

CITY OF KODIAK, ALASKA

Basic Financial Statements, Required Supplementary
Information, Supplementary Information,
and Compliance Report

(With Independent Auditor's Opinion Thereon)

For the Year Ended June 30, 2022

*Altman, Rogers
& Co.* CERTIFIED
PUBLIC
ACCOUNTANTS

CITY OF KODIAK, ALASKA

Basic Financial Statements, Required Supplementary
Information, Supplementary Information,
and Compliance Report

(With Independent Auditor's Opinion Thereon)

For the Year Ended June 30, 2022

City of Kodiak, Alaska

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditor's Report		1-4
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	5
Statement of Activities	A-2	6
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	7
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	B-2	8
Statement of Revenues, Expenditures and Changes in Fund Balances	B-3	9
Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities	B-4	10
Proprietary Funds:		
Statement of Net Position	C-1	11
Statement of Revenues, Expenses and Changes in Net Position	C-2	12
Statement of Cash Flows	C-3	13
Notes to Basic Financial Statements		14-51
Required Supplementary Information		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
General Fund	D-1	52
Schedule of City's Proportionate Share of the Net Pension Liability	E-1	53
Schedule of City's Proportionate Share of the Net OPEB Liability (Asset)	E-2	54
Schedule of City's Contributions (Pensions)	E-3	55
Schedule of City's Contributions (OPEB)	E-4	56
Notes to Required Supplementary Information		57-58
Supplementary Information		
General Fund:		
Balance Sheet	F-1	59
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	F-2	60-63
Combining and Individual Fund Financial Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	G-1	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	G-2	65

City of Kodiak, Alaska

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Nonmajor Enterprise Funds:		
Combining Statement of Net Position	H-1	66
Combining Statement of Revenues, Expenses and Changes in Net Position	H-2	67
Combining Statement of Cash Flows	H-3	68
Special Revenue Funds:		
Tourism Development:		
Balance Sheet	I-1	69
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	I-2	70
Special Assessments:		
Balance Sheet	I-3	71
Statement of Revenues, Expenditures and Changes in Fund Balance	I-4	72
Enhancement Fund:		
Balance Sheet	I-5	73
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	I-6	74
Capital Project Funds:		
General:		
Balance Sheet	J-1	75
Statement of Revenues, Expenditures and Changes in Fund Balance	J-2	76
Building:		
Balance Sheet	J-3	77
Statement of Revenues, Expenditures and Changes in Fund Balance	J-4	78
Street Improvements:		
Balance Sheet	J-5	79
Statement of Revenues, Expenditures and Changes in Fund Balance	J-6	80
Parks and Recreation:		
Balance Sheet	J-7	81
Statement of Revenues, Expenditures and Changes in Fund Balance	J-8	82
General Fund Vehicle Replacement:		
Balance Sheet	J-9	83
Statement of Revenues, Expenditures and Changes in Fund Balance	J-10	84

City of Kodiak, Alaska

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Supplementary Information, continued		
Enterprise Funds:		
Cargo Pier:		
Statement of Net Position	K-1	85
Statement of Revenues, Expenses and Changes in Net Position	K-2	86-87
Statement of Cash Flows	K-3	88
Boat Harbor:		
Statement of Net Position	K-4	89
Statement of Revenues, Expenses and Changes in Net Position	K-5	90
Statement of Cash Flows	K-6	91
Water Utility:		
Statement of Net Position	K-7	92
Statement of Revenues, Expenses and Changes in Net Position	K-8	93
Statement of Cash Flows	K-9	94
Sewer Utility:		
Statement of Net Position	K-10	95
Statement of Revenues, Expenses and Changes in Net Position	K-11	96
Statement of Cash Flows	K-12	97
Shipyard:		
Statement of Net Position	K-13	98
Statement of Revenues, Expenses and Changes in Net Position	K-14	99
Statement of Cash Flows	K-15	100
Harbor Electric:		
Statement of Net Position	K-16	101
Statement of Revenues, Expenses and Changes in Net Position	K-17	102
Statement of Cash Flows	K-18	103
Trident Basin:		
Statement of Net Position	K-19	104
Statement of Revenues, Expenses and Changes in Net Position	K-20	105
Statement of Cash Flows	K-21	106

City of Kodiak, Alaska

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, continued		
Supplementary Information, continued		
E-911 Services:		
Statement of Net Position	K-22	107
Statement of Revenues, Expenses and Changes in Net Position	K-23	108
Statement of Cash Flows	K-24	109
Insurance Internal Service Fund:		
Statement of Net Position	L-1	110
Statement of Revenues, Expenses and Changes in Net Position	L-2	111
Statement of Cash Flows	L-3	112
COMPLIANCE SECTION		
Compliance Report		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		113-114
Schedule of Findings		115

Independent Auditor's Report

Honorable Mayor and City Council
City of Kodiak, Alaska

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kodiak, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Kodiak 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

Change in Accounting Principle

As discussed in Note 12 to the financial statements, in 2022 the City adopted the provisions of Governmental Accounting Standards Board Statement Number 87, *Leases*, which established standards of accounting and financial reporting for leases by lessees and lessors. Our opinions are 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 of Kodiak's, ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Kodiak'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 of Kodiak's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 52, Schedules of City's Proportionate Share of the Net Pension and OPEB Liabilities and Pension and OPEB Contributions on pages 53-56, and Notes to Required Supplementary Information on pages 57-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kodiak's basic financial statements. The information listed in the table of contents as "Supplementary Information", which includes the combining and individual fund financial statements and schedules, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "Supplementary Information" is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and City Council
City of Kodiak, Alaska

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Kodiak, Alaska's basic financial statements for the year ended June 30, 2021, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kodiak, Alaska's basic financial statements as a whole. The combining and individual fund financial statements and schedules, for the year ended June 30, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. This information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2023, on our consideration of the City of Kodiak'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 City of Kodiak's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kodiak's internal control over financial reporting and compliance.



Anchorage, Alaska
April 7, 2023

City of Kodiak, Alaska

Statement of Net Position

<i>June 30, 2022</i>	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Cash and investments	\$ 26,950,111	\$ 55,985,143	\$ 82,935,254
Receivables, net of allowance	5,207,956	7,031,263	12,239,219
Inventories	20,060	307,631	327,691
Restricted cash and investments	-	461,581	461,581
Prepaid items	78,642	41,045	119,687
Capital assets not being depreciated - land and construction in progress	4,264,371	2,089,959	6,354,330
Other capital assets, net of depreciation and amortization	52,299,142	99,416,836	151,715,978
Net OPEB assets	6,078,631	2,536,209	8,614,840
Total Assets	94,898,913	167,869,667	262,768,580
Deferred Outflows of Resources - related to pensions and OPEB	1,353,455	564,623	1,918,078
Total Assets and Deferred Outflows of Resources	\$ 96,252,368	\$ 168,434,290	\$ 264,686,658
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities			
Accounts payable	\$ 601,590	\$ 374,750	\$ 976,340
Accrued payroll and related liabilities	425,654	145,264	570,918
Customer deposits	5,250	259,663	264,913
Accrued interest	17,746	85,638	103,384
Unearned revenue	664,914	10,000	674,914
Internal balances	(3,906,086)	3,906,086	-
Noncurrent Liabilities			
Due within one year:			
Accrued leave	332,224	102,756	434,980
Bonds payable	259,470	219,819	479,289
Loans payable	-	625,983	625,983
Leases payable	9,375	-	9,375
Due in more than one year:			
Accrued leave	357,519	127,930	485,449
Bonds payable	5,507,578	5,157,278	10,664,856
Loans payable	-	7,751,680	7,751,680
Leases payable	12,946	-	12,946
Net pension and OPEB liabilities	8,305,767	3,465,445	11,771,212
Total Liabilities	12,593,947	22,232,292	34,826,239
Deferred Inflows of Resources			
Related to leases	1,014,947	5,125,189	6,140,136
Related to pensions and OPEB	6,573,581	2,742,717	9,316,298
Total Liabilities and Deferred Inflows of Resources	20,182,475	30,100,198	50,282,673
Net Position			
Net investment in capital assets	50,774,144	87,753,695	138,527,839
Restricted for debt service	-	461,581	461,581
Unrestricted	25,295,749	50,118,816	75,414,565
Total Net Position	76,069,893	138,334,092	214,403,985
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 96,252,368	\$ 168,434,290	\$ 264,686,658

See accompanying notes to basic financial statements.

City of Kodiak, Alaska

Statement of Activities

Year Ended June 30, 2022	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 3,905,378	\$ 1,637,088	\$ (45,837)	\$ -	\$ (2,314,127)	\$ -	\$ (2,314,127)
Public safety	8,146,583	1,565,056	(145,096)	297,566	(6,429,057)	-	(6,429,057)
Public works	3,171,192	182,230	5,393	-	(2,983,569)	-	(2,983,569)
Engineering	172,064	-	-	-	(172,064)	-	(172,064)
Parks and recreation	1,978,044	231,869	(13,797)	-	(1,759,972)	-	(1,759,972)
Library	995,751	7,943	(11,115)	-	(998,923)	-	(998,923)
Community services	372,911	107,654	-	-	(265,257)	-	(265,257)
Interest on long-term debt	198,131	-	-	-	(198,131)	-	(198,131)
Total Governmental Activities	18,940,054	3,731,840	(210,452)	297,566	(15,121,100)	-	(15,121,100)
Business-type Activities							
Cargo Pier	2,486,809	1,982,674	(8,095)	-	-	(512,230)	(512,230)
Boat Harbor	3,422,078	2,647,332	(41,025)	121,516	-	(694,255)	(694,255)
Water Utility	2,743,012	5,101,115	(20,560)	153,000	-	2,490,543	2,490,543
Sewer Utility	4,078,026	5,388,746	(28,752)	-	-	1,281,968	1,281,968
Shipyard	992,653	215,305	(2,117)	-	-	(779,465)	(779,465)
Harbor Electric	712,649	772,047	-	-	-	59,398	59,398
Trident Basin	316,474	61,162	-	-	-	(255,312)	(255,312)
E-911 Services	860,342	299,460	(23,341)	-	-	(584,223)	(584,223)
Total Business-type Activities	15,612,043	16,467,841	(123,890)	274,516	-	1,006,424	1,006,424
Total	\$ 34,552,097	\$ 20,199,681	\$ (334,342)	\$ 572,082	(15,121,100)	1,006,424	(14,114,676)
General Revenues							
Taxes:							
Property taxes					1,216,375	-	1,216,375
Sales taxes					15,351,970	-	15,351,970
Other taxes, penalties and interest					543,066	-	543,066
Grants and entitlements not restricted to a specific purpose							
					1,313,661	-	1,313,661
Investment income (loss)					(233,458)	(35,597)	(269,055)
Other					337,907	80,698	418,605
Transfers					(500,000)	500,000	-
Total General Revenues and Transfers					18,029,521	545,101	18,574,622
Changes in net position					2,908,421	1,551,525	4,459,946
Net Position, beginning of year					73,161,472	136,782,567	209,944,039
Net Position, end of year					\$ 76,069,893	\$ 138,334,092	\$ 214,403,985

See accompanying notes to basic financial statements.

City of Kodiak, Alaska

Governmental Funds
Balance Sheet

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Funds	
<i>June 30, 2022</i>			
Assets			
Cash and investments	\$ 11,872,350	\$ 14,990,393	\$ 26,862,743
Receivables, net of allowance for uncollectible accounts:			
Taxes	3,889,195	103,210	3,992,405
Grants and shared revenues	97,132	7,132	104,264
Accounts	79,252	-	79,252
Special assessments	-	30,801	30,801
Interest	42,825	16,110	58,935
Leases	942,299	-	942,299
Inventories	20,060	-	20,060
Prepaid items	78,642	-	78,642
Due from other funds	3,978,964	-	3,978,964
Total Assets	\$ 21,000,719	\$ 15,147,646	\$ 36,148,365
Liabilities, Deferred Inflows of Resources, and and Fund Balances			
Liabilities			
Accounts payable	\$ 424,785	\$ 176,805	\$ 601,590
Accrued payroll and related liabilities	425,654	-	425,654
Customer deposits	5,250	-	5,250
Unearned revenue	-	664,914	664,914
Total Liabilities	855,689	841,719	1,697,408
Deferred Inflows of Resources			
Deferred assessments	-	13,124	13,124
Unavailable revenue - leases	1,014,947	-	1,014,947
Total Deferred Inflows of Resources	1,014,947	13,124	1,028,071
Total Liabilities and Deferred Inflows of Resources	1,870,636	854,843	2,725,479
Fund Balances			
Nonspendable:			
Inventory	20,060	-	20,060
Prepaid items	78,642	-	78,642
Committed:			
Tourism	-	877,818	877,818
Economic Stability	-	8,526,572	8,526,572
Assigned:			
Capital projects	-	4,778,605	4,778,605
Public works	-	109,808	109,808
Unassigned	19,031,381	-	19,031,381
Total Fund Balances	19,130,083	14,292,803	33,422,886
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,000,719	\$ 15,147,646	\$ 36,148,365

See accompanying notes to basic financial statements.

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

Total fund balances for governmental funds		\$ 33,422,886
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	\$ 2,617,784	
Construction in progress	1,646,587	
Buildings	42,210,253	
Improvements other than buildings	8,740,468	
Infrastructure	19,552,623	
Machinery and equipment	16,323,364	
Right-to-use asset	31,420	
Accumulated depreciation and amortization	<u>(34,558,986)</u>	
Total capital assets		56,563,513
Other long-term assets (special assessments receivable) are not available to pay for current period expenditures and therefore, are deferred in the funds.		
Deferred assessments		13,124
Deferred outflows of resources related to pensions and OPEB are not deemed available to pay current period expenditures and therefore are not reported as governmental fund assets.		
		1,353,455
Deferred inflows of resources related to pensions and OPEB are not deemed available to pay current period expenditures and therefore are not reported as governmental fund liabilities.		
		(6,573,581)
Long-term liabilities are not deemed due and payable in the current period and therefore are not reported as governmental fund liabilities. These long-term liabilities consist of:		
Bonds payable	(5,475,000)	
Bonds premium	(292,048)	
Leases payable	(22,321)	
Accrued leave	(689,743)	
Accrued interest	<u>(17,746)</u>	
Total long-term liabilities		(6,496,858)
Proportionate share of the collective OPEB assets		6,078,631
Proportionate share of the net pension and OPEB liabilities		(8,305,767)
Internal service funds are used by the City to charge the cost of certain activities such as insurance to individual funds. A portion of the internal service fund assets and liabilities are included in the governmental activities in the Statement of Net Position.		
		<u>14,490</u>
Total Net Position of Governmental Activities		\$ 76,069,893

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2022	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Funds	
Revenues			
Taxes:			
Property taxes	\$ 1,216,375	\$ -	\$ 1,216,375
Sales taxes	15,351,970	-	15,351,970
Other taxes, penalties and interest	49,199	347,376	396,575
Intergovernmental	1,855,168	297,566	2,152,734
Charges for services	2,001,049	-	2,001,049
Fines and forfeitures	9,681	-	9,681
Licenses and permits	136,810	-	136,810
Rental income	47,489	93,703	141,192
Interfund charges	1,589,599	-	1,589,599
Investment income (loss)	(22,066)	(211,392)	(233,458)
Donations	-	-	-
Other revenues	21,589	316,318	337,907
Total Revenues	22,256,863	843,571	23,100,434
Expenditures			
Current:			
General government	3,363,563	-	3,363,563
Public safety	7,630,248	502,583	8,132,831
Public works	2,098,097	950,279	3,048,376
Engineering	172,064	-	172,064
Parks and recreation	1,478,547	166,496	1,645,043
Library	794,462	29,603	824,065
Community services	191,311	168,100	359,411
Other - insurance and administration	754,901	-	754,901
Debt service:			
Bond principal	239,099	-	239,099
Bond interest	218,368	-	218,368
Capital outlay	-	337,868	337,868
Total Expenditures	16,940,660	2,154,929	19,095,589
Excess of revenues over (under) expenditures	5,316,203	(1,311,358)	4,004,845
Other Financing Sources (Uses)			
Proceeds from issuance of leases	31,420	-	31,420
Transfers in	185,193	2,476,898	2,662,091
Transfers out	(2,976,898)	(185,193)	(3,162,091)
Net Other Financing Sources (Uses)	(2,760,285)	2,291,705	(468,580)
Net change in fund balances	2,555,918	980,347	3,536,265
Fund Balances, beginning of year	16,574,165	13,312,456	29,886,621
Fund Balances, end of year	\$ 19,130,083	\$ 14,292,803	\$ 33,422,886

See accompanying notes to basic financial statements.

City of Kodiak, Alaska

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

Year Ended June 30, 2022

Net change in fund balances - total governmental funds		\$ 3,536,265
<p>The change in net position reported for governmental activities in the Statement of Activities is different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays exceeded depreciation:</p>		
Capital outlays	\$ 637,691	
Depreciation and amortization expense	<u>(2,632,291)</u>	(1,994,600)
<p>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.</p>		
Change in accrued leave	16,536	
Change in accrued interest	767	
Change in the proportionate share of the unfunded OPEB asset	5,138,035	
Change in the proportionate share of the unfunded pension and OPEB liabilities	<u>2,600,699</u>	7,756,037
<p>Changes in deferred inflows and outflows of resources are the results of timing differences in the actuarial report and adjustments to reflect date of the liability.</p>		
Change in deferred inflows and outflows of resources:		
Related to pension and OPEB		(6,629,514)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Proceeds from issuance of leases	(31,420)	
Principal repayments	239,099	
Bond premium amortization	<u>19,470</u>	227,149
<p>Internal service funds are used by management to charge the costs of certain insurance to individual funds. A portion of these activities is reported with governmental activities.</p>		
		<u>13,084</u>
Change in Net Position of Governmental Activities		<u>\$ 2,908,421</u>

See accompanying notes to basic financial statements.

City of Kodiak, Alaska

Proprietary Funds
Statement of Net Position

June 30, 2022	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
	Cargo Pier	Boat Harbor	Water Utility	Sewer Utility	Shipyard			
Assets and Deferred Outflows of Resources								
Current Assets								
Cash and investments	\$ 9,010,116	\$ 7,192,976	\$ 27,432,986	\$ 11,488,229	\$ -	\$ 860,836	\$ 55,985,143	\$ 87,368
Receivables - net of allowances	484,434	239,119	371,777	502,751	-	176,105	1,774,186	-
Leases receivable	459,520	-	-	-	-	12,059	471,579	-
Prepaid items	2,026	475	-	8,392	19,124	11,028	41,045	-
Inventories	-	1,831	266,797	36,073	2,930	-	307,631	-
Total Current Assets	9,956,096	7,434,401	28,071,560	12,035,445	22,054	1,060,028	58,579,584	87,368
Noncurrent Assets								
Restricted cash and investments	-	119,556	-	-	342,025	-	461,581	-
Property, plant and equipment, net	35,788,988	6,876,711	26,665,944	18,335,768	11,818,016	2,021,368	101,506,795	-
Leases receivable	4,756,149	-	-	-	-	29,349	4,785,498	-
Net pension and OPEB assets	177,466	724,508	401,452	667,650	94,763	470,370	2,536,209	-
Total Noncurrent Assets	40,722,603	7,720,775	27,067,396	19,003,418	12,254,804	2,521,087	109,290,083	-
Total Assets	50,678,699	15,155,176	55,138,956	31,038,863	12,276,858	3,581,115	167,869,667	87,368
Deferred Outflows of Resources								
Related to pensions and OPEB	39,509	161,295	89,372	148,635	21,096	104,716	564,623	-
Total Assets and Deferred Outflows of Resources	\$ 50,718,208	\$ 15,316,471	\$ 55,228,328	\$ 31,187,498	\$ 12,297,954	\$ 3,685,831	\$ 168,434,290	\$ 87,368
Liabilities, Deferred Inflows of Resources, and Net Position								
Liabilities								
Current Liabilities								
Accounts payable	\$ 8,037	\$ 82,280	\$ 138,144	\$ 115,127	\$ -	\$ 31,162	\$ 374,750	\$ -
Accrued payroll and related liabilities	11,232	45,070	19,429	43,013	1,534	24,986	145,264	-
Customer deposits	-	248,427	7,700	-	-	3,536	259,663	-
Accrued interest	-	4,534	22,780	42,781	15,543	-	85,638	-
Unearned revenue	-	10,000	-	-	-	-	10,000	-
Due to other funds	-	-	-	-	1,476,629	2,502,335	3,978,964	-
Current portion:								
Accrued leave	6,334	31,426	7,039	34,255	4,739	18,963	102,756	-
Bonds payable	-	64,624	-	-	155,195	-	219,819	-
Loans payable	-	-	232,854	346,629	46,500	-	625,983	-
Total Current Liabilities	25,603	486,361	427,946	581,805	1,700,140	2,580,982	5,802,837	-
Noncurrent Liabilities								
Long term portion:								
Accrued leave	5,272	43,681	4,575	31,016	25,630	17,756	127,930	-
Bonds payable	-	1,414,355	-	-	3,742,923	-	5,157,278	-
Loans payable	-	-	2,638,993	4,787,187	325,500	-	7,751,680	-
Net pension and OPEB liabilities	242,488	989,959	548,540	912,268	129,483	642,707	3,465,445	-
Total Noncurrent Liabilities	247,760	2,447,995	3,192,108	5,730,471	4,223,536	660,463	16,502,333	-
Total Liabilities	273,363	2,934,356	3,620,054	6,312,276	5,923,676	3,241,445	22,305,170	-
Deferred Inflows of Resources								
Leases	5,085,089	-	-	-	-	40,100	5,125,189	-
Related to pensions and OPEB	191,915	783,501	434,138	722,013	102,480	508,670	2,742,717	-
Total Deferred Inflows of Resources	5,277,004	783,501	434,138	722,013	102,480	548,770	7,867,906	-
Total Liabilities and Deferred Inflows of Resources	5,550,367	3,717,857	4,054,192	7,034,289	6,026,156	3,790,215	30,173,076	-
Net Position								
Net investment in capital assets	35,788,988	5,397,732	23,794,097	13,201,952	7,547,898	2,023,028	87,753,695	-
Restricted for debt service	-	119,556	-	-	342,025	-	461,581	-
Unrestricted (deficit)	9,378,853	6,081,326	27,380,039	10,951,257	(1,618,125)	(2,127,412)	50,045,938	87,368
Total Net Position	45,167,841	11,598,614	51,174,136	24,153,209	6,271,798	(104,384)	138,261,214	87,368
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 50,718,208	\$ 15,316,471	\$ 55,228,328	\$ 31,187,498	\$ 12,297,954	\$ 3,685,831	\$ 168,434,290	\$ 87,368

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

72,878

Net Position of Business-type Activities

\$ 138,334,092

See accompanying notes to basic financial statements.

City of Kodiak, Alaska
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2022	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
	Cargo Pier	Boat Harbor	Water Utility	Sewer Utility	Shipyard			
Operating Revenues	\$ 1,982,674	\$ 2,647,332	\$ 5,101,115	\$ 5,388,746	\$ 215,305	\$ 1,132,669	\$ 16,467,841	\$ 1,138,608
Operating Expenses								
Salaries and benefits	307,514	1,194,112	610,766	1,069,192	44,663	688,473	3,914,720	-
Professional services	5,889	99,997	41,279	844,332	2,000	174,151	1,167,648	-
Contributions	-	16,902	-	-	-	-	16,902	-
Goods and services	201,182	266,022	274,998	270,144	82,166	657,766	1,752,278	1,088,640
Repairs and maintenance	28,300	68,482	30,566	78,736	94,849	33,129	334,062	-
Utilities and fuel	42,437	277,425	406,258	293,356	-	19,355	1,038,831	-
Machinery and equipment	-	20,389	7,002	8,234	14,256	-	49,881	-
Interfund charges	159,217	273,190	286,214	359,167	96,140	66,203	1,240,131	-
Depreciation	1,751,232	804,158	1,007,005	1,078,939	521,528	250,388	5,413,250	-
Total Operating Expenses	2,495,771	3,020,677	2,664,088	4,002,100	855,602	1,889,465	14,927,703	1,088,640
Earnings (loss) from operations	(513,097)	(373,345)	2,437,027	1,386,646	(640,297)	(756,796)	1,540,138	49,968
Nonoperating Revenues (Expenses)								
Other revenue	70,630	-	4,611	5,457	-	-	80,698	-
Grant revenue	-	121,516	153,000	-	-	-	274,516	-
Investment income (loss)	(10,948)	21,813	(31,953)	(13,415)	-	(1,094)	(35,597)	(49)
Interest expense	-	(50,789)	(44,797)	(74,690)	(139,749)	-	(310,025)	-
Engineering and feasibility studies	-	(361,147)	(41,665)	(8,338)	-	-	(411,150)	-
State PERS relief	(8,095)	(41,025)	(20,560)	(28,752)	(2,117)	(23,341)	(123,890)	-
Nonoperating Revenues (Expenses), net	51,587	(309,632)	18,636	(119,738)	(141,866)	(24,435)	(525,448)	(49)
Earnings (loss) before transfers	(461,510)	(682,977)	2,455,663	1,266,908	(782,163)	(781,231)	1,014,690	49,919
Transfers in	-	554,152	54,220	-	-	-	608,372	-
Transfers out	(108,372)	-	-	-	-	-	(108,372)	-
Change in net position	(569,882)	(128,825)	2,509,883	1,266,908	(782,163)	(781,231)	1,514,690	49,919
Net Position, beginning of year	45,737,723	11,727,439	48,664,253	22,886,301	7,053,961	676,847		37,449
Net Position, end of year	\$ 45,167,841	\$ 11,598,614	\$ 51,174,136	\$ 24,153,209	\$ 6,271,798	\$ (104,384)		\$ 87,368
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							36,835	
Change in Net Position of Business-type Activities							\$ 1,551,525	

See accompanying notes to basic financial statements.

City of Kodiak, Alaska

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2022	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
	Cargo Pier	Boat Harbor	Water Utility	Sewer Utility	Shipyard			
Cash Flows from (for) Operating Activities								
Receipts from customers and users	\$ 1,604,279	\$ 2,643,754	\$ 5,026,105	\$ 5,360,438	\$ 215,371	\$ 1,126,874	\$ 15,976,821	\$ -
Receipts from interfund services provided	-	79,463	-	-	-	-	79,463	1,138,608
Payments for interfund services used	(159,217)	(273,190)	(286,214)	(359,167)	(96,140)	(66,203)	(1,240,131)	-
Payments to suppliers	(209,771)	(1,112,128)	(720,611)	(1,446,915)	(204,363)	(904,236)	(4,598,024)	(1,088,640)
Payments to employees	(344,001)	(1,356,209)	(724,245)	(1,243,007)	(54,360)	(813,836)	(4,535,658)	-
Net cash flows from (for) operating activities	891,290	(18,310)	3,295,035	2,311,349	(139,492)	(657,401)	5,682,471	49,968
Cash Flows from (for) Noncapital Financing Activities								
Transfers in	-	554,152	54,220	-	-	-	608,372	-
Transfers out	(108,372)	-	-	-	-	-	(108,372)	-
Grant revenue	-	121,516	153,000	-	-	-	274,516	-
Increase due to other funds	-	-	-	-	471,851	742,642	1,214,493	-
Net cash flows from (for) noncapital financing activities	(108,372)	675,668	207,220	-	471,851	742,642	1,989,009	-
Cash Flows from (for) Capital and Related Financing Activities								
Principal paid on long-term debt	-	(60,000)	(231,227)	(345,863)	(181,500)	-	(818,590)	-
Interest paid on long-term debt	-	(55,614)	(46,545)	(52,247)	(150,859)	-	(305,265)	-
Purchase of property, plant and equipment	-	(284,967)	(154,873)	52,191	-	(33,186)	(420,835)	-
Net cash flows from (for) capital and related financing activities	-	(400,581)	(432,645)	(345,919)	(332,359)	(33,186)	(1,544,690)	-
Cash Flows from Investing Activities								
Investment income received	(10,948)	21,813	(31,953)	(13,415)	-	(1,094)	(35,597)	(49)
Net increase (decrease) in cash and investments	771,970	278,590	3,037,657	1,952,015	-	50,961	6,091,193	49,919
Cash and Investments, beginning of year	8,238,146	7,033,942	24,395,329	9,536,214	342,025	809,875	50,355,531	37,449
Cash and Investments, end of year	\$ 9,010,116	\$ 7,312,532	\$ 27,432,986	\$ 11,488,229	\$ 342,025	\$ 860,836	\$ 56,446,724	\$ 87,368
Reconciliation to Statement of Net Position:								
Cash and investments	\$ 9,010,116	\$ 7,192,976	\$ 27,432,986	\$ 11,488,229	\$ -	\$ 860,836	\$ 55,985,143	\$ 87,368
Restricted cash and investments	-	119,556	-	-	342,025	-	461,581	-
Total Cash and Investments	\$ 9,010,116	\$ 7,312,532	\$ 27,432,986	\$ 11,488,229	\$ 342,025	\$ 860,836	\$ 56,446,724	\$ 87,368
Reconciliation of earnings (loss) from operations to net cash flows from (for) operating activities:								
Earnings (loss) from operations	\$ (513,097)	\$ (373,345)	\$ 2,437,027	\$ 1,386,646	\$ (640,297)	\$ (756,796)	\$ 1,540,138	\$ 49,968
Adjustments to reconcile earnings (loss) from operations to net cash flow from (for) operating activities:								
Depreciation	1,751,232	804,158	1,007,005	1,078,939	521,528	250,388	5,413,250	-
Noncash State PERS relief	(8,095)	(41,025)	(20,560)	(28,752)	(2,117)	(23,341)	(123,890)	-
Other nonoperating revenues (expenses)	70,630	(361,147)	(37,054)	(2,881)	-	-	(330,452)	-
(Increase) decrease in assets:								
Accounts receivable	(247,815)	65,885	(75,010)	(28,308)	66	(4,487)	(289,669)	-
Leases	(16,717)	-	-	-	-	12,059	(4,658)	-
Inventories	-	(475)	7,216	1,061	-	-	7,802	-
Prepaid items	(2,026)	(475)	-	(8,392)	(8,611)	(6,559)	(26,063)	-
Net pension and OPEB assets	(150,005)	(612,399)	(339,332)	(564,339)	(80,100)	(397,586)	(2,143,761)	-
(Increase) decrease in deferred outflows of resources:								
Leases	442,804	-	-	-	-	-	442,804	-
Related to pensions and OPEB	23,700	96,757	53,614	89,164	12,656	62,817	338,708	-
Increase (decrease) in liabilities:								
Accounts payable	(567)	810	64,930	58,099	(2,481)	(19,113)	101,678	-
Accrued payroll and related liabilities	2,457	3,429	(1,325)	(1,700)	307	(722)	2,446	-
Accrued leave	1,535	7,707	(18,338)	(21,531)	9,405	(9,630)	(30,852)	-
Unearned revenue	-	10,000	-	-	-	-	10,000	-
Customer deposits	-	(1,624)	4,400	-	-	-	2,776	-
Net pension and OPEB liabilities	(75,927)	(309,976)	(171,757)	(285,650)	(40,544)	(201,245)	(1,085,099)	-
Increase (decrease) in deferred inflows of resources:								
Leases	(556,667)	-	-	-	-	(13,367)	(570,034)	-
Related to pensions and OPEB	169,848	693,410	384,219	638,993	90,696	450,181	2,427,347	-
Net Cash Flows from (for) Operating Activities	\$ 891,290	\$ (18,310)	\$ 3,295,035	\$ 2,311,349	\$ (139,492)	\$ (657,401)	\$ 5,682,471	\$ 49,968

See accompanying notes to basic financial statements.

City of Kodiak, Alaska

Notes to Basic Financial Statements

June 30, 2022

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Kodiak (the City) was formed by a Home Rule Charter on March 16, 1965, under the provisions of Alaska Statute, Title 29, as amended. The City operates under a council-manager form of government and provides the following services: public safety (police and fire), public works, parks and recreation, community services, library, boat harbor, port, water, sewer, harbor electric utilities, airport facilities and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the government are described below.

The City of Kodiak is a municipal corporation governed by an elected council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Kodiak, Alaska. There are no component units based on operational and financial relationship criteria.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from the *business-type activities*, which rely to a significant extent on fees and charges for support. The effect of interfund activity, for the most part, has been removed from these statements. 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) fees, fines and charges to customers or applicants who use, purchase, or directly benefit from goods, services, or privileges provided by a given segment or function 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*. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar programs are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Net position is reported as restricted when constraints placed on the net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by laws through constitutional provisions or enabling legislation.

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

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

The City reports the following major governmental fund based on the quantitative criteria:

The *General Fund* is the City's primary operating fund - it accounts for all financial resources of the City, except those required to be accounted for in another fund.

The City reports the following major proprietary funds based on the quantitative criteria:

The *Cargo Pier Enterprise Fund* accounts for all activities of the cargo pier.

The *Boat Harbor Enterprise Fund* accounts for all activities of smaller crafts and all boat harbors within the City limits.

The *Water Utility Enterprise Fund* accounts for the distribution of water services.

The *Sewer Utility Enterprise Fund* accounts for the operations of the sewer distribution system.

The *Shipyards Enterprise Fund* accounts for the shipyard activities.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Additionally, the City also reports the following fund types:

Special Revenue Funds - accounts for revenue sources that are legally restricted or committed to expenditure for specific purposes.

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

Internal Service Fund - accounts for the insurance activities of the City and provides this service to other departments and agencies of the City on a cost reimbursement basis.

The effect of interfund activity has been eliminated from the government-wide financial statements with the exception of charges between the City's enterprise functions and various other functions of the City. 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. In addition, general revenues include all taxes, investment income, and State of Alaska entitlement revenues.

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 and the internal service funds are charges to customers for sales and services and to other City departments for services provided. Operating expenses for the enterprise funds and internal service 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.

Use of Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates.

Central Treasury

The City maintains a central treasury for most of its cash and cash equivalents, which is utilized by all funds. Investment income is allocated to each fund quarterly based on the average monthly balance of each fund's equity in the central treasury.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Cash and Cash Equivalents

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

Inventories

Inventories consist of various supplies and fuel. Inventories are stated at cost (first-in, first-out) and are recorded as expenses when consumed rather than when purchased (consumption method). Reported governmental fund inventories are equally offset by a portion of fund balance classified as nonspendable in the fund financial statements, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recognized when incurred and the expenditure is recorded in the period that is benefited using the purchases method. The prepaid assets do not reflect current available resources and thus, an equivalent portion of fund balance is classified as nonspendable in the Governmental Fund Financial Statements.

Receivables and Payables

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

All taxes receivable and other receivables are shown net of an allowance for uncollectible receivables. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for doubtful accounts.

Leases

Lessee:

The City is party to a lease of nonfinancial assets as a lessee. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:

The City has leased to third-parties multiple nonfinancial assets. The City recognizes a lease receivable and a deferred inflow of resources in both the government-wide and governmental fund financial statements where applicable.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments receivable. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Restricted Assets

The City is obligated by various sources to restrict the availability of certain assets. Specifically, assets are restricted from external sources such as creditors, grantors, contributors, or laws or regulations of other governments. Assets are also subject to restriction through constitutional law provisions or enabling legislation. The City's net position is restricted for debt service, capital projects, and certain funds that are restricted by state law. The City's restricted assets also include monies set aside per bond covenants.

Capital Assets

Government-wide Financial Statements

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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<i>Assets</i>	<i>Years</i>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	7
Office and computer equipment	5

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (i.e. expense / expenditure) until then. The City currently reports pension and OPEB related deferred outflows. These items result from changes in assumption and relative share as well as pension contributions after the measurement date and changes related to bond refunding. These items will be recognized as expense in future periods.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (i.e. revenue) until that time. The City currently reports deferred inflows related to pension and OPEB items, assessments, and leases. The pension and OPEB items result from changes in assumption and relative share. The deferred assessments occur when assessment districts are formed for repayment of City constructed projects that benefit those specific properties. The assessments are deferred until the billings come due or until the property is sold. The lease inflows are initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Deferred inflows will result in future revenues or reduction of expense.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignation or retirement.

Long-term Debt

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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Fund Balances

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

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

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - Amounts are constrained by the City's intent to be used for specific purposes, but are not restricted or committed. The City Council may assign funds through the resolution process or through the budgetary process. In addition, assigned fund balance includes all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not otherwise constrained. By the establishment of such governmental funds (other than the General Fund), the City Council has implicitly assigned the residual fund balance to that purpose.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Pension and OPEB Plans

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

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Property Taxes

Property taxes are liens on the assessed value of taxable property as of January 1. Pursuant to Alaska Statutes, the City establishes the mill rate on or before June 15. The City is located within the Kodiak Island Borough, which acts as the City's agent in the billing and collection of property taxes. Tax bills are mailed on or before July 1 and are payable in two installments on August 15th and November 15th. City property tax revenues are recognized in the fiscal year in which they are collectible and available (collected within 60 days after year end) to finance expenditures of the fiscal year.

2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types, except the Capital Project Funds which adopt project-length budgets and the Special Assessments Special Revenue Fund. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, department, and object. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Council made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Any encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above. The commitments will be reappropriated and honored during the subsequent year.

3. Cash and Investments

The City maintains a cash and investment pool (central treasury) that is available for use by all funds.

Cash

At year end, the carrying amount of the City's deposits in financial institutions was \$38,604,407 and the reconciled balance totaled \$38,284,859. Of the bank balance, \$250,000 was insured by FDIC insurance and the remaining balance was covered by collateral held by the pledging financial institutions' trust department or agent in the City's name. There were no uninsured cash balances. Included in the carrying amount above is \$461,581 of restricted cash for revenue bond reserves. Petty cash on hand at June 30, 2022, was \$2,540.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Investments

Chapter 3.16 of the City Code specifies that the City may invest in bonds, notes or other obligations, direct or otherwise, of the United States; bonds or other evidence of indebtedness of the State of Alaska or its political subdivisions or other states of the United States; Alaska Municipal League Investment Pool, Inc. (AMLIP); and savings accounts, certificates of deposit, bank acceptances, repurchase agreements, and such other security instruments as may be authorized by law. The investment policy requires collateralization of all deposits except direct purchases of securities and/or participation in AMLIP.

Investments are reported at fair value with unrealized gain or loss in investments reflected in the investment income. 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.

The hierarchy inputs are as follows:

- *Level 1 inputs* - quoted prices in active markets for identical assets
- *Level 2 inputs* - significant other observable inputs which are valued using models with various inputs, such as, but not limited to, daily cash flow, snapshots of market indices and spread scales
- *Level 3 inputs* - significant unobservable inputs

The City has the following fair value measurements as of June 30, 2022:

Investments Measured at Fair Value				
<i>Investments by fair value level</i>	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Obligations	\$ 226,796	\$ -	\$ 226,796	\$ -
U.S. Treasury Obligations	28,417,748	28,417,748	-	-
Total investments at fair value level	\$ 28,644,544	\$ 28,417,748	\$ 226,796	\$ -

Investments measured at the net asset value:

Alaska Municipal League Investment Pool	16,464,892
Total investments	\$ 45,109,436

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Investment maturities at June 30, 2022 are as follows:

Investment Type	Fair Value	Investment Maturity (in years)		
		Less than 1	1-5	6+
Municipal Obligations	\$ 226,796	\$ 175,761	\$ -	\$ 51,035
U.S. Treasury Obligations	28,417,748	21,765,985	6,651,763	-
Alaska Municipal League Investment Pool	16,464,892	16,464,892	-	-
Total Investments	\$ 45,109,436	\$ 38,406,638	\$ 6,651,763	\$ 51,035

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal policy relating to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has no formal policy relating to credit risk. However, all of the U.S. government agency investments and municipal obligations are rated AAA by Standard and Poor's.

The Alaska Municipal League Investment Pool is an external investment pool that is rated AAAM by Standard and Poor's. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to its Board of Directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

The manager is required to produce monthly disclosure statements to its participants. AMLIP also has retained an investment advisor to ensure compliance with investment policies. Participation in AMLIP is voluntary. AMLIP must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less.

The City's investment in AMLIP is measured at net asset value as of June 30, 2022. Management believes these values approximate fair value.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

4. Accounts Receivable and Unearned Revenues

Receivables at June 30, 2022, for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for doubtful accounts, are as follows:

	Major Governmental Fund		Nonmajor Governmental Funds	Totals
	General			
Taxes	\$ 3,889,195		\$ 103,210	\$ 3,992,405
Grants and shared revenues	97,132		7,132	104,264
Accounts	79,252		-	79,252
Special assessments	-		30,801	30,801
Interest	42,825		16,110	58,935
Leases	942,299		-	942,299
Total receivables	5,050,703		157,253	5,207,956
Less allowance for doubtful accounts	-		-	-
Net Receivables	\$ 5,050,703		\$ 157,253	\$ 5,207,956

	Major Enterprise Funds					Nonmajor Enterprise Funds	Totals
	Cargo Pier	Boat Harbor	Water Utility	Sewer Utility			
Accounts	\$ 484,434	\$ 287,184	\$ 374,001	\$ 505,618	\$ 176,105	\$ 1,827,342	
Grants	-	67,582	-	-	-	67,582	
Leases	5,215,669	-	-	-	41,408	5,257,077	
Total receivables	5,700,103	354,766	374,001	505,618	217,513	7,152,001	
Less allowance for doubtful accounts	-	115,647	2,224	2,867	-	120,738	
Net Receivables	\$ 5,700,103	\$ 239,119	\$ 371,777	\$ 502,751	\$ 217,513	\$ 7,031,263	

Leases receivable are for lease payments expected to be received during the lease term for leases that the City is considered the lessor.

Governmental funds report deferred inflows of resources when there is an acquisition of fund balance that is applicable to a future reporting period. At June 30, 2022, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Nonmajor Funds
Deferred Special Assessments	\$ 13,124

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

5. Leases

Lease payable

The City entered into a five-year lease agreement as a lessee for a copier. The lease went into effect on July 1, 2021. An initial lease liability was recorded in the amount of \$31,420 during the current year. As of June 30, 2022, the outstanding balance on the lease was \$22,321. The City is required to make monthly principal and lease payments of \$826. The lease has a stated interest rate of 3%. The copier has a five-year estimated useful life. The value of the right-to-use asset as of June 30, 2022, was \$31,420 and had accumulated amortization of \$9,426.

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

<i>Year Ending June 30,</i>	Principal	Interest	Total
2023	\$ 9,375	\$ 542	\$ 9,917
2024	9,661	256	9,917
2025	3,285	20	3,305
Total	\$ 22,321	\$ 818	\$ 23,139

Leases receivable

During the current year, the City, as lessor, entered into several multiple-year lease agreements to third parties for various nonfinancial assets. The lengths of the lease terms vary, and the City used their incremental borrowing rate of 4% when there was no stated interest rate in the lease contract. The City received payments totaling \$855,679 for the fiscal year ended June 30, 2022. The City recognized \$651,544 in lease revenue and \$266,298 in interest revenue for the fiscal year ended June 30, 2022. As of June 30, 2022, the City's receivable for lease payments was \$6,199,376. The City recognized a deferred inflow of resource associated with the lease of \$6,140,136 on June 30, 2022, that will be recognized as revenue over the remainder of the lease terms.

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City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

6. Capital Assets

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

Governmental Activities	Balance July 1, 2021	Additions	Deletions and Reclassifications	Balance June 30, 2022
<i>Capital assets not being depreciated or amortized:</i>				
Land and land improvements	\$ 2,617,784	\$ -	\$ -	\$ 2,617,784
Construction in progress	1,610,335	421,672	(385,420)	1,646,587
Total assets not being depreciated or amortized	4,228,119	421,672	(385,420)	4,264,371
<i>Capital assets being depreciated or amortized:</i>				
Buildings	41,966,458	243,795	-	42,210,253
Improvements other than buildings	8,740,468	-	-	8,740,468
Infrastructure	19,552,623	-	-	19,552,623
Right-to-use asset	-	31,420	-	31,420
Machinery and equipment	15,997,140	326,224	-	16,323,364
Total assets being depreciated or amortized	86,256,689	601,439	-	86,858,128
Less accumulated depreciation for:				
Buildings	8,908,328	886,860	-	9,795,188
Improvements other than buildings	3,170,070	379,424	-	3,549,494
Infrastructure	9,548,392	311,720	-	9,860,112
Right-to-use asset	-	9,426	-	9,426
Machinery and equipment	10,299,905	1,044,861	-	11,344,766
Total accumulated depreciation and amortization	31,926,695	2,632,291	-	34,558,986
Total capital assets being depreciated and amortized, net	54,329,994	(2,030,852)	-	52,299,142
Governmental Activity Capital Assets, net	\$ 58,558,113	\$ (1,609,180)	\$ (385,420)	\$ 56,563,513

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Business-type Activities	Balance July 1, 2021	Additions	Deletions and Reclassifications	Balance June 30, 2022
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 693,997	\$ -	\$ -	\$ 693,997
Construction in progress	7,639,459	864,535	7,108,032	1,395,962
Total assets not being depreciated	8,333,456	864,535	7,108,032	2,089,959
<i>Capital assets being depreciated:</i>				
Buildings	41,882,404	2,864,799	33,406	44,713,797
Improvements other than buildings	154,174,373	3,409,801	-	157,584,174
Machinery and equipment	22,512,388	423,139	-	22,935,527
Total assets being depreciated	218,569,165	6,697,739	33,406	225,233,498
<i>Less accumulated depreciation for:</i>				
Buildings	22,222,632	807,961	-	23,030,593
Improvements other than buildings	90,265,141	3,861,040	-	94,126,181
Machinery and equipment	7,915,639	744,249	-	8,659,888
Total accumulated depreciation	120,403,412	5,413,250	-	125,816,662
Total capital assets being depreciated, net	98,165,753	1,284,489	33,406	99,416,836
Business Type Activity				
Capital Assets, net	\$ 106,499,209	\$ 2,149,024	\$ 7,141,438	\$ 101,506,795

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City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Depreciation and amortization expense was charged to the functions as follows, for the year ended June 30, 2022:

Governmental Activities	
General government	\$ 203,981
Public safety	1,213,615
Public works	444,890
Parks and recreation	494,030
Library	254,775
Community services	21,000
Total Governmental Activities Depreciation and Amortization	
	\$ 2,632,291
Business-type Activities	
Cargo Pier	\$ 1,751,232
Boat Harbor	804,158
Water Utility	1,007,005
Sewer Utility	1,078,939
Shipyard	521,528
E-911	1,660
Trident Basin	248,728
Total Business-Type Activities Depreciation	
	\$ 5,413,250

7. Long Term Debt

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

	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
Governmental Activities					
\$6,355,000 2016 Series Three Public Safety Building General Obligation Bonds, due in annual installments of \$205,000 to \$440,000 plus interest at 2.0% to 5.0% through 2038	\$ 5,705,000	\$ -	\$ 230,000	\$ 5,475,000	\$ 240,000
Bond premium	311,518	-	19,470	292,048	19,470
Leases	-	31,420	9,099	22,321	9,375
Net pension and OPEB liabilities	10,906,466	-	2,600,699	8,305,767	-
Accrued leave	706,279	624,406	640,942	689,743	332,224
Total Governmental Activities		\$ 655,826	\$ 3,500,210	\$ 14,784,879	\$ 601,069

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities and accrued leave related to governmental activities are generally liquidated by the General Fund.

Business-type Activities	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Revenue Bonds:					
\$2,000,000 2016 Series Three Boat Harbor Revenue Bonds, due in annual installments of \$55,000 to \$115,000 plus interest at 2.0% to 5.0% through 2037	\$ 1,465,000	\$ -	\$ 60,000	\$ 1,405,000	\$ 60,000
\$4,000,000 2016 Series Three Shipyard Revenue Bonds, due in annual installments of \$85,000 to \$270,000 plus interest at 2.0% to 5.0% through 2037	3,115,000	-	105,000	3,010,000	110,000
\$1,000,000 2016 Series Three Shipyard Revenue Bonds, due in annual installments of \$30,000 to \$60,000 plus interest at 2.0% to 5.0% through 2037	755,000	-	30,000	725,000	35,000
Loans Payable:					
\$930,000 Shipyard loan, due in annual installments of \$46,500, plus interest at 1.5% through 2030	418,500	-	46,500	372,000	46,500
\$1,000,000 Sewer loan, due in annual installments of \$47,287, including interest at 1.5% through 2030	486,964	-	50,941	436,023	51,705
\$862,000 Water loan, due in annual installments of \$50,208, including interest at 1.5% through 2030	419,763	-	43,911	375,852	44,570

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Loans Payable continued:					
\$341,930 Sewer loan, due in annual installments of \$32,302 plus interest at 1.5% through 2024	\$ 129,206	\$ -	\$ 32,300	\$ 96,906	\$ 32,302
\$5,982,000 (maximum) Water loan, due in annual installments of \$77,168, including interest at 1.5% through 2032	841,709	-	64,542	777,167	65,510
\$2,426,620 Water loan, due in annual installments of \$122,773 plus interest of 1.5% through 2036	1,841,602	-	122,774	1,718,828	122,774
\$1,794,604 Sewer loan, due in annual installments of \$89,730 plus interest of 1.5% through 2037	1,435,684	-	89,731	1,345,953	89,731
\$600,000 Sewer loan, due in annual installments	570,000	-	30,000	540,000	30,000
\$5,435,000 Sewer loan, due in annual installments	2,857,825	-	142,891	2,714,934	142,891
Bond premium	251,916	-	14,819	237,097	14,819
Net pension and OPEB liabilities	4,550,544	-	1,085,099	3,465,445	-
Accrued leave	261,538	208,750	239,602	230,686	102,756
Total Business-type Activities	\$ 19,400,251	\$ 208,750	\$ 2,158,110	\$ 17,450,891	\$ 948,558

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Annual debt service requirements to maturity for all the above Governmental Activities general obligation bonded debt outstanding as of June 30, 2022, are as follows:

Governmental Activities	General Obligation Bonds		
	Principal	Interest	Total
<i>Years Ending June 30,</i>			
2023	\$ 240,000	\$ 206,950	\$ 446,950
2024	255,000	194,575	449,575
2025	270,000	181,450	451,450
2026	280,000	167,700	447,700
2027	295,000	153,325	448,325
2028-2032	1,690,000	554,469	2,244,469
2033-2037	2,005,000	246,844	2,251,844
2038	440,000	7,425	447,425
	\$ 5,475,000	\$ 1,712,738	\$ 7,187,738

Annual debt service requirements to maturity for all the above Business-type Activities revenue bonds and loans payable obligations outstanding as of June 30, 2022, are as follows:

Business-type Activities	Revenue Bonds			Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
<i>Years Ending June 30,</i>						
2023	\$ 205,000	\$ 191,169	\$ 396,169	\$ 625,982	\$ 125,665	\$ 751,647
2024	215,000	180,669	395,669	628,409	116,275	744,684
2025	220,000	169,794	389,794	630,872	106,849	737,721
2026	235,000	158,419	393,419	601,071	97,386	698,457
2027	245,000	146,419	391,419	603,608	88,370	691,978
2028-2032	1,575,000	548,813	2,123,813	2,745,925	307,580	3,053,505
2033-2037	2,010,000	246,413	2,256,413	1,880,229	128,264	2,008,493
2038	435,000	7,341	442,341	661,567	24,134	685,701
	\$ 5,140,000	\$ 1,649,037	\$ 6,789,037	\$ 8,377,663	\$ 994,523	\$ 9,372,186

Revenue Bond Requirements

Certain covenants of the revenue bonds require the establishment of bond redemption and reserve accounts. This requirement is reflected as restricted cash and investments in the Boat Harbor and Shipyard Enterprise Funds in the total amount of \$461,581.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

8. Fund Balances

Fund balances, reported for the major funds and the nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General Fund	Nonmajor Funds	Totals
Nonspendable:			
Prepaid items	\$ 78,642	\$ -	\$ 78,642
Inventory	20,060	-	20,060
Committed:			
Tourism	-	877,818	877,818
Economic stability	-	8,526,572	8,526,572
Assigned:			
Capital projects	-	4,778,605	4,778,605
Public works	-	109,808	109,808
Unassigned	19,031,381	-	19,031,381
Total Fund Balances	\$ 19,130,083	\$ 14,292,803	\$ 33,422,886

9. Sales Tax Revenues

A sales tax of seven (7) percent of the sales price or charge is levied on all sales, rentals, and services made within the City. Prior to January 1, 2018, the maximum taxable sale was \$750 per transaction. After January 1, 2018, the maximum taxable sale is \$3,000 per transactions, except for the charge of rental of any residential or commercial real property for a period in excess of one month, which remains at \$750 per transaction. An additional five (5) percent of the rental charge is levied on all transient room rentals within the City.

Net sales tax revenues and transient room taxes for the year ended June 30, 2022 are:

<u>General Fund general sales taxes</u>	<u>\$ 15,351,970</u>
<u>Tourism Development Special Revenue Fund room taxes</u>	<u>\$ 347,376</u>

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City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

The sales tax and transient room tax proceeds are allocated in accordance with Ordinance Number 1310, amending City Code Chapter 3.08.025 relating to taxes, in the following manner:

	Percentage	Maximum Proceeds
Fund		
General Fund	5.00%	N/A
Street Improvements Capital Projects Fund	0.90%	\$ 450,000
Parks and Recreation Capital Projects Fund	0.10%	300,000
Boat Harbor Enterprise Fund	1.00%	500,000

Total Sales Tax	7.00%	\$ 1,250,000
	Percentage	Maximum Proceeds

Fund		
Council approved tourism program	3.50%	N/A
Tourism enhancement projects	1.00%	N/A
Administrative costs associated with projects	0.50%	N/A

Total Transient Room Tax	5.00%	N/A
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Sales tax revenues associated with the Capital Projects Funds are recorded as transfers from the General Fund to the applicable Capital Project Fund. Allocations of sales taxes to these funds for the year ended June 30, 2022:

Capital Projects Funds:		
Street Improvements	\$	430,393
Parks and Recreation		300,000
Enterprise Fund - Boat Harbor		500,000
Total Sales Tax Revenues Transferred from the General Fund		\$ 1,230,393

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City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

10. Interfund Receivables and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2022, follows:

Due from Other Funds

Due to the General Fund from	
Shipyard Enterprise Fund	\$ 1,476,629
Nonmajor Enterprise Funds	2,502,335

Total due from Other Funds **3,978,964**

Transfers

From General Fund to:

Boat Harbor Enterprise Fund for capital costs	\$ 500,000
Enhancement Special Revenue Fund per KCC 3.28.020	1,265,674
Nonmajor governmental funds for capital costs	1,211,224

Total transfers from General Fund **2,976,898**

From Nonmajor Governmental Funds to:

General Fund for the reimbursement of capital costs	185,193
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From Cargo Pier Enterprise Fund to:

Boat Harbor Enterprise Fund for capital projects	54,152
Water Utility Enterprise Fund for capital projects	54,220

Total Transfers from Other Funds **\$ 293,565**

11. Employee Retirement Systems and Plans

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

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

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

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

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

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

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

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

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

Membership in the plan consisted of the following at June 30, 2021 (latest available report):

Membership	PERS
Active plan members	24,481
Participating employers	151

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2021 (latest available information) employer contributions were 7.43% of annual payroll. Membership in the plan consisted of the following at June 30, 2021 (latest report available):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	36,704
Inactive plan members entitled to but not yet receiving benefits	5,112
Inactive plan members not entitled to benefits	10,366
Active plan members	10,066
Total plan membership	62,248

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2022 employer contributions were 1.07%. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	67
Inactive plan members entitled to but not yet receiving benefits	2,082
Inactive plan members not entitled to benefits	16,249
Active plan members	24,481
Total plan membership	42,879

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the plan. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	113
Inactive plan members entitled to but not yet receiving benefits	2,082
Inactive plan members not entitled to benefits	16,249
Active plan members	24,481
Total plan membership	42,925

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2021 (latest available report) for the DB Plan for PERS is 29.77%, for the ARHCT plan is 30.00%, for the ODD Plan is 29.55%, and for the RMP is 29.54%.

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

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.63%
Global Equity (non-U.S.)	5.41%
Aggregate Bonds	0.76%
Opportunistic	4.39%
Real Assets	3.16%
Private Equity	9.29%
Cash Equivalents	0.13%

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.18% as of June 30, 2021.

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

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

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

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board (GASB)*. Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.38% discount rate.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Employer Contribution rates for the year ended June 30, 2022 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	15.54%	21.27%	8.11%
OPEB	6.46%	8.84%	0%
Total PERS contribution rates	22.00%	30.11%	8.11%

Termination Costs: If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For fiscal year 2022 the past service rate for PERS is 18.31%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2021 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2021. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation - 2.5% per year Productivity - 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.
Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Total turnover	Based upon the 2013-2017 actual withdrawal experience.
Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
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 drugs: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%.

As a result of the latest experience study, the Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. In addition to the changes in assumptions resulting from the experience study, the following assumption changes related to the ARHCT plan have been made since the prior valuation:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent experience.
3. Healthcare cost trends were updated to reflect the repeal of the Cadillac Tax.

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

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

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

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

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

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

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

The DB Plan's membership consisted of the following at June 30, 2021 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,704
Inactive plan members entitled to but not receiving benefits	5,112
Inactive members not entitled to benefits	10,366
Active plan members	<u>10,066</u>
Total DB plan membership	<u>62,248</u>

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

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

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

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Post Retirement Pension Adjustments. Post retirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit, including past PRPAs, times:

- (a) 75% of the CPI increase in the preceding calendar year or 9%, whichever is less, if the recipient is at least 65 or on PERS disability; or
- (b) 50% of the CPI increase in the preceding calendar year or 6%, whichever is less, if the recipient is at least 60, or has been receiving benefits for at least five years.

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who first entered the PERS before July 1, 1986, if the CPI increases and the financial condition of the fund will permit an increase. In a year where an ad hoc PRPA is granted, eligible recipients will receive the higher of the two calculations.

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

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

Employee Contribution Rate. The City's PERS active members are required to contribute 6.75%.

Employer contributions for the year ended June 30, 2022, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 1,140,733	251,981	1,392,714

Public Employees Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$692,832 (100% pension cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2021 to a total of (\$373,432), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2022, the City reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the City were as follows:

Defined Benefit:	<u>Pension</u>
City's proportionate share of the net pension liability	\$ 11,771,212
State's proportionate share of the net pension liability	<u>1,594,792</u>
Total	<u>\$ 13,366,004</u>
	<u>OPEB</u>
City's proportionate share of the ARHCT OPEB (asset)	\$ (8,265,569)
State's proportionate share of the ARHCT OPEB (asset)	<u>(1,082,881)</u>
Total	<u>\$ (9,348,450)</u>
City's proportionate share of the ODD OPEB (asset)	<u>\$ (237,099)</u>
City's proportionate share of the RMP OPEB (asset)	<u>\$ (112,172)</u>
Total City's share of net pension and OPEB liabilities and (assets)	<u>\$ 3,156,372</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2021, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The City's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2023 through FY2039, as determined by projections based on the June 30, 2021 valuation.

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

	<u>June 30, 2021 Measurement</u>	<u>June 30, 2020 Measurement</u>	<u>Change</u>
Pension	0.3208%	0.2614%	0.0594%
OPEB:			
ARHCT	0.3222%	0.2614%	0.0608%
ODD	0.5380%	0.5482%	(0.0102)%
RMP	0.4179%	0.4058%	0.0121%

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2021, the City recognized pension and OPEB expense of \$2,730,351 and (\$3,282,532), respectively, for the year ended June 30, 2022. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	\$ (52,149)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(4,641,947)
Changes in proportion and differences between City contributions and proportionate share of contributions	472,231	-
City contributions subsequent to the measurement date	1,140,733	-
Total	\$ 1,612,964	\$ (4,694,096)
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (86,802)
Changes of assumptions	-	(312,358)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,867,844)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(62,885)
City contributions subsequent to the measurement date	160,389	-
Total	\$ 160,389	\$ (4,329,889)
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (64,759)
Changes of assumptions	-	(1,801)
Net difference between projected and actual earnings on OPEB plan investments	-	(38,019)
Changes in proportion and differences between City contributions and proportionate share of contributions	6,552	(14,730)
City contributions subsequent to the measurement date	27,359	-
Total	\$ 33,911	\$ (119,309)

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,340	\$ (5,333)
Changes of assumptions	34,865	(66,664)
Net difference between projected and actual earnings on OPEB plan investments	-	(100,353)
Changes in proportion and differences between City contributions and proportionate share of contributions	3,376	(654)
City contributions subsequent to the measurement date	64,233	-
Total	\$ 110,814	\$ (173,004)

\$1,140,733 and \$251,981 are reported as deferred outflows of resources related to pension and OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2022	\$ (658,645)	\$ (1,368,159)	\$ (22,035)	\$ (27,098)
2023	(1,063,288)	(890,752)	(22,011)	(27,145)
2024	(1,150,184)	(956,481)	(22,410)	(28,158)
2025	(1,349,748)	(1,114,497)	(23,678)	(31,355)
2026	-	-	(12,841)	(3,533)
Thereafter	-	-	(9,782)	(9,134)
Total	\$ (4,221,865)	\$ (4,329,889)	\$ (112,757)	\$ (126,423)

For the year ended June 30, 2022, the City recognized \$2,711,186 and (\$72,419) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.38%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$ 17,434,804	\$ 11,771,212	\$ 7,013,067
Net OPEB ARHCT (asset)	\$ (5,405,558)	\$ (8,265,569)	\$ (10,640,595)
Net OPEB ODD (asset)	\$ (227,034)	\$ (237,099)	\$ (245,115)
Net OPEB RMP liability (asset)	\$ 73,211	\$ (112,172)	\$ (252,193)

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB ARHCT (asset)	\$ (10,918,622)	\$ (8,265,569)	\$ (5,064,026)
Net OPEB ODD (asset)	\$ N/A	\$ (237,099)	\$ N/A
Net OPEB RMP liability (asset)	\$ (272,235)	\$ (112,172)	\$ 105,924

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The City contributed \$485,982 for the year ended June 30, 2022, which included forfeitures of \$47,597 which have been applied as employer contributions.

12. New Accounting Pronouncements

The City has retroactively implemented GASB Statement Number 87, *Leases* (GASB 87) effective for the City's fiscal year beginning July 1, 2021. 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.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

As a result of adopting this new accounting pronouncement, there were no changes in beginning of year net position or fund balance.

13. Risk Management

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e. errors and omissions, (d) environmental damage, (e) workers compensation, and (f) medical/dental/vision costs for employees. The City of Kodiak participates in the Alaska Public Entity Insurance Association (APEI) which covers property and contents, torts, general and auto liability, public officials and employees' liability, and workers compensation. APEI is a public entity risk pool, which reinsures risk above certain levels, thereby relieving members of the need for additional assessments. Coverage limits and deductibles on policies have remained relatively constant for the last several years. No settlements in excess of insurance coverage have been realized over the past three years.

In addition to the APEI coverage, the City has commercial insurance coverage for storage tanks, third party liability, marine liability and aviation liability for the two City-owned airports; Kodiak Municipal Airport, and the Trident Basin Seaplane Base.

The City maintains commercial insurance coverage for the health and medical benefit program which covers all full time employees.

14. Enhancement Fund

The City has an Enhancement Fund in which the monies are to be held perpetually in trust for the benefit of the present and future generations of Kodiak residents through economic stability. Any principal portions of the Enhancement Fund cannot be appropriated without approval from at least five City Council members. The Enhancement Fund was originally established with a transfer of five (5) million dollars from the General Fund to a separate Special Revenue Fund. The ordinance creating the Enhancement Fund requires fifty percent of the General Fund surplus (which is calculated annually based upon excess revenues and other financing sources, less expenditures and other financing uses) to be transferred to the Enhancement Fund by January 1 of the succeeding year. The ordinance further requires 50% of municipal land sales and leased property revenues, as well as the fund's own investment earnings be committed to this purpose.

The General Fund's net increase to fund balance for the year ended June 30, 2021, was \$2,531,347 and accordingly, \$1,265,674 was transferred to the Enhancement Special Revenue Fund during the current year. Lease and rental income was \$93,703 and investment earnings were (\$204,061) for the year ended June 30, 2022.

In addition, there is a provision for transferring to the General Fund any excess earnings over and above those earnings necessary for inflation-proofing of the Enhancement Fund. As of June 30, 2022, investment earnings did not exceed earnings necessary for inflation-proofing and accordingly no transfer to the General Fund was made.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

15. E-911 Enterprise Fund

During fiscal year 2019, the City entered into a memorandum of understanding with the Kodiak Island Borough for emergency services provided to the Kodiak Island Borough. Funds generated for emergency services include a \$2 surcharge for all landline and cellular telephone services for 911 emergency calls. The Kodiak Island Borough collects this surcharge per Alaska State Statute 29.35.131 and provides this revenue to the City. These funds are held in a City enterprise fund, E-911, to offset City expenses for allowable costs under AS 29.35.131. As of June 30, 2022, the E-911 enterprise fund has a deficit net position of \$2,826,191. The City intends to resume negotiations with the Kodiak Island Borough for additional funding support for emergency services provided to the Kodiak Island Borough.

16. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be nominal.

In the normal course of operations, the City becomes involved in various litigation matters including, among other things, claims by third parties for alleged property damages, personal injuries, and other matters. The City believes that it has meritorious defenses against these claims and has used multiple factors in determining potential exposure.

Potential exposure is determined based on multiple factors, such as (1) severity of the injury and estimated potential liability based on past judgments and settlements, (2) advice from legal counsel based on its assessment of the facts of the case and its experience in other cases, (3) probability of pre-trial settlement which would mitigate legal costs, and (4) historical experience on claims for each specific type. It is reasonably possible that changes in the City's potential exposure may occur from time to time as these factors can be subject to some volatility.

Although it is difficult to predict the costs of ultimately resolving such issues, the City has determined that current insurance coverage is sufficient to limit any additional exposure to an amount that would not be material to the City's financial position. Accordingly, the City has not recorded a potential estimate for loss in the liabilities.

17. New Accounting Pronouncements

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

- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 99 *Omnibus 2022*. Multiple effective dates.

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

- GASB 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective for fiscal years beginning after June 15, 2023. Multiple effective dates.
- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.

GASB Statements No. 94 and No. 98 are not expected to have any significant impact on the financial statements of the City.

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

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

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

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

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

City of Kodiak, Alaska

Notes to Basic Financial Statements, Continued

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

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

Required Supplementary Information

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

Year Ended June 30, 2022	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,216,375	\$ 116,375
Sales taxes	14,520,000	14,520,000	15,351,970	831,970
Penalties and interest	27,500	27,500	49,199	21,699
Intergovernmental	1,482,279	1,523,947	1,855,168	331,221
Charges for services	1,929,082	1,929,082	2,001,049	71,967
Fines and forfeitures	3,000	3,000	9,681	6,681
Licenses and permits	50,300	86,944	136,810	49,866
Rental income	150,000	150,000	47,489	(102,511)
Interfund charges	1,583,532	1,583,532	1,589,599	6,067
Investment income (loss)	50,000	50,000	(22,066)	(72,066)
Other revenues	8,700	8,700	21,589	12,889
Total Revenues	20,904,393	20,982,705	22,256,863	1,274,158
Expenditures				
General government:				
Legislative	232,011	232,011	164,946	67,065
Legal	60,000	60,000	62,486	(2,486)
Executive	948,078	961,138	876,914	84,224
Emergency preparedness	75,300	75,300	40,219	35,081
City clerk	527,514	531,069	448,795	82,274
Finance	1,923,993	1,987,273	1,770,203	217,070
Public safety:				
Police	6,241,867	6,603,796	5,643,196	960,600
Fire	3,032,057	3,228,401	2,434,602	793,799
Public works	2,308,649	2,424,587	2,098,097	326,490
Engineering	216,270	220,455	172,064	48,391
Parks and recreation	1,610,549	1,642,830	1,478,547	164,283
Library	911,558	950,312	794,462	155,850
Community service	214,000	214,000	191,311	22,689
Non-departmental	682,542	682,542	764,818	(82,276)
Total Expenditures	18,984,388	19,813,714	16,940,660	2,873,054
Excess of revenues over expenditures	1,920,005	1,168,991	5,316,203	4,147,212
Other Financing Uses:				
Proceeds from issuance of leases	-	-	31,420	31,420
Transfers in	177,400	177,400	185,193	7,793
Transfers out	(1,774,764)	(1,824,764)	(2,976,898)	(1,152,134)
Change in fund balance	<u>\$ 322,641</u>	<u>\$ (478,373)</u>	2,555,918	<u>\$ 3,034,291</u>
Fund Balance, beginning of year			16,574,165	
Fund Balance, end of year			<u>\$ 19,130,083</u>	

See accompanying notes to Required Supplementary Information.

City of Kodiak, Alaska

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

Public Employees' Retirement System (PERS)

June 30, 2022

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1692%	\$ 7,889,699	\$ 7,149,538	\$ 15,039,237	\$ 7,133,264	111%	62.37%
2016	0.2449%	\$ 11,877,818	\$ 3,181,492	\$ 15,059,310	\$ 6,948,895	171%	63.96%
2017	0.2786%	\$ 15,572,347	\$ 1,959,442	\$ 17,531,789	\$ 7,169,527	217%	59.55%
2018	0.2263%	\$ 11,698,337	\$ 4,358,316	\$ 16,056,653	\$ 7,469,991	157%	63.37%
2019	0.2533%	\$ 12,585,399	\$ 3,647,334	\$ 16,232,733	\$ 8,051,332	156%	65.19%
2020	0.2295%	\$ 12,560,846	\$ 4,990,340	\$ 17,551,186	\$ 8,271,368	152%	63.42%
2021	0.2614%	\$ 15,428,229	\$ 6,385,031	\$ 21,813,260	\$ 8,476,059	182%	61.61%
2022	0.3208%	\$ 11,771,212	\$ 1,594,792	\$ 13,366,004	\$ 8,839,664	133%	61.61%

See accompanying notes to Required Supplementary Information.

City of Kodiak, Alaska

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

Public Employees' Retirement System (PERS)

June 30, 2022

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.2263%	\$ 1,911,273	\$ 713,161	\$ 2,624,434	\$ 7,469,991	25.59%	89.68%
2019	0.2533%	\$ 2,599,393	\$ 754,810	\$ 3,354,203	\$ 8,051,332	32.29%	88.12%
2020	0.2295%	\$ 340,602	\$ 135,430	\$ 476,032	\$ 8,271,368	4.12%	98.13%
2021	0.2614%	\$ (1,183,593)	\$ (491,028)	\$ (1,674,621)	\$ 8,476,059	-13.96%	106.15%
2022	0.3208%	\$ (8,265,569)	\$ (1,082,881)	\$ (9,348,450)	\$ 8,839,664	-93.51%	106.15%
Occupational Death and Disability (ODD):							
2018	0.3903%	\$ (55,374)	\$ -	\$ (55,374)	\$ 7,469,991	-0.74%	212.97%
2019	0.4079%	\$ (79,213)	\$ -	\$ (79,213)	\$ 8,051,332	-0.98%	270.62%
2020	0.5816%	\$ (141,019)	\$ -	\$ (141,019)	\$ 8,271,368	-1.70%	297.43%
2021	0.5482%	\$ (149,451)	\$ -	\$ (149,451)	\$ 8,476,059	-1.76%	283.80%
2021	0.5380%	\$ (237,099)	\$ -	\$ (237,099)	\$ 8,839,664	-2.68%	283.80%
Retiree Medical Plan (RMP):							
2018	0.3903%	\$ 20,352	\$ -	\$ 20,352	\$ 1,861,667	1.09%	93.98%
2019	0.4079%	\$ 51,899	\$ -	\$ 51,899	\$ 1,912,545	2.71%	88.71%
2020	0.4116%	\$ 98,463	\$ -	\$ 98,463	\$ 2,049,236	4.80%	83.17%
2021	0.4058%	\$ 28,781	\$ -	\$ 28,781	\$ 2,049,236	1.40%	92.23%
2021	0.4179%	\$ (112,172)	\$ -	\$ (112,172)	\$ 2,268,855	-4.94%	92.23%

See accompanying notes to Required Supplementary Information.

City of Kodiak, Alaska

Schedule of City's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 674,192	\$ (674,192)	\$ -	\$ 6,948,895	9.70%
2016	\$ 720,391	\$ (720,391)	\$ -	\$ 7,169,527	10.05%
2017	\$ 842,825	\$ (842,825)	\$ -	\$ 7,469,991	11.28%
2018	\$ 1,033,533	\$ (1,033,533)	\$ -	\$ 8,051,332	12.84%
2019	\$ 975,438	\$ (975,642)	\$ (204)	\$ 8,271,368	11.79%
2020	\$ 941,371	\$ (941,371)	\$ -	\$ 8,476,059	11.11%
2021	\$ 1,136,313	\$ (1,136,313)	\$ -	\$ 8,839,664	12.85%
2022	\$ 1,140,733	\$ (1,140,733)	\$ -	\$ 8,539,523	13.36%

See accompanying notes to Required Supplementary Information.

City of Kodiak, Alaska

Schedule of City's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 294,599	\$ (294,599)	\$ -	\$ 8,051,332	3.66%
2019	\$ 351,253	\$ (351,253)	\$ -	\$ 8,271,368	4.25%
2020	\$ 376,107	\$ (376,107)	\$ -	\$ 8,476,059	4.44%
2021	\$ 203,011	\$ (203,011)	\$ -	\$ 8,839,664	2.30%
2022	\$ 160,389	\$ (160,389)	\$ -	\$ 8,539,523	1.88%
Occupational Death and Disability (ODD):					
2018	\$ 12,246	\$ (12,246)	\$ -	\$ 8,051,332	0.15%
2019	\$ 23,748	\$ (23,748)	\$ -	\$ 8,271,368	0.29%
2020	\$ 24,042	\$ (24,042)	\$ -	\$ 8,476,059	0.28%
2021	\$ 28,695	\$ (28,695)	\$ -	\$ 8,839,664	0.32%
2022	\$ 27,359	\$ (27,359)	\$ -	\$ 8,539,523	0.32%
Retiree Medical Plan (RMP):					
2018	\$ 47,546	\$ (47,546)	\$ -	\$ 1,861,667	2.55%
2019	\$ 48,298	\$ (48,298)	\$ -	\$ 1,912,545	2.53%
2020	\$ 72,382	\$ (72,382)	\$ -	\$ 2,049,236	3.53%
2021	\$ 77,559	\$ (77,559)	\$ -	\$ 2,268,855	3.42%
2022	\$ 64,233	\$ (64,233)	\$ -	\$ 2,209,005	2.91%

See accompanying notes to Required Supplementary Information.

City of Kodiak, Alaska

Notes to Required Supplementary Information

Year Ended June 30, 2022

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

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, department, and object. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Council made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Any encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above. The commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures over Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations in the following functions of the General Fund:

Legal	\$ 2,486
Non-departmental	\$ 82,276

2. Public Employees' Retirement System

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

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

Changes in Methods Since the Prior Valuation - June 30, 2020 to June 30, 2021:

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

City of Kodiak, Alaska

Notes to Required Supplementary Information, Continued

Changes in Assumptions Since the Prior Valuation - June 30, 2020 to June 30, 2021:

- Pension - Healthcare claim costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from CY20 to CY21. The amounts included in the normal cost for administrative expenses were changed from \$7,223,000 to \$7,625,000 for pension, and from \$4,934,000 to \$5,531,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.
- OPEB ODD and RMP- Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$1,000 to \$16,000 for occupational death and disability, and from \$20,000 to \$24,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

Changes in Benefit Provisions Since the Prior Valuation - June 30, 2020 to June 30, 2021:

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

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

Schedule of City Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2020 which was rolled forward to June 30, 2021. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

General Fund

The General Fund accounts for the financial operations of the City which are not required to be accounted for in any other fund. It is the City's primary operating fund.

City of Kodiak, Alaska

General Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 11,872,350	\$ 10,366,728
Receivables:		
Taxes	3,889,195	3,812,278
Grants and shared revenues	97,132	96,028
Accounts	79,252	77,597
Interest	42,825	17,855
Leases	942,299	826,350
Total receivables	5,050,703	4,830,108
Prepaid items	78,642	13,381
Due from other funds	3,978,964	2,764,471
Inventory	20,060	23,373
Total Assets	\$ 21,000,719	\$ 17,998,061
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 424,785	\$ 203,748
Accrued payroll and related liabilities	425,654	383,175
Customer deposits	5,250	10,623
Total Liabilities	855,689	597,546
Deferred Inflows of Resources - Unavailable revenue - leases	1,014,947	826,350
Fund Balance		
Nonspendable	98,702	36,754
Unassigned	19,031,381	16,537,411
Total Fund Balance	19,130,083	16,574,165
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 21,000,719	\$ 17,998,061

City of Kodiak, Alaska

General Fund

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

Year Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Property taxes	\$ 1,100,000	\$ 1,216,375	\$ 116,375	\$ 1,206,919
Sales taxes	14,520,000	15,351,970	831,970	14,319,752
Penalties and interest	27,500	49,199	21,699	31,688
Total taxes	15,647,500	16,617,544	970,044	15,558,359
Intergovernmental:				
Payment in lieu of taxes	5,000	5,205	205	5,367
Grants	51,668	38,526	(13,142)	51,600
Revenue sharing	101,313	98,999	(2,314)	76,957
State PERS relief	329,466	502,981	173,515	559,129
Fisheries business tax	890,000	1,062,525	172,525	890,816
Shared fisheries business and landing tax	75,000	74,278	(722)	26,106
Liquor licenses	20,000	23,600	3,600	-
Fuel tax sharing	5,000	6,237	1,237	5,988
Electric cooperative tax	45,000	42,517	(2,483)	40,961
State marijuana license fees	1,500	300	(1,200)	1,100
Total intergovernmental	1,523,947	1,855,168	331,221	1,658,024
Charges for services:				
Public safety:				
Boarding of State prisoners	1,092,332	1,117,392	25,060	1,102,332
State Trooper contract	78,750	81,900	3,150	81,900
Ambulance services	252,000	235,680	(16,320)	260,984
Other public safety charges	125,700	130,084	4,384	123,824
School lifeguard services	15,000	13,951	(1,049)	11,691
Borough building inspector charges	145,000	157,471	12,471	151,594
Library fees and charges	12,800	7,943	(4,857)	6,064
Parks and recreation fees and charges	177,500	231,869	54,369	184,210
Public works services	30,000	24,759	(5,241)	23,399
Total charges for services	1,929,082	2,001,049	71,967	1,945,998

(continued)

City of Kodiak, Alaska

General Fund

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

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
Revenues, continued				
Fines and forfeitures	\$ 3,000	\$ 9,681	\$ 6,681	\$ 2,861
Licenses and permits	86,944	136,810	49,866	85,494
Rental income	150,000	47,489	(102,511)	130,153
Interfund charges:				
Cargo Pier Fund	121,603	121,603	-	146,622
Boat Harbor Fund	267,361	267,361	-	287,593
Shipyard Fund	58,526	58,526	-	89,463
Electric Fund	37,036	37,036	-	42,085
Water Fund	274,556	274,556	-	339,109
Sewer Fund	341,680	341,680	-	395,780
Trident Basin Fund	7,445	7,445	-	8,371
Tourism Development Fund	48,100	48,100	-	48,100
Public works	52,461	52,461	-	54,783
Vehicle replacement	374,764	380,831	6,067	350,778
Total interfund charges	1,583,532	1,589,599	6,067	1,762,684
Investment income (loss)	50,000	(22,066)	(72,066)	(30)
Other revenues	8,700	21,589	12,889	18,001
Total Revenues	20,982,705	22,256,863	1,274,158	21,161,544
Expenditures				
General government:				
Legislative	232,011	164,946	67,065	139,723
Legal	60,000	62,486	(2,486)	63,854
Executive	961,138	876,914	84,224	653,510
Emergency preparedness	75,300	40,219	35,081	10,491
City clerk	531,069	448,795	82,274	513,950
Finance	1,987,273	1,770,203	217,070	1,888,078
Total general government	3,846,791	3,363,563	483,228	3,269,606

(continued)

City of Kodiak, Alaska

General Fund

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

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
Expenditures, continued				
Public safety:				
Police department:				
Administration:				
Operations	\$ 868,280	\$ 816,809	\$ 51,471	\$ 693,400
Bond principal	230,000	230,000	-	225,000
Bond interest	217,550	217,550	-	226,650
Uniformed patrol	2,186,774	1,730,342	456,432	1,115,727
Corrections	1,496,305	1,366,799	129,506	1,286,604
Investigations	288,773	268,646	20,127	216,373
Support services	464,222	418,031	46,191	347,274
Animal control	292,993	282,701	10,292	272,742
Drug enforcement	165,794	6,405	159,389	167,371
Community services	214,544	192,390	22,154	185,326
Canine	6,680	6,679	1	6,689
Police school resources	171,881	106,844	65,037	88,249
Total police department	6,603,796	5,643,196	960,600	4,831,405
Fire department	3,228,401	2,434,602	793,799	1,737,906
Total public safety	9,832,197	8,077,798	1,754,399	6,569,311
Public works:				
Administration	149,999	147,421	2,578	128,564
Streets	1,556,280	1,279,055	277,225	1,400,955
Garage	330,795	318,724	12,071	287,061
Building inspection	353,238	330,533	22,705	316,309
Municipal airport facility	34,275	22,364	11,911	14,401
Total public works	2,424,587	2,098,097	326,490	2,147,290
Engineering	220,455	172,064	48,391	200,628

(continued)

City of Kodiak, Alaska

General Fund

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

Years Ended June 30,	2022			2021
	Budget	Actual	Variance	Actual
Expenditures, continued				
Parks and recreation:				
Administration	\$ 816,916	\$ 710,608	\$ 106,308	\$ 696,112
Museum	107,200	105,742	1,458	103,486
Teen Center	280,913	265,369	15,544	239,664
Aquatics	254,524	227,724	26,800	238,064
Ice rink	170,277	146,879	23,398	132,288
Beautification program	13,000	22,225	(9,225)	27,323
Total parks and recreation	1,642,830	1,478,547	164,283	1,436,937
Library	950,312	794,462	155,850	779,023
Community services:				
Contributions	175,000	175,000	-	175,000
Downtown revitalization	39,000	16,311	22,689	15,385
Total community services	214,000	191,311	22,689	190,385
Other:				
Insurance and general administration	682,542	754,901	(72,359)	598,431
Principal payments on lease liabilities	-	9,099	(9,099)	-
Interest on lease liabilities	-	818	(818)	-
Total other	682,542	764,818	(82,276)	598,431
Total Expenditures	19,813,714	16,940,660	2,873,054	15,191,611
Excess of revenues over expenditures	1,168,991	5,316,203	4,147,212	5,969,933
Other Financing Sources (Uses)				
Proceeds from issuance of leases	-	31,420	31,420	-
Transfers in	177,400	185,193	7,793	-
Transfers out	(1,824,764)	(2,976,898)	(1,152,134)	(3,438,586)
Change in fund balance	<u>\$ (478,373)</u>	2,555,918	<u>\$ 3,034,291</u>	2,531,347
Fund Balance, beginning of year		<u>16,574,165</u>		<u>14,042,818</u>
Fund Balance, end of year		<u>\$ 19,130,083</u>		<u>\$ 16,574,165</u>

Nonmajor Funds

City of Kodiak, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2022	Special Revenue Funds			Capital Projects Funds					General Fund Vehicle Replacement	Total Nonmajor Govern- mental Funds
	Tourism Development	Special Assessments	Enhancement	General	Building	Street Improvements	Parks and Recreation			
Assets										
Cash and investments	\$ 774,608	\$ 92,131	\$ 8,511,438	\$ 786,896	\$ 943,536	\$ 667,010	\$ 879,512	\$ 2,335,262	\$ 14,990,393	
Receivables:										
Taxes	103,210	-	-	-	-	-	-	-	103,210	
Grants	-	-	-	7,132	-	-	-	-	7,132	
Special assessments	-	30,801	-	-	-	-	-	-	30,801	
Interest	-	-	16,110	-	-	-	-	-	16,110	
Total Assets	\$ 877,818	\$ 122,932	\$ 8,527,548	\$ 794,028	\$ 943,536	\$ 667,010	\$ 879,512	\$ 2,335,262	\$ 15,147,646	
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 976	\$ 8,388	\$ 113,688	\$ 42,899	\$ 10,854	\$ -	\$ 176,805	
Unearned Revenue	-	-	-	664,914	-	-	-	-	664,914	
Total Liabilities	\$ -	\$ -	\$ 976	\$ 673,302	\$ 113,688	\$ 42,899	\$ 10,854	\$ -	\$ 841,719	
Deferred Inflows of Resources										
Deferred assessments	-	13,124	-	-	-	-	-	-	13,124	
Fund Balances										
Committed:										
Tourism	877,818	-	-	-	-	-	-	-	877,818	
Economic stability	-	-	8,526,572	-	-	-	-	-	8,526,572	
Assigned:										
Capital projects	-	-	-	120,726	829,848	624,111	868,658	2,335,262	4,778,605	
Public works	-	109,808	-	-	-	-	-	-	109,808	
Total Fund Balances	877,818	109,808	8,526,572	120,726	829,848	624,111	868,658	2,335,262	14,292,803	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 877,818	\$ 122,932	\$ 8,527,548	\$ 794,028	\$ 943,536	\$ 667,010	\$ 879,512	\$ 2,335,262	\$ 15,147,646	

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

Year Ended June 30, 2022	Special Revenue Funds			Capital Project Funds					Total Nonmajor Governmental Funds
	Tourism Development	Special Assessments	Enhancement	General	Building	Street Improvements	Parks and Recreation	General Fund Vehicle Replacement	
Revenues									
Taxes	\$ 347,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,376
Intergovernmental	-	-	-	297,566	-	-	-	-	297,566
Rental income	-	-	93,703	-	-	-	-	-	93,703
Investment income (loss)	(903)	(114)	(204,061)	(1,079)	(356)	(622)	(1,481)	(2,776)	(211,392)
Donations	-	-	-	-	-	-	-	-	-
Other	-	-	-	5,394	25,924	-	285,000	-	316,318
Total Revenues	346,473	(114)	(110,358)	301,881	25,568	(622)	283,519	(2,776)	843,571
Expenditures									
Public safety	-	-	-	502,583	-	-	-	-	502,583
Public works	-	-	-	-	-	950,279	-	-	950,279
Parks and recreation	-	-	-	-	-	-	166,496	-	166,496
Library	-	-	-	-	29,603	-	-	-	29,603
Community services	168,100	-	-	-	-	-	-	-	168,100
Capital outlay	-	-	-	-	337,868	-	-	-	337,868
Total Expenditures	168,100	-	-	502,583	367,471	950,279	166,496	-	2,154,929
Excess of revenues over (under) expenditures	178,373	(114)	(110,358)	(200,702)	(341,903)	(950,901)	117,023	(2,776)	(1,311,358)
Other Financing Sources (Uses)									
Transfers in	-	-	1,265,674	-	100,000	430,393	300,000	380,831	2,476,898
Transfers out	-	-	-	(185,193)	-	-	-	-	(185,193)
Net Other Financing Sources (Uses)	-	-	1,265,674	(185,193)	100,000	430,393	300,000	380,831	2,291,705
Change in fund balances	178,373	(114)	1,155,316	(385,895)	(241,903)	(520,508)	417,023	378,055	980,347
Fund Balances, beginning of year	699,445	109,922	7,371,256	506,621	1,071,751	1,144,619	451,635	1,957,207	13,312,456
Fund Balances, end of year	\$ 877,818	\$ 109,808	\$ 8,526,572	\$ 120,726	\$ 829,848	\$ 624,111	\$ 868,658	\$ 2,335,262	\$ 14,292,803

City of Kodiak, Alaska
Nonmajor Enterprise Funds
Combining Statement of Net Position

<i>June 30, 2022</i>	Harbor Electric	Trident Basin	E-911 Services	Total Nonmajor Enterprise Funds
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 860,836	\$ -	\$ -	\$ 860,836
Accounts receivable	58,335	1,170	116,600	176,105
Leases receivable	-	12,059	-	12,059
Prepaid items	-	-	11,028	11,028
Total Current Assets	919,171	13,229	127,628	1,060,028
Noncurrent Assets				
Property, plant and equipment, net	-	1,989,842	31,526	2,021,368
Leases receivable	-	29,349	-	29,349
Net pension and OPEB assets	-	-	470,370	470,370
Total Noncurrent Assets	-	2,019,191	501,896	2,521,087
Total Assets	919,171	2,032,420	629,524	3,581,115
Deferred Outflows of Resources				
Related to pensions and OPEB	-	-	104,716	104,716
Total Assets and Deferred Outflows of Resources	\$ 919,171	\$ 2,032,420	\$ 734,240	\$ 3,685,831
Liabilities, Deferred Inflows of Resources, and Net Position				
Current Liabilities				
Accounts payable	\$ 29,210	\$ 1,952	\$ -	\$ 31,162
Accrued payroll and related liabilities	-	-	24,986	24,986
Customer deposits	2,000	1,536	-	3,536
Due to other funds	-	154,986	2,347,349	2,502,335
Current portion of accrued leave	-	-	18,963	18,963
Total Current Liabilities	31,210	158,474	2,391,298	2,580,982
Noncurrent liabilities				
Long term portion of accrued leave	-	-	17,756	17,756
Net pension and OPEB liabilities	-	-	642,707	642,707
Total noncurrent liabilities	-	-	660,463	660,463
Total liabilities	31,210	158,474	3,051,761	3,241,445
Deferred Inflows of Resources				
Leases	-	40,100	-	40,100
Related to pensions and OPEB	-	-	508,670	508,670
Total Liabilities and Deferred Inflows of Resources	31,210	198,574	3,560,431	3,790,215
Net Position				
Net investment in capital assets	-	1,989,842	33,186	2,023,028
Unrestricted (deficit)	887,961	(155,996)	(2,859,377)	(2,127,412)
Total Net Position	887,961	1,833,846	(2,826,191)	(104,384)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 919,171	\$ 2,032,420	\$ 734,240	\$ 3,685,831

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

<i>Year Ended June 30, 2022</i>	Harbor Electric	Trident Basin	E-911 Services	Total Nonmajor Enterprise Funds
Operating Revenues	\$ 772,047	\$ 61,162	\$ 299,460	\$ 1,132,669
Operating Expenses				
Salaries and benefits	-	-	688,473	688,473
Professional services	-	4,200	169,951	174,151
Goods and services	629,671	27,837	258	657,766
Repairs and maintenance	30,049	3,080	-	33,129
Utilities and fuel	-	19,355	-	19,355
Interfund charges	52,929	13,274	-	66,203
Depreciation	-	248,728	1,660	250,388
Total Operating Expenses	712,649	316,474	860,342	1,889,465
Earnings (loss) from operations	59,398	(255,312)	(560,882)	(756,796)
Nonoperating Expenses				
Investment income (loss)	(1,094)	-	-	(1,094)
State PERS relief	-	-	(23,341)	(23,341)
Total Nonoperating Expenses	(1,094)	-	(23,341)	(24,435)
Change in net position	58,304	(255,312)	(584,223)	(781,231)
Net Position, beginning of year	829,657	2,089,158	(2,241,968)	676,847
Net Position, end of year	\$ 887,961	\$ 1,833,846	\$ (2,826,191)	\$ (104,384)

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

<i>Year Ended June 30, 2022</i>	Harbor Electric	Trident Basin	E-911 Services	Total Nonmajor Enterprise Funds
Cash Flows from (for) Operating Activities				
Receipts from customers and users	\$ 770,523	\$ 58,684	\$ 297,667	\$ 1,126,874
Payments for interfund services used	(52,929)	(13,274)	-	(66,203)
Payments to suppliers	(665,539)	(67,766)	(170,931)	(904,236)
Payments to employees	-	-	(813,836)	(813,836)
Net cash flows from (for) operating activities	52,055	(22,356)	(687,100)	(657,401)
Cash Flows from Noncapital Financing Activities				
Increase in due to other funds	-	22,356	720,286	742,642
Cash Flows from (for) Capital and Related Financing Activities				
Purchase of property, plant and equipment	-	-	(33,186)	(33,186)
Cash Flows from Investing Activities				
Investment income received	(1,094)	-	-	(1,094)
Net increase in cash and investments	50,961	-	-	50,961
Cash and Investments, beginning of year	809,875	-	-	809,875
Cash and Investments, end of year	\$ 860,836	\$ -	\$ -	\$ 860,836
Reconciliation of earnings (loss) from operations to net cash flows from (for) operating activities:				
Earnings (loss) from operations	\$ 59,398	\$ (255,312)	\$ (560,882)	\$ (756,796)
Adjustments to reconcile earnings (loss) from operations to net cash flows from (for) operating activities:				
Depreciation	-	248,728	1,660	250,388
Noncash State PERS relief	-	-	(23,341)	(23,341)
(Increase) decrease in assets:				
Accounts receivable	(1,524)	(1,170)	(1,793)	(4,487)
Prepaid items	-	-	(6,559)	(6,559)
Leases	-	12,059	-	12,059
Net pension and OPEB asset	-	-	(397,586)	(397,586)
(Increase) decrease in deferred outflows of resources:				
Related to pensions and OPEB	-	-	62,817	62,817
Increase (decrease) in liabilities:				
Accounts payable	(5,819)	(13,294)	-	(19,113)
Accrued payroll and related liabilities	-	-	(722)	(722)
Accrued leave	-	-	(9,630)	(9,630)
Customer deposits	-	-	-	-
Net pension and OPEB liabilities	-	-	(201,245)	(201,245)
(Increase) decrease in deferred inflows of resources:				
Leases	-	(13,367)	-	(13,367)
Related to pensions and OPEB	-	-	450,181	450,181
Net cash flows from (for) operating activities	\$ 52,055	\$ (22,356)	\$ (687,100)	\$ (657,401)

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Tourism Development

This fund is used to account for the receipt and distribution of hotel and motel tax revenues.

Special Assessments

This fund is used to account for assessments levied on street projects. No annual budget is prepared for this fund.

Enhancement Fund

This fund accounts for investment income and transfers from the General Fund as determined by ordinance and is for the future benefit and use of the citizens of Kodiak.

City of Kodiak, Alaska
Tourism Development Special Revenue Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 774,608	\$ 608,847
Receivables - taxes	103,210	90,598
Total Assets	\$ 877,818	\$ 699,445
Fund Balance		
Committed for tourism	\$ 877,818	\$ 699,445

City of Kodiak, Alaska
Tourism Development Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30,</i>	2022			2021
	Budget	Actual	Variance	Actual
Revenues				
Room taxes	\$ 200,000	\$ 347,376	\$ 147,376	\$ 245,673
Investment income (loss)	2,000	(903)	(2,903)	(35)
Total Revenues	202,000	346,473	144,473	245,638
Expenditures - community services:				
Interfund services:				
Finance and administration	20,000	20,000	-	20,000
Public works services	12,100	12,100	-	12,100
Parks and recreation services	16,000	16,000	-	16,000
Community service contributions	158,900	120,000	38,900	125,000
Total Expenditures	207,000	168,100	38,900	173,100
Change in fund balance	<u>\$ (5,000)</u>	178,373	<u>\$ 183,373</u>	72,538
Fund Balance, beginning of year		<u>699,445</u>		<u>626,907</u>
Fund Balance, end of year		<u>\$ 877,818</u>		<u>\$ 699,445</u>

City of Kodiak, Alaska
Special Assessments Special Revenue Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 92,131	\$ 89,611
Receivables - special assessments	30,801	33,435
Total Assets	\$ 122,932	\$ 123,046
Deferred Inflows of Resources and Fund Balance		
Deferred inflows of resources - deferred assessments	\$ 13,124	\$ 13,124
Fund Balance - assigned for public works	109,808	109,922
Total Deferred Inflows of Resources and Fund Balance	\$ 122,932	\$ 123,046

City of Kodiak, Alaska
Special Assessments Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

<i>Year Ended June 30,</i>	2022	2021
Revenues		
Investment income (loss)	\$ (114)	\$ 1
Change in fund balance	(114)	1
Fund Balance, beginning of year	109,922	109,921
Fund Balance, end of year	\$ 109,808	\$ 109,922

City of Kodiak, Alaska
Enhancement Fund Special Revenue Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 8,511,438	\$ 7,357,458
Interest receivable	16,110	14,355
Total Assets	\$ 8,527,548	\$ 7,371,813
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 976	\$ 557
Fund Balance		
Committed for economic stability	8,526,572	7,371,256
Total Liabilities and Fund Balance	\$ 8,527,548	\$ 7,371,813

City of Kodiak, Alaska
Enhancement Fund Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30,</i>	2022			2021
	Budget	Actual	Variance	Actual
Revenues				
Rental income	\$ 40,000	\$ 93,703	\$ 53,703	\$ 40,960
Investment income (loss)	50,000	(204,061)	(254,061)	(232)
Total Revenues	90,000	(110,358)	(200,358)	40,728
Other Financing Sources				
Transfers in	-	1,265,674	1,265,674	1,634,148
Change in fund balance	<u>\$ 90,000</u>	1,155,316	<u>\$ 1,065,316</u>	1,674,876
Fund Balance, beginning of year		<u>7,371,256</u>		<u>5,696,380</u>
Fund Balance, end of year		<u>\$ 8,526,572</u>		<u>\$ 7,371,256</u>

Capital Project Funds

Capital Project Funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds.

General

This fund is used to account for various small capital projects.

Building

This fund is used to account for various building capital projects.

Street Improvements

This fund accounts for major capital outlay and repair and improvements on streets and roads owned by the City.

Parks and Recreation

This fund is used to account for the construction and improvements of City-owned parks and recreational facilities.

General Fund Vehicle Replacement

This fund is used to accumulate resources for future vehicle replacements.

City of Kodiak, Alaska
General Capital Projects Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 786,896	\$ 292,682
Grants receivable	7,132	332,800
Total Assets	\$ 794,028	\$ 625,482
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 8,388	\$ 118,861
Unearned revenue	664,914	-
Total Liabilities	673,302	118,861
Fund Balance - assigned for capital projects	120,726	506,621
Total Liabilities and Fund Balance	\$ 794,028	\$ 625,482

City of Kodiak, Alaska
General Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

<i>Year Ended June 30,</i>	2022	2021
Revenues		
Intergovernmental	\$ 297,566	\$ 1,473,363
Investment income (loss)	(1,079)	868
Donations	-	3,000
Other	5,394	42,500
Total Revenues	301,881	1,519,731
Expenditures - Public Safety:		
KFD deferred maintenance	43,636	66,943
Shop-With-A-Cop	5,500	3,000
Quantar repeater voting receiver	-	54,812
Gold elite dispatch console	-	56,035
Sales tax business license software	30,140	4,860
Outdoor warning siren replacement	-	628,029
Emergency shelter bedding	38,837	62,856
Edward Byrne DOJ safety equipment	-	17,157
State of AK DWG training	-	32,750
Capital equipment purchases	-	205,393
KPD COVID-19 supplies	-	116
Muni arts and culture CARES Act	-	42,500
CESF-new dispatch workstations	-	78,287
KPD TraCS	-	18,578
ACF CNRF program	-	263,900
CARES	121,987	-
KPD Surveillance	18,436	-
KPD HVAC repairs	57,615	12,377
KIB CARES Grant	-	400,000
Pillar Mountain antenna generator system	18,523	21,932
Mitigating the risk of COVID-19	-	14,357
COVID-19 vaccinations	-	6,351
FAA CARES Act airport	5,222	1,656
DHHS Community MOA	61,299	13,646
ARPA Coronavirus	46,250	-
Potato Patch Lake Spill	42,274	-
ARPA - Kodiak Outdoor Program	10,560	-
Bloomberg Asphalt Art	2,304	-
Total Expenditures	502,583	2,005,535
Excess of revenues (under) expenditures	(200,702)	(485,804)
Other Financing Sources		
Transfers in	-	3,660
Transfers out	(185,193)	-
Net Other Financing Sources	(185,193)	3,660
Change in fund balance	(385,895)	(482,144)
Fund Balance, beginning of year	506,621	988,765
Fund Balance, end of year	\$ 120,726	\$ 506,621

City of Kodiak, Alaska
Building Capital Project Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 943,536	\$ 1,200,108
Grants receivable	-	4,961
Total Assets	\$ 943,536	\$ 1,205,069
Liabilities and Fund Balance		
Liabilities - accounts payable	\$ 113,688	\$ 133,318
Fund Balance - assigned for capital projects	829,848	1,071,751
Total Liabilities and Fund Balance	\$ 943,536	\$ 1,205,069

City of Kodiak, Alaska
Building Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

<i>Year Ended June 30,</i>	2022	2021
Revenues		
Intergovernmental	\$ -	\$ 14,263
Investment income (loss)	(356)	71
Other	25,924	-
Total Revenues	25,568	14,334
Expenditures		
Demolish old library	29,603	32,847
Fire station	187,213	575,982
Hillside Drive renovation	3,830	42,234
Barn stabilization	146,825	96,953
Total Expenditures	367,471	748,016
Excess of revenues over (under) expenditures	(341,903)	(733,682)
Other Financing Sources - transfers in	100,000	200,000
Change in fund balance	(241,903)	(533,682)
Fund Balance, beginning of year	1,071,751	1,605,433
Fund Balance, end of year	\$ 829,848	\$ 1,071,751

City of Kodiak, Alaska
Street Improvements Capital Project Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 667,010	\$ 1,161,753
Liabilities and Fund Balance		
Liabilities - accounts payable	\$ 42,899	\$ 17,134
Fund Balance - assigned for capital projects	624,111	1,144,619
Total Liabilities and Fund Balance	\$ 667,010	\$ 1,161,753

City of Kodiak, Alaska
Street Improvements Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

<i>Year Ended June 30,</i>	2022	2021
Revenues - investment income	\$ (622)	\$ 360
Expenditures - Public Works:		
Annual sidewalk, curb and gutter repair	-	40
Storm drain repair	30,968	14,858
Mill Bay Road rebuild	592,990	10,496
Underground storage tank IT & M	52,965	59,953
Annual pavement repairs	241,556	380,287
Larch Street ditch spill	-	17,001
Transportation plan	31,800	-
Total Expenditures	950,279	482,635
Excess of revenues (under) expenditures	(950,901)	(482,275)
Other Financing Sources - transfers in	430,393	450,000
Change in fund balance	(520,508)	(32,275)
Fund Balance, beginning of year	1,144,619	1,176,894
Fund Balance, end of year	\$ 624,111	\$ 1,144,619

City of Kodiak, Alaska
Parks and Recreation Capital Project Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 879,512	\$ 467,892
Liabilities and Fund Balance		
Liabilities - accounts payable	\$ 10,854	\$ 16,257
Fund Balance - assigned for capital projects	868,658	451,635
Total Liabilities and Fund Balance	\$ 879,512	\$ 467,892

City of Kodiak, Alaska

Parks and Recreation Capital Project Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

<i>Year Ended June 30,</i>	2022	2021
Revenues		
Investment income (loss)	\$ (1,481)	\$ 206
Other	285,000	-
Total Revenues	283,519	206
Expenditures - Parks and Recreation:		
Major park maintenance	683	3,571
Major building maintenance	123,540	3,547
Baranof Park improvements	42,273	281,787
Total Expenditures	166,496	288,905
Excess of revenues over (under) expenditures	117,023	(288,699)
Other Financing Sources - transfers in	300,000	300,000
Change in fund balance	417,023	11,301
Fund Balance, beginning of year	451,635	440,334
Fund Balance, end of year	\$ 868,658	\$ 451,635

City of Kodiak, Alaska
General Fund Vehicle Replacement Capital Project Fund
Balance Sheet

<i>June 30,</i>	2022	2021
Assets		
Cash and investments	\$ 2,335,262	\$ 1,957,207
Fund Balance		
Assigned for capital projects	\$ 2,335,262	\$ 1,957,207

City of Kodiak, Alaska

General Fund Vehicle Replacement Capital Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance

<i>Year Ended June 30,</i>	2022	2021
Revenues		
Investment income (loss)	\$ (2,776)	\$ (128)
Local revenue - other	-	49,077
Total Revenues	(2,776)	48,949
Excess of revenues over (under) expenditures	(2,776)	48,949
Other Financing Sources - transfers in	380,831	350,778
Change in fund balance	378,055	399,727
Fund Balance, beginning of year	1,957,207	1,557,480
Fund Balance, end of year	\$ 2,335,262	\$ 1,957,207

Enterprise Funds

Cargo Pier

This fund accounts for all activities of the cargo pier.

Boat Harbor

This fund accounts for all activities of smaller crafts and all boat harbors within the City limits.

Water Utility

This fund accounts for the distribution of water services.

Sewer Utility

This fund accounts for the operation of the sewer system.

Shipyard

This fund accounts for the shipyard activities.

Harbor Electric

This fund accounts for the electricity used at the City's harbors.

Trident Basin

This fund accounts for the seaplane moorage activities at the Trident Basin.

E-911 Services

This fund accounts for funds collected from phone charges and pays for a 911 emergency system.

City of Kodiak, Alaska
Cargo Pier Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 9,010,116	\$ 8,238,146
Accounts receivable	484,434	236,619
Leases receivable	459,520	442,803
Prepaid items	2,026	-
Total Current Assets	9,956,096	8,917,568
Noncurrent Assets		
Property, plant and equipment:		
Building	9,502	9,502
Improvements other than buildings	60,069,789	60,069,789
Machinery and equipment	52,132	52,132
Accumulated depreciation	(24,342,435)	(22,591,203)
Property, plant and equipment, net	35,788,988	37,540,220
Leases receivable	4,756,149	5,198,953
Net pension and OPEB assets	177,466	27,461
Total Noncurrent Assets	40,722,603	42,766,634
Total Assets	50,678,699	51,684,202
Deferred Outflows of Resources - related to pensions and OPEB	39,509	63,209
Total Assets and Deferred Outflows of Resources	\$ 50,718,208	\$ 51,747,411
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 8,037	\$ 8,604
Accrued payroll and related liabilities	11,232	8,775
Current portion of accrued leave	6,334	4,956
Total Current Liabilities	25,603	22,335
Noncurrent Liabilities		
Long term portion of accrued leave	5,272	5,115
Net pension and OPEB liabilities	242,488	318,415
Total Noncurrent Liabilities	247,760	323,530
Total Liabilities	273,363	345,865
Deferred Inflows of Resources		
Leases	5,085,089	5,641,756
Pension and OPEB deferrals	191,915	22,067
Total Liabilities and Deferred Inflows of Resources	5,550,367	6,009,688
Net Position		
Net investment in capital assets	35,788,988	37,540,220
Unrestricted	9,378,853	8,197,503
Total Net Position	45,167,841	45,737,723
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 50,718,208	\$ 51,747,411

City of Kodiak, Alaska
Cargo Pier Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues		
Dockage	\$ 289,835	\$ 240,807
Cruise ship	112,124	12,226
Pier III and rentals	784,705	640,017
Wharfage and handling	796,010	799,346
Total Operating Revenues	1,982,674	1,692,396
Operating Expenses		
Cargo administration:		
Salaries and benefits	307,514	363,722
Professional services	5,581	2,124
Goods and services	198,729	157,262
Repairs and maintenance	4,781	17,168
Interfund charges:		
Finance and administration	121,603	146,622
Public works services	5,829	6,087
Harbormaster services	31,785	31,418
Total cargo administration	675,822	724,403
Warehouse:		
Professional services	308	936
Goods and services	242	557
Repairs and maintenance	23,003	1,220
Total warehouse	23,553	2,713
Pier II:		
Goods and services	2,211	3,588
Repairs and maintenance	332	25,502
Utilities and fuel	40,826	38,458
Total pier II	43,369	67,548

(continued)

City of Kodiak, Alaska
Cargo Pier Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position, continued

<i>Year Ended June 30,</i>	2022	2021
Operating expenses, continued:		
Pier III:		
Repairs and maintenance	\$ 184	\$ 4,240
Utilities and fuel	1,611	2,511
Total pier III	1,795	6,751
Depreciation	1,751,232	1,751,232
Total Operating Expenses	2,495,771	2,552,647
Loss from operations	(513,097)	(860,251)
Nonoperating Revenues (Expenses)		
Other revenues	70,630	72,279
Federal revenue - SLFRF	-	54,220
Investment income (loss)	(10,948)	(458)
State PERS relief	(8,095)	14,309
Nonoperating Revenues (Expenses), net	51,587	140,350
Loss before transfers	(461,510)	(719,901)
Transfers out	(108,372)	(54,220)
Change in net position	(569,882)	(774,121)
Net Position, beginning of year	45,737,723	46,511,844
Net Position, end of year	\$ 45,167,841	\$ 45,737,723

City of Kodiak, Alaska
Cargo Pier Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 1,604,279	\$ 1,747,665
Payments for interfund services used	(159,217)	(184,127)
Payments to suppliers	(209,771)	(176,341)
Payments to employees	(344,001)	(331,274)
Net cash flows from operating activities	891,290	1,055,923
Cash Flows from (for) Noncapital Financing Activities		
Transfers out	(108,372)	(54,220)
Federal sources - grants	-	54,220
Net cash flows from (for) noncapital financing activities	(108,372)	-
Cash Flows from Investing Activities		
Investment income received	(10,948)	(458)
Net increase in cash and investments	771,970	1,055,465
Cash and Investments, beginning of year	8,238,146	7,182,681
Cash and Investments, end of year	\$ 9,010,116	\$ 8,238,146
Reconciliation of earnings (loss) from operations to net cash flows from operating activities:		
Earnings (loss) from operations	\$ (513,097)	\$ (860,251)
Adjustments to reconcile earnings (loss) from operations to net cash flows from operating activities:		
Depreciation	1,751,232	1,751,232
Noncash State PERS relief	(8,095)	14,309
Other nonoperating revenues (expenses)	70,630	72,279
(Increase) decrease in assets:		
Accounts receivable	(247,815)	55,269
Leases receivable	(16,717)	-
Prepaid items	(2,026)	-
Net pension and OPEB assets	(150,005)	(27,461)
(Increase) decrease in deferred outflows of resources:		
Leases receivable	442,804	-
Related to pensions and OPEB	23,700	(10,446)
Increase (decrease) in liabilities:		
Accounts payable	(567)	4,946
Accrued payroll and related liabilities	2,457	535
Accrued leave	1,535	2,569
Net pension and OPEB liabilities	(75,927)	53,522
Increase (decrease) in deferred inflows of resources:		
Leases	(556,667)	-
Related to pensions and OPEB	169,848	(580)
Net cash flows from operating activities	\$ 891,290	\$ 1,055,923

City of Kodiak, Alaska
Boat Harbor Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 7,192,976	\$ 6,914,386
Receivables:		
Accounts	354,766	320,651
Allowance for doubtful accounts	(115,647)	(15,647)
Inventory	1,831	1,356
Prepaid items	475	-
Total Current Assets	7,434,401	7,220,746
Noncurrent Assets		
Restricted cash and investments - bond reserve	119,556	119,556
Property, plant and equipment:		
Land	677,064	677,064
Buildings	1,705,656	1,698,999
Improvements other than buildings	37,600,558	37,600,558
Machinery and equipment	887,009	714,510
Construction in progress	242,385	136,573
Accumulated depreciation	(34,235,961)	(33,431,803)
Property, plant and equipment, net	6,876,711	7,395,901
Net pension and OPEB assets	724,508	112,109
Total Noncurrent Assets	7,720,775	7,627,566
Total Assets	15,155,176	14,848,312
Deferred Outflows of Resources - related to pensions and OPEB	161,295	258,052
Total Assets and Deferred Outflows of Resources	\$ 15,316,471	\$ 15,106,364
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 82,280	\$ 81,470
Accrued payroll and related liabilities	45,070	41,641
Customer deposits	248,427	250,051
Accrued interest	4,534	4,734
Unearned revenue	10,000	-
Current portion of accrued leave	31,426	12,754
Current portion of bonds payable	64,624	64,624
Total Current Liabilities	486,361	455,274
Noncurrent Liabilities		
Long term portion:		
Accrued leave	43,681	54,646
Bonds payable	1,414,355	1,478,979
Net pension and OPEB liabilities	989,959	1,299,935
Total Noncurrent Liabilities	2,447,995	2,833,560
Total Liabilities	2,934,356	3,288,834
Deferred Inflows of Resources - related to pensions and OPEB	783,501	90,091
Total Liabilities and Deferred Inflows of Resources	3,717,857	3,378,925
Net Position		
Net investment in capital assets	5,397,732	5,852,298
Restricted for debt service	119,556	119,556
Unrestricted	6,081,326	5,755,585
Total Net Position	11,598,614	11,727,439
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 15,316,471	\$ 15,106,364

City of Kodiak, Alaska
Boat Harbor Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues		
Moorage	\$ 2,123,701	\$ 2,136,359
Pier and dock fees	204,022	189,732
Administrative charges to other funds	79,463	78,545
Other fees and charges	178,692	166,789
Rentals	54,349	73,374
Other	7,105	3,853
Total Operating Revenues	2,647,332	2,648,652
Operating Expenses		
Salaries and benefits	1,194,112	1,285,423
Professional services	99,997	87,730
Contributions	16,902	17,090
Goods and services	266,022	185,594
Repairs and maintenance	68,482	108,363
Utilities and fuel	277,425	262,243
Machinery and equipment	20,389	20,944
Interfund charges:		
Finance and administration	267,361	287,593
Public works services	5,829	6,087
Depreciation	804,158	796,742
Total Operating Expenses	3,020,677	3,057,809
Earnings (loss) from operations	(373,345)	(409,157)
Nonoperating Revenues (Expenses)		
Other revenue	-	27,521
Federal revenue	121,516	98,112
Investment income	21,813	505
Interest expense	(50,789)	(53,105)
Engineering and feasibility studies	(361,147)	(246,562)
State PERS relief	(41,025)	48,092
Nonoperating Revenues (Expenses), net	(309,632)	(125,437)
Loss before transfers	(682,977)	(534,594)
Transfers in	554,152	500,000
Change in net position	(128,825)	(34,594)
Net Position, beginning of year	11,727,439	11,762,033
Net Position, end of year	\$ 11,598,614	\$ 11,727,439

City of Kodiak, Alaska
Boat Harbor Enterprise Fund
Statement of Cash Flows

Year Ended June 30,	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 2,643,754	\$ 2,405,647
Receipts from interfund services provided	79,463	78,545
Payments for interfund services used	(273,190)	(293,680)
Payments to suppliers	(1,112,128)	(918,313)
Payments to employees	(1,356,209)	(1,134,191)
Net cash flows from (for) operating activities	(18,310)	138,008
Cash Flows (for) Noncapital Financing Activities		
Transfers in	554,152	500,000
Federal sources - grants	121,516	98,112
Net cash flows from noncapital financing activities	675,668	598,112
Cash Flows from (for) Capital and Related Financing Activities		
Principal paid on long-term debt	(60,000)	(55,000)
Interest paid on long-term debt	(55,614)	(57,912)
Purchase of property, plant and equipment	(284,967)	(122,710)
Net cash flows (for) capital and related financing activities	(400,581)	(235,622)
Cash Flows from Investing Activities		
Investment income received	21,813	505
Net increase in cash and investments	278,590	501,003
Cash and Investments, beginning of year	7,033,942	6,532,939
Cash and Investments, end of year	\$ 7,312,532	\$ 7,033,942
Reconciliation to Statement of Net Position:		
Cash and investments	\$ 7,192,976	\$ 6,914,386
Restricted cash and investments	119,556	119,556
Total Cash and Investments	\$ 7,312,532	\$ 7,033,942
Reconciliation of earnings (loss) from operations to net cash flows from operating activities:		
Loss from operations	\$ (373,345)	\$ (409,157)
Adjustments to reconcile earnings (loss) from operations to net cash flows from by operating activities:		
Depreciation	804,158	796,742
Noncash State PERS relief	(41,025)	48,092
Other nonoperating revenues (expenses)	(361,147)	(219,041)
(Increase) decrease in assets:		
Accounts receivable	65,885	(164,460)
Inventory	(475)	475
Prepaid items	(475)	-
Net pension and OPEB assets	(612,399)	(112,109)
(Increase) decrease in deferred outflows of resources:		
Related to pensions and OPEB	96,757	(42,647)
Increase (decrease) in liabilities:		
Accounts payable	810	(7,189)
Accrued payroll and related liabilities	3,429	16,152
Accrued leave	7,707	25,610
Unearned revenue	10,000	-
Customer deposits	(1,624)	(10,594)
Net pension and OPEB liabilities	(309,976)	218,502
Increase (decrease) in deferred inflows of resources:		
Related to pensions and OPEB	693,410	(2,368)
Net cash flows from (for) operating activities	\$ (18,310)	\$ 138,008

City of Kodiak, Alaska
Water Utility Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 27,432,986	\$ 24,395,329
Receivables:		
Accounts	374,001	298,991
Allowance for doubtful accounts	(2,224)	(2,224)
Inventory	266,797	274,013
Total Current Assets	28,071,560	24,966,109
Noncurrent Assets		
Property, plant and equipment:		
Land	2	2
Buildings	15,340,713	15,340,713
Improvements other than buildings	34,510,297	34,510,297
Machinery and equipment	746,094	730,862
Construction in progress	442,376	302,735
Accumulated depreciation	(24,373,538)	(23,366,533)
Property, plant and equipment, net	26,665,944	27,518,076
Net pension and OPEB assets	401,452	62,120
Total Noncurrent Assets	27,067,396	27,580,196
Total Assets	55,138,956	52,546,305
Deferred Outflows of Resources - related to pensions and OPEB	89,372	142,986
Total Assets and Deferred Outflows of Resources	\$ 55,228,328	\$ 52,689,291
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 138,144	\$ 73,214
Accrued payroll and related liabilities	19,429	20,754
Customer deposits	7,700	3,300
Accrued interest	22,780	24,528
Current portion of accrued leave	7,039	10,350
Current portion of loans payable	232,854	231,227
Total Current Liabilities	427,946	363,373
Noncurrent Liabilities		
Long term portion:		
Accrued leave	4,575	19,602
Loans payable	2,638,993	2,871,847
Net pension and OPEB liabilities	548,540	720,297
Total Noncurrent Liabilities	3,192,108	3,611,746
Total Liabilities	3,620,054	3,975,119
Deferred Inflows of Resources - related to pensions and OPEB	434,138	49,919
Total Liabilities and Deferred Inflows of Resources	4,054,192	4,025,038
Net Position		
Net investment in capital assets	23,794,097	24,415,002
Unrestricted	27,380,039	24,249,251
Total Net Position	51,174,136	48,664,253
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 55,228,328	\$ 52,689,291

City of Kodiak, Alaska
Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues		
Sales and user charges	\$ 2,600,930	\$ 2,591,930
Meters	2,463,788	2,303,695
Other	36,397	7,700
Total Operating Revenues	5,101,115	4,903,325
Operating Expenses		
Water department:		
Salaries and benefits	458,351	621,792
Professional services	37,129	28,009
Goods and services	201,252	148,571
Repairs and maintenance	10,859	15,262
Utilities and fuel	344,094	297,904
Machinery and equipment	5,678	4,982
Total water department	1,057,363	1,116,520
Water treatment:		
Salaries and benefits	152,415	172,035
Professional services	4,150	6,262
Goods and services	73,746	62,306
Repairs and maintenance	19,707	13,048
Utilities and fuel	62,164	58,070
Machinery and equipment	1,324	-
Total water treatment	313,506	311,721
Interfund charges:		
Finance and administration	274,556	339,109
Public works services	11,658	12,174
Total interfund charges	286,214	351,283
Depreciation	1,007,005	904,546
Total Operating Expenses	2,664,088	2,684,070
Earnings from operations	2,437,027	2,219,255
Nonoperating Revenues (Expenses)		
Other revenue	4,611	19,356
Grant revenue	153,000	-
Investment income (loss)	(31,953)	(871)
Interest expense	(44,797)	(48,252)
Engineering and feasibility studies	(41,665)	(13,224)
State PERS relief	(20,560)	26,417
Nonoperating Revenues (Expenses), net	18,636	(16,574)
Earnings before transfers	2,455,663	2,202,681
Transfers in	54,220	284,220
Change in net position	2,509,883	2,486,901
Net Position, beginning of year	48,664,253	46,177,352
Net Position, end of year	\$ 51,174,136	\$ 48,664,253

City of Kodiak, Alaska
Water Utility Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 5,026,105	\$ 4,966,264
Payments for interfund services used	(286,214)	(351,283)
Payments to suppliers	(720,611)	(618,270)
Payments to employees	(724,245)	(751,799)
Net cash flows from operating activities	3,295,035	3,244,912
Cash Flows from Noncapital Financing Activities		
Transfers in	54,220	284,220
Grant revenue	153,000	-
Net cash flows from noncapital financing activities	207,220	284,220
Cash Flows from (for) Capital and Related Financing Activities		
Principal paid on long term debt	(231,227)	(229,624)
Interest paid on long term debt	(46,545)	(49,991)
Purchase of property, plant and equipment	(154,873)	(380,118)
Net cash flows (for) capital and related financing activities	(432,645)	(659,733)
Cash Flows from Investing Activities		
Investment income received	(31,953)	(871)
Net increase in cash and investments	3,037,657	2,868,528
Cash and Investments, beginning of year	24,395,329	21,526,801
Cash and Investments, end of year	\$ 27,432,986	\$ 24,395,329
Reconciliation of earnings from operations to net cash flows from operating activities:		
Earnings from operations	\$ 2,437,027	\$ 2,219,255
Adjustments to reconcile earnings from operations to net cash flows from operating activities:		
Depreciation	1,007,005	904,546
Noncash State PERS relief	(20,560)	26,417
Other nonoperating revenues (expenses)	(37,054)	6,132
(Increase) decrease in assets:		
Accounts receivable	(75,010)	62,939
Inventory	7,216	(24,100)
Net pension and OPEB assets	(339,332)	(62,120)
(Increase) decrease in deferred outflows of resources:		
Related to pensions and OPEB	53,614	(23,630)
Increase (decrease) in liabilities:		
Accounts payable	64,930	39,612
Accrued payroll and related liabilities	(1,325)	(2,836)
Accrued leave	(18,338)	(5,500)
Customer deposits	4,400	(15,563)
Net pension and OPEB liabilities	(171,757)	121,073
Increase (decrease) in deferred inflows of resources:		
Related to pensions and OPEB	384,219	(1,313)
Net cash flows from operating activities	\$ 3,295,035	\$ 3,244,912

City of Kodiak, Alaska
Sewer Utility Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 11,488,229	\$ 9,536,214
Receivables:		
Grants	-	23,866
Accounts	505,618	453,444
Allowance for doubtful accounts	(2,867)	(2,867)
Inventory	36,073	37,134
Prepaid items	8,392	-
Total Current Assets	12,035,445	10,047,791
Noncurrent Assets		
Property, plant and equipment:		
Land	16,931	16,931
Buildings	27,657,924	24,799,783
Improvements other than buildings	19,768,534	16,392,139
Machinery and equipment	2,972,448	2,770,227
Construction in progress	711,203	7,200,151
Accumulated depreciation	(32,791,272)	(31,712,333)
Property, plant and equipment, net	18,335,768	19,466,898
Net pension and OPEB assets	667,650	103,311
Total Noncurrent Assets	19,003,418	19,570,209
Total Assets	31,038,863	29,618,000
Deferred Outflows of Resources - related to pensions and OPEB	148,635	237,799
Total Assets and Deferred Outflows of Resources	\$ 31,187,498	\$ 29,855,799
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 115,127	\$ 57,028
Accrued payroll and related liabilities	43,013	44,713
Accrued interest	42,781	20,338
Current portion of accrued leave	34,255	36,414
Current portion of loans payable	346,629	202,973
Total Current Liabilities	581,805	361,466
Noncurrent Liabilities		
Long term portion:		
Accrued leave	31,016	50,388
Loans payable	4,787,187	5,276,706
Net pension and OPEB liabilities	912,268	1,197,918
Total Noncurrent Liabilities	5,730,471	6,525,012
Total Liabilities	6,312,276	6,886,478
Deferred Inflows of Resources - related to pensions and OPEB	722,013	83,020
Total Liabilities and Deferred Inflows of Resources	7,034,289	6,969,498
Net Position		
Net investment in capital assets	13,201,952	13,987,219
Unrestricted	10,951,257	8,899,082
Total Net Position	24,153,209	22,886,301
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 31,187,498	\$ 29,855,799

City of Kodiak, Alaska
Sewer Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues		
Sewer charges	\$ 5,260,204	\$ 4,892,747
Sanitary sewer and septic tank discharge	86,395	95,185
Lab testing fees	35,440	34,326
Compost fees	6,405	3,915
Other	302	14,834
Total Operating Revenues	5,388,746	5,041,007
Operating Expenses		
Sewer department:		
Salaries and benefits	133,306	193,748
Professional services	35,572	27,077
Goods and services	11,860	19,553
Repairs and maintenance	23,074	40,311
Utilities and fuel	9,554	-
Machinery and equipment	33,624	-
Total sewer department	246,990	280,689
Wastewater treatment:		
Salaries and benefits	862,371	1,131,524
Professional services	710,404	21,133
Goods and services	238,090	196,225
Repairs and maintenance	47,408	106,329
Utilities and fuel	259,550	247,738
Machinery and equipment	(25,875)	1,380
Total wastewater treatment	2,091,948	1,704,329
Compost facility:		
Salaries and benefits	73,515	261,837
Professional services	98,356	10,603
Goods and services	20,194	29,254
Repairs and maintenance	8,254	18,225
Utilities and fuel	24,252	23,845
Machinery and equipment	485	3,819
Total compost facility	225,056	347,583
Interfund charges:		
Finance and administration	341,680	395,780
Public works services	17,487	18,261
Total interfund charges	359,167	414,041
Depreciation	1,078,939	904,274
Total Operating Expenses	4,002,100	3,650,916
Earnings from operations	1,386,646	1,390,091
Nonoperating Revenues (Expenses)		
Other revenue	5,457	20,022
Investment income (loss)	(13,415)	(877)
Interest expense	(74,690)	(51,519)
Engineering and feasibility studies	(8,338)	-
State PERS relief	(28,752)	70,428
Nonoperating Revenues (Expenses), net	(119,738)	38,054
Earnings before transfers	1,266,908	1,428,145
Transfers in	-	97,862
Transfers out	-	(230,000)
Change in net position	1,266,908	1,296,007
Net Position, beginning of year	22,886,301	21,590,294
Net Position, end of year	\$ 24,153,209	\$ 22,886,301

City of Kodiak, Alaska
Sewer Utility Enterprise Fund
Statement of Cash Flows

<i>Years Ended June 30,</i>	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 5,360,438	\$ 5,190,951
Payments for interfund services used	(359,167)	(414,041)
Payments to suppliers	(1,446,915)	(789,617)
Payments to employees	(1,243,007)	(1,453,379)
Net cash flows from operating activities	2,311,349	2,533,914
Cash Flows from (for) Noncapital Financing Activities		
Transfers in	-	97,862
Transfers out	-	(230,000)
Net cash flows (for) noncapital financing activities	-	(132,138)
Cash Flows (for) Capital and Related Financing Activities		
Principal paid on long term debt	(345,863)	(202,220)
Interest paid on long term debt	(52,247)	(36,022)
Proceeds from issuance of long term debt	-	2,682,279
(Purchase) sale of property, plant and equipment	52,191	(3,567,156)
Net cash flows (for) capital and related financing activities	(345,919)	(1,123,119)
Cash Flows from (for) Investing Activities		
Investment income received	(13,415)	(877)
Net increase in cash and investments	1,952,015	1,277,780
Cash and Investments, beginning of year	9,536,214	8,258,434
Cash and Investments, end of year	\$ 11,488,229	\$ 9,536,214
Reconciliation of earnings from operations to net cash flows from operating activities:		
Earnings from operations	\$ 1,386,646	\$ 1,390,091
Adjustments to reconcile earnings from operations to net cash flows from operating activities:		
Depreciation	1,078,939	904,274
Noncash State PERS relief	(28,752)	70,428
Other nonoperating revenues (expenses)	(2,881)	20,022
(Increase) decrease in assets:		
Accounts receivable	(28,308)	149,944
Inventory	1,061	(2,440)
Prepaid items	(8,392)	-
Net pension and OPEB assets	(564,339)	(103,311)
(Increase) decrease in deferred outflows of resources:		
Related to pensions and OPEB	89,164	(39,299)
Increase (decrease) in liabilities:		
Accounts payable	58,099	(61,707)
Accrued payroll and related liabilities	(1,700)	2,844
Accrued leave	(21,531)	3,897
Net pension and OPEB liabilities	(285,650)	201,354
Increase (decrease) in deferred inflows of resources:		
Related to pensions and OPEB	638,993	(2,183)
Net cash flows from operating activities	\$ 2,311,349	\$ 2,533,914

City of Kodiak, Alaska
Shipyard Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Accounts receivable	\$ -	\$ 66
Prepaid items	19,124	10,513
Inventory	2,930	2,930
Total Current Assets	22,054	13,509
Noncurrent Assets		
Restricted cash and investments - bond reserve	342,025	342,025
Property, plant and equipment:		
Machinery and equipment	18,149,505	18,149,505
Accumulated depreciation	(6,331,489)	(5,809,961)
Property, plant and equipment, net	11,818,016	12,339,544
Net pension and OPEB assets	94,763	14,663
Total Noncurrent Assets	12,254,804	12,696,232
Total Assets	12,276,858	12,709,741
Deferred Outflows of Resources - related to pensions and OPEB	21,096	33,752
Total Assets and Deferred Outflows of Resources	\$ 12,297,954	\$ 12,743,493
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 2,481
Accrued payroll and related liabilities	1,534	1,227
Accrued interest	15,543	16,458
Due to other funds	1,476,629	1,004,778
Current portion of accrued leave	4,739	804
Current portion of bonds and loan payable	201,695	191,695
Total Current Liabilities	1,700,140	1,217,443
Noncurrent Liabilities		
Long term portion:		
Accrued leave	25,630	20,160
Bonds payable	3,742,923	3,898,118
Loans payable	325,500	372,000
Net pension and OPEB liabilities	129,483	170,027
Total Noncurrent Liabilities	4,223,536	4,460,305
Total Liabilities	5,923,676	5,677,748
Deferred Inflows of Resources - related to pensions and OPEB	102,480	11,784
Total Liabilities and Deferred Inflows of Resources	6,026,156	5,689,532
Net Position		
Net investment in capital assets	7,547,898	7,877,731
Restricted for debt service	342,025	342,025
Unrestricted (deficit)	(1,618,125)	(1,165,795)
Total Net Position	6,271,798	7,053,961
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 12,297,954	\$ 12,743,493

City of Kodiak, Alaska
Shipyard Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues - charges for services	\$ 215,305	\$ 161,029
Operating Expenses		
Salaries and benefits	44,663	197,032
Professional services	2,000	31,282
Goods and services	82,166	70,741
Repairs and maintenance	94,849	80,886
Utilities and fuel	-	3,590
Machinery and equipment	14,256	-
Interfund charges:		
Finance and administration	58,526	89,463
Public works services	5,829	6,087
Harbormaster services	31,785	31,418
Depreciation	521,528	518,123
Total Operating Expenses	855,602	1,028,622
Loss from operations	(640,297)	(867,593)
Nonoperating Revenues (Expenses)		
Interest expense	(139,749)	(145,763)
State PERS relief	(2,117)	9,510
Nonoperating Revenues (Expenses), Net	(141,866)	(136,253)
Change in net position	(782,163)	(1,003,846)
Net position, beginning of year	7,053,961	8,057,807
Net Position, end of year	\$ 6,271,798	\$ 7,053,961

City of Kodiak, Alaska

Shipyard Enterprise Fund

Statement of Cash Flows

Year Ended June 30,	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 215,371	\$ 246,942
Payments for interfund services used	(96,140)	(126,968)
Payments to suppliers	(204,363)	(209,323)
Payments to employees	(54,360)	(175,567)
Net cash flows from (for) operating activities	(139,492)	(264,916)
Cash Flows from Noncapital Financing Activities		
Increases in due to other funds	471,851	643,677
Cash Flows (for) Capital and Related Financing Activities		
Principal paid on long-term debt	(181,500)	(176,500)
Interest paid on long-term debt	(150,859)	(156,857)
Purchase of property, plant and equipment	-	(45,404)
Net cash flows (for) capital and related financing activities	(332,359)	(378,761)
Net change in cash and investments	-	-
Cash and Investments, beginning of year	342,025	342,025
Cash and Investments, end of year	\$ 342,025	\$ 342,025
Reconciliation to Statement of Net Position:		
Cash and investments	\$ -	\$ -
Restricted cash and investments	342,025	342,025
Total Cash and Investments	\$ 342,025	\$ 342,025
Reconciliation of loss from operations to net cash flows from (for) operating activities:		
Loss from operations	\$ (640,297)	\$ (867,593)
Adjustments to reconcile loss from (for) operations to net cash flows from operating activities:		
Depreciation	521,528	518,123
Noncash State PERS relief	(2,117)	9,510
(Increase) decrease in assets:		
Accounts receivable	66	85,913
Prepaid items	(8,611)	(10,513)
Net pension and OPEB assets	(80,100)	(14,663)
(Increase) decrease in deferred outflows of resources:		
Related to pensions and OPEB	12,656	(5,578)
Increase (decrease) in liabilities:		
Accounts payable	(2,481)	(12,311)
Accrued payroll and related liabilities	307	(4,690)
Accrued leave	9,405	8,616
Net pension and OPEB liabilities	(40,544)	28,579
Increase in deferred inflows of resources related to pensions and OPEB	90,696	(309)
Net cash flows from (for) operating activities	\$ (139,492)	\$ (264,916)

City of Kodiak, Alaska
Harbor Electric Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets		
Current Assets		
Cash and investments	\$ 860,836	\$ 809,875
Accounts receivable	58,335	56,811
Total Current Assets	919,171	866,686
Property, plant and equipment:		
Machinery and equipment	140,556	140,556
Accumulated depreciation	(140,556)	(140,556)
Property, plant and equipment, net	-	-
Total Assets	\$ 919,171	\$ 866,686
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 29,210	\$ 35,029
Customer deposits	2,000	2,000
Total Current Liabilities	31,210	37,029
Net Position		
Unrestricted	887,961	829,657
Total Net Position	887,961	829,657
Total Liabilities and Net Position	\$ 919,171	\$ 866,686

City of Kodiak, Alaska
Harbor Electric Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues		
Energy charges	\$ 630,117	\$ 600,228
Customer charges	104,686	105,480
Other operating revenues	37,244	27,699
Total Operating Revenues	772,047	733,407
Operating Expenses		
Goods and services	629,671	602,155
Repairs and maintenance	30,049	22,374
Interfund charges:		
Finance and administration	37,036	42,085
Harbormaster services	15,893	15,709
Total Operating Expenses	712,649	682,323
Earnings from operations	59,398	51,084
Nonoperating Revenues - investment income (loss)	(1,094)	(161)
Change in net position	58,304	50,923
Net Position, beginning of year	829,657	778,734
Net Position, end of year	\$ 887,961	\$ 829,657

City of Kodiak, Alaska
Harbor Electric Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 770,523	\$ 736,674
Payments for interfund services used	(52,929)	(57,794)
Payments to suppliers	(665,539)	(625,797)
Net cash flows from operating activities	52,055	53,083
Cash Flows from Investing Activities		
Investment income received	(1,094)	(161)
Net increase in cash and investments	50,961	52,922
Cash and Investments, beginning of year	809,875	756,953
Cash and Investments, end of year	\$ 860,836	\$ 809,875
Reconciliation of earnings from operations to net cash flows from (for) operating activities:		
Earnings from operations	\$ 59,398	\$ 51,084
Adjustments to reconcile earnings from operations to net cash flows from operating activities:		
(Increase) decrease in assets - accounts receivable	(1,524)	3,267
Increase (decrease) in liabilities:		
Accounts payable	(5,819)	(1,068)
Customer deposits	-	(200)
Net cash flows from operating activities	\$ 52,055	\$ 53,083

City of Kodiak, Alaska
Trident Basin Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets		
Current Assets		
Accounts receivable	\$ 1,170	\$ -
Leases receivable	12,059	12,194
Total Current Assets	13,229	12,194
Noncurrent Assets		
Property, plant and equipment:		
Improvements other than buildings	5,589,593	5,589,593
Accumulated depreciation	(3,599,751)	(3,351,023)
Property, plant and equipment, net	1,989,842	2,238,570
Leases receivable	29,349	41,273
Total Noncurrent Assets	2,019,191	2,279,843
Total Assets	\$ 2,032,420	\$ 2,292,037
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,952	\$ 15,246
Customer deposits	1,536	1,536
Due to other funds	154,986	132,630
Total Current Liabilities	158,474	149,412
Deferred Inflows of Resources - Leases	40,100	53,467
Total Liabilities and Deferred Inflows of Resources	198,574	202,879
Net Position		
Net investment in capital assets	1,989,842	2,238,570
Unrestricted (deficit)	(155,996)	(149,412)
Total Net Position	1,833,846	2,089,158
Total Liabilities and Net Position	\$ 2,032,420	\$ 2,292,037

City of Kodiak, Alaska

Trident Basin Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues		
Moorage	\$ 14,378	\$ 14,333
Rentals	46,784	85,322
Total Operating Revenues	61,162	99,655
Operating Expenses		
Professional services	4,200	-
Goods and services	27,837	18,038
Repairs and maintenance	3,080	2,822
Utilities and fuel	19,355	22,432
Interfund charges:		
Finance and administration	7,445	8,371
Public works services	5,829	6,087
Depreciation	248,728	248,728
Total Operating Expenses	316,474	306,478
Loss from operations	(255,312)	(206,823)
Net Position, beginning of year	2,089,158	2,295,981
Net Position, end of year	\$ 1,833,846	\$ 2,089,158

City of Kodiak, Alaska
Trident Basin Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 58,684	\$ 99,655
Payments for interfund services used	(13,274)	(14,458)
Payments to suppliers	(67,766)	(30,098)
Net cash flows from (for) operating activities	(22,356)	55,099
Cash Flows from (for) Noncapital Financing Activities		
Decrease in due to other funds	22,356	(55,099)
Net change in cash and investments	-	-
Cash and Investments, beginning of year	-	-
Cash and Investments, end of year	\$ -	\$ -
Reconciliation of loss from operations to net cash flows from (for) operating activities:		
Loss from operations	\$ (255,312)	\$ (206,823)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	248,728	248,728
(Increase) decrease in assets - accounts receivable	(1,170)	-
(Increase) decrease in assets - leases receivable	12,059	(53,467)
Increase (decrease) in liabilities - accounts payable	(13,294)	13,194
Increase (decrease) in deferred inflow of resources - leases	(13,367)	53,467
Net cash flows from (for) operating activities	\$ (22,356)	\$ 55,099

City of Kodiak, Alaska
E-911 Services Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Receivable from Kodiak Island Borough	\$ 116,600	\$ 114,807
Prepaid expenses	11,028	4,469
Total Current Assets	127,628	119,276
Noncurrent Assets		
Property, plant and equipment:		
Machinery and equipment	33,186	-
Accumulated depreciation	(1,660)	-
Property, plant and equipment, net	31,526	-
Net pension and OPEB assets	470,370	72,784
Total Noncurrent Assets	501,896	72,784
Total Assets	629,524	192,060
Deferred Outflows of Resources - related to pensions and OPEB	104,716	167,533
Total Assets and Deferred Outflows of Resources	\$ 734,240	\$ 359,593
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accrued payroll and related liabilities	\$ 24,986	\$ 25,708
Due to other funds	2,347,349	1,627,063
Current portion of accrued leave	18,963	17,511
Total current liabilities	2,391,298	1,670,282
Noncurrent liabilities		
Long term portion of accrued leave	17,756	28,838
Net pension and OPEB liabilities	642,707	843,952
Total noncurrent liabilities	660,463	872,790
Total liabilities	3,051,761	2,543,072
Deferred Inflows of Resources - related to pensions and OPEB	508,670	58,489
Total Liabilities and Deferred Inflows of Resources	3,560,431	2,601,561
Net Position		
Net investment in capital assets	33,186	-
Unrestricted (deficit)	(2,859,377)	(2,241,968)
Total Net Position	(2,826,191)	(2,241,968)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 734,240	\$ 359,593

City of Kodiak, Alaska
E-911 Services Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues - charges for services	\$ 299,460	\$ 299,205
Operating Expenses		
Salaries and benefits	688,473	899,352
Professional services	169,951	165,799
Support goods and services	258	-
Depreciation	1,660	-
Total Operating Expenses	860,342	1,065,151
Loss from operations	(560,882)	(765,946)
Nonoperating Revenues		
State PERS relief	(23,341)	42,533
Change in net position	(584,223)	(723,413)
Net Position, beginning of year	(2,241,968)	(1,518,555)
Net Position, end of year	\$ (2,826,191)	\$ (2,241,968)

City of Kodiak, Alaska
E-911 Services Enterprise Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 297,667	\$ 293,536
Payments to suppliers	(170,931)	(170,268)
Payments to employees	(813,836)	(805,674)
Net cash flows from (for) from operating activities	(687,100)	(682,406)
Cash Flows from Noncapital Financing Activities		
Increase in due to other funds	720,286	682,406
Cash Flows (for) Capital and Related Financing Activities		
Purchase of property, plant and equipment	(33,186)	-
Net increase (decrease) in cash and investments	-	-
Cash and Investments, beginning of year	-	-
Cash and Investment, end of year	\$ -	\$ -
Reconciliation of earnings (loss) from operations to net cash flows from (for) operating activities:		
Loss from operations	\$ (560,882)	\$ (765,946)
Adjustments to reconcile earnings (loss) from operations to net cash flows from (for) operating activities:		
Depreciation	1,660	-
Noncash State PERS relief	(23,341)	42,533
(Increase) Decrease in assets:		
Accounts receivable	(1,793)	(5,669)
Prepaid expenses	(6,559)	(4,469)
Net pension and OPEB asset	(397,586)	(72,784)
(Increase) Decrease in deferred outflows related to pensions and OPEB	62,817	(27,686)
Increase (Decrease) in liabilities		
Accrued payroll and related liabilities	(722)	4,164
Accrued leave	(9,630)	7,133
Net pension and OPEB liabilities	(201,245)	141,856
Increase (Decrease) in deferred inflows related to pensions and OPEB	450,181	(1,538)
Net cash flows from (for) operating activities	\$ (687,100)	\$ (682,406)

Internal Service Fund

An internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Insurance

This fund is used to account for the purchase of insurance through a public risk pool and the subsequent payments of claims and insurance premiums.

City of Kodiak, Alaska
Insurance Internal Service Fund
Statement of Net Position

<i>June 30,</i>	2022	2021
Assets		
Current Assets		
Cash and investments	\$ 87,368	\$ 37,449
Total Assets	\$ 87,368	\$ 37,449
Liabilities and Net Position		
Liabilities	\$ -	\$ -
Net Position - unrestricted	87,368	37,449
Total Liabilities and Net Position	\$ 87,368	\$ 37,449

City of Kodiak, Alaska

Insurance Internal Service Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30,</i>	2022	2021
Operating Revenues - charges for services	\$ 1,138,608	\$ 889,717
Operating Expenses - insurance	1,088,640	1,032,625
Earnings (loss) from operations	49,968	(142,908)
Nonoperating Revenues - investment income (loss)	(49)	(18)
Change in net position	49,919	(142,926)
Net Position , beginning of year	37,449	180,375
Net Position , end of year	\$ 87,368	\$ 37,449

City of Kodiak, Alaska
Insurance Internal Service Fund
Statement of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows From (For) Operating Activities		
Receipts from interfund services provided	\$ 1,138,608	\$ 889,717
Payments to suppliers	(1,088,640)	(1,032,625)
Net cash flows from (for) operating activities	49,968	(142,908)
Cash Flows From Investing Activities		
Investment income received	(49)	(18)
Net increase (decrease) in cash and investments	49,919	(142,926)
Cash and Investments, beginning of year	37,449	180,375
Cash and Investments, end of year	\$ 87,368	\$ 37,449
Reconciliation of income (loss) from operations to net cash flows from (for) operating activities:		
Income (loss) from operations	\$ 49,968	\$ (142,908)
Adjustments to reconcile income (loss) from operations to net cash flows for operating activities	-	-
Net cash flows from (for) operating activities	\$ 49,968	\$ (142,908)

COMPLIANCE REPORT

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

Independent Auditor's Report

Honorable Mayor and City Council
City of Kodiak, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kodiak, Alaska, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Kodiak's basic financial statements, and have issued our report thereon dated April 7, 2023.

Internal Control over Financial Reporting

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

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

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

Honorable Mayor and City Council
City of Kodiak, Alaska

Report on Compliance and Other Matters

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

Purpose of this Report

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



Anchorage, Alaska
April 7, 2023

City of Kodiak, Alaska

Schedule of Findings

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

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

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

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Section II - Financial Statement Findings

The City of Kodiak did not have any findings that related to the financial statements.