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, 2024

Altman, Rogers & Co.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF SAINT PAUL, ALASKA

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

Year Ended December 31, 2024

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Altman, Rogers & Co. CERTIFIED PUBLIC ACCOUNTANTS

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, 2024, 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, 2024, 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.

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Offices in Juneau and Soldotna A Professional Corporation

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 43, 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 and notes to the required supplementary information on pages 44-49 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. 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.

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, 2023, 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, 2023 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 2023 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 2023 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 July 30, 2025, 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.

Altman, Rogers & Co.

Anchorage, Alaska
July 30, 2025

Exhibit A-1

CITY OF SAINT PAUL, ALASKA

Statement of Net Position

December 31, 2024

Assets and Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and investments	$ 4,295,270	5,206,440	9,501,710
Receivables:			
Accounts	83,880	589,851	673,731
Intergovernmental	308,219	201,556	509,775
Interest	16,690	-	16,690
Allowance for doubtful accounts	(8,762)	(8,104)	(16,866)
Internal balances	3,925,701	(3,925,701)	-
Prepaid expenses	226	2,449	2,675
Inventory	39,337	2,522,592	2,561,929
Noncurrent assets:			
Net pension and OPEB assets	650,616	149,622	800,238
Capital assets:			
Land and construction in progress	17,952	3,661,901	3,679,853
Other capital assets, net of depreciation	19,420,010	7,455,722	26,875,732
Total assets	28,749,139	15,856,328	44,605,467
Deferred outflows of resources:			
Pension and OPEB deferrals	214,671	34,843	249,514
Total assets and deferred outflows of resources	$ 28,963,810	15,891,171	44,854,981
Liabilities and Deferred Inflows of Resources			
Curren liabilities:			
Accounts payable	$ 383,792	61,004	444,796
Line of credit	-	2,332,116	2,332,116
Accrued liabilities	69,561	11,522	81,083
Customer deposits	22,335	22,471	44,806
Unearned revenue	819,518	4,157	823,675
Noncurrent liabilities:			
Due within one year:			
Bulk fuel loan	-	653,134	653,134
Accrued leave	79,379	19,835	99,214
Note payable - USACE	-	38,719	38,719
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	-	1,420,228	1,420,228
Accrued interest payable	-	1,905,144	1,905,144
Landfill closure and post closure care costs	-	39,827	39,827
Net pension and OPEB liability	1,604,661	290,079	1,894,740
Total liabilities	2,979,246	12,654,114	15,633,360
Deferred inflows of resources:			
Pension and OPEB deferrals	18,698	3,380	22,078
Total liabilities and deferred inflows of resources	2,997,944	12,657,494	15,655,438
Net Position			
Net investment in capital assets	19,437,962	5,261,745	24,699,707
Restricted for debt service and depreciation reserve	-	950,000	950,000
Unrestricted	6,527,904	(2,978,068)	3,549,836
Total net position	25,965,866	3,233,677	29,199,543
Total liabilities, deferred inflows of resources, and net position	$ 28,963,810	15,891,171	44,854,981

See accompanying notes to basic financial statements.

Exhibit B-1

CITY OF SAINT PAUL, ALASKA

Statement of Activities

Year Ended December 31, 2024

			Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	$ 2,385,737	845,060	60,948	-	(1,479,729)	-	(1,479,729)
Public safety	264,965	-	11,130	-	(253,835)	-	(253,835)
Public works	1,792,748	169,453	1,117,134	-	(506,161)	-	(506,161)
Total governmental activities	4,443,450	1,014,513	1,189,212	-	(2,239,725)	-	(2,239,725)
Business-type activities:							
Electric	2,736,068	2,028,667	8,300	-	-	(699,101)	(699,101)
Water	302,898	217,300	1,441	1,975	-	(82,182)	(82,182)
Sewer	306,358	178,415	1,791	-	-	(126,152)	(126,152)
Bulk fuel farm	3,611,918	3,534,798	11,138	-	-	(65,982)	(65,982)
Harbor	155,877	23,357	674	-	-	(131,846)	(131,846)
Refuse	610,593	146,032	9,786	2,096,063	-	1,641,288	1,641,288
Total business-type activities	7,723,712	6,128,569	33,130	2,098,038	-	536,025	536,025
Total activities	$ 12,167,162	7,143,082	1,222,342	2,098,038	(2,239,725)	536,025	(1,703,700)
General revenues and transfers:							
General revenues:							
Sales and fisheries taxes					$ 380,255	-	380,255
Grant and entitlements not restricted to a specific purpose					136,430	-	136,430
Federal payment in lieu of taxes					85,756	-	85,756
Investment income					192,867	215,262	408,129
Other revenue					168,021	200	168,221
Transfer of capital assets					(345,629)	345,629	-
Total general revenues and transfers					617,700	561,091	1,178,791
Change in net position					(1,622,025)	1,097,116	(524,909)
Net position, beginning of year					27,587,891	2,136,561	29,724,452
Net position, end of year					$ 25,965,866	3,233,677	29,199,543

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Balance Sheet - Governmental Funds

December 31, 2024

Assets		General Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Cash and investments	$	3,861,771	433,499	4,295,270
Receivables:				
Accounts		27,860	56,020	83,880
Intergovernmental		-	308,219	308,219
Interest		16,690	-	16,690
Allowance for doubtful accounts		(8,762)	-	(8,762)
Due from other funds		297,705	-	297,705
Advances to other funds		3,925,701	-	3,925,701
Prepaid expenses		226	-	226
Inventory		39,337	-	39,337
Total assets	$	8,160,528	797,738	8,958,266
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$	70,198	313,594	383,792
Accrued liabilities		69,518	43	69,561
Customer deposits		22,335	-	22,335
Unearned revenue		716,578	102,940	819,518
Due to other funds		-	297,705	297,705
Total liabilities		878,629	714,282	1,592,911
Fund balances:				
Nonspendable		3,965,264	-	3,965,264
Committed		-	239,796	239,796
Unassigned		3,316,635	(156,340)	3,160,295
Total fund balances		7,281,899	83,456	7,365,355
Total liabilities and fund balances	$	8,160,528	797,738	8,958,266

See accompanying notes to basic financial statements.

Exhibit C-2

CITY OF SAINT PAUL, ALASKA

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

December 31, 2024

Total fund balances for governmental funds		$ 7,365,355
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	(41,249,030)	
Total capital assets, net of accumulated depreciation		19,437,962
Proportionate share of the collective net pension and OPEB liability		
PERS		(1,604,661)
Proportionate share of the collective net pension and OPEB asset		
PERS		650,616
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		214,671
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:		
PERS		(18,698)
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		(79,379)
Total net position of governmental activities		$ 25,965,866

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, 2024

	General Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:			
Taxes	$ 380,255	-	380,255
Intergovernmental	252,630	763,728	1,016,358
Charges for services	1,014,513	-	1,014,513
Investment income	192,867	-	192,867
Other revenue	168,021	333,358	501,379
Total revenues	2,008,286	1,097,086	3,105,372
Expenditures:			
Current:			
General government	1,358,337	-	1,358,337
Public safety	179,239	6,519	185,758
Public works	837,546	785,876	1,623,422
Capital outlay	-	454,590	454,590
Total expenditures	2,375,122	1,246,985	3,622,107
Excess (deficiency) of revenues over (under) expenditures	(366,836)	(149,899)	(516,735)
Other financing sources (uses):			
Transfers in	889	156,190	157,079
Transfers out	(156,190)	(889)	(157,079)
Net other financing sources (uses)	(155,301)	155,301	-
Net change in fund balances	(522,137)	5,402	(516,735)
Fund balances, beginning of year	7,804,036	78,054	7,882,090
Fund balances, end of year	$ 7,281,899	83,456	7,365,355

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, 2024

Net change in fund balance - total governmental funds		$ (516,735)
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		261,246
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		(28,030)
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	$ (1,332,494)	
Capital asset additions	345,629	
Transfer of capital assets from governmental activities to business-type activities	(345,629)	
		(1,332,494)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued leave		(6,012)
Change in net position of governmental activities		$ (1,622,025)

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Net Position

December 31, 2024

	Major Funds							
Assets and Deferred Outflows of Resources	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse	Nonmajor Funds	Total
Current Assets:								
Cash and investments	$ 3,185,408	1,843,584	-	975	-	-	176,473	5,206,440
Receivables:								
Accounts	285,891	31,812	28,966	214,257	650	25,684	2,591	589,851
Intergovernmental	97,398	1,975	-	-	-	102,183	-	201,556
Allowance for doubtful accounts	(3,067)	(749)	(33)	(4,255)	-	-	-	(8,104)
Prepaid expenses	-	-	858	-	1,591	-	-	2,449
Inventory	18,270	-	-	2,500,673	3,649	-	-	2,522,592
Total current assets	3,583,900	1,876,622	29,791	2,711,650	5,890	127,867	179,064	8,514,784
Noncurrent Assets :								
Net pension and OPEB asset	32,196	80,941	-	522	35,963	-	-	149,622
Capital assets:								
Property, plant and equipment	8,659,827	6,934,043	3,757,924	6,879,358	5,152,385	3,207,369	-	34,590,906
Accumulated depreciation	(4,664,631)	(5,487,873)	(2,444,449)	(5,773,741)	(4,279,631)	(822,958)	-	(23,473,283)
Net property, plant and equipment	3,995,196	1,446,170	1,313,475	1,105,617	872,754	2,384,411	-	11,117,623
Total noncurrent assets	4,027,392	1,527,111	1,313,475	1,106,139	908,717	2,384,411	-	11,267,245
Total assets	7,611,292	3,403,733	1,343,266	3,817,789	914,607	2,512,278	179,064	19,782,029
Deferred Outflows of Resources -								
Pension and OPEB deferrals	10,277	5,346	1,847	9,807	5,994	-	1,572	34,843
Total assets and deferred outflows of resources	$ 7,621,569	3,409,079	1,345,113	3,827,596	920,601	2,512,278	180,636	19,816,872

(Continued)

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Net Position, Continued

	Major Funds							
Liabilities, Deferred Inflows of Resources and Net Position	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse	Nonmajor Funds	Total
Current liabilities:								
Accounts payable	$ 46,380	1,075	-	1,767	-	11,782	-	61,004
Line of credit	-	-	-	2,332,116	-	-	-	2,332,116
Bulk fuel loan	-	-	-	653,134	-	-	-	653,134
Accrued liabilities	2,538	1,367	1,327	4,870	-	1,420	-	11,522
Accrued leave	2,805	-	-	14,464	-	2,566	-	19,835
Customer deposits	22,471	-	-	-	-	-	-	22,471
Unearned revenue	-	-	4,157	-	-	-	-	4,157
Current portion of note payable - USACE	-	-	-	-	38,719	-	-	38,719
Total current liabilities	74,194	2,442	5,484	3,006,351	38,719	15,768	-	3,142,958
Noncurrent liabilities:								
Advances from other funds	-	-	2,153,530	398,350	1,153,822	219,999	-	3,925,701
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	-	-	-	-	1,420,228	-	-	1,420,228
Accrued interest payable	-	-	-	1,377,175	527,969	-	-	1,905,144
Landfill closure and post closure care costs	-	-	-	-	-	39,827	-	39,827
Net pension and OPEB liability	156,605	38,445	13,946	44,940	35,648	-	495	290,079
Total noncurrent liabilities	156,605	38,445	2,167,476	6,210,137	4,603,873	259,826	495	13,436,857
Total liabilities	230,799	40,887	2,172,960	9,216,488	4,642,592	275,594	495	16,579,815
Deferred Inflows of Resources-								
Pension and OPEB deferrals	-	634	-	-	2,746	-	-	3,380
Net Position:								
Net investment in capital assets	3,995,196	1,446,170	1,313,475	(3,284,055)	(593,452)	2,384,411	-	5,261,745
Restricted for debt service and depreciation reserve	-	-	-	950,000	-	-	-	950,000
Unrestricted (deficit)	3,395,574	1,921,388	(2,141,322)	(3,054,837)	(3,131,285)	(147,727)	180,141	(2,978,068)
Total net position	7,390,770	3,367,558	(827,847)	(5,388,892)	(3,724,737)	2,236,684	180,141	3,233,677
Total liabilities, deferred inflows of resources and net position	$ 7,621,569	3,409,079	1,345,113	3,827,596	920,601	2,512,278	180,636	19,816,872

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, 2024

	Major Funds							
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse	Nonmajor Funds	Total
Operating revenues	$ 2,028,667	217,300	178,415	3,534,798	23,357	146,032	-	6,128,569
Cost of goods sold	-	-	-	(2,854,595)	-	-	-	(2,854,595)
Net operating revenues	2,028,667	217,300	178,415	680,203	23,357	146,032	-	3,273,974
Operating expenses:								
Salaries and benefits	101,379	19,730	22,795	161,472	(1,261)	153,158	-	457,273
Other operating expenses	2,320,256	68,141	22,611	191,940	19,168	310,623	-	2,932,739
Administrative cost allocation	138,277	93,831	98,769	212,353	19,754	79,015	-	641,999
Depreciation and amortization	176,156	121,196	162,183	28,744	69,581	67,797	-	625,657
Total operating expenses	2,736,068	302,898	306,358	594,509	107,242	610,593	-	4,657,668
Operating income (loss)	(707,401)	(85,598)	(127,943)	85,694	(83,885)	(464,561)	-	(1,383,694)
Nonoperating revenues (expenses):								
Federal sources	-	1,975	-	-	-	2,096,063	-	2,098,038
State PERS relief	8,300	1,441	1,791	11,138	674	9,786	-	33,130
Investment income (loss)	131,680	76,292	-	-	-	-	7,290	215,262
Interest expense	-	-	-	(162,814)	(48,635)	-	-	(211,449)
Miscellaneous revenue	-	-	-	-	200	-	-	200
Net nonoperating revenues (expenses)	139,980	79,708	1,791	(151,676)	(47,761)	2,105,849	7,290	2,135,181
Income (loss) before capital contributions and transfers	(567,421)	(5,890)	(126,152)	(65,982)	(131,646)	1,641,288	7,290	751,487
Capital contributions and transfers:								
Capital assets transferred from Governmental Activities	159,308	18,014	77,939	90,368	-	-	-	345,629
Transfer in	-	-	-	437,086	-	-	-	437,086
Transfer out	-	-	-	-	-	-	(437,086)	(437,086)
Net capital contributions and transfers	159,308	18,014	77,939	527,454	-	-	(437,086)	345,629
Change in net position	(408,113)	12,124	(48,213)	461,472	(131,646)	1,641,288	(429,796)	1,097,116
Net position, beginning	7,798,883	3,355,434	(779,634)	(5,850,364)	(3,593,091)	595,396	609,937	2,136,561
Net position, ending	$ 7,390,770	3,367,558	(827,847)	(5,388,892)	(3,724,737)	2,236,684	180,141	3,233,677

See accompanying notes to basic financial statements.

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Cash Flows

Year Ended December 31, 2024

	Major Funds							
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse	Nonmajor Funds	Total
Cash flows provided (used) by operating activities:								
Receipts from customers and users	$ 2,086,267	213,956	200,853	3,569,593	42,424	173,982	-	6,287,075
Payments of interfund services used	(138,277)	(93,831)	(98,769)	(212,353)	(19,754)	(79,015)	-	(641,999)
Payments to suppliers	(2,303,104)	(63,702)	(26,677)	(2,978,299)	(19,935)	(299,445)	-	(5,691,162)
Payments to employees	(111,198)	(22,251)	(30,353)	(165,211)	-	(131,855)	-	(460,868)
Net cash flows provided (used) by operating activities	(466,312)	34,172	45,054	213,730	2,735	(336,333)	-	(506,954)
Cash flows provided (used) by noncapital financing activities -								
Miscellaneous revenue	-	-	-	-	200	-	-	200
Transfers in (out)	-	-	-	402,180	-	-	(402,180)	-
Increase (decrease) in advances from other funds	-	-	(45,054)	(1,393,008)	83,201	79,368	-	(1,275,493)
Net cash flows provided (used) by capital and related financing activities	-	-	(45,054)	(990,828)	83,401	79,368	(402,180)	(1,275,293)
Cash flows provided (used) by capital and related financing activities:								
Proceeds from capital grants	-	-	-	-	-	2,006,193	-	2,006,193
Purchases of capital assets	-	-	-	-	-	(1,749,228)	-	(1,749,228)
Borrowings (repayments) on line of credit, net	-	-	-	707,482	-	-	-	707,482
Proceeds from issuance of loan	-	-	-	745,051	-	-	-	745,051
Principal paid	-	-	-	(512,621)	(37,501)	-	-	(550,122)
Interest paid	-	-	-	(162,814)	(48,635)	-	-	(211,449)
Net cash flows provided (used) by capital and related financing activities	-	-	-	777,098	(86,136)	256,965	-	947,927
Cash flows from investing activities -								
Investment income (loss)	131,680	76,292	-	-	-	-	7,290	215,262
Net change in cash and investments	(334,632)	110,464	-	-	-	-	(394,890)	(619,058)
Cash and investments, beginning	3,520,040	1,733,120	-	975	-	-	571,363	5,825,498
Cash and investments, ending	$ 3,185,408	1,843,584	-	975	-	-	176,473	5,206,440

(Continued)

CITY OF SAINT PAUL, ALASKA

Enterprise Funds

Statement of Cash Flows, Continued

	Major Funds							
	Electric Utility	Water Utility	Sewer Utility	Bulk Fuel Farm	Harbor	Refuse	Nonmajor Funds	Total
Reconciliation of operating income (loss) to net cash flows from operating activities:								
Operating income (loss)	$ (707,401)	(85,598)	(127,943)	85,694	(83,885)	(464,561)	-	(1,383,694)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:								
Depreciation and amortization	176,156	121,196	162,183	28,744	69,581	67,797	-	625,657
Noncash expenses - PERS relief	8,300	1,441	1,791	11,138	674	9,786	-	33,130
(Increase) decrease in assets and deferred outflows of resources:								
Receivables	57,253	(3,344)	22,438	34,795	19,067	27,950	-	158,159
Prepaid expenses	-	3,364	(858)	-	(1,219)	-	-	1,287
Inventory	(682)	-	-	71,120	-	-	-	70,438
Net pension and OPEB asset	29,398	5,105	-	39,449	2,386	21,095	-	97,433
Deferred outflows of resources - Pension and OPEB deferrals	5,713	992	1,233	7,666	464	4,956	-	21,024
Increase (decrease) in liabilities and deferred inflows of resources:								
Accounts payable	17,834	1,075	(3,208)	(2,884)	-	11,178	-	23,995
Accrued liabilities	(642)	723	369	2,877	-	327	-	3,654
Accrued leave	(673)	(1,513)	-	3,817	-	907	-	2,538
Customer deposits	347	-	-	-	-	-	-	347
Net pension and OPEB liability	(50,757)	(8,814)	(10,951)	(68,111)	(4,120)	(15,768)	-	(158,521)
Deferred inflows of resources - Pension and OPEB deferrals	(1,158)	(455)	-	(575)	(213)	-	-	(2,401)
Net cash flows used by operating activities	$ (466,312)	34,172	45,054	213,730	2,735	(336,333)	-	(506,954)
Noncash investing and financing activities:								
The Marine Sales Enterprise Fund (nonmajor fund) transferred all assets, deferred outflows of resources, liabilities, and deferred inflows of resources to the Bulk Fuel Enterprise Fund:								
Noncash assets and deferred outflows of resources transferred in (out)	$ -	-	-	38,012	-	-	(38,012)	-
Liabilities and deferred inflows of resources transferred in (out)	$ -	-	-	3,106	-	-	(3,106)	-
Noncash capital and related financing activities:								
Transfers of capital assets from Governmental Activities	$ 159,308	18,014	77,939	90,368	-	-	-	345,629

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The City reports the following major funds:

Major Governmental Funds:

- The General Fund is the 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.

Additionally, the City reports the following fund types:

- *Special Revenue Funds* - are a type of governmental fund used to account for revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

- *Enterprise funds* - are a type of proprietary fund used to report an activity for which a fee is charged to external users for goods or services.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Accounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes, investment income, and state and federal entitlement revenue not restricted for a specific purpose.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets

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

E. Central Treasury

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

F. Cash and Cash Equivalents

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

G. Inventory

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

H. Receivables and Payables

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

I. Grants and Other Intergovernmental Revenue

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

J. Interfund Transactions

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

K. Accrued Leave

The City allows employees to accumulate earned but unused vacation and sick leave benefits. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The City allows up to a 480 hour accumulation of vacation leave which is payable upon resignation, retirement or death. Leave is not payable if an employee is terminated with cause. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

L. Deferred Inflows/Outflows of Resources

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

M. Capital Assets

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

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

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

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

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.

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.

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, 2024, the City's cash and investments consisted of the following:

Demand Deposits	$ 1,050,729
Cash fixed income investments	8,450,981
	$ 9,501,710

A. General Investments

Investment Policy

The City's investment policy authorizes investments in:

A. U.S. Treasury securities that mature in four years or less;

B. Other obligations by the U.S. Government, its agencies and instrumentalities that mature in four years or less;

C. Repurchase agreements of acceptable securities specified in Category A or B above which meet a margin requirement of 102%;

D. Collateralized certificates of deposit and other deposits at banks and savings and loan associations;

E. Uncollateralized deposits at banks and savings and loan associations, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC);

F. Bonds and notes which are issued by any state or political subdivision thereof, and which are General Obligation Bonds graded A or higher by Moody's Investor's Service, Inc., or M by Standard and Poor's Corporation which mature in four years or less;

G. Prime bankers' acceptances offered by the 50 largest banks which mature in 180 days or less;

H. Money market mutual funds whose portfolios consist entirely of instruments specified in Category A, B, or C above;

I. The Alaska Municipal League Investment Pool, Inc. (AMLIP), made in accordance with the terms of that pool's "Common Investment Agreement."

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. Investment maturities in general investments at December 31, 2024 are as follows:

			Investment Maturities (in Years)	
Investment Type		Fair Value	Less than 1	1-5
Certificates of Deposit	$	6,765,764	2,337,352	4,428,412
Money Market Funds		913,257	913,257	-
U.S. Government Agency Bonds		386,398	386,398	-
U.S. Treasury Securities		202,384	-	202,384
AMLIP Pooled Investments		183,178	183,178	-
Total subject to interest rate risk	$	8,450,981	3,820,185	4,630,796

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, 2024:

U.S. Treasury Securities of $202,384 and Money Market Funds of $913,257 are valued using quoted market prices in active markets for identical assets (Level 1 inputs).

U.S. Government Agency Securities of $386,398 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 $6,765,764 that are not held at fair value, but instead recorded at amortized cost, at December 31, 2024. The City's investment in AMLIP totaling $183,178 is measured at net asset value as of December 31, 2024 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.

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, 2024, 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, 2024, $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. As a result, all deposits were insured as of December 31, 2024.

III. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 follows:

Governmental activities:	Balance December 31, 2023	Additions and Transfers	Deletions and Transfers	Balance December 31, 2024
Capital assets not being depreciated:				
Construction in progress	$ 17,952	159,308	(159,308)	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	4,356,429	186,321	(186,321)	4,356,429
Total assets being depreciated	60,669,040	186,321	(186,321)	60,669,040
Less accumulated depreciation for:				
Breakwater	31,863,316	952,860	-	32,816,176
Buildings and improvements	5,115,588	179,654	-	5,295,242
Machinery and equipment	2,937,632	199,980	-	3,137,612
Total accumulated depreciation	39,916,536	1,332,494	-	41,249,030
Total capital assets, being depreciated, net	20,752,504	(1,146,173)	(186,321)	19,420,010
Total governmental activities, net	$ 20,770,456	(986,865)	(345,629)	19,437,962

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Business-Type Activities:		Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Capital assets not being depreciated:					
Land	$	256,236	-	-	256,236
Construction in progress		2,556,859	848,806	-	3,405,665
Total assets not being depreciated		2,813,095	848,806	-	3,661,901
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	1,246,052	(703)	3,095,015
Total assets being depreciated		29,683,657	1,246,052	(703)	30,929,006
Less accumulated depreciation for:					
Plant in service		10,274,071	346,398	-	10,620,469
Fuel tanks and lines		5,231,636	6,044	-	5,237,680
Dock and mooring		4,157,501	61,781	-	4,219,282
Buildings		1,713,223	72,865	-	1,786,088
Machinery and equipment		1,476,240	134,228	(703)	1,609,765
Total accumulated depreciation		22,852,671	621,316	(703)	23,473,284
Total capital assets, being depreciated, net		6,830,986	624,736	-	7,455,722
Total business-type activities, net	$	9,644,081	1,473,542	-	11,117,623

During the year ended December 31, 2024, $345,629 of capital assets were transferred from Governmental Activities to Business-Type Activities. Depreciation expense was charged to the following functions and funds for the year ended December 31, 2024:

Governmental Activities:

General government	$	1,040,481
Public safety		86,269
Public works		205,744
Total depreciation expense – governmental activities	$	1,332,494

Business-Type Activities:

Electric utility	$	176,156
Water utility		121,196
Sewer utility		162,183
Bulk fuel farm		28,744
Harbor		69,581
Refuse		63,456
Total depreciation expense – business-type activities	$	621,316

IV. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended December 31, 2024:

Governmental Activities		Balance January 1, 2024	Additions	Deductions	Balance December 31, 2024	Due Within One Year
Accrued leave ***	$	73,367	6,012	-	79,379	79,379
Net pension liability		2,212,127	-	607,466	1,604,661	-
Total governmental activities	$	2,285,494	6,012	607,466	1,684,040	79,379

Business-Type Activities		Balance January 1, 2024	Additions	Deductions	Balance December 31, 2024	Due Within One Year
$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	-
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.		1,496,448	-	37,501	1,458,947	38,719
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.		420,704	-	420,704	-	-
Bulk fuel loan payable to the State of Alaska. Payable in 9 equal monthly installments of $83,475 including interest of 2% beginning on December 1, 2024.		-	745,051	91,917	653,134	653,134
Accrued interest payable		1,905,144	-	-	1,905,144	-
Accrued leave ***		17,297	2,538	-	19,835	19,835
Landfill closure and post closure care costs		35,486	4,341	-	39,827	-
Net pension liability		448,600	-	158,521	290,079	-
Total business-type activities	$	10,179,557	751,930	708,643	10,222,844	711,688

***The change in accrued leave is presented as a net amount.

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.

The annual debt service requirements of the bulk fuel loan, and the note payable to USACE at December 31, 2024, 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,			
2025	$ 691,853	52,397	744,250
2026	39,978	46,157	86,135
2027	41,277	44,858	86,135
2028	42,619	43,516	86,135
2029	44,004	42,131	86,135
2030-2034	242,423	188,253	430,676
2035-2039	284,462	146,214	430,676
2040-2044	333,791	96,885	430,676
2045-2049	391,674	39,002	430,676
	$ 2,112,081	699,413	2,811,494

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 6.625% per annum with a maturity date of November 6, 2025. The line of credit is utilized by the Bulk Fuel Farm Enterprise Fund to facilitate the purchasing of gasoline and diesel to be held for resale. The line of credit balance was $2,332,116 at December 31, 2024.

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 $39,827 reported as landfill closure costs payable at December 31, 2024 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 $99,863 as the remaining expected usage is filled. These amounts are based on an estimate of cost to perform all closure and postclosure care in 2024. 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 23 years.

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	$ 39,337	-	39,337
Prepaid expenses	226	-	226
Advance to Sewer Utility Enterprise Fund	2,153,530	-	2,153,530
Advance to Bulk Fuel Farm Enterprise Fund	398,350	-	398,350
Advance to Harbor Enterprise Fund	1,153,822	-	1,153,822
Advance to Refuse Enterprise Fund	219,999	-	219,999
Total nonspendable	$ 3,965,264	-	3,965,264
Committed for public works	$ -	239,796	239,796
Unassigned	3,316,635	(156,340)	3,160,295
Total fund balances	$ 7,281,899	83,456	7,365,355

The following funds had fund deficits at December 31, 2024:

Sewer Utility Enterprise Fund	$ 827,847
Bulk Fuel Farm Enterprise Fund	5,388,892
Harbor Enterprise Fund	3,724,737
COVID-19 Local Fiscal Recovery Special Revenue Fund	985
EDA Small Boat Special Revenue Fund	18
USDA Repairs Special Revenue Fund	71,938
Typhoon Merbok Damages Special Revenue Fund	64,916
CBSFA Contribution Special Revenue Fund	18,483
Total fund deficits	$ 10,097,816

VIII. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

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

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

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:

Plan Name	Type of Plan
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:

	PERS
Retired plan members or beneficiaries currently receiving benefits	36,198
Inactive plan members entitled to but not yet receiving benefits	4,516
Inactive plan members not entitled to benefits	9,790
Active plan members	7,963
Total plan memberships	58,467

Other Postemployment Benefit Plans (OPEB)

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, 2025 employer contributions were 0.00% of annual payroll.

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, 2025 (latest available information) the employer contribution rate is 0.69% for peace officers and firefighters and 0.24% for all other members.

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, 2025 employer contributions were 0.83%.

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, 2024 (latest available report) for the DB Plans for PERS are: DB Pension 8.75%, ARHCT 8.89%, ODD 9.01%, and RMP is 9.02%.

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

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

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS plan (rates shown below exclude an annual inflation component of 2.39%):

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.48%
Global Equity (ex-U.S.)	7.14%
Global Equity	5.79%
Aggregate Bonds	2.10%
Real Assets	4.63%
Private Equity	8.84%
Cash Equivalents	0.77%

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 4.21% as of June 30, 2024.

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 June 30, 2014, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Starting on June 30, 2014, the State of Alaska 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. Effective June 30, 2018, each future year's unfunded service liability is separately amortized on a level percent of pay basis over 25 years.

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

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

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%	26.76%	4.76%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	22.00%	26.76%	4.76%

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 the fiscal year 2025, the past service rate for PERS is 17.88%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2024 (latest available) were determined by an actuarial valuation as of June 30, 2023 which was rolled forward to the measurement date June 30, 2024. 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% annually.
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%.
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: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5%. Initial trend rates are for FY2025. Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were adopted by the Board at the June 2022 meeting to better reflect expected future experience and were effective for the June 30, 2022 actuarial valuation. For the ARHCT and RM plan, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

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 pension plan and 151 participating in PERS defined contribution pension and OPEB plans.

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

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.

Employer contributions for the year ended December 31, 2024, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$ 185,975	7,910	193,885

Public Employees Retirement Plans

For the year ended December 31, 2024 the State of Alaska contributed $41,392 (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, 2024 to a total of $125,255 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, 2024, 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:	Pension
City's proportionate share of the net pension liability	$ 1,894,740
State's proportionate share of the net pension liability	709,962
Total	$ 2,604,702
	OPEB
City's proportionate share of the ARHCT OPEB liability (asset)	$ (762,613)
State's proportionate share of the ARHCT OPEB liability (asset)	(283,126)
Total	$ (1,045,739)
City's proportionate share of the ODD OPEB liability (asset)	$ (19,421)
City's proportionate share of the RMP OPEB liability (asset)	$ (18,204)
Total City's share of net pension and OPEB liabilities and assets	$ 1,094,502

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024 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 FY2026 through FY2039, as determined by projections based on the June 30, 2023 valuation.

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.03455%	0.05131%	(0.01676%)
OPEB:			
ARHCT	0.03463%	0.05130%	(0.01667%)
ODD	0.03253%	0.06548%	(0.03295%)
RMP	0.03905%	0.06438%	(0.02533%)

Based on the measurement date of June 30, 2024, the City recognized pension and OPEB expense (benefit) of ($396,631) and $454,842, respectively, for the year ended December 31, 2024. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	18,240	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	95,288	-
Total	$ 113,528	-

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 413	-
Changes of assumptions	20,475	-
Net difference between projected and actual earnings on OPEB plan investments	11,613	-
Changes in proportion and differences between City contributions and proportionate share of contributions	66,016	-
City contributions subsequent to the measurement date	-	-
Total	$ 98,517	-

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(4,549)
Changes of assumptions	-	(48)
Net difference between projected and actual earnings on OPEB plan investments	62	-
Changes in proportion and differences between City contributions and proportionate share of contributions	20,815	(2,709)
City contributions subsequent to the measurement date	810	-
Total	$ 21,687	(7,306)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 458	(2,023)
Changes of assumptions	6,160	(12,238)
Net difference between projected and actual earnings on OPEB plan investments	257	-
Changes in proportion and differences between City contributions and proportionate share of contributions	6,113	(511)
City contributions subsequent to the measurement date	2,794	-
Total	$ 15,782	(14,772)

$95,288 and $3,604 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, 2025, 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
2025	$	(50,783)	44,036	1,475	(1,615)
2026		94,540	76,918	1,745	1,269
2027		(13,955)	(12,328)	1,903	(1,637)
2028		(11,562)	(10,109)	2,312	(1,031)
2029		-	-	2,676	(358)
Thereafter		-	-	3,460	1,588
Total	$	18,240	98,517	13,571	(1,784)

For the year ended December 31, 2024, the City recognized ($815,318) and $412,042 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)	$	2,523,972	1,894,740	1,362,259
Net OPEB ARHCT liability (asset)	$	(482,875)	(762,613)	(998,018)
Net OPEB ODD liability (asset)	$	(18,241)	(19,421)	(20,345)
Net OPEB RMP liability	$	3,153	(18,204)	(34,528)

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)	$	(1,024,894)	(762,613)	(451,041)
Net OPEB ODD liability (asset)	$	N/A	(19,421)	N/A
Net OPEB RMP liability (asset)	$	(36,683)	(18,204)	6,590

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. Employees make mandatory contributions of 8.00% 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): 0.83% for the retiree medical plan (DB), 0.24% and 0.69% (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.

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 $60,415 for the year ended December 31, 2024, which included forfeitures of $11,292 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, 2024.

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, 2024 follows:

Advance from the General Fund to:		
Sewer Utility Enterprise Fund	$	2,153,530
Bulk Fuel Farm Enterprise Fund		398,350
Harbor Enterprise Fund		1,153,822
Refuse Enterprise Fund		219,999
Total advances to other funds	$	3,925,701
Due to General Fund from:		
Non Major Special Revenue Funds	$	297,705

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Interfund transfers – Governmental Funds

A summary of interfund transfers between the City's governmental funds during the year ended December 31, 2024 are as follows:

Transfer in:	Transfer out:		
General Fund	Nonmajor Special Revenue Funds	$	889
Nonmajor Special Revenue Funds	General Fund	$	156,190

Transfers between the governmental funds were used to cover operating expenditures and to close out deficit fund balances in various Nonmajor Special Revenue Funds.

C. Transfer of Enterprise Fund Activities

Effective January 1, 2024, the City transferred the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Marine Sales Enterprise Fund (Nonmajor Enterprise Fund) to the Bulk Fuel Farm Enterprise Fund. This internal reorganization was undertaken to improve the efficiency of operations and streamline financial reporting for similar service activities.

The following summarizes the carrying amounts of the assets and deferred outflows of resources, and the liabilities and deferred inflows of resources transferred during the year ended December 31, 2024:

Total assets and deferred outflows of resources transferred	$	440,192
Total liabilities and deferred inflows of resources transferred	$	3,106
Total Net position transferred	$	437,086

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 102 *Certain Risk Disclosures.* Effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- GASB 103 *Financial Reporting Model Improvements:* Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- GASB 104 *Disclosure of Certain Capital Assets:* Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 102 will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

GASB Statement No. 103 will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The changes primarily include updates to three key areas: management's discussion and analysis, presentation of proprietary fund financial statements, and budgetary comparison information. This Statement also addresses certain application issues.

GASB Statement No. 104 establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. The Statement also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets. Under the guidance, a capital asset is a capital asset held for sale if: (a) the government has decided to pursue the sale of the asset, and (b) it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset.

CITY OF SAINT PAUL, ALASKA

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

General Fund

Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Sales	$ 250,500	297,358	46,858
Room	-	3,453	3,453
Fish	-	79,444	79,444
Total taxes	250,500	380,255	129,755
Intergovernmental:			
State fisheries taxes	8,000	26,301	18,301
State PERS relief	-	30,444	30,444
Federal payment in lieu of taxes	80,000	85,756	5,756
State revenue sharing	78,000	79,249	1,249
Remote sellers sales tax	20,000	30,880	10,880
Total intergovernmental	186,000	252,630	66,630
Charges for services:			
Building/housing revenue	5,500	169,453	163,953
Allocated administrative charges	641,999	641,999	-
Equipment rental revenue	250,000	193,735	(56,265)
Other contract and labor revenues	-	9,326	9,326
Total charges for services	897,499	1,014,513	117,014
Investment income	-	192,867	192,867
Other revenue	99,500	168,021	68,521
Total revenue	1,433,499	2,008,286	574,787
Expenditures:			
General government	1,190,232	1,358,337	(168,105)
Public safety	211,944	179,239	32,705
Public works	673,499	837,546	(164,047)
Total expenditures	2,075,675	2,375,122	(299,447)
Excess (deficiency) of revenues over expenditures	(642,176)	(366,836)	275,340
Other financing sources (uses):			
Transfers in	642,176	889	(641,287)
Transfers out	-	(156,190)	(156,190)
Net other financing sources (uses)	642,176	(155,301)	(797,477)
Net change in fund balance	$ -	(522,137)	(522,137)
Fund balance, beginning of year		7,804,036	
Fund balance, end of year		$ 7,281,899	

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, 2024

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%
2024	0.0346%	$ 1,894,740	$ 709,962	$ 2,604,702	$ 1,319,741	143.57%	68.23%

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, 2024

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%
2024	0.0346%	$ (762,613)	$ (283,126)	$ (1,045,739)	$ 1,319,741	-57.79%	133.96%
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%
2024	0.0325%	$ (19,421)	$ -	$ (19,421)	$ 1,319,741	-1.47%	349.24%
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%
2024	0.0391%	$ (18,204)	$ -	$ (18,204)	$ 337,155	-5.40%	124.29%

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, 2024

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%
2024	$ 185,640	$ (185,975)	$ (335)	$ 1,155,909	16.06%

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, 2024

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%
2024	$ -	$ -	$ -	$ 1,155,909	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%
2024	$ 1,796	$ (1,796)	$ -	$ 1,155,909	0.16%
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%
2024	$ 6,114	$ (6,114)	$ -	$ 274,614	2.23%

See accompanying notes to Required Supplementary Information.

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, 2024, expenditures exceeded appropriation in the General Fund for the following functions:

General Government	$168,105
Public Works	$164,047

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 the 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, 2022 to June 30, 2023**

There were no changes in asset and valuation methods since the prior valuation.

b) **Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023**

Healthcare claim costs are 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. There were no other changes in actuarial assumptions since the prior valuation.

c) **Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023**

There have been no changes in benefit provisions valued 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, 2022 to June 30, 2023**

There were no changes in asset and valuation methods since the prior valuation.

b) **Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023**

Healthcare claim costs are 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. There were no other changes in actuarial assumptions since the prior valuation.

c) **Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023**

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, 2023 which was rolled forward to June 30, 2024. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2024

		Special Revenue Funds					
		Harbor Navigation	COVID-19 Incident	APUN	SOA HSGP	USDA RUS	COVID-19 Local Fiscal Recovery
Assets							
Cash and investments	$	309,386	33,350	-	-	-	-
Receivables:							
Accounts		-	-	-	-	-	-
Intergovernmental		-	-	22,170	5,937	184,706	-
Total assets	$	309,386	33,350	22,170	5,937	184,706	-
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$	-	-	-	-	63,097	-
Accrued expenses		-	-	-	-	-	-
Unearned revenue		94,401	8,539	-	-	-	-
Due to other funds		-	-	22,170	5,937	121,609	985
Total liabilities		94,401	8,539	22,170	5,937	184,706	985
Fund Balances:							
Committed		214,985	24,811	-	-	-	-
Unassigned		-	-	-	-	-	(985)
Total fund balances		214,985	24,811	-	-	-	(985)
Total liabilities and fund balances	$	309,386	33,350	22,170	5,937	184,706	-

(continued)

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							Total
	EDA Small Boat	USDA Repairs	Typhoon Merbok Damages	AEA BFU	US DOT SSRA	CBSFA Contribution	State and Local Cyber Security	Total Nonmajor Governmental Funds
Assets								
Cash and investments	$ -	-	88,139	2,624	-	-	-	433,499
Receivables:								
Accounts	-	-	-	-	-	56,020	-	56,020
Intergovernmental	16,527	-	-	8,563	49,476	-	20,840	308,219
Total assets	$ 16,527	-	88,139	11,187	49,476	56,020	20,840	797,738
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 9,089	-	153,055	11,144	20,941	56,268	-	313,594
Accrued expenses	-	-	-	43	-	-	-	43
Unearned revenue	-	-	-	-	-	-	-	102,940
Due to other funds	7,456	71,938	-	-	28,535	18,235	20,840	297,705
Total liabilities	16,545	71,938	153,055	11,187	49,476	74,503	20,840	714,282
Fund Balances:								
Committed	-	-	-	-	-	-	-	239,796
Unassigned	(18)	(71,938)	(64,916)	-	-	(18,483)	-	(156,340)
Total fund balances	(18)	(71,938)	(64,916)	-	-	(18,483)	-	83,456
Total liabilities and fund balances	$ 16,527	-	88,139	11,187	49,476	56,020	20,840	797,738

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

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

Year Ended December 31, 2024

	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	$ -	-	-	-	6,519	270,252	34,432	-	136,198
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	6,519	270,252	34,432	-	136,198
Expenditures:									
Current:									
Public safety:									
Salaries and wages	-	-	-	-	4,529	-	-	-	-
Employee benefits	-	-	-	-	1,990	-	-	-	-
Total public safety	-	-	-	-	6,519	-	-	-	-
Public works:									
Salaries and wages	-	-	-	-	-	-	22,046	-	4,971
Employee benefits	-	-	-	-	-	-	4,453	-	1,971
Material and supplies	-	-	-	-	-	-	-	-	-
Contractors and consulting services	-	-	-	-	-	39,557	4,918	-	159,364
Other	-	-	-	-	-	-	4,000	-	1,971
Total public works	-	-	-	-	-	39,557	35,417	-	168,277
Capital outlay	-	-	-	-	-	230,695	-	-	-
Total expenditures	-	-	-	-	6,519	270,252	35,417	-	168,277
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(985)	-	(32,079)
Other financing sources (uses):									
Transfers in	-	-	-	19,382	-	-	-	104,729	32,079
Transfers out	-	(235)	-	-	-	-	-	-	-
Net other financing sources (uses)	-	(235)	-	19,382	-	-	-	104,729	32,079
Net change in fund balances	-	(235)	-	19,382	-	-	(985)	104,729	-
Fund balance, beginning	214,985	235	24,811	(19,382)	-	-	-	(104,729)	(18)
Fund balance, ending	$ 214,985	-	24,811	-	-	-	(985)	-	(18)

(continued)

CITY OF SAINT PAUL, ALASKA

Nonmajor Governmental Funds

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

		Special Revenue Funds								Total
		Emergency Management	USDA Repairs	Typhoon Merbok Damages	CDBG	AEA BFU	US DOT SSRA	CBSFA Contribution	State and Local Cyber Security	Nonmajor Governmental Funds
Revenues:										
Intergovernmental	$	-	-	25,000	105	115,777	154,605	-	20,840	763,728
Other		-	-	89,791	-	-	-	243,567	-	333,358
Total revenues		-	-	114,791	105	115,777	154,605	243,567	20,840	1,097,086
Expenditures:										
Current:										
Public safety:										
Salaries and wages		-	-	-	-	-	-	-	-	4,529
Employee benefits		-	-	-	-	-	-	-	-	1,990
Total public safety		-	-	-	-	-	-	-	-	6,519
Public works:										
Salaries and wages		-	-	-	79	7,285	-	-	-	34,381
Employee benefits		-	-	-	26	2,967	-	-	-	9,417
Material and supplies		-	-	-	-	-	-	62,727	-	62,727
Contractors and consulting services		-	4,499	153,056	-	103,367	154,605	23,302	20,840	663,508
Other		-	-	-	-	2,158	-	7,714	-	15,843
Total public works		-	4,499	153,056	105	115,777	154,605	93,743	20,840	785,876
Capital outlay		-	55,588	-	-	-	-	168,307	-	454,590
Total expenditures		-	60,087	153,056	105	115,777	154,605	262,050	20,840	1,246,985
Excess (deficiency) of revenues over expenditures		-	(60,087)	(38,265)	-	-	-	(18,483)	-	(149,899)
Other financing sources (uses):										
Transfers in		-	-	-	-	-	-	-	-	156,190
Transfers out		(654)	-	-	-	-	-	-	-	(889)
Net other financing sources (uses)		(654)	-	-	-	-	-	-	-	155,301
Net change in fund balances		(654)	(60,087)	(38,265)	-	-	-	(18,483)	-	5,402
Fund balance, beginning		654	(11,851)	(26,651)	-	-	-	-	-	78,054
Fund balance, ending	$	-	(71,938)	(64,916)	-	-	-	(18,483)	-	83,456

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Statement of Net Position

December 31, 2024

		Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and investments	$	115	176,358	176,473
Accounts receivable		-	2,591	2,591
Total current assets		115	178,949	179,064
Deferred outflows of resources -				
Pension and OPEB deferrals		-	1,572	1,572
Total assets and deferred outflows of resources	$	115	180,521	180,636
Liabilities and Net Position				
Noncurrent liabilities -				
Net pension and OPEB liability		-	495	495
Net position -				
Unrestricted		115	180,026	180,141
Total liabilities and net position	$	115	180,521	180,636

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2024

		Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Operating revenues	$	-	-	-	-
Operating expenses		-	-	-	-
Operating income (loss)		-	-	-	-
Nonoperating revenues (expenses) - Investment income (loss)		-	-	7,290	7,290
Income (loss) before capital contributions and transfers		-	-	7,290	7,290
Capital contributions and transfers: Transfer out		(437,086)	-	-	(437,086)
Change in net position		(437,086)	-	7,290	(429,796)
Net position, beginning		437,086	115	172,736	609,937
Net position, ending	$	-	115	180,026	180,141

CITY OF SAINT PAUL, ALASKA

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year Ended December 31, 2024

	Marine Sales	Home Energy Loan	USCG Caregiver Service	Total Nonmajor Enterprise Funds
Cash flows provided (used) by noncapital financing activities -				
Transfers out to Bulk Fuel Enterprise Fund	$ (402,180)	-	-	(402,180)
Cash flows provided (used) by investing activities -				
Investment income (loss)	-	-	7,290	7,290
Net change in cash and investments	(402,180)	-	7,290	(394,890)
Cash and investments, beginning	402,180	115	169,068	571,363
Cash and investments, ending	$ -	115	176,358	176,473
Noncash investing and financing activities:				
The Marine Sales Enterprise Fund transferred all assets, deferred outflows of resources, liabilities, and deferred inflows of resources to the Bulk Fuel Enterprise Fund:				
Noncash assets and deferred outflows of resources transferred out	$ (38,012)	-	-	(38,012)
Liabilities and deferred inflows of resources transferred out	$ (3,106)	-	-	(3,106)

CITY OF SAINT PAUL, ALASKA

Balance Sheet

General Fund

December 31, 2024 and 2023

		2024	2023
Assets			
Cash and investments	$	3,861,771	3,155,258
Receivables:			
Accounts		27,860	15,243
Interest		16,690	16,690
Allowance for doubtful accounts		(8,762)	(8,762)
Due from other funds		297,705	250,341
Advances to other funds		3,925,701	5,201,194
Prepaid expenses		226	305
Inventory		39,337	39,813
Total assets	$	8,160,528	8,670,082
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$	70,198	49,355
Accrued liabilities		69,518	61,920
Customer deposits		22,335	21,535
Unearned revenue		716,578	733,236
Total liabilities		878,629	866,046
Fund Balance:			
Nonspendable		3,965,264	5,241,312
Unassigned		3,316,635	2,562,724
Total fund balance		7,281,899	7,804,036
Total liabilities and fund balance	$	8,160,528	8,670,082

CITY OF SAINT PAUL, ALASKA

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

General Fund

Years Ended December 31, 2024 and 2023

	2024			2023
	Original and Final Budget	Actual	Variance	Actual
Revenues:				
Taxes:				
Sales	$ 250,500	297,358	46,858	273,447
Room	-	3,453	3,453	-
Fish	-	79,444	79,444	16,687
Total taxes	250,500	380,255	129,755	290,134
Intergovernmental:				
State fisheries taxes	8,000	26,301	18,301	237,682
State PERS relief	-	30,444	30,444	28,745
Federal payment in lieu of taxes	80,000	85,756	5,756	84,943
State revenue sharing	78,000	79,249	1,249	84,256
Remote sellers sales tax	20,000	30,880	10,880	17,545
Other	-	-	-	75
Total intergovernmental	186,000	252,630	66,630	453,246
Charges for services:				
Building/housing revenue	5,500	169,453	163,953	111,714
Allocated administrative charges	641,999	641,999	-	509,608
Equipment rental revenue	250,000	193,735	(56,265)	4,853
Other contract and labor revenues	-	9,326	9,326	28,786
Total charges for services	897,499	1,014,513	117,014	654,961
Investment income	-	192,867	192,867	141,963
Other revenue	99,500	168,021	68,521	42,908
Total revenue	1,433,499	2,008,286	574,787	1,583,212
Expenditures:				
General government:				
Mayor and council:				
Salaries and wages	11,760	5,448	6,312	6,263
Employee benefits	3,479	686	2,793	902
Material and supplies	-	-	-	100
Fuel, utilities and telephone	4,140	3,908	232	4,256
Legal and consulting	2,901	5,251	(2,350)	608
Other	6,952	12,446	(5,494)	21,315
Total mayor and council	29,232	27,739	1,493	33,444

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2024			2023
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
City manager:				
Salaries and wages	$ 108,288	152,406	(44,118)	103,909
Employee benefits	46,438	62,744	(16,306)	37,564
Material and supplies	50	196	(146)	1
Fuel, utilities and telephone	5,128	7,579	(2,451)	5,825
Repairs and maintenance	145	11	134	11
Insurance	7,413	10,653	(3,240)	5,475
Legal and consulting	143,802	202,488	(58,686)	203,783
Other	2,090	3,296	(1,206)	6,610
Total city manager	313,354	439,373	(126,019)	363,178
City clerk:				
Salaries and wages	136,373	132,211	4,162	116,462
Employee benefits	41,895	57,717	(15,822)	27,232
Material and supplies	130	588	(458)	146
Fuel, utilities and telephone	4,668	5,275	(607)	4,832
Repairs and maintenance	-	1,849	(1,849)	-
Insurance	7,399	9,064	(1,665)	7,332
Legal and consulting	5,802	5,911	(109)	2,541
Other	2,263	1,726	537	4,702
Total city clerk	198,530	214,341	(15,811)	163,247
Finance:				
Salaries and wages	302,350	271,093	31,257	296,586
Employee benefits	92,747	86,495	6,252	87,927
Material and supplies	4,450	5,246	(796)	4,877
Fuel, utilities and telephone	9,758	8,632	1,126	7,294
Repairs and maintenance	145	20	125	34
Insurance	10,528	14,167	(3,639)	7,657
Legal and consulting	92,405	84,650	7,755	65,506
Interest expense	500	-	500	-
Other	22,921	54,720	(31,799)	48,446
Total finance	535,804	525,023	10,781	518,327

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2024			2023
	Original and Final Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
Housing:				
Salaries and wages	$ 10,082	11,270	(1,188)	20,368
Employee benefits	3,083	3,572	(489)	5,025
Material and supplies	1,500	1,296	204	879
Fuel, utilities and telephone	42,837	50,815	(7,978)	55,367
Repairs and maintenance	-	444	(444)	12,072
Insurance	22,963	21,432	1,531	13,948
Other	9,644	8,806	838	9,476
Total housing	90,109	97,635	(7,526)	117,135
Nondepartmental:				
Material and supplies	100	525	(425)	111
Fuel, utilities and telephone	1,296	881	415	478
Insurance	2,616	13,317	(10,701)	6,712
Legal and consulting	5,803	2,400	3,403	608
Other	13,388	37,103	(23,715)	35,570
Total nondepartmental	23,203	54,226	(31,023)	43,479
Total general government	1,190,232	1,358,337	(168,105)	1,238,810
Public safety:				
Police, fire and EMS:				
Salaries and wages	86,341	51,473	34,868	289,954
Employee benefits	39,727	23,809	15,918	55,580
Material and supplies	3,495	12,572	(9,077)	9,166
Fuel, utilities and telephone	46,394	45,922	472	53,583
Repairs and maintenance	3,978	593	3,385	3,475
Insurance	22,579	19,514	3,065	9,384
Legal and consulting	6,501	12,655	(6,154)	20,351
Other	2,929	12,701	(9,772)	48,382
Total public safety	211,944	179,239	32,705	489,875
Public works:				
Machine shop and motor pool:				
Salaries and wages	71,656	50,308	21,348	24,262
Employee benefits	35,236	25,365	9,871	7,604
Material and supplies	5,955	3,550	2,405	4,502
Fuel, utilities and telephone	10,772	18,097	(7,325)	14,896
Repairs and maintenance	850	4,120	(3,270)	1,387
Insurance	32,402	30,015	2,387	21,108
Legal and consulting	5,802	4,681	1,121	1,217
Other	1,086	2,580	(1,494)	10,287
Total machine shop and motor pool	163,759	138,716	25,043	85,263

(Continued)

CITY OF SAINT PAUL, ALASKA

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

General Fund

	2024 Original and Final Budget	2024 Actual	2024 Variance	2023 Actual
Expenditures, continued:				
Public works, continued:				
Maintenance and labor pool:				
Salaries and wages	$ 103,155	170,094	(66,939)	179,009
Employee benefits	64,952	73,640	(8,688)	78,607
Material and supplies	7,075	6,633	442	7,718
Fuel, utilities and telephone	62,059	91,337	(29,278)	88,771
Repairs and maintenance	13,745	29,213	(15,468)	47,482
Insurance	64,267	56,362	7,905	32,423
Legal and consulting	92,901	189,190	(96,289)	122,177
Other	17,169	3,373	13,796	6,619
Total maintenance and labor pool	425,323	619,842	(194,519)	562,806
Administration:				
Salaries and wages	38,684	37,515	1,169	68,412
Employee benefits	11,926	12,269	(343)	15,723
Material and supplies	225	27	198	2,886
Fuel, utilities and telephone	17,706	18,671	(965)	16,458
Repairs and maintenance	130	22	108	51
Insurance	11,515	7,239	4,276	6,627
Legal and consulting	2,901	2,340	561	1,825
Other	1,330	905	425	21,019
Total administration	84,417	78,988	5,429	133,001
Total public works	673,499	837,546	(164,047)	781,070
Total expenditures	2,075,675	2,375,122	(299,447)	2,509,755
Excess (deficiency) of revenues over expenditures	(642,176)	(366,836)	275,340	(926,543)
Other financing sources (uses):				
transfers in	642,176	889	(641,287)	-
Transfers out	-	(156,190)	(156,190)	(31,905)
Proceeds from the sale of capital assets	-	-	-	16,454
Net other financing sources (uses)	642,176	(155,301)	(797,477)	(15,451)
Net change in fund balance	$ -	(522,137)	(522,137)	(941,994)
Fund balance, beginning of year		7,804,036		8,746,030
Fund balance, end of year		$ 7,281,899		7,804,036

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and investments	$	3,185,408	3,520,040
Receivables:			
Accounts		285,891	366,506
Intergovernmental		97,398	74,036
Allowance for doubtful accounts		(3,067)	(3,067)
Inventory		18,270	17,588
Total current assets		3,583,900	3,975,103
Noncurrent:			
Net pension and OPEB asset		32,196	61,594
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		1,823,473	1,664,165
Total property, plant and equipment		8,659,827	8,500,519
Accumulated depreciation		(4,664,631)	(4,488,475)
Net property, plant and equipment		3,995,196	4,012,044
Total assets		7,611,292	8,048,741
Deferred outflows of resources -			
Pension and OPEB deferrals		10,277	15,990
Total assets and deferred outflows of resources	$	7,621,569	8,064,731
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities:			
Accounts payable	$	46,380	28,546
Accrued liabilities		2,538	3,180
Accrued leave		2,805	3,478
Customer deposits		22,471	22,124
Total current liabilities		74,194	57,328
Noncurrent liabilities:			
Net pension and OPEB liability		156,605	207,362
Total liabilities		230,799	264,690
Deferred inflows of resources -			
Pension and OPEB deferrals		-	1,158
Net position:			
Net investment in capital assets		3,995,196	4,012,044
Unrestricted		3,395,574	3,786,839
Total net position		7,390,770	7,798,883
Total liabilities, deferred inflows of resources and net position	$	7,621,569	8,064,731

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Electric services	$	2,028,667	1,720,639
Operating expenses:			
Salaries and wages		76,553	87,249
Employee benefits		24,826	(23,841)
Material and supplies		238,218	12,377
Fuel and utilities		1,569,232	1,574,193
Depreciation		176,156	177,557
Repairs and maintenance		608	1,331
Insurance		35,053	24,013
Legal and consulting		430,346	113,977
Administrative cost allocation		138,277	135,895
Other general and administrative costs		46,799	27,694
Total operating expenses		2,736,068	2,130,445
Operating loss		(707,401)	(409,806)
Nonoperating revenues (expenses):			
State PERS relief		8,300	1,999
Investment income (loss)		131,680	141,315
Interest expense		-	(2,643)
Net nonoperating revenues		139,980	140,671
Income (loss) before capital contributions and transfers		(567,421)	(269,135)
Capital contributions and transfers:			
Capital assets transferred from Governmental Activities		159,308	-
Change in net position		(408,113)	(269,135)
Net position, beginning		7,798,883	8,068,018
Net position, ending	$	7,390,770	7,798,883

CITY OF SAINT PAUL, ALASKA

Electric Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows provided (used) by operating activities:		
Receipts from customers and users	$ 2,086,267	1,702,515
Payments of interfund services used	(138,277)	(135,895)
Payments to suppliers	(2,303,104)	(1,825,842)
Payments to employees	(111,198)	(125,618)
Net cash flows (used) by operating activities	(466,312)	(384,840)
Cash flows provided (used) by capital and related financing activities:		
Purchases of capital assets	-	(48,882)
Principal paid	-	(96,143)
Interest paid	-	(2,643)
Net cash flows (used) by capital and related financing activities	-	(147,668)
Cash flows from investing activities -		
Investment income (loss)	131,680	141,315
Net change in cash and investments	(334,632)	(391,193)
Cash and investments, beginning	3,520,040	3,911,233
Cash and investments, ending	$ 3,185,408	3,520,040
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	$ (707,401)	(409,806)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	176,156	177,557
Noncash expenses - PERS relief	8,300	1,999
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	57,253	2,912
Inventory	(682)	(2,710)
Net pension and OPEB asset	29,398	20,603
Deferred outflows of resources - Pension and OPEB deferrals	5,713	1,750
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	17,834	(69,547)
Accrued liabilities	(642)	123
Accrued leave	(673)	70
Customer deposits	347	(21,036)
Net pension and OPEB liability	(50,757)	(79,785)
Deferred inflows of resources - Pension and OPEB deferrals	(1,158)	(6,970)
Net cash flows (used) by operating activities	$ (466,312)	(384,840)
Noncash capital and related financing activities:		
Transfers of capital assets from Governmental Activities	$ 159,308	-

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and investments	$	1,843,584	1,733,120
Receivables:			
Accounts		31,812	28,468
Intergovernmental		1,975	-
Allowance for doubtful accounts		(749)	(749)
Prepaid expenses		-	3,364
Total current assets		1,876,622	1,764,203
Noncurrent assets:			
Net pension and OPEB asset		80,941	86,046
Property, plant and equipment:			
Land		1,236	1,236
Buildings		49,991	49,991
Machinery and equipment		83,872	65,858
Plant in service		6,747,329	6,747,329
Construction in progress		51,615	51,615
Total property, plant and equipment		6,934,043	6,916,029
Accumulated depreciation		(5,487,873)	(5,366,677)
Net property, plant and equipment		1,446,170	1,549,352
Total assets		3,403,733	3,399,601
Deferred outflows of resources -			
Pension and OPEB deferrals		5,346	6,338
Total assets and deferred outflows of resources	$	3,409,079	3,405,939
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities:			
Accounts payable	$	1,075	-
Accrued liabilities		1,367	644
Accrued leave		-	1,513
Total current liabilities		2,442	2,157
Noncurrent liabilities:			
Net pension and OPEB liability		38,445	47,259
Total liabilities		40,887	49,416
Deferred inflows of resources -			
Pension and OPEB deferrals		634	1,089
Net position:			
Net investment in capital assets		1,446,170	1,549,352
Unrestricted		1,921,388	1,806,082
Total net position		3,367,558	3,355,434
Total liabilities, deferred inflows of resources and net position	$	3,409,079	3,405,939

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

	2024	2023
Operating revenues:		
Water services	$ 217,300	120,506
Operating expenses:		
Salaries and wages	16,714	23,257
Employee benefits	3,016	(10,970)
Material and supplies	12,075	10,325
Fuel and utilities	36,920	25,295
Depreciation	121,196	119,699
Repairs and maintenance	373	1,270
Legal and consulting	6,372	533
Insurance	11,362	7,536
Administrative cost allocation	93,831	55,207
Other general and administrative costs	1,039	2,278
Total operating expenses	302,898	234,430
Operating loss	(85,598)	(113,924)
Nonoperating revenues (expenses):		
State PERS relief	1,441	589
Federal sources	1,975	-
Investment income	76,292	69,558
Miscellaneous revenue	-	2
Net nonoperating revenues	79,708	70,149
Income (loss) before capital contributions and transfers	(5,890)	(43,775)
Capital contributions and transfers:		
Capital assets transferred from Governmental Activities	18,014	-
Change in net position	12,124	(43,775)
Net position, beginning	3,355,434	3,399,209
Net position, ending	$ 3,367,558	3,355,434

CITY OF SAINT PAUL, ALASKA

Water Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

		2024	2023
Cash flows provided (used) by operating activities:			
Receipts from customers and users	$	213,956	112,770
Payments of interfund services used		(93,831)	(55,207)
Payments to suppliers		(63,702)	(52,799)
Payments to employees		(22,251)	(30,099)
Net cash flows provided (used) by operating activities		34,172	(25,335)
Cash flows provided by noncapital financing activities:			
Miscellaneous revenue		-	2
Cash flows provided by investing activities -			
Investment income		76,292	69,558
Net change in cash and investments		110,464	44,225
Cash and investments, beginning		1,733,120	1,688,895
Cash and investments, ending	$	1,843,584	1,733,120
Reconciliation of operating loss to net cash flows from operating activities:			
Operating loss	$	(85,598)	(113,924)
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation		121,196	119,699
Noncash expenses - PERS relief		1,441	589
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivables		(3,344)	(7,736)
Prepaid expenses		3,364	(3,364)
Net pension and OPEB asset		5,105	6,063
Deferred outflows of resources - pension and OPEB deferrals		992	515
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable		1,075	(2,198)
Accrued liabilities		723	(64)
Accrued leave		(1,513)	616
Net pension and OPEB liability		(8,814)	(23,480)
Deferred inflows of resources - pension and OPEB deferrals		(455)	(2,051)
Net cash flows provided (used) by operating activities	$	34,172	(25,335)
Noncash capital and related financing activities:			
Transfers of capital assets from Governmental Activities	$	18,014	-

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets:			
Receivables:			
Accounts	$	28,966	51,404
Allowance for doubtful accounts		(33)	(33)
Prepaid expenses		858	-
Total current assets		29,791	51,371
Noncurrent assets:			
Property, plant and equipment:			
Buildings		126,574	126,574
Machinery and equipment		162,433	84,494
Plant in service		3,468,917	3,468,917
Total property, plant and equipment		3,757,924	3,679,985
Accumulated depreciation		(2,444,449)	(2,282,266)
Net property, plant and equipment		1,313,475	1,397,719
Total assets		1,343,266	1,449,090
Deferred outflows of resources -			
Pension and OPEB deferrals		1,847	3,080
Total assets and deferred outflows of resources	$	1,345,113	1,452,170
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities:			
Accounts payable	$	-	3,208
Accrued liabilities		1,327	958
Unearned revenue		4,157	4,157
Total current liabilities		5,484	8,323
Noncurrent liabilities:			
Advances from other funds		2,153,530	2,198,584
Net pension and OPEB liability		13,946	24,897
Total noncurrent liabilities		2,167,476	2,223,481
Total liabilities		2,172,960	2,231,804
Deferred inflows of resources -			
Pension and OPEB deferrals		-	-
Net position:			
Net investment in capital assets		1,313,475	1,397,719
Unrestricted (deficit)		(2,141,322)	(2,177,353)
Total net position		(827,847)	(779,634)
Total liabilities, deferred inflows of resources and net position	$	1,345,113	1,452,170

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Sewer services	$	178,415	177,068
Operating expenses:			
Salaries and wages		25,667	31,847
Employee benefits		(2,872)	(21,799)
Material and supplies		426	492
Fuel and utilities		11,235	14,803
Repairs and maintenance		940	660
Depreciation		162,183	165,885
Legal and consulting		772	2,794
Insurance		8,645	3,996
Administrative cost allocation		98,769	84,935
Other general and administrative costs		593	2,447
Total operating expenses		306,358	286,060
Operating loss		(127,943)	(108,992)
Nonoperating revenues:			
State PERS relief		1,791	830
Income (loss) before capital contributions and transfers		(126,152)	(108,162)
Capital contributions and transfers:			
Capital assets transferred from Governmental Activities		77,939	-
Change in net position		(48,213)	(108,162)
Net position, beginning		(779,634)	(671,472)
Net position, ending	$	(827,847)	(779,634)

CITY OF SAINT PAUL, ALASKA

Sewer Utility Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

		2024	2023
Cash flows provided (used) by operating activities:			
Receipts from customers and users	$	200,853	145,315
Payments of interfund services used		(98,769)	(84,935)
Payments to suppliers		(26,677)	(27,315)
Payments to employees		(30,353)	(41,671)
Net cash flows provided (used) by operating activities		45,054	(8,606)
Cash flows provided (used) by noncapital financing activities:			
Increase (decrease) in advances from other funds		(45,054)	8,606
Net change in cash and investments		-	-
Cash and investments, beginning		-	-
Cash and investments, ending	$	-	-
Reconciliation of operating loss to net cash flows from operating activities:			
Operating loss	$	(127,943)	(108,992)
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation		162,183	165,885
Noncash expenses - PERS relief		1,791	830
(Increase) decrease in assets and deferred outflows of resources:			
Receivables		22,438	(31,753)
Prepaid expenses		(858)	-
Net pension and OPEB asset		-	1,089
Deferred outflows of resources - pension and OPEB deferrals		1,233	727
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable		(3,208)	(2,123)
Accrued liabilities		369	612
Net pension and OPEB liability		(10,951)	(33,137)
Deferred inflows of resources - pension and OPEB deferrals		-	(1,744)
Net cash flows provided (used) by operating activities	$	45,054	(8,606)
Noncash capital and related financing activities:			
Transfers of capital assets from Governmental Activities	$	77,939	-

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and investments	$	-	402,180
Accounts receivable		-	4,580
Inventory		-	30,028
Total current assets		-	436,788
Noncurrent assets:			
Net pension and OPEB asset		-	3,180
Property, plant and equipment:			
Machinery and equipment		-	46,708
Accumulated depreciation		-	(46,708)
Net property, plant and equipment		-	-
Total assets		-	439,968
Deferred outflows of resources -			
Pension and OPEB deferrals		-	224
Total assets and deferred outflows of resources	$	-	440,192
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities -			
Accounts payable	$	-	2
Noncurrent liabilities -			
Net pension and OPEB liability		-	3,002
Total liabilities		-	3,004
Deferred inflows of resources -			
Pension and OPEB deferrals		-	102
Net position:			
Unrestricted		-	437,086
Total liabilities, deferred inflows of resources and net position	$	-	440,192

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Operating revenues - sales	$	-	12,171
Cost of goods sold		-	(2,057)
Net operating revenues		-	10,114
Operating expenses:			
Material and supplies		-	(354)
Fuel and utilities		-	9
Depreciation		-	1,291
Insurance		-	(8,154)
Administrative cost allocation		-	12,740
Other general and administrative costs		-	(235)
Total operating expenses		-	5,297
Operating income (loss)		-	4,817
Nonoperating revenues:			
Investment income		-	15,951
Income (loss) before capital contributions and transfers		-	20,768
Capital contributions and transfers:			
Transfer out to Bulk Fuel Enterprise Fund		(437,086)	-
Change in net position		(437,086)	20,768
Net position, beginning		437,086	416,318
Net position, ending	$	-	437,086

CITY OF SAINT PAUL, ALASKA

Marine Sales Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows provided (used) by operating activities:		
Receipts from customers and users	$ -	12,545
Payments of interfund services used	-	(12,740)
Payments to suppliers	-	346
Net cash flows (used) by operating activities	-	151
Cash flows provided (used) by noncapital financing activities:		
Transfers out to Bulk Fuel Enterprise Fund	(402,180)	-
Cash flows provided (used) by investing activities -		
Investment income (loss)	-	15,951
Net change in cash and investments	(402,180)	16,102
Cash and investments, beginning	402,180	386,078
Cash and investments, ending	$ -	402,180
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	$ -	4,817
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	-	1,291
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	-	374
Inventory	-	1,822
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	-	(8,153)
Net cash flows provided by operating activities	$ -	151
Noncash investing and financing activities:		
The Marine Sales Enterprise Fund transferred all assets, deferred outflows of resources, liabilities, and deferred inflows of resources to the Bulk Fuel Enterprise Fund:		
Noncash assets and deferred outflows of resources transferred out	$ (38,012)	-
Liabilities and deferred inflows of resources transferred out	$ (3,106)	-

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and investments	$	975	975
Accounts receivable		214,257	244,473
Allowance for doubtful accounts		(4,255)	(4,255)
Inventory		2,500,673	2,541,765
Total current assets		2,711,650	2,782,958
Noncurrent:			
Net pension and OPEB asset		522	36,791
Property, plant and equipment:			
Land		150,000	150,000
Buildings		25,000	25,000
Machinery and equipment		625,770	489,398
Fuel tanks and lines		5,249,823	5,249,823
Construction in progress		828,765	828,765
Total property, plant and equipment		6,879,358	6,742,986
Accumulated depreciation		(5,773,741)	(5,698,994)
Net property, plant and equipment		1,105,617	1,043,992
Total assets		3,817,789	3,863,741
Deferred outflows of resources -			
Pension and OPEB deferrals		9,807	17,249
Total assets and deferred outflows of resources	$	3,827,596	3,880,990
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities:			
Accounts payable	$	1,767	4,649
Line of credit		2,332,116	1,624,634
Bulk fuel loan		653,134	420,704
Accrued liabilities		4,870	1,993
Accrued leave		14,464	10,647
Total current liabilities		3,006,351	2,062,627
Noncurrent liabilities:			
Revenue bonds		4,389,672	4,389,672
Accrued interest payable		1,377,175	1,377,175
Advances from other funds		398,350	1,791,358
Net pension and OPEB liability		44,940	110,049
Total noncurrent liabilities		6,210,137	7,668,254
Total liabilities		9,216,488	9,730,881
Deferred inflows of resources -			
Pension and OPEB deferrals		-	473
Net position:			
Net investment in capital assets		(3,284,055)	(3,345,680)
Restricted for debt service and depreciation reserve		950,000	950,000
Unrestricted		(3,054,837)	(3,454,684)
Total net position		(5,388,892)	(5,850,364)
Total liabilities, deferred inflows of resources and net position	$	3,827,596	3,880,990

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Fuel sales	$	3,534,798	2,721,649
Cost of goods sold		(2,854,595)	(2,269,539)
Net operating revenues		680,203	452,110
Operating expenses:			
Salaries and wages		113,786	100,456
Employee benefits		47,686	(31,134)
Material and supplies		14,786	15,721
Fuel and utilities		28,950	37,958
Depreciation		28,744	23,472
Repairs and maintenance		6,455	3,022
Insurance		99,264	71,003
Administrative cost allocation		212,353	169,869
Legal and consulting		38,492	13,589
Contractors and consulting services		-	181
Other general and administrative costs		3,993	4,406
Total operating expenses		594,509	408,543
Operating income (loss)		85,694	43,567
Nonoperating revenues (expenses):			
State PERS relief		11,138	2,408
Interest expense		(162,814)	(143,160)
Miscellaneous revenue		-	9,831
Net nonoperating revenues (expenses)		(151,676)	(130,921)
Income (loss) before capital contributions and transfers		(65,982)	(87,354)
Capital contributions and transfers:			
Transfer in from Marine Sales Enterprise Fund		437,086	-
Capital assets transferred from Governmental Activities		90,368	-
Net capital contributions and transfers		527,454	-
Change in net position		461,472	(87,354)
Net position, beginning		(5,850,364)	(5,763,010)
Net position, ending	$	(5,388,892)	(5,850,364)

CITY OF SAINT PAUL, ALASKA

Bulk Fuel Farm Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

		2024	2023
Cash flows provided (used) by operating activities:			
Receipts from customers and users	$	3,569,593	2,904,299
Payments of interfund services used		(212,353)	(169,869)
Payments to suppliers		(2,978,299)	(2,955,144)
Payments to employees		(165,211)	(146,789)
Net cash flows provided (used) by operating activities		213,730	(367,503)
Cash flows provided (used) by noncapital financing activities -			
Miscellaneous revenue		-	9,831
Transfers in from Marine Sales Enterprise Fund		402,180	-
Increase (decrease) in advances from other funds		(1,393,008)	1,196,124
Net cash flows provided (used) by noncapital financing activities		(990,828)	1,205,955
Cash flows provided (used) by capital and related financing activities:			
Borrowings (repayments) on line of credit, net		707,482	(695,695)
Proceeds from issuance of loan		745,051	750,000
Principal paid		(512,621)	(749,597)
Interest paid		(162,814)	(143,160)
Net cash flows provided (used) by capital and related financing activities		777,098	(838,452)
Net change in cash and investments		-	-
Cash and investments, beginning		975	975
Cash and investments, ending	$	975	975
Reconciliation of operating loss to net cash flows from operating activities:			
Operating income (loss)	$	85,694	43,567
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation		28,744	23,472
Noncash expenses - PERS relief		11,138	2,408
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable		34,795	209,491
Inventory		71,120	(507,290)
Net pension and OPEB asset		39,449	24,822
Deferred outflows of resources - pension and OPEB deferrals		7,666	2,109
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable		(2,884)	(32,435)
Accrued liabilities		2,877	(1,923)
Accrued leave		3,817	(364)
Unearned revenue		-	(26,841)
Net pension and OPEB liability		(68,111)	(96,122)
Deferred inflows of resources - pension and OPEB deferrals		(575)	(8,397)
Net cash flows provided (used) by operating activities	$	213,730	(367,503)
Noncash investing and financing activities:			
The Marine Sales Enterprise Fund transferred all assets, deferred outflows of resources, liabilities, and deferred inflows of resources to the Bulk Fuel Enterprise Fund:			
Noncash assets and deferred outflows of resources transferred in	$	38,012	-
Liabilities and deferred inflows of resources transferred in	$	3,106	-
Noncash capital and related financing activities:			
Transfers of capital assets from Governmental Activities	$	90,368	-

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets:			
Accounts receivable	$	650	19,717
Prepaid expenses		1,591	372
Inventory		3,649	3,649
Total current assets		5,890	23,738
Noncurrent:			
Net pension and OPEB asset		35,963	38,349
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		5,152,385	5,152,385
Accumulated depreciation		(4,279,631)	(4,210,050)
Net property, plant and equipment		872,754	942,335
Total assets		914,607	1,004,422
Deferred outflows of resources -			
Pension and OPEB deferrals		5,994	6,458
Total assets and deferred outflows of resources	$	920,601	1,010,880
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities -			
Current portion of note payable - USACE	$	38,719	37,501
Noncurrent liabilities:			
Advances from other funds		1,153,822	1,070,621
Revenue bonds		1,466,206	1,466,206
Note payable - USACE, net of current portion		1,420,228	1,458,947
Accrued interest payable		527,969	527,969
Net pension and OPEB liability		35,648	39,768
Total noncurrent liabilities		4,603,873	4,563,511
Total liabilities		4,642,592	4,601,012
Deferred inflows of resources -			
Pension and OPEB deferrals		2,746	2,959
Net position:			
Net investment in capital assets		(593,452)	(523,871)
Unrestricted (deficit)		(3,131,285)	(3,069,220)
Total net position		(3,724,737)	(3,593,091)
Total liabilities, deferred inflows of resources and net position	$	920,601	1,010,880

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Harbor charges	$	23,357	6,724
Operating expenses:			
Salaries and wages		(428)	-
Employee benefits		(833)	-
Material and supplies		-	1,403
Fuel and utilities		668	597
Depreciation		69,581	69,581
Repairs and maintenance		1,604	3,570
Insurance		16,219	10,678
Administrative cost allocation		19,754	12,740
Contractors and consulting services		-	181
Other general and administrative costs		677	743
Total operating expenses		107,242	99,493
Operating loss		(83,885)	(92,769)
Nonoperating revenues (expenses):			
State PERS relief		674	-
Interest expense		(48,635)	(49,815)
Miscellaneous revenue		200	-
Net nonoperating expenses		(47,761)	(49,815)
Change in net position		(131,646)	(142,584)
Net position, beginning		(3,593,091)	(3,450,507)
Net position, ending	$	(3,724,737)	(3,593,091)

CITY OF SAINT PAUL, ALASKA

Harbor Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

		2024	2023
Cash flows provided (used) by operating activities:			
Receipts from customers and users	$	42,424	36,539
Payments of interfund services used		(19,754)	(12,740)
Payments to suppliers		(19,935)	(23,004)
Net cash flows provided by operating activities		2,735	795
Cash flows provided by noncapital financing activities -			
Miscellaneous revenue		200	-
Increases in advances from other funds		83,201	85,340
Net cash flows provided by noncapital financing activities		83,401	85,340
Cash flows provided (used) by capital and related financing activities:			
Principal paid		(37,501)	(36,320)
Interest paid		(48,635)	(49,815)
Net cash flows (used) by capital and related financing activities		(86,136)	(86,135)
Net change in cash and investments		-	-
Cash and investments, beginning		-	-
Cash and investments, ending	$	-	-
Reconciliation of operating loss to net cash flows from operating activities:			
Operating loss	$	(83,885)	(92,769)
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation		69,581	69,581
Noncash expenses - PERS relief		674	-
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable		19,067	29,815
Prepaid expenses		(1,219)	(372)
Net pension and OPEB asset		2,386	-
Deferred outflows of resources - pension and OPEB deferrals		464	-
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable		-	(5,460)
Net pension and OPEB liability		(4,120)	-
Deferred inflows of resources - pension and OPEB deferrals		(213)	-
Net cash flows provided by operating activities	$	2,735	795

CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Current Assets:			
Cash and investments	$	115	115
Net Position:			
Unrestricted	$	115	115

CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Change in net position	$	-	-
Net position, beginning		115	115
Net position, ending	$	115	115

CITY OF SAINT PAUL, ALASKA

Home Energy Loan Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

		2024	2023
Net change in cash and investments	$	-	-
Cash and investments, beginning		115	115
Cash and investments, ending	$	115	115

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current assets -			
Receivables:			
Accounts	$	25,684	53,634
Intergovernmental		102,183	12,313
Total current assets		127,867	65,947
Noncurrent assets:			
Net pension and OPEB asset		-	21,095
Property, plant and equipment:			
Land		105,000	105,000
Landfill		801,832	801,832
Machinery and equipment		1,598,725	538,995
Construction in progress		701,812	12,313
Total property, plant and equipment		3,207,369	1,458,140
Accumulated depreciation		(822,958)	(759,501)
Net property, plant and equipment		2,384,411	698,639
Total assets		2,512,278	785,681
Deferred outflows of resources -			
Pension and OPEB deferrals		-	4,956
Total assets and deferred outflows of resources	$	2,512,278	790,637
Liabilities and Net Position			
Current liabilities:			
Accounts payable	$	11,782	604
Accrued liabilities		1,420	1,093
Accrued leave		2,566	1,659
Total current liabilities		15,768	3,356
Noncurrent liabilities:			
Advances from other funds		219,999	140,631
Landfill closure and post closure care costs		39,827	35,486
Net pension and OPEB liability		-	15,768
Total noncurrent liabilities		259,826	191,885
Total liabilities		275,594	195,241
Net position:			
Net investment in capital assets		2,384,411	698,639
Unrestricted (deficit)		(147,727)	(103,243)
Total net position		2,236,684	595,396
Total liabilities and net position	$	2,512,278	790,637

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Refuse services	$	146,032	146,214
Operating expenses:			
Salaries and wages		88,650	46,679
Employee benefits		64,508	(6,109)
Material and supplies		28,538	5,239
Fuel and utilities		10,870	13,416
Depreciation and amortization		67,797	33,719
Legal and consulting		53,040	608
Repairs and maintenance		1,983	6,511
Insurance		6,647	3,403
Administrative cost allocation		79,015	38,221
Other general and administrative costs		209,545	4,380
Total operating expenses		610,593	146,067
Operating loss		(464,561)	147
Nonoperating revenues -			
Federal sources		2,096,063	12,313
State PERS relief		9,786	1,161
Total nonoperating revenues		2,105,849	13,474
Change in net position		1,641,288	13,621
Net position, beginning		595,396	581,775
Net position, ending	$	2,236,684	595,396

CITY OF SAINT PAUL, ALASKA

Refuse Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

		2024	2023
Cash flows provided (used) by operating activities:			
Receipts from customers and users	$	173,982	149,289
Payments of interfund services used		(79,015)	(38,221)
Payments to suppliers		(299,445)	(35,745)
Payments to employees		(131,855)	(73,482)
Net cash flows provided (used) by operating activities		(336,333)	1,841
Cash flows provided by noncapital financing activities -			
Increase in advances from other funds		79,368	10,472
Cash flows provided (used) by capital and related financing activities:			
Proceeds from capital grants		2,006,193	-
Purchases of capital assets		(1,749,228)	(12,313)
Net cash flows provided (used) by capital and related financing activities		256,965	(12,313)
Net change in cash and investments		-	-
Cash and investments, beginning		-	-
Cash and investments, ending	$	-	-
Reconciliation of operating loss to net cash flows from operating activities:			
Operating loss	$	(464,561)	147
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation and amortization		67,797	33,719
Noncash expenses - PERS relief		9,786	1,161
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable		27,950	3,075
Net pension and OPEB asset		21,095	11,963
Deferred outflows of resources - pension and OPEB deferrals		4,956	1,016
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable		11,178	(2,188)
Accrued liabilities		327	824
Accrued leave		907	1,184
Net pension and OPEB liability		(15,768)	(46,324)
Deferred inflows of resources - pension and OPEB deferrals		-	(2,736)
Net cash flows used by operating activities	$	(336,333)	1,841

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Net Position

December 31, 2024 and 2023

		2024	2023
Assets and Deferred Outflows of Resources			
Current Assets:			
Cash and investments	$	176,358	169,068
Accounts receivable		2,591	2,591
Total current assets		178,949	171,659
Deferred Outflows of Resources -			
Pension and OPEB deferrals		1,572	1,572
Total assets and deferred outflows of resources	$	180,521	173,231
Liabilities and Net Position			
Noncurrent Liabilities -			
Net pension and OPEB liability		495	495
Net Position -			
Unrestricted		180,026	172,736
Total liabilities and net position	$	180,521	173,231

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

		2024	2023
Operating revenues:			
Contract revenue	$	-	41,216
Operating expenses:			
Salaries and wages		-	12,273
Employee benefits		-	(9,746)
Material and supplies		-	6
Total operating expenses		-	2,533
Operating income		-	38,683
Nonoperating revenues -			
Investment income (loss)		7,290	6,788
State PERS relief		-	391
Total nonoperating revenues		7,290	7,179
Change in net position		7,290	45,862
Net position, beginning		172,736	126,874
Net position, ending	$	180,026	172,736

CITY OF SAINT PAUL, ALASKA

USCG Caretaker Service Enterprise Fund

Schedules of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows provided (used) by operating activities:		
Receipts from customers and users	$ -	2,499
Payments to suppliers	-	(6)
Payments to employees	-	(18,249)
Net cash flows provided by operating activities	-	(15,756)
Cash flows provided (used) by investing activities -		
Investment income (loss)	7,290	6,788
Net change in cash and investments	7,290	(8,968)
Cash and investments, beginning	169,068	178,036
Cash and investments, ending	$ 176,358	169,068
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	$ -	38,683
Adjustments to reconcile operating income to net cash flows from operating activities:		
Noncash expenses - PERS relief	-	391
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	-	(2,591)
Net pension and OPEB asset	-	1,190
Deferred outflows of resources - pension and OPEB deferrals	-	343
Increase (decrease) in liabilities and deferred inflows of resources:		
Accrued liabilities	-	(1,138)
Unearned revenue	-	(36,126)
Net pension and OPEB liability	-	(15,630)
Deferred inflows of resources - pension and OPEB deferrals	-	(878)
Net cash flows used by operating activities	$ -	(15,756)

CITY OF SAINT PAUL, ALASKA

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Agency / Program Title	Grant Number	Pass Through Number	Assistance Listing Number	Total Grant Award	Eligible Expenditures
Department of Housing and Urban Development -					
Passed through the State of Alaska Department					
of Commerce, Community and Economic Development -					
Community Development Block Grant	None	22-CDBG-01	14.228	$ 850,000	105
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	34,432
Department of Commerce, National Oceanic					
and Atmospheric Administration:					
Direct -					
Economic Development Cluster -					
Economic Adjustment Assistance	07-79-07871	None	11.307	2,838,000	136,198
Passed through the Alaska Bond Bank -					
Outstanding Loan Balance - Coastal Zone					
Management Administration Awards	None	None	11.419	5,855,878	5,855,878
Total Department of Commerce				8,693,878	5,992,076
Department of Agriculture					
Direct -					
Assistance to High Energy Cost Rural Communities	AK00-80-A84	None	10.859	807,969	270,252
Department of Transportation, Federal Highway Administration -					
Direct -					
Safe Streets and Roads for All	693JJ32340390	None	20.939	200,000	154,605
U.S. Environmental Protection Agency:					
Direct -					
Congressionally Mandated Projects	02J44501	None	66.202	3,000,000	2,096,063
Passed through the State of Alaska Department					
of Environmental Conservation -					
Drinking Water State Revolving Fund	None	LSLI-25-02	66.468	54,259	1,975
Total U.S. Environmental Protection Agency				3,054,259	2,098,038
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	6,519
State and Local Cybersecurity Grant	None	22SLGP-GY-22	97.137	30,000	20,840
Total Department of Homeland Security				75,000	27,359
Total Expenditures of Federal Awards				$ 13,931,582	8,576,867

Reconciliation to intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balances:	
Total Federal Expenditures per above schedule	$ 8,576,867
Federal expenditures not included on the above schedule -	
Federal Payment in Lieu of Taxes	85,756
Total State Financial Assistance	307,651
Less: Federal Expenditures Reported in the Proprietary Funds, Exhibit E-2	(2,098,038)
Less: Outstanding Loan Balance	(5,855,878)
Total Intergovernmental Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit D-1).	$ 1,016,358

See accompanying notes to the Schedule.

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, 2024. 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 15% 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, 2024 is $5,855,878.

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2025.

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 2024-001 and 2024-002 that we consider to be material weaknesses.

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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 and corrective action plan. 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.

Altman, Rogers & Co.

Anchorage, Alaska
July 30, 2025

Altman, Rogers & Co. CERTIFIED PUBLIC ACCOUNTANTS

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

<u>Independent Auditor's Report</u>

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, 2024. 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, 2024.

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.

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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.

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

Report on Internal Control over Compliance

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

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

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

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

Altman, Rogers & Co.

Anchorage, Alaska
July 30, 2025

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:

Assistance Listing Number(s)	Name of Federal Program or Cluster
11.419	Coastal Zone Management Administration Awards
66.202	Congressionally Mandated Projects
10.859	Assistance to High Energy Cost Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

Section II - Financial Statement Findings

Finding 2024-001 **Lack of Internal Control over Financial Close and Reporting**
Material Weakness

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 inventory, capital assets, notes payable, accounts payable, and accounts receivable balances.

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 repeat finding. Therefore, we believe it to be a systematic issue.

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.

Finding 2024-002 **Lack of Internal Control over Accounts Payable**
Material Weakness

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 $234,483 of invoices which were incurred in FY24, but were not properly accrued as accounts payable at December 31, 2024. This was later corrected by management.

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 repeat finding. Therefore, we believe it to be a systematic issue.

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.

Section III – Federal Award Findings and Questioned Costs

The City did not have any findings related to federal awards.

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Summary Schedule of Prior Audit Findings

Year Ended December 31, 2024

Financial Statement Findings

Finding 2023-001 **Lack of Internal Control over Financial Close and Reporting**

Condition: 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.

Status: This finding has not been resolved and is repeated as finding 2024-001.

Finding 2023-002 **Lack of Internal Control over Accounts Payable**

Condition: 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.

Status: This finding has not been resolved and is repeated as finding 2024-002.

Finding 2023-003 **Lack of Internal Control over Fuel Billing Revenues**

Condition: 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.

Status: This finding has been resolved.

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Corrective Action Plan

Year Ended December 31, 2024

Financial Statement Findings

Finding 2024-001 **Lack of Internal Control over Financial Close and Reporting**

Name of Contact Person: Stephanie Mandregan

Corrective Action Plan: The City will obtain outside assistance to complete financial closing.

Proposed Completion Date: Prior to 2025 audit.

Finding 2024-002 **Lack of Internal Control over Accounts Payable**

Name of Contact Person: Stephanie Mandregan

Corrective Action Plan: The City began a shared services agreement with Alaska Municipal League for grants reporting. The City and AML will review yearend AP invoices for period of performance and period of AP posting.

Proposed Completion Date: December 2025 to March 2026.