

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, 2023

CITY OF SAINT PAUL, ALASKA

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Year Ended December 31, 2023

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, 2023, 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, 2023, 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 42, 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 43-49 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. As listed in the table of contents as Supplementary Information, the combining and individual fund financial statements, Schedule of Expenditures of Federal Awards and notes to the schedule, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by. 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, 2022, 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, 2022 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 2022 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 2022 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 16, 2024, 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 16, 2024

CITY OF SAINT PAUL, ALASKA

Statement of Net Position

December 31, 2023

<u>Assets and Deferred Outflows of Resources</u>	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 3,527,274	5,825,498	9,352,772
Receivables:			
Accounts	15,243	771,373	786,616
Intergovernmental	144,172	86,349	230,521
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	(8,104)	(16,866)
Internal balances	5,201,194	(5,201,194)	-
Prepaid expenses	305	3,736	4,041
Inventory	39,813	2,593,030	2,632,843
Net pension and OPEB assets	996,836	247,055	1,243,891
Capital assets:			
Land and construction in progress	17,952	2,813,095	2,831,047
Other capital assets, net of depreciation	20,752,504	6,830,986	27,583,490
Total assets	<u>30,703,221</u>	<u>13,961,824</u>	<u>44,665,045</u>
Deferred outflows of resources:			
Pension and OPEB deferrals	279,860	55,867	335,727
Total assets and deferred outflows of resources	<u>30,983,081</u>	<u>14,017,691</u>	<u>45,000,772</u>
<u>Liabilities and Deferred Inflows of Resources</u>			
Current:			
Accounts payable	106,189	37,009	143,198
Line of credit	-	1,624,634	1,624,634
Accrued liabilities	62,382	7,868	70,250
Customer deposits	21,535	22,124	43,659
Unearned revenue	863,733	4,157	867,890
Noncurrent liabilities:			
Due within one year:			
Bulk fuel loan	-	420,704	420,704
Accrued leave	73,367	17,297	90,664
Note payable - USACE	-	37,501	37,501
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	-	1,458,947	1,458,947
Accrued interest payable	-	1,905,144	1,905,144
Landfill closure and post closure care costs	-	35,486	35,486
Net pension and OPEB liability	2,212,127	448,600	2,660,727
Total liabilities	<u>3,339,333</u>	<u>11,875,349</u>	<u>15,214,682</u>
Deferred inflows of resources:			
Pension and OPEB deferrals	55,857	5,781	61,638
Total liabilities and deferred inflows of resources	<u>3,395,190</u>	<u>11,881,130</u>	<u>15,276,320</u>
<u>Net Position</u>			
Net investment in capital assets	20,770,456	3,788,203	24,558,659
Restricted for debt service and depreciation reserve	-	950,000	950,000
Unrestricted	6,817,435	(2,601,642)	4,215,793
Total net position	<u>27,587,891</u>	<u>2,136,561</u>	<u>29,724,452</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 30,983,081</u>	<u>14,017,691</u>	<u>45,000,772</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Statement of Activities

Year Ended December 31, 2023

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	\$ 1,870,264	538,394	13,007	(1,318,863)	-	(1,318,863)
Public safety	493,197	-	45,856	(447,341)	-	(447,341)
Public works	1,149,985	116,567	293,461	(739,957)	-	(739,957)
Total governmental activities	3,513,446	654,961	352,324	(2,506,161)	-	(2,506,161)
Business-type activities:						
Electric	2,133,088	1,720,639	1,999	-	(410,450)	(410,450)
Water	234,430	120,506	589	-	(113,335)	(113,335)
Sewer	286,060	177,068	830	-	(108,162)	(108,162)
Bulk fuel farm	2,821,242	2,721,649	2,408	-	(97,185)	(97,185)
Harbor	149,308	6,724	-	-	(142,584)	(142,584)
Refuse	146,067	146,214	13,474	-	13,621	13,621
Nonmajor funds	9,887	53,387	391	-	43,891	43,891
Total business-type activities	5,780,082	4,946,187	19,691	-	(814,204)	(814,204)
Total activities	\$ 9,293,528	5,601,148	372,015	(2,506,161)	(814,204)	(3,320,365)
General revenues:						
Sales and fisheries taxes				\$ 290,134	-	290,134
Grant and entitlements not restricted to a specific purpose				339,483	-	339,483
Federal payment in lieu of taxes				84,943	-	84,943
Investment income				141,963	233,612	375,575
Other revenue				42,983	9,833	52,816
Gain on the sale of capital assets				16,454	-	16,454
Total general revenues				915,960	243,445	1,159,405
Change in net position				(1,590,201)	(570,759)	(2,160,960)
Net position, beginning of year				29,178,092	2,707,320	31,885,412
Net position, end of year				\$ 27,587,891	2,136,561	29,724,452

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA
Balance Sheet - Governmental Funds
December 31, 2023

<u>Assets</u>	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 3,155,258	372,016	3,527,274
Receivables:			
Accounts	15,243	-	15,243
Intergovernmental	-	144,172	144,172
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	-	(8,762)
Due from other funds	250,341	-	250,341
Advances to other funds	5,201,194	-	5,201,194
Prepaid expenses	305	-	305
Inventory	39,813	-	39,813
Total assets	<u>\$ 8,670,082</u>	<u>516,188</u>	<u>9,186,270</u>
 <u>Liabilities and Fund Balances</u> 			
Liabilities:			
Accounts payable	\$ 49,355	56,834	106,189
Accrued expenses	61,920	462	62,382
Customer deposits	21,535	-	21,535
Unearned revenue	733,236	130,497	863,733
Due to other funds	-	250,341	250,341
Total liabilities	<u>866,046</u>	<u>438,134</u>	<u>1,304,180</u>
Fund balances:			
Nonspendable:			
Inventory	39,813	-	39,813
Prepaid expenses	305	-	305
Advances to other funds	5,201,194	-	5,201,194
Committed	-	240,685	240,685
Unassigned	2,562,724	(162,631)	2,400,093
Total fund balances	<u>7,804,036</u>	<u>78,054</u>	<u>7,882,090</u>
Total liabilities and fund balances	<u>\$ 8,670,082</u>	<u>516,188</u>	<u>9,186,270</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, 2023

Total fund balances for governmental funds		\$	7,882,090
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			4,356,429
Accumulated depreciation			<u>(39,916,536)</u>
Total capital assets, net of accumulated depreciation			20,770,456
Proportionate share of the collective net pension and OPEB liability PERS			(2,212,127)
Proportionate share of the collective net pension and OPEB asset PERS			996,836
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			279,860
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS			(55,857)
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>(73,367)</u>
Total net position of governmental activities		\$	<u><u>27,587,891</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, 2023

	General Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 290,134	-	290,134
Intergovernmental	453,246	297,222	750,468
Charges for services	654,961	-	654,961
Investment income	141,963	-	141,963
Other revenue	42,908	32,605	75,513
Total revenues	<u>1,583,212</u>	<u>329,827</u>	<u>1,913,039</u>
Expenditures:			
General government	1,238,810	-	1,238,810
Public safety	489,875	37,165	527,040
Public works	781,070	356,683	1,137,753
Total expenditures	<u>2,509,755</u>	<u>393,848</u>	<u>2,903,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(926,543)</u>	<u>(64,021)</u>	<u>(990,564)</u>
Other financing sources (uses):			
Transfers in	-	31,905	31,905
Transfers out	(31,905)	-	(31,905)
Proceeds from the sale of capital assets	16,454	-	16,454
Net other financing sources (uses)	<u>(15,451)</u>	<u>31,905</u>	<u>16,454</u>
Net change in fund balances	(941,994)	(32,116)	(974,110)
Fund balances, beginning of year	<u>8,746,030</u>	<u>110,170</u>	<u>8,856,200</u>
Fund balances, end of year	<u>\$ 7,804,036</u>	<u>78,054</u>	<u>7,882,090</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, 2023

Net change in fund balance - total governmental funds	\$ (974,110)
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	655,783
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	61,699
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. Depreciation expense	(1,352,716)
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: Decrease in accrued leave	<u>19,143</u>
Change in net position of governmental activities	<u>\$ (1,590,201)</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Net Position

December 31, 2023

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	\$ 3,520,040	1,733,120	-	975	-	-	571,363	5,825,498
Receivables:								
Accounts	366,506	28,468	51,404	244,473	19,717	53,634	7,171	771,373
Intergovernmental	74,036	-	-	-	-	12,313	-	86,349
Allowance for doubtful accounts	(3,067)	(749)	(33)	(4,255)	-	-	-	(8,104)
Prepaid expenses	-	3,364	-	-	372	-	-	3,736
Inventory	17,588	-	-	2,541,765	3,649	-	30,028	2,593,030
Total current assets	<u>3,975,103</u>	<u>1,764,203</u>	<u>51,371</u>	<u>2,782,958</u>	<u>23,738</u>	<u>65,947</u>	<u>608,562</u>	<u>9,271,882</u>
Noncurrent Assets :								
Net pension and OPEB asset	<u>61,594</u>	<u>86,046</u>	<u>-</u>	<u>36,791</u>	<u>38,349</u>	<u>21,095</u>	<u>3,180</u>	<u>247,055</u>
Capital assets:								
Property, plant and equipment	8,500,519	6,916,029	3,679,985	6,742,986	5,152,385	1,458,140	46,708	32,496,752
Accumulated depreciation	<u>(4,488,475)</u>	<u>(5,366,677)</u>	<u>(2,282,266)</u>	<u>(5,698,994)</u>	<u>(4,210,050)</u>	<u>(759,501)</u>	<u>(46,708)</u>	<u>(22,852,671)</u>
Net property, plant and equipment	<u>4,012,044</u>	<u>1,549,352</u>	<u>1,397,719</u>	<u>1,043,992</u>	<u>942,335</u>	<u>698,639</u>	<u>-</u>	<u>9,644,081</u>
Total noncurrent assets	<u>4,073,638</u>	<u>1,635,398</u>	<u>1,397,719</u>	<u>1,080,783</u>	<u>980,684</u>	<u>719,734</u>	<u>3,180</u>	<u>9,891,136</u>
Total assets	<u>8,048,741</u>	<u>3,399,601</u>	<u>1,449,090</u>	<u>3,863,741</u>	<u>1,004,422</u>	<u>785,681</u>	<u>611,742</u>	<u>19,163,018</u>
Deferred Outflows of Resources -								
Pension and OPEB deferrals	<u>15,990</u>	<u>6,338</u>	<u>3,080</u>	<u>17,249</u>	<u>6,458</u>	<u>4,956</u>	<u>1,796</u>	<u>55,867</u>
Total assets and deferred outflows of resources	<u>\$ 8,064,731</u>	<u>3,405,939</u>	<u>1,452,170</u>	<u>3,880,990</u>	<u>1,010,880</u>	<u>790,637</u>	<u>613,538</u>	<u>19,218,885</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Net Position, Continued

<u>Liabilities, Deferred Inflows of Resources and Net Position</u>	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Current liabilities:								
Accounts payable	\$ 28,546	-	3,208	4,649	-	604	2	37,009
Line of credit	-	-	-	1,624,634	-	-	-	1,624,634
Bulk fuel loan	-	-	-	420,704	-	-	-	420,704
Accrued liabilities	3,180	644	958	1,993	-	1,093	-	7,868
Accrued leave	3,478	1,513	-	10,647	-	1,659	-	17,297
Customer deposits	22,124	-	-	-	-	-	-	22,124
Unearned revenue	-	-	4,157	-	-	-	-	4,157
Current portion of note payable - USACE	-	-	-	-	37,501	-	-	37,501
Total current liabilities	<u>57,328</u>	<u>2,157</u>	<u>8,323</u>	<u>2,062,627</u>	<u>37,501</u>	<u>3,356</u>	<u>2</u>	<u>2,171,294</u>
Noncurrent liabilities:								
Advances from other funds	-	-	2,198,584	1,791,358	1,070,621	140,631	-	5,201,194
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	-	-	-	-	1,458,947	-	-	1,458,947
Accrued interest payable	-	-	-	1,377,175	527,969	-	-	1,905,144
Landfill closure and post closure care costs	-	-	-	-	-	35,486	-	35,486
Net pension and OPEB liability	207,362	47,259	24,897	110,049	39,768	15,768	3,497	448,600
Total noncurrent liabilities	<u>207,362</u>	<u>47,259</u>	<u>2,223,481</u>	<u>7,668,254</u>	<u>4,563,511</u>	<u>191,885</u>	<u>3,497</u>	<u>14,905,249</u>
Total liabilities	<u>264,690</u>	<u>49,416</u>	<u>2,231,804</u>	<u>9,730,881</u>	<u>4,601,012</u>	<u>195,241</u>	<u>3,499</u>	<u>17,076,543</u>
Deferred Inflows of Resources-								
Pension and OPEB deferrals	1,158	1,089	-	473	2,959	-	102	5,781
Net Position:								
Net investment in capital assets	4,012,044	1,549,352	1,397,719	(3,345,680)	(523,871)	698,639	-	3,788,203
Restricted for debt service and depreciation reserve	-	-	-	950,000	-	-	-	950,000
Unrestricted (deficit)	3,786,839	1,806,082	(2,177,353)	(3,454,684)	(3,069,220)	(103,243)	609,937	(2,601,642)
Total net position	<u>7,798,883</u>	<u>3,355,434</u>	<u>(779,634)</u>	<u>(5,850,364)</u>	<u>(3,593,091)</u>	<u>595,396</u>	<u>609,937</u>	<u>2,136,561</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>8,064,731</u>	<u>3,405,939</u>	<u>1,452,170</u>	<u>3,880,990</u>	<u>1,010,880</u>	<u>790,637</u>	<u>613,538</u>	<u>19,218,885</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, 2023

	Major Funds						Nonmajor Funds	Total
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse		
Operating revenues	\$ 1,720,639	120,506	177,068	2,721,649	6,724	146,214	53,387	4,946,187
Cost of goods sold	-	-	-	(2,269,539)	-	-	(2,057)	(2,271,596)
Net operating revenues	<u>1,720,639</u>	<u>120,506</u>	<u>177,068</u>	<u>452,110</u>	<u>6,724</u>	<u>146,214</u>	<u>51,330</u>	<u>2,674,591</u>
Operating expenses:								
Salaries and benefits	63,408	12,287	10,048	69,322	-	40,570	2,527	198,162
Other operating expenses	1,753,585	47,237	25,192	145,880	17,172	33,557	(8,728)	2,013,895
Administrative cost allocation	135,895	55,207	84,935	169,869	12,740	38,221	12,740	509,607
Depreciation and amortization	177,557	119,699	165,885	23,472	69,581	33,719	1,291	591,204
Total operating expenses	<u>2,130,445</u>	<u>234,430</u>	<u>286,060</u>	<u>408,543</u>	<u>99,493</u>	<u>146,067</u>	<u>7,830</u>	<u>3,312,868</u>
Operating income (loss)	<u>(409,806)</u>	<u>(113,924)</u>	<u>(108,992)</u>	<u>43,567</u>	<u>(92,769)</u>	<u>147</u>	<u>43,500</u>	<u>(638,277)</u>
Nonoperating revenues (expenses):								
Federal sources	-	-	-	-	-	12,313	-	12,313
State PERS relief	1,999	589	830	2,408	-	1,161	391	7,378
Investment gain (loss)	141,315	69,558	-	-	-	-	22,739	233,612
Interest expense	(2,643)	-	-	(143,160)	(49,815)	-	-	(195,618)
Miscellaneous revenue	-	2	-	9,831	-	-	-	9,833
Net nonoperating revenues (expenses)	<u>140,671</u>	<u>70,149</u>	<u>830</u>	<u>(130,921)</u>	<u>(49,815)</u>	<u>13,474</u>	<u>23,130</u>	<u>67,518</u>
Change in net position	(269,135)	(43,775)	(108,162)	(87,354)	(142,584)	13,621	66,630	(570,759)
Net position, beginning	<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>
Net position, ending	<u>\$ 7,798,883</u>	<u>3,355,434</u>	<u>(779,634)</u>	<u>(5,850,364)</u>	<u>(3,593,091)</u>	<u>595,396</u>	<u>609,937</u>	<u>2,136,561</u>

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Cash Flows

Year Ended December 31, 2023

	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	\$ 1,702,515	112,770	145,315	2,904,299	36,539	149,289	15,044	5,065,771
Payments of interfund services used	(135,895)	(55,207)	(84,935)	(169,869)	(12,740)	(38,221)	(12,740)	(509,607)
Payments to suppliers	(1,825,842)	(52,799)	(27,315)	(2,955,144)	(23,004)	(35,745)	340	(4,919,509)
Payments to employees	(125,618)	(30,099)	(41,671)	(146,789)	-	(73,482)	(18,249)	(435,908)
Net cash flows (provided) by operating activities	(384,840)	(25,335)	(8,606)	(367,503)	795	1,841	(15,605)	(799,253)
Cash flows provided (used) by noncapital financing activities -								
Miscellaneous revenue	-	2	-	9,831	-	-	-	9,833
Increase (decrease) in advances from other funds	-	-	8,606	1,196,124	85,340	10,472	-	1,300,542
Net cash flows provided (used) by capital and related financing activities	-	2	8,606	1,205,955	85,340	10,472	-	1,310,375
Cash flows provided (used) by capital and related financing activities:								
Purchases of capital assets	(48,882)	-	-	-	-	(12,313)	-	(61,195)
Borrowings (repayments) on line of credit, net	-	-	-	(695,695)	-	-	-	(695,695)
Proceeds from issuance of loan	-	-	-	750,000	-	-	-	750,000
Principal paid	(96,143)	-	-	(749,597)	(36,320)	-	-	(882,060)
Interest paid	(2,643)	-	-	(143,160)	(49,815)	-	-	(195,618)
Net cash flows provided (used) by capital and related financing activities	(147,668)	-	-	(838,452)	(86,135)	(12,313)	-	(1,084,568)
Cash flows from investing activities -								
Investment gain (loss)	141,315	69,558	-	-	-	-	22,739	233,612
Net change in cash and investments	(391,193)	44,225	-	-	-	-	7,134	(339,834)
Cash and investments, beginning	3,911,233	1,688,895	-	975	-	-	564,229	6,165,332
Cash and investments, ending	\$ 3,520,040	1,733,120	-	975	-	-	571,363	5,825,498

(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)	\$ (409,806)	(113,924)	(108,992)	43,567	(92,769)	147	43,500	(638,277)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:								
Depreciation and amortization	177,557	119,699	165,885	23,472	69,581	33,719	1,291	591,204
Noncash expenses - PERS relief	1,999	589	830	2,408	-	1,161	391	7,378
(Increase) decrease in assets and deferred outflows of resources:								
Receivables	2,912	(7,736)	(31,753)	209,491	29,815	3,075	(2,217)	203,587
Prepaid expenses	-	(3,364)	-	-	(372)	-	-	(3,736)
Inventory	(2,710)	-	-	(507,290)	-	-	1,822	(508,178)
Net pension and OPEB asset	20,603	6,063	1,089	24,822	-	11,963	1,190	65,730
Deferred outflows of resources - Pension and OPEB deferrals	1,750	515	727	2,109	-	1,016	343	6,460
Increase (decrease) in liabilities and deferred inflows of resources:								
Accounts payable	(69,547)	(2,198)	(2,123)	(32,435)	(5,460)	(2,188)	(8,153)	(122,104)
Accrued liabilities	123	(64)	612	(1,923)	-	824	(1,138)	(1,566)
Accrued leave	70	616	-	(364)	-	1,184	(36,126)	(34,620)
Unearned revenue	-	-	-	(26,841)	-	-	-	(26,841)
Customer deposits	(21,036)	-	-	-	-	-	-	(21,036)
Net pension and OPEB liability	(79,785)	(23,480)	(33,137)	(96,122)	-	(46,324)	(15,630)	(294,478)
Deferred inflows of resources - Pension and OPEB deferrals	(6,970)	(2,051)	(1,744)	(8,397)	-	(2,736)	(878)	(22,776)
Net cash flows used by operating activities	\$ <u>(384,840)</u>	<u>(25,335)</u>	<u>(8,606)</u>	<u>(367,503)</u>	<u>795</u>	<u>1,841</u>	<u>(15,605)</u>	<u>(799,253)</u>
Noncash capital and related financing activities:								
Transfers of capital assets to general government	\$ -	-	-	-	-	-	-	-

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements

December 31, 2023

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.

Notes to Basic Financial Statements, Continued

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 City's main operating fund. It accounts for all financial resources of 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.

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.

Notes to Basic Financial Statements, Continued

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.

Notes to Basic Financial Statements, Continued

H. Receivables and Payables

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

I. Grants and Other Intergovernmental Revenue

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

J. Interfund Transactions

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

K. Accrued Leave

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

L. Deferred Inflows/Outflows of Resources

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

Notes to Basic Financial Statements, Continued

M. Capital Assets

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

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

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

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

N. Unearned 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.

Notes to Basic Financial Statements, Continued

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.

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.

Notes to Basic Financial Statements, Continued

S. Pension and Other Postemployment Benefits (OPEB) Plans

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.

II. CASH AND INVESTMENTS

At December 31, 2023, the City's cash and investments consisted of the following:

Demand Deposits	\$ 1,620,155
Cash fixed income investments	<u>7,732,617</u>
	<u>\$ 9,352,772</u>

A. General Investments

Investment Policy

The City's investment policy authorizes investments in:

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

Notes to Basic Financial Statements, Continued

B. Interest Rate Risk

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

Investment maturities in general investments at December 31, 2023 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Certificates of Deposit	\$ 6,458,090	2,908,519	3,549,571
U.S. Government Agency Bonds	370,913	-	370,913
U.S. Treasury Securities	729,510	532,181	197,329
AMLIP Pooled Investments	174,104	174,104	-
Total subject to interest rate risk	\$ 7,732,617	3,614,804	4,117,813

C. Fair Value Measurement

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

The City has the following recurring fair value measurements as of December 31, 2023:

U.S. Treasury Securities of \$729,510 are valued using quoted market prices in active markets for identical assets (Level 1 inputs).

U.S. Government Agency Securities of \$370,913 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 \$6,458,090 that are not held at fair value, but instead recorded at amortized cost, at December 31, 2023. The City's investment in AMLIP totaling \$174,104 is measured at net asset value as of December 31, 2023 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 and U.S. Treasury Securities 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.

Notes to Basic Financial Statements, Continued

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of December 31, 2023, 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, 2023, \$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 \$4,298,754. As a result, all deposits were insured as of December 31, 2023.

III. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions and Transfers	Deletions and Transfers	Balance December 31, 2023
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 17,952	-	-	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	4,666,644	-	(310,215)	4,356,429
Total assets being depreciated	60,979,255	-	(310,215)	60,669,040
Less accumulated depreciation for:				
Breakwater	30,910,456	952,860	-	31,863,316
Buildings and improvements	4,935,934	179,654	-	5,115,588
Machinery and equipment	3,027,645	220,202	(310,215)	2,937,632
Total accumulated depreciation	38,874,035	1,352,716	(310,215)	39,916,536
Total capital assets, being depreciated, net	22,105,220	(1,352,716)	-	20,752,504
Total governmental activities, net	\$ 22,123,172	(1,352,716)	-	20,770,456

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 256,236	-	-	256,236
Construction in progress	2,495,664	61,195	-	2,556,859
Total assets not being depreciated	<u>2,751,900</u>	<u>61,195</u>	<u>-</u>	<u>2,813,095</u>
Capital assets being depreciated:				
Plant in service	14,220,638	-	-	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	1,849,666	-	-	1,849,666
Total assets being depreciated	<u>29,683,657</u>	<u>-</u>	<u>-</u>	<u>29,683,657</u>
Less accumulated depreciation for:				
Plant in service	9,919,971	354,100	-	10,274,071
Fuel tanks and lines	5,225,592	6,044	-	5,231,636
Dock and mooring	4,095,720	61,781	-	4,157,501
Buildings	1,642,956	70,267	-	1,713,223
Machinery and equipment	1,381,569	94,671	-	1,476,240
Total accumulated depreciation	<u>22,265,808</u>	<u>586,863</u>	<u>-</u>	<u>22,852,671</u>
Total capital assets, being depreciated, net	<u>7,417,849</u>	<u>(586,863)</u>	<u>-</u>	<u>6,830,986</u>
Total business-type activities, net	<u>\$ 10,169,749</u>	<u>(525,668)</u>	<u>-</u>	<u>9,644,081</u>

Depreciation expense was charged to the functions as follows for the year ended December 31, 2023:

Governmental Activities:

General government	\$ 1,040,480
Public safety	87,365
Public works	224,871
Total depreciation expense – governmental activities	<u>\$ 1,352,716</u>

Business-Type Activities:

Electric utility	\$ 177,557
Water utility	119,699
Sewer utility	165,885
Bulk fuel farm	23,472
Harbor	69,581
Marine sales	1,291
Refuse	29,378
Total depreciation expense – business-type activities	<u>\$ 586,863</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, 2023:

Governmental Activities	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023	Due Within One Year
Accrued leave	\$ 92,510	19,918	39,061	73,367	73,367
Net pension liability	3,110,114	-	897,987	2,212,127	-
Total governmental activities	\$ 3,202,624	19,918	937,048	2,285,494	73,367

Business-Type Activities	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023	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	\$ 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 \$0 at December 31, 2023	\$ 90,000	-	90,000	-	-
Less unamortized discount	(2,623)	-	(2,623)	-	-
Total revenue bonds payable	\$ 5,952,021	-	96,143	5,855,878	-

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.

\$ 1,532,768	-	36,320	1,496,448	37,501
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(Continued)

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Business-Type Activities (continued)	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023	Due Within One Year
Bulk fuel loan payable to the State of Alaska. Payable in 9 equal monthly installments of \$83,334 including interest of 3% beginning on September 1, 2023.	-	750,000	329,296	420,704	420,704
Bulk fuel loan payable to the State of Alaska. Payable in 9 equal monthly installments of \$84,507 including interest of 4% beginning on August 20, 2022.	420,301	-	420,301	-	-
Accrued interest payable	1,905,144	-	-	1,905,144	-
Accrued leave	15,791	10,764	9,258	17,297	17,297
Landfill closure and post closure care costs	31,145	4,341	-	35,486	-
Net pension liability	743,078	-	294,478	448,600	-
Total business-type activities	<u>\$ 10,600,248</u>	<u>765,105</u>	<u>1,185,796</u>	<u>10,179,557</u>	<u>475,502</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 general ledger was waived leaving \$1,905,144 of accrued interest on the City's financial statements related to the bonds. This accrued interest payable is reflected as a long-term liability, as it is uncertain when the City will be required to pay this amount. 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 bulk fuel loan, and the note payable to USACE at December 31, 2023, 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,			
2024	\$ 458,205	48,634	506,839
2025	38,719	47,416	86,135
2026	39,978	46,157	86,135
2027	41,277	44,858	86,135
2028	42,620	43,515	86,135
2029-2033	234,792	195,884	430,676
2034-2038	275,508	155,168	430,676
2039-2043	323,284	107,392	430,676
2044-2048	379,345	51,331	430,676
2049-2053	83,424	2,711	86,135
	<u>\$ 1,917,152</u>	<u>743,066</u>	<u>2,660,218</u>

V. LINE OF CREDIT

The City utilizes a line of credit agreement with a maximum credit line of \$2,500,000 at a rate of 7.625% per annum with a maturity date of January 6, 2024. 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 \$1,624,634 at December 31, 2023.

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 \$35,486 reported as landfill closure costs payable at December 31, 2023 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 \$104,204 as the remaining expected usage is filled. These amounts are based on an estimate of cost to perform all closure and postclosure care in 2023. 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
Nonspendable:			
Inventory	\$ 39,813	-	39,813
Prepaid expenses	305	-	305
Advance to Sewer Utility Enterprise Fund	2,198,584	-	2,198,584
Advance to Bulk Fuel Farm Enterprise Fund	1,791,358	-	1,791,358
Advance to Harbor Enterprise Fund	1,070,621	-	1,070,621
Advance to Refuse Enterprise Fund	140,631	-	140,631
Total nonspendable	<u>\$ 5,241,312</u>	<u>-</u>	<u>5,241,312</u>
Committed for public works	\$ -	240,685	240,685
Unassigned	<u>2,562,724</u>	<u>(162,631)</u>	<u>2,400,093</u>
Total fund balances	<u>\$ 7,804,036</u>	<u>78,054</u>	<u>7,882,090</u>

The following funds had fund deficits at December 31, 2023:

Sewer Utility Enterprise Fund	\$ 779,634
Bulk Fuel Farm Enterprise Fund	5,850,364
Harbor Enterprise Fund	3,593,091
EDA Tech Assist Special Revenue Fund	19,382
TDX Fuel Spill Special Revenue Fund	104,729
EDA Small Boat Special Revenue Fund	18
USDA Repairs Special Revenue Fund	11,851
Typhoon Merbok Damages Special Revenue Fund	26,651
Total fund deficits	<u>\$ 10,385,720</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.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

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

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

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

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

Plan Memberships

The table below includes the plan membership counts from the separately issued financial statements for the various plans:

	<u>PERS</u>
Retired plan members or beneficiaries currently receiving benefits	36,951
Inactive plan members entitled to but not yet receiving benefits	4,781
Inactive plan members not entitled to benefits	9,961
Active plan members	<u>8,557</u>
Total plan memberships	<u><u>60,250</u></u>

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, 2024 (latest available information) the employer contribution rate is 0.68% for peace officers and firefighters and 0.30% for all other members.

Notes to Basic Financial Statements, Continued

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, 2024 employer contributions were 0.00% 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, 2024 employer contributions were 1.01%.

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 3.00% 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, 2023 (latest available report) for the DB Plans for PERS are: DB Pension 7.56%, ARHCT 7.64%, ODD 7.71%, and RMP is 7.71%.

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>.

Notes to Basic Financial Statements, Continued

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS plan (rates shown below exclude an annual inflation component of 2.82%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.17%
Global Equity (ex-U.S.)	6.55%
Aggregate Bonds	1.63%
Real Assets	4.87%
Private Equity	11.57%
Cash Equivalents	0.49%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%. 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 4.13% as of June 30, 2023.

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 2040. This will result in lower ARM Board Rates in future years.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

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

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

Employer Contribution rates for the plan year ended 2024 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	25.10%	3.10%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>25.10%</u>	<u>3.10%</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 2023 (measurement period) the past service rate for PERS is 16.33%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2023 (latest available) were determined by an actuarial valuation as of June 30, 2022 which was rolled forward to the measurement date June 30, 2023. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 8.50% 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%.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Mortality	Based upon 2017-2021 actual experience study and applicable tables contained in Pub-2010, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5%. Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 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/drb/pers>.

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

The PERS defined benefit 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.

Notes to Basic Financial Statements, Continued

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

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

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

Post Retirement Pension Adjustments. 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%, 7.50% for peace officers and firefighters, and 9.60% for certain school district employees.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

Employer contributions for the year ended December 31, 2023, were:

	<u>Pensions (DB)</u>	<u>Other Post-Employment Benefits (DB)</u>	<u>Total</u>
\$	205,169	11,000	216,169

Public Employees Retirement Plans

For the year ended December 31, 2023 the State of Alaska contributed \$38,172 (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, 2023 to a total of \$29,875 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At December 31, 2023, the City reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the City were as follows:

Defined Benefit:		<u>Pension</u>
City's proportionate share of the net pension liability	\$	2,660,727
State's proportionate share of the net pension liability		<u>888,008</u>
Total	\$	<u>3,548,735</u>
		<u>OPEB</u>
City's proportionate share of the ARHCT OPEB liability	\$	(1,179,727)
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(398,204)</u>
Total	\$	<u>(1,577,931)</u>
City's proportionate share of the ODD OPEB liability (asset)	\$	<u>(33,595)</u>
City's proportionate share of the RMP OPEB liability (asset)	\$	<u>(30,569)</u>
Total City's share of net pension and OPEB liabilities and assets	\$	<u>1,416,836</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 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 the fiscal years ending 2024 through 2039, as determined by projections based on the June 30, 2022 valuation.

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

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

	June 30, 2023 Measurement	June 30, 2022 Measurement	Change
Pension	0.05131%	0.07560%	(0.02429%)
OPEB:			
ARHCT	0.05127%	0.07510%	(0.02383%)
ODD	0.06548%	0.09649%	(0.03101%)
RMP	0.06438%	0.09401%	(0.02963%)

Based on the measurement date of June 30, 2023, the City recognized pension and OPEB expense of (\$812,142) and \$99,849, respectively, for the year ended December 31, 2023. At December 31, 2023, 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	69,449	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	103,126	-
Total	\$ 172,575	-

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,449	-
Changes of assumptions	-	(21,710)
Net difference between projected and actual earnings on OPEB plan investments	53,695	-
Changes in proportion and differences between City contributions and proportionate share of contributions	78,220	-
City contributions subsequent to the measurement date	-	-
Total	\$ 134,364	(21,710)

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	\$ -	(9,439)
Changes of assumptions	-	(140)
Net difference between projected and actual earnings on OPEB plan investments	776	-
Changes in proportion and differences between City contributions and proportionate share of contributions	12,388	(3,659)
City contributions subsequent to the measurement date	1,167	-
Total	<u>\$ 14,331</u>	<u>(13,238)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 932	(987)
Changes of assumptions	3,287	(24,858)
Net difference between projected and actual earnings on OPEB plan investments	2,562	-
Changes in proportion and differences between City contributions and proportionate share of contributions	3,748	(845)
City contributions subsequent to the measurement date	3,928	-
Total	<u>\$ 14,457</u>	<u>(26,690)</u>

\$103,126 and \$5,095 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, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended December 31,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2024	\$ (26,340)	35,599	(858)	(3,454)
2025	(58,254)	(48,504)	(1,012)	(3,945)
2026	157,597	128,846	(75)	637
2027	(3,554)	(3,287)	(177)	(4,038)
2028	-	-	401	(2,917)
Thereafter	-	-	1,647	(2,444)
Total	<u>\$ 69,449</u>	<u>112,654</u>	<u>(74)</u>	<u>(16,161)</u>

CITY OF SAINT PAUL, ALASKA

Notes to Basic Financial Statements, Continued

For the year ended December 31, 2023, the City recognized (\$1,202,720) and \$365,589 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 (asset)	\$ 3,572,017	2,660,727	1,890,954
Net OPEB ARHCT liability (asset)	\$ (784,157)	(1,179,727)	(1,512,028)
Net OPEB ODD liability (asset)	\$ (31,565)	(33,595)	(35,174)
Net OPEB RMP liability (asset)	\$ (1,062)	(30,569)	(53,109)

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)	\$ (1,550,038)	(1,179,727)	(738,788)
Net OPEB ODD liability (asset)	\$ N/A	(33,595)	N/A
Net OPEB RMP liability (asset)	\$ (56,134)	(30,569)	3,771

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 6.75% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5.00% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.01% for the retiree medical plan (DB), 0.30% and 0.68% (peace officers) for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22.00% 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 \$74,174 for the year ended December 31, 2023, which included forfeitures of \$35,986 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, 2023.

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, 2023 follows:

Advance from the General Fund to:	
Sewer Utility Enterprise Fund	\$ 2,198,584
Bulk Fuel Farm Enterprise Fund	1,791,358
Harbor Enterprise Fund	1,070,621
Refuse Enterprise Fund	140,631
Total advances to other funds	\$ <u>5,201,194</u>
Due to General Fund from:	
Non Major Special Revenue Funds	\$ <u>250,341</u>

Notes to Basic Financial Statements, Continued

B. Interfund transfers

A summary of interfund transfers in and out during the year ended December 31, 2023 is as follows:

Transfer out of General Fund to nonmajor special revenue funds in the amount of \$31,905 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 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.

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.

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, 2023

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Sales	\$ 301,200	273,447	(27,753)
Fish	-	16,687	16,687
Total taxes	<u>301,200</u>	<u>290,134</u>	<u>(11,066)</u>
Intergovernmental:			
State fisheries taxes	201,800	237,682	35,882
State PERS relief	-	28,745	28,745
Federal payment in lieu of taxes	76,000	84,943	8,943
State revenue sharing	58,600	84,256	25,656
Remote sellers sales tax	15,000	17,545	2,545
Other	20	75	55
Total intergovernmental	<u>351,420</u>	<u>453,246</u>	<u>101,826</u>
Charges for services:			
Building/housing revenue	95,084	111,714	16,630
Allocated administrative charges	509,608	509,608	-
Equipment rental revenue	103,500	4,853	(98,647)
Other contract and labor revenues	5,600	28,786	23,186
Total charges for services	<u>713,792</u>	<u>654,961</u>	<u>(58,831)</u>
Investment income	<u>75,000</u>	<u>141,963</u>	<u>66,963</u>
Other revenue	<u>6,500</u>	<u>42,908</u>	<u>36,408</u>
Total revenue	<u>1,447,912</u>	<u>1,583,212</u>	<u>135,300</u>
Expenditures:			
General government	1,035,114	1,238,810	(203,696)
Public safety	550,063	489,875	60,188
Public works	635,261	781,070	(145,809)
Total expenditures	<u>2,220,438</u>	<u>2,509,755</u>	<u>(289,317)</u>
Excess (deficiency) of revenues over expenditures	(772,526)	(926,543)	(154,017)
Other financing sources (uses):			
transfers in	915,210	-	(915,210)
Transfers out	(142,684)	(31,905)	110,779
Proceeds from the sale of capital assets	-	16,454	16,454
Net other financing sources (uses)	<u>772,526</u>	<u>(15,451)</u>	<u>(787,977)</u>
Net change in fund balance	\$ <u>-</u>	(941,994)	(941,994)
Fund balance, beginning of year		<u>8,746,030</u>	
Fund balance, end of year		\$ <u><u>7,804,036</u></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, 2023

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%	76.46%
2023	0.0513%	\$ 2,660,727	\$ 888,008	\$ 3,548,735	\$ 1,887,691	140.95%	67.97%

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, 2023

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%
2023	0.0513%	\$ (1,179,727)	\$ (398,204)	\$ (1,577,931)	\$ 1,887,691	-62.50%	128.51%
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%
2023	0.0655%	\$ (33,595)	\$ -	\$ (33,595)	\$ 1,887,691	-1.78%	348.80%
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%
2023	0.0644%	\$ (30,569)	\$ -	\$ (30,569)	\$ 548,945	-5.57%	120.08%

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, 2023

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%
2023	\$ 207,689	\$ (205,169)	\$ 2,520	\$ 1,319,741	15.74%

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, 2023

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%
2023	\$ -	\$ -	\$ -	\$ 1,319,741	0.00%
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%
2023	\$ 2,497	\$ (2,497)	\$ -	\$ 1,319,741	0.19%
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%
2023	\$ 8,503	\$ (8,503)	\$ -	\$ 337,155	2.52%

See accompanying notes to Required Supplementary Information.

CITY OF SAINT PAUL, ALASKA

Notes to Required Supplementary Information

Year Ended December 31, 2023

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.

2. Excess of Expenditures over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriation in the General Fund for the following functions:

General Government	\$203,696
Public Works	\$145,809

3. Public Employees' Retirement System**Schedule of City's Proportionate Share of Net Pension and OPEB Liability (Asset)**

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

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation*Defined Benefit Pension and Postemployment Healthcare Benefit Plan***a) 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.

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

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$206 million for pension and decrease by approximately \$88 million for healthcare.

The healthcare per capital claims cost assumption is updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

c) 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.

*Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan***a) 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.

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

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$1,222,000 for occupational death & disability and decrease by approximately \$22,348,000 for retiree medical.

CITY OF SAINT PAUL, ALASKA

Notes to Required Supplementary Information, Continued

The healthcare per capital claims cost assumption is updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

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

There have been no changes in benefit provisions valued since the prior valuation.

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

Schedule of City Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2022 which was rolled forward to June 30, 2023. 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, 2023

	Special Revenue Funds							COVID-19 Local Fiscal Recovery
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	APUN	EDA Tech Assist	SOA HSGP	USDA RUS	
<u>Assets</u>								
Cash and investments	\$ 309,386	235	24,811	-	-	-	-	35,266
Receivables - intergovernmental	-	-	-	22,170	-	2,415	17,182	-
Total assets	<u>\$ 309,386</u>	<u>235</u>	<u>24,811</u>	<u>22,170</u>	<u>-</u>	<u>2,415</u>	<u>17,182</u>	<u>35,266</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ -	-	-	-	-	-	-	834
Accrued expenses	-	-	-	-	-	-	-	-
Unearned revenue	94,401	-	-	-	-	-	-	34,432
Due to other funds	-	-	-	22,170	19,382	2,415	17,182	-
Total liabilities	<u>94,401</u>	<u>-</u>	<u>-</u>	<u>22,170</u>	<u>19,382</u>	<u>2,415</u>	<u>17,182</u>	<u>35,266</u>
Fund Balances:								
Committed	214,985	235	24,811	-	-	-	-	-
Unassigned	-	-	-	-	(19,382)	-	-	-
Total fund balances	<u>214,985</u>	<u>235</u>	<u>24,811</u>	<u>-</u>	<u>(19,382)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 309,386</u>	<u>235</u>	<u>24,811</u>	<u>22,170</u>	<u>-</u>	<u>2,415</u>	<u>17,182</u>	<u>35,266</u>

(continued)

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							Total Nonmajor Governmental Funds	
	TDX Fuel Spill	EDA Small Boat	Emergency Management	ACF Surfing Workshop	Community Arts Partnership	USDA Repairs	Typhoon Merbok Damages		AEA BFU
<u>Assets</u>									
Cash and investments	\$ -	-	654	1,520	144	-	-	-	372,016
Receivables - intergovernmental	-	66,591	-	-	-	-	-	35,814	144,172
Total assets	\$ -	66,591	654	1,520	144	-	-	35,814	516,188
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	\$ -	50,000	-	-	-	-	-	6,000	56,834
Accrued expenses	-	428	-	-	-	-	-	34	462
Unearned revenue	-	-	-	1,520	144	-	-	-	130,497
Due to other funds	104,729	16,181	-	-	-	11,851	26,651	29,780	250,341
Total liabilities	104,729	66,609	-	1,520	144	11,851	26,651	35,814	438,134
Fund Balances:									
Committed	-	-	654	-	-	-	-	-	240,685
Unassigned	(104,729)	(18)	-	-	-	(11,851)	(26,651)	-	(162,631)
Total fund balances	(104,729)	(18)	654	-	-	(11,851)	(26,651)	-	78,054
Total liabilities and fund balances	\$ -	66,591	654	1,520	144	-	-	35,814	516,188

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

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

Year Ended December 31, 2023

	Special Revenue Funds								
	Harbor Navigation	AEA VEEP Grant	COVID-19 Incident	EDA Tech Assist	SOA HSGP	USDA RUS	COVID-19 Local Fiscal Recovery	TDX Fuel Spill	EDA Small Boat
Revenues -									
Intergovernmental	\$ -	-	4,404	-	38,107	1,292	98,029	-	79,713
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>4,404</u>	<u>-</u>	<u>38,107</u>	<u>1,292</u>	<u>98,029</u>	<u>-</u>	<u>79,713</u>
Expenditures:									
Public safety:									
Salaries and wages	-	-	-	-	27,024	-	-	-	-
Employee benefits	-	-	-	-	9,739	-	-	-	-
Legal and consulting	-	-	-	(942)	-	-	-	-	-
Other	-	-	-	-	1,344	-	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>(942)</u>	<u>38,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public works:									
Salaries and wages	-	-	-	-	-	-	39,612	-	8,294
Employee benefits	-	-	-	-	-	-	13,337	-	2,779
Material and supplies	-	-	-	-	-	-	-	-	-
Legal and consulting	-	-	-	-	-	-	22,397	-	-
Contractors and consulting services	-	-	-	-	-	1,292	17,183	-	80,000
Other	-	-	-	-	-	-	5,500	-	8,586
Total public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,292</u>	<u>98,029</u>	<u>-</u>	<u>99,659</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(942)</u>	<u>38,107</u>	<u>1,292</u>	<u>98,029</u>	<u>-</u>	<u>99,659</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,404</u>	<u>942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,946)</u>
Other financing sources -									
Transfers in	-	-	-	-	-	-	-	-	19,928
Net change in fund balances	-	-	4,404	942	-	-	-	-	(18)
Fund balance, beginning	<u>214,985</u>	<u>235</u>	<u>20,407</u>	<u>(20,324)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,729)</u>	<u>-</u>
Fund balance, ending	<u>\$ 214,985</u>	<u>235</u>	<u>24,811</u>	<u>(19,382)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,729)</u>	<u>(18)</u>

(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	
	Emergency Management	ASCA Harper Arts	ACF Surfing Workshop	Community Arts Partnership	USDA Repairs	Typhoon Merbok Damages	Healthy and Equitable Communities		AEA BFU
Revenues -									
Intergovernmental	\$ 11,439	-	-	13,256	-	-	15,000	35,982	297,222
Other	-	9,125	23,480	-	-	-	-	-	32,605
Total revenues	<u>11,439</u>	<u>9,125</u>	<u>23,480</u>	<u>13,256</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>35,982</u>	<u>329,827</u>
Expenditures:									
Public safety:									
Salaries and wages	-	-	-	-	-	-	-	-	27,024
Employee benefits	-	-	-	-	-	-	-	-	9,739
Legal and consulting	-	-	-	-	-	-	-	-	(942)
Other	-	-	-	-	-	-	-	-	1,344
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,165</u>
Public works:									
Salaries and wages	16,803	-	-	601	-	939	11,173	1,424	78,846
Employee benefits	5,959	-	-	173	-	308	3,827	486	26,869
Material and supplies	-	-	3,946	2,062	-	-	-	-	6,008
Legal and consulting	-	-	-	-	11,206	-	-	-	33,603
Contractors and consulting services	-	1,000	-	9,650	645	-	-	34,072	143,842
Other	-	8,125	19,534	770	-	25,000	-	-	67,515
Total public works	<u>22,762</u>	<u>9,125</u>	<u>23,480</u>	<u>13,256</u>	<u>11,851</u>	<u>26,247</u>	<u>15,000</u>	<u>35,982</u>	<u>356,683</u>
Total expenditures	<u>22,762</u>	<u>9,125</u>	<u>23,480</u>	<u>13,256</u>	<u>11,851</u>	<u>26,247</u>	<u>15,000</u>	<u>35,982</u>	<u>393,848</u>
Excess (deficiency) of revenues over expenditures	<u>(11,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,851)</u>	<u>(26,247)</u>	<u>-</u>	<u>-</u>	<u>(64,021)</u>
Other financing sources -									
Transfers in	<u>11,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,905</u>
Net change in fund balances	654	-	-	-	(11,851)	(26,247)	-	-	(32,116)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(404)</u>	<u>-</u>	<u>-</u>	<u>110,170</u>
Fund balance, ending	<u>\$ 654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,851)</u>	<u>(26,651)</u>	<u>-</u>	<u>-</u>	<u>78,054</u>

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Schedule of Net Position

December 31, 2023

	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	\$ 402,180	115	169,068	571,363
Accounts receivable	4,580	-	2,591	7,171
Inventory	30,028	-	-	30,028
Total current assets	<u>436,788</u>	<u>115</u>	<u>171,659</u>	<u>608,562</u>
Noncurrent:				
Net pension and OPEB asset	<u>3,180</u>	-	-	<u>3,180</u>
Property, plant and equipment:				
Machinery and equipment	46,708	-	-	46,708
Accumulated depreciation	<u>(46,708)</u>	-	-	<u>(46,708)</u>
Net property, plant and equipment	<u>-</u>	-	-	<u>-</u>
Total assets	<u>439,968</u>	<u>115</u>	<u>171,659</u>	<u>611,742</u>
Deferred outflows of resources -				
Pension and OPEB deferrals	<u>224</u>	-	<u>1,572</u>	<u>1,796</u>
Total assets and deferred outflows of resources	<u>\$ 440,192</u>	<u>115</u>	<u>173,231</u>	<u>613,538</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>				
Current liabilities -				
Accounts payable	<u>\$ 2</u>	-	-	<u>2</u>
Noncurrent liabilities -				
Net pension and OPEB liability	<u>3,002</u>	-	<u>495</u>	<u>3,497</u>
Total liabilities	<u>3,004</u>	-	<u>495</u>	<u>3,499</u>
Deferred inflows of resources -				
Pension and OPEB deferrals	<u>102</u>	-	-	<u>102</u>
Net position -				
Unrestricted	<u>437,086</u>	<u>115</u>	<u>172,736</u>	<u>609,937</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 440,192</u>	<u>115</u>	<u>173,231</u>	<u>613,538</u>

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Schedule of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2023

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Operating revenues:				
Operating revenues	\$ 12,171	-	41,216	53,387
Cost of goods sold	(2,057)	-	-	(2,057)
Net operating revenues	<u>10,114</u>	<u>-</u>	<u>41,216</u>	<u>51,330</u>
Operating expenses:				
Salaries and wages	-	-	12,273	12,273
Employee benefits	-	-	(9,746)	(9,746)
Material and supplies	(354)	-	6	(348)
Fuel and utilities	9	-	-	9
Depreciation	1,291	-	-	1,291
Insurance	(8,154)	-	-	(8,154)
Administrative cost allocation	12,740	-	-	12,740
Other general and administrative costs	(235)	-	-	(235)
Total operating expenses	<u>5,297</u>	<u>-</u>	<u>2,533</u>	<u>7,830</u>
Operating income (loss)	<u>4,817</u>	<u>-</u>	<u>38,683</u>	<u>43,500</u>
Nonoperating revenues (expenses):				
State PERS relief	-	-	391	391
Investment loss	15,951	-	6,788	22,739
Net nonoperating revenues	<u>15,951</u>	<u>-</u>	<u>7,179</u>	<u>23,130</u>
Change in net position	20,768	-	45,862	66,630
Net position, beginning	<u>416,318</u>	<u>115</u>	<u>126,874</u>	<u>543,307</u>
Net position, ending	<u>\$ 437,086</u>	<u>115</u>	<u>172,736</u>	<u>609,937</u>

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Schedule of Cash Flows

Year Ended December 31, 2023

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Cash flows provided (used) by operating activities:				
Receipts from customers and users	\$ 12,545	-	2,499	15,044
Payments of interfund services used	(12,740)	-	-	(12,740)
Payments to suppliers	346	-	(6)	340
Payments to employees	-	-	(18,249)	(18,249)
	<u>151</u>	<u>-</u>	<u>(15,756)</u>	<u>(15,605)</u>
Net cash flows provided (used) by operating activities				
Cash flows provided (used) by investing activities -				
Investment loss paid	15,951	-	6,788	22,739
	<u>16,102</u>	<u>-</u>	<u>(8,968)</u>	<u>7,134</u>
Net change in cash and investments				
Cash and investments, beginning	386,078	115	178,036	564,229
Cash and investments, ending	<u>\$ 402,180</u>	<u>115</u>	<u>169,068</u>	<u>571,363</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 4,817	-	38,683	43,500
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation and amortization	1,291	-	-	1,291
Noncash expenses - PERS relief	-	-	391	391
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	374	-	(2,591)	(2,217)
Inventory	1,822	-	-	1,822
Net pension and OPEB asset	-	-	1,190	1,190
Deferred outflows of resources - pension and OPEB deferrals	-	-	343	343
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	-	-	(15,630)	(15,630)
Deferred inflows of resources - pension and OPEB deferrals	-	-	(878)	(878)
	<u>151</u>	<u>-</u>	<u>(15,756)</u>	<u>(15,605)</u>
Net cash flows used by operating activities				

CITY OF SAINT PAUL, ALASKA

Balance Sheets

General Fund

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and investments	\$ 3,155,258	5,505,051
Receivables:		
Accounts	15,243	14,415
Interest	16,690	16,690
Allowance for doubtful accounts	(8,762)	(8,762)
Due from other funds	250,341	239,186
Advances to other funds	5,201,194	3,900,652
Prepaid expenses	305	-
Inventory	39,813	39,502
Total assets	\$ <u>8,670,082</u>	<u>9,706,734</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	49,355	135,752
Accrued expenses	61,920	78,813
Customer deposits	21,535	20,235
Unearned revenue	733,236	725,904
Total liabilities	<u>866,046</u>	<u>960,704</u>
Fund Balance:		
Nonspendable	5,241,312	3,940,154
Unassigned	2,562,724	4,805,876
Total fund balance	<u>7,804,036</u>	<u>8,746,030</u>
Total liabilities and fund balance	\$ <u>8,670,082</u>	<u>9,706,734</u>

CITY OF SAINT PAUL, ALASKA

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

General Fund

Years Ended December 31, 2023 and 2022

	2023			2022
	Original and Final Budget	Actual	Variance	Actual
Revenues:				
Taxes:				
Sales	\$ 301,200	273,447	(27,753)	358,890
Fish	-	16,687	16,687	524,888
Total taxes	<u>301,200</u>	<u>290,134</u>	<u>(11,066)</u>	<u>883,778</u>
Intergovernmental:				
State fisheries taxes	201,800	237,682	35,882	1,549,446
State PERS relief	-	28,745	28,745	84,871
Federal payment in lieu of taxes	76,000	84,943	8,943	88,789
ARPA lost revenue	-	-	-	213,899
State revenue sharing	58,600	84,256	25,656	-
Remote sellers sales tax	15,000	17,545	2,545	25,233
Other	20	75	55	60
Total intergovernmental	<u>351,420</u>	<u>453,246</u>	<u>101,826</u>	<u>1,962,298</u>
Charges for services:				
Building/housing revenue	95,084	111,714	16,630	86,330
Allocated administrative charges	509,608	509,608	-	592,164
Equipment rental revenue	103,500	4,853	(98,647)	318,047
Other contract and labor revenues	5,600	28,786	23,186	8,594
Total charges for services	<u>713,792</u>	<u>654,961</u>	<u>(58,831)</u>	<u>1,005,135</u>
Investment income (loss)	<u>75,000</u>	<u>141,963</u>	<u>66,963</u>	<u>(171,739)</u>
Other revenue	<u>6,500</u>	<u>42,908</u>	<u>36,408</u>	<u>94,095</u>
Total revenue	<u>1,447,912</u>	<u>1,583,212</u>	<u>135,300</u>	<u>3,773,567</u>
Expenditures:				
General government:				
Mayor and council:				
Salaries and wages	11,760	6,263	5,497	9,669
Employee benefits	3,479	902	2,577	1,728
Material and supplies	30	100	(70)	1,544
Fuel, utilities and telephone	5,648	4,256	1,392	1,552
Legal and consulting	2,301	608	1,693	-
Other	5,999	21,315	(15,316)	16,245
Total mayor and council	<u>29,217</u>	<u>33,444</u>	<u>(4,227)</u>	<u>30,738</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2023			2022
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
City manager:				
Salaries and wages	\$ 100,863	103,909	(3,046)	152,828
Employee benefits	42,303	37,564	4,739	65,394
Material and supplies	50	1	49	239
Fuel, utilities and telephone	5,872	5,825	47	2,394
Repairs and maintenance	130	11	119	12
Insurance	6,695	5,475	1,220	584
Legal and consulting	149,602	203,783	(54,181)	251,431
Other	3,556	6,610	(3,054)	11,118
Total city manager	<u>309,071</u>	<u>363,178</u>	<u>(54,107)</u>	<u>484,000</u>
City clerk:				
Salaries and wages	125,782	116,462	9,320	124,149
Employee benefits	38,656	27,232	11,424	50,458
Material and supplies	130	146	(16)	3,052
Fuel, utilities and telephone	5,396	4,832	564	2,625
Repairs and maintenance	-	-	-	983
Insurance	6,154	7,332	(1,178)	476
Legal and consulting	2,301	2,541	(240)	-
Other	3,039	4,702	(1,663)	3,873
Total city clerk	<u>181,458</u>	<u>163,247</u>	<u>18,211</u>	<u>185,616</u>
Finance:				
Salaries and wages	204,088	296,586	(92,498)	284,614
Employee benefits	62,698	87,927	(25,229)	125,249
Material and supplies	4,150	4,877	(727)	4,414
Fuel, utilities and telephone	7,486	7,294	192	4,370
Repairs and maintenance	300	34	266	12
Insurance	8,703	7,657	1,046	533
Legal and consulting	91,110	65,506	25,604	-
Interest expense	500	-	500	16
Other	25,474	48,446	(22,972)	164,155
Total finance	<u>404,509</u>	<u>518,327</u>	<u>(113,818)</u>	<u>583,363</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2023			2022
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
Housing:				
Salaries and wages	\$ 10,029	20,368	(10,339)	11,356
Employee benefits	3,067	5,025	(1,958)	3,135
Material and supplies	2,300	879	1,421	11,427
Fuel, utilities and telephone	51,198	55,367	(4,169)	77,474
Repairs and maintenance	-	12,072	(12,072)	9,199
Insurance	16,515	13,948	2,567	19,028
Other	9,704	9,476	228	10,933
Total housing	<u>92,813</u>	<u>117,135</u>	<u>(24,322)</u>	<u>142,552</u>
Nondepartmental:				
Material and supplies	120	111	9	19,989
Fuel, utilities and telephone	1,411	478	933	362
Insurance	2,893	6,712	(3,819)	40,080
Legal and consulting	2,301	608	1,693	87,983
Other	11,321	35,570	(24,249)	108,994
Total nondepartmental	<u>18,046</u>	<u>43,479</u>	<u>(25,433)</u>	<u>257,408</u>
Total general government	<u>1,035,114</u>	<u>1,238,810</u>	<u>(203,696)</u>	<u>1,683,677</u>
Public safety:				
Police, fire and EMS:				
Salaries and wages	277,639	289,954	(12,315)	608,060
Employee benefits	119,566	55,580	63,986	246,378
Material and supplies	5,150	9,166	(4,016)	70,725
Fuel, utilities and telephone	48,449	53,583	(5,134)	47,361
Repairs and maintenance	1,628	3,475	(1,847)	557
Insurance	44,182	9,384	34,798	24,414
Legal and consulting	13,809	20,351	(6,542)	94,500
Other	39,640	48,382	(8,742)	49,571
Total public safety	<u>550,063</u>	<u>489,875</u>	<u>60,188</u>	<u>1,141,566</u>
Public works:				
Machine shop and motor pool:				
Salaries and wages	37,207	24,262	12,945	68,521
Employee benefits	11,474	7,604	3,870	21,955
Material and supplies	7,505	4,502	3,003	4,050
Fuel, utilities and telephone	16,032	14,896	1,136	14,473
Repairs and maintenance	820	1,387	(567)	10,565
Insurance	28,273	21,108	7,165	22,563
Legal and consulting	4,603	1,217	3,386	2,994
Other	9,579	10,287	(708)	13,772
Capital outlay	-	-	-	3,628
Total machine shop and motor pool	<u>115,493</u>	<u>85,263</u>	<u>30,230</u>	<u>162,521</u>

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2023			2022
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works, continued:				
Maintenance and labor pool:				
Salaries and wages	\$ 86,241	179,009	(92,768)	297,050
Employee benefits	60,844	78,607	(17,763)	142,722
Material and supplies	8,825	7,718	1,107	14,630
Fuel, utilities and telephone	89,302	88,771	531	134,914
Repairs and maintenance	7,050	47,482	(40,432)	7,069
Insurance	49,945	32,423	17,522	62,292
Legal and consulting	52,301	122,177	(69,876)	7,318
Contractors and consulting services	-	-	-	3,226
Other	4,315	6,619	(2,304)	7,363
Total maintenance and labor pool	<u>358,823</u>	<u>562,806</u>	<u>(203,983)</u>	<u>676,584</u>
Administration:				
Salaries and wages	80,368	68,412	11,956	180,340
Employee benefits	24,769	15,723	9,046	79,026
Material and supplies	955	2,886	(1,931)	1,512
Fuel, utilities and telephone	20,544	16,458	4,086	17,996
Repairs and maintenance	260	51	209	1,083
Insurance	25,697	6,627	19,070	1,323
Legal and consulting	4,602	1,825	2,777	-
Other	3,750	21,019	(17,269)	1,285
Total administration	<u>160,945</u>	<u>133,001</u>	<u>27,944</u>	<u>282,565</u>
Total public works	<u>635,261</u>	<u>781,070</u>	<u>(145,809)</u>	<u>1,121,670</u>
Total expenditures	<u>2,220,438</u>	<u>2,509,755</u>	<u>(289,317)</u>	<u>3,946,913</u>
Excess (deficiency) of revenues over expenditures	(772,526)	(926,543)	(154,017)	(173,346)
Other financing sources (uses):				
transfers in	915,210	-	(915,210)	-
Transfers out	(142,684)	(31,905)	110,779	(11,999)
Proceeds from the sale of capital assets	-	16,454	16,454	-
Net other financing sources (uses)	<u>772,526</u>	<u>(15,451)</u>	<u>(787,977)</u>	<u>(11,999)</u>
Net change in fund balance	\$ <u>-</u>	<u>(941,994)</u>	<u>(941,994)</u>	<u>(185,345)</u>
Fund balance, beginning of year		<u>8,746,030</u>		<u>8,931,375</u>
Fund balance, end of year		\$ <u><u>7,804,036</u></u>		<u><u>8,746,030</u></u>

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 3,520,040	3,911,233
Receivables:		
Accounts	366,506	272,602
Intergovernmental	74,036	170,852
Allowance for doubtful accounts	(3,067)	(3,067)
Inventory	17,588	14,878
Total current assets	<u>3,975,103</u>	<u>4,366,498</u>
Noncurrent:		
Net pension and OPEB asset	<u>61,594</u>	<u>82,197</u>
Property, plant and equipment:		
Buildings	3,091,433	3,091,433
Machinery and equipment	542,363	542,363
Plant in service	3,202,558	3,202,558
Construction in progress	1,664,165	1,615,283
Total property, plant and equipment	<u>8,500,519</u>	<u>8,451,637</u>
Accumulated depreciation	<u>(4,488,475)</u>	<u>(4,310,918)</u>
Net property, plant and equipment	<u>4,012,044</u>	<u>4,140,719</u>
Total assets	<u>8,048,741</u>	<u>8,589,414</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>15,990</u>	<u>17,740</u>
Total assets and deferred outflows of resources	<u>\$ 8,064,731</u>	<u>8,607,154</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 28,546	98,093
Accrued liabilities	3,180	3,057
Accrued leave	3,478	3,408
Customer deposits	22,124	43,160
Current portion of revenue bonds, net of unamortized discount of \$0 in 2023 (\$2,623 in 2022)	-	96,143
Total current liabilities	<u>57,328</u>	<u>243,861</u>
Noncurrent liabilities, net of current portion:		
Net pension and OPEB liability	<u>207,362</u>	<u>287,147</u>
Total liabilities	<u>264,690</u>	<u>531,008</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>1,158</u>	<u>8,128</u>
Net position:		
Net investment in capital assets	4,012,044	4,044,576
Unrestricted	<u>3,786,839</u>	<u>4,023,442</u>
Total net position	<u>7,798,883</u>	<u>8,068,018</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,064,731</u>	<u>8,607,154</u>

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Electric services	\$ <u>1,720,639</u>	<u>1,610,720</u>
Operating expenses:		
Salaries and wages	87,249	88,648
Employee benefits	(23,841)	53,287
Material and supplies	12,377	39,368
Fuel and utilities	1,574,193	1,397,334
Depreciation	177,557	172,150
Repairs and maintenance	1,331	130,996
Insurance	24,013	26,513
Legal and consulting	113,977	234,866
Administrative cost allocation	135,895	142,754
Other general and administrative costs	27,694	30,090
Total operating expenses	<u>2,130,445</u>	<u>2,316,006</u>
Operating loss	<u>(409,806)</u>	<u>(705,286)</u>
Nonoperating revenues (expenses):		
State PERS relief	1,999	166
Investment income (loss)	141,315	(131,020)
Interest expense	<u>(2,643)</u>	<u>(5,660)</u>
Net nonoperating revenues	<u>140,671</u>	<u>(136,514)</u>
Change in net position	(269,135)	(841,800)
Net position, beginning	<u>8,068,018</u>	<u>8,909,818</u>
Net position, ending	\$ <u><u>7,798,883</u></u>	<u><u>8,068,018</u></u>

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 1,702,515	1,458,833
Payments of interfund services used	(135,895)	(142,754)
Payments to suppliers	(1,825,842)	(1,771,000)
Payments to employees	(125,618)	(137,744)
	<u>(384,840)</u>	<u>(592,665)</u>
Net cash flows (used) by operating activities		
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	(48,882)	(362,252)
Principal paid	(96,143)	(98,120)
Interest paid	(2,643)	(494)
	<u>(147,668)</u>	<u>(460,866)</u>
Net cash flows used by capital and related financing activities		
Cash flows from investing activities -		
Investment income (loss)	<u>141,315</u>	<u>(131,020)</u>
Net change in cash and investments	<u>(391,193)</u>	<u>(1,184,551)</u>
Cash and investments, beginning	<u>3,911,233</u>	<u>5,095,784</u>
Cash and investments, ending	\$ <u><u>3,520,040</u></u>	<u><u>3,911,233</u></u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (409,806)	(705,286)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	177,557	172,150
Noncash expenses - PERS relief	1,999	166
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	2,912	(145,206)
Inventory	(2,710)	(2,615)
Net pension and OPEB asset	20,603	11,860
Deferred outflows of resources - Pension and OPEB deferrals	1,750	13,378
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(69,547)	90,782
Accrued liabilities	123	1,006
Accrued leave	70	742
Customer deposits	(21,036)	(6,681)
Net pension and OPEB liability	(79,785)	69,023
Deferred inflows of resources - Pension and OPEB deferrals	(6,970)	(91,984)
	<u>(384,840)</u>	<u>(592,665)</u>
Net cash flows used by operating activities	\$ <u><u>(384,840)</u></u>	<u><u>(592,665)</u></u>
Noncash capital and related financing activities:		
Transfers of capital assets to general government	\$ <u><u>-</u></u>	<u><u>37,437</u></u>

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 1,733,120	1,688,895
Receivables:		
Accounts	28,468	20,732
Allowance for doubtful accounts	(749)	(749)
Prepaid expenses	3,364	-
Total current assets	<u>1,764,203</u>	<u>1,708,878</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>86,046</u>	<u>92,109</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>(5,366,677)</u>	<u>(5,246,978)</u>
Net property, plant and equipment	<u>1,549,352</u>	<u>1,669,051</u>
Total assets	<u>3,399,601</u>	<u>3,470,038</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>6,338</u>	<u>6,853</u>
Total assets and deferred outflows of resources	<u>\$ 3,405,939</u>	<u>3,476,891</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ -	2,198
Accrued liabilities	644	708
Accrued leave	1,513	897
Total current liabilities	<u>2,157</u>	<u>3,803</u>
Noncurrent liabilities:		
Net pension and OPEB liability	<u>47,259</u>	<u>70,739</u>
Total liabilities	<u>49,416</u>	<u>74,542</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>1,089</u>	<u>3,140</u>
Net position:		
Net investment in capital assets	1,549,352	1,669,051
Unrestricted	1,806,082	1,730,158
Total net position	<u>3,355,434</u>	<u>3,399,209</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,405,939</u>	<u>3,476,891</u>

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Water services	\$ <u>120,506</u>	<u>171,512</u>
Operating expenses:		
Salaries and wages	23,257	38,779
Employee benefits	(10,970)	(59,863)
Material and supplies	10,325	7,687
Fuel and utilities	25,295	36,721
Depreciation	119,699	119,699
Repairs and maintenance	1,270	302
Legal and consulting	533	4,964
Insurance	7,536	9,484
Administrative cost allocation	55,207	84,595
Other general and administrative costs	2,278	2,447
Total operating expenses	<u>234,430</u>	<u>244,815</u>
Operating loss	<u>(113,924)</u>	<u>(73,303)</u>
Nonoperating revenues (expenses):		
State PERS relief	589	64
Investment loss	69,558	(56,575)
Miscellaneous revenue	<u>2</u>	<u>-</u>
Net nonoperating revenues	<u>70,149</u>	<u>(56,511)</u>
Change in net position	(43,775)	(129,814)
Net position, beginning	<u>3,399,209</u>	<u>3,529,023</u>
Net position, ending	\$ <u><u>3,355,434</u></u>	<u><u>3,399,209</u></u>

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 112,770	166,394
Payments of interfund services used	(55,207)	(84,595)
Payments to suppliers	(52,799)	(57,942)
Payments to employees	(30,099)	(65,444)
	<u>(25,335)</u>	<u>(41,587)</u>
Net cash flows (provided) by operating activities		
Cash flows provided by noncapital financing activities:		
Miscellaneous revenue	<u>2</u>	<u>-</u>
Cash flows provided (used) by investing activities -		
Investment income (loss)	<u>69,558</u>	<u>(56,575)</u>
	<u>44,225</u>	<u>(98,162)</u>
Net change in cash and investments		
Cash and investments, beginning	<u>1,688,895</u>	<u>1,787,057</u>
Cash and investments, ending	<u>\$ 1,733,120</u>	<u>1,688,895</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (113,924)	(73,303)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	119,699	119,699
Noncash expenses - PERS relief	589	64
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(7,736)	(5,118)
Prepaid expenses	(3,364)	1,465
Net pension and OPEB asset	6,063	4,581
Deferred outflows of resources - pension and OPEB deferrals	515	(4,094)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(2,198)	2,198
Accrued liabilities	(64)	(523)
Accrued leave	616	(9,340)
Net pension and OPEB liability	(23,480)	26,664
Deferred inflows of resources - pension and OPEB deferrals	(2,051)	(103,880)
	<u>(25,335)</u>	<u>(41,587)</u>
Net cash flows used by operating activities	<u>\$ (25,335)</u>	<u>(41,587)</u>

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Receivables:		
Accounts	\$ 51,404	19,651
Allowance for doubtful accounts	(33)	(33)
Total current assets	<u>51,371</u>	<u>19,618</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>-</u>	<u>1,089</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>(2,282,266)</u>	<u>(2,116,381)</u>
Net property, plant and equipment	<u>1,397,719</u>	<u>1,563,604</u>
Total assets	<u>1,449,090</u>	<u>1,584,311</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>3,080</u>	<u>3,807</u>
Total assets and deferred outflows of resources	<u>\$ 1,452,170</u>	<u>1,588,118</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 3,208	5,331
Accrued liabilities	958	346
Unearned revenue	4,157	4,157
Total current liabilities	<u>8,323</u>	<u>9,834</u>
Noncurrent liabilities:		
Advances from other funds	2,198,584	2,189,978
Net pension and OPEB liability	24,897	58,034
Total noncurrent liabilities	<u>2,223,481</u>	<u>2,248,012</u>
Total liabilities	<u>2,231,804</u>	<u>2,257,846</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>-</u>	<u>1,744</u>
Net position:		
Net investment in capital assets	1,397,719	1,563,604
Unrestricted (deficit)	<u>(2,177,353)</u>	<u>(2,235,076)</u>
Total net position	<u>(779,634)</u>	<u>(671,472)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,452,170</u>	<u>1,588,118</u>

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Sewer services	\$ <u>177,068</u>	<u>176,194</u>
Operating expenses:		
Salaries and wages	31,847	25,802
Employee benefits	(21,799)	25,190
Material and supplies	492	1,856
Fuel and utilities	14,803	22,407
Repairs and maintenance	660	-
Depreciation	165,885	170,580
Legal and consulting	2,794	1,811
Insurance	3,996	8,842
Administrative cost allocation	84,935	74,021
Other general and administrative costs	2,447	94
Total operating expenses	<u>286,060</u>	<u>330,603</u>
Operating loss	<u>(108,992)</u>	<u>(154,409)</u>
Nonoperating revenues (expenses):		
State PERS relief	<u>830</u>	<u>36</u>
Change in net position	(108,162)	(154,373)
Net position, beginning	<u>(671,472)</u>	<u>(517,099)</u>
Net position, ending	\$ <u><u>(779,634)</u></u>	<u><u>(671,472)</u></u>

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 145,315	165,215
Payments of interfund services used	(84,935)	(74,021)
Payments to suppliers	(27,315)	(30,966)
Payments to employees	(41,671)	(32,151)
	<u>(8,606)</u>	<u>28,077</u>
Net cash flows provided (used) by operating activities		
Cash flows provided (used) by noncapital financing activities:		
Increase in advances from other funds	8,606	(28,077)
	<u>-</u>	<u>-</u>
Net change in cash and investments		
Cash and investments, beginning	-	-
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (108,992)	(154,409)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	165,885	170,580
Noncash expenses - PERS relief	830	36
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(31,753)	(10,979)
Net pension and OPEB asset	1,089	2,545
Deferred outflows of resources - pension and OPEB deferrals	727	3,041
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(2,123)	4,044
Accrued liabilities	612	(261)
Net pension and OPEB liability	(33,137)	14,811
Deferred inflows of resources - pension and OPEB deferrals	(1,744)	(1,331)
	<u>(8,606)</u>	<u>28,077</u>
Net cash flows provided (used) by operating activities	<u>\$ (8,606)</u>	<u>28,077</u>

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 402,180	386,078
Accounts receivable	4,580	4,954
Inventory	30,028	31,850
Total current assets	<u>436,788</u>	<u>422,882</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>3,180</u>	<u>3,180</u>
Property, plant and equipment:		
Machinery and equipment	46,708	46,708
Accumulated depreciation	<u>(46,708)</u>	<u>(45,417)</u>
Net property, plant and equipment	<u>-</u>	<u>1,291</u>
Total assets	<u>439,968</u>	<u>427,353</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>224</u>	<u>224</u>
Total assets and deferred outflows of resources	<u>\$ 440,192</u>	<u>427,577</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities -		
Accounts payable	\$ <u>2</u>	<u>8,155</u>
Noncurrent liabilities -		
Net pension and OPEB liability	<u>3,002</u>	<u>3,002</u>
Total liabilities	<u>3,004</u>	<u>11,157</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>102</u>	<u>102</u>
Net position:		
Net investment in capital assets	-	1,291
Unrestricted	<u>437,086</u>	<u>415,027</u>
Total net position	<u>437,086</u>	<u>416,318</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 440,192</u>	<u>427,577</u>

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Operating revenues - sales	\$ 12,171	11,693
Cost of goods sold	<u>(2,057)</u>	<u>(4,649)</u>
Net operating revenues	<u>10,114</u>	<u>7,044</u>
Operating expenses:		
Salaries and wages	-	1,526
Employee benefits	-	(2,190)
Material and supplies	(354)	-
Fuel and utilities	9	10
Depreciation	1,291	1,721
Insurance	(8,154)	17,266
Administrative cost allocation	12,740	31,723
Other general and administrative costs	<u>(235)</u>	<u>-</u>
Total operating expenses	<u>5,297</u>	<u>50,056</u>
Operating income (loss)	<u>4,817</u>	<u>(43,012)</u>
Nonoperating revenues (expenses):		
State PERS relief	-	2
Investment income (loss)	<u>15,951</u>	<u>(12,933)</u>
Net nonoperating revenues	<u>15,951</u>	<u>(12,931)</u>
Change in net position	20,768	(55,943)
Net position, beginning	<u>416,318</u>	<u>472,261</u>
Net position, ending	<u>\$ 437,086</u>	<u>416,318</u>

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 12,545	10,784
Payments of interfund services used	(12,740)	(31,723)
Payments to suppliers	346	(8,812)
Payments to employees	-	(1,912)
	<u>151</u>	<u>(31,663)</u>
Cash flows provided (used) by investing activities -		
Investment income (loss)	<u>15,951</u>	<u>(12,933)</u>
	<u>16,102</u>	<u>(44,596)</u>
Cash and investments, beginning	<u>386,078</u>	<u>430,674</u>
Cash and investments, ending	<u>\$ 402,180</u>	<u>386,078</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ 4,817	(43,012)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	1,291	1,721
Noncash expenses - PERS relief	-	2
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	374	(909)
Inventory	1,822	4,960
Net pension and OPEB asset	-	149
Deferred outflows of resources - pension and OPEB deferrals	-	(29)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(8,153)	8,153
Net pension and OPEB liability	-	870
Deferred inflows of resources - pension and OPEB deferrals	-	(3,568)
	<u>151</u>	<u>(31,663)</u>
Net cash flows used by operating activities	<u>\$ 151</u>	<u>(31,663)</u>

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Cash and investments	\$ 975	975
Accounts receivable	244,473	453,964
Allowance for doubtful accounts	(4,255)	(4,255)
Inventory	2,541,765	2,034,475
Total current assets	<u>2,782,958</u>	<u>2,485,159</u>
Noncurrent:		
Net pension and OPEB asset	<u>36,791</u>	<u>61,613</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>(5,698,994)</u>	<u>(5,675,522)</u>
Net property, plant and equipment	<u>1,043,992</u>	<u>1,067,464</u>
Total assets	<u>3,863,741</u>	<u>3,614,236</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>17,249</u>	<u>19,358</u>
Total assets and deferred outflows of resources	<u>\$ 3,880,990</u>	<u>3,633,594</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 4,649	37,084
Line of credit	1,624,634	2,320,329
Bulk fuel loan	420,704	420,301
Accrued liabilities	1,993	3,916
Accrued leave	10,647	11,011
Unearned revenue	-	26,841
Total current liabilities	<u>2,062,627</u>	<u>2,819,482</u>
Noncurrent liabilities:		
Revenue bonds	4,389,672	4,389,672
Accrued interest payable	1,377,175	1,377,175
Advances from other funds	1,791,358	595,234
Net pension and OPEB liability	110,049	206,171
Total noncurrent liabilities	<u>7,668,254</u>	<u>6,568,252</u>
Total liabilities	<u>9,730,881</u>	<u>9,387,734</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>473</u>	<u>8,870</u>
Net position:		
Net investment in capital assets	(3,345,680)	(3,322,208)
Restricted for debt service and depreciation reserve	950,000	950,000
Unrestricted	<u>(3,454,684)</u>	<u>(3,390,802)</u>
Total net position	<u>(5,850,364)</u>	<u>(5,763,010)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,880,990</u>	<u>3,633,594</u>

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Fuel sales	\$ 2,721,649	2,977,924
Cost of goods sold	<u>(2,269,539)</u>	<u>(2,283,117)</u>
Net operating revenues	<u>452,110</u>	<u>694,807</u>
Operating expenses:		
Salaries and wages	100,456	112,895
Employee benefits	(31,134)	66,226
Material and supplies	15,721	20,674
Fuel and utilities	37,958	25,297
Depreciation	23,472	30,261
Repairs and maintenance	3,022	2,299
Insurance	71,003	66,673
Administrative cost allocation	169,869	153,328
Legal and consulting	13,589	148,365
Contractors and consulting services	181	15,970
Other general and administrative costs	4,406	11,295
Total operating expenses	<u>408,543</u>	<u>653,283</u>
Operating income (loss)	<u>43,567</u>	<u>41,524</u>
Nonoperating revenues (expenses):		
State PERS relief	2,408	181
Interest expense	(143,160)	(52,148)
Miscellaneous revenue	9,831	-
Net nonoperating revenues (expenses)	<u>(130,921)</u>	<u>(51,967)</u>
Change in net position	<u>(87,354)</u>	<u>(10,443)</u>
Net position, beginning	<u>(5,763,010)</u>	<u>(5,752,567)</u>
Net position, ending	<u>\$ (5,850,364)</u>	<u>(5,763,010)</u>

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 2,904,299	2,605,720
Payments of interfund services used	(169,869)	(153,328)
Payments to suppliers	(2,955,144)	(4,579,820)
Payments to employees	(146,789)	(156,123)
	<u>(367,503)</u>	<u>(2,283,551)</u>
Net cash flows (used) by operating activities		
Cash flows provided (used) by noncapital financing activities -		
Miscellaneous revenue	9,831	-
Increase (decrease) in advances from other funds	1,196,124	(404,931)
	<u>1,205,955</u>	<u>(404,931)</u>
Net cash flows provided (used) by noncapital financing activities		
Cash flows provided (used) by capital and related financing activities:		
Borrowings (repayments) on line of credit, net	(695,695)	2,320,329
Proceeds from issuance of loan	750,000	750,000
Principal paid	(749,597)	(329,699)
Interest paid	(143,160)	(52,148)
	<u>(838,452)</u>	<u>2,688,482</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 income (loss)	\$ 43,567	41,524
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	23,472	30,261
Noncash expenses - PERS relief	2,408	181
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	209,491	(399,045)
Inventory	(507,290)	(1,915,013)
Net pension and OPEB asset	24,822	12,941
Deferred outflows of resources - pension and OPEB deferrals	2,109	(1,514)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(32,435)	(91,117)
Accrued liabilities	(1,923)	2,198
Accrued leave	(364)	5,316
Unearned revenue	(26,841)	26,841
Net pension and OPEB liability	(96,122)	75,319
Deferred inflows of resources - pension and OPEB deferrals	(8,397)	(71,443)
	<u>(367,503)</u>	<u>(2,283,551)</u>
Net cash flows used by operating activities	<u>\$ (367,503)</u>	<u>(2,283,551)</u>

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets:		
Accounts receivable	\$ 19,717	49,532
Prepaid expenses	372	-
Inventory	3,649	3,649
Total current assets	<u>23,738</u>	<u>53,181</u>
Noncurrent:		
Net pension and OPEB asset	<u>38,349</u>	<u>38,349</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>(4,210,050)</u>	<u>(4,140,469)</u>
Net property, plant and equipment	<u>942,335</u>	<u>1,011,916</u>
Total assets	<u>1,004,422</u>	<u>1,103,446</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>6,458</u>	<u>6,458</u>
Total assets and deferred outflows of resources	<u>\$ 1,010,880</u>	<u>1,109,904</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ -	5,460
Current portion of note payable - USACE	37,501	36,320
Total current liabilities	<u>37,501</u>	<u>41,780</u>
Noncurrent liabilities:		
Advances from other funds	1,070,621	985,281
Revenue bonds	1,466,206	1,466,206
Note payable - USACE, net of current portion	1,458,947	1,496,448
Accrued interest payable	527,969	527,969
Net pension and OPEB liability	39,768	39,768
Total noncurrent liabilities	<u>4,563,511</u>	<u>4,515,672</u>
Total liabilities	<u>4,601,012</u>	<u>4,557,452</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>2,959</u>	<u>2,959</u>
Net position:		
Net investment in capital assets	(523,871)	(454,290)
Unrestricted (deficit)	(3,069,220)	(2,996,217)
Total net position	<u>(3,593,091)</u>	<u>(3,450,507)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,010,880</u>	<u>1,109,904</u>

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Harbor charges	\$ <u>6,724</u>	<u>20,197</u>
Operating expenses:		
Salaries and wages	-	27,119
Employee benefits	-	(7,376)
Material and supplies	1,403	1,593
Fuel and utilities	597	4,662
Depreciation	69,581	69,581
Repairs and maintenance	3,570	77
Insurance	10,678	14,051
Administrative cost allocation	12,740	21,149
Contractors and consulting services	181	-
Other general and administrative costs	743	1,223
Total operating expenses	<u>99,493</u>	<u>132,079</u>
Operating loss	<u>(92,769)</u>	<u>(111,882)</u>
Nonoperating revenues (expenses):		
State PERS relief	-	60
Interest expense	<u>(49,815)</u>	<u>(50,958)</u>
Net nonoperating expenses	<u>(49,815)</u>	<u>(50,898)</u>
Change in net position	<u>(142,584)</u>	<u>(162,780)</u>
Net position, beginning	<u>(3,450,507)</u>	<u>(3,287,727)</u>
Net position, ending	\$ <u><u>(3,593,091)</u></u>	<u><u>(3,450,507)</u></u>

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 36,539	10,422
Payments of interfund services used	(12,740)	(21,149)
Payments to suppliers	(23,004)	(16,146)
Payments to employees	-	(49,300)
	<u>795</u>	<u>(76,173)</u>
Net cash flows (provided) by operating activities		
Cash flows provided by noncapital financing activities -		
Increases in advances from other funds	<u>85,340</u>	<u>162,308</u>
Cash flows provided (used) by capital and related financing activities:		
Principal paid	(36,320)	(35,177)
Interest paid	<u>(49,815)</u>	<u>(50,958)</u>
	<u>(86,135)</u>	<u>(86,135)</u>
Net cash flows (used) by capital and related financing activities		
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (92,769)	(111,882)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	69,581	69,581
Noncash expenses - PERS relief	-	60
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	29,815	36,419
Prepaid expenses	(372)	-
Net pension and OPEB asset	-	4,317
Deferred outflows of resources - pension and OPEB deferrals	-	(6,020)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(5,460)	5,460
Accrued liabilities	-	(1,834)
Accrued leave	-	(6,831)
Unearned revenue	-	(46,194)
Net pension and OPEB liability	-	25,125
Deferred inflows of resources - pension and OPEB deferrals	<u>-</u>	<u>(44,374)</u>
Net cash flows (provided) by operating activities	<u>\$ 795</u>	<u>(76,173)</u>

CITY OF SAINT PAUL, ALASKA
 Home Energy Loan Enterprise Fund
 Schedules of Net Position
 December 31, 2023 and 2022

	2023	2022
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, 2023 and 2022

	<u>2023</u>	<u>2022</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, 2023 and 2022

	<u>2023</u>	<u>2022</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current assets -		
Receivables:		
Accounts	\$ 53,634	56,709
Intergovernmental	12,313	-
Total current assets	<u>65,947</u>	<u>56,709</u>
Noncurrent assets:		
Net pension and OPEB asset	<u>21,095</u>	<u>33,058</u>
Property, plant and equipment:		
Land	105,000	105,000
Landfill	801,832	801,832
Machinery and equipment	538,995	538,995
Construction in progress	12,313	-
Total property, plant and equipment	<u>1,458,140</u>	<u>1,445,827</u>
Accumulated depreciation	<u>(759,501)</u>	<u>(730,123)</u>
Net property, plant and equipment	<u>698,639</u>	<u>715,704</u>
Total assets	<u>785,681</u>	<u>805,471</u>
Deferred outflows of resources -		
Pension and OPEB deferrals	<u>4,956</u>	<u>5,972</u>
Total assets and deferred outflows of resources	<u>\$ 790,637</u>	<u>811,443</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable	\$ 604	2,792
Accrued liabilities	1,093	269
Accrued leave	1,659	475
Total current liabilities	<u>3,356</u>	<u>3,536</u>
Noncurrent liabilities:		
Advances from other funds	140,631	130,159
Landfill closure and post closure care costs	35,486	31,145
Net pension and OPEB liability	15,768	62,092
Total noncurrent liabilities	<u>191,885</u>	<u>223,396</u>
Total liabilities	<u>195,241</u>	<u>226,932</u>
Deferred inflows of resources -		
Pension and OPEB deferrals	<u>-</u>	<u>2,736</u>
Net position:		
Net investment in capital assets	698,639	715,704
Unrestricted (deficit)	<u>(103,243)</u>	<u>(133,929)</u>
Total net position	<u>595,396</u>	<u>581,775</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 790,637</u>	<u>811,443</u>

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Refuse services	\$ <u>146,214</u>	<u>144,826</u>
Operating expenses:		
Salaries and wages	46,679	39,207
Employee benefits	(6,109)	1,566
Material and supplies	5,239	2,978
Fuel and utilities	13,416	12,297
Depreciation and amortization	33,719	36,169
Legal and consulting	608	-
Repairs and maintenance	6,511	11,470
Insurance	3,403	4,957
Administrative cost allocation	38,221	84,595
Other general and administrative costs	4,380	2,461
Total operating expenses	<u>146,067</u>	<u>195,700</u>
Operating loss	<u>147</u>	<u>(50,874)</u>
Nonoperating revenues -		
Federal sources	12,313	-
State PERS relief	<u>1,161</u>	<u>55</u>
Total nonoperating revenues	<u>13,474</u>	<u>55</u>
Change in net position	<u>13,621</u>	<u>(50,819)</u>
Net position, beginning	<u>581,775</u>	<u>632,594</u>
Net position, ending	\$ <u><u>595,396</u></u>	<u><u>581,775</u></u>

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 149,289	120,736
Payments of interfund services used	(38,221)	(84,595)
Payments to suppliers	(35,745)	(31,728)
Payments to employees	<u>(73,482)</u>	<u>(53,511)</u>
Net cash flows (used) by operating activities	<u>1,841</u>	<u>(49,098)</u>
Cash flows provided by noncapital financing activities -		
Increases in advances from other funds	<u>10,472</u>	<u>49,098</u>
Cash flows (used) by capital and related financing activities -		
Purchases of capital assets	<u>(12,313)</u>	<u>-</u>
Net change in cash and investments	<u>-</u>	<u>-</u>
Cash and investments, beginning	<u>-</u>	<u>-</u>
Cash and investments, ending	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ 147	(50,874)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	33,719	36,169
Noncash expenses - PERS relief	1,161	55
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	3,075	(24,090)
Net pension and OPEB asset	11,963	3,992
Deferred outflows of resources - pension and OPEB deferrals	1,016	(1,351)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(2,188)	2,435
Accrued liabilities	824	9
Accrued leave	1,184	(907)
Net pension and OPEB liability	(46,324)	23,236
Deferred inflows of resources - pension and OPEB deferrals	<u>(2,736)</u>	<u>(37,772)</u>
Net cash flows used by operating activities	<u>\$ 1,841</u>	<u>(49,098)</u>

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Net Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current Assets:		
Cash and investments	\$ 169,068	178,036
Accounts receivable	2,591	-
Total current assets	<u>171,659</u>	<u>178,036</u>
Noncurrent-		
Net pension and OPEB asset	<u>-</u>	<u>1,190</u>
Total assets	<u>171,659</u>	<u>179,226</u>
Deferred Outflows of Resources -		
Pension and OPEB deferrals	<u>1,572</u>	<u>1,915</u>
Total assets and deferred outflows of resources	<u>\$ 173,231</u>	<u>181,141</u>
<u>Liabilities and Net Position</u>		
Current liabilities:		
Accrued liabilities	\$ -	1,138
Unearned revenue	<u>-</u>	<u>36,126</u>
Total current liabilities	<u>-</u>	<u>37,264</u>
Noncurrent Liabilities -		
Net pension and OPEB liability	<u>495</u>	<u>16,125</u>
Deferred Inflows of Resources -		
Pension and OPEB deferrals	<u>-</u>	<u>878</u>
Net Position -		
Unrestricted	<u>172,736</u>	<u>126,874</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 173,231</u>	<u>181,141</u>

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Contract revenue	\$ <u>41,216</u>	<u>72,723</u>
Operating expenses:		
Salaries and wages	12,273	9,114
Employee benefits	(9,746)	9,522
Material and supplies	6	-
Repairs and maintenance	-	2,456
Other general and administrative costs	-	135
Total operating expenses	<u>2,533</u>	<u>21,227</u>
Operating income	<u>38,683</u>	<u>51,496</u>
Nonoperating revenues -		
Investment income (loss)	6,788	(5,964)
State PERS relief	391	18
Total nonoperating revenues	<u>7,179</u>	<u>(5,946)</u>
Change in net position	<u>45,862</u>	<u>45,550</u>
Net position, beginning	<u>126,874</u>	<u>81,324</u>
Net position, ending	\$ <u><u>172,736</u></u>	<u><u>126,874</u></u>

CITY OF SAINT PAUL, ALASKA
 USCG Caretaker Service Enterprise Fund
 Schedules of Cash Flows
 Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows provided (used) by operating activities:		
Receipts from customers and users	\$ 2,499	108,849
Payments to suppliers	(6)	(2,591)
Payments to employees	<u>(18,249)</u>	<u>(11,053)</u>
Net cash flows provided by operating activities	<u>(15,756)</u>	<u>95,205</u>
Cash flows provided (used) by investing activities -		
Investment income (loss)	<u>6,788</u>	<u>(5,964)</u>
Net change in cash and investments	<u>(8,968)</u>	<u>89,241</u>
Cash and investments, beginning	<u>178,036</u>	<u>88,795</u>
Cash and investments, ending	<u>\$ 169,068</u>	<u>178,036</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 38,683	51,496
Adjustments to reconcile operating income to net cash flows from operating activities:		
Noncash expenses - PERS relief	391	18
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(2,591)	-
Net pension and OPEB asset	1,190	1,280
Deferred outflows of resources - pension and OPEB deferrals	343	(621)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accrued liabilities	(1,138)	1,138
Unearned revenue	(36,126)	36,126
Net pension and OPEB liability	(15,630)	7,452
Deferred inflows of resources - pension and OPEB deferrals	<u>(878)</u>	<u>(1,684)</u>
Net cash flows used by operating activities	<u>\$ (15,756)</u>	<u>95,205</u>

CITY OF SAINT PAUL, ALASKA
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

<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	\$ 84,943	84,943
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	22-LGLR-37	21.027	250,476	98,029
Department of Commerce, National Oceanic and Atmospheric Administration - Direct - Economic Development Cluster - Economic Adjustment Assistance	07-79-07871	None	11.307	2,270,400	79,713
Passed through the Alaska Bond Bank - Outstanding Loan Balance - Coastal Zone Management Administration Awards Total Department of Commerce	None	None	11.419	5,855,878	5,855,878
				<u>8,126,278</u>	<u>5,935,591</u>
Department of Agriculture Direct - Rural Utilities Services	AK00-80-A84	None	10.859	807,969	1,292
National Endowment for the Humanities, Passed through the State of Alaska, Alaska Council on the Arts - Promotion of the Arts Partnership Agreements - New Visions	None	FY23CAP0009	45.025	13,400	13,256
U.S. Environmental Protection Agency - Direct - Congressionally Mandated Projects	02J44501	None	66.202	3,000,000	12,313
Department of Homeland Security - Passed through the State of Alaska Department of Military and Veterans Affairs - Homeland Security Grant Program	None	22SHSP-GY22	97.067	45,000	38,107
Emergency Management Performance Grants	None	EMS-2022-EP-00004-S01	97.042	25,000	11,439
COVID-19 Federal Emergency Management Agency Total Department of Homeland Security	None	DR-4533-AK	97.036	4,404	4,404
				<u>74,404</u>	<u>53,950</u>
Total Expenditures of Federal Awards				\$ <u>12,357,470</u>	<u>6,199,374</u>
Reconciliation to intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance:					
Total Federal Expenditures per above schedule					\$ 6,199,374
Total State Financial Assistance					419,285
Federal Expenditures Reported in previous periods					
Less: Federal Expenditures Reported in the Proprietary Funds, Exhibit E-2					(12,313)
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>\$ 750,468</u>

See accompanying notes to the Schedule.

CITY OF SAINT PAUL, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2023

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, 2023. 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, 2023 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, 2023, 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 16, 2024.

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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

City of Saint Paul, Alaska's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 16, 2024

**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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Anchorage, Alaska
September 16, 2024

CITY OF SAINT PAUL, ALASKA

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

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? X Yes 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>
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

Finding 2023-001
Material Weakness

Lack of Internal Control over Financial Close and Reporting

Criteria: Internal control should be in place to ensure timely reconciliation and review of all general ledger accounts to ensure financial statement amounts are properly stated.

Condition and Context: An effective internal control system over financial reporting provides reasonable assurance that assets are safeguarded against loss and theft, and that reliable financial statements are prepared in accordance with the appropriate accounting standards and in compliance with applicable laws and regulations. During our audit we noted that the City's year-end financial statement closing procedures were ineffective to meet these objectives. During the course of the audit, we proposed journal entries to correct accounts payable, fund balance, cash and investments, and accounts receivable balances. There were also significant delays in the process of obtaining general ledger reconciliations from the City.

Cause: Lack of internal control over financial reporting and year end close procedures.

Effect: Lack of adequate internal control over financial reporting could result in the material misstatement of the City's financial statements that would not be prevented, detected and corrected, on a timely basis.

Repeat Finding: This is not a repeat finding.

Recommendation: To improve the year-end financial closing process, we recommend that the City establishes a more efficient and effective responsibilities matrix for its close process to provide timely and accurate reconciliations for all general ledger accounts, as well as timely review and approval by management. Support for the reconciliations and management review should be maintained and be available for review.

Management's Response: Management concurs with the finding. See Corrective Action Plan.

Schedule of Findings and Questioned Costs, Continued

Finding 2023-002
Material Weakness

Lack of Internal Control over Accounts Payable

- Criteria:** Internal control should be in place to ensure timely reconciliation and review of accounts payable to ensure financial statement amounts are properly stated.
- Condition and Context:** An effective internal control system over accounts payable provides reasonable assurance that accounts payable is fairly presented in accordance with the appropriate accounting standards and in compliance with applicable laws and regulations. During the course of the audit, we identified a material amount of accounts payable which was incurred in FY24 and improperly accrued as accounts payable at December 31, 2023. This was later corrected by management. We also noted several invoices which related to expenditures that were incurred in FY23, but were not properly accrued as accounts payable at December 31, 2023.
- Cause:** Lack of internal control over accounts payable.
- Effect:** Lack of adequate internal control over accounts payable could result in the material misstatement of the City's financial statements that would not be prevented, detected and corrected, on a timely basis.
- Repeat Finding:** This is not a repeat finding.
- Recommendation:** To improve internal control over accounts payable, we recommend the City implement policies and procedures which involve review and approval of purchasing documents and general ledger coding to ensure that expenditures and related accounts payable are captured in the proper period.
- Management's Response:** Management concurs with the finding. See Corrective Action Plan.

Schedule of Findings and Questioned Costs, Continued

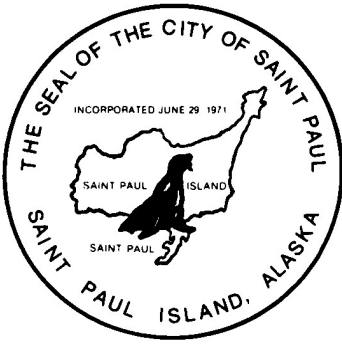
Finding 2023-003
Material Weakness

Lack of Internal Control over Fuel Billing Revenues

- Criteria:** Adequate internal control over fuel billing revenues should be in place to ensure that all transactions are properly coded and captured in the general ledger.
- Condition and Context:** During our testing of fuel billing transactions we noted two transactions, out of the twenty tested, which were not captured in the general ledger. It was found that, although these transactions were recorded in the billing software, they were not properly transferred to the accounting software during the month-end close process. This incident impacted all fuel sales made on credit during the month of June. Upon discovery, this misstatement was corrected by management.
- Cause:** Lack of internal control over fuel billing revenues.
- Effect:** Lack of adequate internal control over fuel billing revenues could result in the material misstatement of the City's financial statements that would not be prevented, detected and corrected, on a timely basis.
- Repeat Finding:** This is not a repeat finding.
- Recommendation:** To improve internal control over fuel billing revenues, we recommend the City implement policies and procedures which involve an additional level of review and approval of billing entries to ensure that the accounting system is in agreement with the City's billing software.
- Management's Response:** Management concurs with the finding. See Corrective Action Plan.

Section III – Federal Award Findings

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



CITY OF SAINT PAUL

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Corrective Action Plan

Year Ended December 31, 2023

Financial Statement Findings

Finding 2023-001

Lack of Internal Control over Financial Close and Reporting

Name of Contact Person: Stephanie Mandregan

Corrective Action Plan: We have been short-staffed for quite some time, and have staff with limited or no financial background, which makes closing out take an overwhelming amount of time. Lack of staff resulted in delays. Management will work with staff to ensure timely and correct postings to the general ledger and will obtain additional assistance if necessary.

Proposed Completion Date: December 2024.

Finding 2023-002

Lack of Internal Control over Accounts Payable

Name of Contact Person: Stephanie Mandregan

Corrective Action Plan: These were grant purchases planned for 2023 but the payments didn't happen until 2024, but were posted to 2023, and then moved back to 2024. Together with the Grants Coordinator, Management will review purchases to ensure they are posted to the correct period.

Proposed Completion Date: December 2024.

Finding 2023-003

Lack of Internal Control over Fuel Billing Revenues

Name of Contact Person: Stephanie Mandregan

Corrective Action Plan: This has been rectified. Our IT personnel at our financial software company changed a journal ID to avoid errors in posting from another module, and the first month it was changed, that specific journal was not posted to our general ledger. This was the only month in which this occurred, and once the error was realized, the journal entry was posted as well as the procedures for this process was updated to ensure it does not happen again.

Proposed Completion Date: August 2024.