,974,327</u>	<u>2,065,973</u>	<u>(91,646)</u>	<u>1,194,801</u>
Total expenditures	<u>5,283,727</u>	<u>5,192,868</u>	<u>90,859</u>	<u>3,776,204</u>
Excess of revenues over expenditures	930,735	609,611	(321,124)	696,018
Other financing uses -				
Transfers out	<u>(346,388)</u>	<u>(58,889)</u>	<u>287,499</u>	<u>(1,840)</u>
Net change in fund balance	\$ <u>584,347</u>	550,722	<u>(33,625)</u>	694,178
Fund balance, beginning of year		<u>8,380,653</u>		<u>7,686,475</u>
Fund balance, end of year		\$ <u>8,931,375</u>		<u>8,380,653</u>

## CITY OF SAINT PAUL, ALASKA

## Electric Utility Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

<u>Assets and Deferred Outflows of Resources</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and investments	\$ 5,095,784	5,787,243
Receivables:		
Accounts	175,765	161,940
Intergovernmental	121,886	52,484
Allowance for doubtful accounts	(3,067)	(3,067)
Inventory	12,263	57,036
Total current assets	<u>5,402,631</u>	<u>6,055,636</u>
Noncurrent:		
Net pension and OPEB asset	<u>94,057</u>	<u>20,497</u>
Property, plant and equipment:		
Buildings	3,091,433	3,091,433
Machinery and equipment	579,799	572,955
Plant in service	3,219,270	3,211,312
Construction in progress	1,379,817	938,371
Total property, plant and equipment	<u>8,270,319</u>	<u>7,814,071</u>
Accumulated depreciation	<u>(4,319,105)</u>	<u>(4,144,660)</u>
Net property, plant and equipment	<u>3,951,214</u>	<u>3,669,411</u>
Total assets	<u>9,447,902</u>	<u>9,745,544</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>31,118</u>	<u>38,629</u>
Total assets and deferred outflows of resources	<u>\$ 9,479,020</u>	<u>9,784,173</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 7,311	84,362
Accrued liabilities	2,051	4,737
Accrued leave	2,666	2,103
Customer deposits	49,841	33,911
Current portion of revenue bonds	97,883	97,883
Total current liabilities	<u>159,752</u>	<u>222,996</u>
Noncurrent liabilities, net of current portion:		
Revenue bonds, net of current portion and unamortized discount of \$7,789 in 2021 (\$15,427 in 2020)	91,214	181,459
Net pension and OPEB liability	218,124	243,818
Total noncurrent liabilities	<u>309,338</u>	<u>425,277</u>
Total liabilities	<u>469,090</u>	<u>648,273</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>100,112</u>	<u>17,346</u>
Net position:		
Net investment in capital assets	3,762,117	3,390,069
Unrestricted	5,147,701	5,728,485
Total net position	<u>8,909,818</u>	<u>9,118,554</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,479,020</u>	<u>9,784,173</u>



## CITY OF SAINT PAUL, ALASKA

## Electric Utility Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Electric services	\$ <u>1,364,574</u>	<u>1,287,859</u>
Operating expenses:		
Salaries and wages	120,076	148,175
Employee benefits	39,986	138,512
Material and supplies	81,005	84,069
Fuel and utilities	867,686	789,821
Depreciation	174,297	175,145
Repairs and maintenance	2,790	6,066
Insurance	33,544	31,106
Legal and consulting	64,478	62,395
Administrative cost allocation	188,759	181,909
Other services and charges	54,486	44,572
Total operating expenses	<u>1,627,107</u>	<u>1,661,770</u>
Operating loss	<u>(262,533)</u>	<u>(373,911)</u>
Nonoperating revenues (expenses):		
State PERS relief	(1,835)	12,466
Investment income	69,001	156,209
Interest expense	<u>(8,369)</u>	<u>(10,997)</u>
Net nonoperating revenues	<u>58,797</u>	<u>157,678</u>
Loss before transfers	<u>(203,736)</u>	<u>(216,233)</u>
Transfers out	(5,000)	(63,473)
Change in net position	<u>(208,736)</u>	<u>(279,706)</u>
Net position, beginning	<u>9,118,554</u>	<u>9,398,260</u>
Net position, ending	\$ <u><u>8,909,818</u></u>	<u><u>9,118,554</u></u>

## CITY OF SAINT PAUL, ALASKA

## Electric Utility Enterprise Fund

## Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 1,297,874	1,263,538
Payments of interfund services used	(188,759)	(181,909)
Payments to suppliers	(1,136,267)	(945,425)
Payments to employees	<u>(172,997)</u>	<u>(211,813)</u>
Net cash flows (used) by operating activities	<u>(200,149)</u>	<u>(75,609)</u>
Cash flows provided (used) by noncapital financing activities -		
Transfers out	<u>(5,000)</u>	<u>(41,395)</u>
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	(456,697)	(208,173)
Principal paid	(97,883)	(97,654)
Interest paid	<u>(731)</u>	<u>(961)</u>
Net cash flows used by capital and related financing activities	<u>(555,311)</u>	<u>(306,788)</u>
Cash flows from investing activities -		
Investment income received	<u>69,001</u>	<u>156,209</u>
Net change in cash and investments	<u>(691,459)</u>	<u>(267,583)</u>
Cash and investments, beginning	<u>5,787,243</u>	<u>6,054,826</u>
Cash and investments, ending	<u>\$ 5,095,784</u>	<u>5,787,243</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (262,533)	(373,911)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	174,297	175,145
Noncash expenses - PERS relief	(1,835)	12,466
Increase in allowance for doubtful accounts	-	2,362
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(82,630)	(27,017)
Inventory	44,773	829
Net pension and OPEB asset	(73,560)	(24,592)
Deferred outflows of resources - Pension and OPEB deferrals	7,511	(5,200)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(77,051)	66,067
Accrued liabilities	(2,686)	3,346
Accrued leave	563	94
Customer deposits	15,930	2,696
Net pension and OPEB liability	(25,694)	84,080
Deferred inflows of resources - Pension and OPEB deferrals	<u>82,766</u>	<u>8,026</u>
Net cash flows used by operating activities	<u>\$ (200,149)</u>	<u>(75,609)</u>
Noncash capital and related financing activities:		
Transfers of capital assets to general government	<u>\$ -</u>	<u>22,078</u>

## CITY OF SAINT PAUL, ALASKA

## Water and Sewer Utility Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Receivables:		
Accounts	\$ 24,464	43,553
Allowance for doubtful accounts	(782)	(782)
Total current assets	<u>23,682</u>	<u>42,771</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>100,324</u>	<u>9,992</u>
Property, plant and equipment:		
Land	1,236	1,236
Buildings	176,565	176,565
Machinery and equipment	150,352	150,352
Plant in service	10,216,246	10,216,246
Construction in progress	51,615	14,574
Total property, plant and equipment	<u>10,596,014</u>	<u>10,558,973</u>
Accumulated depreciation	<u>(7,073,080)</u>	<u>(6,781,862)</u>
Net property, plant and equipment	<u>3,522,934</u>	<u>3,777,111</u>
Total assets	<u>3,646,940</u>	<u>3,829,874</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>9,607</u>	<u>18,830</u>
Total assets and deferred outflows of resources	<u>\$ 3,656,547</u>	<u>3,848,704</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ -	6,295
Accrued liabilities	1,838	5,271
Accrued leave	10,237	5,318
Unearned revenue	4,157	4,157
Total current liabilities	<u>16,232</u>	<u>21,041</u>
Noncurrent liabilities:		
Advances from other funds	430,998	397,233
Net pension and OPEB liability	87,298	118,851
Total noncurrent liabilities	<u>518,296</u>	<u>516,084</u>
Total liabilities	<u>534,528</u>	<u>537,125</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>110,095</u>	<u>8,456</u>
Net position:		
Net investment in capital assets	3,522,934	3,777,111
Unrestricted (deficit)	(511,010)	(473,988)
Total net position	<u>3,011,924</u>	<u>3,303,123</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,656,547</u>	<u>3,848,704</u>

## CITY OF SAINT PAUL, ALASKA

## Water and Sewer Utility Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Water services	\$ 286,600	249,166
Sewer services	125,558	126,570
Total operating revenues	<u>412,158</u>	<u>375,736</u>
Operating expenses:		
Salaries and wages	83,702	77,640
Employee benefits	9,595	32,695
Material and supplies	23,690	18,026
Fuel and utilities	51,546	49,821
Depreciation	291,218	321,026
Repairs and maintenance	1,915	64,548
Insurance	23,550	20,425
Administrative cost allocation	175,276	168,915
Contractors and consulting services	30,058	11,403
Miscellaneous	5,610	6,569
Total operating expenses	<u>696,160</u>	<u>771,068</u>
Operating loss	<u>(284,002)</u>	<u>(395,332)</u>
Nonoperating revenues (expenses):		
State PERS relief	(7,910)	6,077
Miscellaneous revenue	713	16,980
Net nonoperating revenues	<u>(7,197)</u>	<u>23,057</u>
Change in net position	(291,199)	(372,275)
Net position, beginning	<u>3,303,123</u>	<u>3,675,398</u>
Net position, ending	<u>\$ 3,011,924</u>	<u>3,303,123</u>

## CITY OF SAINT PAUL, ALASKA

## Water and Sewer Utility Enterprise Fund

## Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 431,247	381,710
Payments of interfund services used	(175,276)	(168,915)
Payments to suppliers	(142,664)	(166,461)
Payments to employees	(110,744)	(107,035)
	<u>2,563</u>	<u>(60,701)</u>
Net cash flows (provided) by operating activities		
Cash flows provided (used) by noncapital financing activities:		
Miscellaneous revenue	713	16,980
Increase in advances from other funds	33,765	43,721
Total cash flows provided by noncapital financing activities	<u>34,478</u>	<u>60,701</u>
Cash flows provided (used) by capital and related financing activities -		
Purchases of capital assets	<u>(37,041)</u>	<u>-</u>
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (284,002)	(395,332)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	291,218	321,026
Noncash expenses - PERS relief	(7,910)	6,077
Increase in allowance for doubtful accounts	-	176
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	19,089	5,974
Net pension and OPEB asset	(90,332)	(9,992)
Deferred outflows of resources - pension and OPEB deferrals	9,223	5,451
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(6,295)	5,665
Accrued liabilities	(3,433)	(1,510)
Accrued leave	4,919	224
Net pension and OPEB liability	(31,553)	(146)
Deferred inflows of resources - pension and OPEB deferrals	101,639	1,686
Net cash flows used by operating activities	<u>\$ 2,563</u>	<u>(60,701)</u>

## CITY OF SAINT PAUL, ALASKA

## Marine Sales Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 430,674	442,512
Accounts receivable	4,045	17,723
Inventory	36,810	21,992
Total current assets	<u>471,529</u>	<u>482,227</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>3,329</u>	<u>269</u>
Property, plant and equipment:		
Machinery and equipment	46,708	46,708
Accumulated depreciation	<u>(43,696)</u>	<u>(41,975)</u>
Net property, plant and equipment	<u>3,012</u>	<u>4,733</u>
Total assets	<u>477,870</u>	<u>487,229</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>195</u>	<u>507</u>
Total assets and deferred outflows of resources	<u>\$ 478,065</u>	<u>487,736</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities -		
Accounts payable	\$ <u>2</u>	<u>4</u>
Noncurrent liabilities -		
Net pension and OPEB liability	<u>2,132</u>	<u>3,201</u>
Total liabilities	<u>2,134</u>	<u>3,205</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>3,670</u>	<u>228</u>
Net position:		
Net investment in capital assets	3,012	4,733
Unrestricted	<u>469,249</u>	<u>479,570</u>
Total net position	<u>472,261</u>	<u>484,303</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 478,065</u>	<u>487,736</u>

## CITY OF SAINT PAUL, ALASKA

## Marine Sales Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Operating revenues - sales	\$ 56,768	84,494
Cost of goods sold	<u>(26,200)</u>	<u>(21,799)</u>
Net operating revenues	<u>30,568</u>	<u>62,695</u>
Operating expenses:		
Salaries and wages	3,778	1,848
Employee benefits	870	(3,407)
Material and supplies	6,157	4,357
Fuel and utilities	26	40
Depreciation	1,721	1,721
Insurance	15,510	16,236
Administrative cost allocation	20,224	19,490
Other general and administrative costs	-	408
Total operating expenses	<u>48,286</u>	<u>40,693</u>
Operating income (loss)	<u>(17,718)</u>	<u>22,002</u>
Nonoperating revenues (expenses):		
State PERS relief	(156)	164
Investment income	5,832	11,944
Miscellaneous revenue	-	6,360
Net nonoperating revenues	<u>5,676</u>	<u>18,468</u>
Change in net position	(12,042)	40,470
Net position, beginning	<u>484,303</u>	<u>443,833</u>
Net position, ending	<u>\$ 472,261</u>	<u>484,303</u>

## CITY OF SAINT PAUL, ALASKA

## Marine Sales Enterprise Fund

## Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 70,446	69,238
Payments of interfund services used	(20,224)	(19,490)
Payments to suppliers	(62,713)	(43,238)
Payments to employees	(5,179)	(2,578)
	<u>(17,670)</u>	<u>3,932</u>
Cash flows provided by noncapital financing activities -		
Miscellaneous revenue	<u>-</u>	<u>6,360</u>
Cash flows provided by investing activities -		
Investment income received	<u>5,832</u>	<u>11,944</u>
	<u>(11,838)</u>	<u>22,236</u>
Cash and investments, beginning	<u>442,512</u>	<u>420,276</u>
Cash and investments, ending	<u>\$ 430,674</u>	<u>442,512</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ (17,718)	22,002
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	1,721	1,721
Noncash expenses - PERS relief	(156)	164
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	13,678	(15,256)
Inventory	(14,818)	(399)
Net pension and OPEB asset	(3,060)	-
Deferred outflows of resources - pension and OPEB deferrals	312	1,157
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(2)	1
Net pension and OPEB liability	(1,069)	(5,222)
Deferred inflows of resources - pension and OPEB deferrals	<u>3,442</u>	<u>(236)</u>
	<u>(17,670)</u>	<u>3,932</u>
Net cash flows used by operating activities	<u>\$ (17,670)</u>	<u>3,932</u>



## CITY OF SAINT PAUL, ALASKA

## Bulk Fuel Farm Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 975	975
Accounts receivable	54,919	73,647
Allowance for doubtful accounts	(4,255)	(4,805)
Inventory	119,462	92,888
Total current assets	<u>171,101</u>	<u>162,705</u>
Noncurrent:		
Net pension and OPEB asset	<u>74,554</u>	<u>12,813</u>
Property, plant and equipment:		
Land	150,000	150,000
Buildings	25,000	25,000
Machinery and equipment	489,398	489,398
Fuel tanks and lines	5,249,823	5,249,823
Construction in progress	828,765	828,765
Total property, plant and equipment	<u>6,742,986</u>	<u>6,742,986</u>
Accumulated depreciation	<u>(5,645,260)</u>	<u>(5,605,816)</u>
Net property, plant and equipment	<u>1,097,726</u>	<u>1,137,170</u>
Total assets	<u>1,343,381</u>	<u>1,312,688</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>17,844</u>	<u>24,148</u>
Total assets and deferred outflows of resources	<u>\$ 1,361,225</u>	<u>1,336,836</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 128,202	123,331
Accrued liabilities	1,718	4,025
Accrued leave	5,695	12,027
Total current liabilities	<u>135,615</u>	<u>139,383</u>
Noncurrent liabilities:		
Revenue bonds	4,389,672	4,389,672
Accrued interest payable	1,377,175	1,377,175
Advances from other funds	1,000,165	693,876
Net pension and OPEB liability	130,852	152,418
Total noncurrent liabilities	<u>6,897,864</u>	<u>6,613,141</u>
Total liabilities	<u>7,033,479</u>	<u>6,752,524</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>80,313</u>	<u>10,844</u>
Net position:		
Net investment in capital assets	(3,291,946)	(3,252,502)
Restricted for debt service and depreciation reserve	950,000	950,000
Unrestricted	(3,410,621)	(3,124,030)
Total net position	<u>(5,752,567)</u>	<u>(5,426,532)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,361,225</u>	<u>1,336,836</u>

## CITY OF SAINT PAUL, ALASKA

## Bulk Fuel Farm Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Fuel sales	\$ 1,691,997	1,631,068
Cost of goods sold	<u>(1,474,438)</u>	<u>(1,380,040)</u>
Net operating revenues	<u>217,559</u>	<u>251,028</u>
Operating expenses:		
Salaries and wages	92,174	94,473
Employee benefits	32,877	25,155
Material and supplies	15,092	9,560
Fuel and utilities	26,124	21,347
Depreciation	39,444	40,053
Repairs and maintenance	2,485	11,474
Insurance	81,205	67,510
Administrative cost allocation	188,759	181,909
Legal and consulting	5,999	14,425
Contractors and consulting services	55,377	-
Other general and administrative costs	2,257	11,515
Total operating expenses	<u>541,793</u>	<u>477,421</u>
Operating loss	<u>(324,234)</u>	<u>(226,393)</u>
Nonoperating revenues (expenses):		
State PERS relief	(1,801)	7,793
Investment income	-	4,188
Loss on disposal of capital assets	-	(1,798)
Net nonoperating revenues	<u>(1,801)</u>	<u>10,183</u>
Change in net position	<u>(326,035)</u>	<u>(216,210)</u>
Net position, beginning	<u>(5,426,532)</u>	<u>(5,210,322)</u>
Net position, ending	\$ <u><u>(5,752,567)</u></u>	<u><u>(5,426,532)</u></u>

## CITY OF SAINT PAUL, ALASKA

## Bulk Fuel Farm Enterprise Fund

## Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 1,710,175	1,623,402
Payments of interfund services used	(188,759)	(181,909)
Payments to suppliers	(1,684,680)	(1,382,577)
Payments to employees	(143,025)	(145,720)
	<u>(306,289)</u>	<u>(86,804)</u>
Cash flows provided (used) by noncapital financing activities -		
Increase (decrease) in advances from other funds	<u>306,289</u>	<u>118,302</u>
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	-	(35,686)
Principal paid	-	(150,000)
	<u>-</u>	<u>(185,686)</u>
Cash flows from investing activities -		
Investment income received	-	4,188
	<u>-</u>	<u>(150,000)</u>
Cash and investments, beginning	<u>975</u>	<u>150,975</u>
Cash and investments, ending	<u>\$ 975</u>	<u>975</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (324,234)	(226,393)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	39,444	40,053
Noncash expenses - PERS relief	(1,801)	7,793
Increase (decrease) in allowance for doubtful accounts	(550)	2,162
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	18,728	(7,666)
Inventory	(26,574)	91,246
Net pension and OPEB asset	(61,741)	-
Deferred outflows of resources - pension and OPEB deferrals	6,304	14,328
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	4,871	36,760
Accrued liabilities	(2,307)	3,126
Accrued leave	(6,332)	631
Net pension and OPEB liability	(21,566)	(48,961)
Deferred inflows of resources - pension and OPEB deferrals	69,469	117
	<u>(306,289)</u>	<u>(86,804)</u>
Net cash flows used by operating activities	<u>\$ (306,289)</u>	<u>(86,804)</u>

## CITY OF SAINT PAUL, ALASKA

## Harbor Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Accounts receivable	\$ 85,951	3,535
Inventory	3,649	3,649
Total current assets	<u>89,600</u>	<u>7,184</u>
Noncurrent:		
Net pension and OPEB asset	<u>42,666</u>	<u>2,413</u>
Property, plant and equipment:		
Buildings	25,000	25,000
Dock and mooring	5,045,532	5,045,532
Machinery and equipment	81,853	39,847
Total property, plant and equipment	<u>5,152,385</u>	<u>5,110,379</u>
Accumulated depreciation	<u>(4,070,888)</u>	<u>(4,003,407)</u>
Net property, plant and equipment	<u>1,081,497</u>	<u>1,106,972</u>
Total assets	<u>1,213,763</u>	<u>1,116,569</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>438</u>	<u>4,548</u>
Total assets and deferred outflows of resources	<u>\$ 1,214,201</u>	<u>1,121,117</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ -	37
Accrued liabilities	1,834	1,328
Accrued leave	6,831	3,136
Unearned revenue	46,194	46,194
Current portion of note payable - USACE	35,177	34,070
Total current liabilities	<u>90,036</u>	<u>84,765</u>
Noncurrent liabilities:		
Advances from other funds	822,973	580,187
Revenue bonds	1,466,206	1,466,206
Note payable - USACE, net of current portion	1,532,768	1,567,945
Accrued interest payable	527,969	527,969
Net pension and OPEB liability	14,643	28,703
Total noncurrent liabilities	<u>4,364,559</u>	<u>4,171,010</u>
Total liabilities	<u>4,454,595</u>	<u>4,255,775</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>47,333</u>	<u>2,042</u>
Net position:		
Net investment in capital assets	(384,709)	(359,234)
Unrestricted	<u>(2,903,018)</u>	<u>(2,777,466)</u>
Total net position	<u>(3,287,727)</u>	<u>(3,136,700)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,214,201</u>	<u>1,121,117</u>

## CITY OF SAINT PAUL, ALASKA

## Harbor Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Harbor charges	\$ <u>118,868</u>	<u>104,416</u>
Operating expenses:		
Salaries and wages	46,228	31,252
Employee benefits	12,506	352
Material and supplies	6,995	7,626
Fuel and utilities	5,969	10,348
Depreciation	67,481	64,665
Repairs and maintenance	957	70
Insurance	18,186	14,628
Administrative cost allocation	26,966	25,987
Contractors and consulting services	30,058	-
Other general and administrative costs	424	986
Total operating expenses	<u>215,770</u>	<u>155,914</u>
Operating loss	<u>(96,902)</u>	<u>(51,498)</u>
Nonoperating revenues (expenses):		
State PERS relief	(2,060)	1,467
Interest expense	<u>(52,065)</u>	<u>(53,138)</u>
Net nonoperating expenses	<u>(54,125)</u>	<u>(51,671)</u>
Change in net position	<u>(151,027)</u>	<u>(103,169)</u>
Net position, beginning	<u>(3,136,700)</u>	<u>(3,033,531)</u>
Net position, ending	\$ <u><u>(3,287,727)</u></u>	<u><u>(3,136,700)</u></u>

## CITY OF SAINT PAUL, ALASKA

## Harbor Enterprise Fund

## Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 36,452	102,042
Payments of interfund services used	(26,966)	(25,987)
Payments to suppliers	(62,626)	(27,046)
Payments to employees	(61,505)	(39,480)
	<u>(114,645)</u>	<u>9,529</u>
Cash flows provided by noncapital financing activities -		
Increases in advances from other funds	<u>242,786</u>	<u>112,603</u>
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	(42,006)	(35,997)
Principal paid	(34,070)	(32,997)
Interest paid	(52,065)	(53,138)
	<u>(128,141)</u>	<u>(122,132)</u>
Net cash flows (used) by capital and related financing activities		
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (96,902)	(51,498)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	67,481	64,665
Noncash expenses - PERS relief	(2,060)	1,467
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(82,416)	(2,374)
Net pension and OPEB asset	(40,253)	-
Deferred outflows of resources - pension and OPEB deferrals	4,110	3,784
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(37)	747
Accrued liabilities	506	5,865
Accrued leave	3,695	1,698
Net pension and OPEB liability	(14,060)	(14,544)
Deferred inflows of resources - pension and OPEB deferrals	45,291	(281)
	<u>(114,645)</u>	<u>9,529</u>
Net cash flows (provided) by operating activities	<u>\$ (114,645)</u>	<u>9,529</u>

CITY OF SAINT PAUL, ALASKA  
 Home Energy Loan Enterprise Fund  
 Schedules of Net Position  
 December 31, 2021 and 2020

	2021	2020
Current Assets:		
Cash and investments	\$ <u>115</u>	<u>115</u>
Net Position:		
Unrestricted	\$ <u>115</u>	<u>115</u>

CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Change in net position	\$ -	-
Net position, beginning	<u>115</u>	<u>115</u>
Net position, ending	\$ <u><u>115</u></u>	<u><u>115</u></u>



CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net change in cash and investments	\$ -	-
Cash and investments, beginning	<u>115</u>	<u>115</u>
Cash and investments, ending	<u><u>\$ 115</u></u>	<u><u>115</u></u>

## CITY OF SAINT PAUL, ALASKA

## Refuse Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Accounts receivable	\$ 32,619	29,417
Noncurrent assets:		
Net pension and OPEB asset	37,050	4,230
Property, plant and equipment:		
Land	105,000	105,000
Landfill	801,832	801,832
Machinery and equipment	538,995	538,995
Total property, plant and equipment	<u>1,445,827</u>	<u>1,445,827</u>
Accumulated depreciation	<u>(698,295)</u>	<u>(666,467)</u>
Net property, plant and equipment	<u>747,532</u>	<u>779,360</u>
Total assets	<u>817,201</u>	<u>813,007</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>4,621</u>	<u>7,972</u>
Total assets and deferred outflows of resources	<u>\$ 821,822</u>	<u>820,979</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 357	10,916
Accrued liabilities	260	-
Accrued leave	1,382	573
Total current liabilities	<u>1,999</u>	<u>11,489</u>
Noncurrent liabilities:		
Advances from other funds	81,061	67,333
Landfill closure and post closure care costs	26,804	22,463
Net pension and OPEB liability	38,856	50,320
Total noncurrent liabilities	<u>146,721</u>	<u>140,116</u>
Total liabilities	<u>148,720</u>	<u>151,605</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>40,508</u>	<u>3,580</u>
Net position:		
Net investment in capital assets	747,532	779,360
Unrestricted (deficit)	<u>(114,938)</u>	<u>(113,566)</u>
Total net position	<u>632,594</u>	<u>665,794</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 821,822</u>	<u>820,979</u>

## CITY OF SAINT PAUL, ALASKA

## Refuse Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Refuse services	\$ <u>160,975</u>	<u>173,753</u>
Operating expenses:		
Salaries and wages	42,859	40,016
Employee benefits	13,146	3,316
Material and supplies	4,117	4,321
Fuel and utilities	6,837	9,963
Depreciation and amortization	36,169	36,168
Repairs and maintenance	2,568	-
Insurance	9,146	6,632
Legal and consulting	-	26,757
Administrative cost allocation	74,155	71,464
Other	3,498	2,507
Total operating expenses	<u>192,495</u>	<u>201,144</u>
Operating loss	<u>(31,520)</u>	<u>(27,391)</u>
Nonoperating revenues -		
State PERS relief	<u>(1,680)</u>	<u>2,573</u>
Change in net position	<u>(33,200)</u>	<u>(24,818)</u>
Net position, beginning	<u>665,794</u>	<u>690,612</u>
Net position, ending	\$ <u><u>632,594</u></u>	<u><u>665,794</u></u>

## CITY OF SAINT PAUL, ALASKA

## Refuse Enterprise Fund

## Schedules of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 157,773	163,034
Payments of interfund services used	(74,155)	(71,464)
Payments to suppliers	(36,725)	(40,945)
Payments to employees	<u>(60,621)</u>	<u>(59,084)</u>
Net cash flows (used) by operating activities	<u>(13,728)</u>	<u>(8,459)</u>
Cash flows provided by noncapital financing activities -		
Increases (decreases) in advances from other funds	<u>13,728</u>	<u>8,459</u>
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (31,520)	(27,391)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	36,169	36,168
Noncash expenses - PERS relief	(1,680)	2,573
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(3,202)	(10,719)
Net pension and OPEB asset	(32,820)	-
Deferred outflows of resources - pension and OPEB deferrals	3,351	6,096
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(10,559)	9,235
Accrued liabilities	260	-
Accrued leave	809	(1,223)
Net pension and OPEB liability	(11,464)	(22,856)
Deferred inflows of resources - pension and OPEB deferrals	<u>36,928</u>	<u>(342)</u>
Net cash flows used by operating activities	<u>\$ (13,728)</u>	<u>(8,459)</u>

## CITY OF SAINT PAUL, ALASKA

## USCG Caretaker Service Enterprise Fund

## Schedules of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current Assets -		
Cash and investments	\$ <u>88,795</u>	<u>60,356</u>
Noncurrent-		
Net pension and OPEB asset	<u>2,470</u>	<u>779</u>
Total assets	<u>91,265</u>	<u>61,135</u>
Deferred Outflows of Resources -		
Pension and OPEB deferrals	<u>1,294</u>	<u>1,467</u>
Total assets and deferred outflows of resources	\$ <u><u>92,559</u></u>	<u><u>62,602</u></u>
<u>Liabilities and Net Position</u>		
Noncurrent Liabilities -		
Net pension and OPEB liability	\$ <u>8,673</u>	<u>9,264</u>
Deferred Inflows of Resources -		
Pension and OPEB deferrals	<u>2,562</u>	<u>659</u>
Net Position -		
Unrestricted	<u>81,324</u>	<u>52,679</u>
Total liabilities, deferred inflows of resources and net position	\$ <u><u>92,559</u></u>	<u><u>62,602</u></u>

## CITY OF SAINT PAUL, ALASKA

## USCG Caretaker Service Enterprise Fund

## Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Contract revenue	\$ <u>31,262</u>	<u>56,517</u>
Operating expenses:		
Salaries and wages	1,927	5,223
Employee benefits	357	9,476
Repairs and maintenance	939	-
Contractors and consulting services	509	-
Total operating expenses	<u>3,732</u>	<u>14,699</u>
Operating income	<u>27,530</u>	<u>41,818</u>
Nonoperating revenues -		
Investment income	1,202	-
State PERS relief	(87)	474
Total nonoperating revenues	<u>1,115</u>	<u>474</u>
Change in net position	<u>28,645</u>	<u>42,292</u>
Net position, beginning	<u>52,679</u>	<u>10,387</u>
Net position, ending	\$ <u><u>81,324</u></u>	<u><u>52,679</u></u>

CITY OF SAINT PAUL, ALASKA  
 USCG Caretaker Service Enterprise Fund  
 Schedules of Cash Flows  
 Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 31,262	56,517
Payments to suppliers	(1,448)	-
Payments to employees	<u>(2,577)</u>	<u>(7,255)</u>
Net cash flows provided by operating activities	<u>27,237</u>	<u>49,262</u>
Cash flows provided (used) by investing activities -		
Investment income received	<u>1,202</u>	<u>-</u>
Net change in cash and investments	<u>28,439</u>	<u>49,262</u>
Cash and investments, beginning	<u>60,356</u>	<u>11,094</u>
Cash and investments, ending	<u>\$ 88,795</u>	<u>60,356</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 27,530	41,818
Adjustments to reconcile operating income to net cash flows from operating activities:		
Noncash expenses - PERS relief	(87)	474
(Increase) decrease in assets and deferred outflows of resources:		
Net pension and OPEB asset	(1,691)	-
Deferred outflows of resources - pension and OPEB deferrals	173	(1,327)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accrued liabilities	-	(119)
Net pension and OPEB liability	(591)	7,796
Deferred inflows of resources - pension and OPEB deferrals	<u>1,903</u>	<u>620</u>
Net cash flows used by operating activities	<u>\$ 27,237</u>	<u>49,262</u>

CITY OF SAINT PAUL, ALASKA  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

<u>Grant Title</u>	<u>Grant Number</u>	<u>Pass Through Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Eligible Expenditures</u>
Department of the Interior - Passed through the State of Alaska Department of Commerce, Community and Economic Development - Payment in Lieu of Taxes	None	None	15.226	\$ <u>78,606</u>	<u>78,606</u>
Department of Treasury - Passed through the State of Alaska Department of Commerce, Community and Economic Development - COVID-19 Coronavirus Relief Fund	None	20-CRF-178	21.019	<u>1,300,269</u>	<u>215,112</u>
Department of Commerce, National Oceanic and Atmospheric Administration - Direct - Economic Development Cluster - Economic Adjustment Assistance	07-79-075469/URI 113737	None	11.307	120,000	57,625
Passed through the Alaska Bond Bank - Outstanding Loan Balance - Coastal Zone Management Administration Awards Total Department of Commerce	None	None	11.419	<u>5,855,878</u> <u>5,975,878</u>	<u>5,855,878</u> <u>5,913,503</u>
Department of Health and Social Services - Passed through the State of Alaska Department of Public Health - COVID-19 Emergency Operations Center MOA	None	CO621-570-FF	93.323	<u>17,833</u>	<u>9,712</u>
Department of Homeland Security - Passed through the State of Alaska Department of Military and Veterans Affairs - Emergency Siren Notification	None	4413-6	97.039	66,563	38,927
Federal Emergency Management Agency Total Department of Homeland Security	None	DR-4533-AK	97.036	<u>88,761</u> <u>155,324</u>	<u>68,685</u> <u>107,612</u>
Total Expenditures of Federal Awards				\$ <u>7,527,910</u>	<u>6,324,545</u>
Reconciliation to intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance:					
Total Federal Financial Assistance per above schedule					6,324,545
Total State Financial Assistance					1,094,300
Less Outstanding Loan Balance					<u>5,855,878</u>
Total Intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit D-1).					<u>1,562,967</u>

See accompanying notes to the Schedule.



CITY OF SAINT PAUL, ALASKA

Notes to Schedule of Expenditures of Federal awards

Year ended December 31, 2021

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Saint Paul, Alaska under programs of the federal government for the year ended December 31, 2021. 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)*. Because the Schedule presents only a selected portion of the operations of City of Saint Paul, Alaska, it is not intended to and does not present the basic financial statements of City of Saint Paul, Alaska.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. City of Saint Paul, Alaska has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

**Note 3. Passed Through Awards**

No amounts were passed through to subrecipients.

**Note 4. Loan Balance**

The ending loan balance as of December 31, 2021 is \$5,855,878.

# **COMPLIANCE SECTION**

**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**

**Independent Auditor's Report**

Members of the Council  
City of Saint Paul, Alaska  
Saint Paul, 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, each major fund, and the aggregate remaining fund information of City of Saint Paul, Alaska (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 14, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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 a 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 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 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 or significant deficiencies may exist that were not identified.

Honorable Mayor and Members of the City Council  
City of Saint Paul, Alaska

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City'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 financial statements. 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 report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska  
September 14, 2022

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance  
Required by the *Uniform Guidance***

**Independent Auditor's Report**

Members of the Council  
City of Saint Paul, Alaska  
Saint Paul, Alaska

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Saint Paul, Alaska (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Anchorage, Alaska  
September 14, 2022

CITY OF SAINT PAUL, ALASKA

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

**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

Is going concern emphasis-of-matter paragraph included in the audit report?        Yes   X   No

Internal control over financial reporting:  
 Material weakness(es) identified?        Yes   X   No  
 Significant deficiency(ies) identified?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):  
 Material weakness(es) identified?        Yes   X   No  
 Significant deficiency (ies) identified?        Yes   X   None reported

Any material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?        Yes   X   No

Type of auditor’s report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516(a)(3) or (4)?        Yes   X   No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund
11.419	Coastal Zone Management Administration Awards

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?   X   Yes        No



Schedule of Findings and Questioned Costs, Continued

**Section II - Financial Statement Findings**

The City of Saint Paul did not have any findings that relate to the Financial Statements.

**Section III – Federal Award Findings**

The City of Saint Paul did not have any findings that relate to Federal awards.