

City of Unalaska, Alaska



Photo Credit: Tim Mahoney

Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

City of Unalaska, Alaska

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

City of Unalaska, Alaska

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Introduction Section (Unaudited)

CITY OF UNALASKA
43 Raven Way - P.O. Box 610
Unalaska, Alaska 99685
Telephone (907) 581-1251



September 14, 2023

Honorable Mayor Tutiakoff, Members of the City Council and Citizens of Unalaska:

State law requires that all cities annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Unalaska, Alaska (the City) for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BDO LLP, Certified Public Accountants, has issued an unmodified (clean) opinion on the City's financial statements for the year ended June 30, 2022. The independent auditors' report is located at the front of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federal and state-mandated "Single Audit" designed to meet the special needs of federal and state granting agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports will be available in the City's separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, incorporated as a First Class City in 1942, is located on an island within an archipelago in the southwestern part of the State of Alaska. The Bering Sea to the north is considered to have the most productive fisheries in the country. Located nearly 800 miles from Anchorage, the City, which serves a population of 4,113, currently occupies an area of 215 square miles, of which 46% is seawater. The City of Unalaska is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council. Annexation authority was exercised once in 1986.

The City has operated under the council-manager form of government since 1968. Policy-making and legislative authority are vested in a city council consisting of the mayor and six council members. The city council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Council members are elected to serve three-year, staggered terms, with two council members elected each year. The mayor is also elected to serve a three-year term. The mayor and council members are all elected at large.

The City provides a full range of services including the following: police force; fire protection and emergency medical services; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; electrical, water, wastewater and solid waste services; port, harbor and airport terminal services; and limited housing for city employees. The City is also financially accountable for a legally separate school district, which is reported separately within the City's financial statements. Additional information on the Unalaska City School District can be found in note 1.

The city council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). The city manager is authorized to transfer appropriations within a function. Transfers of appropriations between functions, however, require the special approval of the city council.

Local Economy

The City's economy is based primarily on commercial fishing, seafood processing, fleet services and marine transportation. The Port of Dutch Harbor is the only deep draft port in the Arctic Region that is ice free year-round. Our Port has been designated a "Port of Refuge" and provides protection and repair for disabled or distressed vessels as well as ground and warehouse storage and transshipment opportunities for the thousands of vessels that fish or transit the waters surrounding the Aleutian Islands on a daily basis.

The City is the home of the western-most container terminal in the United States and is one of the most productive ports for the transshipment of cargo in Alaska. In addition to product shipped domestically to and from this regional hub, product is shipped to ports around the world with weekly shipments headed to Europe and Asia by container ship and freighter. The port serves also as a fueling hub for the Aleutian Islands and provides fuel storage for the Arctic.

The Port of Dutch Harbor is part of the Alaska Marine Highway System which provides essential connectivity for people and goods throughout the Aleutian Islands and into mainland Alaska. This hub activity feeds a marine corridor that connects the State of Alaska and the Arctic Region to the rest of world.

The City is the anchor for commercial fishing activity in the Bering Sea and the Aleutian Islands (BSAI). According to National Oceanic and Atmospheric Administration's latest published report, Fisheries of the United States 2020 (published in May 2022), the City's Port of Dutch Harbor led the nation with the greatest quantity of fish landed. For the past 25 years, Dutch Harbor has been rated either first or second in value of catch. A catch of 800 million pounds was landed in 2020, with a value of \$187 million, positioning the City as the number three port in value in the United States for income derived from commercial fishing.

Because the City's economy centers on a single industry, commercial seafood, the tax base is subject to change with fluctuations in fishery harvest levels. One mitigating factor to revenue volatility is the sustainability and good management of the fishery resources in both the state and federal waters of the BSAI.

The National Marine Fisheries Service and the State of Alaska are using the successful management practices of the North Pacific Fisheries Management Council and the State of Alaska Board of Fisheries as a model to improve management in other fishery regions nationwide.

Long-Term Financial Planning and Major Initiatives

As part of their fiscal sustainability plan, the City is working to establish a Permanent Fund with the intention that it will provide annual distributions to the City's General Fund for use. While not yet formally approved, it is expected that the Permanent Fund will have an initial amount of \$40,000,000. In continuing efforts to improve budgeting and long-term capital planning, the council, once again, set formal goals before the fiscal year 2022 budget process and prior to preparing the ten-year Capital and Major Maintenance Plan (CMMP). Long-term maintenance and replacement schedules for capital assets continue to be developed.

The City initiated construction of two new landfill cells. The first cell was put in service in October 2015. A gasification project at the landfill is included in the CMMP. A solid waste gasifier would work for approximately 86% of Unalaska's total waste stream, and could be used to dispose of bales already buried in the landfill cells, vastly increasing the current location's projected lifespan.

To comply with new federal regulations, a new water treatment plant in Pyramid Valley was completed in 2016. This new plant, with a cost of \$17 million, provides treatment for Cryptosporidium, a microorganism that is resistant to chlorine and other disinfectants, and has caused waterborne disease outbreaks in the lower 48. In 2021, the City began the Pyramid Water Treatment Plant Chlorine Upgrade project, totaling just under \$700,000. We replaced our old chlorine gas system with a new on-site system which generates liquid chlorine (sodium hypochlorite) using salt and electricity. EPA standards call for phasing out shipping and handling cylinders of chlorine gas.

In 2020, the City entered into a Power Purchase Agreement with Ounalashka Corporation/Chena Power in support of their geothermal power project. Related projects are identified in the CMMP for FY22 and FY23 totaling \$5.7 million, and may expand as more is learned about the power project itself. This project is the City of Unalaska's estimated portion of reliability upgrades for the City's electrical distribution system required to accept energy from the Makushin geothermal plant. It requires connecting multiple self-generating industrial customers to the current distribution system, installs more robust intermediate level protections, replaces the aging submarine cable at Iliuliuk Bay, upgrades numerous feeder connections and substations, and improves the current SCADA system and automated controls. This project includes a set aside for legal and consulting fees associated with implementation. A more accurate budget will be determined upon the completion of the interconnection study and after the implications are fully understood. Based on study findings, there may be a Phase II project to accomplish the required upgrades.

The City is the non-Federal sponsor of the design phase of the Entrance Channel Dredging Project led by the Army Corps of Engineers. This project has been on the City's CMMP for many years, and in 2021 the City signed a Design Agreement with the Corps. The Corps is authorized and federally funded for the 75/25 Cost Shared effort and produced the project's plans and specifications for the -58+2 dredging of the outside bar. Removal of the bar is considered a best practice for maintaining navigation and safety margins. The Corps issued the RFP in June 2023 and is presently reviewing bid submittals.

The \$8.5 million Library Improvement Project added 1,500 additional square feet and rearranged most of the existing floor plan to improve operations and patron service. A large conference center was added with new state of the art technology for speaking and presentation events. The circulation area was redesigned; several small study/meeting rooms were added; the HVAC was overhauled; and lighting, furniture and separate children's area was added. The project was completed in April 2023 and several hundred people attended the grand opening. The project came in \$700,000 under budget, in large part due to a \$460,000 library improvement grant awarded by the Rasmussen Foundation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Unalaska in past years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues meets the Certificate of Achievement Program's requirements and we may be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services from the entire staff of Finance Department. We would like to express our appreciation to all who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their support for maintaining the highest standards of professionalism in the management of the City of Unalaska's finances.

Respectfully submitted,

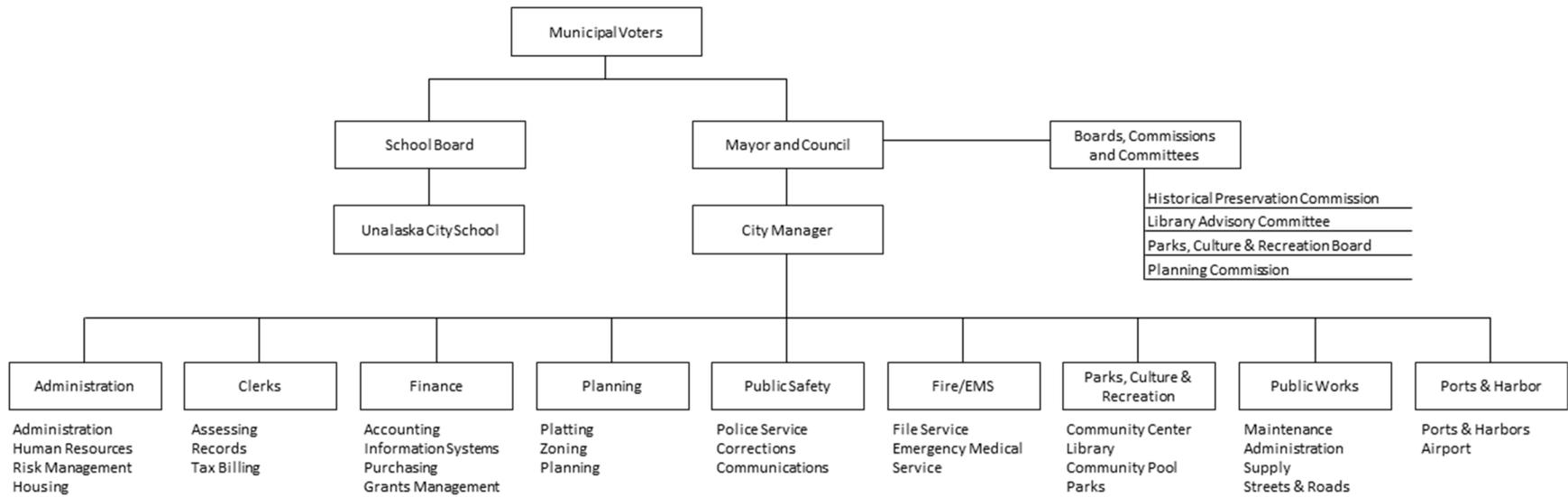
CITY OF UNALASKA



William Homka
City Manager



City of Unalaska Organizational Chart



PRINCIPAL EXECUTIVE OFFICERS

Unalaska City Council

Mayor	Vincent Tutiakoff, Sr.
Vice Mayor	Dennis Robinson
Council Member	Daneen Looby
Council Member	Darin Nicholson
Council Member	Alejandro Tungul
Council Member	Shari Coleman
Council Member	Thomas Bell

City Management

City Manager	William Homka
Assistant City Manager	Marjorie Veeder
City Clerk	Estkarlen Magdaong
Finance Director	Vacant
Parks, Culture, and Recreation Director	Roger Blakeley
Planning Director	Vacant
Ports and Harbors Director	Peggy McLaughlin
Police Chief	Vacant
Fire Chief	Ben Knowles
Public Works Director	Scott Brown
Public Utilities Director	Steve Tompkins

Special Services

Attorney	Chandler, Falconer, Munson & Cacciola, LLP
Auditors	BDO USA LLP

School Board

President	Jolene Longo
Member	Kerry Mahoney
Member	David Gibson
Member	Danielle Williams
Member	Amanda Schmahl
Student Representative	Tuan Bui

School Officials

Superintendent	Kim Hanisch
Secondary Principal	Ryan Humphrey
Elementary Principal	Cheri Tremarco

Financial Section



Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Unalaska, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Unalaska (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Unalaska City School District (the District), the discretely presented component unit, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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

As discussed in Note 4 of the financial statements, in 2022 the City adopted the provisions of Government Accounting Standards Board (GASB) Statement Number 87, *Leases*. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 management's discussion and analysis, budgetary comparison schedules for the General Fund, the 1% Sales Tax Special Revenue Fund, and the Coronavirus Relief Special Revenue Fund, and the schedules of the City's proportionate share of the net pensions and net OPEB liability or asset and the City's contributions 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements, and statistical section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises management's discussion and analysis and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
October 4, 2023

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A)
June 30, 2022

CITY OF UNALASKA, ALASKA



Photo Credit: Tim Mahoney

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

Management of the City of Unalaska offers readers of the City of Unalaska's financial statements this narrative overview and analysis of the financial activities of the City of Unalaska for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages VI-IX of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Unalaska exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$420,813,815 (net position).
- The city's total net position increased by \$1,633,481.
- As of the close of the current fiscal year, the City of Unalaska's governmental funds reported combined ending fund balances of \$113,753,211, which is a decrease of \$2,146,873 from the prior year. Of this total amount, \$52,346,523, is either nonspendable, committed or assigned for emergency operations and general fund projects identified in the City's Capital and Major Maintenance Plan (CMMP).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$61,424,435, or 227% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Unalaska's basic financial statements. The City of Unalaska's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide a broad overview of the City of Unalaska's finances in a manner similar to that of a private-sector business.

The *statement of net position* presents information on all of the City of Unalaska's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the City's net position will serve as indicators of whether the financial position of the City of Unalaska is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Unalaska that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Unalaska include general government; public safety; public works; parks, culture, and recreation; community support; and education. The business-type activities of the City of Unalaska include electric, water, wastewater, solid waste, ports and harbors, airport terminal, and housing operations.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

The government wide financial statements include not only the City of Unalaska itself (known as the primary government), but also the Unalaska City School District (known as component unit), a legally separate entity for which the City of Unalaska is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Unalaska, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City of Unalaska can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike the government wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. In doing so, a better understanding of the long-term impact of the government's near-term financing decisions may be obtained. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Unalaska maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Coronavirus Relief Special Revenue Fund, the 1% Sales Tax Special Revenue Fund and the Capital Projects Fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements and schedules, which can be found on pages 86-87.

The City of Unalaska adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary Funds

The City of Unalaska maintains only one type of proprietary fund. Enterprise funds are used to report the same functions presented as business type activities in the government wide financial statements. The City of Unalaska uses enterprise funds to account for its electric, water, wastewater, solid waste, ports and harbors, airport terminal, and housing operations.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

Proprietary funds provide the same type of information as the government wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, wastewater, ports and harbors, and solid waste, all of which are considered to be major funds of the City of Unalaska. Water, Airport Terminal and Housing operations are accounted for in separate funds but are not presented as major funds.

The basic proprietary fund financial statements can be found on pages 24-33 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 34-74 of this report.

Government Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Unalaska, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$420,813,815 at the close of the most recent fiscal year.

Approximately 61% of the City of Unalaska's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Unalaska uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Unalaska's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

		City of Unalaska's Changes in Net Position					
		Governmental activities		Business-type activities		Total	
		2022	2021	2022	2021	2022	2021
Current and other assets	\$	136,911,288	178,374,889	70,021,430	60,350,543	206,932,718	238,725,432
Capital assets		94,569,056	95,053,684	232,820,446	238,813,047	327,389,502	333,866,731
	Total assets	\$ 231,480,344	273,428,573	302,841,876	299,163,590	534,322,220	572,592,163
Deferred outflows of resources	\$	1,860,380	2,607,006	2,675,419	3,339,010	4,535,799	5,946,016
Long-term liabilities	\$	11,528,058	15,543,372	77,735,342	86,724,555	89,263,400	102,267,927
Other liabilities		4,070,953	52,968,640	7,129,259	2,545,368	11,200,212	55,514,008
	Total liabilities	\$ 15,599,011	68,512,012	84,864,601	89,269,923	100,463,612	157,781,935
Deferred inflows of resources	\$	12,292,490	961,315	5,288,102	614,595	17,580,592	1,575,910
Net position:							
Net investment in capital assets	\$	94,431,841	95,053,684	162,957,588	167,582,699	257,389,429	262,636,383
Restricted		52,346,523	—	—	—	52,346,523	—
Unrestricted		58,670,859	111,508,568	52,407,004	45,035,383	111,077,863	156,543,951
	Net position	\$ 205,449,223	206,562,252	215,364,592	212,618,082	420,813,815	419,180,334

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

The balance of unrestricted net position, \$111,077,863, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current and prior fiscal year, the City of Unalaska is able to report positive balances in both categories of net position, both for the government as a whole, and for its separate governmental and business type activities.

Deferred outflows of resources decreased \$1,410,217 during 2022 and has three components, deferred outflows of pension related resources, deferred outflows of OPEB related resources, and deferred charge on refunding. The balance for pension related resources decreased primarily due to the change in the net difference between projected and actual earnings on pension plan investments of \$(927,693), recognition of deferred outflows of resources for changes in proportion and difference between City contributions and proportionate share of contributions of \$564,780, difference between expected and actual earnings of \$21,125, and the change in the net difference between actual and expected experiences of (72,306). The balance for OPEB related resources decreased due to the recognition of deferred outflows of resources for changes in assumptions of \$(12,673), proportion and differences between contributions and proportionate share of contributions of \$(64,790), change in assumptions of \$13,272, change in City contributions subsequent to the measurement date of \$(85,724), and change in and net difference between projected and actual earnings of \$(730,655).

Deferred inflows of resources increased \$16,004,682 during 2022 and has three components, deferred inflows of pension related resources, and deferred inflows of OPEB related resources and lease related deferred inflows. Deferred inflows of resources related to pensions increased to \$7,112,289 from zero in the prior year primarily due to change in the difference between expected and actual experience. The balance for OPEB related deferred inflows of resources increased primarily due to the changes in the difference between actual and expected experience of \$(9,103), change in assumptions of \$765,231, change in proportion and differences between City contributions and proportionate share of contributions of \$(6,065,958), and changes in City contributions subsequent to the measurement date of \$(144,494). The balance for deferred inflows related to leases increased \$3,241,277 related to the implementation of GASB Statement 87 Leases.

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City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

Table 2

	City of Unalaska's Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 720,734	161,718	34,845,590	27,940,889	35,566,324	28,102,607
Operating grants and contributions	2,101,240	10,949,949	413,831	1,326,354	2,515,071	12,276,303
Capital grants and contributions		-	150,000	-	150,000	-
General revenues:						
Property taxes	7,746,723	7,236,948	-	-	7,746,723	7,236,948
General sales tax	14,211,123	10,689,627	-	-	14,211,123	10,689,627
Raw seafood tax	6,360,295	5,276,466	-	-	6,360,295	5,276,466
Fisheries tax	9,741,847	8,620,564	-	-	9,741,847	8,620,564
Investment earnings (loss)	(3,016,426)	473,850	10,405	1,889	(3,006,021)	475,739
Other	1,446,264	1,437,600	(1,672,029)	-	(225,765)	1,437,600
Total revenues	39,311,800	44,846,722	33,747,797	29,269,132	73,059,597	74,115,854
Expenses:						
General government	5,342,948	5,441,013	-	-	5,342,948	5,441,013
Public safety	7,268,511	8,931,368	-	-	7,268,511	8,931,368
Public works	8,273,262	8,239,458	-	-	8,273,262	8,239,458
Parks, culture, and recreation	3,947,821	3,783,470	-	-	3,947,821	3,783,470
Community support	2,891,089	8,311,556	-	-	2,891,089	8,311,556
Education	5,481,889	5,072,372	-	-	5,481,889	5,072,372
Interest on lease payments	3,209	-	-	-	3,209	-
Electric	-	-	18,074,964	13,953,782	18,074,964	13,953,782
Water	-	-	2,793,053	3,197,066	2,793,053	3,197,066
Wastewater	-	-	3,501,340	3,685,166	3,501,340	3,685,166
Solid waste	-	-	3,087,197	3,136,327	3,087,197	3,136,327
Ports and harbors	-	-	9,433,614	9,257,494	9,433,614	9,257,494
Airport	-	-	768,853	708,589	768,853	708,589
Housing	-	-	558,366	546,522	558,366	546,522
Total expenses	33,208,729	39,779,237	38,217,387	34,484,946	71,426,116	74,264,183
Increase in net position before transfers	6,103,071	5,067,485	(4,469,590)	(5,215,814)	1,633,481	(148,329)
Transfers	(7,216,100)	(900,756)	7,216,100	900,756	-	-
Change in net position	(1,113,029)	4,166,729	2,746,510	(4,315,058)	1,633,481	(148,329)
Net position, beginning of year	206,562,252	202,395,523	212,618,082	216,933,140	419,180,334	419,328,663
Net position, end of year	\$ 205,449,223	206,562,252	215,364,592	212,618,082	420,813,815	419,180,334

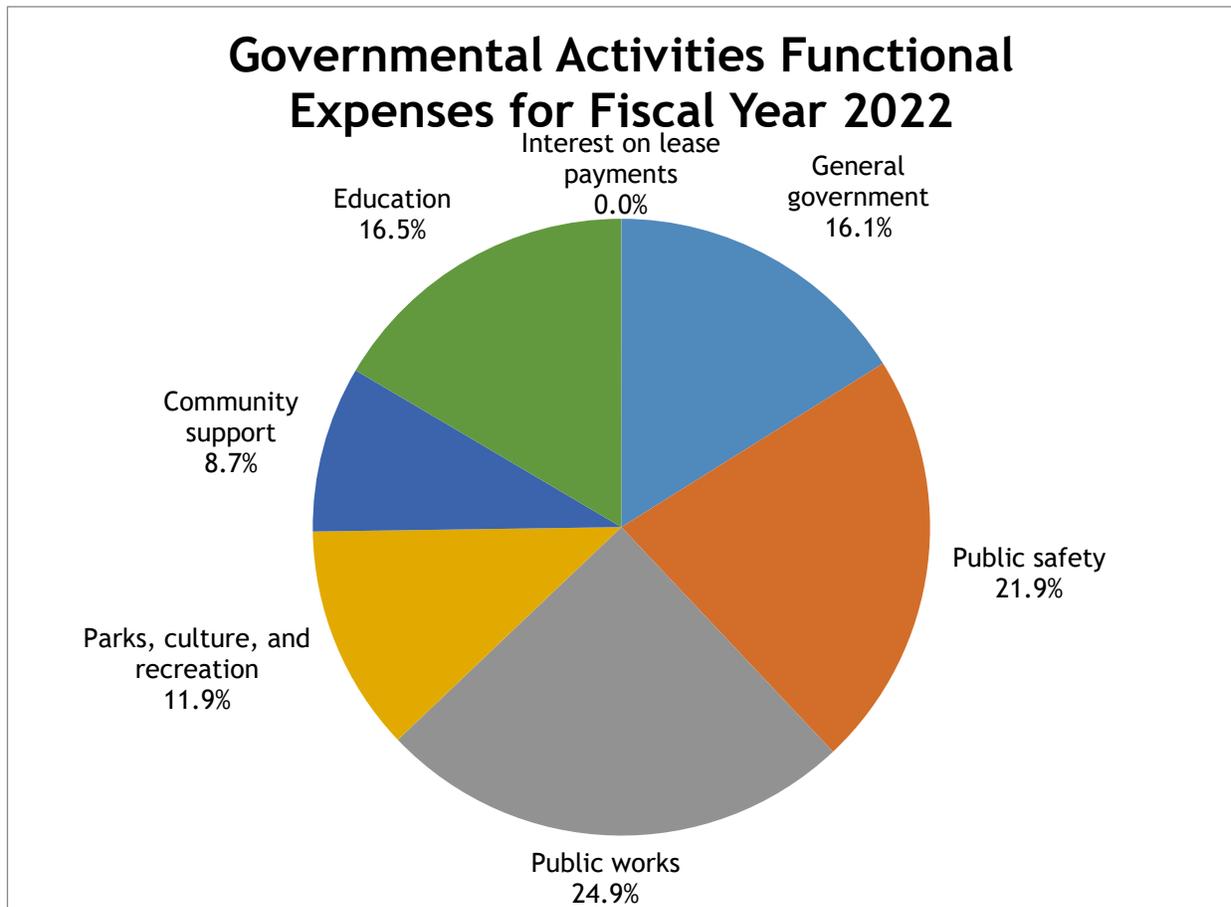
City of Unalaska, Alaska

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The government's net position increased \$1,633,481 during the current fiscal year. Revenues overall decreased 1% or \$1,056,257. The net decrease includes decreases in operating grants of \$9,761,232, investment income of \$3,481,760, and other revenues of \$1,663,365, and are offset by increases in charges for services of \$7,463,717 and other taxes and grants of \$6,386,383.

Total expenses decreased \$2,838,067 from the prior year primarily to a reduction in COVID-19 related spending, funded by the CARES Act grant. The Electric Utility Fund experienced a significant increase in operating expenses related to increased fuel costs.

Governmental activities decreased the City of Unalaska's net position by \$1,113,029. A decrease in investment income \$3,490,276 and an increase in transfers to fund capital projects \$6,315,344 partially offset a decline in community support \$5,420,467.



City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

Business-Type Activities

Net position increased \$2,746,510 for Business-type activities (table 2); this is attributable to positive changes in net position in the Electric Utility Fund \$2,304,278 and Ports and Harbors Fund \$2,302,326, and losses in each of the other Enterprise Funds.

Financial Analysis of the Government's Funds

As noted earlier, the City of Unalaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Unalaska's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Unalaska's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Unalaska's governmental funds reported combined ending fund balances of \$113,753,211, which is a decrease of \$2,146,873 from the prior year. Approximately 97% of this total amount, \$110,821,454 constitutes spendable fund balance. The City of Unalaska has fund balance commitments of \$25,000,000 for emergency expenditures and \$17,344,932 for capital projects.

The General Fund is the chief operating fund of the City of Unalaska. At the end of the current fiscal year, spendable fund balance of the General Fund was \$87,937,511, and the total fund balance was \$90,869,267. As a measure of the General Fund's liquidity, both spendable fund balance and total fund balance may be compared to total fund expenditures. Spendable fund balance represents 324% of total General Fund expenditures, while total fund balance represents 335% of that same amount. The fund balance of the City of Unalaska's General Fund increased by \$576,088 during this fiscal year.

As a result of the City's CARES Act and other coronavirus related grant funding during fiscal year 2022, the fund used to report that activity was classified by management as a major fund and is reported as such in the governmental funds. Furthermore, as a result of transfers to the Capital Projects Fund, and the related amount due from other funds, the fund used to report that activity was a major fund in fiscal year 2022.

Proprietary Funds

The City of Unalaska's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of business-type activities at the end of the year amounted to \$52,407,004. The business-type activities net position increased by \$2,746,510.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2022

General Fund Budgetary Highlights

Differences between the original budget and the final budget can be briefly summarized as follows: General Sales and Seafood Sales taxes outperformed budgeted amounts by \$2,962,048 and \$2,160,295, respectively.

Each functional area within the General Fund stayed within their budgets, with Public Safety and Public Works showing the greatest amount of savings in the amount of \$796,781 and \$743,310, respectively. The savings in both departments were primarily attributable to personnel costs.

Capital Asset and Debt Administration

Capital Assets

The City of Unalaska's net investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$257,389,429 (net of accumulated depreciation and amortization, and related debt). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, bridges, and right of use assets. The City of Unalaska's net investment in capital assets changed by \$(5,246,954) in the current year.

Major capital asset events during the current fiscal year included the following:

General Fund

The Library Improvement project continued with current year expenditures of \$2,608,594. The Repeater Site & Radio Upgrade project continued with current expenditures of \$708,546. The Tsunami Siren Upgrade project was completed in fiscal year 2022 with \$364,098 in current year general fund expenditures.

Electric Fund

The Makushin Geothermal project continued with current year expenditures of \$1,132,648.

Water Fund;

The Pyramid Water Treatment Micro Turbine project continued with \$1,349,148 in current year expenditures.

The General's Hill Water Booster Pump project continued with \$889,915 in current year expenditures. The Pyramid WTP Chlorine Upgrades project continued with \$562,554 in current year expenditures \$476,810.

Table 3

	City of Unalaska Capital Assets (Net of Accumulated Depreciation and Amortization)					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 31,147,603	31,147,603	3,309,476	3,309,476	34,457,079	34,457,079
Buildings	25,230,279	26,748,205	70,446,467	72,869,337	95,676,746	99,617,542
Infrasctructure	22,669,738	25,759,809	132,257,462	138,755,940	154,927,200	164,515,749
Machinery and equipment	4,249,794	2,665,856	18,718,661	20,100,127	22,968,455	22,765,983
Right to use assets	135,900	-	1,919,963	-	2,055,863	-
Construction in Progress	11,135,742	8,732,211	6,168,417	3,778,167	17,304,159	12,510,378
Total Capital Assets, Net of Accumulated Depreciation and Amortization	\$ 94,569,056	95,053,684	232,820,446	238,813,047	327,389,502	333,866,731

City of Unalaska, Alaska

Management’s Discussion and Analysis (MD&A) June 30, 2022

Additional information on the City of Unalaska’s capital assets can be found in Note 3 on pages 46-48 of this report.

Long Term Debt

At the end of the current fiscal year, the City of Unalaska had revenue bonds and other loans outstanding of \$67,018,234 (Table 4).

Table 4

	City of Unalaska Bonds and Loans					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue bonds	-	-	52,673,420	55,147,928	52,673,420	55,147,928
Other contracts and loans	-	-	14,344,814	15,206,837	14,344,814	15,206,837
Total Bonds and Loans	\$ -	-	67,018,234	70,354,765	67,018,234	70,354,765

The City of Unalaska’s total debt originating from revenue bonds and loans decreased by \$3,336,531 (5%) during the current fiscal year. State statutes do not limit the amount of debt a governmental entity may issue. Additional information on the City of Unalaska’s long-term debt can be found in Note 3 on pages 51-55 of this report.

Economic Factors and Next Year’s Budgets and Rates

The City of Unalaska’s budgeted revenues and expenses increased for the upcoming fiscal year due to inflation.

The average unemployment rate for the Aleutians West Region, which includes Unalaska, was 3.1% for calendar year 2022, which is a decrease from a rate of 3.8% in calendar year 2021. Management does not believe either figure is indicative of unemployment within the City’s limits. Since the seafood economy is robust in Unalaska while other communities that are more reliant on snow crab and salmon may be experiencing higher unemployment, neither unemployment rate for the region is indicative of unemployment in Unalaska.

Higher oil prices have positively impacted the City’s sales tax through marine fuel. Fuel sales generate approximately 40% of the City’s sales tax. Total sales tax was 23% of governmental activities revenue in fiscal year 2022.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A)
June 30, 2022

Requests for Information

This financial report is designed to provide a general overview of the City of Unalaska's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Unalaska, P.O. Box 610, Unalaska, Alaska 99685.

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Basic Financial Statements

City of Unalaska, Alaska
Statement of Net Position

June 30, 2022	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Unalaska City School District
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 106,744,686	\$ 56,629,688	\$ 163,374,374	\$ 3,806,949
Receivables, net of allowance for uncollectible amounts:				
General	19,620	3,446,301	3,465,921	202,974
Interest	425,394	-	425,394	-
Taxes	5,560,457	-	5,560,457	-
Intergovernmental	9,567,321	269,426	9,836,747	-
Leases	3,325,946	198,758	3,524,704	-
Due from other funds	-	-	-	-
Inventories	1,101,756	1,918,707	3,020,463	47,040
Internal balances	1,830,000	(1,830,000)	-	-
Prepaid items	-	-	-	1,130,475
Restricted assets:				
Cash held by fiscal agent	-	4,699,489	4,699,489	-
Cash restricted for health insurance	-	-	-	433,417
Net other postemployment benefits asset	8,336,108	4,689,061	13,025,169	3,095,218
Capital assets:				
Assets not being depreciated	42,283,345	9,477,894	51,761,239	42,500
Assets, net of accumulated depreciation	52,285,711	223,342,552	275,628,263	383,122
Total Assets	231,480,344	302,841,876	534,322,220	9,141,695
Deferred Outflows of Resources				
Deferred charge on refunding	-	1,628,956	1,628,956	-
Related to other postemployment benefits	246,422	138,612	385,034	134,692
Related to pensions	1,613,958	907,851	2,521,809	483,302
Total Deferred Outflows of Resources	1,860,380	2,675,419	4,535,799	617,994
Total Assets and Deferred Outflows of Resources	\$ 233,340,724	\$ 305,517,295	\$ 538,858,019	\$ 9,759,689
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 1,978,456	\$ 1,740,297	\$ 3,718,753	\$ 106,843
Accrued payroll and related liabilities	534,921	301,781	836,702	1,137,392
Accrued interest	-	529,835	529,835	-
Customer deposits	3,442	204,552	207,994	-
Unearned revenue	12,451	400,000	412,451	43,936
Noncurrent liabilities:				
Due within one year:				
Bonds and loans	-	3,446,295	3,446,295	-
Lease liability	23,699	98,732	122,431	-
Compensated absences	1,517,983	407,767	1,925,750	-
Due in more than one year:				
Lease liability	113,516	1,838,993	1,952,509	43,545
Landfill closure and postclosure costs	-	5,903,729	5,903,729	-
Bonds and loans payable	-	63,571,939	63,571,939	-
Net pension liability	11,414,543	6,420,681	17,835,224	2,698,235
	15,599,011	84,864,601	100,463,612	4,029,951
Deferred Inflows of Resources				
Related to leases	3,241,277	196,792	3,438,069	-
Related to other postemployment benefits	4,499,348	2,530,886	7,030,234	1,512,478
Related to pensions	4,551,865	2,560,424	7,112,289	1,910,426
Total Deferred Inflows of Resources	12,292,490	5,288,102	17,580,592	3,422,904
Net Position				
Net investment in capital assets	94,431,841	162,957,588	257,389,429	382,077
Restricted	52,346,523	-	52,346,523	-
Restricted for scholarships and community schools	-	-	-	173,380
Unrestricted	58,670,859	52,407,004	111,077,863	1,751,377
Total Net Position	205,449,223	215,364,592	420,813,815	2,306,834
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 233,340,724	\$ 305,517,295	\$ 538,858,019	\$ 9,759,689

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Statement of Activities

Year Ended June 30, 2022	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government			Unalaska City School District
					Govern- mental Activities	Business- type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 5,342,948	\$ 519,194	\$ -	\$ -	\$ (4,823,754)	\$ -	\$ (4,823,754)	\$ -
Public safety	7,268,511	33,440	2,101,240	-	(5,133,831)	-	(5,133,831)	-
Public works	8,273,262	-	-	-	(8,273,262)	-	(8,273,262)	-
Parks, culture, and recreation	3,947,821	168,100	-	-	(3,779,721)	-	(3,779,721)	-
Community support	2,891,089	-	-	-	(2,891,089)	-	(2,891,089)	-
Education	5,481,889	-	-	-	(5,481,889)	-	(5,481,889)	-
Interest on lease payments	3,209	-	-	-	(3,209)	-	(3,209)	-
Total Governmental Activities	33,208,729	720,734	2,101,240	-	(30,386,755)	-	(30,386,755)	-
Business-Type Activities								
Electric utility	18,074,964	17,860,678	124,139	150,000	-	59,853	59,853	-
Water utility	2,793,053	2,663,464	52,501	-	-	(77,088)	(77,088)	-
Wastewater utility	3,501,340	2,584,192	55,025	-	-	(862,123)	(862,123)	-
Solid waste	3,087,197	2,844,342	49,358	-	-	(193,497)	(193,497)	-
Ports and Harbors	9,433,614	8,177,400	116,017	-	-	(1,140,197)	(1,140,197)	-
Airport	768,853	456,749	9,536	-	-	(302,568)	(302,568)	-
Housing	558,366	258,765	7,255	-	-	(292,346)	(292,346)	-
Total Business-Type Activities	38,217,387	34,845,590	413,831	150,000	-	(2,807,966)	(2,807,966)	-
Total Primary Government	\$ 71,426,116	\$ 35,566,324	\$ 2,515,071	\$ 150,000	(30,386,755)	(2,807,966)	(33,194,721)	-
Component Unit								
Unalaska City School District	\$ 8,991,193	\$ 112,999	\$ 1,828,131	\$ 12,000	-	-	-	(7,038,063)
General Revenues								
Taxes:								
Real property tax					4,738,753	-	4,738,753	-
Personal property tax					3,007,970	-	3,007,970	-
General sales tax					14,211,123	-	14,211,123	-
Raw seafood sales tax					6,360,295	-	6,360,295	-
Fisheries tax					9,741,847	-	9,741,847	-
Other taxes					213,577	-	213,577	-
Payments in lieu of tax					931,935	-	931,935	-
Grants not restricted to specific programs					992,100	-	992,100	3,894,112
Investment earnings (loss)					(3,016,426)	10,405	(3,006,021)	421
Support from City of Unalaska					-	-	-	3,666,381
Other revenue					139,456	-	139,456	259,560
Loss on disposal of capital assets					(830,804)	(1,672,029)	(2,502,833)	-
Transfers					(7,216,100)	7,216,100	-	-
Total General Revenues and Transfers					29,273,726	5,554,476	34,828,202	7,820,474
Change in Net Position					(1,113,029)	2,746,510	1,633,481	782,411
Net Position, beginning					206,562,252	212,618,082	419,180,334	1,524,423
Net Position, ending					\$ 205,449,223	\$ 215,364,592	\$ 420,813,815	\$ 2,306,834

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Governmental Funds
Balance Sheet

<i>June 30, 2022</i>	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Coronavirus Relief Special Revenue	1% Sales Tax Special Revenue	Capital Projects			
Assets							
Cash and investments	\$ 84,066,500	\$ -	\$ 12,221,229	\$ 9,246,888	\$ 1,210,069		\$ 106,744,686
Receivables, net of allowance for doubtful accounts:							
General	19,620	-	-	-	-		19,620
Interest	425,394	-	-	-	-		425,394
Taxes	4,099,199	-	1,155,402	-	305,856		5,560,457
Intergovernmental	9,037,740	529,581	-	-	-		9,567,321
Leases	3,325,946	-	-	-	-		3,325,946
Inventory	1,101,756	-	-	-	-		1,101,756
Due from other funds	539,604	-	-	-	-		539,604
Advances to other funds	1,830,000	-	-	-	-		1,830,000
Total Assets	\$ 104,445,759	\$ 529,581	\$ 13,376,631	\$ 9,246,888	\$ 1,515,925		\$ 129,114,784
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 735,479	\$ -	\$ 538	\$ 1,242,439	\$ -		\$ 1,978,456
Accrued payroll and related liabilities	534,921	-	-	-	-		534,921
Customer deposits	3,442	-	-	-	-		3,442
Due to other funds	-	529,581	-	-	10,023		539,604
Unearned revenue	9,951	-	2,500	-	-		12,451
Total Liabilities	1,283,793	529,581	3,038	1,242,439	10,023		3,068,874
Deferred Inflows of Resources							
Related to leases	3,241,277	-	-	-	-		3,241,277
Unavailable revenue - taxes	9,051,422	-	-	-	-		9,051,422
Total Deferred Inflows of Resources	12,292,699	-	-	-	-		12,292,699
Fund Balances							
Nonspendable:							
Inventory	1,101,756	-	-	-	-		1,101,756
Advances to other funds	1,830,000	-	-	-	-		1,830,000
Committed:							
Emergency operations	25,000,000	-	-	-	-		25,000,000
Compensated absences	1,000,000	-	-	-	-		1,000,000
Public safety	-	-	-	-	467,333		467,333
Community support	-	-	-	-	38,569		38,569
Capital projects	-	-	8,340,483	8,004,449	1,000,000		17,344,932
Assigned	513,076	17,747	5,033,110	-	-		5,563,933
Unassigned	61,424,435	(17,747)	-	-	-		61,406,688
Total Fund Balances	90,869,267	-	13,373,593	8,004,449	1,505,902		113,753,211
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 104,445,759	\$ 529,581	\$ 13,376,631	\$ 9,246,888	\$ 1,515,925		\$ 129,114,784

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position June 30, 2022

Total fund balances for governmental funds		\$ 113,753,211
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (shown here, net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		
		94,569,056
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Shared fisheries business tax	\$ 4,258,312	
Shared fisheries resource landing tax	4,760,389	
Real property tax	24,491	
Personal property tax	8,230	
Net other postemployment benefits asset	8,336,108	
Total long-term assets	17,387,530	17,387,530
Deferred outflows of resources for governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred outflows of resources related to other postemployment benefits	246,422	
Deferred outflows of resources related to pensions	1,613,958	
Total deferred outflows of resources	1,860,380	1,860,380
Noncurrent liabilities, including the net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability	(11,414,543)	
Lease liability	(137,215)	
Compensated absences	(1,517,983)	
Total noncurrent liabilities	(13,069,741)	(13,069,741)
Deferred inflows of resources for governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred inflows of resources related to other postemployment benefits	(4,499,348)	
Deferred inflows of resources related to pensions	(4,551,865)	
Total deferred inflows of resources	(9,051,213)	(9,051,213)
Total Net Position of Governmental Activities		\$ 205,449,223

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2022	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Coronavirus Relief Special Revenue	1% Sales Tax Special Revenue	Capital Projects			
Revenues							
Taxes:							
General sales	\$ 9,039,203	\$ -	\$ 4,481,024	\$ -	\$ 690,896	\$ 14,211,123	
Seafood sales	6,360,295	-	-	-	-	6,360,295	
Real property	4,737,374	-	-	-	-	4,737,374	
Personal property	3,007,081	-	-	-	-	3,007,081	
Other	213,577	-	-	-	-	213,577	
Intergovernmental:							
Fisheries business tax	3,973,545	-	-	-	-	3,973,545	
Fisheries resource landing tax	4,971,744	-	-	-	-	4,971,744	
PERS on behalf	666,921	-	-	-	-	666,921	
Payment in lieu of taxes	931,935	-	-	-	-	931,935	
Corrections contract	432,187	-	-	-	-	432,187	
Grant revenue	-	1,546,672	-	122,381	-	1,669,053	
Other	325,179	-	-	-	-	325,179	
Charges for services	720,734	-	-	-	-	720,734	
Investment income (loss)	(3,016,475)	49	-	-	-	(3,016,426)	
Other revenue	139,456	-	-	-	-	139,456	
Total Revenues	32,502,756	1,546,721	4,481,024	122,381	690,896	39,343,778	
Expenditures							
Current:							
General government	5,539,472	-	-	-	-	5,539,472	
Public safety	7,082,457	-	-	-	-	7,082,457	
Public works	5,290,393	-	-	-	-	5,290,393	
Parks, culture, and recreation	3,333,755	-	-	-	-	3,333,755	
Community support	1,134,368	1,546,721	-	-	210,000	2,891,089	
Education	4,699,189	-	-	-	-	4,699,189	
Debt Service:							
Principal on leases	23,236	-	-	-	-	23,236	
Interest on leases	3,209	-	-	-	-	3,209	
Capital Outlay	-	-	-	5,084,681	327,070	5,411,751	
Total Expenditures	27,106,079	1,546,721	-	5,084,681	537,070	34,274,551	
Excess (Deficiency) of Revenues Over Expenditures	5,396,677	-	4,481,024	(4,962,300)	153,826	5,069,227	
Other Financing Sources (Uses)							
Transfers in	669,924	-	-	1,996,013	1,000,000	3,665,937	
Transfers out	(5,490,513)	-	(4,860,000)	(331,044)	(200,480)	(10,882,037)	
Net Other Financing Sources (Uses)	(4,820,589)	-	(4,860,000)	1,664,969	799,520	(7,216,100)	
Net Change in Fund Balances	576,088	-	(378,976)	(3,297,331)	953,346	(2,146,873)	
Fund Balances, beginning	90,293,179	-	13,752,569	11,301,780	552,556	115,900,084	
Fund Balances, ending	\$ 90,869,267	\$ -	\$ 13,373,593	\$ 8,004,449	\$ 1,505,902	\$ 113,753,211	

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Reconciliation of the Change in Fund Balances of
Governmental Funds to Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ (2,146,873)

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures, however, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives and reported as depreciation expense:

Capital outlay	\$ 5,557,298	
Depreciation and amortization expense	(5,371,573)	
Loss on disposal of capital assets	<u>(830,804)</u>	
		(645,079)

Revenues in the Statement of Activities that do not provide current financial resources and are deferred in the funds:

Increase in Shared fisheries business tax	585,830	
Increase in Shared fisheries resource landing tax	210,728	
Increase in real property tax	1,379	
Increase in personal property tax	<u>889</u>	
		798,826

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:

Decrease in compensated absences	153,046	
Decrease in other postemployment benefit asset	7,082,539	
Decrease in deferred outflows of resources:		
Related to other postemployment benefits	(529,048)	
Related to pensions	(217,578)	
Decrease in lease liability	23,236	
Decrease in pension liability	2,457,800	
Increase in deferred inflows of resources:		
Related to other postemployment benefits	(3,538,033)	
Related to pensions	<u>(4,551,865)</u>	
		<u>880,097</u>

Change in Net Position of Governmental Activities \$ (1,113,029)

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Net Position

<i>June 30, 2022</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 17,369,686	\$ 8,507,277	\$ 4,753,167
Receivables, net of allowance for doubtful accounts:			
Accounts	1,997,618	217,639	199,697
Leases	-	-	-
Intergovernmental	269,426	-	-
Inventory	1,375,735	414,746	25,535
Total Current Assets	21,012,465	9,139,662	4,978,399
Noncurrent Assets			
Restricted assets, cash held by fiscal agent	2,234,283	-	-
Net other postemployment benefits asset	1,432,769	651,257	651,259
Capital assets, net	50,038,298	21,030,382	32,992,090
Total Noncurrent Assets	53,705,350	21,681,639	33,643,349
Total Assets	74,717,815	30,821,301	38,621,748
Deferred Outflows of Resources			
Deferred charge on refunding	1,606,210	-	-
Related to other postemployment benefits	42,354	19,250	19,252
Related to pensions	277,400	126,090	126,090
Total Deferred Outflows of Resources	1,925,964	145,340	145,342
Total Assets and Deferred Outflows of Resources	\$ 76,643,779	\$ 30,966,641	\$ 38,767,090

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Net Position, continued

<i>June 30, 2022</i>	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 8,832,658	\$ 15,216,830	\$ 1,950,070	\$ 56,629,688
Receivables, net of allowance for doubtful accounts:				
Accounts	252,180	770,610	8,557	3,446,301
Leases	-	-	198,758	198,758
Intergovernmental	-	-	-	269,426
Inventory	102,691	-	-	1,918,707
Total Current Assets	9,187,529	15,987,440	2,157,385	62,462,880
Noncurrent Assets				
Restricted assets, cash held by fiscal agent	-	2,465,206	-	4,699,489
Net other postemployment benefits asset	651,259	1,042,014	260,503	4,689,061
Capital assets, net	15,047,298	108,186,943	5,525,435	232,820,446
Total Noncurrent Assets	15,698,557	111,694,163	5,785,938	242,208,996
Total Assets	24,886,086	127,681,603	7,943,323	304,671,876
Deferred Outflows of Resources				
Deferred charge on refunding	-	22,746	-	1,628,956
Related to other postemployment benefits	19,252	30,803	7,701	138,612
Related to pensions	126,090	201,745	50,436	907,851
Total Deferred Outflows of Resources	145,342	255,294	58,137	2,675,419
Total Assets and Deferred Outflows of Resources	\$ 25,031,428	\$ 127,936,897	\$ 8,001,460	\$ 307,347,295

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Net Position, continued

<i>June 30, 2022</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ 1,352,503	\$ 256,244	\$ 44,024
Accrued payroll and related liabilities	99,528	38,365	40,591
Compensated absences	96,768	35,504	39,351
Accrued interest	192,732	37,014	67,462
Current portion of bonds, loans, and other liabilities	1,484,197	179,463	428,330
Lease liability	-	-	-
Advances from other funds	240,000	-	-
Unearned revenue	-	400,000	-
Customer deposits	125,277	22,175	19,838
Total Current Liabilities	3,591,005	968,765	639,596
Noncurrent Liabilities			
Lease liability	-	-	-
Net pension liability	1,961,876	891,761	891,761
Landfill closure and postclosure costs	-	-	-
Advances from other funds, net of current portion	1,590,000	-	-
Bonds and loans payable, net of current portion	19,891,120	2,512,478	5,568,290
Total Noncurrent Liabilities	23,442,996	3,404,239	6,460,051
Total Liabilities	27,034,001	4,373,004	7,099,647
Deferred Inflows of Resources			
Related to leases	-	-	-
Related to other postemployment benefits	773,326	351,512	351,512
Related to pensions	782,353	355,614	355,614
Total Deferred Inflows of Resources	1,555,679	707,126	707,126
Net Position			
Net investment in capital assets	27,983,390	18,111,133	26,995,470
Unrestricted	20,070,709	7,775,378	3,964,847
Total Net Position	48,054,099	25,886,511	30,960,317
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 76,643,779	\$ 30,966,641	\$ 38,767,090

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Net Position, continued

<i>June 30, 2022</i>	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 62,772	\$ 8,423	\$ 16,331	\$ 1,740,297
Accrued payroll and related liabilities	38,829	68,784	15,684	301,781
Compensated absences	60,608	174,947	589	407,767
Accrued interest	20,339	212,288	-	529,835
Current portion of bonds, loans, and other liabilities	254,232	1,100,073	-	3,446,295
Lease liability	-	86,908	11,824	98,732
Advances from other funds	-	-	-	240,000
Unearned revenue	-	-	-	400,000
Customer deposits	8,552	-	28,710	204,552
Total Current Liabilities	445,332	1,651,423	73,138	7,369,259
Noncurrent Liabilities				
Lease liability	-	1,836,000	2,993	1,838,993
Net pension liability	891,761	1,426,818	356,704	6,420,681
Landfill closure and postclosure costs	5,903,729	-	-	5,903,729
Advances from other funds, net of current portion	-	-	-	1,590,000
Bonds and loans payable, net of current portion	3,305,010	32,295,041	-	63,571,939
Total Noncurrent Liabilities	10,100,500	35,557,859	359,697	79,325,342
Total Liabilities	10,545,832	37,209,282	432,835	86,694,601
Deferred Inflows of Resources				
Related to leases	-	-	196,792	196,792
Related to other postemployment benefits	351,512	562,419	140,605	2,530,886
Related to pensions	355,614	568,983	142,246	2,560,424
Total Deferred Inflows of Resources	707,126	1,131,402	479,643	5,288,102
Net Position				
Net investment in capital assets	11,488,056	72,868,921	5,510,618	162,957,588
Unrestricted	2,290,414	16,727,292	1,578,364	52,407,004
Total Net Position	13,778,470	89,596,213	7,088,982	215,364,592
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 25,031,428	\$ 127,936,897	\$ 8,001,460	\$ 307,347,295

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position

	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
<i>Year Ended June 30, 2022</i>			
Operating Revenues			
Charges for services	\$ 17,860,678	\$ 2,663,464	\$ 2,584,192
Operating Expenses			
Operations	12,555,409	1,169,221	1,897,590
General and administrative	949,556	509,670	284,391
Landfill closure and postclosure costs	-	-	-
Depreciation and amortization	3,722,221	1,073,242	1,227,316
Total Operating Expenses	17,227,186	2,752,133	3,409,297
Operating income (loss)	633,492	(88,669)	(825,105)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	124,139	52,501	55,025
Interest income	1,894	-	-
Loss on disposal of capital assets	(617,469)	-	-
Interest expense	(847,778)	(40,920)	(92,043)
Net Nonoperating Revenues (Expenses)	(1,339,214)	11,581	(37,018)
Loss before contributions and transfers	(705,722)	(77,088)	(862,123)
Other Financing Sources (Uses)			
Capital contributions	150,000	-	-
Transfers in	2,860,000	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	3,010,000	-	-
Change in net position	2,304,278	(77,088)	(862,123)
Net Position, beginning	45,749,821	25,963,599	31,822,440
Net Position, ending	\$ 48,054,099	\$ 25,886,511	\$ 30,960,317

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Enterprise Funds

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

Year Ended June 30, 2022	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Operating Revenues				
Charges for services	\$ 2,844,342	\$ 8,177,400	\$ 715,514	\$ 34,845,590
Operating Expenses				
Operations	1,700,462	2,296,766	618,703	20,238,151
General and administrative	163,749	1,405,647	228,786	3,541,799
Landfill closure and postclosure costs	284,999	-	-	284,999
Depreciation and amortization	879,514	4,398,341	479,202	11,779,836
Total Operating Expenses	3,028,724	8,100,754	1,326,691	35,844,785
Operating income (loss)	(184,382)	76,646	(611,177)	(999,195)
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	49,358	116,017	16,791	413,831
Interest income	-	2,583	5,928	10,405
Loss on disposal of capital assets	-	(1,054,560)	-	(1,672,029)
Interest expense	(58,473)	(1,332,860)	(528)	(2,372,602)
Net Nonoperating Revenues (Expenses)	(9,115)	(2,268,820)	22,191	(3,620,395)
Loss before contributions and transfers	(193,497)	(2,192,174)	(588,986)	(4,619,590)
Other Financing Sources (Uses)				
Capital contributions	-	-	-	150,000
Transfers in	-	4,494,500	-	7,354,500
Transfers out	-	-	(138,400)	(138,400)
Total Other Financing Sources (Uses)	-	4,494,500	(138,400)	7,366,100
Change in net position	(193,497)	2,302,326	(727,386)	2,746,510
Net Position, beginning	13,971,967	87,293,887	7,816,368	212,618,082
Net Position, ending	\$ 13,778,470	\$ 89,596,213	\$ 7,088,982	\$ 215,364,592

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Cash Flows

Year Ended June 30, 2022	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Cash Flows from (for) Operating Activities			
Receipts from customers and users	\$ 16,487,850	\$ 2,671,458	\$ 2,580,443
Payments to employees	(2,386,198)	(1,170,668)	(1,200,211)
Payments to vendors	(11,203,321)	(753,666)	(1,192,581)
Net cash flows from (for) operating activities	2,898,331	747,124	187,651
Cash Flows from (for) Noncapital Financing Activities			
Transfers out	-	-	-
Net cash flows from (for) noncapital financing activities	-	-	-
Cash Flows from (for) Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,243,032)	(2,678,705)	(539,654)
Payments on advances to other funds	(240,000)	-	-
Principal payments on long term debt and leases	(1,439,676)	(179,462)	(428,330)
Interest received on leases	-	-	-
Interest payments on long term debt and leases	(854,848)	(43,388)	(96,862)
Transfers in	2,860,000	-	-
Capital contributions received	150,000	400,000	-
Net cash flows from (for) capital and related financing activities	(767,556)	(2,501,555)	(1,064,846)
Cash Flows from Investing Activities			
Investment income received	1,894	-	-
Net cash flows from invested activities	1,894	-	-
Net increase (decrease) in cash and investments	2,132,669	(1,754,431)	(877,195)
Cash and Investments, beginning	17,471,300	10,261,708	5,630,362
Cash and Investments, ending	\$ 19,603,969	\$ 8,507,277	\$ 4,753,167
Reconciliation to the Statement of Net Position:			
Cash and investments	17,369,686	8,507,277	4,753,167
Restricted cash	2,234,283	-	-
Total Cash and Investments	\$ 19,603,969	\$ 8,507,277	\$ 4,753,167

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Cash Flows, continued

<i>Year Ended June 30, 2022</i>	Major Funds, continued		Total Nonmajor Proprietary Funds	Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors		
Cash Flows from (for) Operating Activities				
Receipts from customers and users	\$ 2,797,498	\$ 8,134,455	\$ 708,733	\$ 33,380,437
Payments to employees	(1,066,603)	(1,856,482)	(359,720)	(8,039,882)
Payments to vendors	(879,541)	(1,980,852)	(420,363)	(16,430,324)
Net Cash Flows from (for) Operating Activities	851,354	4,297,121	(71,350)	8,910,231
Cash Flows from (for) Noncapital Financing Activities				
Transfers out	-	-	(138,400)	(138,400)
Net Cash Flows from (for) Noncapital Financing Activities	-	-	(138,400)	(138,400)
Cash Flows from (for) Capital and Related Financing Activities				
Acquisition and construction of capital assets	(131,552)	(468,602)	-	(5,061,545)
Payments on advances to other funds	-	-	-	(240,000)
Principal payments on long term debt and leases	(254,231)	(1,120,021)	(11,589)	(3,433,309)
Interest received on leases	-	-	5,928	5,928
Interest payments on long term debt and leases	(57,201)	(1,340,026)	(528)	(2,392,853)
Transfers in	-	4,494,500	-	7,354,500
Capital contributions received	-	-	-	550,000
Net Cash Flows from (for) Capital and Related Financing Activities	(442,984)	1,565,851	(6,189)	(3,217,279)
Cash Flows from Investing Activities				
Investment income received	-	2,583	-	4,477
Net Cash Flows from Invested Activities	-	2,583	-	4,477
Net increase (decrease) in cash and investments	408,370	5,865,555	(215,939)	5,559,029
Cash and Investments, beginning	8,424,288	11,816,481	2,166,009	55,770,148
Cash and Investments, ending	\$ 8,832,658	\$ 17,682,036	\$ 1,950,070	\$ 61,329,177
Reconciliation to the Statement of Net Position:				
Cash and investments	\$ 8,832,658	\$ 15,216,830	\$ 1,950,070	\$ 56,629,688
Restricted cash	-	2,465,206	-	4,699,489
Total Cash and Investments	\$ 8,832,658	\$ 17,682,036	\$ 1,950,070	\$ 61,329,177

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Cash Flows, continued

<i>Year Ended June 30, 2022</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Reconciliation of Operating Income (Loss) to Net Cash			
Flows from (for) Operating Activities			
Operating income (loss)	\$ 633,492	\$ (88,669)	\$ (825,105)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:			
Depreciation and amortization	3,722,221	1,073,242	1,227,316
Change in landfill closure and postclosure costs	-	-	-
Noncash expense - State PERS relief	124,139	52,501	55,025
(Increase) decrease in assets:			
Accounts receivable	(1,150,594)	6,598	(4,136)
Intergovernmental receivable	(227,591)	-	-
Leases receivable	-	-	-
Inventory	(86,737)	(81,853)	1,150
Other postemployment benefits	(1,183,755)	(515,707)	(558,444)
(Increase) decrease in deferred outflows of resources:			
Related to deferred charges	115,548	-	-
Related to other postemployment benefits	121,624	47,882	43,100
Related to pensions	138,309	26,137	19,516
Increase (decrease) in liabilities:			
Accounts payable	545,995	14,177	(30,963)
Accrued payroll and related liabilities	(17,064)	(48,034)	(31,465)
Customer deposits	5,357	1,183	387
Net pension liability	(1,214,405)	(361,357)	(311,248)
Increase (decrease) in deferred inflows of resources:			
Related to leases	-	-	-
Related to other postemployment benefits	589,439	265,410	246,903
Related to pensions	782,353	355,614	355,615
Net Cash Flows from (for) Operating Activities	\$ 2,898,331	\$ 747,124	\$ 187,651
Noncash Capital and Related Financing Activities			
Purchases of capital assets on account	\$ 679,591	\$ 227,308	\$ -

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Cash Flows, continued

<i>Year Ended June 30, 2022</i>	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Reconciliation of Operating Income (Loss) to Net Cash				
Flows from (for) Operating Activities				
Operating income (loss)	\$ (184,382)	\$ 76,646	\$ (611,177)	\$ (999,195)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Depreciation and amortization	879,514	4,398,341	479,202	11,779,836
Change in landfill closure and postclosure costs	284,999	-	-	284,999
Noncash expense - State PERS relief	49,358	116,017	16,790	413,830
(Increase) decrease in assets:				
Accounts receivable	(45,988)	(42,945)	(2,247)	(1,239,312)
Intergovernmental receivable	-	-	-	(227,591)
Leases receivable	-	-	179,689	179,689
Inventory	(65,326)	-	-	(232,766)
Other postemployment benefits	(575,146)	(982,904)	(227,475)	(4,043,431)
(Increase) decrease in deferred outflows of resources:				
Related to deferred charges	-	-	-	115,548
Related to other postemployment benefits	44,893	83,324	3,337	344,160
Related to pensions	13,653	4,264	2,004	203,883
Increase (decrease) in liabilities:				
Accounts payable	43,291	2,635	7,877	583,012
Accrued payroll and related liabilities	9,669	35,345	932	(50,617)
Customer deposits	(856)	-	(2,568)	3,503
Net pension liability	(225,148)	(400,131)	11,911	(2,500,378)
Increase (decrease) in deferred inflows of resources:				
Related to leases	-	-	(181,655)	(181,655)
Related to other postemployment benefits	267,209	437,546	109,784	1,916,291
Related to pensions	355,614	568,983	142,246	2,560,425
Net Cash Flows from (for) Operating Activities	\$ 851,354	\$ 4,297,121	\$ (71,350)	\$ 8,910,231
Noncash Capital and Related Financing Activities				
Purchases of capital assets on account	\$ -	\$ -	\$ -	\$ 906,899

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Notes to Basic Financial Statements June 30, 2022

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Unalaska, Alaska (the City), was incorporated in 1942 as a first-class city and operates under a Council - Manager form of government. The City provides a variety of services including police and fire protection; electric, water, wastewater, and solid waste services; port, harbor and airport terminal services; the construction and maintenance of streets and infrastructure; and recreational activities and cultural events.

As required by U.S. generally accepted accounting principles, these basic financial statements present the City and its component unit (an entity for which the City is considered to be financially accountable). The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

Discretely Presented Component Unit - Unalaska City School District

The Unalaska City School District (School District) is responsible for elementary and secondary education within the City's jurisdiction. The members of the School District's governing board are elected by registered voters of the City. However, the School District is fiscally dependent upon the City because the City Council approves the School District's budget, levies taxes to finance operations (if necessary), must approve any debt issuances, and has assumed an obligation to provide financial support.

Complete financial statements of the School District can be obtained from the Unalaska City School District, P.O. Box 570, Unalaska, Alaska 99685.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement 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) 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 and other 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 governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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 government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and pension and other postemployment benefits, are recorded only when payment is due.

Property tax, sales tax, licenses, and interest are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants, including capital grants, recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Coronavirus Relief Special Revenue Fund* accounts for the financial impact of federal funding related to the Coronavirus. This fund did not meet the major fund eligibility requirements in 2022. However, it is represented as a major fund due to its significance to the City's taxpayers.
- The 1% Sales Tax Special Revenue Fund accounts for one-third of the three percent in sales tax collected by the City to fund capital projects.
- The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The City reports the following major proprietary funds:

- The *Electric Utility Enterprise Fund* accounts for the operations of the City-owned Electric Utility.
- The *Water Utility Enterprise Fund* accounts for the operations of the City-owned Water Utility.
- The *Wastewater Utility Enterprise Fund* accounts for the operations of the City-owned Wastewater Utility.
- The *Solid Waste Utility Enterprise Fund* accounts for the operations of the City-owned landfill.
- The *Ports and Harbors Enterprise Fund* accounts for operations at six marine facilities at the International Port of Dutch Harbor.

Additionally, the City reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

Capital Project Funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Enterprise Funds account for business-type activities.

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

Amounts 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. Other operating income consists primarily of late fees on unpaid balances and connection fees intended to recover the cost of connecting new customers to the applicable system. Operating expenses for enterprise funds include the cost 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Assets, Liabilities, and Net Position

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with original maturities of three months or less from date of acquisition. In proprietary funds, the City considers changes in amounts due to/from other funds as cash and cash equivalent transactions on the statement of cash flows because the proprietary funds are able to withdraw cash at any time without prior notice or penalty.

Collateralization is required on two types of investments: certificates of deposit over FDIC insurance limit and repurchase agreements. In order to anticipate market changes and provide a level of security for all monies, the collateralization level is 102% of market value of principal and accrued interest.

Investments are reported at fair value. Changes in fair value are included as a component of investment income.

The City's budget ordinance requires that all investment earnings that are not legally or contractually required to be recorded in a specific fund must be recorded in the General Fund. The amount of investment earnings that would have otherwise been assigned to other funds is not known.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "internal balances" on the statement of net position and as "advances to/from other funds" in the fund level financial statements. In the fund level financial statements, advances from the General Fund are offset by nonspendable fund balance to indicate that they are not available for appropriation and are not expendable, available financial resources.

All outstanding current balances between funds are reported as "due to/from other funds" in the fund level financial statements. These balances represent the numerous transactions that occur during the course of operations between individual funds for goods provided or services rendered. On the statement of cash flows for proprietary funds, these are treated as cash and cash equivalent transactions.

All trade and property tax receivables are shown net of an allowance for doubtful receivables. The allowance for doubtful receivables is an estimate of the amount uncollectible based on past experience.

Property taxes are levied as of January 1 on property values assessed by an appraisal company. Assessment notices are mailed on or before March 31. Tax bills are mailed on or before June 30. The first half of the payment is due in August and the second half is due in October. Personal property supplemental and involuntary tax rolls are not eligible for two payment dates and are due in full in August. Penalties and interest are assessed the day after the due date.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Inventories and Prepaid Items

Inventories are valued at cost using the weighted average method. The costs of governmental and proprietary fund inventories are recorded as expenditures or expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items are recorded as expenditures or expenses during the period benefitted by the prepayment.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$50,000 in governmental funds and \$10,000 in proprietary funds and an estimated useful life in excess of two years. All capital assets are reported including those purchased or acquired before June 30, 1980. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets or capital assets received in exchange are recorded at their estimated acquisition value at the date of donation or exchange. Acquisition 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 repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

All capital assets acquired or constructed for general governmental and School District purposes are reported as expenditures in the fund that finances the asset acquisition.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Utility distribution system and improvements	20-40 years
Buildings and improvements	20-20 years
Motor vehicles and motorized equipment	5-10 years
Furniture, machinery, and equipment	5-10 years
Dock and improvements	20-40 years

Deposits Payable

The General Fund holds a refundable customer deposit of \$3,442 to cover damage or additional costs incurred by the City in leasing its recreational facilities.

The Airport Fund holds refundable customer deposits of \$11,000 to cover damage or additional costs incurred by the City in its leasing operations.

The Housing Fund holds refundable customer deposits of \$17,710 to cover damage to its rental properties.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, and the Solid Waste Utility Fund hold refundable customer deposits of \$125,277, \$22,175, \$19,838, and \$8,552 respectively, to cover equipment held by customers and in the event of nonpayment of utility bills.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. During 2022 and in prior years, the General Fund has liquidated the liability for compensated absences.

Long-Term Obligations

In the government-wide and 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 effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses or expenditures in the period incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Alaska Public Employee Retirement System (PERS) and additions to/deductions 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the City's OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Alaska Public Employees Retirement System's (PERS) OPEB Plans and additions to/deductions from the PERS OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the PERS Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of deferred charges on debt refunding as well as certain pension and OPEB related accounts.

In addition to liabilities, the statements of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from five sources: real and personal property taxes, shared fisheries business taxes, shared fisheries resources landing taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and proprietary fund financial statements, the City reports deferred amounts related to leases as well as certain pension and OPEB related accounts.

Net Position

In the government-wide and proprietary fund financial statements, net position is reported in three categories; net investment in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Leases

The City has lessee and lessor relationships regarding buildings and infrastructure. The City recognizes lease related liabilities in the government-wide and enterprise fund financial statements as capital assets.

For lessee relationships, at the commencement of a lease, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made and subsequently amortized on a straight-line basis over its useful life.

For lessor relationships, at the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. The deferred inflow of resources is initially measured as the lease receivable amount, and subsequently recognized as revenue over the life of the lease term. The City does not consider leasing activities to be a significant component of its principal ongoing operations.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The City bases these amounts on discount rate used, lease term, and lease payments/receipts. The City calculated the discount rate based on known inputs and incremental borrowing rates. The lease term is the noncancellable term of the lease, and the lease payments/receipts are composed of fixed payments to the lessor or payments received from the lessee. The City determines if a lease is recognizable based on materiality levels of the fund to which the lease belongs over the term of the lease agreement.

2. Stewardship, Compliance, and Accountability

Budgetary Information

City

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Coronavirus Relief Special Revenue Fund and the Capital Projects Funds, which adopt grant or project-length budgets. Governmental funds with adopted annual budgets include the General Fund and the remaining Special Revenue Funds. All annual appropriations lapse at fiscal year-end. Enterprise funds are financed through user charges related to providing goods and services to the general public and have annually adopted operating budgets and project length capital budgets.

The appropriated budget is prepared by fund, function, and department. Budgetary control is exercised at the function level as stated and presented in the ordinance adopting the budget. The City Manager is authorized to transfer budget amounts between expenditure categories within any function; however, any supplemental appropriations that amend the total expenditures of any function or fund require a City ordinance. Reported budgeted amounts are as originally adopted or as amended by ordinance.

The City Council made supplemental budgetary appropriations throughout the year, the majority of which were increases in the Capital Project Funds related to major construction projects. Other supplemental budgetary appropriations in other funds were not considered material.

The City's original budget document is available from the City at P.O. Box 610, Unalaska, Alaska 99685-0610 or on the Web at: www.ci.unalaska.ak.us.

Project budgets are adopted for various Capital Project Funds based on the lives of the construction projects. Expenditure authority is limited to the actual revenue and transfers in.

School District

The adopted School Operating Fund budget is submitted to the City for approval of the local appropriation, then to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Equity

Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes, the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The city council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The city council has by resolution authorized the finance director to assign fund balance, including removal and modification of assigned amounts. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

City of Unalaska, Alaska

Notes to Basic Financial Statements

3. Detailed Notes on All Funds

Cash and Investments

The City maintains a cash and investment pool for use by all funds.

Deposits

At June 30, 2022, the City's carrying amount of bank deposits was \$3,204,497 and the bank balance was \$4,184,863. The \$980,366 difference represents outstanding checks and other reconciling items.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. As of June 30, 2022, the City's deposits were covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus had no deposits that were exposed to custodial credit risk.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of less than five years.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City is authorized by City Council resolution to invest in, and is restricted to, the following types of securities:

- (1) obligations of the United States and of an agency or instrumentality of the United States;
- (2) Certificates of deposit; those over the FDIC insurance - must be secured by eligible collateral as defined in Section 10.0 of the City's investment policy;
- (3) repurchase and agreements secured by obligations of the Treasury of the United States and obligations of an agency or instrumentality of the United States, including MBS. A Master Repurchase Agreement must be signed with the bank or dealer, before repurchase agreements are entered into;
- (4) the Alaska Municipal League Investment Pool, Inc. (AMLIP) made in accordance with the terms of that Pool's "Common Investment Agreement;" and in accordance with AS 37.23.010 37.23.900;

City of Unalaska, Alaska

Notes to Basic Financial Statements

- (5) commercial paper and other short-term taxable instruments that, at the time of investment, maintain the highest rating by at least two nationally recognized rating services;
- (6) obligations of a corporation or municipality - if the obligations are investment grade (rated BBB or higher by at least one nationally recognized rating service) at the time of investment; this includes ABS and;
- (7) money market funds in which the securities of the funds consist of obligations listed in this section and otherwise meet the requirements of the investment policy.

Investments shall not be purchased through the use of leveraged funds.

Investments

As of June 30, 2022, the City has the following investments and maturities:

Investment Type	Fair Value	Less Than 1	1-5
U.S. government and agency obligations	\$ 67,508,765	\$ 12,279,417	\$ 55,229,348
Mortgage and asset-backed securities	4,082,851	-	4,082,851
Corporate obligations	31,329,629	4,135,298	27,194,331
Private debt obligations	2,979,290	-	2,979,290
Total Investments Subject to Interest Rate Risk	105,900,535	\$ 16,414,715	\$ 89,485,820
Money Market Funds	2,999,936		
AMLIP	51,269,406		
Total Investments	\$ 160,169,877		

At June 30, 2022, the City's investments in bonds were rated as follows:

Investment	Standard & Poor's	Moody's Investor Service
Domestic corporate bonds	A to BBB-	A1 to BAA3
Foreign corporate bonds	A- to BBB-	A1 to BAA2
Asset-backed securities	AAA	AAA

The Alaska Municipal League Investment Pool, Inc. (AMLIP) represents the City's share of ownership in the Pool rather than ownership of specific securities. AMLIP is considered to be an external investment Pool as defined by generally accepted accounting principles. AMLIP is not SEC-registered and is unrated. Regulatory oversight of the Pool is established by Alaska Statute 37.23. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

City of Unalaska, Alaska

Notes to Basic Financial Statements

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 June 30, 2022, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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 June 30, 2022:

- U.S. Government Obligations are valued at market value based on quoted prices in active markets (Level 1 inputs)
- U.S. Agency Obligations, Corporate obligations, Mortgage and Asset-Backed Securities, and Private Debt Obligations are valued using quoted prices for identical securities in inactive markets (Level 2 inputs)
- Money Market Funds and the City's Investment in AMLIP are measures at net asset value, which Management believes is approximate of fair value.

Investment Type	Fair Value	Level 1	Level 2
U.S. government obligations	\$ 64,896,148	\$ 64,896,148	\$ -
U.S. agency obligations	2,612,617	-	2,612,617
Mortgage and asset-backed securities	4,082,851	-	4,082,851
Corporate obligations	31,329,629	-	31,329,629
Private debt obligations	2,979,290	-	2,979,290
Total Investments Subject to Interest Rate Risk	105,900,535	\$ 64,896,148	\$ 41,004,387
Money Market Funds	2,999,936		
AMLIP	51,269,406		
Total Investments	\$ 160,169,877		

City of Unalaska, Alaska

Notes to Basic Financial Statements

Accounts Receivable

The City reports general accounts receivable on its Statement of Net Position net of allowances for uncollectible accounts. At June 30, 2022, gross receivables and allowances were as follows:

General accounts receivable	Gross	Allowance	Net Receivable
General Governmental Activities	\$ 19,620	\$ -	\$ 19,620
Business Type Activities	3,496,448	(50,147)	3,446,301
	\$ 3,516,068	\$ (50,147)	\$ 3,465,921

Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

Governmental Activities	Balance July 1, 2021	Increase	Decrease	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 31,147,603	\$ -	\$ -	\$ 31,147,603
Construction in progress	8,732,211	5,411,751	(3,008,220)	11,135,742
Total capital assets not being depreciated	39,879,814	5,411,751	(3,008,220)	42,283,345
Capital assets being depreciated and amortized:				
Buildings	63,138,618	-	-	63,138,618
Infrastructure	54,820,889	376,699	(596,923)	54,600,665
Machinery and equipment	11,648,023	2,110,365	-	13,758,388
Right to use assets	-	160,451	-	160,451
Total capital assets being depreciated and amortized	129,607,530	2,647,515	(596,923)	131,658,122
Less accumulated depreciation and amortization for:				
Buildings	36,390,413	1,517,926	-	37,908,339
Infrastructure	29,061,080	3,302,669	(432,822)	31,930,927
Machinery and equipment	8,982,167	526,427	-	9,508,594
Right to use assets	-	24,551	-	24,551
Total accumulated Depreciation and amortization	74,433,660	5,371,573	(432,822)	79,372,411
Capital assets being depreciated and amortized, net	55,173,870	(2,724,058)	(164,101)	52,285,711
Total Governmental Activities Capital Assets, net	\$ 95,053,684	\$ 2,687,693	\$ (3,172,321)	\$ 94,569,056

City of Unalaska, Alaska

Notes to Basic Financial Statements

The following is a summary of the amount of right-to-use leased assets by major classes of underlying assets for the year ended June 30, 2022 as the result of the implementation of GASB 87.

Leased Assets:		
Buildings	\$	160,451
Less accumulated amortization		(24,551)
<hr/>		
Total leased buildings, net	\$	135,900

Depreciation and amortization expense was charged to the departments and functions of the primary government as follows:

General government	\$	209,533
Public safety		344,795
Public works		3,258,335
Parks, culture, and recreation		776,210
Education		782,700
<hr/>		
Total Depreciation and Amortization Expense - Governmental Activities	\$	5,371,573

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City of Unalaska, Alaska

Notes to Basic Financial Statements

Business-Type Activities	Balance July 1, 2021	Increase	Decrease	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 3,309,476	\$ -	\$ -	\$ 3,309,476
Construction in progress	3,778,167	4,608,948	(2,218,697)	6,168,418
Total capital assets not being depreciated	7,087,643	4,608,948	(2,218,697)	9,477,894
Capital assets being depreciated and amortized:				
Buildings	103,522,721	261,600	-	103,784,321
Infrastructure	228,951,627	-	-	228,951,627
Machinery and equipment	37,281,585	1,225,518	(195,084)	38,312,019
Right to use assets	-	2,034,503	-	2,034,503
Total capital assets being depreciated and amortized	369,755,933	3,521,621	(195,084)	373,082,470
Less accumulated depreciation and amortization for:				
Buildings	30,653,384	2,684,470	-	33,337,854
Infrastructure	90,195,687	6,498,478	-	96,694,165
Machinery and equipment	17,181,458	2,482,348	(70,447)	19,593,359
Right to use assets	-	114,540	-	114,540
Total accumulated depreciation and amortization	138,030,529	11,779,836	(70,447)	149,739,918
Capital assets being depreciated and amortized, net	231,725,404	(8,258,215)	(124,637)	223,342,552
Total Business-type Activities Capital Assets, net	\$ 238,813,047	\$ (3,649,267)	\$ (2,343,334)	\$ 232,820,446

The following is a summary of the amount of right-to-use leased assets by major classes of underlying assets for the year ended June 30, 2022 as the result of the implementation of GASB 87:

Leased Assets:	
Infrastructure	\$ 2,034,503
Less accumulated amortization	(114,540)
Total leased infrastructure, net	\$ 1,919,963

City of Unalaska, Alaska

Notes to Basic Financial Statements

Depreciation and amortization expense was charged to the following business-type functions as follows:

Electric Utility	\$ 3,722,221
Water Utility	1,073,242
Wastewater Utility	1,227,316
Solid Waste Utility	879,514
Ports and Harbors	4,398,341
Airport	289,407
Housing	189,795
<hr/>	
Total	\$ 11,779,836

Interfund Receivables, Payables, and Transfers

Due to/from Other Funds

Current interfund receivables and payables are shown as “Due from other funds” or “Due to other funds” in the Governmental Funds Balance Sheet. These balances at June 30, 2022 were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 539,604	\$ -
Coronavirus Relief Special Revenue Fund	-	529,581
Nonmajor governmental funds	-	10,023
<hr/>		
Total	\$ 539,604	\$ 539,604

Advances to/from Other Funds

On April 27, 2004, the City Council approved a long-term advance from the General Fund to the Electric Utility Fund in the amount of \$2,800,000 to be paid back in twenty annual installments, interest free. Payments are due on May 1 of each year.

City of Unalaska, Alaska

Notes to Basic Financial Statements

On February 11, 2020, the City Council approved a long-term advance from the General Fund to the Electric Utility Fund in the amount of \$1,884,250 to be paid back in fourteen annual installments, interest free. Payments are due on May 1 of each year.

These balances at June 30, 2022 were as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 1,830,000	\$ -
Electric Utility Enterprise Fund:		
Current portion	-	240,000
Long-term portion	-	1,590,000
Total Interfund Advances	\$ 1,830,000	\$ 1,830,000

Interfund Transfers

A summary of transfers between funds of the City for the year ended June 30, 2022 follows:

Transfers To	Transfers From					Total
	General Fund	1% Sales Tax	Capital Projects Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ -	\$ 331,044	\$ 200,480	\$ 138,400	\$ 669,924
Capital Projects Fund	1,996,013	-	-	-	-	1,996,013
Nonmajor Governmental Funds	-	1,000,000	-	-	-	1,000,000
Electric Utility Enterprise Fund	-	2,860,000	-	-	-	2,860,000
Ports & Harbors Enterprise Fund	3,494,500	1,000,000	-	-	-	4,494,500
Total Transfers	\$ 5,490,513	\$ 4,860,000	\$ 331,044	\$ 200,480	\$ 138,400	\$ 11,020,437

Transfers from the Capital Projects Fund, Street Nonmajor Governmental Funds, and Nonmajor Enterprise Funds to the General fund represent unused capital project funds that were returned to the General Fund during the year. Transfers from the 1% Sales Tax Fund and General Fund represent transfers for capital projects.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Leases

Leases Receivable

As of June 30, 2022, the City had sixteen active leases of Tidelands and airport space in which the City was the lessor. The City recognized \$120,528 in lease revenue for governmental activities and \$181,654 in lease revenue for business-type activities. Lease interest revenue related to these leases totaled \$313,822 for governmental activities and \$5,928 for business-type activities.

As of June 30, 2022, the City's receivable for these leases totaled \$3,325,946 and \$198,758 for governmental activities and business-type activities, respectively. The City shows a deferred inflow of resources related to leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflows of resources related to leases totaled \$3,241,277 and \$196,792 for governmental activities and business-type activities, respectively.

Leases Payable

As of June 30, 2022, the City had six active leases in which the City was the lessee and recognized an initial lease liability totaling \$160,451 for governmental activities and \$2,043,503 for business-type activities during the current fiscal year. As of June 30, 2022, the value of the lease payable totaled \$137,215 for governmental activities and \$1,937,725 for business-type activities.

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City of Unalaska, Alaska

Notes to Basic Financial Statements

The future principal and interest lease payments as of June 30, 2022 were as follows:

Year Ending June 30,	<u>Governmental Activities</u>		Total
	Principal	Interest	
2023	\$ 23,699	\$ 2,744	\$ 26,443
2024	24,173	2,270	26,443
2025	24,657	1,787	26,444
2026	25,150	1,294	26,444
2027	4,053	791	4,844
2028-2032	21,514	2,705	24,219
2033-2037	13,969	562	14,531
Total	\$ 137,215	\$ 12,153	\$ 149,368

Year Ending June 30,	<u>Business-Type Activities</u>		Total
	Principal	Interest	
2023	\$ 98,734	\$ 37,960	\$ 136,694
2024	91,656	35,970	127,626
2025	90,452	34,121	124,573
2026	92,278	32,295	124,573
2027	94,140	30,432	124,572
2028-2032	443,413	123,397	566,810
2033-2037	252,073	90,521	342,594
2038-2042	278,561	64,034	342,595
2043-2047	307,832	34,763	342,595
2048-2052	188,586	5,551	194,137
Total	\$ 1,937,725	\$ 489,044	\$ 2,426,769

City of Unalaska, Alaska

Notes to Basic Financial Statements

Long-Term Debt

Long-term debt at June 30, 2022 is comprised of the following:

Governmental Activities	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
Lease liability	-	160,451	23,236	137,215	23,699
Net pension liability	13,872,343	-	2,457,800	11,414,543	-
Compensated absences	1,671,029	45,365	198,411	1,517,983	1,517,983
Governmental Activities Long-Term Debt	\$ 15,543,372	\$ 205,816	\$ 2,679,447	\$ 13,069,741	\$ 1,541,682

Business-Type Activities	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
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Revenue Bonds:

\$20,415,000 2015 Series					
One Electric bonds due in annual installments of \$1,130,000 to \$1,785,000 plus interest at 3.5% to 4.0% through 2035					
	\$ 18,275,000	\$ -	\$ 1,105,000	\$ 17,170,000	\$ 1,130,000

\$29,655,000 2017 Series					
One Port bonds due in annual installments of \$795,000 to \$1,935,000 plus interest at 3.75% to 5% through 2043					
	28,250,000	-	754,999	27,495,001	795,000

\$2,745,000 2020 Series					
One Electric bonds due in annual installments of \$215,000 to \$310,000 plus interest of 5% through 2030					
	2,540,000	-	205,000	2,335,000	215,000

City of Unalaska, Alaska

Notes to Basic Financial Statements

Business-Type Activities, continued	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
Revenue Bonds, Continued:					
\$2,345,000 2020 Series					
One Port bonds due in annual installments of \$225,000 to \$315,000 plus interest at 5% through 2029					
	2,345,000	-	210,000	2,135,000	225,000
Loans Payable:					
State of Alaska Drinking Water loan due in annual installments of \$179,463 plus interest at 1.5% beginning in through 2037					
	\$ 2,871,403	\$ -	\$ 179,462	\$ 2,691,941	\$ 179,463
State of Alaska Clean Water loan due in annual installments of \$428,330 plus interest at 1.5% through 2035					
	6,424,950	-	428,330	5,996,620	428,330
State of Alaska Clean Water loan due in annual installments of \$254,232 plus interest at 1.5% through 2036					
	3,813,473	-	254,233	3,559,240	254,232
Bond premiums	3,737,928	-	199,509	3,538,419	219,270
Army Corp of Engineers breakwater improvement project	2,097,013	-	-	2,097,013	-
Lease liability	-	2,034,503	96,778	1,937,725	98,732
Landfill closure and post- closure liability	5,618,730	284,999	-	5,903,729	-
Net pension liability	8,921,059	-	2,500,378	6,420,681	-

City of Unalaska, Alaska

Notes to Basic Financial Statements

Business-Type Activities, continued	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
Compensated absences	461,369	48,420	102,022	407,767	407,767
Business-type Activities Long-Term Debt	\$ 85,355,925	\$ 2,367,922	\$ 6,035,711	\$ 81,688,136	\$ 3,952,794

The \$2,097,013 payable to the U.S. Army Corps of Engineers for the Breakwater Improvement Project has been excluded from the schedule below as the timing of payment has not been determined.

Annual debt service requirements to maturity for business-type activities revenue bonds and loans are as follows:

Year Ending June 30,	Revenue Bonds			Loans		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 2,365,000	\$ 2,151,844	\$ 4,516,844	\$ 862,025	\$ 184,280	\$ 1,046,305
2024	2,445,000	2,061,737	4,506,737	862,025	171,312	1,033,337
2025	2,550,000	1,952,425	4,502,425	862,025	158,344	1,020,369
2026	2,665,000	1,823,050	4,488,050	862,025	145,376	1,007,401
2027	2,820,000	1,687,175	4,507,175	862,025	132,408	994,433
2028-2032	15,255,000	6,220,200	21,475,200	4,310,123	467,523	4,777,646
2033-2037	10,485,000	3,220,125	13,705,125	3,627,553	128,070	3,755,623
2038-2042	8,615,000	1,447,800	10,062,800	-	-	-
2042-2047	1,935,001	77,400	2,012,401	-	-	-
	\$ 49,135,001	\$ 20,641,756	\$ 69,776,757	\$ 12,247,801	\$ 1,387,313	\$ 13,635,114

Advance Refunding of Debt

In July 2020, the City issued \$250,000 of 2020 Series One A general obligation bonds with an average interest rate of 5.000% to advance refund \$245,000 of outstanding 2010A tax exempt General Obligation Harbor Improvement bonds with interest rates ranging from 2.000% to 5.000% per annum. The net proceeds of \$251,855 (after payment of \$2,592 in issuance costs) was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2010A tax exempt bonds. As a result, the Series 2010A tax exempt bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2021, the amount of defeased debt has been fully refunded. The City advance refunded the 2010A tax exempt General Obligation Harbor Improvement bonds and obtained an economic gain (difference of the present value of the debt service payments on the new and old debts) of \$1,592.

City of Unalaska, Alaska

Notes to Basic Financial Statements

In July 2020, the City issued \$2,345,000 of 2020 Series One B general obligation bonds with an average interest rate of 5.000% to advance refund \$2,730,000 of outstanding 2010 Series B-1 taxable Build America Bond General Obligation Harbor Improvement Bonds with interest rates ranging from 5.995% to 6.341% per annum. The net proceeds of \$2,800,914 (after payment of \$27,291 in issuance costs) was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2010 Series B-1 taxable bonds. As a result, the Series 2010 Series B-1 taxable bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2021, the amount of defeased debt has been fully refunded.

The City advance refunded the 2010 Series B-1 taxable Build America Bond General Obligation Harbor Improvement Bonds to reduce its total debt service payments over the next 9 years by \$450,943, and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$416,476.

In July 2020, the City issued \$2,745,000 of 2020 Series One C general obligation bonds with an average interest rate of 5.000% to advance refund \$3,365,000 of outstanding 2010 Series B taxable Recovery Zone Economic Development Bond Electric Utility Revenue Bond with interest rates ranging from 4.925% to 5.432% per annum. The net proceeds of \$3,730,391 (after payment of \$35,957 in issuance costs) was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2010 Series B taxable bonds. As a result, the Series 2010 Series B taxable bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2021, the amount of defeased debt has been fully refunded.

The City advance refunded the 2010 Series B taxable Recovery Zone Economic Development Bond Electric Utility Revenue Bond to reduce its total debt service payments over the next 10 years by \$431,545, and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$411,331.

Defeasance of Debt

In 2017, the City defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2022, no defeased bonds remain outstanding.

Pension and Other Postemployment Benefits (OPEB)

General Information About the Plan

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

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

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

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

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan’s past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

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

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

Contribution rates for the year ended June 30, 2022 were determined in the June 30, 2020 actuarial valuations. The City's contribution rates for the 2022 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.54%	26.99%	8.11%
Postemployment healthcare (ARHCT)	6.46%	3.12%	-%
Total Contribution Rates	22.00%	30.11%	8.11%

In 2022, the City was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2020 to June 30, 2021	City Fiscal Year July 1, 2021 to June 30, 2022
Employer contributions (including DBUL)	\$ 1,684,249	\$ 1,719,676
Nonemployer contributions (on-behalf)	1,116,591	1,040,243
Total Contributions	\$ 2,800,840	\$ 2,759,919

In addition, employee contributions to the Plan totaled \$166,941 during the City's fiscal year.

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

At June 30, 2022, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City were as follows:

City proportionate share of NPL	\$ 17,835,224
State's proportionate share of NPL associated with the City	2,417,998
Total Net Pension Liability	\$ 20,253,222

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2021 measurement date, the City's proportion was 0.48617 percent, which was an increase of 0.09992 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$5,996,736 and on-behalf revenue of \$3,467 for support provided by the State. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (79,014)
Net difference between projected and actual earnings on pension plan investments	-	(7,033,275)
Changes in proportion and differences between City contributions and proportionate share of contributions	802,133	-
City contributions subsequent to the measurement date	1,719,676	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 2,521,809	\$ (7,112,289)

City of Unalaska, Alaska

Notes to Basic Financial Statements

The \$1,719,676 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2023	\$ (911,322)
2024	(1,611,047)
2025	(1,742,708)
2026	(2,045,079)
2027	-
Thereafter	-
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Total Amortization	\$ (6,310,156)

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City of Unalaska, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2023 to 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.38%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net pension liability	0.48617%	\$ 26,416,541	\$ 17,835,224	\$ 10,625,892

City of Unalaska, Alaska

Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

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

Defined Contribution (DC) Pension Plan

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

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2022 to cover a portion of the City's employer match contributions. For the year ended June 30, 2022, forfeitures reduced pension expense by \$36,898.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2022, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2022 were \$514,097 and \$822,553, respectively. The City contribution amount was recognized as pension expense/expenditures.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Defined Benefit OPEB Plans

As part of its participation in PERS, the City participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website <https://drb.alaska.gov/docs/reports/>.

Employer Contribution Rates

Employer contribution rates are actuarily determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2022 were as follows:

In 2022, the City was credited with the following contributions to the OPEB plans:

	Other	Peace/Fire
Alaska Retiree Healthcare Trust	6.46%	6.46%
Retiree Medical Plan	1.07%	1.07%
Occupational Death and Disability	0.31%	0.68%
Total Contribution Rates	7.84%	8.21%

In 2022, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2020 to June 30, 2021	City Fiscal Year July 1, 2021 to June 30, 2022
Employer contributions - ARHCT	\$ 215,815	\$ 158,862
Employer contributions - RMP	125,807	110,016
Employer contributions - ODD	38,626	39,804
Total Contributions	\$ 380,248	\$ 308,682

City of Unalaska, Alaska

Notes to Basic Financial Statements

OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2022, the City reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

City's proportionate share of NOA - ARHCT	\$ 12,524,058
City's proportionate share of NOA - RMP	181,953
City's proportionate share of NOA - ODD	319,158
Total City's Proportionate Share of Net OPEB Asset	\$ 13,025,169
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State's proportionate share of the ARHCT NOA associated with the City	1,636,260
Total Net OPEB Asset	\$ 14,661,429

The total OPEB liabilities (asset) for the June 30, 2021 measurement date were determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net OPEB liabilities (asset) as of that date. The City's proportion of the net OPEB liabilities (asset) is based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2020 Measurement Date Employer Proportion	June 30, 2021 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.38620%	0.48820%	0.10200%
RMP	0.69495%	0.67787%	(0.01708)%
ODD	0.73636%	0.72416%	(0.01220)%

For the year ended June 30, 2022, the City recognized OPEB expense (benefit) of \$(4,754,246). Of this amount, \$(567,721) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ (4,958,706)	\$ (567,721)
RMP	170,126	-
ODD	34,334	-
Total	\$ (4,754,246)	\$ (567,721)

City of Unalaska, Alaska

Notes to Basic Financial Statements

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 13,528	\$ -	\$ 13,528
Changes in assumptions	-	56,554	-	56,554
Changes in proportion and differences between City contributions and proportionate share of contributions	-	2,542	3,728	6,270
City contributions subsequent to the measurement date	158,862	110,016	39,804	308,682

Total Deferred Outflows of Resources Related to OPEB Plans	\$ 158,862	\$ 182,640	\$ 43,532	\$ 385,034
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<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (131,523)	\$ (8,651)	\$ (87,172)	\$ (227,346)
Changes in assumptions	(473,287)	(108,134)	(2,425)	(583,846)
Difference between projected and actual investment earnings	(5,860,589)	(162,781)	(51,178)	(6,074,548)
Changes in proportion and differences between City contributions and proportionate share of contributions	(135,223)	(2,270)	(7,001)	(144,494)

Total Deferred Inflows of Resources Related to OPEB Plans	\$ (6,600,622)	\$ (281,836)	\$ (147,776)	\$ (7,030,234)
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Amounts reported as deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (assets) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2023	\$ (2,112,984)	\$ (44,603)	\$ (28,037)	\$ (2,185,624)
2024	(1,349,674)	(44,678)	(28,004)	(1,422,356)
2025	(1,449,269)	(46,322)	(28,541)	(1,524,132)
2026	(1,688,695)	(51,507)	(30,249)	(1,770,451)
2027	-	(6,155)	(15,565)	(21,720)
Thereafter	-	(15,947)	(13,652)	(29,599)
Total Amortization	\$ (6,600,622)	\$ (209,212)	\$ (144,048)	\$ (6,953,882)

City of Unalaska, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total OPEB liability (asset) for each plan for the measurement period ended June 30, 2021 was determined by actuarial valuations as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/Firefighter. Graded by service from 6.75% to 2.75% for all others.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2023 to 2039.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%
Mortality (ARHCT, RMP and ODD Plans)	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
(ODD Plan)	Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others. Disability mortality in accordance with the RP-2014 Disabled Table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 and CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

Discount Rate

The discount rate used to measure the total OPEB liability (asset) for each plan as of June 30, 2021 was 7.38%. This discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset) for each plan.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.38%, as well as what the City's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.48820%	\$ (8,190,546)	\$ (12,524,058)	\$ (16,122,717)
RMP	0.67787%	\$ 118,755	\$ (181,953)	\$ (409,079)
ODD	0.72416%	\$ (305,609)	\$ (319,158)	\$ (329,948)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2020 actuarial valuation reports as well as what the City's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.48820%	\$ (16,543,984)	\$ (12,524,058)	\$ (7,673,054)
RMP	0.67787%	\$ (441,589)	\$ (181,953)	\$ 171,819
ODD	0.72416%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

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

Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Contribution Rate

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2021, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,168 per year for each full-time employee, and \$1.39 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2022, the City contributed \$260,569 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

4. Change in Accounting Principle

In 2022, the City adopted the provisions of GASB Statement No. 87 Leases, which among other accounting and reporting criteria, requires the City to recognize the lease liability/asset (and related deferred inflow/outflow accounts), as of the beginning of the City’s fiscal year. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The effect on beginning net position of adopting GASB 87 in the City’s financial statements for the year ended June 30, 2022 is zero, since the balances for leases receivable and deferred inflow of resources related to leases are the same. As a result of the implementation of this statement, the City has recorded no opening balance adjustments.

5. Other Information

Risk Management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, third-party liability, and errors and omissions; and natural disasters for which the City carries commercial insurance. The City’s insurance is on a per-occurrence basis.

The City currently participates in the Alaska Public Entity Insurance (APEI) pool, which covers property and contents, general, auto liability, law enforcement legal liability, errors and omissions, earthquake and flood, marine, and workers compensation. APEI is a public entity risk pool that reinsures risk above certain levels, thereby relieving the members of the need for additional assessments. 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. The Association made no supplemental assessments during the year ended June 30, 2022.

Claims on insurance have not exceeded coverage in any of the last three years.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Landfill Closure and Postclosure Care

State and federal laws and regulations require the City to place a final cover on its current landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these estimated closure and postclosure care costs, the City is recording as an operating expense in each period an amount based on landfill capacity used each year of operation. During 2022, the estimated closure and postclosure care costs were reevaluated and adjusted to reflect conditions as of June 30, 2022. As of June 30, 2022, the City has an accrued liability associated with these estimated closure and postclosure care costs of \$5,903,729, based on the use of 61% of the estimated capacity of the landfill. It is estimated the City will recognize additional \$9,571,359 of expense and liability between July 2022, and the year 2051, the date the landfill is expected to reach full capacity. These amounts are based on what it would cost to perform all the closure and postclosure care functions in 2022. Actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in laws and regulations.

Alaska state law requires that the City provide financial assurances annually for the closure and postclosure care of the landfill. Currently, no assets of the City are restricted for payment of closure and postclosure care costs. Future inflation costs and additional costs that might arise from changes in closure and postclosure requirements (due to change in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Contingencies

Under the terms of state and federal grants, periodic audits may be performed by funding agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could require reimbursement to the grantor agencies.

In the normal course of its activities, the City is involved in various claims and pending litigation. Management believes that the outcome of the matters discussed in the preceding paragraphs will not have a material adverse effect on the financial statements of the City. Accordingly, no provision for losses has been recorded.

Commitments

Encumbrances outstanding at year-end, including purchase orders, contracts, and other commitments for the expenditure of monies, are reported as committed or assigned fund balances in the governmental funds. Outstanding encumbrances at June 30, 2022 were as follows:

Governmental funds:	
General Fund	\$ 513,076
Coronavirus Relief Fund	17,747
Capital Projects Fund	5,033,110
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Total governmental funds	\$ 5,563,933

City of Unalaska, Alaska

Notes to Basic Financial Statements

Proprietary funds:	
Electric Utility Fund	\$ 438,488
Water Utility Fund	239,589
Wastewater Utility Fund	99,620
Solid Waste Utility Fund	9,183
Ports and Harbors Fund	230,044

Total proprietary funds	\$ 1,016,924
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In 2021, the City entered into a 30-year Power Purchase Agreement (PPA) with Ounalashka/Chena Power, LLC (OCCP) whereby the City committed to purchase a minimum of 100 million kWh of power annually. The agreement between the City and OCCP is contingent on OCCP obtaining financing to construct their Geothermal site locally. As of the date of these financial statements, financing has not yet been obtained by OCCP and it is unknown when the Geothermal site will become operational.

6. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the City for 2022 reporting:

GASB Statement No. 87 - Leases - Effective for year-end June 30, 2022. This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City analyzed all active leases to determine which leases applied to GASBS 87 and accounted for those leases accordingly.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2022. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The City evaluated the impacts of GASBS 89 and determined that the Standard had no impact to the City's financial statements for the current fiscal year.

GASB Statement No. 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2022. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments. The City evaluated the impacts of GASBS 92 and determined that the Standard had no impact to the City's financial statements for the current fiscal year.

City of Unalaska, Alaska

Notes to Basic Financial Statements

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The City evaluated the impacts of GASBS 93 and determined that the Standard had no impact to the City's financial statements for the current fiscal year.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The City evaluated the impacts of GASBS 97 and determined that the Standard had no impact to the City's financial statements for the current fiscal year.

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City evaluated the impacts of GASBS 98 and determined that the Standard had no impact to the City's financial statements for the current fiscal year.

The GASB has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB Statement No. 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

City of Unalaska, Alaska

Notes to Basic Financial Statements

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 - Compensated Absences - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Required Supplementary Information (Unaudited)

City of Unalaska, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Year Ended June 30, 2022	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
General sales	\$ 6,000,000	\$ 6,000,000	\$ 9,039,203	\$ 3,039,203
Seafood sales	4,200,000	4,200,000	6,360,295	2,160,295
Real property	4,750,000	4,750,000	4,737,374	(12,626)
Personal property	2,350,000	2,350,000	3,007,081	657,081
Other	75,000	82,200	213,577	131,377
Intergovernmental				
Fisheries business tax	3,300,000	3,300,000	3,973,545	673,545
Fisheries resource landing tax	3,900,000	3,900,000	4,971,744	1,071,744
PERS on behalf	457,294	457,294	666,921	209,627
Payment in lieu of taxes	900,000	900,000	931,935	31,935
Debt reimbursement	-	-	432,187	432,187
Other	914,605	920,605	325,179	(595,426)
Charges for services	241,350	241,350	720,734	479,384
Investment income (loss)	1,800,000	1,800,000	(3,016,475)	(4,816,475)
Other revenue	208,800	208,800	139,456	(69,344)
Total Revenues	29,097,049	29,110,249	32,502,756	3,392,507
Expenditures				
General government	5,848,833	5,848,833	5,539,472	309,361
Public safety	7,713,765	7,968,188	7,082,457	885,731
Public works	6,401,901	6,401,901	5,290,393	1,111,508
Parks, culture, and recreation	3,605,438	3,612,638	3,333,755	278,883
Community support	1,134,368	1,134,368	1,134,368	-
Education	4,699,189	4,699,189	4,699,189	-
Debt Service:				
Principal on leases	-	-	23,236	(23,236)
Interest on leases	-	-	3,209	(3,209)
Total Expenditures	29,403,494	29,665,117	27,106,079	2,559,038
Excess of Revenues Over (Under) Expenditures	(306,445)	(554,868)	5,396,677	5,951,545
Other Financing Sources (Uses)				
Proceeds from sale of assets	2,500	2,500	-	(2,500)
Transfers in	-	-	669,924	669,924
Transfers out	(5,390,513)	(5,443,436)	(5,490,513)	(47,077)
Net Other Financing Sources (Uses)	(5,388,013)	(5,440,936)	(4,820,589)	620,347
Net Change in Fund Balance	\$ (5,694,458)	\$ (5,995,804)	576,088	\$ 6,571,892
Fund Balance, beginning			90,293,179	
Fund Balance, ending			\$ 90,869,267	

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska
Coronavirus Relief Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grant revenue	\$ 1,069,850	\$ 1,167,416	\$ 1,546,672	\$ 379,256
Investment income	-		49	49
Total Revenues	1,069,850	1,167,416	1,546,721	379,305
Expenditures				
Community support	1,069,850	1,167,416	1,546,721	(379,305)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning			<u>-</u>	
Fund Balance, ending			<u>\$ -</u>	

City of Unalaska, Alaska
1% Sales Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance
Revenues			
Taxes	\$ 3,000,000	\$ 4,481,024	\$ 1,481,024
Excess of Revenues Over Expenditures	3,000,000	4,481,024	1,481,024
Other Financing Uses - transfers out	(4,860,000)	(4,860,000)	-
Net Change in Fund Balances	<u>\$ (1,860,000)</u>	(378,976)	<u>\$ 1,481,024</u>
Fund Balance, beginning		<u>13,752,569</u>	
Fund Balance, ending		<u>\$ 13,373,593</u>	

City of Unalaska, Alaska
Public Employees' Retirement System - Pension Plan
Schedule of the City's Proportionate Share of the Net Pension Liability

<i>Years Ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's Proportion of the Net Pension Liability	0.48617%	0.38625%	0.36%	0.38%	0.36%	0.44%	0.33%	0.25%	0.24%	*
City's Proportionate Share of the Net Pension Liability	\$ 17,835,224	\$ 22,793,402	\$ 19,782,057	\$ 18,998,634	\$ 18,502,053	\$ 24,593,846	\$ 15,959,767	\$ 11,730,783	\$ 12,364,036	*
State of Alaska Proportionate Share of the Net Pension Liability	2,417,998	9,432,889	7,856,932	5,500,348	6,892,621	3,099,287	4,272,502	10,547,310	12,049,865	*
Total Net Pension Liability	\$ 20,253,222	\$ 32,226,291	\$ 27,638,989	\$ 24,498,982	\$ 25,394,674	\$ 27,693,133	\$ 20,232,269	\$ 22,278,093	\$ 24,413,901	*
City's Covered Payroll	\$ 2,904,585	\$ 3,218,949	\$ 3,438,941	\$ 5,220,800	\$ 4,052,595	\$ 4,682,104	\$ 5,228,987	\$ 5,600,920	\$ 5,773,350	\$ 6,151,465
City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	614.04%	708.10%	575.24%	363.90%	456.55%	525.27%	305.22%	209.44%	214.16%	*
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%	56.00%	*

Schedule of the City's Contributions

<i>Years Ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions	\$ 1,719,676	\$ 1,698,551	\$ 1,366,374	\$ 1,395,418	\$ 1,394,691	\$ 1,200,784	\$ 1,167,149	\$ 1,034,346	\$ 963,284	\$ 811,763
Contributions Relative to the Contractually Required Contribution	1,719,676	1,698,551	1,366,374	1,395,418	1,394,691	1,200,784	1,167,149	1,034,346	963,284	811,763
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 2,754,663	\$ 2,904,585	\$ 3,218,949	\$ 3,438,941	\$ 5,220,800	\$ 4,052,595	\$ 4,682,104	\$ 5,228,987	\$ 5,600,920	\$ 5,773,350
Contributions as a Percentage of Covered Payroll	62.43%	58.48%	42.45%	40.58%	26.71%	29.63%	24.93%	19.78%	17.20%	14.06%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Public Employees' Retirement System - OPEB ARHCT Plan

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

Years Ended June 30,	ARHCT					
	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.48820%	0.38620%	0.36140%	0.38220%	0.35805%	0.44020%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (12,524,058)	\$ (1,747,760)	\$ 521,845	\$ 3,922,688	\$ 3,024,628	\$ 5,047,603
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(1,636,260)	(725,394)	383,278	1,139,084	1,127,892	-
Total Net OPEB Liability (Asset)	\$ (14,160,318)	\$ (2,473,154)	\$ 905,123	\$ 5,061,772	\$ 4,152,520	\$ 5,047,603
City's Covered Payroll	\$ 2,904,585	\$ 3,218,949	\$ 3,438,941	\$ 3,714,963	\$ 4,052,595	\$ 4,682,104
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-431.18%	-54.30%	15.17%	105.59%	74.63%	107.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	135.54%	106.15%	98.13%	88.12%	89.68%	85.45%

Schedule of the City's Contributions

Years Ended June 30,	ARHCT					
	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 158,862	\$ 215,898	\$ 545,772	\$ 503,583	\$ 397,538	\$ 565,081
Contributions Relative to the Contractually Required Contribution	158,862	215,898	545,772	503,583	397,538	565,081
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 2,457,485	\$ 2,904,585	\$ 3,218,949	\$ 3,438,941	\$ 3,714,963	\$ 4,052,595
Contributions as a Percentage of Covered Payroll	6.464%	7.433%	16.955%	14.644%	10.701%	13.944%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska
Public Employees' Retirement System - OPEB RMP Plan
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	RMP					
	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.67787%	0.69495%	0.69277%	0.66119%	0.66575%	0.65434%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (181,953)	\$ 49,243	\$ 165,739	\$ 84,137	\$ 34,719	\$ 60,311
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (181,953)	\$ 49,243	\$ 165,739	\$ 84,137	\$ 34,719	\$ 60,311
City's Covered Payroll	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337	\$ 6,303,523
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-1.84%	0.52%	1.92%	1.12%	0.50%	0.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.10%	95.23%	83.17%	88.71%	93.98%	86.82%

Schedule of the City's Contributions

Years Ended June 30,	RMP					
	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 110,016	\$ 125,807	\$ 123,996	\$ 81,299	\$ 77,079	\$ 81,755
Contributions Relative to the Contractually Required Contribution	110,016	125,807	123,996	81,299	77,079	81,755
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 10,280,732	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337
Contributions as a Percentage of Covered Payroll	1.070%	1.270%	1.320%	0.940%	1.030%	1.180%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Public Employees' Retirement System - OPEB ODD Plan
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	ODD					
	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.72416%	0.73636%	0.74313%	0.66119%	0.66575%	0.65434%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (319,158)	\$ (200,732)	\$ (180,171)	\$ (128,417)	\$ (94,464)	\$ (85,058)
State of Alaska Proportionate Share of the Net OPEB Liability	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (319,158)	\$ (200,732)	\$ (180,171)	\$ (128,417)	\$ (94,464)	\$ (85,058)
City's Covered Payroll	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337	\$ 6,303,523
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-3.22%	-2.14%	-2.08%	-1.72%	-1.36%	-1.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	374.22%	283.80%	297.43%	270.62%	212.97%	245.29%

Schedule of the City's Contributions

Years Ended June 30,	ODD					
	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 39,804	\$ 38,626	\$ 32,291	\$ 30,342	\$ 15,685	\$ 15,979
Contributions Relative to the Contractually Required Contribution	39,804	38,626	32,291	30,342	15,685	15,979
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 10,280,732	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337
Contributions as a Percentage of Covered Payroll	0.387%	0.390%	0.344%	0.351%	0.210%	0.231%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Notes to Required Supplementary Information June 30, 2022

1. Budgetary Comparison Schedule

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

2. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For June 30, 2022, the Plan measurement date is June 30, 2021.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

Schedule of the City's Contributions

This table is based on the City's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

City of Unalaska, Alaska

Notes to Required Supplementary Information, continued

3. Public Employees' Retirement System OPEB Plans

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

This table is presented based on the Plan measurement date. For June 30, 2022, the Plan measurement date is June 30, 2021.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 to CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

In 2020, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.

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 the City's Contributions

These tables are based on the City's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

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.

Supplementary Information

City of Unalaska, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2022</i>	Special Revenue Funds			Street Paving Capital Projects Fund	Total Nonmajor Governmental Funds
	Bed Tax	E911 Enhancement	Tobacco Tax		
Assets					
Cash and investments	\$ -	\$ 53,655	\$ 156,414	\$ 1,000,000	\$ 1,210,069
Taxes receivable	48,592	20,792	236,472	-	305,856
Total Assets	\$ 48,592	\$ 74,447	\$ 392,886	\$ 1,000,000	\$ 1,515,925
Liabilities and Fund Balances					
Liabilities					
Due to other funds	\$ 10,023	\$ -	\$ -	\$ -	\$ 10,023
Fund Balances					
Committed:					
Public safety	-	74,447	392,886	-	467,333
Community support	38,569	-	-	-	38,569
Capital projects	-	-	-	1,000,000	1,000,000
Total Fund Balances	38,569	74,447	392,886	1,000,000	1,505,902
Total Liabilities and Fund Balances	\$ 48,592	\$ 74,447	\$ 392,886	\$ 1,000,000	\$ 1,515,925

City of Unalaska, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

<i>Year Ended June 30, 2022</i>	Special Revenue Funds			Street Paving Capital Projects Fund	Total Nonmajor Governmental Funds
	Bed Tax	E911 Enhancement	Tobacco Tax		
Revenues					
Taxes	\$ 223,563	\$ 74,447	\$ 392,886	\$ -	\$ 690,896
Expenditures					
Community support	210,000	-	-	-	210,000
Capital projects	-	-	-	327,070	327,070
Total Expenditures	210,000	-	-	327,070	537,070
Excess (Deficiency) of Revenues Over Expenditures	13,563	74,447	392,886	(327,070)	153,826
Other Financing Sources (Uses)					
Transfers in	-	-	-	1,000,000	1,000,000
Transfers out	-	-	-	(200,480)	(200,480)
Net Other Financing Sources	-	-	-	799,520	799,520
Net Change in Fund Balances	13,563	74,447	392,886	472,450	953,346
Fund Balances, beginning	25,006	-	-	527,550	552,556
Fund Balances, ending	\$ 38,569	\$ 74,447	\$ 392,886	\$ 1,000,000	\$ 1,505,902

City of Unalaska, Alaska
Bed Tax Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Taxes	\$ 125,000	\$ 223,563	\$ 98,563
Expenditures			
Community support	210,000	210,000	-
Net Change in Fund Balance	<u>\$ (85,000)</u>	13,563	<u>\$ 98,563</u>
Fund Balance, beginning		<u>25,006</u>	
Fund Balance, ending		<u>\$ 38,569</u>	

City of Unalaska, Alaska
Nonmajor Enterprise Funds
Combining Statements of Net Position

<i>June 30, 2022</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Current Assets			
Cash and investments	\$ 1,764,452	\$ 185,618	\$ 1,950,070
Accounts receivable, net of allowance for doubtful accounts	4,907	3,650	8,557
Lease receivable	198,758	-	198,758
Total Current Assets	1,968,117	189,268	2,157,385
Noncurrent Assets			
Net other postemployment benefits asset	152,494	108,009	260,503
Capital assets, net	1,800,709	3,724,726	5,525,435
Total Noncurrent Assets	1,953,203	3,832,735	5,785,938
Total Assets	3,921,320	4,022,003	7,943,323
Deferred Outflows of Resources			
Related to other postemployment benefits	3,083	4,618	7,701
Related to pensions	28,529	21,907	50,436
Total Deferred Outflows of Resources	31,612	26,525	58,137
Total Assets and Deferred Outflows of Resources	\$ 3,952,932	\$ 4,048,528	\$ 8,001,460
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities			
Accounts payable	\$ 13,813	\$ 2,518	\$ 16,331
Accrued payroll and related liabilities	8,921	6,763	15,684
Compensated absences	364	225	589
Lease liability	11,824	-	11,824
Customer deposits	11,000	17,710	28,710
Total Current Liabilities	45,922	27,216	73,138
Noncurrent Liabilities			
Lease liability	2,993	-	2,993
Net pension liability	205,248	151,456	356,704
Total Noncurrent Liabilities	208,241	151,456	359,697
Total Liabilities	254,163	178,672	432,835
Deferred Inflows of Resources			
Related to leases	196,792	-	196,792
Related to other postemployment benefits	52,511	88,094	140,605
Related to pensions	74,040	68,206	142,246
Total Deferred Inflows of Resources	323,343	156,300	479,643
Total Liabilities and Deferred Inflows of Resources	577,506	334,972	912,478
Net Position			
Net investment in capital assets	1,785,892	3,724,726	5,510,618
Unrestricted	1,589,534	(11,170)	1,578,364
Total Net Position	3,375,426	3,713,556	7,088,982
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,952,932	\$ 4,048,528	\$ 8,001,460

City of Unalaska, Alaska
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Net Position

<i>Year Ended June 30, 2022</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for services	\$ 456,749	\$ 258,765	\$ 715,514
Operating Expenses			
Operations	478,918	139,785	618,703
General and administrative	-	228,786	228,786
Depreciation and amortization	289,407	189,795	479,202
Total Operating Expenses	768,325	558,366	1,326,691
Operating loss	(311,576)	(299,601)	(611,177)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	9,536	7,255	16,791
Interest income	5,928	-	5,928
Interest expense	(528)	-	(528)
Net Nonoperating Revenues	14,936	7,255	22,191
Loss before transfers	(296,640)	(292,346)	(588,986)
Transfers out	-	(138,400)	(138,400)
Change in net position	(296,640)	(430,746)	(727,386)
Net Position, beginning	3,672,066	4,144,302	7,816,368
Net Position, ending	\$ 3,375,426	\$ 3,713,556	\$ 7,088,982

City of Unalaska, Alaska
Nonmajor Enterprise Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2022</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Cash Flows for Operating Activities			
Receipts from customers and users	\$ 452,536	\$ 256,197	\$ 708,733
Payments to employees	(201,549)	(158,171)	(359,720)
Payments to vendors	(272,707)	(147,656)	(420,363)
Net Cash Flows for Operating Activities	(21,720)	(49,630)	(71,350)
Cash Flows for Noncapital Financing Activities			
Transfers out	-	(138,400)	(138,400)
Net Cash Flows for Noncapital Financing Activities	-	(138,400)	(138,400)
Cash Flows for Capital and Related Financing Activities			
Interest received on leases	5,928	-	5,928
Principal payments on leases and long term debt	(11,589)	-	(11,589)
Interest paid on leases	(528)	-	(528)
Net Cash Flows for Capital and Related Financing Activities	(6,189)	-	(6,189)
Net Decrease in Cash and Cash Equivalents	(27,909)	(188,030)	(215,939)
Cash and Investments, beginning	1,792,361	373,648	2,166,009
Cash and Investments, ending	\$ 1,764,452	\$ 185,618	\$ 1,950,070
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities			
Operating loss	\$ (311,576)	\$ (299,601)	\$ (611,177)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:			
Depreciation and amortization	289,407	189,795	479,202
Noncash expense - State PERS relief	9,536	7,254	16,790
(Increase) decrease in assets:			
Accounts receivable	(2,247)	-	(2,247)
Leases receivable	179,689	-	179,689
Other postemployment benefits	(133,459)	(94,016)	(227,475)
(Increase) decrease in deferred outflows of resources:			
Related to other postemployment benefits	6,156	(2,819)	3,337
Related to pensions	(2,539)	4,543	2,004
Increase (decrease) in liabilities:			
Accounts payable	8,084	(207)	7,877
Accrued payroll and related liabilities	3,191	(2,259)	932
Customer deposits	-	(2,568)	(2,568)
Net pension liability	2,287	9,624	11,911
Increase (decrease) in deferred inflows of resources:			
Related to leases	(181,655)	-	(181,655)
Related to other postemployment benefits	37,366	72,418	109,784
Related to pensions	74,040	68,206	142,246
Net Cash Flows for Operating Activities	\$ (21,720)	\$ (49,630)	\$ (71,350)

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Statistical Section (Unaudited)

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City of Unalaska, Alaska

Statistical Section

June 30, 2022

Statistical Section

This part of the City of Unalaska’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

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Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	97-103
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant sources of revenue.</i>	104-109
Debt Capacity <i>These schedules presents information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	110-114
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	115-117
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	118-119

Sources: The City’s annual comprehensive financial reports for the previous 10 years, District files, and public records from various local and state agencies.

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City of Unalaska, Alaska

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)										
<i>June 30,</i>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 87,329	\$ 92,389	\$ 99,476	\$ 102,588	\$ 101,301	\$ 98,779	\$ 97,300	\$ 95,011	\$ 95,054	\$ 94,432
Restricted	-	-	-	-	-	-	-	-	-	52,347
Unrestricted	69,518	75,878	67,336	77,138	80,027	84,596	95,016	107,384	11,508	58,671
Total governmental activities	156,847	168,267	166,812	179,726	181,328	183,375	192,316	202,395	106,562	205,450
Business-type activities:										
Net investment in capital assets	154,863	164,240	185,023	178,831	152,758	178,783	180,537	179,190	167,583	162,958
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	45,102	43,173	31,810	42,058	67,940	40,332	37,008	37,744	45,035	52,407
Total business-type activities	199,965	207,413	216,833	220,889	220,698	219,115	217,545	216,934	212,618	215,365
Primary government:										
Net investment in capital assets	242,192	259,411	286,499	281,419	254,059	277,562	277,837	274,201	262,637	257,390
Restricted	-	-	-	-	-	-	-	-	-	52,347
Unrestricted	114,620	116,269	99,146	119,197	147,967	124,928	132,024	145,128	56,543	111,078
Total primary government activities	356,812	375,680	385,645	400,616	402,026	402,490	409,861	419,329	319,180	420,815

Table 2

City of Unalaska, Alaska
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

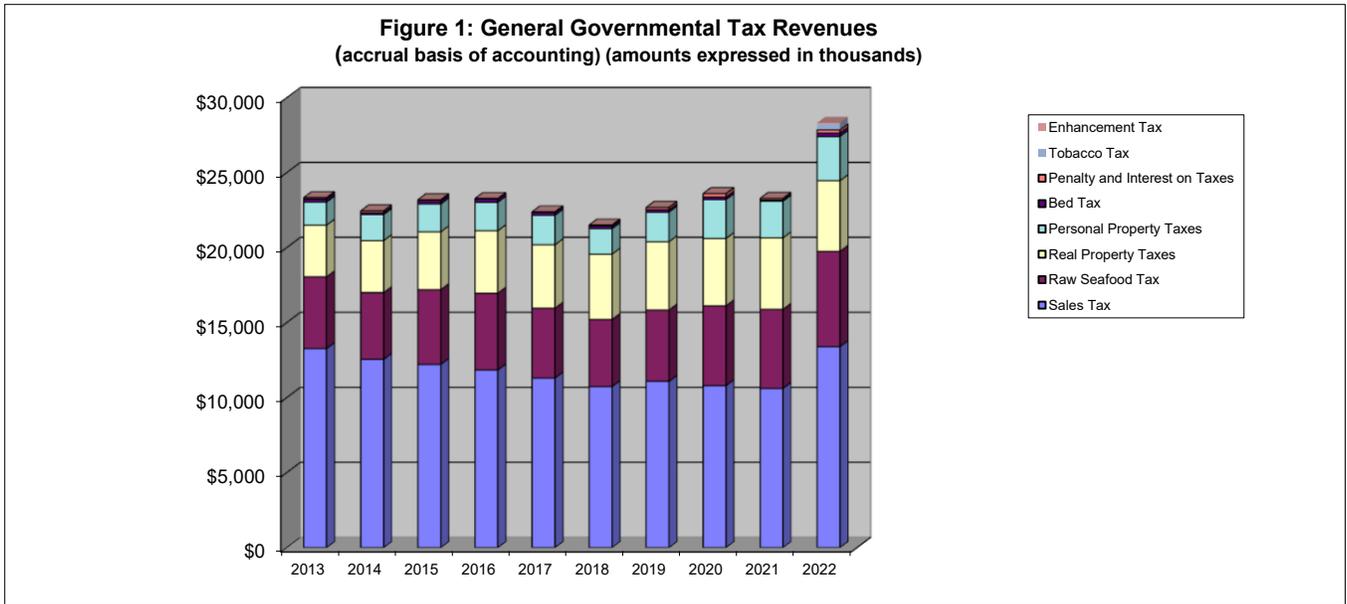
Year Ended June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 4,439	\$ 4,773	\$ 4,206	\$ 4,610	\$ 5,061	\$ 4,994	\$ 5,118	\$ 4,778	\$ 5,441	\$ 5,343
Public safety	5,003	5,229	4,728	5,322	6,104	4,881	5,396	8,158	8,931	7,269
Public works	6,595	6,782	9,504	8,362	9,627	8,697	8,810	8,148	8,239	8,273
Parks, culture and recreation	3,494	3,670	3,482	3,725	4,079	3,422	3,379	3,210	3,784	3,948
Community support	1,258	1,047	1,106	1,139	1,082	1,169	1,768	1,469	8,312	2,891
Education support	4,483	4,683	4,456	4,615	4,622	4,685	4,848	5,055	5,072	5,482
Interest on long-term debt	149	185	148	104	99	56	1	2	-	3
Total Governmental Expenses	\$ 25,421	\$ 26,369	\$ 27,630	\$ 27,877	\$ 30,674	\$ 27,904	\$ 29,320	\$ 30,820	\$ 39,779	\$ 33,209
Business-type Activities:										
Electric	\$ 16,973	\$ 18,004	\$ 15,363	\$ 13,967	\$ 15,656	\$ 16,900	\$ 17,400	\$ 15,366	\$ 13,954	\$ 18,075
Water	2,372	2,600	2,332	2,705	2,973	2,880	2,829	3,006	3,197	2,793
Wastewater	5,504	2,054	1,740	2,518	3,810	3,383	3,528	3,593	3,685	3,501
Solid waste	2,220	2,238	2,670	2,640	3,429	3,033	3,157	3,368	3,107	3,087
Ports and harbors	1,815	6,404	5,928	6,623	7,371	8,487	8,610	9,002	9,257	9,434
Airport	840	799	809	843	862	806	678	633	698	769
Housing	528	463	436	415	431	453	463	439	547	558
Total Business-type Activities Expenses	30,252	32,562	29,278	29,711	34,532	35,942	36,665	35,407	34,445	38,217
Total Primary Government Expenses	\$ 55,673	\$ 58,931	\$ 56,908	\$ 57,588	\$ 65,206	\$ 63,846	\$ 65,985	\$ 66,227	\$ 74,224	\$ 71,426
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 66	\$ 12	\$ 21	\$ 5	\$ 19	\$ 54	\$ 42	\$ 40	\$ 34	\$ 519
Public safety	3	2	83	69	52	82	49	32	30	34
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	222	215	218	205	195	175	184	157	98	168
Operating grants and contributions	1,635	1,540	1,623	1,283	1,136	-	1,425	4,958	10,950	2,101
Capital grants and contributions	59	750	919	686	-	-	-	139	-	-
Total Primary Governmental Activities Program Revenues	\$ 1,985	\$ 2,519	\$ 2,864	\$ 2,248	\$ 1,402	\$ 311	\$ 1,700	\$ 5,326	\$ 11,112	\$ 2,822

City of Unalaska, Alaska
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type Activities										
Charges for services:										
Electric	\$ 17,390	\$ 18,825	\$ 16,571	\$ 13,527	\$ 17,198	\$ 18,493	\$ 17,304	\$ 15,884	\$ 12,427	\$ 17,861
Water	2,323	2,208	2,560	2,878	2,810	2,601	2,704	2,624	2,933	2,663
Wastewater	1,898	2,082	2,262	2,373	2,361	2,302	2,442	2,466	2,538	2,584
Solid waste	1,630	1,817	2,197	2,654	2,275	2,292	2,358	2,470	2,654	2,844
Ports and harbors	5,785	6,427	6,538	6,634	6,640	7,265	6,557	6,921	6,650	8,177
Airport	472	481	512	573	518	486	489	485	481	457
Housing	238	245	259	276	236	242	250	235	258	259
Capital grants and contributions	22,721	1,072	9,131	4,048	-	85	282	-	-	414
Operating grants and contributions	1,065	7,834	755	804	697	731	954	1,127	1,326	150
Total Business-type Activities Program Revenues	53,522	40,991	40,785	33,767	32,735	34,497	33,340	32,212	29,267	35,409
Total Primary Government Program Revenues	\$ 55,507	\$ 43,510	\$ 43,649	\$ 36,015	\$ 34,137	\$ 34,808	\$ 35,040	\$ 37,538	\$ 40,379	\$ 38,231
Net (Expense) Revenue:										
Governmental activities	\$ (23,436)	\$ (23,850)	\$ (24,766)	\$ (25,629)	\$ (29,272)	\$ (26,312)	\$ (27,620)	\$ (25,494)	\$ (28,667)	\$ (30,387)
Business-type activities	23,270	8,429	11,507	4,056	(1,797)	(1,445)	(3,325)	(3,195)	(5,178)	(2,808)
Total Primary Government Net Expense	\$ (166)	\$ (15,421)	\$ (13,259)	\$ (21,573)	\$ (31,069)	\$ (27,757)	\$ (30,945)	\$ (28,689)	\$ (33,845)	\$ (33,195)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 4,987	\$ 5,210	\$ 5,709	\$ 6,063	\$ 6,195	\$ 6,052	\$ 6,524	\$ 7,078	\$ 7,237	\$ 7,747
General sales tax	13,272	12,554	12,220	11,846	11,307	10,738	11,084	10,798	10,690	14,211
Raw seafood sales tax	4,784	4,450	4,982	5,124	4,657	4,475	4,762	5,328	5,276	6,360
Other taxes	102	118	89	32	38	72	235	237	131	214
Fisheries tax	11,422	8,956	7,198	12,188	8,694	8,768	8,965	7,864	8,620	9,742
Grants not restricted to specific programs	1,436	1,364	808	974	571	476	158	910	917	992
Gain (loss) on disposal of capital assets	-	4	11	9	7	1	-	136	-	(831)
Investment earnings	436	742	636	1,307	495	700	5,213	5,273	474	(3,016)
Other	878	891	971	823	1,216	1,249	1,262	464	389	1,071
Transfers	(6,805)	980	(2,229)	178	(2,307)	(1,575)	(1,643)	(2,514)	(901)	(7,216)
Total Governmental Activities	30,512	35,269	30,395	38,544	30,873	30,956	36,560	35,574	32,833	29,274
Business-type activities:										
Gain (loss) on disposal of capital assets	16	-	-	-	(701)	-	-	-	-	(1,672)
Investment earnings	-	-	-	-	-	-	111	67	2	10
Other	-	-	-	-	-	-	-	2	-	-
Transfers	6,805	(980)	2,229	-	2,307	1,575	1,643	2,514	901	7,216
Total Business-type Activities	6,821	(980)	2,229	-	1,606	1,575	1,754	2,583	903	5,554
Total Primary Government	\$ 37,333	\$ 34,289	\$ 32,624	\$ 38,544	\$ 32,479	\$ 32,531	\$ 38,314	\$ 38,157	\$ 33,736	\$ 34,828
Change in net position:										
Governmental activities	\$ 7,076	\$ 11,419	\$ 5,629	\$ 12,915	\$ (191)	\$ 4,644	\$ 8,940	\$ 10,080	\$ 4,166	\$ (1,113)
Business-type activities	30,091	7,449	13,736	4,056	1,602	130	(1,571)	(613)	(4,315)	2,746
Total Primary Government	\$ 37,167	\$ 18,868	\$ 19,365	\$ 16,971	\$ 1,411	\$ 4,774	\$ 7,369	\$ 9,467	\$ (149)	\$ 1,633

City of Unalaska, Alaska
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Sales Tax	Raw Seafood Tax	Real Property Taxes	Personal Property Taxes	Bed Tax	Tobacco	E911 Enhancement Tax	Penalty and Interest on Taxes	Total
2013	\$ 13,272	\$ 4,784	\$ 3,446	\$ 1,541	\$ 189	\$ -	\$ -	\$ 102	\$ 23,334
2014	12,554	4,450	3,469	1,741	118	-	-	118	22,450
2015	12,220	4,982	3,857	1,852	189	-	-	88	23,188
2016	11,846	5,123	4,163	1,900	210	-	-	32	23,274
2017	11,306	4,657	4,230	1,965	189	-	-	38	22,385
2018	10,738	4,475	4,355	1,697	169	-	-	72	21,506
2019	11,084	4,761	4,554	1,970	155	-	-	158	22,682
2020	10,798	5,328	4,487	2,591	166	-	-	237	23,607
2021	10,613	5,276	4,769	2,440	77	-	-	107	23,282
2022	13,399	6,354	4,712	2,949	224	390	74	216	28,318



City of Unalaska, Alaska
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

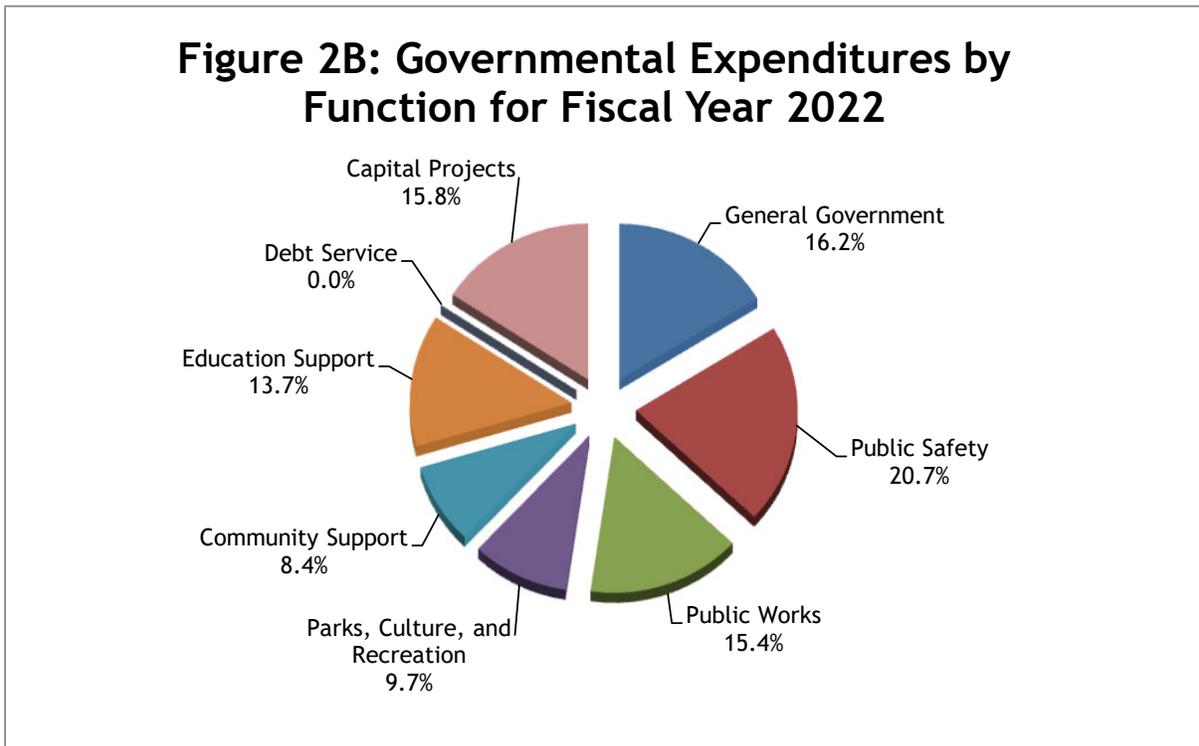
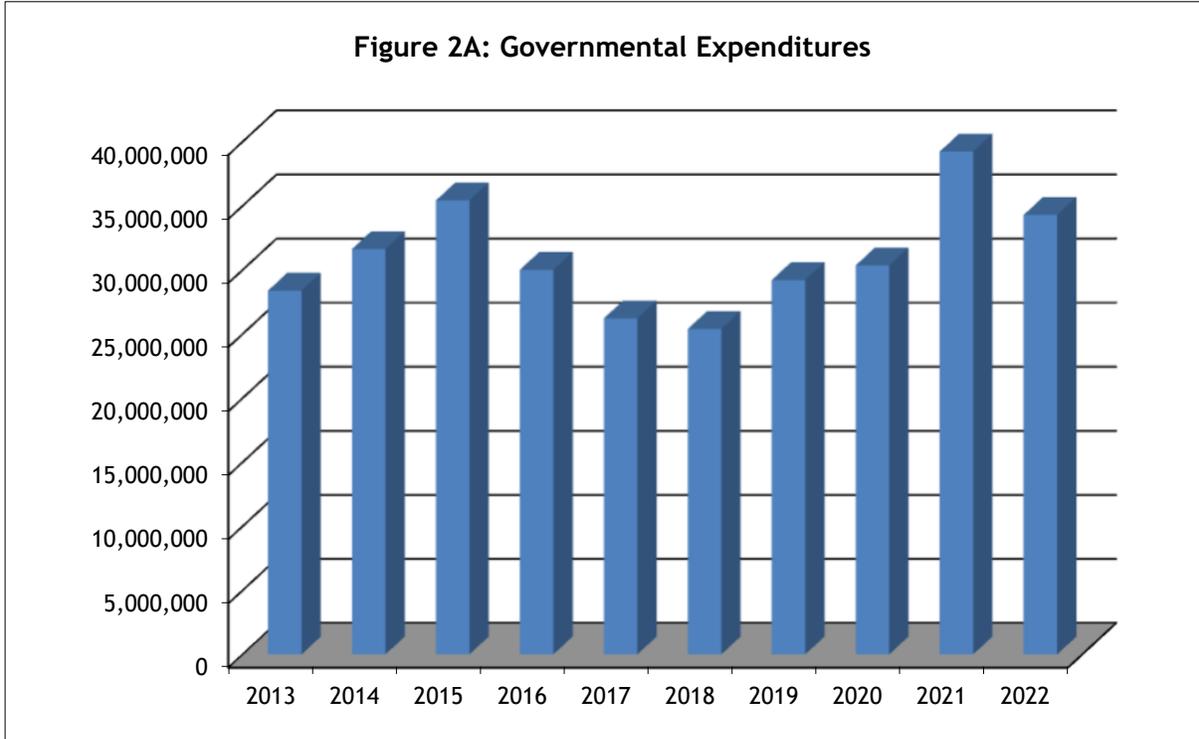
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 2,091	\$ 2,061	\$ 2,337	\$ 2,156	\$ 2,012	\$ 1,849	\$ 1,709	\$ 3,260	\$ 3,080	\$ 2,932
Committed	14,300	14,300	14,300	14,000	14,000	14,000	14,000	14,000	26,000	26,000
Assigned	333	239	234	292	308	119	802	359	306	513
Unassigned	14,760	29,094	37,888	43,981	53,972	60,990	68,910	68,382	60,934	61,424
Total General Fund	31,484	45,694	54,759	60,429	70,292	76,958	85,421	86,001	90,320	90,869
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -
Committed	-	3,953	5,188	7,902	10,701	14,211	15,114	25,696	23,020	17,851
Assigned	28,339	18,601	9,719	6,043	3,142	-	-	2,905	2,905	5,051
Unassigned	-	-	(804)	-	-	-	-	(5)	(286)	(18)
Total All Other Governmental Funds	\$ 28,339	\$ 22,554	\$ 14,103	\$ 13,945	\$ 13,843	\$ 14,211	\$ 15,114	\$ 28,601	\$ 25,639	\$ 22,884

Table 5

City of Unalaska, Alaska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

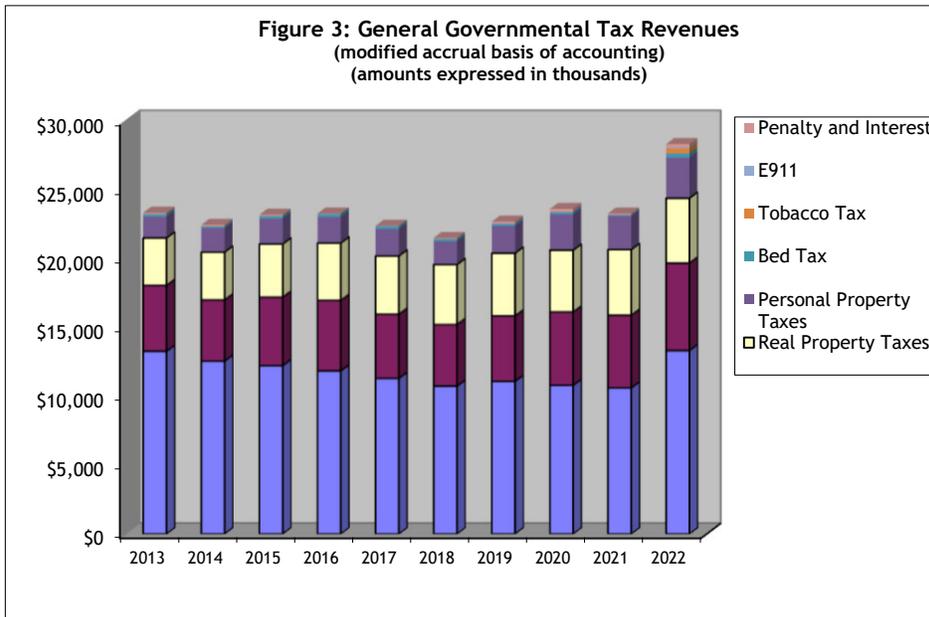
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 23,191	\$ 22,286	\$ 23,060	\$ 22,923	\$ 22,033	\$ 21,429	\$ 22,833	\$ 23,461	\$ 23,334	\$ 28,529
Intergovernmental	13,197	16,047	15,330	10,811	15,091	11,153	11,486	14,649	19,936	12,970
Changes for services	290	229	322	279	266	311	275	229	162	721
Investment income	436	742	636	1,307	495	700	5,213	5,273	474	(3,016)
Other	104	121	296	178	382	400	396	392	390	139
Total revenues	37,218	39,425	39,644	35,498	38,267	33,993	40,203	44,004	44,296	39,343
Expenses										
General government	4,291	4,457	4,578	4,137	4,082	4,553	5,104	5,153	5,202	5,540
Public safety	4,707	4,944	5,417	5,051	4,966	4,929	5,616	8,446	8,553	7,082
Public works	5,275	5,545	5,861	5,341	5,409	6,049	5,866	5,869	5,732	5,290
Parks, culture, and recreation	2,440	2,615	2,722	2,532	2,585	2,636	2,852	2,670	3,059	3,334
Community support	1,258	1,046	1,106	1,139	1,082	1,169	1,768	1,469	8,312	2,891
Education support	3,822	4,023	3,869	3,879	3,886	3,946	4,115	4,332	4,344	4,699
Debt service:										
Principal	720	755	780	805	835	875	910	385	-	23
Interest	165	212	184	150	119	86	51	8	-	3
Capital projects	5,695	8,017	10,894	6,961	3,241	1,142	2,910	2,008	4,013	5,412
Total expenditures	28,373	31,614	35,411	29,995	26,205	25,385	29,192	30,340	39,215	34,274
Excess of revenues over (under) expenditures	8,845	7,811	4,233	5,503	12,062	8,608	11,011	13,664	5,081	5,069
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	11	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	14	-	-
Refunding bonds issued	-	-	1,930	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(1,930)	-	-	-	-	-	-	-
Transfers in	15,358	6,353	11,822	4,604	5,709	3,192	3,778	13,620	2,651	3,666
Transfers out	(22,163)	(5,748)	(15,452)	(4,604)	(8,016)	(4,767)	(5,422)	(16,134)	(3,531)	(10,882)
Other	9	9	-	9	7	1	-	-	-	-
Total other financing sources (uses)	(6,796)	614	(3,619)	9	(2,300)	(1,574)	(1,644)	(2,500)	(880)	(7,216)
Net change in fund balance	\$ 2,049	8,425	\$ 614	\$ 5,512	\$ 9,762	\$ 7,034	\$ 9,367	\$ 11,164	\$ 4,201	\$ (2,147)
Debt service as a percentage of noncapital expenditures	3.9 %	4.1 %	3.9 %	4.1 %	4.2 %	4.0 %	3.7 %	1.4 %	0.0 %	0.1 %

City of Unalaska, Alaska Governmental Expenditures Last Ten Fiscal Years



City of Unalaska, Alaska
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Sales Tax	Raw Seafood Tax	Real Property Taxes	Personal Property Taxes	Bed Tax	Tobacco Tax	E911 Enhancement Tax	Penalty and Interest on Taxes	Total
2013	\$ 13,272	\$ 4,784	\$ 3,446	\$ 1,541	\$ 189	\$ -	\$ -	\$ 102	\$ 23,334
2014	12,554	4,450	3,469	1,741	118	-	-	118	22,450
2015	12,220	4,982	3,857	1,852	189	-	-	88	23,188
2016	11,846	5,123	4,163	1,900	210	-	-	32	23,274
2017	11,306	4,657	4,230	1,965	189	-	-	38	22,385
2018	10,738	4,475	4,355	1,697	169	-	-	72	21,506
2019	11,084	4,761	4,554	1,970	155	-	-	158	22,682
2020	10,798	5,328	4,487	2,591	166	-	-	237	23,607
2021	10,613	5,276	4,769	2,440	77	-	-	107	23,282
2022	13,322	6,354	4,712	2,949	301	390	74	217	28,319



City of Unalaska, Alaska
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property		Total		Ratio of Assessed Value to Estimated	Total Direct Tax Rate
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value		
2013	\$ 330,908	\$ 376,032	\$ 161,341	\$ 183,342	\$ 492,249	\$ 559,374	88	10.50
2014	367,166	410,517	177,979	198,993	545,145	609,510	89	10.50
2015	396,455	435,665	182,178	200,196	578,633	635,861	91	10.50
2016	397,350	428,733	171,733	185,297	569,083	614,030	93	10.50
2017	416,223	447,552	174,302	187,422	590,525	634,974	93	10.50
2018	427,990	433,082	166,579	168,679	594,569	601,761	99	10.50
2019	432,932	433,921	243,687	247,535	676,619	681,456	99	10.50
2020	446,417	451,955	237,577	252,127	683,994	704,082	97	10.50
2021	458,306	527,504	259,865	263,544	718,171	791,048	91	10.50
2022	551,991	561,025	262,122	265,819	814,113	826,844	98	9.00

City of Unalaska, Alaska

City Tax Rates All Governments Last Ten Fiscal Years

Fiscal Year	(1) Total City Millage Rate	(2) City Sales Tax Rate (2)	(3) City Raw Seafood Tax Rate (3)
2013	10.50	3.00	2.00
2014	10.50	3.00	2.00
2015	10.50	3.00	2.00
2016	10.50	3.00	2.00
2017	10.50	3.00	2.00
2018	10.50	3.00	2.00
2019	10.50	3.00	2.00
2020	10.50	3.00	2.00
2021	10.50	3.00	2.00
2022	9.00	3.00	2.00

(1) The rate is per thousand dollars of assessed value. There are no restrictions or mandates on the rate nor is there a separate component for debt service.

(2) Per Ordinance Section 6.40.020.

(3) Per Ordinance Section 6.44.020.

Note: There are no overlapping governmental units.

City of Unalaska, Alaska
Principal Real Property Taxpayers
June 30, 2022 and 2013

	2022			2013		
	78 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ounalashka Corporation and Subsidiaries	\$ 152,803,700	1	30.7 %	\$ 94,984,072	1	37.7 %
Unisea Inc.	59,515,100	2	12.0	45,595,307	3	18.1
Western Pioneer Inc.	52,825,000	3	10.6	40,686,459	2	16.2
Westward Seafoods Inc.	28,429,200	4	5.7	24,888,000	4	9.9
Alyeska Seafoods Inc.	21,978,800	5	4.4	19,534,101	5	7.8
Offshore Systems Inc.	17,288,700	6	3.5	12,476,604	6	5.0
Strong Holdings LLC	9,638,800	7	1.9	3,178,051	9	1.2
Kloosterboer Dutch Harbor, LLC	7,658,800	8	1.5	-	-	0.0
Petro Star	6,246,600	9	1.3	-	-	0.0
Valdez Petroleum Terminal Inc.	6,161,100	10	1.2	4,139,503	7	1.6
All Remaining Taxpayers	134,840,200		27.1	6,221,006		2.5
	\$ 497,386,000		99.9 %	\$ 251,703,103		100 %

City of Unalaska, Alaska
Principal Electric Utility Customers
June 30, 2022 and 2013

Taxpayer	2022			2013		
	Receipts From Customer	Rank	Percentage of Total Electric Utility Customers Billed	Receipts From Customer	Rank	Percentage of Total Electric Utility Customers Billed
CMA Terminals	\$ 4,193,651	1	23.5 %	\$ 3,907,663	1	21.4 %
Matson Navigation Co.	3,656,745	2	20.5	2,215,423	2	12.1
City of Unalaska	1,859,583	3	10.4	1,601,980	3	8.8
Kloosterboer	674,800	4	3.8	758,695	5	4.1
Safeway	584,418	5	3.3	660,410	6	3.6
Coastal Transportation	558,862	6	3.1	536,723	8	2.9
Alaska Ship Supply	460,232	7	2.6	526,054	9	2.9
Unalaska City School	411,385	8	2.3	380,461	10	2.1
North Pacific Fuel	326,471	9	1.8	557,708	7	3.0
Westward Seafoods	325,030	10	1.8	-	-	0.0
All Other Customers	4,811,394		26.9	7,150,093		39.1
	\$ 17,862,572		100.0	\$ 18,295,210		100.0 %

City of Unalaska, Alaska
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2013	\$ 4,986	\$ 4,948	99.2 %	—	\$ 4,948	99.2 %	\$ 38	0.8 %
2014	5,141	5,090	99.0	—	5,090	99.0	51	1.0
2015	5,725	5,656	98.8	40	5,696	99.5	29	0.5
2016	6,076	5,854	96.3	24	5,878	96.7	198	3.3
2017	6,183	5,942	96.1	89	6,031	97.5	152	2.5
2018	6,243	6,129	98.2	15	6,144	98.4	99	1.6
2019	6,555	6,450	98.4	11	6,461	98.6	94	1.4
2020	7,115	7,033	98.8	8	7,041	99.0	74	1.0
2021	7,182	6,980	97.2	58	7,038	98.0	144	2.0
2022	7,327	7,661	104.6	—	7,661	104.6	(334)	-4.6

City of Unalaska, Alaska
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capital amount)

Fiscal year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Ports and Harbors Fund GO Bonds	Electric Fund Revenue Bonds	ADEC loans			
2013	\$ 5,460	\$ 4,450	\$ 28,715	222	\$ 38,847	24 %	\$ 8,893
2014	4,698	4,260	27,845	178	36,981	15	7,800
2015	3,954	4,065	28,085	4,605	40,709	17	8,840
2016	3,114	3,942	29,175	16,006	52,237	20	11,270
2017	2,243	34,856	28,068	16,656	81,823	36	18,849
2018	1,333	34,576	26,916	15,748	78,573	33	18,134
2019	387	34,290	25,714	14,834	75,225	28	15,924
2020	-	33,310	24,287	13,972	71,569	28	16,824
2021	-	32,333	22,815	13,110	68,258	25	16,271
2022	-	31,298	21,375	12,248	64,921	*	14,234

* Data unavailable or incomplete

City of Unalaska, Alaska
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2013	\$ 5,460	0.98 %	\$ 1,242
2014	4,698	0.77	985
2015	3,954	0.62	843
2016	3,114	0.52	700
2017	2,243	0.35	496
2018	1,333	0.22	308
2019	387	0.09	82
2020	-	0.00	N/A
2021	-	0.00	N/A
2022	-	0.00	N/A

City of Unalaska, Alaska
Direct Governmental Activities Debt (1)
June 30, 2022

Jurisdiction	Outstanding Debt	Percentage Applicable to City of Unalaska	Amount Applicable to City of Unalaska
Direct:			
City of Unalaska	\$ -	N/A	N/A

(1) Direct debt is long-term debt and does not include long-term liabilities such as internal advances, accrued landfill closure costs, or compensated absences.

Note: There are no overlapping governmental units.

City of Unalaska, Alaska
Legal Debt Margin Information
June 30, 2021

There is no legal debt margin for municipalities in the State of Alaska.

City of Unalaska, Alaska
Pledged-Revenue Coverage
Electric Fund

Fiscal Year	Operating Revenues	Operating Expenses (1)	Income from Operations	Principal	Interest	Total	Coverage (2)
2015	\$ 16,571,260	\$ 11,780,405	\$ 4,790,855	\$ 910,000	\$ 1,420,542	\$ 2,330,542	206
2016	13,527,050	9,811,512	3,715,538	920,000	1,027,254	1,947,254	191
2017	17,198,440	11,505,578	5,692,862	990,000	1,123,667	2,113,667	269
2018	18,488,321	12,605,358	5,882,963	1,035,000	1,095,544	2,130,544	276
2019	17,303,778	12,880,067	4,423,711	1,085,000	910,675	1,995,675	222
2020	15,883,635	11,328,716	4,554,919	1,310,000	978,823	2,288,823	199
2021	13,099,636	9,556,677	3,542,959	1,290,000	970,640	2,260,640	157
2022	17,984,819	14,271,400	3,713,419	1,310,000	847,778	2,157,778	172

(1) Operating expenses exclude depreciation.

(2) Rates are required to generate net revenues equal to or greater than 135% times annual debt payments.

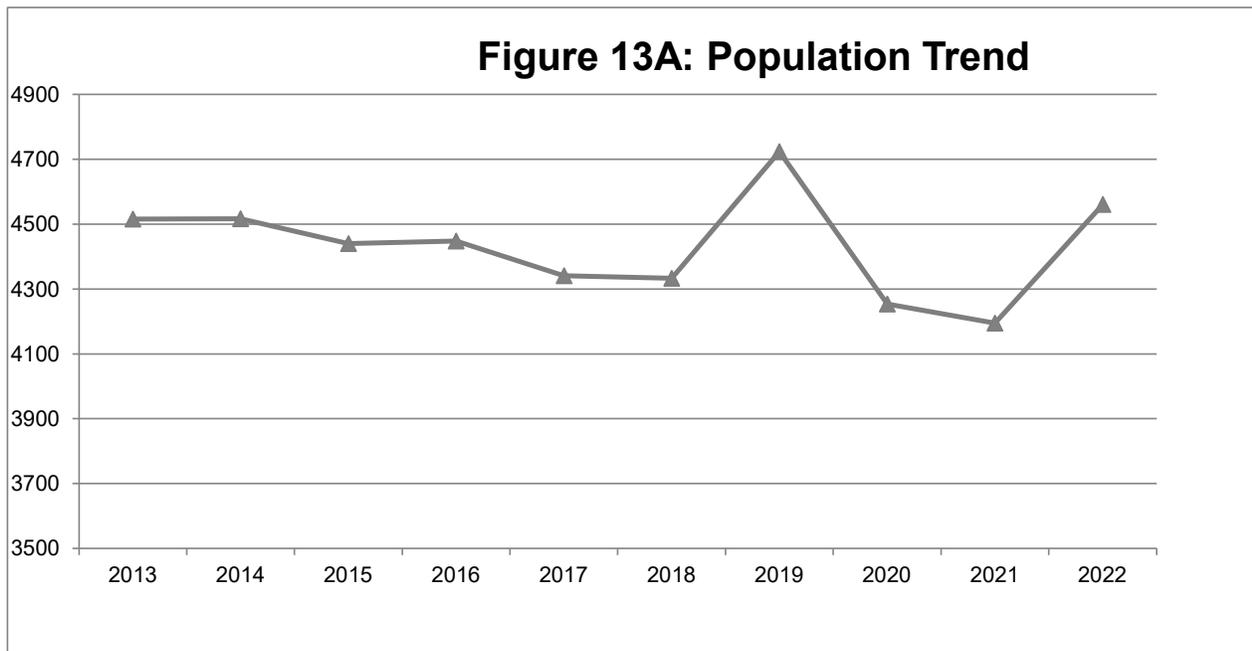
City of Unalaska, Alaska
Demographic Statistics
Last Ten Fiscal Years

Calendar Year	Unalaska Population (1)	Aleutians West Region Personal Income (amounts expressed in thousands) (2)	Aleutians West Region per Capita Personal Income (2)	Unalaska School Enrollment (3)	Aleutians West Region Unemployment (4)
2013	4,516	\$ 202,105	\$ 36,673	415	8.8 %
2014	4,517	304,806	53,010	407	4.8
2015	4,440	299,746	52,569	396	3.8
2016	4,448	316,823	56,105	375	3.3
2017	4,341	301,733	53,010	389	3.7
2018	4,333	311,245	54,385	400	3.5
2019	4,724	320,998	56,296	421	3.1
2020	4,254	338,947	59,674	412	4.5
2021	4,195	228,938	65,812	387	3.7
2022	4,561	*	*	354	3.8

* Data unavailable or incomplete.

Sources:

- (1) Alaska Department of Commerce, Community and Economic Development
- (2) U.S. Department of Commerce, Bureau of Economic Analysis: Statistics are kept for the region, not for the City of Unalaska.
- (3) Unalaska City School District: Official fall count of calendar year.
- (4) Alaska Department of Labor: Statistics are kept for the region, not for the City of Unalaska.



City of Unalaska, Alaska
Principal Employers

Alaska Department of Labor can no longer give out any information related to employers in Alaska due to new federal regulations.

City of Unalaska, Alaska
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>June 30,</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General government:										
Council	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Manager	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
Information Systems	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25
Planning	3.00	3.00	3.00	3.00	4.00	4.00	4.56	4.56	4.56	4.56
Public safety:										
Police	22.00	22.00	22.00	22.00	24.50	24.50	19.50	19.50	18.50	18.25
Communications	—	—	—	—	—	—	5.00	5.00	5.00	5.00
Correction	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fire protection	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Public works:										
Public works administration	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Streets and roads	10.50	10.50	10.50	10.50	10.00	10.00	10.50	10.50	10.50	10.50
Supply	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Vehicle department	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Building maintenance	8.35	8.78	8.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Parks, culture, and recreation:										
Community center	12.00	12.00	12.50	12.50	12.89	12.89	12.89	12.89	12.89	12.89
Libraries	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.25	5.25	5.25
Community pool	5.00	5.00	4.25	4.25	4.78	4.78	4.76	5.30	5.30	5.30
Public utilities administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electric	13.00	14.00	14.00	14.33	13.00	13.00	13.00	15.00	15.00	15.00
Water	4.66	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.00	6.50
Wastewater	4.00	4.50	5.17	3.50	7.00	7.00	7.00	7.00	7.00	6.50
Ports and airport	9.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
Solid waste	4.50	4.50	4.50	4.50	4.50	5.50	5.50	6.50	6.50	6.50
Total Employees	156.47	159.74	159.88	159.04	166.13	167.13	168.17	174.96	173.96	172.96

Source: City of Unalaska, *Operating and Capital Budgets*

City of Unalaska, Alaska
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police -										
Custodies	241	271	263	325	267	124	148	119	101	104
Fire:										
Fire response	29	21	49	38	30	42	42	*	39	28
Burn permits	65	65	129	114	92	73	73	*	58	45
Fire safety	17	20	35	14	28	18	18	*	33	36
EMS -										
EMS ambulance calls	131	113	290	186	148	101	101	*	134	118
Public works -										
Building permits issued	14	27	25	21	21	18	18	13	*	10
Parks, culture, and recreation:										
Community Center admissions	42,747	43,161	43,158	41,194	42,407	42,407	50,445	28,514	16,008	29,950
Aquatic center attendance	11,950	13,219	16,928	13,317	16,181	16,181	18,148	13,463	6,249	14,863
CC & aquatic center volunteer hours	1,693	975	894	885	889	889	1,101	995	200	331
Library volunteer hours	766	116	98	83	49	63	110	95	21	90
Library circulation	267,630	196,852	198,012	75,916	67,346	80,837	87,103	63,914	43,091	39,092
Library attendance	138,955	91,252	71,537	41,060	47,802	52,792	51,679	33,897	9,968	15,479
Electric -										
Power generated MW	43,742	45,198	44,411	43,213	58,515	58,515	53,379	52,531	44,851	44,742
Water:										
Water produced (MG)	1,262	1,164	1,163	1,246	1,284	1,284	1,284	1,129	1,279	1,143
Daily pumping capacity (MGD)	4	4	4	4	4	4	4	4	4	4
Total daily capacity (MGD)	12	12	12	13	13	13	13	13	13	12
Wastewater -										
Average daily treatment (MG)	0.43	0.43	0.39	0.40	0.41	0.53	0.53	0.40	0.45	0.40
Solid waste:										
Tons of waste collected	7,484	7,238	7,508	8,419	6,440	6,440	6,440	5,919	7,108	6,623
Cubic yards of waste collected	10,678	10,910	11,022	11,760	10,934	10,934	10,934	10,653	14,965	13,942
Ports and harbors:										
UMC vessel calls	655	751	680	574	613	461	511	564	525	484
UMC wharfage tons	356,032	498,098	535,028	488,758	550,253	505,888	414,720	424,855	366,986	478,000
Airport -										
Passengers	59,792	51,424	54,200	*	57,710	*	54,596	19,203	15,652	32,964

* Data unavailable or incomplete

Source: City of Unalaska

City of Unalaska, Alaska
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public safety:										
Police -										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Response vehicles	7	7	7	7	7	7	7	8	9	9
EMS -										
Ambulances	2	2	2	2	2	2	2	2	2	—
Public works:										
Miles of public roads	40.2	40.2	40.2	40.2	40.2	40.2	40.2	41.2	41.2	41.2
Miles of paved roads	7.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Street lights	179	245	246	251	317	317	317	321	321	321
Flashing/cautionary lights	9	15	15	15	15	15	15	13	13	13
Number of bridges	7	10	11	11	11	11	11	10	10	10
Parks, culture and recreation:										
Community Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Parks	8	8	8	8	8	8	8	8	8	8
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Electric:										
Number of city owned power plants	1	1	1	1	1	1	1	1	1	1
Number of substations	2	2	2	2	2	2	2	2	2	2
Water:										
Wells	4	4	4	3	3	3	3	3	3	3
Surface water treatment facilities	1	1	1	1	1	1	1	1	1	1
Miles of water lines	23	23	23	23	23	23	23	23	23	23
Number of connections	582	582	586	590	590	590	590	590	590	590
Wastewater:										
Sanitary sewers MH's	353	367	367	367	367	367	367	367	367	367
Miles of sewer lines	17	18	21	21	21	21	21	21	21	21
Lift stations	9	10	10	10	10	10	10	10	10	10
Solid waste -										
Landfills	1	1	1	1	1	1	1	1	1	1
Ports and harbors:										
Dock facilities - linear feet of docking:										
Unalaska Marine Center (UMC)	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Spit Dock facility	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Light Cargo Dock	340	340	340	340	340	340	340	340	340	340
Small Boat Harbor	1,232	1,232	1,232	1,072	1,072	1,072	1,232	1,232	1,232	1,232
CEM Small Boat Harbor	5,919	5,919	5,919	5,919	5,919	5,919	5,878	5,878	5,878	5,878

Source: City of Unalaska