

CITY OF SAINT PAUL, ALASKA

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

Year Ended December 31, 2022

CITY OF SAINT PAUL, ALASKA

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

Year Ended December 31, 2022

CITY OF SAINT PAUL, ALASKA

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saint Paul, Alaska (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter- Loan Repayment Moratorium Status

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund on page 45, the Public Employees' Retirement System Schedule of the City's Proportionate Share of the Net Pension and OPEB Liabilities and Assets, the Schedules of City's Contributions, The Public Employees' Retirement System Schedule of the City's Information on the net OPEB Liability, and the Schedule of the City's Contributions (OPEB) and notes to the required supplementary information on pages 46-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the City's basic financial statements for the year ended December 31, 2021, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The individual fund financial statements and schedules for the year ended December 31, 2021 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 2021 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Anchorage, Alaska
September 5, 2023

CITY OF SAINT PAUL, ALASKA

Statement of Net Position

December 31, 2022

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and investments	\$ 5,994,690	6,165,332	12,160,022
Receivables:			
Accounts	149,493	878,144	1,027,637
Intergovernmental	-	170,852	170,852
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	(8,104)	(16,866)
Internal balances	3,900,652	(3,900,652)	-
Inventory	39,502	2,084,852	2,124,354
Net pension and OPEB assets	1,239,040	312,785	1,551,825
Capital assets:			
Land and construction in progress	17,952	2,751,900	2,769,852
Other capital assets, net of depreciation	22,105,220	7,417,849	29,523,069
Total assets	<u>33,454,477</u>	<u>15,872,958</u>	<u>49,327,435</u>
Deferred outflows of resources:			
Pension and OPEB deferrals	299,560	62,327	361,887
Total assets and deferred outflows of resources	<u>33,754,037</u>	<u>15,935,285</u>	<u>49,689,322</u>
<u>Liabilities and Deferred Inflows of Resources</u>			
Current:			
Accounts payable	136,694	159,113	295,807
Line of credit	-	2,320,329	2,320,329
Accrued liabilities	78,846	9,434	88,280
Customer deposits	20,235	43,160	63,395
Unearned revenue	1,000,290	67,124	1,067,414
Noncurrent liabilities:			
Due within one year:			
Bulk fuel loan	-	420,301	420,301
Accrued leave	92,510	15,791	108,301
Revenue bonds	-	96,143	96,143
Note payable - USACE	-	36,320	36,320
Due in more than one year:			
Revenue bonds, net of unamortized discount and current portion	-	5,855,878	5,855,878
Note payable - USACE, net of current portion	-	1,496,448	1,496,448
Accrued interest payable	-	1,905,144	1,905,144
Landfill closure and post closure care costs	-	31,145	31,145
Net pension and OPEB liability	3,110,114	743,078	3,853,192
Total liabilities	<u>4,438,689</u>	<u>13,199,408</u>	<u>17,638,097</u>
Deferred inflows of resources:			
Pension and OPEB deferrals	137,256	28,557	165,813
Total liabilities and deferred inflows of resources	<u>4,575,945</u>	<u>13,227,965</u>	<u>17,803,910</u>
<u>Net Position</u>			
Net investment in capital assets	22,123,172	4,217,728	26,340,900
Restricted for debt service and depreciation reserve	-	950,000	950,000
Unrestricted	7,054,920	(2,460,408)	4,594,512
Total net position	<u>29,178,092</u>	<u>2,707,320</u>	<u>31,885,412</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 33,754,037</u>	<u>15,935,285</u>	<u>49,689,322</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 2,648,751	600,758	214,904	(1,833,089)	-	(1,833,089)
Public safety	1,098,760	-	161,556	(937,204)	-	(937,204)
Public works	1,817,051	614,205	192,140	(1,010,706)	-	(1,010,706)
Total governmental activities	5,564,562	1,214,963	568,600	(3,780,999)	-	(3,780,999)
Business-type activities:						
Electric	2,321,666	1,610,720	166	-	(710,780)	(710,780)
Water	244,815	171,512	64	-	(73,239)	(73,239)
Sewer	330,603	176,194	36	-	(154,373)	(154,373)
Bulk fuel farm	2,988,548	2,977,924	181	-	(10,443)	(10,443)
Harbor	183,037	20,197	60	-	(162,780)	(162,780)
Refuse	195,700	144,826	55	-	(50,819)	(50,819)
Nonmajor funds	75,932	84,416	20	-	8,504	8,504
Total business-type activities	6,340,301	5,185,789	582	-	(1,153,930)	(1,153,930)
Total activities	\$ 11,904,863	6,400,752	569,182	(3,780,999)	(1,153,930)	(4,934,929)
General revenues:						
Sales and fisheries taxes				\$ 883,778	-	883,778
Grant and entitlements not restricted to a specific purpose				1,574,679	-	1,574,679
Federal payment in lieu of taxes				88,789	-	88,789
Investment loss				(171,739)	(206,492)	(378,231)
Other revenue				94,160	-	94,160
Total general revenues				2,469,667	(206,492)	2,263,175
Change in net position				(1,311,332)	(1,360,422)	(2,671,754)
Net position, beginning of year				30,489,424	4,067,742	34,557,166
Net position, end of year				\$ 29,178,092	2,707,320	31,885,412

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA
Balance Sheet - Governmental Funds
December 31, 2022

<u>Assets</u>	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 5,505,051	489,639	5,994,690
Receivables, net of allowance for doubtful accounts:			
Accounts	14,415	135,078	149,493
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	-	(8,762)
Due from other funds	239,186	-	239,186
Advances to other funds	3,900,652	-	3,900,652
Inventory	39,502	-	39,502
Total assets	<u>\$ 9,706,734</u>	<u>624,717</u>	<u>10,331,451</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 135,752	942	136,694
Accrued expenses	78,813	33	78,846
Customer deposits	20,235	-	20,235
Unearned revenue	725,904	274,386	1,000,290
Due to other funds	-	239,186	239,186
Total liabilities	<u>960,704</u>	<u>514,547</u>	<u>1,475,251</u>
Fund balances:			
Nonspendable:			
Inventory	39,502	-	39,502
Advances to other funds	3,900,652	-	3,900,652
Committed	-	235,627	235,627
Unassigned	4,805,876	(125,457)	4,680,419
Total fund balances	<u>8,746,030</u>	<u>110,170</u>	<u>8,856,200</u>
Total liabilities and fund balances	<u>\$ 9,706,734</u>	<u>624,717</u>	<u>10,331,451</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

December 31, 2022

Total fund balances for governmental funds	\$ 8,856,200
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation consist of:	
Construction in progress	17,952
Breakwater	47,642,984
Buildings and improvements	8,669,627
Machinery and equipment	4,666,644
Accumulated depreciation	<u>(38,874,035)</u>
Total capital assets, net of accumulated depreciation	22,123,172
Proportionate share of the collective net pension and OPEB liability PERS	(3,110,114)
Proportionate share of the collective net pension and OPEB asset PERS	1,239,040
Deferred inflow and outflow of resources are the result of timing differences in the actuarial report:	
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:	
PERS	299,560
Pension and OPEB related liabilities in the current fiscal year are presented as deferred outflows of resources:	
PERS	(137,256)
Long-term liabilities, including accrued leave, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued leave	<u>(92,510)</u>
Total net position of governmental activities	\$ <u><u>29,178,092</u></u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

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

Year Ended December 31, 2022

	General Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 883,778	-	883,778
Intergovernmental	1,962,298	352,077	2,314,375
Charges for services	1,005,135	209,828	1,214,963
Investment income (loss)	(171,739)	-	(171,739)
Other revenue	94,095	-	94,095
Total revenues	<u>3,773,567</u>	<u>561,905</u>	<u>4,335,472</u>
Expenditures:			
General government	1,683,677	-	1,683,677
Public safety	1,141,566	50,923	1,192,489
Public works	1,121,670	518,405	1,640,075
Total expenditures	<u>3,946,913</u>	<u>569,328</u>	<u>4,516,241</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(173,346)</u>	<u>(7,423)</u>	<u>(180,769)</u>
Other financing sources (uses):			
Transfers in	-	11,999	11,999
Transfers out	(11,999)	-	(11,999)
Total other financing sources (uses)	<u>(11,999)</u>	<u>11,999</u>	<u>-</u>
Net change in fund balances	(185,345)	4,576	(180,769)
Fund balances, beginning of year	<u>8,931,375</u>	<u>105,594</u>	<u>9,036,969</u>
Fund balances, end of year	<u>\$ 8,746,030</u>	<u>110,170</u>	<u>8,856,200</u>

See accompanying notes to basic financial statements.

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

Year Ended December 31, 2022

Net change in fund balance - total governmental funds	\$	(180,769)
Amounts reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in the unfunded net pension and OPEB liability and assets: PERS		(1,365,790)
Changes in deferred inflows and outflows of resources are the result of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability PERS		1,475,889
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	140,850	
Depreciation expense	<u>(1,369,017)</u>	(1,228,167)
The issuance of long-term debt and accrual of the compensated absences provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:		
Increase in accrued leave		<u>(12,495)</u>
Change in net position of governmental activities	\$	<u><u>(1,311,332)</u></u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Net Position

December 31, 2022

Assets and Deferred Outflows of Resources	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Current Assets:								
Cash and investments	\$ 3,911,233	1,688,895	-	975	-	-	564,229	6,165,332
Receivables:								
Accounts	272,602	20,732	19,651	453,964	49,532	56,709	4,954	878,144
Intergovernmental	170,852	-	-	-	-	-	-	170,852
Allowance for doubtful accounts	(3,067)	(749)	(33)	(4,255)	-	-	-	(8,104)
Inventory	14,878	-	-	2,034,475	3,649	-	31,850	2,084,852
Total current assets	<u>4,366,498</u>	<u>1,708,878</u>	<u>19,618</u>	<u>2,485,159</u>	<u>53,181</u>	<u>56,709</u>	<u>601,033</u>	<u>9,291,076</u>
Noncurrent Assets :								
Net pension and OPEB asset	82,197	92,109	1,089	61,613	38,349	33,058	4,370	312,785
Capital assets:								
Property, plant and equipment	8,451,637	6,916,029	3,679,985	6,742,986	5,152,385	1,445,827	46,708	32,435,557
Accumulated depreciation	<u>(4,310,918)</u>	<u>(5,246,978)</u>	<u>(2,116,381)</u>	<u>(5,675,522)</u>	<u>(4,140,469)</u>	<u>(730,123)</u>	<u>(45,417)</u>	<u>(22,265,808)</u>
Net property, plant and equipment	<u>4,140,719</u>	<u>1,669,051</u>	<u>1,563,604</u>	<u>1,067,464</u>	<u>1,011,916</u>	<u>715,704</u>	<u>1,291</u>	<u>10,169,749</u>
Total noncurrent assets	<u>4,222,916</u>	<u>1,761,160</u>	<u>1,564,693</u>	<u>1,129,077</u>	<u>1,050,265</u>	<u>748,762</u>	<u>5,661</u>	<u>10,482,534</u>
Total assets	<u>8,589,414</u>	<u>3,470,038</u>	<u>1,584,311</u>	<u>3,614,236</u>	<u>1,103,446</u>	<u>805,471</u>	<u>606,694</u>	<u>19,773,610</u>
Deferred Outflows of Resources -								
Pension and OPEB deferrals	17,740	6,853	3,807	19,358	6,458	5,972	2,139	62,327
Total assets and deferred outflows of resources	<u>\$ 8,607,154</u>	<u>3,476,891</u>	<u>1,588,118</u>	<u>3,633,594</u>	<u>1,109,904</u>	<u>811,443</u>	<u>608,833</u>	<u>19,835,937</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Net Position, Continued

Liabilities, Deferred Inflows of Resources and Net Position	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Current liabilities:								
Accounts payable	\$ 98,093	2,198	5,331	37,084	5,460	2,792	8,155	159,113
Line of credit	-	-	-	2,320,329	-	-	-	2,320,329
Bulk fuel loan	-	-	-	420,301	-	-	-	420,301
Accrued liabilities	3,057	708	346	3,916	-	269	1,138	9,434
Accrued leave	3,408	897	-	11,011	-	475	-	15,791
Customer deposits	43,160	-	-	-	-	-	-	43,160
Unearned revenue	-	-	4,157	26,841	-	-	36,126	67,124
Current portion of revenue bonds	96,143	-	-	-	-	-	-	96,143
Current portion of note payable - USACE	-	-	-	-	36,320	-	-	36,320
Total current liabilities	<u>243,861</u>	<u>3,803</u>	<u>9,834</u>	<u>2,819,482</u>	<u>41,780</u>	<u>3,536</u>	<u>45,419</u>	<u>3,167,715</u>
Noncurrent liabilities:								
Advances from other funds	-	-	2,189,978	595,234	985,281	130,159	-	3,900,652
Revenue bonds, net of unamortized discount and current portion	-	-	-	4,389,672	1,466,206	-	-	5,855,878
Note payable - USACE, net of current portion	-	-	-	-	1,496,448	-	-	1,496,448
Accrued interest payable	-	-	-	1,377,175	527,969	-	-	1,905,144
Landfill closure and post closure care costs	-	-	-	-	-	31,145	-	31,145
Net pension and OPEB liability	287,147	70,739	58,034	206,171	39,768	62,092	19,127	743,078
Total noncurrent liabilities	<u>287,147</u>	<u>70,739</u>	<u>2,248,012</u>	<u>6,568,252</u>	<u>4,515,672</u>	<u>223,396</u>	<u>19,127</u>	<u>13,932,345</u>
Total liabilities	<u>531,008</u>	<u>74,542</u>	<u>2,257,846</u>	<u>9,387,734</u>	<u>4,557,452</u>	<u>226,932</u>	<u>64,546</u>	<u>17,100,060</u>
Deferred Inflows of Resources- Pension and OPEB deferrals	<u>8,128</u>	<u>3,140</u>	<u>1,744</u>	<u>8,870</u>	<u>2,959</u>	<u>2,736</u>	<u>980</u>	<u>28,557</u>
Net Position:								
Net investment in capital assets	4,044,576	1,669,051	1,563,604	(3,322,208)	(454,290)	715,704	1,291	4,217,728
Restricted for debt service and depreciation reserve	-	-	-	950,000	-	-	-	950,000
Unrestricted (deficit)	4,023,442	1,730,158	(2,235,076)	(3,390,802)	(2,996,217)	(133,929)	542,016	(2,460,408)
Total net position	<u>8,068,018</u>	<u>3,399,209</u>	<u>(671,472)</u>	<u>(5,763,010)</u>	<u>(3,450,507)</u>	<u>581,775</u>	<u>543,307</u>	<u>2,707,320</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,607,154</u>	<u>3,476,891</u>	<u>1,588,118</u>	<u>3,633,594</u>	<u>1,109,904</u>	<u>811,443</u>	<u>608,833</u>	<u>19,835,937</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2022

	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Operating revenues	\$ 1,610,720	171,512	176,194	2,977,924	20,197	144,826	84,416	5,185,789
Cost of goods sold	-	-	-	(2,283,117)	-	-	(4,649)	(2,287,766)
Net operating revenues	<u>1,610,720</u>	<u>171,512</u>	<u>176,194</u>	<u>694,807</u>	<u>20,197</u>	<u>144,826</u>	<u>79,767</u>	<u>2,898,023</u>
Operating expenses:								
Salaries and benefits	141,935	(21,084)	50,992	179,121	19,743	40,773	17,972	429,452
Other operating expenses	1,859,167	61,605	35,010	290,573	21,606	34,163	19,867	2,321,991
Administrative cost allocation	142,754	84,595	74,021	153,328	21,149	84,595	31,723	592,165
Depreciation and amortization	172,150	119,699	170,580	30,261	69,581	36,169	1,721	600,161
Total operating expenses	<u>2,316,006</u>	<u>244,815</u>	<u>330,603</u>	<u>653,283</u>	<u>132,079</u>	<u>195,700</u>	<u>71,283</u>	<u>3,943,769</u>
Operating income (loss)	<u>(705,286)</u>	<u>(73,303)</u>	<u>(154,409)</u>	<u>41,524</u>	<u>(111,882)</u>	<u>(50,874)</u>	<u>8,484</u>	<u>(1,045,746)</u>
Nonoperating revenues (expenses):								
State PERS relief	166	64	36	181	60	55	20	582
Investment loss	(131,020)	(56,575)	-	-	-	-	(18,897)	(206,492)
Interest expense	(5,660)	-	-	(52,148)	(50,958)	-	-	(108,766)
Net nonoperating revenues (expenses)	<u>(136,514)</u>	<u>(56,511)</u>	<u>36</u>	<u>(51,967)</u>	<u>(50,898)</u>	<u>55</u>	<u>(18,877)</u>	<u>(314,676)</u>
Change in net position	(841,800)	(129,814)	(154,373)	(10,443)	(162,780)	(50,819)	(10,393)	(1,360,422)
Net position, beginning	<u>8,909,818</u>	<u>3,529,023</u>	<u>(517,099)</u>	<u>(5,752,567)</u>	<u>(3,287,727)</u>	<u>632,594</u>	<u>553,700</u>	<u>4,067,742</u>
Net position, ending	\$ <u><u>8,068,018</u></u>	<u><u>3,399,209</u></u>	<u><u>(671,472)</u></u>	<u><u>(5,763,010)</u></u>	<u><u>(3,450,507)</u></u>	<u><u>581,775</u></u>	<u><u>543,307</u></u>	<u><u>2,707,320</u></u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Cash Flows

Year Ended December 31, 2022

	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Cash flows provided (used) by operating activities:								
Receipts from customers and users	\$ 1,458,833	166,394	165,215	2,605,720	10,422	120,736	119,633	4,646,953
Payments of interfund services used	(142,754)	(84,595)	(74,021)	(153,328)	(21,149)	(84,595)	(31,723)	(592,165)
Payments to suppliers	(1,771,000)	(57,942)	(30,966)	(4,579,820)	(16,146)	(31,728)	(11,403)	(6,499,005)
Payments to employees	(137,744)	(65,444)	(32,151)	(156,123)	(49,300)	(53,511)	(12,965)	(507,238)
Net cash flows (provided) by operating activities	(592,665)	(41,587)	28,077	(2,283,551)	(76,173)	(49,098)	63,542	(2,951,455)
Cash flows provided (used) by noncapital financing activities -								
Increase (decrease) in advances from other funds	-	-	(28,077)	(404,931)	162,308	49,098	-	(221,602)
Net cash flows provided (used) by capital and related financing activities	-	-	(28,077)	(404,931)	162,308	49,098	-	(221,602)
Cash flows provided (used) by capital and related financing activities:								
Purchases of capital assets	(362,252)	-	-	-	-	-	-	(362,252)
Borrowings (repayments) on line of credit, net	-	-	-	2,320,329	-	-	-	2,320,329
Proceeds from issuance of loan	-	-	-	750,000	-	-	-	750,000
Principal paid	(98,120)	-	-	(329,699)	(35,177)	-	-	(462,996)
Interest paid	(494)	-	-	(52,148)	(50,958)	-	-	(103,600)
Net cash flows provided (used) by capital and related financing activities	(460,866)	-	-	2,688,482	(86,135)	-	-	2,141,481
Cash flows from investing activities -								
Investment loss paid	(131,020)	(56,575)	-	-	-	-	(18,897)	(206,492)
Net change in cash and investments	(1,184,551)	(98,162)	-	-	-	-	44,645	(1,238,068)
Cash and investments, beginning	5,095,784	1,787,057	-	975	-	-	519,584	7,403,400
Cash and investments, ending	\$ 3,911,233	1,688,895	-	975	-	-	564,229	6,165,332

(Continued)

CITY OF SAINT PAUL, ALASKA
Enterprise Funds
Statement of Cash Flows, Continued

	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Reconciliation of operating income (loss) to net cash flows from operating activities:								
Operating income (loss)	\$ (705,286)	(73,303)	(154,409)	41,524	(111,882)	(50,874)	8,484	(1,045,746)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:								
Depreciation and amortization	172,150	119,699	170,580	30,261	69,581	36,169	1,721	600,161
Noncash expenses - PERS relief	166	64	36	181	60	55	20	582
(Increase) decrease in assets and deferred outflows of resources:								
Receivables	(145,206)	(5,118)	(10,979)	(399,045)	36,419	(24,090)	(909)	(548,928)
Prepaid expenses	-	1,465	-	-	-	-	-	1,465
Inventory	(2,615)	-	-	(1,915,013)	-	-	4,960	(1,912,668)
Net pension and OPEB asset	11,860	4,581	2,545	12,941	4,317	3,992	1,429	41,665
Deferred outflows of resources - Pension and OPEB deferrals	13,378	(4,094)	3,041	(1,514)	(6,020)	(1,351)	(650)	2,790
Increase (decrease) in liabilities and deferred inflows of resources:								
Accounts payable	90,782	2,198	4,044	(91,117)	5,460	2,435	8,153	21,955
Accrued liabilities	1,006	(523)	(261)	2,198	(1,834)	9	1,138	1,733
Accrued leave	742	(9,340)	-	5,316	(6,831)	(907)	36,126	25,106
Unearned revenue	-	-	-	26,841	(46,194)	-	-	(19,353)
Customer deposits	(6,681)	-	-	-	-	-	-	(6,681)
Net pension and OPEB liability	69,023	26,664	14,811	75,319	25,125	23,236	8,322	242,500
Deferred inflows of resources - Pension and OPEB deferrals	(91,984)	(103,880)	(1,331)	(71,443)	(44,374)	(37,772)	(5,252)	(356,036)
Net cash flows used by operating activities	\$ (592,665)	(41,587)	28,077	(2,283,551)	(76,173)	(49,098)	63,542	(2,951,455)
Noncash capital and related financing activities:								
Transfers of capital assets to general government	\$ 37,437	-	-	-	-	-	-	37,437

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements

December 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when transactions occurred and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major funds:

Major Governmental Funds:

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

Major Propriety Funds:

- The Electric Utility Enterprise Fund is used to account for the operations of the electric utility.
- The Water Utility Enterprise Fund is used to account for the operations of the City's water systems.
- The Sewer Utility Enterprise Fund is used to account for the operations of the City's 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.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Additionally, the City reports the following fund types:

- *Special Revenue Funds*- accounts for revenue sources that are legally restricted or committed to expenditures for specific purposes.
- *Enterprise funds*- are used to report an activity for which a fee is charged to external users for goods or services

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.

D. Budgets

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

E. Central Treasury

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

F. Cash and Cash Equivalents

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

G. Inventory

Inventory is valued at cost in governmental funds and at the lower of cost and net realizable value in the proprietary funds. Cost is determined by the first-in first-out method. The cost is recorded as an expenditure or expense at the time individual inventory items are consumed. In the governmental funds reported inventory is equally offset by a portion of fund balance classified as nonspendable in the financial statements which indicates that these do not constitute “available spendable resources” even though they are a component of net current assets.

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to/from other funds” “advances to/from other funds.” The receivables and payables between governmental funds are classified as “due from other funds” and “due to other funds” on the balance sheet of the Fund Financial Statements and are eliminated in the preparation of the Government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

I. Grants and Other Intergovernmental Revenue

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

J. Interfund Transactions

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

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

K. Accrued Leave

The City allows employees to accumulate earned but unused vacation and sick leave benefits. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

L. Deferred Inflows/Outflows of Resources

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

M. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

The cost of normal maintenance and repair that does not add to the value of the asset or materially extend the useful life of the asset is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

N. Unearned Grant Revenue

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

O. Long-Term Debt

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

P. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form-prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

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.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Q. Net Position

Government-wide net position is divided into three components:

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

R. Encumbrances

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

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

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

The City utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments," or in the case of "negative cash," is included in "due to other funds."

II. CASH AND INVESTMENTS

At December 31, 2022, the City’s cash and investments consisted of the following:

Deposits	\$	3,160,505
CDs and equivalents		<u>8,999,517</u>
	\$	<u>12,160,022</u>

Notes to Basic Financial Statements, Continued

A. General Investments*Investment Policy*

The City's investment policy authorizes investments in:

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

B. Interest Rate Risk

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

Investment maturities in general investments at December 31, 2022 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Certificates of deposits	\$ 8,475,539	3,149,644	5,325,895
U.S. government agency bonds	357,885	-	357,885
AMLIP pooled investments	166,093	166,093	-
Total subject to interest rate risk	\$ 8,999,517	3,315,737	5,683,780

C. Fair Value Measurement

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

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The City has the following recurring fair value measurements as of December 31, 2022:

U.S. government agency securities of \$357,885 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 \$8,475,539 that are not held at fair value, but instead recorded at amortized cost, at December 31, 2022. The City's investment in AMLIP totaling \$166,093 is measured at net asset value as of December 31, 2022 as a practical expediency. Management believes these values approximate fair value.

D. Credit Risk

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

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

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, 2022, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

E. Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. Of the bank balance at December 31, 2022, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC). The City maintains a collateral agreement with its depository financial institution, Federal Home Loan Bank, of up to \$4,129,561. As a result, all money was insured as of December 31, 2022.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

III. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 follows:

	Balance December 31, 2021	Additions and Transfers	Deletions and Transfers	Balance December 31, 2022
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 75,773	-	(57,821)	17,952
Capital assets being depreciated:				
Breakwater	47,642,984	-	-	47,642,984
Buildings and improvements	8,669,627	-	-	8,669,627
Machinery and equipment	4,467,085	236,108	(36,549)	4,666,644
Total assets being depreciated	60,779,696	236,108	(36,549)	60,979,255
Less accumulated depreciation for:				
Breakwater	29,957,596	952,860	-	30,910,456
Buildings and improvements	4,754,389	181,545	-	4,935,934
Machinery and equipment	2,792,146	272,048	(36,549)	3,027,645
Total accumulated depreciation	37,504,131	1,406,453	(36,549)	38,874,035
Total capital assets, being depreciated, net	23,275,565	(1,170,345)	-	22,105,220
Total capital assets, net	\$ 23,351,338	(1,170,345)	(57,821)	22,123,172

There was \$37,437 of equipment that was fully depreciated and was transferred in from the Electric Utility Enterprise Fund.

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CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 256,236	-	-	256,236
Construction in progress	2,260,197	290,377	(54,910)	2,495,664
Total assets not being depreciated	<u>2,516,433</u>	<u>290,377</u>	<u>(54,910)</u>	<u>2,751,900</u>
Capital assets being depreciated:				
Plant in service	14,237,350	127,124	(143,836)	14,220,638
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	1,887,103	-	(37,437)	1,849,666
Total assets being depreciated	<u>29,737,806</u>	<u>127,124</u>	<u>(181,273)</u>	<u>29,683,657</u>
Less accumulated depreciation for:				
Plant in service	9,716,852	343,797	(140,678)	9,919,971
Fuel tanks and lines	5,219,279	6,313	-	5,225,592
Dock and mooring	4,033,939	61,781	-	4,095,720
Buildings	1,572,689	70,267	-	1,642,956
Machinery and equipment	1,307,565	110,504	(36,500)	1,381,569
Total accumulated depreciation	<u>21,850,324</u>	<u>592,662</u>	<u>(177,178)</u>	<u>22,265,808</u>
Total capital assets, being depreciated, net	<u>7,887,482</u>	<u>(465,538)</u>	<u>(4,095)</u>	<u>7,417,849</u>
Total capital assets, net	<u>\$ 10,403,915</u>	<u>(175,161)</u>	<u>(59,005)</u>	<u>10,169,749</u>

Depreciation expense was charged to the functions as follows for the year ended December 31, 2022:

Government Activities:

General government	\$ 1,038,543
Public safety	80,543
Public works	249,931
Total depreciation expense – governmental activities	<u>\$ 1,369,017</u>

Business-Type Activities:

Electric utility	\$ 168,992
Water utility	119,699
Sewer utility	170,580
Bulk fuel farm	30,261
Harbor	69,581
Marine sales	1,721
Refuse	31,828
Total depreciation expense – business-type activities	<u>\$ 592,662</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

IV. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended December 31, 2022:

Governmental Activities	Balance January 1, 2022	Additions	Deductions	Balance December 31, 2022	Due Within One Year
Accrued leave	\$ 80,015	102,302	89,807	92,510	92,510
Net pension liability	1,944,588	1,165,526	-	3,110,114	-
Total governmental activities	\$ 2,024,603	1,267,828	89,807	3,202,624	92,510
Business-Type Activities	Balance January 1, 2022	Additions	Deductions	Balance December 31, 2022	Due Within One Year
Revenue Bonds:					
\$6,562,878 revenue bonds payable to the U.S. Department of Commerce with interest at 5% (see note below for moratorium on payments)	\$ 5,855,878	-	-	5,855,878	-
\$150,000 electric revenue bonds payable to the State of Alaska in 25 equal annual installments of \$8,614 including 3% interest	\$ 16,886	-	8,120	8,766	8,766
\$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 \$2,623 at December 31, 2022	\$ 180,000	-	90,000	90,000	90,000
Less unamortized discount	(7,789)	-	(5,166)	(2,623)	(2,623)
Total revenue bonds payable	\$ 6,044,975	-	92,954	5,952,021	96,143

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Business-Type Activities (continued)	Balance January 1, 2022	Additions	Deductions	Balance December 31, 2022	Due Within One Year
Note payable to U.S. Army Corps of Engineers (USACE), payable in 30 equal annual installments of \$86,135 including interest of 3.25% beginning July 1, 2020.	\$ 1,567,945	-	35,177	1,532,768	36,320
Bulk fuel loan payable to the State of Alaska. Payable in 9 equal installments of \$84,507 including interest of 4% beginning on August 20, 2022.	-	750,000	329,699	420,301	420,301
Accrued interest payable	1,905,144	-	-	1,905,144	-
Accrued leave	26,811	17,805	28,825	15,791	15,791
Landfill closure and post closure care costs	26,804	4,341	-	31,145	-
Net pension and OPEB liability	500,578	242,500	-	743,078	-
Total business-type activities	<u>\$ 10,072,257</u>	<u>1,014,646</u>	<u>486,655</u>	<u>10,600,248</u>	<u>568,555</u>

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.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

The annual debt service requirements of the electric revenue bonds outstanding and the note payable to USACE at December 31, 2022, are scheduled out below. The Department of Commerce revenue bond has not been included in the future payments.

The annual debt service requirements of the electric revenue bonds outstanding, the bulk fuel loan, and the note payable to USACE at December 31, 2022, are scheduled out below. The Department of Commerce revenue bond has not been included in the future payments.

Business-Type Activities	Principal	Interest	Total
Year Ending December 31,			
2023	\$ 555,387	54,292	609,679
2024	37,501	48,634	86,135
2025	38,719	47,416	86,135
2026	39,978	46,157	86,135
2027	41,277	44,858	86,135
2028-2032	227,402	203,274	430,676
2033-2037	266,836	163,840	430,676
2038-2042	313,108	117,568	430,676
2043-2047	367,405	63,271	430,676
2048-2052	164,222	8,049	172,271
	<u>\$ 2,051,835</u>	<u>797,359</u>	<u>2,849,194</u>

V. LINE OF CREDIT

During the year ended December 31, 2022, the City obtained a line of credit agreement with a maximum credit line of \$2,500,000 at a rate of 6.625% per annum with a maturity date of July 10, 2023. The line of credit is utilized by the Bulk Fuel Farm Enterprise Fund to facilitate the purchasing of gasoline and diesel to be held for resale. The line of credit balance was \$2,320,329 at December 31, 2022.

VI. 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 \$31,145 reported as landfill closure costs payable at December 31, 2022 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 \$108,545 as the remaining expected usage is filled. These amounts are based on an estimate of cost to perform all closure and postclosure care in 2022. 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, Continued

VII. 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
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Inventory	\$ 39,502	-	39,502
Advance to Sewer Utility Enterprise Fund	2,189,978	-	2,189,978
Advance to Bulk Fuel Farm Enterprise Fund	595,234	-	595,234
Advance to Harbor Enterprise Fund	985,281	-	985,281
Advance to Refuse Enterprise Fund	130,159	-	130,159
Total nonspendable	<u>\$ 3,940,154</u>	<u>-</u>	<u>3,940,154</u>
Committed for public works	\$ -	235,627	235,627
Unassigned	<u>4,805,876</u>	<u>(125,457)</u>	<u>4,680,419</u>
Total fund balances	<u>\$ 8,746,030</u>	<u>110,170</u>	<u>8,856,200</u>

The following funds had fund deficits at December 31, 2022:

Sewer utility Enterprise Fund	\$ 671,472
Bulk Fuel Farm Enterprise Fund	5,763,010
Harbor Enterprise Fund	3,450,507
EDA Tech Assist Special Revenue Fund	20,324
TDX Fuel Spill Special Revenue Fund	104,729
Typhoon Merbok Damages Special Revenue Fund	404
Total fund deficits	<u>\$ 10,010,446</u>

VIII. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

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

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

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

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

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

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

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2022 the employer contribution rate is 0.68% for peace officers and firefighters and 0.31% for all other members.

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2022 (latest available information) employer contributions were 6.46% of annual payroll.

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2022 employer contributions were 1.07%.

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the plan.

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2022 (latest available report) for the DB Plans for PERS are: DB Pension 6.00%, ARHCT 6.03%, ODD 6.30%, and RMP is 6.28%.

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

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

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS plan (rates shown below exclude an annual inflation component of 2.88%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%, which represents a decrease of 0.13% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.09% as of June 30, 2022.

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

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

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

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.25% discount rate.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Employer Contribution rates for the plan year ended 2022 (measurement period) are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	24.79%	2.79%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>24.79%</u>	<u>2.79%</u>

Termination Costs: If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For plan year ended 2022 (measurement period) the past service rate for PERS is 16.01%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2022 (latest available) were determined by an actuarial valuation as of June 30, 2021 which was rolled forward to the measurement date June 30, 2022. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 8.5% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017 - 2021 actual experience study and applicable tables contained in Pub-210, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.5% grading down to 4.5%. Ultimate trend rates reached in FY2050.

Notes to Basic Financial Statements, Continued

The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions related to the ARHCT plan:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent two years of actual administrative expenses paid from plan assets.

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

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

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

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

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

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

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

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

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

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

Post Retirement Pension Adjustments. The plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The discretionary PRPA may be granted to eligible recipients by the DB Plan's administrator if the funding ratio of the DB Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, the retiree is eligible for both adjustments, the one that provides the retiree with the greatest benefit will be paid.

Funding Policy. In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

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

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.5% for peace officers and firefighters, and 9.6% for certain school district employees.

Employer contributions for the year ended December 31, 2022 were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>256,181</u>	<u>34,455</u>	<u>290,636</u>

Public Employees Retirement Plans

For the year ended December 31, 2022 the State of Alaska contributed \$102,736 (100% pension cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2022 to a total of (\$74,104), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At December 31, 2022, the City reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the City were as follows:

Defined Benefit:	<u>Pension</u>
City's proportionate share of the net pension liability	\$ 3,853,192
State's proportionate share of the net pension liability	<u>1,065,801</u>
Total	<u>\$ 4,918,993</u>
	<u>OPEB</u>
City's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,476,876)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(423,110)</u>
Total	<u>\$ (1,899,986)</u>
City's proportionate share of the ODD OPEB liability (asset)	<u>\$ (42,298)</u>
City's proportionate share of the RMP OPEB liability (asset)	<u>\$ (32,651)</u>
Total City's share of net pension and OPEB liabilities	<u>\$ 3,853,192</u>
Total City's share of net pension and OPEB (asset)	<u>\$ (1,551,825)</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The City's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2023 through FY2039, as determined by projections based on the June 30, 2021 valuation.

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

	<u>June 30, 2022</u> Measurement	<u>June 30, 2021</u> Measurement	<u>Change</u>
Pension	0.0756%	0.0667%	0.0090%
OPEB:			
ARHCT	0.0751%	0.0669%	0.0082%
ODD	0.0965%	0.1139%	(0.0174%)
RMP	0.0940%	0.1015%	(0.0074%)

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2022, the City recognized pension and OPEB expense (revenue) of \$782,918 and (\$745,265), respectively, for the year ended December 31, 2022. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	110,164	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	135,616	-
Total	\$ <u>245,780</u>	<u>-</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(10,455)
Changes of assumptions	-	(67,775)
Net difference between projected and actual earnings on OPEB plan investments	83,789	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(27,217)
City contributions subsequent to the measurement date	-	-
Total	\$ <u>83,789</u>	<u>(105,447)</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(13,877)
Changes of assumptions	-	(269)
Net difference between projected and actual earnings on OPEB plan investments	1,432	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,085	(4,609)
City contributions subsequent to the measurement date	2,682	-
Total	<u>\$ 9,199</u>	<u>(18,755)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,618	(1,283)
Changes of assumptions	6,322	(39,149)
Net difference between projected and actual earnings on OPEB plan investments	4,657	-
Changes in proportion and differences between City contributions and proportionate share of contributions	3,024	(1,179)
City contributions subsequent to the measurement date	7,498	-
Total	<u>\$ 23,119</u>	<u>(41,611)</u>

\$135,616 and \$10,180 are reported as deferred outflows of resources related to pension and OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended December 31, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended		OPEB	OPEB	OPEB
June 30 (change to client fiscal year end),	Pension	ARHCT	ODD	RMP
2023	\$ (13,096)	(119,519)	(2,560)	(4,442)
2024	(33,570)	(29,385)	(2,631)	(4,668)
2025	(80,589)	(66,196)	(2,859)	(5,388)
2026	237,419	193,442	(1,293)	1,183
2027	-	-	(1,640)	(5,563)
Thereafter	-	-	(1,255)	(7,112)
Total	<u>\$ 110,164</u>	<u>(21,658)</u>	<u>(12,238)</u>	<u>(25,990)</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

For the year ended December 31, 2022, the City recognized \$461,582 and (\$106,875) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 5,187,224	3,853,192	2,728,327
Net OPEB ARHCT liability (asset)	\$ (877,477)	(1,476,876)	(1,979,525)
Net OPEB ODD liability (asset)	\$ (39,844)	(42,298)	(44,217)
Net OPEB RMP liability (asset)	\$ 6,006	(32,651)	(62,130)

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

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$ (2,038,656)	(1,476,876)	(806,002)
Net OPEB ODD liability (asset)	\$ N/A	(42,298)	N/A
Net OPEB RMP liability (asset)	\$ (66,178)	(32,651)	12,508

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

Plan Description and Funding Requirements. Cities and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.07% for the retiree medical plan (DB), 0.31% and 0.68% (peace officers) for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

Plan members are 100% vested with their contributions.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

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

The City contributed \$120,768 for the year ended December 31, 2022, which included forfeitures of \$15,419 which have been applied as employer contributions.

IX. 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, 2022.

X. INTERFUND BALANCES

- a) 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, 2022 follows:

Advance from the General Fund to:	
Sewer Utility Enterprise Fund	\$ 2,189,978
Bulk Fuel Farm Enterprise Fund	595,234
Harbor Enterprise Fund	985,281
Refuse Enterprise Fund	130,159
Total advances to other funds	<u>\$ 3,900,652</u>
Due to General Fund from:	
Non Major Special Revenue Funds	<u>\$ 239,186</u>

b) Interfund transfers

A summary of interfund transfers in and out June 30, 2022 is as follows:

Transfer out of General Fund to nonmajor special revenue funds in the amount of \$11,999 to cover operating expenditures.

XI. CONTINGENCIES

A. Litigation

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

B. Contingent Liabilities

The City receives numerous grants, which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grant. Management believes that such disallowances, if any, would not be material.

XII. NEW ACCOUNTING PRONOUNCEMENTS

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

- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 99 *Omnibus 2022*. Multiple effective dates.
- GASB 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective for fiscal years beginning after June 15, 2023. Multiple effective dates.
- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.

Statement 94 is not expected to have any significant impact on the financial statements of the City.

Notes to Basic Financial Statements, Continued

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

GASB Statement No. 99 will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 101 unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF SAINT PAUL, ALASKA

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

General Fund

Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Sales	\$ 386,600	358,890	(27,710)
Fish	570,760	524,888	(45,872)
Total taxes	<u>957,360</u>	<u>883,778</u>	<u>(73,582)</u>
Intergovernmental:			
State fisheries taxes	1,592,648	1,549,446	(43,202)
State PERS relief	-	84,871	84,871
Federal payment in lieu of taxes	76,000	88,789	12,789
ARPA lost revenue	213,209	213,899	690
State revenue sharing	54,600	-	(54,600)
Remote sellers sales tax	10,000	25,233	15,233
Other	-	60	60
Total intergovernmental	<u>1,946,457</u>	<u>1,962,298</u>	<u>15,841</u>
Charges for services:			
Building/housing revenue	75,084	86,330	11,246
Allocated administrative charges	592,164	592,164	-
Equipment rental revenue	3,500	318,047	314,547
Other contract and labor revenues	25,000	8,594	(16,406)
Total charges for services	<u>695,748</u>	<u>1,005,135</u>	<u>309,387</u>
Investment income (loss)	120,000	(171,739)	(291,739)
Other revenue	15,100	94,095	78,995
Total revenue	<u>3,734,665</u>	<u>3,773,567</u>	<u>38,902</u>
Expenditures:			
General government	1,366,094	1,683,677	(317,583)
Public safety	1,006,549	1,141,566	(135,017)
Public works	1,278,044	1,121,670	156,374
Total expenditures	<u>3,650,687</u>	<u>3,946,913</u>	<u>(296,226)</u>
Excess (deficiency) of revenues over expenditures	83,978	(173,346)	(257,324)
Other financing uses - transfers out	-	(11,999)	(11,999)
Net change in fund balance	\$ <u>83,978</u>	(185,345)	<u>(269,323)</u>
Fund balance, beginning of year		8,931,375	
Fund balance, end of year		\$ <u>8,746,030</u>	

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA

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

Public Employees' Retirement System (PERS)

December 31, 2022

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0616%	\$ 2,986,268	\$ 800,510	\$ 3,786,778	\$ 1,623,160	183.98%	62.37%
2016	0.0525%	\$ 2,935,604	\$ 367,692	\$ 3,303,296	\$ 1,491,677	196.80%	63.96%
2017	0.0457%	\$ 2,361,271	\$ 880,458	\$ 3,241,729	\$ 1,222,885	193.09%	59.55%
2018	0.0370%	\$ 1,838,340	\$ 533,475	\$ 2,371,815	\$ 1,160,380	158.43%	63.37%
2019	0.0445%	\$ 2,434,625	\$ 967,561	\$ 3,402,186	\$ 1,369,752	177.74%	65.19%
2020	0.0506%	\$ 2,984,091	\$ 1,235,203	\$ 4,219,294	\$ 1,594,495	187.15%	63.42%
2021	0.0667%	\$ 2,445,116	\$ 332,361	\$ 2,777,477	\$ 1,892,842	129.18%	61.61%
2022	0.0756%	\$ 3,853,192	\$ 1,065,801	\$ 4,918,993	\$ 2,123,527	181.45%	74.46%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA

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

Public Employees' Retirement System (PERS)

December 31, 2022

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0370%	\$ 379,695	\$ 110,950	\$ 490,645	\$ 1,160,380	32.72%	89.68%
2019	0.0496%	\$ 66,175	\$ 26,146	\$ 92,321	\$ 1,369,752	4.83%	88.12%
2020	0.0506%	\$ (228,924)	\$ (95,151)	\$ (324,075)	\$ 1,594,495	-14.36%	98.13%
2021	0.0669%	\$ (1,716,317)	\$ (228,936)	\$ (1,945,253)	\$ 1,892,842	-90.67%	106.15%
2022	0.0751%	\$ (1,476,876)	\$ (423,110)	\$ (1,899,986)	\$ 2,123,527	-69.55%	135.54%
Occupational Death and Disability (ODD):							
2018	0.0642%	\$ (12,474)	\$ -	\$ (12,474)	\$ 1,160,380	-1.07%	212.97%
2019	0.0957%	\$ (23,203)	\$ -	\$ (23,203)	\$ 1,369,752	-1.69%	270.62%
2020	0.1043%	\$ (28,430)	\$ -	\$ (28,430)	\$ 1,594,495	-1.78%	297.43%
2021	0.1139%	\$ (50,207)	\$ -	\$ (50,207)	\$ 1,892,842	-2.65%	283.80%
2022	0.0965%	\$ (42,298)	\$ -	\$ (42,298)	\$ 2,123,527	-1.99%	374.22%
Retiree Medical Plan (RMP):							
2018	0.0642%	\$ 8,173	\$ -	\$ 8,173	\$ 1,160,380	0.70%	93.98%
2019	0.0813%	\$ 19,443	\$ -	\$ 19,443	\$ 1,369,752	1.42%	88.71%
2020	0.0916%	\$ 6,495	\$ -	\$ 6,495	\$ 1,594,495	0.41%	83.17%
2021	0.1015%	\$ (27,231)	\$ -	\$ (27,231)	\$ 1,892,842	-1.44%	92.23%
2022	0.0940%	\$ (32,651)	\$ -	\$ (32,651)	\$ 617,818	-5.28%	115.10%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA
 Schedule of City's Contributions (Pensions)
 Public Employees' Retirement System (PERS)
 December 31, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 128,719	\$ (128,719)	\$ -	\$ 1,491,677	8.63%
2016	\$ 118,075	\$ (118,075)	\$ -	\$ 1,222,885	9.66%
2017	\$ 139,695	\$ (139,695)	\$ -	\$ 1,160,380	12.04%
2018	\$ 158,646	\$ (158,646)	\$ -	\$ 1,369,752	11.58%
2019	\$ 169,640	\$ (169,640)	\$ -	\$ 1,594,495	10.64%
2020	\$ 217,971	\$ (217,971)	\$ -	\$ 1,892,842	11.52%
2021	\$ 267,009	\$ (267,009)	\$ -	\$ 2,123,527	12.57%
2022	\$ 251,959	\$ (256,181)	\$ (4,222)	\$ 1,887,691	13.35%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA

Schedule of City's Contributions (OPEB)

Public Employees' Retirement System (PERS)

December 31, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 51,411	\$ (51,411)	\$ -	\$ 1,369,752	3.75%
2019	\$ 64,898	\$ (64,898)	\$ -	\$ 1,594,495	4.07%
2020	\$ 59,226	\$ (59,226)	\$ -	\$ 1,892,842	3.13%
2021	\$ 40,074	\$ (40,074)	\$ -	\$ 2,123,527	1.89%
2022	\$ 13,779	\$ (13,779)	\$ -	\$ 1,887,691	0.73%
Occupational Death and Disability (ODD):					
2018	\$ 2,834	\$ (2,834)	\$ -	\$ 1,369,752	0.21%
2019	\$ 4,263	\$ (4,263)	\$ -	\$ 1,594,495	0.27%
2020	\$ 5,286	\$ (5,286)	\$ -	\$ 1,892,842	0.28%
2021	\$ 6,055	\$ (6,055)	\$ -	\$ 2,123,527	0.29%
2022	\$ 5,379	\$ (5,379)	\$ -	\$ 1,887,691	0.28%
Retiree Medical Plan (RMP):					
2018	\$ 8,561	\$ (8,561)	\$ -	\$ 1,369,752	0.63%
2019	\$ 12,981	\$ (12,981)	\$ -	\$ 1,594,495	0.81%
2020	\$ 17,336	\$ (17,336)	\$ -	\$ 1,892,842	0.92%
2021	\$ 18,118	\$ (18,118)	\$ -	\$ 617,818	2.93%
2022	\$ 15,296	\$ (15,296)	\$ -	\$ 548,945	2.79%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA

Notes to Required Supplementary Information

Year Ended December 31, 2022

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

Budgets and Budgetary Accounting

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

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

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

CITY OF SAINT PAUL, ALASKA

Notes to Required Supplementary Information, Continued

2. Excess of Expenditures over Appropriations

For the year ended December 31, 2022, expenditures exceeded appropriation in the General Fund for the following functions:

General Government	\$317,583
Public Safety	135,017

3. Public Employees' Retirement System

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

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

Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022:

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

Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022:

- Pension - Healthcare claim costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from CY21 to CY22. The amounts included in the normal cost for administrative expenses were changed from \$7,223,000 to \$7,625,000 for pension, and from \$4,934,000 to \$5,531,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.
- OPEB ODD and RMP- Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$1,000 to \$16,000 for occupational death and disability, and from \$20,000 to \$24,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022:

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

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

Schedule of City Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2021 which was rolled forward to June 30, 2022. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

	Special Revenue Funds						
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	APUN	EDA Tech Assist	USDA RUS	COVID-19 Local Fiscal Recovery
<u>Assets</u>							
Cash and investments	\$ 309,385	235	-	-	-	-	132,461
Accounts receivable	-	-	96,610	22,170	-	15,890	-
Total assets	<u>\$ 309,385</u>	<u>235</u>	<u>96,610</u>	<u>22,170</u>	<u>-</u>	<u>15,890</u>	<u>132,461</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ -	-	-	-	942	-	-
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	94,400	-	-	-	-	-	132,461
Due to other funds	-	-	76,203	22,170	19,382	15,890	-
Total liabilities	<u>94,400</u>	<u>-</u>	<u>76,203</u>	<u>22,170</u>	<u>20,324</u>	<u>15,890</u>	<u>132,461</u>
Fund Balances:							
Committed	214,985	235	20,407	-	-	-	-
Unassigned	-	-	-	-	(20,324)	-	-
Total fund balances	<u>214,985</u>	<u>235</u>	<u>20,407</u>	<u>-</u>	<u>(20,324)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 309,385</u>	<u>235</u>	<u>96,610</u>	<u>22,170</u>	<u>-</u>	<u>15,890</u>	<u>132,461</u>

(continued)

CITY OF SAINT PAUL, ALASKA
 Nonmajor Governmental Funds
 Combining Balance Sheet, continued

	Special Revenue Funds							Total
	TDX Fuel Spill	EDA Small Boat	Emergency Management	ASCA Harper Arts	ACF Surfing Workshop	Community Arts Partnership	Typhoon Merbok Damages	Nonmajor Governmental Funds
<u>Assets</u>								
Cash and investments	\$ -	-	33	9,125	25,000	13,400	-	489,639
Accounts receivable	-	408	-	-	-	-	-	135,078
Total assets	<u>\$ -</u>	<u>408</u>	<u>33</u>	<u>9,125</u>	<u>25,000</u>	<u>13,400</u>	<u>-</u>	<u>624,717</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ -	-	-	-	-	-	-	942
Accrued expenses	-	-	33	-	-	-	-	33
Unearned revenue	-	-	-	9,125	25,000	13,400	-	274,386
Due to other funds	104,729	408	-	-	-	-	404	239,186
Total liabilities	<u>104,729</u>	<u>408</u>	<u>33</u>	<u>9,125</u>	<u>25,000</u>	<u>13,400</u>	<u>404</u>	<u>514,547</u>
Fund Balances:								
Committed	-	-	-	-	-	-	-	235,627
Unassigned	(104,729)	-	-	-	-	-	(404)	(125,457)
Total fund balances	<u>(104,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(404)</u>	<u>110,170</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>408</u>	<u>33</u>	<u>9,125</u>	<u>25,000</u>	<u>13,400</u>	<u>-</u>	<u>624,717</u>

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended December 31, 2022

	Special Revenue Funds							
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	EDA Tech Assist	Emergency Siren Notification	USDA RUS	COVID-19 Emergency Operations	COVID-19 Local Fiscal Recovery
Revenues:								
Intergovernmental	\$ -	-	148,830	-	36,847	15,890	8,115	118,015
Charges for services	-	-	-	-	-	-	-	-
Total revenues	-	-	148,830	-	36,847	15,890	8,115	118,015
Expenditures:								
Public safety:								
Salaries and wages	-	-	25,469	-	1,842	-	-	-
Employee benefits	-	-	2,648	-	-	-	-	-
Material and supplies	-	-	-	-	2,404	-	-	-
Legal and consulting	-	-	9,344	-	4,068	-	-	-
Other	-	-	1,660	-	-	-	-	-
Capital outlay	-	-	-	-	3,488	-	-	-
Total public safety	-	-	39,121	-	11,802	-	-	-
Public works:								
Salaries and wages	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-
Material and supplies	-	-	-	-	35,972	-	8,115	30,472
Legal and consulting	-	-	-	-	-	-	-	28,550
Contractors and consulting services	-	-	-	-	-	15,890	-	26,304
Other	-	-	-	-	-	-	-	32,689
Capital outlay	-	-	-	-	-	-	-	-
Total public works	-	-	-	-	35,972	15,890	8,115	118,015
Total expenditures	-	-	39,121	-	47,774	15,890	8,115	118,015
Excess (deficiency) of revenues over expenditures	-	-	109,709	-	(10,927)	-	-	-
Other financing sources -								
Transfers in	-	-	-	-	10,927	-	-	-
Net change in fund balances	-	-	109,709	-	-	-	-	-
Fund balance, beginning	214,985	235	(89,302)	(20,324)	-	-	-	-
Fund balance, ending	\$ 214,985	235	20,407	(20,324)	-	-	-	-

(continued)

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance, continued

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Rasmuson Community Park	TDX Fuel Spill	EDA Small Boat	Emergency Management	Typhoon Merbok Damages	
Revenues:						
Intergovernmental	\$ 23,799	129	427	8	17	352,077
Charges for services	-	209,828	-	-	-	209,828
Total revenues	<u>23,799</u>	<u>209,957</u>	<u>427</u>	<u>8</u>	<u>17</u>	<u>561,905</u>
Expenditures:						
Public safety:						
Salaries and wages	-	-	-	-	-	27,311
Employee benefits	-	-	-	-	-	2,648
Material and supplies	-	-	-	-	-	2,404
Legal and consulting	-	-	-	-	-	13,412
Other	-	-	-	-	-	1,660
Capital outlay	-	-	-	-	-	3,488
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,923</u>
Public works:						
Salaries and wages	2,291	5,275	314	175	298	8,353
Employee benefits	94	889	113	45	123	1,264
Material and supplies	6,538	-	-	-	-	81,097
Legal and consulting	4,490	-	-	-	-	33,040
Contractors and consulting services	1,207	870	-	-	-	44,271
Other	-	3,785	-	-	-	36,474
Capital outlay	10,039	303,867	-	-	-	313,906
Total public works	<u>24,659</u>	<u>314,686</u>	<u>427</u>	<u>220</u>	<u>421</u>	<u>518,405</u>
Total expenditures	<u>24,659</u>	<u>314,686</u>	<u>427</u>	<u>220</u>	<u>421</u>	<u>569,328</u>
Excess (deficiency) of revenues over expenditures	<u>(860)</u>	<u>(104,729)</u>	<u>-</u>	<u>(212)</u>	<u>(404)</u>	<u>(7,423)</u>
Other financing sources - Transfers in	<u>860</u>	<u>-</u>	<u>-</u>	<u>212</u>	<u>-</u>	<u>11,999</u>
Net change in fund balances	-	(104,729)	-	-	(404)	4,576
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,594</u>
Fund balance, ending	<u>\$ -</u>	<u>(104,729)</u>	<u>-</u>	<u>-</u>	<u>(404)</u>	<u>110,170</u>

CITY OF SAINT PAUL, ALASKA
 Nonmajor Enterprise Funds
 Combining Schedule of Net Position
 December 31, 2022

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
<u>Assets and Deferred Outflows of Resources</u>				
Current assets:				
Cash and investments	\$ 386,078	115	178,036	564,229
Accounts receivable	4,954	-	-	4,954
Inventory	31,850	-	-	31,850
Total current assets	<u>422,882</u>	<u>115</u>	<u>178,036</u>	<u>601,033</u>
Noncurrent:				
Net pension and OPEB asset	<u>3,180</u>	<u>-</u>	<u>1,190</u>	<u>4,370</u>
Property, plant and equipment:				
Machinery and equipment	46,708	-	-	46,708
Accumulated depreciation	<u>(45,417)</u>	<u>-</u>	<u>-</u>	<u>(45,417)</u>
Net property, plant and equipment	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>1,291</u>
Total assets	<u>427,353</u>	<u>115</u>	<u>179,226</u>	<u>606,694</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>224</u>	<u>-</u>	<u>1,915</u>	<u>2,139</u>
Total assets and deferred outflows of resources	<u>\$ 427,577</u>	<u>115</u>	<u>181,141</u>	<u>608,833</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>				
Current liabilities :				
Accounts payable	\$ 8,155	-	-	8,155
Accrued liabilities	-	-	1,138	1,138
Unearned revenue	-	-	36,126	36,126
Total current liabilities	<u>8,155</u>	<u>-</u>	<u>37,264</u>	<u>45,419</u>
Noncurrent liabilities -				
Net pension and OPEB liability	<u>3,002</u>	<u>-</u>	<u>16,125</u>	<u>19,127</u>
Total liabilities	<u>11,157</u>	<u>-</u>	<u>53,389</u>	<u>64,546</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>102</u>	<u>-</u>	<u>878</u>	<u>980</u>
Net position:				
Net investment in capital assets	1,291	-	-	1,291
Unrestricted	<u>415,027</u>	<u>115</u>	<u>126,874</u>	<u>542,016</u>
Total net position	<u>416,318</u>	<u>115</u>	<u>126,874</u>	<u>543,307</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 427,577</u>	<u>115</u>	<u>181,141</u>	<u>608,833</u>

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Schedule of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2022

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Operating revenues:				
Operating revenues	\$ 11,693	-	72,723	84,416
Cost of goods sold	(4,649)	-	-	(4,649)
Net operating revenues	<u>7,044</u>	<u>-</u>	<u>72,723</u>	<u>79,767</u>
Operating expenses:				
Salaries and wages	1,526	-	9,114	10,640
Employee benefits	(2,190)	-	9,522	7,332
Fuel and utilities	10	-	-	10
Depreciation	1,721	-	-	1,721
Repairs and maintenance	-	-	2,456	2,456
Insurance	17,266	-	-	17,266
Administrative cost allocation	31,723	-	-	31,723
Other general and administrative costs	-	-	135	135
Total operating expenses	<u>50,056</u>	<u>-</u>	<u>21,227</u>	<u>71,283</u>
Operating income (loss)	<u>(43,012)</u>	<u>-</u>	<u>51,496</u>	<u>8,484</u>
Nonoperating revenues (expenses):				
State PERS relief	2	-	18	20
Investment loss	(12,933)	-	(5,964)	(18,897)
Net nonoperating revenues	<u>(12,931)</u>	<u>-</u>	<u>(5,946)</u>	<u>(18,877)</u>
Change in net position	(55,943)	-	45,550	(10,393)
Net position, beginning	<u>472,261</u>	<u>115</u>	<u>81,324</u>	<u>553,700</u>
Net position, ending	<u>\$ 416,318</u>	<u>115</u>	<u>126,874</u>	<u>543,307</u>

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Schedule of Cash Flows

Year Ended December 31, 2022

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Cash flows provided (used) by operating activities:				
Receipts from customers and users	\$ 10,784	-	108,849	119,633
Payments of interfund services used	(31,723)	-	-	(31,723)
Payments to suppliers	(8,812)	-	(2,591)	(11,403)
Payments to employees	(1,912)	-	(11,053)	(12,965)
Net cash flows provided (used) by operating activities	<u>(31,663)</u>	<u>-</u>	<u>95,205</u>	<u>63,542</u>
Cash flows provided (used) by investing activities -				
Investment loss paid	(12,933)	-	(5,964)	(18,897)
Net change in cash and investments	<u>(44,596)</u>	<u>-</u>	<u>89,241</u>	<u>44,645</u>
Cash and investments, beginning	<u>430,674</u>	<u>115</u>	<u>88,795</u>	<u>519,584</u>
Cash and investments, ending	<u>\$ 386,078</u>	<u>115</u>	<u>178,036</u>	<u>564,229</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (43,012)	-	51,496	8,484
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation and amortization	1,721	-	-	1,721
Noncash expenses - PERS relief	2	-	18	20
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	(909)	-	-	(909)
Inventory	4,960	-	-	4,960
Net pension and OPEB asset	149	-	1,280	1,429
Deferred outflows of resources - pension and OPEB deferrals	(29)	-	(621)	(650)
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	8,153	-	-	8,153
Accrued liabilities	-	-	1,138	1,138
Unearned revenue	-	-	36,126	36,126
Net pension and OPEB liability	870	-	7,452	8,322
Deferred inflows of resources - pension and OPEB deferrals	(3,568)	-	(1,684)	(5,252)
Net cash flows used by operating activities	<u>\$ (31,663)</u>	<u>-</u>	<u>95,205</u>	<u>63,542</u>

CITY OF SAINT PAUL, ALASKA

Balance Sheets

General Fund

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and investments	\$ 5,505,051	7,301,765
Receivables:		
Accounts	14,415	16,243
Interest	16,690	16,690
Allowance for doubtful accounts	(8,762)	(8,762)
Due from other funds	239,186	167,467
Advances to other funds	3,900,652	2,335,197
Inventory	39,502	41,488
Total assets	<u>\$ 9,706,734</u>	<u>9,870,088</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	135,752	92,005
Accrued expenses	78,813	83,467
Customer deposits	20,235	21,935
Unearned revenue	725,904	741,306
Total liabilities	<u>960,704</u>	<u>938,713</u>
Fund Balance:		
Nonspendable	3,940,154	2,376,685
Unassigned	4,805,876	6,554,690
Total fund balance	<u>8,746,030</u>	<u>8,931,375</u>
Total liabilities and fund balance	<u>\$ 9,706,734</u>	<u>9,870,088</u>

CITY OF SAINT PAUL, ALASKA

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

General Fund

Years Ended December 31, 2022 and 2021

	2022			2021
	Original and Final Budget	Actual	Variance	Actual
Revenues:				
Taxes:				
Sales	\$ 386,600	358,890	(27,710)	394,282
Fish	570,760	524,888	(45,872)	3,347,430
Total taxes	<u>957,360</u>	<u>883,778</u>	<u>(73,582)</u>	<u>3,741,712</u>
Intergovernmental:				
State fisheries taxes	1,592,648	1,549,446	(43,202)	844,918
State PERS relief	-	84,871	84,871	142,101
Federal payment in lieu of taxes	76,000	88,789	12,789	78,606
ARPA lost revenue	213,209	213,899	690	-
State revenue sharing	54,600	-	(54,600)	76,794
Remote sellers sales tax	10,000	25,233	15,233	17,259
Other	-	60	60	20
Total intergovernmental	<u>1,946,457</u>	<u>1,962,298</u>	<u>15,841</u>	<u>1,159,698</u>
Charges for services:				
Building/housing revenue	75,084	86,330	11,246	88,747
Allocated administrative charges	592,164	592,164	-	674,183
Equipment rental revenue	3,500	318,047	314,547	-
Other contract and labor revenues	25,000	8,594	(16,406)	9,184
Total charges for services	<u>695,748</u>	<u>1,005,135</u>	<u>309,387</u>	<u>772,114</u>
Investment income (loss)	<u>120,000</u>	<u>(171,739)</u>	<u>(291,739)</u>	<u>74,283</u>
Other revenue	<u>15,100</u>	<u>94,095</u>	<u>78,995</u>	<u>54,672</u>
Total revenue	<u>3,734,665</u>	<u>3,773,567</u>	<u>38,902</u>	<u>5,802,479</u>
Expenditures:				
General government:				
Mayor and council:				
Salaries and wages	12,600	9,669	2,931	9,254
Employee benefits	3,727	1,728	1,999	1,328
Material and supplies	55	1,544	(1,489)	1,469
Fuel, utilities and telephone	5,657	1,552	4,105	3,540
Other	23,353	16,245	7,108	65,799
Total mayor and council	<u>45,392</u>	<u>30,738</u>	<u>14,654</u>	<u>81,390</u>

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2022			2021
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
City manager:				
Salaries and wages	\$ 148,427	152,828	(4,401)	141,215
Employee benefits	56,378	65,394	(9,016)	58,345
Material and supplies	90	239	(149)	7,981
Fuel, utilities and telephone	2,176	2,394	(218)	3,415
Repairs and maintenance	180	12	168	380
Insurance	732	584	148	724
Legal and consulting	190,250	251,431	(61,181)	261,471
Other	6,401	11,118	(4,717)	8,640
Capital outlay	-	-	-	50,945
Total city manager	<u>404,634</u>	<u>484,000</u>	<u>(79,366)</u>	<u>533,116</u>
City clerk:				
Salaries and wages	128,589	124,149	4,440	116,582
Employee benefits	50,312	50,458	(146)	53,978
Material and supplies	2,230	3,052	(822)	4,942
Fuel, utilities and telephone	1,136	2,625	(1,489)	3,650
Repairs and maintenance	150	983	(833)	511
Insurance	504	476	28	504
Other	3,973	3,873	100	6,555
Total city clerk	<u>186,894</u>	<u>185,616</u>	<u>1,278</u>	<u>186,722</u>
Finance:				
Salaries and wages	230,477	284,614	(54,137)	243,493
Employee benefits	68,117	125,249	(57,132)	102,232
Material and supplies	4,750	4,414	336	8,847
Fuel, utilities and telephone	5,726	4,370	1,356	6,411
Repairs and maintenance	180	12	168	-
Insurance	636	533	103	631
Legal and consulting	-	-	-	3,746
Interest expense	-	16	(16)	-
Other	106,524	164,155	(57,631)	114,185
Total finance	<u>416,410</u>	<u>583,363</u>	<u>(166,953)</u>	<u>479,545</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2022			2021
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
Housing:				
Salaries and wages	\$ 9,754	11,356	(1,602)	9,946
Employee benefits	2,983	3,135	(152)	3,796
Material and supplies	3,650	11,427	(7,777)	15,262
Fuel, utilities and telephone	75,015	77,474	(2,459)	55,439
Repairs and maintenance	-	9,199	(9,199)	80,746
Insurance	21,272	19,028	2,244	21,265
Other	9,877	10,933	(1,056)	9,826
Total housing	<u>122,551</u>	<u>142,552</u>	<u>(20,001)</u>	<u>196,280</u>
Nondepartmental:				
Salaries and wages	-	-	-	79,200
Employee benefits	-	-	-	7,339
Material and supplies	120	19,989	(19,869)	860
Fuel, utilities and telephone	600	362	238	510
Insurance	60,418	40,080	20,338	30,390
Legal and consulting	92,864	87,983	4,881	84,864
Other	36,211	108,994	(72,783)	233,089
Total nondepartmental	<u>190,213</u>	<u>257,408</u>	<u>(67,195)</u>	<u>436,252</u>
Total general government	<u>1,366,094</u>	<u>1,683,677</u>	<u>(317,583)</u>	<u>1,913,305</u>
Public safety:				
Police, fire and EMS:				
Salaries and wages	516,327	608,060	(91,733)	700,878
Employee benefits	210,096	246,378	(36,282)	290,001
Material and supplies	11,650	70,725	(59,075)	45,681
Fuel, utilities and telephone	37,802	47,361	(9,559)	41,178
Repairs and maintenance	790	557	233	3,236
Insurance	37,928	24,414	13,514	44,475
Legal and consulting	126,000	94,500	31,500	45,290
Other	65,956	49,571	16,385	42,851
Total public safety	<u>1,006,549</u>	<u>1,141,566</u>	<u>(135,017)</u>	<u>1,213,590</u>
Public works:				
Machine shop and motor pool:				
Salaries and wages	144,406	68,521	75,885	102,273
Employee benefits	70,172	21,955	48,217	52,632
Material and supplies	8,505	4,050	4,455	32,378
Fuel, utilities and telephone	14,180	14,473	(293)	14,311
Repairs and maintenance	870	10,565	(9,695)	6,209
Insurance	30,918	22,563	8,355	31,145
Legal and consulting	-	2,994	(2,994)	-
Other	13,116	13,772	(656)	22,350
Capital outlay	-	3,628	(3,628)	77,192
Total machine shop and motor pool	<u>282,167</u>	<u>162,521</u>	<u>119,646</u>	<u>338,490</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2022			2021
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works, continued:				
Maintenance and labor pool:				
Salaries and wages	\$ 328,233	297,050	31,183	346,179
Employee benefits	139,286	142,722	(3,436)	155,253
Material and supplies	9,325	14,630	(5,305)	460,430
Fuel, utilities and telephone	116,102	134,914	(18,812)	111,897
Repairs and maintenance	13,990	7,069	6,921	32,487
Insurance	94,501	62,292	32,209	96,090
Legal and consulting	-	7,318	(7,318)	4,870
Contractors and consulting services	-	3,226	(3,226)	-
Other	9,985	7,363	2,622	11,215
Capital outlay	-	-	-	88,497
Total maintenance and labor pool	<u>711,422</u>	<u>676,584</u>	<u>34,838</u>	<u>1,306,918</u>
Administration:				
Salaries and wages	187,611	180,340	7,271	247,017
Employee benefits	67,346	79,026	(11,680)	92,744
Material and supplies	2,125	1,512	613	17,850
Fuel, utilities and telephone	14,832	17,996	(3,164)	16,412
Repairs and maintenance	310	1,083	(773)	-
Insurance	1,416	1,323	93	1,410
Legal and consulting	-	-	-	9,978
Other	10,815	1,285	9,530	35,154
Total administration	<u>284,455</u>	<u>282,565</u>	<u>1,890</u>	<u>420,565</u>
Total public works	<u>1,278,044</u>	<u>1,121,670</u>	<u>156,374</u>	<u>2,065,973</u>
Total expenditures	<u>3,650,687</u>	<u>3,946,913</u>	<u>(296,226)</u>	<u>5,192,868</u>
Excess (deficiency) of revenues over expenditures	83,978	(173,346)	(257,324)	609,611
Other financing uses -				
Transfers out	<u>-</u>	<u>(11,999)</u>	<u>(11,999)</u>	<u>(58,889)</u>
Net change in fund balance	\$ <u>83,978</u>	<u>(185,345)</u>	<u>(269,323)</u>	550,722
Fund balance, beginning of year		<u>8,931,375</u>		<u>8,380,653</u>
Fund balance, end of year		\$ <u>8,746,030</u>		<u>8,931,375</u>

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 3,911,233	5,095,784
Receivables:		
Accounts	272,602	175,765
Intergovernmental	170,852	121,886
Allowance for doubtful accounts	(3,067)	(3,067)
Inventory	14,878	12,263
Total current assets	<u>4,366,498</u>	<u>5,402,631</u>
Noncurrent:		
Net pension and OPEB asset	<u>82,197</u>	<u>94,057</u>
Property, plant and equipment:		
Buildings	3,091,433	3,091,433
Machinery and equipment	542,363	579,799
Plant in service	3,202,558	3,219,270
Construction in progress	1,615,283	1,379,817
Total property, plant and equipment	<u>8,451,637</u>	<u>8,270,319</u>
Accumulated depreciation	<u>(4,310,918)</u>	<u>(4,319,105)</u>
Net property, plant and equipment	<u>4,140,719</u>	<u>3,951,214</u>
Total assets	<u>8,589,414</u>	<u>9,447,902</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>17,740</u>	<u>31,118</u>
Total assets and deferred outflows of resources	<u>\$ 8,607,154</u>	<u>9,479,020</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 98,093	7,311
Accrued liabilities	3,057	2,051
Accrued leave	3,408	2,666
Customer deposits	43,160	49,841
Current portion of revenue bonds	96,143	97,883
Total current liabilities	<u>243,861</u>	<u>159,752</u>
Noncurrent liabilities, net of current portion:		
Revenue bonds, net of current portion and unamortized discount of \$2,623 in 2022 (\$7,789 in 2021)	-	91,214
Net pension and OPEB liability	287,147	218,124
Total noncurrent liabilities	<u>287,147</u>	<u>309,338</u>
Total liabilities	<u>531,008</u>	<u>469,090</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>8,128</u>	<u>100,112</u>
Net position:		
Net investment in capital assets	4,044,576	3,762,117
Unrestricted	4,023,442	5,147,701
Total net position	<u>8,068,018</u>	<u>8,909,818</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,607,154</u>	<u>9,479,020</u>

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Electric services	\$ <u>1,610,720</u>	<u>1,364,574</u>
Operating expenses:		
Salaries and wages	88,648	120,076
Employee benefits	53,287	39,986
Material and supplies	39,368	81,005
Fuel and utilities	1,397,334	867,686
Depreciation	172,150	174,297
Repairs and maintenance	130,996	2,790
Insurance	26,513	33,544
Legal and consulting	234,866	64,478
Administrative cost allocation	142,754	188,759
Other general and administrative costs	30,090	54,486
Total operating expenses	<u>2,316,006</u>	<u>1,627,107</u>
Operating loss	<u>(705,286)</u>	<u>(262,533)</u>
Nonoperating revenues (expenses):		
State PERS relief	166	(1,835)
Investment income (loss)	(131,020)	69,001
Interest expense	<u>(5,660)</u>	<u>(8,369)</u>
Net nonoperating revenues	<u>(136,514)</u>	<u>58,797</u>
Loss before transfers	<u>(841,800)</u>	<u>(203,736)</u>
Transfers out	-	(5,000)
Change in net position	<u>(841,800)</u>	<u>(208,736)</u>
Net position, beginning	<u>8,909,818</u>	<u>9,118,554</u>
Net position, ending	\$ <u><u>8,068,018</u></u>	<u><u>8,909,818</u></u>

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 1,458,833	1,297,874
Payments of interfund services used	(142,754)	(188,759)
Payments to suppliers	(1,771,000)	(1,136,267)
Payments to employees	<u>(137,744)</u>	<u>(172,997)</u>
Net cash flows (used) by operating activities	<u>(592,665)</u>	<u>(200,149)</u>
Cash flows provided (used) by noncapital financing activities -		
Transfers out	<u>-</u>	<u>(5,000)</u>
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	(362,252)	(456,697)
Principal paid	(98,120)	(97,883)
Interest paid	<u>(494)</u>	<u>(731)</u>
Net cash flows used by capital and related financing activities	<u>(460,866)</u>	<u>(555,311)</u>
Cash flows from investing activities -		
Investment income (loss) received (paid)	<u>(131,020)</u>	<u>69,001</u>
Net change in cash and investments	<u>(1,184,551)</u>	<u>(691,459)</u>
Cash and investments, beginning	<u>5,095,784</u>	<u>5,787,243</u>
Cash and investments, ending	<u>\$ 3,911,233</u>	<u>5,095,784</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (705,286)	(262,533)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	172,150	174,297
Noncash expenses - PERS relief	166	(1,835)
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(145,206)	(82,630)
Inventory	(2,615)	44,773
Net pension and OPEB asset	11,860	(73,560)
Deferred outflows of resources - Pension and OPEB deferrals	13,378	7,511
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	90,782	(77,051)
Accrued liabilities	1,006	(2,686)
Accrued leave	742	563
Customer deposits	(6,681)	15,930
Net pension and OPEB liability	69,023	(25,694)
Deferred inflows of resources - Pension and OPEB deferrals	<u>(91,984)</u>	<u>82,766</u>
Net cash flows used by operating activities	<u>\$ (592,665)</u>	<u>(200,149)</u>
Noncash capital and related financing activities:		
Transfers of capital assets to general government	<u>\$ 37,437</u>	<u>-</u>

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 1,688,895	1,787,057
Receivables:		
Accounts	20,732	15,614
Allowance for doubtful accounts	(749)	(749)
Prepaid expenses	-	1,466
Total current assets	<u>1,708,878</u>	<u>1,803,388</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>92,109</u>	<u>96,690</u>
Property, plant and equipment:		
Land	1,236	1,236
Buildings	49,991	49,991
Machinery and equipment	65,858	65,858
Plant in service	6,747,329	6,747,329
Construction in progress	51,615	51,615
Total property, plant and equipment	<u>6,916,029</u>	<u>6,916,029</u>
Accumulated depreciation	<u>(5,246,978)</u>	<u>(5,127,280)</u>
Net property, plant and equipment	<u>1,669,051</u>	<u>1,788,749</u>
Total assets	<u>3,470,038</u>	<u>3,688,827</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>6,853</u>	<u>2,759</u>
Total assets and deferred outflows of resources	<u>\$ 3,476,891</u>	<u>3,691,586</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 2,198	-
Accrued liabilities	708	1,231
Accrued leave	897	10,237
Total current liabilities	<u>3,803</u>	<u>11,468</u>
Noncurrent liabilities:		
Net pension and OPEB liability	<u>70,739</u>	<u>44,075</u>
Total liabilities	<u>74,542</u>	<u>55,543</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>3,140</u>	<u>107,020</u>
Net position:		
Net investment in capital assets	1,669,051	1,788,749
Unrestricted	1,730,158	1,740,274
Total net position	<u>3,399,209</u>	<u>3,529,023</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,476,891</u>	<u>3,691,586</u>

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Water services	\$ <u>171,512</u>	<u>290,267</u>
Operating expenses:		
Salaries and wages	38,779	41,258
Employee benefits	(59,863)	8,649
Material and supplies	7,687	17,711
Fuel and utilities	36,721	31,846
Depreciation	119,699	119,699
Repairs and maintenance	302	1,915
Legal and consulting	4,964	-
Insurance	9,484	13,121
Administrative cost allocation	84,595	87,638
Other general and administrative costs	2,447	5,442
Total operating expenses	<u>244,815</u>	<u>327,279</u>
Operating loss	<u>(73,303)</u>	<u>(37,012)</u>
Nonoperating revenues (expenses):		
State PERS relief	64	(10,695)
Investment loss	(56,575)	-
Miscellaneous revenue	-	713
Net nonoperating revenues	<u>(56,511)</u>	<u>(9,982)</u>
Change in net position	(129,814)	(46,994)
Net position, beginning	<u>3,529,023</u>	<u>3,576,017</u>
Net position, ending	\$ <u><u>3,399,209</u></u>	<u><u>3,529,023</u></u>

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 166,394	303,170
Payments of interfund services used	(84,595)	(87,638)
Payments to suppliers	(57,942)	(73,049)
Payments to employees	(65,444)	(69,602)
	<u>(41,587)</u>	<u>72,881</u>
Net cash flows (provided) by operating activities		
Cash flows provided (used) by noncapital financing activities:		
Miscellaneous revenue	-	713
	<u>-</u>	<u>713</u>
Cash flows provided (used) by capital and related financing activities -		
Purchases of capital assets	-	(37,042)
	<u>-</u>	<u>(37,042)</u>
Cash flows provided (used) by investing activities -		
Investment loss paid	(56,575)	-
	<u>(56,575)</u>	<u>-</u>
Net change in cash and investments	<u>(98,162)</u>	<u>36,552</u>
Cash and investments, beginning	<u>1,787,057</u>	<u>1,750,505</u>
Cash and investments, ending	<u>\$ 1,688,895</u>	<u>1,787,057</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (73,303)	(37,012)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	119,699	119,699
Noncash expenses - PERS relief	64	(10,695)
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(5,118)	12,903
Prepaid expenses	1,465	(1,466)
Net pension and OPEB asset	4,581	(96,690)
Deferred outflows of resources - pension and OPEB deferrals	(4,094)	9,223
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	2,198	(1,548)
Accrued liabilities	(523)	(708)
Accrued leave	(9,340)	2,731
Net pension and OPEB liability	26,664	(25,195)
Deferred inflows of resources - pension and OPEB deferrals	(103,880)	101,639
	<u>(41,587)</u>	<u>72,881</u>
Net cash flows used by operating activities	<u>\$ (41,587)</u>	<u>72,881</u>

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Receivables:		
Accounts	\$ 19,651	8,672
Allowance for doubtful accounts	(33)	(33)
Total current assets	<u>19,618</u>	<u>8,639</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>1,089</u>	<u>3,634</u>
Property, plant and equipment:		
Buildings	126,574	126,574
Machinery and equipment	84,494	84,494
Plant in service	3,468,917	3,468,917
Total property, plant and equipment	<u>3,679,985</u>	<u>3,679,985</u>
Accumulated depreciation	<u>(2,116,381)</u>	<u>(1,945,800)</u>
Net property, plant and equipment	<u>1,563,604</u>	<u>1,734,185</u>
Total assets	<u>1,584,311</u>	<u>1,746,458</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>3,807</u>	<u>6,848</u>
Total assets and deferred outflows of resources	<u>\$ 1,588,118</u>	<u>1,753,306</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 5,331	1,288
Accrued liabilities	346	607
Unearned revenue	4,157	4,157
Total current liabilities	<u>9,834</u>	<u>6,052</u>
Noncurrent liabilities:		
Advances from other funds	2,189,978	2,218,055
Net pension and OPEB liability	58,034	43,223
Total noncurrent liabilities	<u>2,248,012</u>	<u>2,261,278</u>
Total liabilities	<u>2,257,846</u>	<u>2,267,330</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>1,744</u>	<u>3,075</u>
Net position:		
Net investment in capital assets	1,563,604	1,734,185
Unrestricted (deficit)	<u>(2,235,076)</u>	<u>(2,251,284)</u>
Total net position	<u>(671,472)</u>	<u>(517,099)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,588,118</u>	<u>1,753,306</u>

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Sewer services	\$ <u>176,194</u>	<u>121,891</u>
Operating expenses:		
Salaries and wages	25,802	29,760
Employee benefits	25,190	13,631
Material and supplies	1,856	5,978
Fuel and utilities	22,407	19,700
Depreciation	170,580	171,519
Legal and consulting	1,811	-
Insurance	8,842	10,429
Administrative cost allocation	74,021	87,638
Contractors and consulting services	-	30,058
Other general and administrative costs	94	168
Total operating expenses	<u>330,603</u>	<u>368,881</u>
Operating loss	<u>(154,409)</u>	<u>(246,990)</u>
Nonoperating revenues (expenses):		
State PERS relief	<u>36</u>	<u>2,786</u>
Change in net position	(154,373)	(244,204)
Net position, beginning	<u>(517,099)</u>	<u>(272,895)</u>
Net position, ending	\$ <u><u>(671,472)</u></u>	<u><u>(517,099)</u></u>

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 165,215	128,255
Payments of interfund services used	(74,021)	(87,638)
Payments to suppliers	(30,966)	(69,792)
Payments to employees	(32,151)	(41,142)
Net cash flows provided (used) by operating activities	<u>28,077</u>	<u>(70,317)</u>
Cash flows provided (used) by noncapital financing activities:		
Increase in advances from other funds	<u>(28,077)</u>	<u>70,317</u>
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (154,409)	(246,990)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	170,580	171,519
Noncash expenses - PERS relief	36	2,786
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(10,979)	6,363
Net pension and OPEB asset	2,545	(3,634)
Deferred outflows of resources - pension and OPEB deferrals	3,041	-
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	4,044	(3,459)
Accrued liabilities	(261)	(537)
Unearned revenue	-	1
Net pension and OPEB liability	14,811	3,634
Deferred inflows of resources - pension and OPEB deferrals	(1,331)	-
Net cash flows provided (used) by operating activities	<u>\$ 28,077</u>	<u>(70,317)</u>

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 386,078	430,674
Accounts receivable	4,954	4,045
Inventory	31,850	36,810
Total current assets	<u>422,882</u>	<u>471,529</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>3,180</u>	<u>3,329</u>
Property, plant and equipment:		
Machinery and equipment	46,708	46,708
Accumulated depreciation	<u>(45,417)</u>	<u>(43,696)</u>
Net property, plant and equipment	<u>1,291</u>	<u>3,012</u>
Total assets	<u>427,353</u>	<u>477,870</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>224</u>	<u>195</u>
Total assets and deferred outflows of resources	<u>\$ 427,577</u>	<u>478,065</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities -		
Accounts payable	\$ <u>8,155</u>	<u>2</u>
Noncurrent liabilities -		
Net pension and OPEB liability	<u>3,002</u>	<u>2,132</u>
Total liabilities	<u>11,157</u>	<u>2,134</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>102</u>	<u>3,670</u>
Net position:		
Net investment in capital assets	1,291	3,012
Unrestricted	<u>415,027</u>	<u>469,249</u>
Total net position	<u>416,318</u>	<u>472,261</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 427,577</u>	<u>478,065</u>

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Operating revenues - sales	\$ 11,693	56,768
Cost of goods sold	<u>(4,649)</u>	<u>(26,200)</u>
Net operating revenues	<u>7,044</u>	<u>30,568</u>
Operating expenses:		
Salaries and wages	1,526	3,778
Employee benefits	(2,190)	870
Material and supplies	-	6,157
Fuel and utilities	10	26
Depreciation	1,721	1,721
Insurance	17,266	15,510
Administrative cost allocation	<u>31,723</u>	<u>20,224</u>
Total operating expenses	<u>50,056</u>	<u>48,286</u>
Operating income (loss)	<u>(43,012)</u>	<u>(17,718)</u>
Nonoperating revenues (expenses):		
State PERS relief	2	(156)
Investment income (loss)	<u>(12,933)</u>	<u>5,832</u>
Net nonoperating revenues	<u>(12,931)</u>	<u>5,676</u>
Change in net position	(55,943)	(12,042)
Net position, beginning	<u>472,261</u>	<u>484,303</u>
Net position, ending	<u>\$ 416,318</u>	<u>472,261</u>

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 10,784	70,446
Payments of interfund services used	(31,723)	(20,224)
Payments to suppliers	(8,812)	(62,713)
Payments to employees	(1,912)	(5,179)
	<u>(31,663)</u>	<u>(17,670)</u>
Cash flows provided (used) by investing activities -		
Investment income (loss) received (paid)	<u>(12,933)</u>	<u>5,832</u>
	<u>(44,596)</u>	<u>(11,838)</u>
Cash and investments, beginning	<u>430,674</u>	<u>442,512</u>
Cash and investments, ending	<u>\$ 386,078</u>	<u>430,674</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ (43,012)	(17,718)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	1,721	1,721
Noncash expenses - PERS relief	2	(156)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(909)	13,678
Inventory	4,960	(14,818)
Net pension and OPEB asset	149	(3,060)
Deferred outflows of resources - pension and OPEB deferrals	(29)	312
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	8,153	(2)
Net pension and OPEB liability	870	(1,069)
Deferred inflows of resources - pension and OPEB deferrals	(3,568)	3,442
	<u>(31,663)</u>	<u>(17,670)</u>
Net cash flows used by operating activities	<u>\$ (31,663)</u>	<u>(17,670)</u>

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 975	975
Accounts receivable	453,964	54,919
Allowance for doubtful accounts	(4,255)	(4,255)
Inventory	2,034,475	119,462
Total current assets	<u>2,485,159</u>	<u>171,101</u>
Noncurrent:		
Net pension and OPEB asset	<u>61,613</u>	<u>74,554</u>
Property, plant and equipment:		
Land	150,000	150,000
Buildings	25,000	25,000
Machinery and equipment	489,398	489,398
Fuel tanks and lines	5,249,823	5,249,823
Construction in progress	828,765	828,765
Total property, plant and equipment	<u>6,742,986</u>	<u>6,742,986</u>
Accumulated depreciation	<u>(5,675,522)</u>	<u>(5,645,260)</u>
Net property, plant and equipment	<u>1,067,464</u>	<u>1,097,726</u>
Total assets	<u>3,614,236</u>	<u>1,343,381</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>19,358</u>	<u>17,844</u>
Total assets and deferred outflows of resources	<u>\$ 3,633,594</u>	<u>1,361,225</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 37,084	128,202
Line of credit	2,320,329	-
Bulk fuel loan	420,301	-
Accrued liabilities	3,916	1,718
Accrued leave	11,011	5,695
Unearned revenue	26,841	-
Total current liabilities	<u>2,819,482</u>	<u>135,615</u>
Noncurrent liabilities:		
Revenue bonds	4,389,672	4,389,672
Accrued interest payable	1,377,175	1,377,175
Advances from other funds	595,234	1,000,165
Net pension and OPEB liability	206,171	130,852
Total noncurrent liabilities	<u>6,568,252</u>	<u>6,897,864</u>
Total liabilities	<u>9,387,734</u>	<u>7,033,479</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>8,870</u>	<u>80,313</u>
Net position:		
Net investment in capital assets	(3,322,208)	(3,291,946)
Restricted for debt service and depreciation reserve	950,000	950,000
Unrestricted	<u>(3,390,802)</u>	<u>(3,410,621)</u>
Total net position	<u>(5,763,010)</u>	<u>(5,752,567)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,633,594</u>	<u>1,361,225</u>

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Fuel sales	\$ 2,977,924	1,691,997
Cost of goods sold	<u>(2,283,117)</u>	<u>(1,474,438)</u>
Net operating revenues	<u>694,807</u>	<u>217,559</u>
Operating expenses:		
Salaries and wages	112,895	92,174
Employee benefits	66,226	32,877
Material and supplies	20,674	15,092
Fuel and utilities	25,297	26,124
Depreciation	30,261	39,444
Repairs and maintenance	2,299	2,485
Insurance	66,673	81,205
Administrative cost allocation	153,328	188,759
Legal and consulting	148,365	5,999
Contractors and consulting services	15,970	55,377
Other general and administrative costs	11,295	2,257
Total operating expenses	<u>653,283</u>	<u>541,793</u>
Operating loss	<u>41,524</u>	<u>(324,234)</u>
Nonoperating revenues (expenses):		
State PERS relief	181	(1,801)
Interest expense	<u>(52,148)</u>	<u>-</u>
Net nonoperating revenues	<u>(51,967)</u>	<u>(1,801)</u>
Change in net position	<u>(10,443)</u>	<u>(326,035)</u>
Net position, beginning	<u>(5,752,567)</u>	<u>(5,426,532)</u>
Net position, ending	<u>\$ (5,763,010)</u>	<u>(5,752,567)</u>

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 2,605,720	1,710,175
Payments of interfund services used	(153,328)	(188,759)
Payments to suppliers	(4,579,820)	(1,684,680)
Payments to employees	(156,123)	(143,025)
	<u>(2,283,551)</u>	<u>(306,289)</u>
Net cash flows (used) by operating activities		
Cash flows provided (used) by noncapital financing activities -		
Increase (decrease) in advances from other funds	<u>(404,931)</u>	<u>306,289</u>
Cash flows provided (used) by capital and related financing activities:		
Borrowings (repayments) on line of credit, net	2,320,329	-
Proceeds from issuance of loan	750,000	-
Principal paid	(329,699)	-
Interest paid	(52,148)	-
	<u>2,688,482</u>	<u>-</u>
Net cash flows provided (used) by capital and related financing activities		
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>975</u>	<u>975</u>
Cash and investments, ending	<u>\$ 975</u>	<u>975</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ 41,524	(324,234)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	30,261	39,444
Noncash expenses - PERS relief	181	(1,801)
Increase (decrease) in allowance for doubtful accounts	-	(550)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(399,045)	18,728
Inventory	(1,915,013)	(26,574)
Net pension and OPEB asset	12,941	(61,741)
Deferred outflows of resources - pension and OPEB deferrals	(1,514)	6,304
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(91,117)	4,871
Accrued liabilities	2,198	(2,307)
Accrued leave	5,316	(6,332)
Unearned revenue	26,841	-
Net pension and OPEB liability	75,319	(21,566)
Deferred inflows of resources - pension and OPEB deferrals	(71,443)	69,469
Net cash flows used by operating activities	<u>\$ (2,283,551)</u>	<u>(306,289)</u>

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Accounts receivable	\$ 49,532	85,951
Inventory	3,649	3,649
Total current assets	<u>53,181</u>	<u>89,600</u>
Noncurrent:		
Net pension and OPEB asset	<u>38,349</u>	<u>42,666</u>
Property, plant and equipment:		
Buildings	25,000	25,000
Dock and mooring	5,045,532	5,045,532
Machinery and equipment	81,853	81,853
Total property, plant and equipment	<u>5,152,385</u>	<u>5,152,385</u>
Accumulated depreciation	<u>(4,140,469)</u>	<u>(4,070,888)</u>
Net property, plant and equipment	<u>1,011,916</u>	<u>1,081,497</u>
Total assets	<u>1,103,446</u>	<u>1,213,763</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>6,458</u>	<u>438</u>
Total assets and deferred outflows of resources	<u>\$ 1,109,904</u>	<u>1,214,201</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 5,460	-
Accrued liabilities	-	1,834
Accrued leave	-	6,831
Unearned revenue	-	46,194
Current portion of note payable - USACE	36,320	35,177
Total current liabilities	<u>41,780</u>	<u>90,036</u>
Noncurrent liabilities:		
Advances from other funds	985,281	822,973
Revenue bonds	1,466,206	1,466,206
Note payable - USACE, net of current portion	1,496,448	1,532,768
Accrued interest payable	527,969	527,969
Net pension and OPEB liability	39,768	14,643
Total noncurrent liabilities	<u>4,515,672</u>	<u>4,364,559</u>
Total liabilities	<u>4,557,452</u>	<u>4,454,595</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>2,959</u>	<u>47,333</u>
Net position:		
Net investment in capital assets	(454,290)	(384,709)
Unrestricted (deficit)	(2,996,217)	(2,903,018)
Total net position	<u>(3,450,507)</u>	<u>(3,287,727)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,109,904</u>	<u>1,214,201</u>

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Harbor charges	\$ <u>20,197</u>	<u>118,868</u>
Operating expenses:		
Salaries and wages	27,119	46,228
Employee benefits	(7,376)	12,506
Material and supplies	1,593	6,995
Fuel and utilities	4,662	5,969
Depreciation	69,581	67,481
Repairs and maintenance	77	957
Insurance	14,051	18,186
Administrative cost allocation	21,149	26,966
Contractors and consulting services	-	30,058
Other general and administrative costs	1,223	424
Total operating expenses	<u>132,079</u>	<u>215,770</u>
Operating loss	<u>(111,882)</u>	<u>(96,902)</u>
Nonoperating revenues (expenses):		
State PERS relief	60	(2,060)
Interest expense	<u>(50,958)</u>	<u>(52,065)</u>
Net nonoperating expenses	<u>(50,898)</u>	<u>(54,125)</u>
Change in net position	<u>(162,780)</u>	<u>(151,027)</u>
Net position, beginning	<u>(3,287,727)</u>	<u>(3,136,700)</u>
Net position, ending	\$ <u><u>(3,450,507)</u></u>	<u><u>(3,287,727)</u></u>

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 10,422	36,452
Payments of interfund services used	(21,149)	(26,966)
Payments to suppliers	(16,146)	(62,626)
Payments to employees	(49,300)	(61,505)
	<u>(76,173)</u>	<u>(114,645)</u>
Cash flows provided by noncapital financing activities -		
Increases in advances from other funds	<u>162,308</u>	<u>242,786</u>
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	-	(42,006)
Principal paid	(35,177)	(34,070)
Interest paid	(50,958)	(52,065)
	<u>(86,135)</u>	<u>(128,141)</u>
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (111,882)	(96,902)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	69,581	67,481
Noncash expenses - PERS relief	60	(2,060)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	36,419	(82,416)
Net pension and OPEB asset	4,317	(40,253)
Deferred outflows of resources - pension and OPEB deferrals	(6,020)	4,110
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	5,460	(37)
Accrued liabilities	(1,834)	506
Accrued leave	(6,831)	3,695
Unearned revenue	(46,194)	-
Net pension and OPEB liability	25,125	(14,060)
Deferred inflows of resources - pension and OPEB deferrals	(44,374)	45,291
Net cash flows (provided) by operating activities	<u>\$ (76,173)</u>	<u>(114,645)</u>

CITY OF SAINT PAUL, ALASKA
 Home Energy Loan Enterprise Fund
 Schedules of Net Position
 December 31, 2022 and 2021

	2022	2021
Current Assets:		
Cash and investments	\$ <u>115</u>	<u>115</u>
Net Position:		
Unrestricted	\$ <u>115</u>	<u>115</u>

CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Change in net position	\$ -	-
Net position, beginning	<u>115</u>	<u>115</u>
Net position, ending	\$ <u><u>115</u></u>	<u><u>115</u></u>

CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net change 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

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets -		
Accounts receivable	\$ 56,709	32,619
Noncurrent assets:		
Net pension and OPEB asset	33,058	37,050
Property, plant and equipment:		
Land	105,000	105,000
Landfill	801,832	801,832
Machinery and equipment	538,995	538,995
Total property, plant and equipment	<u>1,445,827</u>	<u>1,445,827</u>
Accumulated depreciation	<u>(730,123)</u>	<u>(698,295)</u>
Net property, plant and equipment	<u>715,704</u>	<u>747,532</u>
Total assets	<u>805,471</u>	<u>817,201</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	5,972	4,621
Total assets and deferred outflows of resources	<u>\$ 811,443</u>	<u>821,822</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 2,792	357
Accrued liabilities	269	260
Accrued leave	475	1,382
Total current liabilities	<u>3,536</u>	<u>1,999</u>
Noncurrent liabilities:		
Advances from other funds	130,159	81,061
Landfill closure and post closure care costs	31,145	26,804
Net pension and OPEB liability	62,092	38,856
Total noncurrent liabilities	<u>223,396</u>	<u>146,721</u>
Total liabilities	<u>226,932</u>	<u>148,720</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	2,736	40,508
Net position:		
Net investment in capital assets	715,704	747,532
Unrestricted (deficit)	<u>(133,929)</u>	<u>(114,938)</u>
Total net position	<u>581,775</u>	<u>632,594</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 811,443</u>	<u>821,822</u>

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Refuse services	\$ <u>144,826</u>	<u>160,975</u>
Operating expenses:		
Salaries and wages	39,207	42,859
Employee benefits	1,566	13,146
Material and supplies	2,978	4,117
Fuel and utilities	12,297	6,837
Depreciation and amortization	36,169	36,169
Repairs and maintenance	11,470	2,568
Insurance	4,957	9,146
Administrative cost allocation	84,595	74,155
Other	2,461	3,498
Total operating expenses	<u>195,700</u>	<u>192,495</u>
Operating loss	<u>(50,874)</u>	<u>(31,520)</u>
Nonoperating revenues -		
State PERS relief	<u>55</u>	<u>(1,680)</u>
Change in net position	<u>(50,819)</u>	<u>(33,200)</u>
Net position, beginning	<u>632,594</u>	<u>665,794</u>
Net position, ending	\$ <u><u>581,775</u></u>	<u><u>632,594</u></u>

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 120,736	157,773
Payments of interfund services used	(84,595)	(74,155)
Payments to suppliers	(31,728)	(36,725)
Payments to employees	<u>(53,511)</u>	<u>(60,621)</u>
Net cash flows (used) by operating activities	<u>(49,098)</u>	<u>(13,728)</u>
Cash flows provided by noncapital financing activities - Increases (decreases) in advances from other funds	<u>49,098</u>	<u>13,728</u>
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (50,874)	(31,520)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	36,169	36,169
Noncash expenses - PERS relief	55	(1,680)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(24,090)	(3,202)
Net pension and OPEB asset	3,992	(32,820)
Deferred outflows of resources - pension and OPEB deferrals	(1,351)	3,351
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	2,435	(10,559)
Accrued liabilities	9	260
Accrued leave	(907)	809
Net pension and OPEB liability	23,236	(11,464)
Deferred inflows of resources - pension and OPEB deferrals	<u>(37,772)</u>	<u>36,928</u>
Net cash flows used by operating activities	<u>\$ (49,098)</u>	<u>(13,728)</u>

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current Assets -		
Cash and investments	\$ <u>178,036</u>	<u>88,795</u>
Noncurrent-		
Net pension and OPEB asset	<u>1,190</u>	<u>2,470</u>
Total assets	<u>179,226</u>	<u>91,265</u>
Deferred Outflows of Resources -		
Pension and OPEB deferrals	<u>1,915</u>	<u>1,294</u>
Total assets and deferred outflows of resources	\$ <u><u>181,141</u></u>	<u><u>92,559</u></u>
<u>Liabilities and Net Position</u>		
Current liabilities:		
Accrued liabilities	\$ 1,138	-
Unearned revenue	<u>36,126</u>	<u>-</u>
Total current liabilities	<u>37,264</u>	<u>-</u>
Noncurrent Liabilities -		
Net pension and OPEB liability	<u>16,125</u>	<u>8,673</u>
Deferred Inflows of Resources -		
Pension and OPEB deferrals	<u>878</u>	<u>2,562</u>
Net Position -		
Unrestricted	<u>126,874</u>	<u>81,324</u>
Total liabilities, deferred inflows of resources and net position	\$ <u><u>181,141</u></u>	<u><u>92,559</u></u>

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Contract revenue	\$ <u>72,723</u>	<u>31,262</u>
Operating expenses:		
Salaries and wages	9,114	1,927
Employee benefits	9,522	357
Repairs and maintenance	2,456	939
Contractors and consulting services	-	509
Other general and administrative costs	135	-
Total operating expenses	<u>21,227</u>	<u>3,732</u>
Operating income	<u>51,496</u>	<u>27,530</u>
Nonoperating revenues -		
Investment income (loss)	(5,964)	1,202
State PERS relief	18	(87)
Total nonoperating revenues	<u>(5,946)</u>	<u>1,115</u>
Change in net position	<u>45,550</u>	<u>28,645</u>
Net position, beginning	<u>81,324</u>	<u>52,679</u>
Net position, ending	\$ <u><u>126,874</u></u>	<u><u>81,324</u></u>

CITY OF SAINT PAUL, ALASKA
 USCG Caretaker Service Enterprise Fund
 Schedules of Cash Flows
 Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 108,849	31,262
Payments to suppliers	(2,591)	(1,448)
Payments to employees	<u>(11,053)</u>	<u>(2,577)</u>
Net cash flows provided by operating activities	<u>95,205</u>	<u>27,237</u>
Cash flows provided (used) by investing activities -		
Investment income (loss) received (paid)	<u>(5,964)</u>	<u>1,202</u>
Net change in cash and investments	<u>89,241</u>	<u>28,439</u>
Cash and investments, beginning	<u>88,795</u>	<u>60,356</u>
Cash and investments, ending	<u>\$ 178,036</u>	<u>88,795</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 51,496	27,530
Adjustments to reconcile operating income to net cash flows from operating activities:		
Noncash expenses - PERS relief	18	(87)
(Increase) decrease in assets and deferred outflows of resources:		
Net pension and OPEB asset	1,280	(1,691)
Deferred outflows of resources - pension and OPEB deferrals	(621)	173
Increase (decrease) in liabilities and deferred inflows of resources:		
Accrued liabilities	1,138	-
Unearned revenue	36,126	-
Net pension and OPEB liability	7,452	(591)
Deferred inflows of resources - pension and OPEB deferrals	<u>(1,684)</u>	<u>1,903</u>
Net cash flows used by operating activities	<u>\$ 95,205</u>	<u>27,237</u>

CITY OF SAINT PAUL, ALASKA
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Pass Through Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Eligible Expenditures</u>
Department of the Interior - Passed through the State of Alaska Department of Commerce, Community and Economic Development - Payment in Lieu of Taxes	None	None	15.226	\$ <u>88,789</u>	<u>88,789</u>
Department of Treasury - Passed through the State of Alaska Department of Commerce, Community and Economic Development - COVID-19 Coronavirus State and Local Fiscal Recovery Funds	None	AK0115	21.027	213,899	213,899
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Total Department of Treasury	None	22-LGLR-37	21.027	<u>250,476</u>	<u>118,015</u>
				<u>464,375</u>	<u>331,914</u>
Department of Commerce, National Oceanic and Atmospheric Administration - Direct - Economic Development Cluster - Economic Adjustment Assistance	07-79-07871	None	11.307	2,270,400	409
Passed through the Alaska Bond Bank - Outstanding Loan Balance - Coastal Zone Management Administration Awards Total Department of Commerce	None	None	11.419	<u>5,855,878</u>	<u>5,855,878</u>
				<u>8,126,278</u>	<u>5,856,287</u>
Department of Agriculture Direct - Rural Utilities Services	AK00-80-A84	None	10.859	<u>807,969</u>	<u>15,890</u>
Department of Health and Social Services - Passed through the State of Alaska Department of Public Health - COVID-19 Emergency Operations Center MOA	None	CO621-570-FF	93.323	<u>17,833</u>	<u>8,115</u>
Department of Homeland Security - Passed through the State of Alaska Department of Military and Veterans Affairs - Emergency Siren Notification	None	4413-DR-0006F-AK	97.039	92,913	27,635
COVID-19 Federal Emergency Management Agency Total Department of Homeland Security	None	DR-4533-AK	97.036	<u>148,830</u>	<u>148,830</u>
				<u>241,743</u>	<u>176,465</u>
Total Expenditures of Federal Awards				<u>\$ 9,746,987</u>	<u>6,477,460</u>
Reconciliation to intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance:					
Total Federal Financial Assistance per above schedule					\$ 6,477,460
Total State Financial Assistance					1,692,793
Less Outstanding Loan Balance					<u>5,855,878</u>
Total Intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit D-1).					<u>\$ 2,314,375</u>

See accompanying notes to the Schedule.

CITY OF SAINT PAUL, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Saint Paul, Alaska under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of City of Saint Paul, Alaska, it is not intended to and does not present the basic financial statements of City of Saint Paul, Alaska.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

Note 4. Loan Balance

The ending loan balance as of December 31, 2022 is \$5,855,878.

COMPLIANCE SECTION

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saint Paul, Alaska (the City), as of and for the year ended December 31, 2022, 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 5, 2023.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Anchorage, Alaska
September 5, 2023

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Saint Paul, Alaska (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Altman, Rogers & Co.

Anchorage, Alaska
September 5, 2023

CITY OF SAINT PAUL, ALASKA

Schedule of Findings and Questioned Costs

Year Ended December 31, 2022

Section I – Summary of Auditor’s Results

Financial Statements

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

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

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

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

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
11.419	Coastal Zone Management Administration Awards

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

Auditee qualified as low-risk auditee? X Yes No

Schedule of Findings and Questioned Costs, Continued

Section II - Financial Statement Findings

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

Section III – Federal Award Findings

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