

# City of Saint Paul, Alaska

Basic Financial Statements, Required Supplemental Information,  
Supplemental Information, and Single Audit Reports

Year Ended December 31, 2020



# CITY OF SAINT PAUL, ALASKA

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saint Paul, Alaska (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Saint Paul's basic financial statements, as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### Opinion

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 City of Saint Paul, Alaska, as of December 31, 2020, 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.

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

As described in Note 4 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.

## INDEPENDENT AUDITORS' REPORT, continued

### Other Matters - Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund on page 40, the Public Employees' Retirement System Schedule of the City's Information on the Net Pension Liability on page 41, the Schedule of City Contributions on page 42, the Public Employees' Retirement System Schedule of the City's Information on the Net OPEB Liability on page 43 and the Schedule of City Contributions on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Other Matters - Supplemental and Other Information

Our audit for the year ended December 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Saint Paul, Alaska's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, and the combining and individual fund financial statements and schedules for the year ended December 31, 2020, 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*.

The accompanying Schedule of Expenditures of Federal Awards, and the combining and individual fund financial statements and schedules listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2020, 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Saint Paul, Alaska as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated July 29, 2020, 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, 2019 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 2019 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

## INDEPENDENT AUDITORS' REPORT, continued

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021 on our consideration of the City of Saint Paul, Alaska'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 of Saint Paul, Alaska'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 the City of Saint Paul, Alaska's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

Anchorage, Alaska  
September 27, 2021

**CITY OF SAINT PAUL, ALASKA**

**Statement of Net Position**

December 31, 2020

Exhibit A-1

<b>ASSETS</b>	Governmental Activities	Business-Type Activities	Total
Cash and Investments	\$ 7,584,504	\$ 6,291,201	\$ 13,875,705
Receivables:			
Accounts	170,459	329,815	500,274
Intergovernmental	-	52,484	52,484
Taxes	48,461	-	48,461
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,768)	(8,654)	(17,422)
Internal Balances	1,738,629	(1,738,629)	-
Inventory	45,674	175,565	221,239
Prepaid Expenses	39,979	-	39,979
Net Other Postemployment Benefits Asset	199,867	50,993	250,860
Capital Assets:			
Land and construction in progress	43,252	2,037,945	2,081,197
Other capital assets, net of depreciation	23,926,893	8,436,812	32,363,705
Total Assets	<u>33,805,640</u>	<u>15,627,532</u>	<u>49,433,172</u>
Deferred Outflows of Resources:			
Pension related	254,670	64,974	319,644
Other postemployment benefits related	122,007	31,127	153,134
Total Deferred Outflows of Resources	<u>376,677</u>	<u>96,101</u>	<u>472,778</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 34,182,317</u>	<u>\$ 15,723,633</u>	<u>\$ 49,905,950</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 132,171	\$ 224,945	\$ 357,116
Accrued Liabilities	182,846	15,361	198,207
Customer Deposits	22,835	33,911	56,746
Unearned Revenue	782,146	50,351	832,497
Noncurrent Liabilities:			
Due within one year:			
Accrued leave	104,401	23,157	127,558
Revenue bonds	-	97,883	97,883
Note payable - USACE	-	34,070	34,070
Due in more than one year:			
Revenue bonds, net of unamortized discount	-	6,037,337	6,037,337
Note payable - USACE	-	1,567,945	1,567,945
Accrued interest payable	-	1,905,144	1,905,144
Landfill closure and postclosure care costs	-	22,463	22,463
Net pension liability	2,377,516	606,575	2,984,091
Total Liabilities	<u>3,601,915</u>	<u>10,619,142</u>	<u>14,221,057</u>
Deferred Inflows of Resources:			
Other postemployment benefits related	169,147	43,155	212,302
Total Deferred Inflows of Resources	<u>169,147</u>	<u>43,155</u>	<u>212,302</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	23,970,145	4,339,537	28,309,682
Restricted for Debt Service and Depreciation Reserve	-	950,000	950,000
Unrestricted	6,441,110	(228,201)	6,212,909
Total Net Position	<u>30,411,255</u>	<u>5,061,336</u>	<u>35,472,591</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 34,182,317</u>	<u>\$ 15,723,633</u>	<u>\$ 49,905,950</u>

See accompanying notes to basic financial statements.



**CITY OF SAINT PAUL, ALASKA**

**Statement of Activities**

Year Ended December 31, 2020

Exhibit A-2

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 2,575,736	\$ 675,233	\$ 33,798	\$ -	\$ (1,866,705)	\$ -	\$ (1,866,705)
Public safety	2,456,023	22,170	1,133,985	-	(1,299,868)	-	(1,299,868)
Public works	1,377,511	194,137	66,066	-	(1,117,308)	-	(1,117,308)
Total Governmental Activities	<u>6,409,270</u>	<u>891,540</u>	<u>1,233,849</u>	<u>-</u>	<u>(4,283,881)</u>	<u>-</u>	<u>(4,283,881)</u>
<b>Business-Type Activities:</b>							
Electric	1,672,767	1,287,859	12,466	-	-	(372,442)	(372,442)
Water and sewer	771,068	375,736	6,077	-	-	(389,255)	(389,255)
Bulk fuel farm	1,859,259	1,631,068	7,793	-	-	(220,398)	(220,398)
Harbor	209,052	104,416	1,467	-	-	(103,169)	(103,169)
Refuse	201,144	173,753	2,573	-	-	(24,818)	(24,818)
Nonmajor funds	77,191	141,011	638	-	-	64,458	64,458
Total Business-Type Activities	<u>4,790,481</u>	<u>3,713,843</u>	<u>31,014</u>	<u>-</u>	<u>-</u>	<u>(1,045,624)</u>	<u>(1,045,624)</u>
Total Activities	<u>\$ 11,199,751</u>	<u>\$ 4,605,383</u>	<u>\$ 1,264,863</u>	<u>\$ -</u>	<u>(4,283,881)</u>	<u>(1,045,624)</u>	<u>(5,329,505)</u>
<b>General Revenues:</b>							
Sales and fisheries taxes					2,230,733	-	2,230,733
Grants and entitlements not restricted to a specific purpose					931,789	-	931,789
Federal payment in lieu of taxes					76,454	-	76,454
Investment income					212,581	172,341	384,922
Other revenue					37,639	23,340	60,979
Transfers					63,473	(63,473)	-
Total General Revenues and Transfers					<u>3,552,669</u>	<u>132,208</u>	<u>3,684,877</u>
Change in Net Position					(731,212)	(913,416)	(1,644,628)
Net Position, beginning					<u>31,142,467</u>	<u>5,974,752</u>	<u>37,117,219</u>
Net Position, ending					<u>\$ 30,411,255</u>	<u>\$ 5,061,336</u>	<u>\$ 35,472,591</u>

See accompanying notes to basic financial statements.

**CITY OF SAINT PAUL, ALASKA**  
**Governmental Funds - Balance Sheet**  
December 31, 2020

Exhibit B-1

<b>ASSETS</b>	<u>General Fund</u>	<u>Coronavirus Relief Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 7,273,485	\$ -	\$ 311,019	\$ 7,584,504
Receivables:				
Accounts	-	148,289	22,170	170,459
Taxes	48,461	-	-	48,461
Interest	16,690	-	-	16,690
Allowance for doubtful accounts	(8,768)	-	-	(8,768)
Due from Other Funds	226,073	-	-	226,073
Advances from Other Funds	1,738,629	-	-	1,738,629
Inventory	45,674	-	-	45,674
Prepaid Expenses	-	39,979	-	39,979
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ <u>9,340,244</u>	\$ <u>188,268</u>	\$ <u>333,189</u>	\$ <u>9,861,701</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 68,312	\$ 51,897	\$ 11,962	\$ 132,171
Accrued liabilities	180,699	807	1,340	182,846
Customer deposits	22,835	-	-	22,835
Unearned revenue	687,745	-	94,401	782,146
Due to other funds	-	135,564	90,509	226,073
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>959,591</u>	<u>188,268</u>	<u>198,212</u>	<u>1,346,071</u>
Fund Balances:				
Nonspendable	1,784,303	-	-	1,784,303
Committed	-	-	215,226	215,226
Unassigned	6,596,350	-	(80,249)	6,516,101
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>8,380,653</u>	<u>-</u>	<u>134,977</u>	<u>8,515,630</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balances	\$ <u>9,340,244</u>	\$ <u>188,268</u>	\$ <u>333,189</u>	\$ <u>9,861,701</u>

**CITY OF SAINT PAUL, ALASKA****Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position**

December 31, 2020

Exhibit B-2

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Total Fund Balances for Governmental Funds		\$	8,515,630
Total Net Position Reported in 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 and related accumulated depreciation are as follows:			
Construction in progress	\$	43,252	
Breakwater		47,642,984	
Buildings		8,669,627	
Machinery and equipment		3,773,214	
Accumulated depreciation and amortization		<u>(36,158,932)</u>	
Total Capital Assets			23,970,145
OPEB assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			
			199,867
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities:			
Accrued leave		(104,401)	
Net pension liability		<u>(2,377,516)</u>	
Total Long-Term Liabilities			(2,481,917)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time:			
Deferred outflows of resources - pension related		254,670	
Deferred inflows of resources - pension related		-	
Deferred outflows of resources - other postemployment benefits related		122,007	
Deferred inflows of resources - other postemployment benefits related		<u>(169,147)</u>	
			<u>207,530</u>
Total Net Position of Governmental Activities		\$	<u><u>30,411,255</u></u>

**CITY OF SAINT PAUL, ALASKA**

**Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

Year Ended December 31, 2020

Exhibit B-3

	General Fund	Coronavirus Relief Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 2,230,733	\$ -	\$ -	\$ 2,230,733
Intergovernmental	1,121,899	1,089,923	30,271	2,242,093
Charges for services	869,370	-	-	869,370
Investment income	212,581	-	-	212,581
Other revenue	37,639	-	22,170	59,809
<b>Total Revenues</b>	<b>4,472,222</b>	<b>1,089,923</b>	<b>52,441</b>	<b>5,614,586</b>
<b>Expenditures:</b>				
General government	1,456,199	-	-	1,456,199
Public safety	1,125,204	1,089,923	102,864	2,317,991
Public works	1,194,801	-	72,820	1,267,621
<b>Total Expenditures</b>	<b>3,776,204</b>	<b>1,089,923</b>	<b>175,684</b>	<b>5,041,811</b>
Excess of revenues over expenditures	696,018	-	(123,243)	572,775
<b>Other Financing Uses:</b>				
Transfers in	-	-	43,235	43,235
Transfers out	(1,840)	-	-	(1,840)
<b>Net Change in Fund Balances</b>	<b>694,178</b>	<b>-</b>	<b>(80,008)</b>	<b>614,170</b>
Fund Balances, beginning	7,686,475	-	214,985	7,901,460
Fund Balances, ending	<u>\$ 8,380,653</u>	<u>\$ -</u>	<u>\$ 134,977</u>	<u>\$ 8,515,630</u>

**CITY OF SAINT PAUL, ALASKA**

**Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities**

Year Ended December 31, 2020

Exhibit B-4

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Net Change in Fund Balances - Total Governmental Funds	\$	614,170	
The Change in Net Position Reported for Governmental Activities in the Statement of Activities is Different because:			
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciating (\$1,295,940) exceeded capital outlays (\$314,873)			
			(981,067)
Transfer of assets from the Electric Fund to the General Fund			22,078
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Increase in accrued leave	\$	(42,665)	
Net increase in net pension liability and related deferred accounts		(474,649)	
Net increase in net other postemployment benefits asset and related deferred accounts		<u>130,921</u>	
			<u>(386,393)</u>
Change in Net Position of Governmental Activities	\$		<u><u>(731,212)</u></u>

**CITY OF SAINT PAUL, ALASKA**

**Enterprise Funds**

**Statement of Net Position**

December 31, 2020

Exhibit C-1

	Major Funds					Nonmajor Funds	Total Enterprise Funds
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
<b>ASSETS</b>							
Current Assets:							
Cash and investments	\$ 5,787,243	\$ -	\$ 975	\$ -	\$ -	\$ 502,983	\$ 6,291,201
Receivables:							
Accounts	161,940	43,553	73,647	3,535	29,417	17,723	329,815
Intergovernmental	52,484	-	-	-	-	-	52,484
Allowance for doubtful accounts	(3,067)	(782)	(4,805)	-	-	-	(8,654)
Inventory	57,036	-	92,888	3,649	-	21,992	175,565
Total Current Assets	<u>6,055,636</u>	<u>42,771</u>	<u>162,705</u>	<u>7,184</u>	<u>29,417</u>	<u>542,698</u>	<u>6,840,411</u>
Noncurrent Assets:							
Net other postemployment benefits asset	20,497	9,992	12,813	2,413	4,230	1,048	50,993
Capital assets:							
Property, plant and equipment	7,814,071	10,558,973	6,742,986	5,110,379	1,445,827	46,708	31,718,944
Accumulated depreciation	<u>(4,144,660)</u>	<u>(6,781,862)</u>	<u>(5,605,816)</u>	<u>(4,003,407)</u>	<u>(666,467)</u>	<u>(41,975)</u>	<u>(21,244,187)</u>
Net Property, Plant and Equipment	<u>3,669,411</u>	<u>3,777,111</u>	<u>1,137,170</u>	<u>1,106,972</u>	<u>779,360</u>	<u>4,733</u>	<u>10,474,757</u>
Total Noncurrent Assets	<u>3,689,908</u>	<u>3,787,103</u>	<u>1,149,983</u>	<u>1,109,385</u>	<u>783,590</u>	<u>5,781</u>	<u>10,525,750</u>
Total Assets	<u>9,745,544</u>	<u>3,829,874</u>	<u>1,312,688</u>	<u>1,116,569</u>	<u>813,007</u>	<u>548,479</u>	<u>17,366,161</u>
Deferred Outflows of Resources:							
Pension related	26,117	12,731	16,326	3,075	5,390	1,335	64,974
Other postemployment benefits related	12,512	6,099	7,822	1,473	2,582	639	31,127
Total Deferred Outflows of Resources	<u>38,629</u>	<u>18,830</u>	<u>24,148</u>	<u>4,548</u>	<u>7,972</u>	<u>1,974</u>	<u>96,101</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,784,173</u>	<u>\$ 3,848,704</u>	<u>\$ 1,336,836</u>	<u>\$ 1,121,117</u>	<u>\$ 820,979</u>	<u>\$ 550,453</u>	<u>\$ 17,462,262</u>

See accompanying notes to basic financial statements.

**CITY OF SAINT PAUL, ALASKA**

**Enterprise Funds**

**Statement of Net Position, continued**

December 31, 2020

Exhibit C-1, cont.

	Major Funds					Nonmajor Funds	Total Enterprise Funds
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts payable	\$ 84,362	\$ 6,295	\$ 123,331	\$ 37	\$ 10,916	\$ 4	\$ 224,945
Accrued liabilities	4,737	5,271	4,025	1,328	-	-	15,361
Accrued leave	2,103	5,318	12,027	3,136	573	-	23,157
Customer deposits	33,911	-	-	-	-	-	33,911
Unearned revenue	-	4,157	-	46,194	-	-	50,351
Current portion of revenue bonds	97,883	-	-	-	-	-	97,883
Current portion of note payable - USACE	-	-	-	34,070	-	-	34,070
<b>Total Current Liabilities</b>	<b>222,996</b>	<b>21,041</b>	<b>139,383</b>	<b>84,765</b>	<b>11,489</b>	<b>4</b>	<b>479,678</b>
Noncurrent Liabilities, net of current portion:							
Advances from other funds	-	397,233	693,876	580,187	67,333	-	1,738,629
Revenue bonds, net of unamortized discount	181,459	-	4,389,672	1,466,206	-	-	6,037,337
Note payable - USACE, net of current portion	-	-	-	1,567,945	-	-	1,567,945
Accrued interest payable	-	-	1,377,175	527,969	-	-	1,905,144
Landfill closure and postclosure care costs	-	-	-	-	22,463	-	22,463
Net pension liability	243,818	118,851	152,418	28,703	50,320	12,465	606,575
<b>Total Noncurrent Liabilities</b>	<b>425,277</b>	<b>516,084</b>	<b>6,613,141</b>	<b>4,171,010</b>	<b>140,116</b>	<b>12,465</b>	<b>11,878,093</b>
<b>Total Liabilities</b>	<b>648,273</b>	<b>537,125</b>	<b>6,752,524</b>	<b>4,255,775</b>	<b>151,605</b>	<b>12,469</b>	<b>12,357,771</b>
Deferred Inflows of Resources -							
Other postemployment benefits related	17,346	8,456	10,844	2,042	3,580	887	43,155
<b>NET POSITION</b>							
Net Investment in Capital Assets	3,390,069	3,777,111	(3,252,502)	(359,234)	779,360	4,733	4,339,537
Restricted for Debt Service and Depreciation Reserve	-	-	950,000	-	-	-	950,000
Unrestricted (Deficit)	5,728,485	(473,988)	(3,124,030)	(2,777,466)	(113,566)	532,364	(228,201)
<b>Total Net Position</b>	<b>9,118,554</b>	<b>3,303,123</b>	<b>(5,426,532)</b>	<b>(3,136,700)</b>	<b>665,794</b>	<b>537,097</b>	<b>5,061,336</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 9,784,173</b>	<b>\$ 3,848,704</b>	<b>\$ 1,336,836</b>	<b>\$ 1,121,117</b>	<b>\$ 820,979</b>	<b>\$ 550,453</b>	<b>\$ 17,462,262</b>

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, 2020

Exhibit C-2

	Major Funds					Nonmajor Funds	Total Enterprise Funds
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Operating Revenues	\$ 1,287,859	\$ 375,736	\$ 1,631,068	\$ 104,416	\$ 173,753	\$ 141,011	\$ 3,713,843
Cost of Goods Sold	-	-	(1,380,040)	-	-	(21,799)	(1,401,839)
Net Operating Revenues	<u>1,287,859</u>	<u>375,736</u>	<u>251,028</u>	<u>104,416</u>	<u>173,753</u>	<u>119,212</u>	<u>2,312,004</u>
Operating Expenses:							
Salaries and benefits	286,687	110,335	119,628	31,604	43,332	13,140	604,726
Other operating expenses	1,018,029	170,792	135,831	33,658	50,180	21,041	1,429,531
Administrative cost allocation	181,909	168,915	181,909	25,987	71,464	19,490	649,674
Depreciation and amortization	<u>175,145</u>	<u>321,026</u>	<u>40,053</u>	<u>64,665</u>	<u>36,168</u>	<u>1,721</u>	<u>638,778</u>
Total Operating Expenses	<u>1,661,770</u>	<u>771,068</u>	<u>477,421</u>	<u>155,914</u>	<u>201,144</u>	<u>55,392</u>	<u>3,322,709</u>
Operating Income (Loss)	(373,911)	(395,332)	(226,393)	(51,498)	(27,391)	63,820	(1,010,705)
Nonoperating Revenues (Expenses):							
State PERS relief	12,466	6,077	7,793	1,467	2,573	638	31,014
Investment income	156,209	-	4,188	-	-	11,944	172,341
Interest expense	(10,997)	-	-	(53,138)	-	-	(64,135)
Loss on sale of capital assets	-	-	(1,798)	-	-	-	(1,798)
Miscellaneous revenue	-	<u>16,980</u>	-	-	-	<u>6,360</u>	<u>23,340</u>
Net Nonoperating Revenues (Expenses)	<u>157,678</u>	<u>23,057</u>	<u>10,183</u>	<u>(51,671)</u>	<u>2,573</u>	<u>18,942</u>	<u>160,762</u>
Income (Loss) Before Capital Contributions and Transfers	(216,233)	(372,275)	(216,210)	(103,169)	(24,818)	82,762	(849,943)
Transfers Out	<u>63,473</u>	-	-	-	-	-	<u>63,473</u>
Change in Net Position	(279,706)	(372,275)	(216,210)	(103,169)	(24,818)	82,762	(913,416)
Net Position (Deficit), beginning	<u>9,398,260</u>	<u>3,675,398</u>	<u>(5,210,322)</u>	<u>(3,033,531)</u>	<u>690,612</u>	<u>454,335</u>	<u>5,974,752</u>
Net Position (Deficit), ending	\$ <u><u>9,118,554</u></u>	\$ <u><u>3,303,123</u></u>	\$ <u><u>(5,426,532)</u></u>	\$ <u><u>(3,136,700)</u></u>	\$ <u><u>665,794</u></u>	\$ <u><u>537,097</u></u>	\$ <u><u>5,061,336</u></u>

See accompanying notes to basic financial statements.



**CITY OF SAINT PAUL, ALASKA**

**Enterprise Funds**

**Statement of Cash Flows**

Year Ended December 31, 2020

Exhibit C-3

	Major Funds					Nonmajor Funds	Total Enterprise Funds
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Cash Flows from (for) Operating Activities:							
Receipts from customers and users	\$ 1,263,538	\$ 381,710	\$ 1,623,402	\$ 102,042	\$ 163,034	\$ 125,755	\$ 3,659,481
Payments for interfund services used	(181,909)	(168,915)	(181,909)	(25,987)	(71,464)	(19,490)	(649,674)
Payments to suppliers	(945,425)	(166,461)	(1,382,577)	(27,046)	(40,945)	(43,238)	(2,605,692)
Payments to employees	(211,813)	(107,035)	(145,720)	(39,480)	(59,084)	(9,833)	(572,965)
Net Cash Flows from (for) Operating Activities	(75,609)	(60,701)	(86,804)	9,529	(8,459)	53,194	(168,850)
Cash Flows from (for) Noncapital Financial Activities:							
Miscellaneous revenue	-	16,980	-	-	-	-	16,980
Transfer out	(41,395)	-	-	-	-	6,360	(35,035)
Increase in advances from other funds	-	43,721	118,302	112,603	8,459	-	283,085
Net Cash Flows from (for) Noncapital Financial Activities	(41,395)	60,701	118,302	112,603	8,459	6,360	265,030
Cash Flows for Capital and Related Financing Activities:							
Additions to property, plant and equipment	(208,173)	-	(35,686)	(35,997)	-	-	(279,856)
Principal paid	(97,654)	-	(150,000)	(32,997)	-	-	(280,651)
Interest paid	(961)	-	-	(53,138)	-	-	(54,099)
Net Cash Flows for Capital and Related Financing Activities	(306,788)	-	(185,686)	(122,132)	-	-	(614,606)
Cash Flows from Investing Activities:							
Investment income received	156,209	-	4,188	-	-	11,944	172,341
Net Increase (Decrease) in Cash and Investments	(267,583)	-	(150,000)	-	-	71,498	(346,085)
Cash and Investments, beginning	6,054,826	-	150,975	-	-	431,485	6,637,286
Cash and Investments, ending	\$ 5,787,243	\$ -	\$ 975	\$ -	\$ -	\$ 502,983	\$ 6,291,201

See accompanying notes to basic financial statements.

**CITY OF SAINT PAUL, ALASKA**

**Enterprise Funds**

**Statement of Cash Flows, continued**

Year Ended December 31, 2020

Exhibit C-3, cont.

	Major Funds					Nonmajor Funds	Total Enterprise Funds
	Electric Utility	Water and Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities:							
Operating income (loss)	\$ (373,911)	\$ (395,332)	\$ (226,393)	\$ (51,498)	\$ (27,391)	63,820	\$ (1,010,705)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:							
Depreciation and amortization	175,145	321,026	40,053	64,665	36,168	1,721	638,778
Noncash expense - PERS relief	12,466	6,077	7,793	1,467	2,573	638	31,014
Increase in allowance for doubtful accounts	2,362	176	2,162	-	-	-	4,700
(Increase) decrease in assets and deferred outflows of resources:							
Accounts receivable	(27,017)	5,974	(7,666)	(2,374)	(10,719)	(15,256)	(57,058)
Inventory	829	-	91,246	-	-	(399)	91,676
Deferred outflows of resources - pension related	(5,612)	2,163	7,275	2,036	3,239	(228)	8,873
Deferred outflows of resources - other postemployment benefits related	412	3,288	7,053	1,748	2,857	58	15,416
Increase (decrease) in liabilities and deferred inflows of resources:							
Accounts payable	66,067	5,665	36,760	747	9,235	1	118,475
Accrued liabilities	3,346	(1,510)	3,126	5,865	-	(119)	10,708
Accrued leave	94	224	631	1,698	(1,223)	-	1,424
Customer deposits	2,696	-	-	-	-	-	2,696
Net pension liability	84,080	2,828	(31,435)	(11,110)	(16,903)	3,843	31,303
Net other postemployment benefits liability	(24,592)	(12,966)	(17,526)	(3,434)	(5,953)	(1,269)	(65,740)
Deferred inflows of resources - pension related	(2,365)	(1,718)	(2,722)	(589)	(995)	(128)	(8,517)
Deferred inflows of resources - other postemployment benefits related	10,391	3,404	2,839	308	653	512	18,107
Net Cash Flows from (for) Operating Activities	\$ <u>(75,609)</u>	\$ <u>(60,701)</u>	\$ <u>(86,804)</u>	\$ <u>9,529</u>	\$ <u>(8,459)</u>	\$ <u>53,194</u>	\$ <u>(168,850)</u>
Noncash Capital and Related Financing Activities-							
Transfer of capital assets to general government	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes to basic financial statements.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies**

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.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies, continued**

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

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 primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.
- The Coronavirus Relief Fund is a special revenue fund. It accounts for receipts and expenditures of the grant which provide for operations and equipment purchases.

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.

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.

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.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies, continued**

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.

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.

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.

Receivables and Payables

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

Grants and Other Intergovernmental 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.

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.

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).

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**  
Year Ended December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies, continued**

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

Unearned Grant Revenue

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

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.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies, continued**

Fund Balances

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

*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.

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.

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."

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 2 - Cash and Investments**

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of December 31, 2020:

Deposits	\$	2,144,700		
Investments		<u>11,731,005</u>		
Total	\$	<u>13,875,705</u>	Cash and investments	\$ <u>13,875,705</u>

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."

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, 2020 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 5
Certificates of deposits	\$ 11,225,806	\$ 2,807,254	\$ 8,418,552
U.S. government agency bonds	340,993	340,993	-
AMLIP pooled investments	164,206	164,206	-
Total subject to interest rate risk	\$ <u>11,731,005</u>	\$ <u>3,312,453</u>	\$ <u>8,418,552</u>



**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 2 - Cash and Investments, continued**

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, 2020:

U.S. government agency securities of \$340,993 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 \$11,225,806 that are not held at fair value, but instead recorded at amortized cost, at December 31, 2020. The City's investment in AMLIP totaling \$164,206 is measured at net asset value as of December 31, 2020 as a practical expediency. Management believes these values approximate fair value.

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.

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, 2020, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

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, 2020, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$1,046,838 was subject to a collateral agreement. The City maintains a collateral agreement with its depository financial institution, Federal Home Loan Bank, of up to \$4,550,987. As a result, all money was insured as of December 31, 2020.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 3 - Capital Assets**

Capital asset activity for the year ended December 31, 2020 follows:

Governmental Activities	Balance January 1, 2020	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	-
Construction in progress	54,387	43,249	(54,384)	43,252
Total assets not being depreciated	54,387	43,249	(54,384)	43,252
Capital assets being depreciated:				
Breakwater	47,642,984	-	-	47,642,984
Buildings	8,669,627	-	-	8,669,627
Machinery and equipment	3,505,412	271,624	(3,822)	3,773,214
Total assets being depreciated	59,818,023	271,624	(3,822)	60,085,825
Less accumulated depreciation for:				
Breakwater	28,051,876	952,860	-	29,004,736
Buildings	4,386,468	183,435	-	4,569,903
Machinery and equipment	2,504,932	159,645	(80,284)	2,584,293
Total accumulated depreciation	34,943,276	1,295,940	(80,284)	36,158,932
Total capital assets being depreciated, net	24,874,747	(1,024,316)	76,462	23,926,893
Governmental activities capital assets, net	\$ 24,929,134	\$ (981,067)	\$ 22,078	\$ 23,970,145

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

**Note 3 - Capital Assets, continued**

Capital asset activity for the year ended December 31, 2020 follows, continued:

Business-Type Activities	Balance January 1, 2020	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 256,236	\$ -	\$ -	\$ 256,236
Construction in progress	1,609,223	172,486	-	1,781,709
Total assets not being depreciated	1,865,459	172,486	-	2,037,945
Capital assets being depreciated:				
Plant in service	14,251,249	-	(21,856)	14,229,393
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	1,927,223	107,370	(196,340)	1,838,253
Total assets being depreciated	29,791,825	107,370	(218,196)	29,680,999
Less accumulated depreciation for:				
Plant in service	9,014,702	376,608	(21,855)	9,369,455
Fuel tanks and lines	5,206,547	6,366	-	5,212,913
Dock and mooring	3,910,377	61,781	-	3,972,158
Buildings	1,432,155	70,267	-	1,502,422
Machinery and equipment	1,240,288	119,416	(172,465)	1,187,239
Total accumulated depreciation	20,804,069	634,438	(194,320)	21,244,187
Total capital assets being depreciated, net	8,987,756	(527,068)	(23,876)	8,436,812
Business-type activities capital assets, net	\$ 10,853,215	\$ (354,582)	\$ (23,876)	\$ 10,474,757

Depreciation expense was charged to the functions as follows:

Government Activities:	
General government	\$ 1,041,042
Public safety	66,552
Public works	188,346
Total Depreciation Expense - Governmental Activities	\$ 1,295,940
Business-Type Activities:	
Electric utility	\$ 175,145
Water and sewer utility	321,026
Bulk fuel farm	40,053
Harbor	64,665
Marine sales	1,721
Refuse	31,829
Total Depreciation Expense - Business-Type Activities	\$ 634,438

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

**Note 4 - Long-Term Liabilities**

The following is a summary of long-term liability transactions of the City for the year ended December 31, 2020:

Governmental Activities	Balance January 1, 2020	Additions	Retired	Balance December 31, 2020	Due Within One Year
Accrued leave	\$ 61,736	\$ 80,237	\$ 37,572	\$ 104,401	\$ 104,401
Net pension liability	1,859,353	518,163	-	2,377,516	-
Net other postemployment benefits liability	47,668	-	47,668	-	-
Total Governmental Activities	\$ 1,968,757	\$ 598,400	\$ 85,240	\$ 2,481,917	\$ 104,401
Business-Type Activities	Balance January 1, 2020	Additions	Retired	Balance December 31, 2020	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)	\$ 6,005,878	\$ -	\$ 150,000	\$ 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	32,423	-	7,654	24,769	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 discount of \$25,463 at December 31, 2019	360,000	-	90,000	270,000	90,000
Less unamortized discount	(25,463)	-	(10,036)	(15,427)	-
Total Revenue Bonds Payable	6,372,838	-	237,618	6,135,220	97,883
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	1,635,012	-	32,997	1,602,015	34,070
Accrued interest payable	1,905,144	-	-	1,905,144	-
Accrued leave	21,733	20,766	19,342	23,157	23,157
Landfill closure and postclosure care costs	18,123	4,340	-	22,463	-
Net pension liability	575,272	31,303	-	606,575	-
Net other postemployment benefits liability	14,747	-	14,747	-	-
Total Business-Type Activities	\$ 10,542,869	\$ 56,409	\$ 304,704	\$ 10,294,574	\$ 155,110

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 4 - Long-Term Liabilities, continued**

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, 2020, are scheduled out below. The Department of Commerce revenue bond has not been included in the future payments.

Business-Type Activities	Principal	Interest	Total Requirements
Year Ending December 31,			
2021	\$ 131,953	\$ 60,433	\$ 192,386
2022	133,297	56,618	189,915
2023	135,086	52,688	187,774
2024	37,501	48,635	86,136
2025	38,719	47,416	86,135
Thereafter	1,420,228	647,018	2,067,246
	\$ 1,896,784	\$ 912,808	\$ 2,809,592

**Note 5 - 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 \$22,463 reported as landfill closure costs payable at December 31, 2020 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 \$117,227 as the remaining expected usage is filled. These amounts are based on an estimate of cost to perform all closure and postclosure care in 2020. 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.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 6 - 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	\$ 45,674	\$ -	\$ 45,674
Advance to Water and Sewer Utility Enterprise Fund	397,233	-	397,233
Advance to Bulk Fuel Farm Enterprise Fund	843,876	-	843,876
Advance to Harbor Enterprise Fund	580,187	-	580,187
Advance to Refuse Enterprise Fund	67,333	-	67,333
Total Nonspendable	<u>1,934,303</u>	<u>-</u>	<u>1,934,303</u>
Committed for public works	-	215,226	215,226
Unassigned	<u>6,446,350</u>	<u>(80,249)</u>	<u>6,366,101</u>
Total Fund Balances	<u>\$ 8,380,653</u>	<u>\$ 134,977</u>	<u>\$ 8,515,630</u>

The following funds had fund deficits at December 31, 2020:

Bulk Fuel Farm Enterprise Fund	\$ 5,426,532
Harbor Enterprise Fund	3,136,700
COVID-19 Incident Special Revenue Fund	80,249

**Note 7 - Defined Benefit (DB) Pension Plan**

General Information about the Plan

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

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

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

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

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 7 - Defined Benefit (DB) Pension Plan, continued**

Historical Context and Special Funding Situation

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

Alaska Statute 39.35.255 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows and outflows of resources, and disclosures on this basis.

The City recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

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

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Police and firefighters are required to contribute 7.50% of their annual covered salary.

Employer and Other Contribution Rates

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

*Employer Effective Rate:* This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

*ARM Board Adopted Rate:* This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This will result in lower ARM Board Rates than previously adopted.

*On-behalf Contribution Rate:* This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 7 - Defined Benefit (DB) Pension Plan, continued**

Employer and Other Contribution Rates, continued

Contribution rates for the year ended June 30, 2020 and June 30, 2021 were determined in the June 30, 2017 and June 30, 2018 actuarial valuations, respectively. City contribution rates for the 2020 calendar year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
<u>January 1, 2020 to June 30, 2020</u>			
Pension	15.72%	23.73%	6.62%
Other postemployment benefits (see Note 9)	6.28%	4.89%	-
Total Contribution Rates	<u>22.00%</u>	<u>28.62%</u>	<u>6.62%</u>
<u>July 1, 2020 to December 31, 2020</u>			
Pension	22.00%	26.58%	8.85%
Other postemployment benefits (see Note 9)	-	4.27%	-
Total Contribution Rates	<u>22.00%</u>	<u>30.85%</u>	<u>8.85%</u>

In 2020, the City was credited with the following contributions into the pension plan:

	Measurement Period July 1, 2019 to June 30, 2020	City Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions (including DBUL)	\$ 182,964	\$ 217,971
Nonemployer contributions (on-behalf)	122,066	152,579
Total Contributions	<u>\$ 305,030</u>	<u>\$ 370,550</u>

In addition, employee contributions to the Plan totaled \$37,851 during the City's fiscal year.



**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 7 - Defined Benefit (DB) Pension Plan, continued**

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

At December 31, 2020, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

City proportionate share of NPL	\$	2,984,091
State's proportionate share of NPL associated with the City		<u>1,235,203</u>
Total Net Pension Liability	\$	<u><u>4,219,294</u></u>

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2020 measurement date, the City's proportion was 0.05057 percent, which was an increase of 0.00610 from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City recognized a pension expense of \$506,308. Of this amount, \$152,579 was recorded as on-behalf revenue and expense for additional contributions paid by the State. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,466	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	121,453	-
Changes in proportion and differences between City contributions and proportionate share of contributions	66,791	-
City contributions subsequent to the measurement date	<u>121,934</u>	<u>-</u>
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	<u>\$ 319,644</u>	<u>\$ -</u>

The \$121,934 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2021	\$ 78,404
2022	42,711
2023	45,145
2024	31,450

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 7 - Defined Benefit (DB) Pension Plan, continued**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Inflation	2.50%
Salary Increases	Graded by service, from 7.75% to 2.75% for peace officer/firefighter. Graded by service, from 6.75% to 2.75% for all others.
Investment Return/Discount Rate	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others.

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	6.24%
Global equity (non-U.S.)	6.67%
Aggregate bonds	-0.16%
Opportunistic	3.01%
Real assets	3.82%
Private equity	10.00%
Cash equivalents	-1.09%

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 7 - Defined Benefit (DB) Pension Plan, continued**

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.38%, as well as what the City's proportionate share of the net pension liability would be if it 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:

	<u>Proportional</u>	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>Share</u>	<u>(6.38%)</u>	<u>Discount</u>	<u>(8.38%)</u>
			<u>Rate (7.38%)</u>	
City's proportionate share of the net pension liability	0.05057%	\$ 3,879,948	\$ 2,984,090	\$ 2,232,715

Pension Plan Fiduciary Net Position

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

**Note 8 - Defined Contribution (DC) Pension Plan**

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above <http://doa.alaska.gov/drb/pers>.

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended December 31, 2020, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended December 31, 2020 were \$66,980 and \$107,168, respectively.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 8 - Defined Contribution (DC) Pension Plan, continued**

Employer Contribution Rate, continued

In 2020, the State allowed the usage of forfeitures for employer contributions to non-vested, terminated employee DC plans. Forfeited contributions are only available to cover future payrolls related to employer contributions to the DC plan. At December 31, 2020, the City had no forfeitures.

**Note 9 - Other Postemployment Benefit (OPEB) Plans**

As part of its participation in the PERS DB Plan (Tiers I, II, III), the City participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the DB Plan. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration.

Defined Benefit OPEB Plan - Employer Contribution Rate

For the year ended December 31, 2020, the City was not required to contribute into the OPEB plan. Employees do not contribute.

In 2020, the City was credited with the following contributions to the OPEB plan:

	Measurement Period July 1, 2019 to June 30, 2020	City Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions	\$ 93,976	\$ 81,847
Nonemployer contributions (on-behalf)	-	-
	<u>          </u>	<u>          </u>
Total Contributions	<u>\$ 93,976</u>	<u>\$ 81,847</u>

OPEB Assets (Liabilities), OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At December 31, 2020, the City reported an asset for its proportionate share of the net OPEB asset that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportionate share, the related State proportion, and the total were as follows:

City's proportionate share of Net OPEB Asset - ARHCT	\$ 228,924
City's proportionate share of Net OPEB Liabilities - RMP	(6,495)
City's proportionate share of Net OPEB Assets - ODD	28,430
State's proportionate share of Net OPEB Assets associated with the City	<u>95,151</u>
Total Net OPEB Assets	<u>\$ 346,010</u>

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 9 - Other Postemployment Benefit (OPEB) Plans, continued**

OPEB Assets (Liabilities), OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans, continued

The total OPEB assets for the June 30, 2020 measurement date were determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net OPEB assets as of that date. The City's proportion of the net OPEB assets were based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2019 Measurement Date Employer Portion	June 30, 2020 Measurement Date Employer Portion	Change
City's proportionate share of the net OPEB liabilities:			
ARHCT	0.04460%	0.05055%	0.00595%
RMP	0.08127%	0.09157%	0.01030%
ODD	0.09570%	0.10429%	0.00859%

As a result of its requirement to contribute to the Plan, the City recognized OPEB benefit of \$163,138. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 34	\$ (29,300)
Net difference between projected and actual earnings on OPEB plan investments	95,733	-
Change in assumptions	9,121	(176,780)
Changes in proportion and differences between City contributions and proportionate share of contributions	15,658	(6,222)
City contributions subsequent to the measurement date	32,588	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans	<u>\$ 153,134</u>	<u>\$ (212,302)</u>

The \$32,588 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB asset in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2021	\$ (170,438)
2022	31,144
2023	33,549
2024	22,936
2025	(2,802)
Thereafter	(6,145)

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 9 - Other Postemployment Benefit (OPEB) Plans, continued**

Actuarial Assumptions

The total OPEB asset was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience. In addition to the changes resulting from the experience study, the following assumptions were made since the prior valuation: (1) based on recent experience, the healthcare cost trend assumptions were updated, (2) per capita claim costs were updated to reflect recent experience, and (3) healthcare cost trends were updated to reflect a Cadillac Tax load.

Inflation	2.50%
Salary Increases	Graded by service, from 7.75% to 2.75% for peace officer/firefighter. Graded by age and service, from 6.75% to 2.75% for all others.
Investment Return/Discount Rate	7.38%, net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare Cost Trend Rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 8.0% grading down to 4.5% Employer Group Waiver Plans: 8.0% grading down to 4.5%
Mortality	Pre-commencement and post- commencement mortality rates were based on the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 health annuitant table projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 9 - Other Postemployment Benefit (OPEB) Plans, continued**

Actuarial Assumptions, continued

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

Inflation	2.50%
Salary Increases	Graded by service, from 7.75% to 2.75% for peace officer/firefighter. Graded by age and service, from 6.75% to 2.75% for all others.
Investment Return/Discount Rate	7.38%, net of postretirement healthcare plan investment expenses. This

Discount Rate

The discount rate used to measure the total OPEB liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity

The following presents the City's proportionate share of the net OPEB assets (liabilities) calculated using the discount rate of 7.38%, as well as what the City's proportionate share of the net OPEB assets (liabilities) would be if it 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:

Mortality	Pre-commencement and post-commencement mortality rates were			
	Proportional Share	1% Decrease (6.38%)	Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net OPEB liabilities (assets):				
ARHCT	0.05055%	\$ (238,877)	\$ 228,925	\$ 661,402
RMP	0.09157%	(40,326)	(6,495)	19,046
ODD	0.10429%	26,715	28,430	29,800

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 9 - Other Postemployment Benefit (OPEB) Plans, continued**

Healthcare Cost Trend Rates Sensitivity

The following presents the City's proportionate share of the net OPEB asset (liability) calculated using the healthcare cost trend rate, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38 percent) or 1-percentage-point higher (8.38 percent) than the current rate:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB assets (liabilities):				
ARHCT	0.05055%	\$ 661,833	\$ 228,925	\$ (295,304)
RMP	0.09157%	22,789	(6,495)	(46,327)
ODD	0.10429%	-	28,430	-

OPEB Plan Fiduciary Net Position

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

Defined Contribution OPEB Plan

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

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended December 31, 2020 were as follows:

	Peace Officers/ Firefighters	All Others	State Contribution Rate
January 1 through June 30, 2020			
RMP	1.32%	1.32%	-
ODD	0.72%	0.26%	-
Total Contribution Rates	<u>2.04%</u>	<u>1.58%</u>	<u>-</u>
July 1 through December 31, 2020			
RMP	1.27%	1.27%	-
ODD	0.70%	0.31%	-
Total Contribution Rates	<u>1.97%</u>	<u>1.58%</u>	<u>-</u>

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees of all employers in the plan". This amount is calculated as a flat rate for each full-time employee per pay period at \$88.40 as of June 30, 2020 and \$89.96 as of December 31, 2020.



**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 9 - Other Postemployment Benefit (OPEB) Plans, continued**

Annual Postemployment Healthcare Cost

In 2020, the City contributed \$49,638 in DC OPEB costs. These amounts have been recognized as expense/ expenditures.

**Note 10 - Risk Management**

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

The City is a member of the Alaska Public Entity Insurance 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, 2020.

**Note 11 - 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, 2020 follows:

Advances to Other Funds

Advance from the General Fund to:

Water and Sewer Utility Enterprise Fund	\$ 397,233
Bulk Fuel Farm Enterprise Fund	843,876
Harbor Enterprise Fund	580,187
Refuse Enterprise Fund	67,333
Total Advances to Other Funds	<u>\$ 1,888,629</u>

**Note 12 - Contingencies**

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.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 13 - COVID-19**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the coronavirus as a pandemic, based on the rapid increase in exposure globally. The City's operations are heavily dependent upon the ability to collect sales taxes and charges for services. Additionally, the City also receives significant grant funding from the federal government and State of Alaska. The coronavirus pandemic has adversely impacted economic and financial market conditions, both globally and locally. It is possible that the coronavirus pandemic will adversely impact the City's tax revenue base, demand for services, access to federal and state grant funding, as well as depress the value of the City's investments in marketable securities. It is also possible that the City will incur additional, previously unbudgeted expenditures as a result of the pandemic. Furthermore, it is possible that the coronavirus pandemic may adversely impact the City's operations by limiting or restricting the City's ability to deploy its workforce effectively. Management has and is continuing to evaluate the impact of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the City's financial condition, results from operations and liquidity cannot be fully determined at this time.

**Note 14 - CARES Act**

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. The City received \$934,290 in payments from the Coronavirus Relief Fund (CRF), passed through the State of Alaska, for the year ended December 31, 2020. The City applied \$1,082,579 in CRF funding toward eligible expenditures in fiscal year 2020. The City continues to examine the impact that the CARES Act may have. Currently, the City is unable to determine the full impact that the CARES Act will have on the City's financial condition, results of operations, or liquidity.

**Note 15 - New Accounting Pronouncements**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Actual impacts have not yet been determined.

*GASB 83 - Certain Asset Retirement Obligations* - Effective for year-end December 31, 2021. This standard addresses accounting and financial reporting for certain asset retirement obligations (AROs), such as sewage treatment plants.

*GASB 87 - Leases* - Effective for year-end December 31, 2022, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. 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.

*GASB 89 - Accounting for Interest Cost Incurred Before the End of a Construction Period* - Effective for the year-end December 31, 2021, with earlier application encouraged - The statement establishes accounting requirements for the interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

**CITY OF SAINT PAUL, ALASKA**  
**Notes to Basic Financial Statements**  
Year Ended December 31, 2020

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**Note 15 - New Accounting Pronouncements, continued**

GASB 91 - *Conduit Debt Obligations* - Effective for year-end December 31, 2022, with earlier application encouraged - This statement seeks to provide a single method of reporting conduit debt obligations by issuers and eliminate the diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures 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 of 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. This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations.

GASB 92 - *Omnibus 2020* - Requirements related Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. Requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for year-end December 31, 2023. This statement addresses a variety of practice issues identified during implementation and application of certain GASB statements.

GASB 93 - *Replacement of Interbank Offered Rates* - Effective for year-end December 31, 2022, with earlier application encouraged - The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – Effective for year-end December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months. Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB 96 – *Subscription-Based Information Technology Arrangements* – Effective for year-end December 31, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32 – Effective for year-end December 31, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end December 31, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

## REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF SAINT PAUL, ALASKA**

**General Fund**

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

Year Ended December 31, 2020

Exhibit D-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Sales	\$ 392,450	\$ 392,450	\$ 402,878	\$ 10,428
Fish	1,911,248	1,911,248	1,827,855	(83,393)
Total Taxes	<u>2,303,698</u>	<u>2,303,698</u>	<u>2,230,733</u>	<u>(72,965)</u>
Intergovernmental:				
State fisheries taxes	848,473	848,473	849,722	1,249
State PERS relief	-	-	113,656	113,656
Federal payment in lieu of taxes	81,000	81,000	76,454	(4,546)
State revenue sharing	54,600	54,600	75,000	20,400
Remote sellers sales taxes	10,000	10,000	7,067	(2,933)
Total Intergovernmental	<u>994,073</u>	<u>994,073</u>	<u>1,121,899</u>	<u>127,826</u>
Charges for services:				
Building/housing revenue	118,500	118,500	194,137	75,637
Allocated administrative charges	649,675	649,675	649,675	-
Other contract and labor revenues	29,706	29,706	25,558	(4,148)
Total Charges for Services	<u>797,881</u>	<u>797,881</u>	<u>869,370</u>	<u>71,489</u>
Investment income	230,000	230,000	212,581	(17,419)
Other revenue	122,659	122,659	37,639	(85,020)
Total Revenues	<u>4,448,311</u>	<u>4,448,311</u>	<u>4,472,222</u>	<u>23,911</u>
Expenditures:				
General government	1,573,918	1,573,918	1,456,199	117,719
Public safety	1,166,416	1,166,416	1,125,204	41,212
Public works	1,388,686	1,388,686	1,194,801	193,885
Total Expenditures	<u>4,129,020</u>	<u>4,129,020</u>	<u>3,776,204</u>	<u>352,816</u>
Excess of Revenues Over Expenditures	319,291	319,291	696,018	376,727
Other Financing Uses:				
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>(1,840)</u>	<u>(1,840)</u>
Net Change in Fund Balance	<u>\$ 69,291</u>	<u>\$ 319,291</u>	694,178	<u>\$ 374,887</u>
Fund Balance, beginning			<u>7,686,475</u>	
Fund Balance, ending			<u>\$ 8,380,653</u>	

**CITY OF SAINT PAUL, ALASKA**

**Public Employees' Retirement System Pension Plan**

**Schedule of the City's Information on the Net Pension Liability**

Exhibit E-1

Year Ended December 31,	Measurement Period Ended June 30,	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 the Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	2020	0.05057%	\$ 2,984,091	\$ 1,235,203	\$ 4,219,294	\$ 1,892,842	157.65%	61.61%
2019	2019	0.04447%	2,434,625	967,561	3,402,186	1,594,495	152.69%	63.42%
2018	2018	0.03700%	1,838,340	533,475	2,371,815	1,369,752	134.21%	65.19%
2017	2017	0.04568%	2,361,271	880,458	3,241,729	1,191,633	198.15%	63.37%
2016	2016	0.05252%	2,935,604	367,692	3,303,296	1,421,459	206.52%	59.55%
2015	2015	0.06157%	2,986,268	800,510	3,786,778	1,623,160	233.03%	63.96%
2014	*	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*	*

\* Information not available for this period

**CITY OF SAINT PAUL, ALASKA**  
**Public Employees' Retirement System Pension Plan**  
**Schedule of City Contributions**

Exhibit E-2

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 217,971	\$ 217,971	\$ -	\$ 1,892,842	11.516%
2019	169,640	169,640	-	1,594,495	10.639%
2018	158,646	158,646	-	1,369,752	11.582%
2017	139,695	139,695	-	1,160,380	12.039%
2016	118,075	118,075	-	1,222,885	9.655%
2015	128,719	128,719	-	1,491,677	8.629%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*

\* Information not available for this period

**CITY OF SAINT PAUL, ALASKA**

**Public Employees' Retirement System OPEB Plan**

**Schedule of the City's Information on the Net OPEB Liability**

Exhibit E-3

Year Ended December 31,	Measurement Period Ended June 30,	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability (Assets)	State of Alaska Proportionate Share of the Net OPEB Liability (Assets)	Total Net OPEB Liability (Assets)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Assets) as a Percentage of the Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Assets)
<b>Alaska Retirement Healthcare Trust</b>								
2020	2020	0.05055%	\$ (228,924)	\$ (95,151)	\$ (324,075)	1,892,842	-12.09%	105.15%
2019	2019	0.04962%	66,175	26,146	92,321	1,594,495	4.15%	98.13%
2018	2018	0.03700%	379,695	110,950	490,645	1,369,752	27.72%	88.12%
2011 - 2017	*	*	*	*	*	*	*	*
<b>Retiree Medical Plan</b>								
2020	2020	0.09157%	6,495	-	6,495	1,892,842	0.34%	95.23%
2019	2019	0.08127%	19,443	-	19,443	1,594,495	1.22%	83.17%
2018	2018	0.06423%	8,173	-	8,173	1,369,752	0.60%	88.71%
2011 - 2017	*	*	*	*	*	*	*	*
<b>Occupational Death and Disability</b>								
2020	2020	0.10429%	(28,430)	-	(28,430)	1,892,842	-1.50%	283.80%
2019	2019	0.09570%	(23,203)	-	(23,203)	1,594,495	-1.46%	297.43%
2018	2018	0.06423%	(12,474)	-	(12,474)	1,369,752	-0.91%	270.62%
2011 - 2017	*	*	*	*	*	*	*	*

\* Information not available for this period



**CITY OF SAINT PAUL, ALASKA**  
**Public Employees' Retirement System OPEB Plan**  
**Schedule of City Contributions**

Exhibit E-4

Year Ended December 31,	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 Retirement Healthcare Trust</b>					
2020	\$ 59,226	\$ 59,226	-	\$ 1,892,842	3.129%
2019	64,898	64,898	-	1,594,495	4.070%
2018	51,411	51,411	-	1,369,752	3.753%
2011 - 2017	*	*	*	*	*
<b>Retiree Medical Plan</b>					
2020	17,336	17,336	-	1,892,842	0.916%
2019	12,981	12,981	-	1,594,495	0.814%
2018	8,561	8,561	-	1,369,752	0.625%
2011 - 2017	*	*	*	*	*
<b>Occupational Death and Disability</b>					
2020	5,286	5,286	-	1,892,842	0.279%
2019	4,263	4,263	-	1,594,495	0.267%
2018	2,834	2,834	-	1,369,752	0.207%
2011 - 2017	*	*	*	*	*

\* Information not available for this period

## CITY OF SAINT PAUL, ALASKA

### Notes to Required Supplemental Information

Year Ended December 31, 2020

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#### Note 1 - Budgetary Comparison Schedule

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 a first reading of a budget ordinance. Additional information regarding any significant changes in line items is provided.
- d. By the middle of December, the City Manager and Finance Director finalize the budget and present it to 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.

#### Note 2 - Public Employees' Retirement System Pension Plan

In accordance with GASB Statement 82, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based. Because a portion of the City's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both DB and DC).

Both tables are intended to present ten years of information. Additional year's information will be added to the schedules as it becomes available.

#### Schedule of City's Information on the Net Pension Liability

- This table is presented based on the Plan measurement date. For December 31, 2020, the Plan measurement date is June 30, 2020.
- There were no changes in benefit terms from the prior measurement period.
- There were no material changes in assumptions from the prior measurement period.
- There were no changes in allocation methodology.

## **CITY OF SAINT PAUL, ALASKA**

### **Notes to Required Supplemental Information**

Year Ended December 31, 2020

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#### **Note 2 - Public Employees' Retirement System Pension Plan, continued**

##### Schedule of City Contributions

This table is based on the City's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the Statements of Net Position.

#### **Note 3 - Public Employees' Retirement System OPEB Plan**

Both tables are intended to present ten years of information. Additional year's information will be added to the schedules as it becomes available.

##### Schedule of City's Information on the Net OPEB Liability

- This table is presented based on the Plan measurement date. For December 31, 2020, the Plan measurement date is June 30, 2020.
- There were no changes in benefit terms from the prior measurement period.
- There were no material changes in assumptions from the prior measurement period.
- There were no changes in allocation methodology.

##### Schedule of City Contributions

This table is based on the City's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the Statements of Net Position.

## SUPPLEMENTAL INFORMATION

**CITY OF SAINT PAUL, ALASKA**

**Nonmajor Governmental Funds**

**Balance Sheet**

December 31, 2020

Exhibit F-1

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	APUN	EDA Tech Assist	
<b>ASSETS</b>						
Cash Investments	\$ 309,386	\$ 1,627	\$ -	\$ -	\$ 6	\$ 311,019
Receivables	-	-	-	22,170	-	22,170
Total Assets	<u>\$ 309,386</u>	<u>\$ 1,627</u>	<u>\$ -</u>	<u>\$ 22,170</u>	<u>\$ 6</u>	<u>\$ 333,189</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 1,392	\$ 10,570	\$ -	\$ -	\$ 11,962
Accrued Expenses	-	-	1,340	-	-	1,340
Due to General Fund	-	-	68,339	22,170	-	90,509
Unearned Revenue	94,401	-	-	-	-	94,401
Total Liabilities	<u>94,401</u>	<u>1,392</u>	<u>80,249</u>	<u>22,170</u>	<u>-</u>	<u>198,212</u>
Fund Balances:						
Committed	214,985	235	-	-	6	215,226
Unassigned	-	-	(80,249)	-	-	(80,249)
Total Fund Balances	<u>214,985</u>	<u>235</u>	<u>(80,249)</u>	<u>-</u>	<u>6</u>	<u>134,977</u>
Total Liabilities and Fund Balances	<u>\$ 309,386</u>	<u>\$ 1,627</u>	<u>\$ -</u>	<u>\$ 22,170</u>	<u>\$ 6</u>	<u>\$ 333,189</u>

**CITY OF SAINT PAUL, ALASKA**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Year Ended December 31, 2020

Exhibit F-2

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	APUN	EDA Tech Assist	
Revenues:						
Intergovernmental	\$ -	\$ 29,706	\$ 169	\$ 276	\$ 120	\$ 30,271
City fines	-	-	-	22,170	-	22,170
<b>Total Revenue</b>	<b>-</b>	<b>29,706</b>	<b>169</b>	<b>22,446</b>	<b>120</b>	<b>52,441</b>
Operating Expenses:						
Salaries and wages	-	6,462	16,631	3,571	1,386	28,050
Employee benefits	-	2,449	2,352	1,353	568	6,722
Material and supplies	-	10,028	8,653	3,420	-	22,101
Repairs and maintenance	-	40,829	-	-	-	40,829
Utilities	-	-	1,963	-	-	1,963
Legal and consulting	-	-	37,645	-	-	37,645
Other general and administrative costs	-	-	13,174	10,080	-	23,254
Capital outlay	-	11,098	-	4,022	-	15,120
<b>Total Operating Expenses</b>	<b>-</b>	<b>70,866</b>	<b>80,418</b>	<b>22,446</b>	<b>1,954</b>	<b>175,684</b>
Transfers In	-	41,395	-	-	1,840	43,235
Net Change in Fund Balances	-	235	(80,249)	-	6	(80,008)
Fund Balances, beginning	214,985	-	-	-	-	214,985
Fund Balances, ending	\$ 214,985	\$ 235	\$ (80,249)	\$ -	\$ 6	\$ 134,977

**CITY OF SAINT PAUL, ALASKA**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Net Position**  
December 31, 2020

Exhibit G-1

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 442,512	\$ 115	\$ 60,356	\$ 502,983
Accounts receivable	17,723	-	-	17,723
Inventory	21,992	-	-	21,992
Total Current Assets	<u>482,227</u>	<u>115</u>	<u>60,356</u>	<u>542,698</u>
Noncurrent Asset - Net other postemployment benefits asset	269	-	779	1,048
Property, Plant and Equipment:				
Machinery and equipment	46,708	-	-	46,708
Accumulated depreciation	(41,975)	-	-	(41,975)
Net Property, Plant and Equipment	<u>4,733</u>	<u>-</u>	<u>-</u>	<u>4,733</u>
Total Assets	<u>487,229</u>	<u>115</u>	<u>61,135</u>	<u>548,479</u>
Deferred Outflows of Resources:				
Pension related	343	-	992	1,335
Other postemployment benefits related	164	-	475	639
Total Deferred Outflows of Resources	<u>507</u>	<u>-</u>	<u>1,467</u>	<u>1,974</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 487,736</u>	<u>\$ 115</u>	<u>\$ 62,602</u>	<u>\$ 550,453</u>
<b>LIABILITIES</b>				
Current Liabilities -				
Accounts payable	\$ 4	\$ -	\$ -	\$ 4
Noncurrent Liabilities -				
Net pension liability	3,201	-	9,264	12,465
Total Liabilities	<u>3,205</u>	<u>-</u>	<u>9,264</u>	<u>12,469</u>
Deferred Inflows of Resources -				
Other postemployment benefits related	228	-	659	887
Total Deferred Inflows of Resources	<u>228</u>	<u>-</u>	<u>659</u>	<u>887</u>
Net Position:				
Net investment in capital assets	4,733	-	-	4,733
Unrestricted	479,570	115	52,679	532,364
Total Net Position	<u>484,303</u>	<u>115</u>	<u>52,679</u>	<u>537,097</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 487,736</u>	<u>\$ 115</u>	<u>\$ 62,602</u>	<u>\$ 550,453</u>

**CITY OF SAINT PAUL, ALASKA**

**Nonmajor Enterprise Funds**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

Year Ended December 31, 2020

Exhibit G-2

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
<b>Operating Revenues:</b>				
Operating revenues	\$ 84,494	\$ -	\$ 56,517	\$ 141,011
Cost of goods sold	(21,799)	-	-	(21,799)
<b>Net Operating Revenues</b>	<b>62,695</b>	<b>-</b>	<b>56,517</b>	<b>119,212</b>
<b>Operating Expenses:</b>				
Salaries and wages	1,848	-	5,223	7,071
Employee benefits	(3,407)	-	9,476	6,069
Material and supplies	4,357	-	-	4,357
Fuel and utilities	40	-	-	40
Depreciation	1,721	-	-	1,721
Insurance	16,236	-	-	16,236
Administrative cost allocation	19,490	-	-	19,490
Other general and administrative costs	408	-	-	408
<b>Total Operating Expenses</b>	<b>40,693</b>	<b>-</b>	<b>14,699</b>	<b>55,392</b>
<b>Operating Income (Loss)</b>	<b>22,002</b>	<b>-</b>	<b>41,818</b>	<b>63,820</b>
<b>Nonoperating Revenues:</b>				
State PERS relief	164	-	474	638
Investment income	11,944	-	-	11,944
Miscellaneous income	6,360	-	-	6,360
<b>Total Nonoperating Revenues</b>	<b>18,468</b>	<b>-</b>	<b>474</b>	<b>18,942</b>
<b>Change in Net Position</b>	<b>40,470</b>	<b>-</b>	<b>42,292</b>	<b>82,762</b>
Net Position, beginning	443,833	115	10,387	454,335
Net Position, ending	<u>\$ 484,303</u>	<u>\$ 115</u>	<u>\$ 52,679</u>	<u>\$ 537,097</u>



**CITY OF SAINT PAUL, ALASKA**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
Year Ended December 31, 2020

Exhibit G-3

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers and users	\$ 69,238	\$ -	\$ 56,517	\$ 125,755
Payments for interfund service used	(19,490)	-	-	(19,490)
Payments to suppliers	(43,238)	-	-	(43,238)
Payments to employees	(2,578)	-	(7,255)	(9,833)
<b>Net Cash Flows from Operating Activities</b>	<u>3,932</u>	<u>-</u>	<u>49,262</u>	<u>53,194</u>
<b>Cash Flows from Noncapital Financial Activities -</b>				
Miscellaneous revenue	<u>6,360</u>	<u>-</u>	<u>-</u>	<u>6,360</u>
<b>Cash Flows from Investing Activities -</b>				
Investment income received	<u>11,944</u>	<u>-</u>	<u>-</u>	<u>11,944</u>
<b>Net Increase in Cash and Investments</b>	22,236	-	49,262	71,498
Cash and Investments, beginning	<u>420,276</u>	<u>115</u>	<u>11,094</u>	<u>431,485</u>
Cash and Investments, ending	<u>\$ 442,512</u>	<u>\$ 115</u>	<u>\$ 60,356</u>	<u>\$ 502,983</u>
<b>Reconciliation of Operating Income to Net Cash</b>				
<b>Flows for Operating Activities:</b>				
Operating income	\$ 22,002	\$ -	\$ 41,818	\$ 63,820
<b>Adjustments to reconcile operating income to net cash flows from operating activities:</b>				
Depreciation	1,721	-	-	1,721
Noncash expense - PERS relief	164	-	474	638
<b>(Increase) decrease in assets and deferred outflows of resources:</b>				
Accounts receivable	(15,256)	-	-	(15,256)
Inventory	(399)	-	-	(399)
Deferred outflows of resources - pension related	678	-	(906)	(228)
Deferred outflows of resources - other postemployment benefits related	479	-	(421)	58
<b>Increase (decrease) in liabilities and deferred inflows of resources:</b>				
Accounts payable	1	-	-	1
Accrued liabilities	-	-	(119)	(119)
Net pension liability	(4,749)	-	8,592	3,843
Net other postemployment benefits liability	(473)	-	(796)	(1,269)
Deferred inflows of resources - pension related	(118)	-	(10)	(128)
Deferred inflows of resources - other postemployment benefits related	(118)	-	630	512
<b>Net Cash Flows for Operating Activities</b>	<u>\$ 3,932</u>	<u>\$ -</u>	<u>\$ 49,262</u>	<u>\$ 53,194</u>

**CITY OF SAINT PAUL, ALASKA****General Fund****Balance Sheets**

December 31, 2020 and 2019

Exhibit H-1

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Investments	\$ <u>7,273,485</u>	\$ <u>7,044,680</u>
Receivables:		
Accounts	-	10,406
Taxes	48,461	29,586
Interest	<u>16,690</u>	<u>25,603</u>
Total Receivables	65,151	65,595
Allowance for doubtful accounts	<u>(8,768)</u>	<u>(8,142)</u>
Net Receivables	<u>56,383</u>	<u>57,453</u>
Due from Other Funds	226,073	-
Advances from Other Funds	1,738,629	1,455,544
Inventory	<u>45,674</u>	<u>46,435</u>
Total Assets	\$ <u><u>9,340,244</u></u>	\$ <u><u>8,604,112</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Accounts Payable	\$ 68,312	\$ 86,353
Accrued Liabilities	180,699	122,664
Customer Deposits	22,835	21,235
Unearned Revenue	<u>687,745</u>	<u>687,385</u>
Total Liabilities	<u>959,591</u>	<u>917,637</u>
Fund Balance:		
Nonspendable	1,784,303	1,501,979
Unassigned	<u>6,596,350</u>	<u>6,184,496</u>
Total Fund Balance	<u>8,380,653</u>	<u>7,686,475</u>
Total Liabilities and Fund Balance	\$ <u><u>9,340,244</u></u>	\$ <u><u>8,604,112</u></u>

**CITY OF SAINT PAUL, ALASKA**

**General Fund**

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

Years Ended December 31, 2020 and 2019

Exhibit H-2

	2020			2019
	Budget	Actual	Variance with Final Budget	Actual
Revenues:				
Taxes:				
Sales	\$ 392,450	\$ 402,878	\$ 10,428	\$ 407,856
Fish	1,911,248	1,827,855	(83,393)	1,655,960
Total Taxes	<u>2,303,698</u>	<u>2,230,733</u>	<u>(72,965)</u>	<u>2,063,816</u>
Intergovernmental:				
State liquor licenses	-	-	-	4,000
State fisheries taxes	848,473	849,722	1,249	595,139
State PERS relief	-	113,656	113,656	80,056
Federal payment in lieu of taxes	81,000	76,454	(4,546)	81,593
State revenue - sharing	54,600	75,000	20,400	80,523
Remote sellers sales taxes	10,000	7,067	(2,933)	-
Total Intergovernmental	<u>994,073</u>	<u>1,121,899</u>	<u>127,826</u>	<u>841,311</u>
Charges for services:				
Building/housing revenue	118,500	194,137	75,637	113,354
Allocated administrative charges	649,675	649,675	-	508,794
Other contract and labor revenues	29,706	25,558	(4,148)	34,792
Total Charges from Services	<u>797,881</u>	<u>869,370</u>	<u>71,489</u>	<u>656,940</u>
Investment income	230,000	212,581	(17,419)	266,000
Other revenue	122,659	37,639	(85,020)	154,737
Total Revenues	<u>4,448,311</u>	<u>4,472,222</u>	<u>23,911</u>	<u>3,982,804</u>
Expenditures:				
General government:				
Mayor and council:				
Salaries and wages	15,960	11,468	4,492	4,965
Employee benefits	2,563	1,815	748	803
Material and supplies	125	72	53	6,435
Fuel, utilities and telephone	4,815	2,299	2,516	2,171
Other services and charges	43,319	49,503	(6,184)	35,004
Total Mayor and Council	<u>66,782</u>	<u>65,157</u>	<u>1,625</u>	<u>49,378</u>

**CITY OF SAINT PAUL, ALASKA**

**General Fund**

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

Years Ended December 31, 2020 and 2019

Exhibit H-2, cont.

	2020			2019
	Budget	Actual	Variance with Final Budget	Actual
Expenditures, continued:				
General government, continued:				
City manager:				
Salaries and wages	\$ 128,137	\$ 85,569	\$ 42,568	\$ 119,427
Employee benefits	51,410	42,475	8,935	55,027
Material and supplies	550	866	(316)	4,397
Fuel, utilities and telephone	3,022	3,161	(139)	3,181
Repairs and maintenance	630	966	(336)	2,633
Insurance	546	581	(35)	544
Legal and consulting	191,750	197,164	(5,414)	262,572
Other services and charges	24,590	15,802	8,788	22,728
Total City Manager	<u>400,635</u>	<u>346,584</u>	<u>54,051</u>	<u>470,509</u>
City clerk:				
Salaries and wages	83,101	72,896	10,205	61,192
Employee benefits	39,768	36,956	2,812	33,751
Material and supplies	1,335	3,301	(1,966)	3,919
Fuel, utilities and telephone	2,660	3,616	(956)	3,145
Insurance	269	-	269	(158)
Other services and charges	9,660	6,682	2,978	15,628
Total City Clerk	<u>136,793</u>	<u>123,451</u>	<u>13,342</u>	<u>117,477</u>
Finance:				
Salaries and wages	311,228	245,596	65,632	249,072
Employee benefits	111,074	125,020	(13,946)	116,255
Material and supplies	6,655	6,674	(19)	14,066
Fuel, utilities and telephone	9,552	11,476	(1,924)	10,825
Repairs and maintenance	-	34	(34)	-
Insurance	837	683	154	440
Legal and consulting	2,800	1,121	1,679	10,645
Other services and charges	148,271	105,812	42,459	114,927
Capital outlay	-	34,529	(34,529)	-
Total Finance	<u>590,417</u>	<u>530,945</u>	<u>59,472</u>	<u>516,230</u>

**CITY OF SAINT PAUL, ALASKA**

**General Fund**

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

Years Ended December 31, 2020 and 2019

Exhibit H-2, cont.

	2020		Variance with Final Budget	2019
	Budget	Actual		Actual
Expenditures, continued:				
General government, continued:				
Housing:				
Salaries and wages	\$ 16,548	\$ 17,359	\$ (811)	\$ 15,298
Employee benefits	5,143	6,627	(1,484)	5,643
Material and supplies	10,150	10,736	(586)	2,387
Fuel, utilities and telephone	53,216	51,040	2,176	48,053
Repairs and maintenance	17,158	14,760	2,398	9,052
Insurance	19,579	20,290	(711)	16,254
Other services and charges	11,125	10,302	823	17,481
Capital outlay	29,000	11,839	17,161	3,720
Total Housing	<u>161,919</u>	<u>142,953</u>	<u>18,966</u>	<u>117,888</u>
Nondepartmental:				
Salaries and wages	-	72,000	(72,000)	-
Employee benefits	-	6,940	(6,940)	-
Material and supplies	180	3,501	(3,321)	26,662
Insurance	42,808	45,738	(2,930)	46,110
Legal and consulting	116,224	84,818	31,406	93,956
Other services and charges	58,160	34,112	24,048	74,639
Total Nondepartmental	<u>217,372</u>	<u>247,109</u>	<u>(29,737)</u>	<u>241,367</u>
Total General Government	<u>1,573,918</u>	<u>1,456,199</u>	<u>117,719</u>	<u>1,512,849</u>
Public safety:				
Salaries and wages	610,920	584,919	26,001	445,852
Employee benefits	282,914	304,161	(21,247)	209,821
Material and supplies	15,160	44,855	(29,695)	85,250
Fuel, utilities and telephone	39,232	41,497	(2,265)	41,784
Insurance	24,738	28,343	(3,605)	23,386
Other services and charges	58,816	63,795	(4,979)	75,190
Capital outlay	134,636	57,634	77,002	35,770
Total Public Safety	<u>1,166,416</u>	<u>1,125,204</u>	<u>41,212</u>	<u>917,053</u>
Public works:				
Machine shop and motor pool:				
Salaries and wages	116,851	97,589	19,262	102,699
Employee benefits	59,526	64,916	(5,390)	64,149
Material and supplies	16,984	14,132	2,852	14,489
Fuel, utilities and telephone	15,813	17,140	(1,327)	15,890
Repairs and maintenance	23,640	2,059	21,581	9,109
Insurance	20,790	24,921	(4,131)	20,315
Other services and charges	17,905	26,520	(8,615)	20,467
Capital outlay	-	-	-	5,689
Total Machine Shop and Motor Pool	<u>271,509</u>	<u>247,277</u>	<u>24,232</u>	<u>252,807</u>

**CITY OF SAINT PAUL, ALASKA**

**General Fund**

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

Years Ended December 31, 2020 and 2019

Exhibit H-2, cont.

	2020		Variance with Final Budget	2019
	Budget	Actual		Actual
Expenditures, continued:				
Public works, continued:				
Maintenance and labor pool:				
Salaries and wages	\$ 311,422	\$ 280,748	\$ 30,674	\$ 222,874
Employee benefits	120,143	119,898	245	82,432
Material and supplies	25,900	43,904	(18,004)	33,043
Fuel, utilities and telephone	68,156	108,215	(40,059)	100,215
Repairs and maintenance	146,573	51,386	95,187	28,536
Insurance	49,060	57,279	(8,219)	46,904
Other services and charges	5,212	9,990	(4,778)	17,627
Capital outlay	27,457	35,342	(7,885)	43,829
Total Maintenance and Labor Pool	<u>753,923</u>	<u>706,762</u>	<u>47,161</u>	<u>575,460</u>
Administration:				
Salaries and wages	226,129	121,784	104,345	137,980
Employee benefits	79,929	57,407	22,522	61,677
Material and supplies	4,000	1,622	2,378	4,358
Fuel, utilities and telephone	19,330	17,481	1,849	21,887
Repairs and maintenance	-	106	(106)	-
Insurance	684	574	110	428
Other services and charges	5,725	7,259	(1,534)	23,817
Capital outlay	27,457	34,529	(7,072)	-
Total Administration	<u>363,254</u>	<u>240,762</u>	<u>122,492</u>	<u>250,147</u>
Total Public Works	<u>1,388,686</u>	<u>1,194,801</u>	<u>193,885</u>	<u>1,078,414</u>
Total Expenditures	<u>4,129,020</u>	<u>3,776,204</u>	<u>352,816</u>	<u>3,508,316</u>
Excess of Revenues Over Expenditures	319,291	696,018	376,727	474,488
Other Financing Uses:				
Transfers out	<u>-</u>	<u>(1,840)</u>	<u>(1,840)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 319,291</u>	694,178	<u>\$ 374,887</u>	474,488
Fund Balance, beginning		<u>7,686,475</u>		<u>7,211,987</u>
Fund Balance, ending		<u>\$ 8,380,653</u>		<u>\$ 7,686,475</u>

**CITY OF SAINT PAUL, ALASKA**

**Coronavirus Relief Fund**

**Balance Sheet**

December 31, 2020

Exhibit H-3

**ASSETS**

Receivables:

Intergovernmental \$ 148,289

Prepaid Expenses 39,979

Total Assets \$ 188,268

**LIABILITIES AND FUND BALANCES**

Accounts Payable \$ 51,897

Accrued Liabilities 807

Due to Other Funds 135,564

Total Liabilities 188,268

Fund Balance:

Committed -

Total Liabilities and Fund Balance \$ 188,268

**CITY OF SAINT PAUL, ALASKA**

**Coronavirus Relief Fund**

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

Year Ended December 31, 2020

Exhibit H-4

Revenues:

Intergovernmental \$ 1,089,923

Operating Expenses:

Salaries and wages 243,218

Employee benefits 37,161

Material and supplies 534,851

Repairs and maintenance 11,780

Utilities 999

Other general and administrative costs 146,869

Legal and consulting 76,558

Capital outlay 38,487

Total Operating Expenses 1,089,923

Net Change in Fund Balances -

Fund Balances, beginning -

Fund Balances, ending \$ -



**CITY OF SAINT PAUL, ALASKA**  
**Electric Utility Enterprise Fund**  
**Statements of Net Position**  
December 31, 2020 and 2019

Exhibit I-1

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 5,787,243	\$ 6,054,826
Receivables:		
Accounts	161,940	150,385
Intergovernmental	52,484	37,022
Allowance for doubtful accounts	(3,067)	(705)
Inventory	<u>57,036</u>	<u>57,865</u>
Total Current Assets	<u>6,055,636</u>	<u>6,299,393</u>
Net Other Postemployment Benefits Asset	20,497	-
Property, Plant and Equipment:		
Buildings	3,091,433	3,091,433
Machinery and equipment	572,955	598,279
Plant in service	3,211,312	3,233,168
Construction in progress	<u>938,371</u>	<u>765,884</u>
Total Property, Plant and Equipment	7,814,071	7,688,764
Accumulated depreciation	<u>(4,144,660)</u>	<u>(4,030,303)</u>
Net Property, Plant and Equipment	<u>3,669,411</u>	<u>3,658,461</u>
Total Assets	<u>9,745,544</u>	<u>9,957,854</u>
Deferred Outflows of Resources:		
Pension related	26,117	20,505
Other postemployment benefits related	<u>12,512</u>	<u>12,924</u>
Total Deferred Outflows of Resources	<u>38,629</u>	<u>33,429</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,784,173</u>	<u>\$ 9,991,283</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 84,362	\$ 18,295
Accrued liabilities	4,737	1,391
Accrued leave	2,103	2,009
Customer deposits	33,911	31,215
Current portion of revenue bonds	<u>97,883</u>	<u>97,654</u>
Total Current Liabilities	<u>222,996</u>	<u>150,564</u>
Noncurrent Liabilities, net of current portion:		
Revenue bonds, net of unamortized discount of \$15,427 in 2020 (\$25,463 in 2019)	181,459	269,306
Net pension liability	243,818	159,738
Net other postemployment benefits liability	<u>-</u>	<u>4,095</u>
Total Noncurrent Liabilities	<u>425,277</u>	<u>433,139</u>
Total Liabilities	<u>648,273</u>	<u>583,703</u>
Deferred Inflows of Resources:		
Pension related	-	2,365
Other postemployment benefits related	<u>17,346</u>	<u>6,955</u>
Total Deferred Inflows of Resources	<u>17,346</u>	<u>9,320</u>
Net Position:		
Net investment in capital assets	3,390,069	3,291,501
Unrestricted	<u>5,728,485</u>	<u>6,106,759</u>
Total Net Position	<u>9,118,554</u>	<u>9,398,260</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,784,173</u>	<u>\$ 9,991,283</u>

**CITY OF SAINT PAUL, ALASKA**  
**Electric Utility Enterprise Fund**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended December 31, 2020 and 2019

Exhibit I-2

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Electric services	\$ <u>1,287,859</u>	\$ <u>1,301,225</u>
Operating Expenses:		
Salaries and wages	148,175	103,027
Employee benefits	138,512	(31,871)
Material and supplies	84,069	36,466
Fuel and utilities	789,821	801,397
Depreciation	175,145	168,395
Repairs and maintenance	6,066	38,520
Insurance	31,106	24,932
Legal and consulting	62,395	143,336
Administrative cost allocation	181,909	164,752
Other services and charges	<u>44,572</u>	<u>24,659</u>
Total Operating Expenses	<u>1,661,770</u>	<u>1,473,613</u>
Operating Loss	<u>(373,911)</u>	<u>(172,388)</u>
Nonoperating Revenues (Expenses):		
State PERS relief	12,466	6,878
Investment income	156,209	205,153
Interest expense	(10,997)	(13,549)
Miscellaneous revenue	<u>-</u>	<u>561</u>
Net Nonoperating Revenues	<u>157,678</u>	<u>199,043</u>
Income (Loss) Before Transfers	(216,233)	26,655
Transfers Out	<u>63,473</u>	<u>-</u>
Change in Net Position	(279,706)	26,655
Net Position, beginning	<u>9,398,260</u>	<u>9,371,605</u>
Net Position, ending	<u>\$ <u>9,118,554</u></u>	<u>\$ <u>9,398,260</u></u>

**CITY OF SAINT PAUL, ALASKA**

**Electric Utility Enterprise Fund**

**Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-3

	<u>2020</u>	<u>2019</u>
Cash Flows from (for) Operating Activities:		
Receipts from customers and users	\$ 1,263,538	\$ 1,318,027
Payments for interfund services used	(181,909)	(164,752)
Payments to suppliers	(945,425)	(1,068,510)
Payments to employees	<u>(211,813)</u>	<u>(143,777)</u>
Net Cash Flows for Operating Activities	<u>(75,609)</u>	<u>(59,012)</u>
Cash Flows for Noncapital Financing Activities:		
Miscellaneous revenue	-	561
Transfers out	<u>(41,395)</u>	<u>-</u>
Net Cash Flows for Noncapital Financing Activities	<u>(41,395)</u>	<u>561</u>
Cash Flows for Capital and Related Financing Activities:		
Purchases of capital assets	(208,173)	(359,181)
Principal paid	(97,654)	(97,431)
Interest paid	<u>(961)</u>	<u>(1,183)</u>
Net Cash Flows for Capital and Related Financing Activities	<u>(306,788)</u>	<u>(457,795)</u>
Cash Flows from Investing Activities:		
Investment income received	<u>156,209</u>	<u>205,153</u>
Net Decrease in Cash and Investments	(267,583)	(311,093)
Cash and Investments, beginning	<u>6,054,826</u>	<u>6,365,919</u>
Cash and Investments, ending	<u>\$ 5,787,243</u>	<u>\$ 6,054,826</u>
Reconciliation of Operating Loss to		
Net Cash Flows from Operating Activities:		
Operating loss	\$ (373,911)	\$ (172,388)
Adjustments to reconcile operating loss		
to net cash flows from operating activities:		
Depreciation	175,145	168,395
Noncash expense - PERS relief	12,466	6,878
Increase in allowance for doubtful accounts	2,362	-
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(27,017)	23,197
Inventory	829	(4,557)
Deferred outflows of resources - pension related	(5,612)	(9,617)
Deferred outflows of resources - other postemployment benefits related	412	(4,184)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	66,067	4,498
Accrued liabilities	3,346	859
Accrued leave	94	591
Customer deposits	2,696	(6,395)
Net pension liability	84,080	(7,421)
Net other postemployment benefits liability/asset	(24,592)	(30,039)
Deferred inflows of resources - pension related	(2,365)	(17,660)
Deferred inflows of resources - other postemployment benefits related	<u>10,391</u>	<u>(11,169)</u>
Net Cash Flows for Operating Activities	<u>\$ (75,609)</u>	<u>\$ (59,012)</u>
Noncash Capital and Related Financing Activities:		
Transfer of capital asset to general government	<u>\$ 22,078</u>	<u>\$ -</u>

**CITY OF SAINT PAUL, ALASKA**  
**Water and Sewer Utility Enterprise Fund**  
**Statements of Net Position**  
December 31, 2020 and 2019

Exhibit I-4

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Receivables:		
Accounts	\$ 43,553	\$ 49,527
Allowance for doubtful accounts	<u>(782)</u>	<u>(606)</u>
Total Current Assets	<u>42,771</u>	<u>48,921</u>
Net Other Postemployment Benefits Asset	9,992	-
Property, Plant and Equipment:		
Land	1,236	1,236
Buildings	176,565	176,565
Machinery and equipment	150,352	150,352
Construction in progress	14,574	14,574
Plant in service	<u>10,216,246</u>	<u>10,216,246</u>
Total Property, Plant and Equipment	10,558,973	10,558,973
Accumulated depreciation	<u>(6,781,862)</u>	<u>(6,460,836)</u>
Net Property, Plant and Equipment	<u>3,777,111</u>	<u>4,098,137</u>
Total Assets	<u>3,829,874</u>	<u>4,147,058</u>
Deferred Outflows of Resources:		
Pension related	12,731	14,894
Other postemployment benefits related	<u>6,099</u>	<u>9,387</u>
Total Deferred Outflows of Resources	<u>18,830</u>	<u>24,281</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,848,704</u>	<u>\$ 4,171,339</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 6,295	\$ 630
Unearned revenue	4,157	4,157
Accrued liabilities	5,271	6,781
Accrued leave	<u>5,318</u>	<u>5,094</u>
Total Current Liabilities	<u>21,041</u>	<u>16,662</u>
Noncurrent Liabilities:		
Advances from other funds	397,233	353,512
Net pension liability	118,851	116,023
Net other postemployment benefits liability	<u>-</u>	<u>2,974</u>
Total Noncurrent Liabilities	<u>516,084</u>	<u>472,509</u>
Total Liabilities	<u>537,125</u>	<u>489,171</u>
Deferred Inflows of Resources:		
Pension related	-	1,718
Other postemployment benefits related	<u>8,456</u>	<u>5,052</u>
Total Deferred Inflows of Resources	<u>8,456</u>	<u>6,770</u>
Net Position:		
Net investment in capital assets	3,777,111	4,098,137
Unrestricted (deficit)	<u>(473,988)</u>	<u>(422,739)</u>
Total Net Position	<u>3,303,123</u>	<u>3,675,398</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,848,704</u>	<u>\$ 4,171,339</u>

**CITY OF SAINT PAUL, ALASKA**  
**Water and Sewer Utility Enterprise Fund**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended December 31, 2020 and 2019

Exhibit I-5

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Water services	\$ 249,166	\$ 269,047
Sewer services	<u>126,570</u>	<u>135,098</u>
Total Operating Revenues	<u>375,736</u>	<u>404,145</u>
Operating Expenses:		
Salaries and wages	77,640	84,379
Employee benefits	32,695	29,578
Material and supplies	18,026	17,286
Fuel and utilities	49,821	45,231
Depreciation	321,026	359,836
Repairs and maintenance	64,548	15,288
Insurance	20,425	9,890
Administrative cost allocation	168,915	87,222
Contractors and consulting services	11,403	47,103
Miscellaneous	<u>6,569</u>	<u>13,057</u>
Total Operating Expenses	<u>771,068</u>	<u>708,870</u>
Operating Loss	(395,332)	(304,725)
Nonoperating Revenues (Expenses):		
State PERS relief	6,077	4,995
Miscellaneous revenue	16,980	2,090
Loss on sale of capital assets	<u>-</u>	<u>(38)</u>
Net Nonoperating Revenues	<u>23,057</u>	<u>7,047</u>
Change in Net Position	(372,275)	(297,678)
Net Position, beginning	<u>3,675,398</u>	<u>3,973,076</u>
Net Position, ending	<u>\$ 3,303,123</u>	<u>\$ 3,675,398</u>

**CITY OF SAINT PAUL, ALASKA**  
**Water and Sewer Utility Enterprise Fund**  
**Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-6

	<u>2020</u>	<u>2019</u>
Cash Flows from (for) Operating Activities:		
Receipts from customers and users	\$ 381,710	\$ 380,838
Payments for interfund services used	(168,915)	(87,222)
Payments to suppliers	(166,461)	(149,819)
Payments to employees	(107,035)	(111,697)
	<u>(60,701)</u>	<u>32,100</u>
Net Cash Flows from (for) Operating Activities		
Cash Flows from Noncapital Financing Activities:		
Miscellaneous revenue	16,980	2,090
Increase in advances from other funds	43,721	85,906
	<u>60,701</u>	<u>87,996</u>
Net Cash Flows from Noncapital Financing Activities		
Cash Flows from (for) Capital and Related Financing Activities:		
Purchases of capital assets	-	(121,958)
Proceeds from sale of capital assets	-	1,862
	<u>-</u>	<u>(120,096)</u>
Net Cash Flows for Capital and Related Financing Activities		
Net Increase in Cash and Investments	-	-
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	\$ (395,332)	\$ (304,725)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	321,026	359,836
Noncash expense - PERS relief	6,077	4,995
Increase in allowance for doubtful accounts	176	-
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	5,974	(23,307)
Deferred outflows of resources - pension related	2,163	(9,669)
Deferred outflows of resources - other postemployment benefits related	3,288	(5,193)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	5,665	(5,854)
Accrued liabilities	(1,510)	3,890
Accrued leave	224	1,260
Net pension liability	2,828	35,808
Net other postemployment benefits liability	(12,966)	(13,406)
Deferred inflows of resources - pension related	(1,718)	(7,891)
Deferred inflows of resources - other postemployment benefits related	3,404	(3,644)
	<u>(60,701)</u>	<u>32,100</u>
Net Cash Flows from (for) Operating Activities		

**CITY OF SAINT PAUL, ALASKA****Marine Sales Enterprise Fund****Statements of Net Position**

December 31, 2020 and 2019

Exhibit I-7

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 442,512	\$ 420,276
Accounts receivable	17,723	2,467
Inventory	<u>21,992</u>	<u>21,593</u>
Total Current Assets	<u>482,227</u>	<u>444,336</u>
Net Other Postemployment Benefits Asset	269	-
Property, Plant and Equipment:		
Machinery and equipment	46,708	46,708
Accumulated depreciation	<u>(41,975)</u>	<u>(40,254)</u>
Net Property, Plant and Equipment	<u>4,733</u>	<u>6,454</u>
Total Assets	<u>487,229</u>	<u>450,790</u>
Deferred Outflows of Resources:		
Pension related	343	1,021
Other postemployment benefits related	<u>164</u>	<u>643</u>
Total Deferred Outflows of Resources	<u>507</u>	<u>1,664</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 487,736</u>	<u>\$ 452,454</u>
<b>LIABILITIES</b>		
Current Liabilities - accounts payable	\$ <u>4</u>	\$ <u>3</u>
Noncurrent Liabilities:		
Net pension liability	3,201	7,950
Net other postemployment benefits liability	<u>-</u>	<u>204</u>
Total Noncurrent Liabilities	<u>3,201</u>	<u>8,154</u>
Total Liabilities	<u>3,205</u>	<u>8,157</u>
Deferred Inflows of Resources:		
Pension related	-	118
Other postemployment benefits related	<u>228</u>	<u>346</u>
Total Deferred Inflows of Resources	<u>228</u>	<u>464</u>
Net Position:		
Net investment in capital assets	4,733	6,454
Unrestricted	<u>479,570</u>	<u>437,379</u>
Total Net Position	<u>484,303</u>	<u>443,833</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 487,736</u>	<u>\$ 452,454</u>

**CITY OF SAINT PAUL, ALASKA****Marine Sales Enterprise Fund****Statements of Revenues, Expenses and Changes in Net Position**

Years Ended December 31, 2020 and 2019

Exhibit I-8

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Operating revenues - fuel sales	\$ 84,494	\$ 65,725
Cost of goods sold	<u>(21,799)</u>	<u>(19,788)</u>
Net Operating Revenues	<u>62,695</u>	<u>45,937</u>
Operating Expenses:		
Salaries and wages	1,848	5,148
Employee benefits	(3,407)	8,897
Material and supplies	4,357	4,028
Fuel and utilities	40	24
Insurance	16,236	12,973
Administrative cost allocation	19,490	14,537
Other general and administrative costs	408	6,466
Depreciation	<u>1,721</u>	<u>1,721</u>
Total Operating Expenses	<u>40,693</u>	<u>53,794</u>
Operating Income (Loss)	22,002	(7,857)
Nonoperating Revenues:		
State PERS relief	164	342
Investment income	11,944	14,240
Miscellaneous income	<u>6,360</u>	<u>-</u>
Total Nonoperating Revenues	<u>18,468</u>	<u>14,582</u>
Change in Net Position	40,470	6,725
Net Position, beginning	<u>443,833</u>	<u>437,108</u>
Net Position, ending	<u>\$ 484,303</u>	<u>\$ 443,833</u>



**CITY OF SAINT PAUL, ALASKA****Marine Sales Enterprise Fund****Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-9

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 69,238	\$ 66,144
Payments for interfund services used	(19,490)	(14,537)
Payments to suppliers	(43,238)	(42,765)
Payments to employees	<u>(2,578)</u>	<u>(7,157)</u>
Net Cash Flows from Operating Activities	<u>3,932</u>	<u>1,685</u>
Cash Flows from Noncapital Financing Activities -		
Miscellaneous revenue	<u>6,360</u>	<u>-</u>
Cash Flows from Investing Activities -		
Investment income received	<u>11,944</u>	<u>14,240</u>
Net Increase in Cash and Investments	22,236	15,925
Cash and Investments, beginning	<u>420,276</u>	<u>404,351</u>
Cash and Investments, ending	<u>\$ 442,512</u>	<u>\$ 420,276</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Flows from (for) Operating Activities:		
Operating income (loss)	\$ 22,002	\$ (7,857)
Adjustments to reconcile operating income (loss)		
to net cash flows from (for) operating activities:		
Depreciation	1,721	1,721
Noncash expense - PERS relief	164	342
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(15,256)	419
Inventory	(399)	580
Deferred outflows of resources - pension related	678	(1,001)
Deferred outflows of resources - other postemployment benefits related	479	(627)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	1	(66)
Net pension liability	(4,749)	7,640
Net other postemployment benefits liability	(473)	141
Deferred inflows of resources - pension related	(118)	81
Deferred inflows of resources - other postemployment benefits related	<u>(118)</u>	<u>312</u>
Net Cash Flows from Operating Activities	<u>\$ 3,932</u>	<u>\$ 1,685</u>

**CITY OF SAINT PAUL, ALASKA**

**Bulk Fuel Farm Enterprise Fund**

**Statements of Net Position**

December 31, 2020 and 2019

Exhibit I-10

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 975	\$ 975
Accounts receivable	73,647	65,981
Allowance for doubtful accounts	(4,805)	(2,643)
Inventory	<u>92,888</u>	<u>184,134</u>
Total Current Assets	<u>162,705</u>	<u>248,447</u>
Restricted Cash - bond redemption and depreciation reserve	-	150,000
Net Other Postemployment Benefits Asset	12,813	-
Property, Plant and Equipment:		
Land	150,000	150,000
Buildings	25,000	25,000
Machinery and equipment	489,398	559,991
Fuel tanks and lines	5,249,823	5,249,823
Construction in progress	<u>828,765</u>	<u>828,765</u>
Total Property, Plant and Equipment	6,742,986	6,813,579
Accumulated depreciation	<u>(5,605,816)</u>	<u>(5,670,244)</u>
Net Property, Plant and Equipment	<u>1,137,170</u>	<u>1,143,335</u>
Total Assets	<u>1,312,688</u>	<u>1,541,782</u>
Deferred Outflows of Resources:		
Pension related	16,326	23,601
Other postemployment benefits related	<u>7,822</u>	<u>14,875</u>
Total Deferred Outflows of Resources	<u>24,148</u>	<u>38,476</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,336,836</u>	<u>\$ 1,580,258</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 123,331	\$ 86,571
Accrued liabilities	4,025	899
Accrued leave	<u>12,027</u>	<u>11,396</u>
Total Current Liabilities	<u>139,383</u>	<u>98,866</u>
Noncurrent Liabilities:		
Revenue bonds	4,389,672	4,539,672
Accrued interest payable	1,377,175	1,377,175
Net pension liability	152,418	183,853
Net other postemployment benefits liability	-	4,713
Advances from other funds	<u>693,876</u>	<u>575,574</u>
Total Noncurrent Liabilities	<u>6,613,141</u>	<u>6,680,987</u>
Total Liabilities	<u>6,752,524</u>	<u>6,779,853</u>
Deferred Inflows of Resources:		
Pension related	-	2,722
Other postemployment benefits related	<u>10,844</u>	<u>8,005</u>
Total Deferred Inflows of Resources	<u>10,844</u>	<u>10,727</u>
Net Position:		
Net investment in capital assets	(3,252,502)	(3,396,337)
Restricted for debt service and depreciation reserve	950,000	950,000
Unrestricted (deficit)	<u>(3,124,030)</u>	<u>(2,763,985)</u>
Total Net Position (Deficit)	<u>(5,426,532)</u>	<u>(5,210,322)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,336,836</u>	<u>\$ 1,580,258</u>

**CITY OF SAINT PAUL, ALASKA****Bulk Fuel Farm Enterprise Fund****Statements of Revenues, Expenses and Changes in Net Position**

Years Ended December 31, 2020 and 2019

Exhibit I-11

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Operating revenues - fuel sales	\$ 1,631,068	\$ 2,897,612
Cost of goods sold	<u>(1,380,040)</u>	<u>(2,410,688)</u>
Net Operating Revenues	<u>251,028</u>	<u>486,924</u>
Operating Expenses:		
Salaries and wages	94,473	115,551
Employee benefits	25,155	80,570
Material and supplies	9,560	11,154
Fuel and utilities	21,347	21,470
Depreciation	40,053	39,379
Repairs and maintenance	11,474	81,121
Insurance	67,510	55,050
Administrative cost allocation	181,909	155,061
Legal and consulting	14,425	2,600
Other general and administrative costs	<u>11,515</u>	<u>22,864</u>
Total Operating Expenses	<u>477,421</u>	<u>584,820</u>
Operating Loss	(226,393)	(97,896)
Nonoperating Revenues:		
State PERS Relief	7,793	7,916
Investment income	4,188	5,295
Loss on disposal of capital assets	(1,798)	-
Miscellaneous revenue	<u>-</u>	<u>2,000</u>
Total Nonoperating Revenues	<u>10,183</u>	<u>15,211</u>
Change in Net Position	(216,210)	(82,685)
Net Position (Deficit), beginning	<u>(5,210,322)</u>	<u>(5,127,637)</u>
Net Position (Deficit), ending	<u>\$ (5,426,532)</u>	<u>\$ (5,210,322)</u>

**CITY OF SAINT PAUL, ALASKA**

**Bulk Fuel Farm Enterprise Fund**

**Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-12

	<u>2020</u>	<u>2019</u>
Cash Flows from (for) Operating Activities:		
Receipts from customers and users	\$ 1,623,402	\$ 3,055,047
Payments for interfund services used	(181,909)	(155,061)
Payments to suppliers	(1,382,577)	(2,645,156)
Payments to employees	<u>(145,720)</u>	<u>(178,389)</u>
Net Cash Flows from (for) Operating Activities	<u>(86,804)</u>	<u>76,441</u>
Cash Flows from (for) Other Funds Noncapital Financing Activities:		
Miscellaneous revenue	-	2,000
Increase (decrease) in advances	<u>118,302</u>	<u>(83,736)</u>
Net Cash Flows from (for) Other Funds Noncapital Financing Activities	<u>118,302</u>	<u>(81,736)</u>
Cash Flows for Capital and Related Financing Activities:		
Additions to property, plant and equipment	(35,686)	-
Principal paid	<u>(150,000)</u>	<u>-</u>
Net Cash Flows for Capital and Related Financing Activities	<u>(185,686)</u>	<u>-</u>
Cash Flows from Investing Activities -		
Investment income received	<u>4,188</u>	<u>5,295</u>
Net Increase in Cash and Investments	(150,000)	-
Cash and Investments, beginning	<u>150,975</u>	<u>150,975</u>
Cash and Investments, ending	<u>\$ 975</u>	<u>\$ 150,975</u>
Reconciliation of Operating Loss to Net Cash		
Flows from (for) Operating Activities:		
Operating loss	\$ (226,393)	\$ (97,896)
Adjustments to reconcile operating loss		
to net cash flows from (for) operating activities:		
Depreciation	40,053	39,379
Noncash expense - PERS relief	7,793	7,916
Increase in allowance for doubtful accounts	2,162	-
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(7,666)	157,435
Inventory	91,246	75,067
Deferred outflows of resources - pension related	7,275	(16,070)
Deferred outflows of resources - other postemployment benefits related	7,053	(8,830)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	36,760	(114,611)
Accrued liabilities	3,126	(665)
Accrued leave	631	1,031
Net pension liability	(31,435)	68,239
Net other postemployment benefits liability	(17,526)	(18,896)
Deferred inflows of resources - pension related	(2,722)	(11,128)
Deferred inflows of resources - other postemployment benefits related	<u>2,839</u>	<u>(4,530)</u>
Net Cash Flows from (for) Operating Activities	<u>\$ (86,804)</u>	<u>\$ 76,441</u>

**CITY OF SAINT PAUL, ALASKA**

**Harbor Enterprise Fund**

**Statements of Net Position**

December 31, 2020 and 2019

Exhibit I-13

<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
Current Assets:		
Accounts receivable	\$ 3,535	\$ 1,161
Inventory	3,649	3,649
Total Current Assets	<u>7,184</u>	<u>4,810</u>
Noncurrent Assets:		
Net other postemployment benefits asset	2,413	-
Property, plant and equipment:		
Buildings	25,000	25,000
Dock and mooring	5,045,532	5,045,532
Machinery and equipment	39,847	32,899
Total Property, Plant and Equipment	5,110,379	5,103,431
Accumulated depreciation	<u>(4,003,407)</u>	<u>(3,967,791)</u>
Net Property, Plant and Equipment	<u>1,106,972</u>	<u>1,135,640</u>
Total Assets	<u>1,116,569</u>	<u>1,140,450</u>
Deferred Outflows of Resources:		
Pension related	3,075	5,111
Other postemployment benefits related	1,473	3,221
Total Deferred Outflows of Resources	<u>4,548</u>	<u>8,332</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,121,117</u>	<u>\$ 1,148,782</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 37	\$ (710)
Accrued liabilities	1,328	(4,537)
Accrued leave	3,136	1,438
Unearned revenue	46,194	46,194
Current portion of note payable - USACE	34,070	32,997
Total Current Liabilities	<u>84,765</u>	<u>75,382</u>
Noncurrent Liabilities:		
Advances from other funds	580,187	467,584
Revenue bonds	1,466,206	1,466,206
Note payable - USACE, net of current portion	1,567,945	1,602,015
Accrued interest payable	527,969	527,969
Net pension liability	28,703	39,813
Net other postemployment benefits liability	-	1,021
Total Noncurrent Liabilities	<u>4,171,010</u>	<u>4,104,608</u>
Total Liabilities	<u>4,255,775</u>	<u>4,179,990</u>
Deferred Inflows of Resources:		
Pension related	-	589
Other postemployment benefits related	2,042	1,734
Total Deferred Inflows of Resources	<u>2,042</u>	<u>2,323</u>
Net Position:		
Net investment in capital assets	(359,234)	(330,566)
Unrestricted (deficit)	<u>(2,777,466)</u>	<u>(2,702,965)</u>
Total Net Position (Deficit)	<u>(3,136,700)</u>	<u>(3,033,531)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,121,117</u>	<u>\$ 1,148,782</u>

**CITY OF SAINT PAUL, ALASKA****Harbor Enterprise Fund****Statements of Revenues, Expenses, and Changes in Net Position**

Years Ended December 31, 2020 and 2019

Exhibit I-14

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Harbor charges	\$ <u>104,416</u>	\$ <u>90,174</u>
Operating Expenses:		
Salaries and wages	31,252	53,949
Employee benefits	352	25,329
Material and supplies	7,626	10,132
Fuel and utilities	10,348	13,691
Depreciation	64,665	64,686
Insurance	14,628	11,628
Repair and maintenance	70	2,306
Legal and consulting	-	600
Administrative cost allocation	25,987	24,228
Other general and administrative costs	<u>986</u>	<u>5,000</u>
Total Operating Expenses	<u>155,914</u>	<u>211,549</u>
Operating Loss	<u>(51,498)</u>	<u>(121,375)</u>
Nonoperating Revenues (Expenses):		
State PERS relief	1,467	1,714
Interest expense	<u>(53,138)</u>	<u>-</u>
Net Nonoperating Revenues (Expenses)	<u>(51,671)</u>	<u>1,714</u>
Change in Net Position	(103,169)	(119,661)
Net Position (Deficit), beginning	<u>(3,033,531)</u>	<u>(2,913,870)</u>
Net Position (Deficit), ending	\$ <u><u>(3,136,700)</u></u>	\$ <u><u>(3,033,531)</u></u>

**CITY OF SAINT PAUL, ALASKA**

**Harbor Enterprise Fund**

**Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-15

	<u>2020</u>	<u>2019</u>
Cash Flows from (for) Operating Activities:		
Receipts from customers and users	\$ 102,042	\$ 129,552
Payments for interfund services used	(25,987)	(24,228)
Payments to suppliers	(27,046)	(52,802)
Payments to employees	<u>(39,480)</u>	<u>(76,271)</u>
Net Cash Flows from (for) Operating Activities	<u>9,529</u>	<u>(23,749)</u>
Cash Flows from Noncapital Financing Activities:		
Increase in advances from other funds	<u>112,603</u>	<u>23,749</u>
Cash Flows for Capital and Related Financing Activities:		
Purchase of capital assets	(35,997)	-
Principal paid	(32,997)	-
Interest paid	<u>(53,138)</u>	<u>-</u>
Net Cash Flows for Capital and Related Financing Activities	<u>(122,132)</u>	<u>-</u>
Net Increase in Cash and Investments	-	-
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 (for) Operating Activities:		
Operating loss	\$ (51,498)	\$ (121,375)
Adjustments to reconcile operating loss		
to net cash flows from (for) operating activities:		
Depreciation	64,665	64,686
Noncash expense - PERS relief	1,467	1,714
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(2,374)	39,378
Deferred outflows of resources - pension related	2,036	(3,748)
Deferred outflows of resources - other postemployment benefits related	1,748	(2,127)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	747	(2,586)
Accrued liabilities	5,865	(6,859)
Accrued leave	1,698	(6,023)
Net pension liability	(11,110)	18,893
Net other postemployment benefits liability	(3,434)	(3,251)
Deferred inflows of resources - pension related	(589)	(1,917)
Deferred inflows of resources - other postemployment benefits related	<u>308</u>	<u>(534)</u>
Net Cash Flows from (for) Operating Activities	<u>\$ 9,529</u>	<u>\$ (23,749)</u>

**CITY OF SAINT PAUL, ALASKA**  
**Home Energy Loan Enterprise Fund**  
**Statements of Net Position**  
December 31, 2020 and 2019

Exhibit I-16

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	<u>2020</u>	<u>2019</u>
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**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended December 31, 2020 and 2019

Exhibit I-17

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	<u>2020</u>	<u>2019</u>
Change in Net Position	\$ -	\$ -
Net Position, beginning	<u>115</u>	<u>115</u>
Net Position, ending	<u>\$ 115</u>	<u>\$ 115</u>

**CITY OF SAINT PAUL, ALASKA**  
**Home Energy Loan Enterprise Fund**  
**Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-18

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	<u>2020</u>	<u>2019</u>
Net Increase in Cash and Investments	\$ -	\$ -
Cash and Investments, beginning	<u>115</u>	<u>115</u>
Cash and Investments, ending	<u>\$ 115</u>	<u>\$ 115</u>

**CITY OF SAINT PAUL, ALASKA****Refuse Enterprise Fund****Statements of Net Position**

December 31, 2020 and 2019

Exhibit I-19

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Receivables:		
Accounts	\$ 29,417	\$ 18,698
Total Current Assets	<u>29,417</u>	<u>18,698</u>
Noncurrent Assets:		
Net other postemployment benefits asset	<u>4,230</u>	<u>-</u>
Property, plant and equipment:		
Land	105,000	105,000
Landfill	801,832	801,832
Machinery and equipment	<u>538,995</u>	<u>538,995</u>
Total Property, Plant and Equipment	1,445,827	1,445,827
Accumulated depreciation	<u>(666,467)</u>	<u>(634,639)</u>
Net Property, Plant and Equipment	<u>779,360</u>	<u>811,188</u>
Total Assets	<u>813,007</u>	<u>829,886</u>
Deferred Outflows of Resources:		
Pension related	5,390	8,629
Other postemployment benefits related	<u>2,582</u>	<u>5,439</u>
Total Deferred Outflows of Resources	<u>7,972</u>	<u>14,068</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 820,979</u>	<u>\$ 843,954</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 10,916	\$ 1,681
Accrued leave	<u>573</u>	<u>1,796</u>
Total Current Liabilities	<u>11,489</u>	<u>3,477</u>
Noncurrent Liabilities:		
Advances from other funds	67,333	58,874
Landfill closure and postclosure care costs	22,463	18,123
Net pension liability	50,320	67,223
Net other postemployment benefits liability	<u>-</u>	<u>1,723</u>
Total Noncurrent Liabilities	<u>140,116</u>	<u>145,943</u>
Total Liabilities	<u>151,605</u>	<u>149,420</u>
Deferred Inflows of Resources:		
Pension related	-	995
Other postemployment benefits related	<u>3,580</u>	<u>2,927</u>
Total Deferred Inflows of Resources	<u>3,580</u>	<u>3,922</u>
Net Position:		
Net investment in capital assets	779,360	811,188
Unrestricted (deficit)	<u>(113,566)</u>	<u>(120,576)</u>
Total Net Position	<u>665,794</u>	<u>690,612</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 820,979</u>	<u>\$ 843,954</u>

**CITY OF SAINT PAUL, ALASKA****Refuse Enterprise Fund****Statements of Revenues, Expenses and Changes in Net Position**

Years Ended December 31, 2020 and 2019

Exhibit I-20

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Refuse services	\$ <u>173,753</u>	\$ <u>180,540</u>
Operating Expenses:		
Salaries and wages	40,016	43,305
Employee benefits	3,316	5,232
Material and supplies	4,321	1,331
Fuel and utilities	9,963	13,583
Depreciation and amortization	36,168	123,139
Insurance	6,632	5,851
Repair and maintenance	-	6,988
Legal and consulting	26,757	1,300
Administrative cost allocation	71,464	62,994
Other services and charges	<u>2,507</u>	<u>8,830</u>
Total Operating Expenses	<u>201,144</u>	<u>272,553</u>
Operating Loss	(27,391)	(92,013)
Nonoperating Revenues (Expenses):		
State PERS relief	2,573	2,894
Loss on sale of capital assets	<u>-</u>	<u>(50,179)</u>
Net Nonoperating Revenues (Expenses)	<u>2,573</u>	<u>(47,285)</u>
Loss Before Capital Contributions and Transfers	(24,818)	(139,298)
Transfers Out	<u>-</u>	<u>(807,001)</u>
Change in Net Position	(24,818)	(946,299)
Net Position, beginning	<u>690,612</u>	<u>1,636,911</u>
Net Position, ending	\$ <u><u>665,794</u></u>	\$ <u><u>690,612</u></u>

**CITY OF SAINT PAUL, ALASKA****Refuse Enterprise Fund****Statements of Cash Flows**

Years Ended December 31, 2020 and 2019

Exhibit I-21

	<u>2020</u>	<u>2019</u>
Cash Flows from (for) Operating Activities:		
Receipts from customers and users	\$ 163,034	\$ 202,564
Payments for interfund services used	(71,464)	(62,994)
Payments to suppliers	(40,945)	(37,327)
Payments to employees	<u>(59,084)</u>	<u>(74,049)</u>
Net Cash Flows for Operating Activities	<u>(8,459)</u>	<u>28,194</u>
Cash Flows from Noncapital Financing Activities:		
Increase (decrease) in advances from other funds	<u>8,459</u>	<u>(28,194)</u>
Net Increase in Cash and Investments	-	-
Cash and Investments, beginning	<u>-</u>	<u>-</u>
Cash and Investments, ending	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities:		
Operating loss	\$ (27,391)	\$ (92,013)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Depreciation and amortization	36,168	123,139
Noncash expense - PERS relief	2,573	2,894
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(10,719)	22,024
Deferred outflows of resources - pension related	3,239	(4,355)
Deferred outflows of resources - other postemployment benefits related	2,857	(2,008)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	9,235	556
Accrued leave	(1,223)	(912)
Net pension liability	(16,903)	1,600
Net other postemployment benefits liability	(5,953)	(11,677)
Deferred inflows of resources - pension related	(995)	(6,866)
Deferred inflows of resources - other postemployment benefits related	<u>653</u>	<u>(4,188)</u>
Net Cash Flows for Operating Activities	<u>\$ (8,459)</u>	<u>\$ 28,194</u>
Noncash Capital and Related Financing Activities:		
Transfer of capital assets/liability from (to) general government	<u>\$ -</u>	<u>\$ (807,001)</u>

**CITY OF SAINT PAUL, ALASKA**  
**USCG Caretaker Service Enterprise Fund**  
**Statements of Net Position**  
December 31, 2020 and 2019

Exhibit I-22

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ <u>60,356</u>	\$ <u>11,094</u>
Total Assets	<u>60,356</u>	<u>11,094</u>
Noncurrent Asset - Net other postemployment benefits asset	<u>779</u>	<u>-</u>
Deferred Outflows of Resources:		
Pension related	992	86
Other postemployment benefits related	<u>475</u>	<u>54</u>
Total Deferred Outflows of Resources	<u>1,467</u>	<u>140</u>
Total Assets and Deferred Outflows of Resources	\$ <u><u>62,602</u></u>	\$ <u><u>11,234</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accrued liabilities	\$ <u>-</u>	\$ <u>119</u>
Noncurrent Liabilities:		
Net pension liability	9,264	672
Net other postemployment benefits liability	<u>-</u>	<u>17</u>
Total Noncurrent Liabilities	<u>9,264</u>	<u>689</u>
Total Liabilities	<u>9,264</u>	<u>808</u>
Deferred Inflows of Resources:		
Pension related	-	10
Other postemployment benefits related	<u>659</u>	<u>29</u>
Total Deferred Inflows of Resources	<u>659</u>	<u>39</u>
Net Position:		
Unrestricted	<u>52,679</u>	<u>10,387</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ <u><u>62,602</u></u>	\$ <u><u>11,234</u></u>

**CITY OF SAINT PAUL, ALASKA**  
**USCG Caretaker Service Enterprise Fund**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended December 31, 2020 and 2019

Exhibit I-23

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Contract revenue	\$ <u>56,517</u>	\$ <u>11,734</u>
Operating Expenses:		
Salaries and wages	5,223	611
Employee benefits	<u>9,476</u>	<u>765</u>
Total Operating Expenses	<u>14,699</u>	<u>1,376</u>
Operating Income	41,818	10,358
Nonoperating Revenues:		
State PERS relief	<u>474</u>	<u>29</u>
Change in Net Position	42,292	10,387
Net Position, beginning	<u>10,387</u>	<u>-</u>
Net Position, ending	\$ <u><u>52,679</u></u>	\$ <u><u>10,387</u></u>

**CITY OF SAINT PAUL, ALASKA**  
**USCG Caretaker Service Enterprise Fund**  
**Statements of Cash Flows**  
Years Ended December 31, 2020 and 2019

Exhibit I-24

	<u>2020</u>	<u>2019</u>
Cash Flows from (for) Operating Activities:		
Receipts from customers and users	\$ 56,517	\$ 11,734
Payments to employees	<u>(7,255)</u>	<u>(640)</u>
Net Cash Flows from Operating Activities	<u>49,262</u>	<u>11,094</u>
Net Increase in Cash and Investments	49,262	11,094
Cash and Investments, beginning	<u>11,094</u>	<u>-</u>
Cash and Investments, ending	\$ <u><u>60,356</u></u>	\$ <u><u>11,094</u></u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:		
Operating income	\$ 41,818	\$ 10,358
Adjustments to reconcile operating income to net cash flows from operating activities:		
Noncash expense - PERS relief	474	29
(Increase) decrease in assets and deferred outflows of resources:		
Deferred outflows of resources - pension related	(906)	(86)
Deferred outflows of resources - other postemployment benefits related	(421)	(54)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accrued liabilities	(119)	119
Net pension liability	8,592	672
Net other postemployment benefits liability	(796)	17
Deferred inflows of resources - pension related	(10)	10
Deferred inflows of resources - other postemployment benefits related	<u>630</u>	<u>29</u>
Net Cash Flows from Operating Activities	\$ <u><u>49,262</u></u>	\$ <u><u>11,094</u></u>



**CITY OF SAINT PAUL, ALASKA**  
**Schedule of Expenditures of Federal Awards**  
Year Ended December 31, 2020

Exhibit J-1

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Grant Award	Passed Through to Subrecipients	Total Federal Expenditures
Department of the Interior:					
Passed through State of Alaska Department of Commerce, Community and Economic Development - Payments in Lieu of Taxes	15.226	None	\$ 77,198	\$ -	\$ <u>76,454</u>
Department of the Treasury:					
Passed through State of Alaska Department of Commerce, Community and Economic Development - Coronavirus Relief Fund	21.019	None	1,300,269	-	<u>1,082,579</u>
Department of Commerce, National Oceanic and Atmospheric Administration:					
Economic Adjustment Assistance	11.307	None	120,000	-	1,840
Passed through the Alaska Bond Bank - Outstanding Loan Balance - Coastal Zone Management Administration Awards					
	11.419	None	6,005,878	-	<u>6,005,878</u>
Total Department of Commerce					<u>6,007,718</u>
Total Federal Financial Assistance				\$	<u><u>7,166,751</u></u>

## **CITY OF SAINT PAUL, ALASKA**

### **Notes to Schedule of Expenditures of Federal Awards**

Year Ended December 31, 2020

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#### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2020. 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 the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

The City's federal schedule includes \$6,005,878 in an outstanding federal loan. The loan is currently in abeyance and no payments have been made for several years.

#### **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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any 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.

#### **Note 3 - Indirect Cost Rate**

The City has elected not to use the ten-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SINGLE AUDIT SECTION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of the City Council  
City of 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, 2020, 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 27, 2021.

### **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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Aldrich CPAs + Advisors LLP*  
Anchorage, Alaska  
September 27, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

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

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

We have audited City of Saint Paul, Alaska's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. 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.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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, 2020.

**Report on Internal Control over Compliance**

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE, continued

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

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

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

*Aldrich CPAs + Advisors LLP*

Anchorage, Alaska  
September 27, 2021

**CITY OF SAINT PAUL, ALASKA**  
**Schedule of Findings and Questioned Costs**  
Year Ended December 31, 2020

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**Section I - Summary of Auditor's Results**

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  (none reported)

Noncompliance material to financial statements noted?

yes  no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  (none reported)

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

yes  no

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Agency</u>
11.419	Coastal Zone Management Administration Awards	Department of Commerce
21.019	Coronavirus Relief Fund	Department of Treasury

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

Auditee qualified as low-risk auditee?

yes  no

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

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

**Section III - Federal Award Findings and Questioned Costs**

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