

City of Unalaska, Alaska



Photo Credit: Tim Mahoney

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

City of Unalaska, Alaska

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

City of Unalaska, Alaska

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Introduction Section (Unaudited)

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



February 7, 2025

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

State law requires that all cities annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Unalaska, Alaska (the City) for the fiscal year ended June 30, 2023.

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

BDO LLP, Certified Public Accountants, has issued an unmodified (clean) opinion on the City's financial statements for the year ended June 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

each year. The mayor is also elected to serve a three-year term. The mayor and council members are all elected at large.

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

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

Local Economy

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

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

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

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

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

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

Long-Term Financial Planning and Major Initiatives

As part of their fiscal sustainability plan, the City is working to establish a Permanent Fund with the intention that it will provide annual distributions to the City's General Fund for use. While not yet formally approved, it is expected that the Permanent Fund will have an initial amount of \$40,000,000. In continuing efforts to improve budgeting and long-term capital planning, the council, once again, set formal goals before the fiscal year 2023 budget process and prior to preparing the ten-year Capital and Major Maintenance Plan (CMMP).

Long-term maintenance and replacement schedules for capital assets continue to be developed.

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

To comply with new federal regulations, a new water treatment plant in Pyramid Valley was completed in 2016. This new plant, with a cost of \$17 million, provides treatment for Cryptosporidium, a microorganism that is resistant to chlorine and other disinfectants, and has caused waterborne disease outbreaks in the lower 48. In 2021, the City began the Pyramid Water Treatment Plant Chlorine Upgrade project, totaling just under \$1,508,000. The City replaced the existing chlorine gas system with a new on-site system that generates liquid chlorine (sodium hypochlorite) using salt and electricity. EPA standards call for phasing out shipping and handling cylinders of chlorine gas.

The City is the non-Federal sponsor of the design phase of the Entrance Channel Dredging Project led by the Army Corps of Engineers. This project has been on the City's CMMP for many years, and in 2021 the City signed a Design Agreement with the Corps. The Corps is authorized and federally funded for the 75/25 Cost Shared effort and produced the project's plans and specifications for the -58+2 dredging of the outside bar. Removal of the bar is considered a best practice for maintaining navigation and safety margins. The Corps has entered into a contract to have the work completed and the City met their match obligation during fiscal year 2024.

The \$8.5 million Library Improvement Project added 1,500 additional square feet and rearranged most of the existing floor plan to improve operations and patron service. A large conference center was added with new state of the art technology for speaking and presentation events. The circulation area was redesigned; several small study/meeting rooms were added; the HVAC was overhauled; and lighting, furniture and separate children's area was added. The project was completed in April 2023 and several hundred people attended the grand opening. The project came in \$800,000 under budget, in large part due to a \$400,000 library improvement grant awarded by the Rasmussen Foundation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Unalaska in past years. In order to be awarded a Certificate of Achievement, a government must publish an

easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's content requirements and we expect to submit future reports to the GFOA and apply for another certificate.

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

Respectfully submitted,

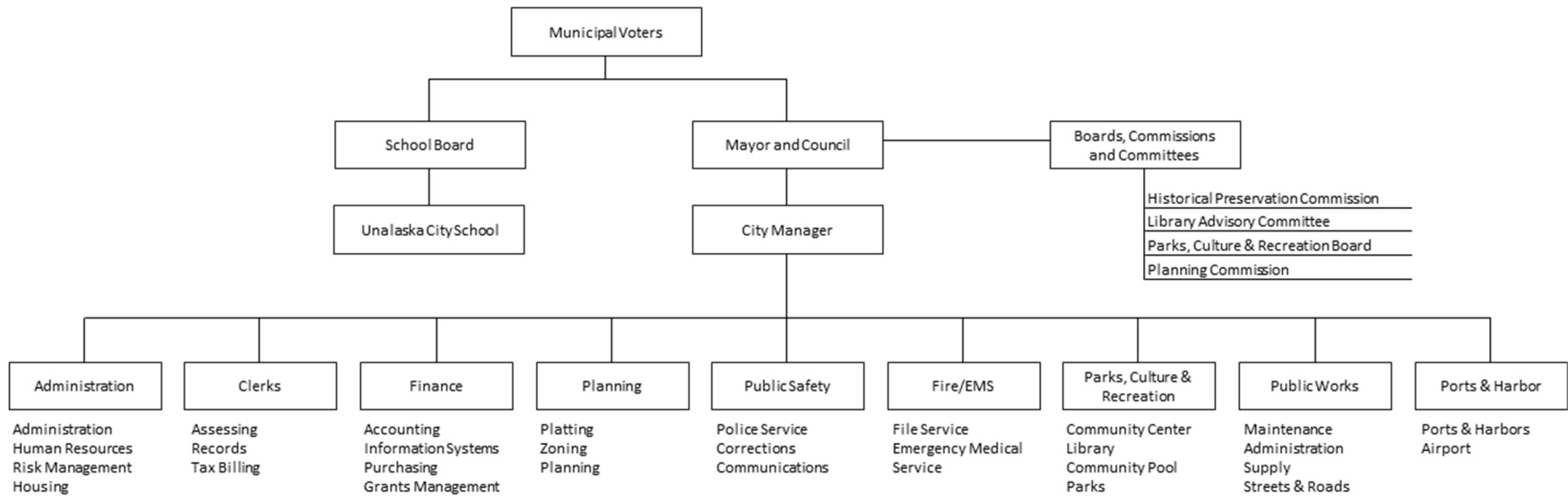
CITY OF UNALASKA



William Homka
City Manager



City of Unalaska Organizational Chart



PRINCIPAL EXECUTIVE OFFICERS

Unalaska City Council

Mayor	Vincent M. Tutiakoff, Sr.
Vice Mayor	Alejandro Tungul
Council Member	Daneen Looby
Council Member	Darin Nicholson
Council Member	Anthony Longo
Council Member	Shari Coleman
Council Member	Thomas Bell

City Management

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

Special Services

Attorney	Munson, Cacciola & Severin, LLP
Auditors	BDO USA LLP

School Board

President	David Gibson
Member	Kerry Mahoney
Member	Brian Rankin
Member	Trever Shaishnikoff
Member	Amanda Schmahl
Student Representative	Leanne Mateo

School Officials

Superintendent	Kim Hanisch
Secondary Principal	Cathy Morris
Elementary Principal	Riley Spetz
Business Manager	Leticia Holloway

Financial Section



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Unalaska (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Unalaska City School District (the District), the discretely presented component unit, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors.

Basis for Opinions

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

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.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and the 1% Sales Tax Special Revenue Fund, and the schedules of the City's proportionate share of the net pensions and net OPEB liability or asset and the City's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

BDO USA, P.C.

Anchorage, Alaska
February 7, 2025

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A)
June 30, 2023

CITY OF UNALASKA, ALASKA



Photo Credit: Tim Mahoney

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2023

Management of the City of Unalaska (the City) offers readers of the City of Unalaska's financial statements this narrative overview and analysis of the financial activities of the City of Unalaska for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages VI-IX of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Unalaska exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$436,604,919 (net position).
- The city's total net position increased by \$15,791,104.
- As of the close of the current fiscal year, the City of Unalaska's governmental funds reported combined ending fund balances of \$116,749,072, which is an increase of \$2,995,861 from the prior year. Of this total amount, \$38,644,696, is either nonspendable, committed or assigned for emergency operations and general fund projects identified in the City's Capital and Major Maintenance Plan (CMMP).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$78,122,123, or 282% of total General Fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2023

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

The government wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The City of Unalaska maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 1% Sales Tax Special Revenue Fund and the Capital Projects Fund, all of which are considered major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements and schedules, which can be found on pages 80-81.

The City of Unalaska adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds

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

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2023

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

The basic proprietary fund financial statements can be found on pages 22-31 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 32-68 of this report.

Government Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Unalaska, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$436,604,919 at the close of the most recent fiscal year.

Approximately 58% of the City of Unalaska's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Unalaska uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Unalaska's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

	City of Unalaska's Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 138,538,734	136,911,288	78,232,751	70,021,430	216,771,485	206,932,718
Capital assets	96,077,352	94,569,056	223,676,579	232,820,446	319,753,931	327,389,502
Total assets	<u>234,616,086</u>	<u>231,480,344</u>	<u>301,909,330</u>	<u>302,841,876</u>	<u>536,525,416</u>	<u>534,322,220</u>
Deferred outflows of resources	2,217,271	1,860,380	2,634,998	2,675,419	4,852,269	4,535,799
Long-term liabilities	14,182,467	11,528,058	76,140,872	77,735,342	90,323,339	89,263,400
Other liabilities	3,157,670	4,070,953	6,463,982	7,129,259	9,621,652	11,200,212
Total liabilities	<u>17,340,137</u>	<u>15,599,011</u>	<u>82,604,854</u>	<u>84,864,601</u>	<u>99,944,991</u>	<u>100,463,612</u>
Deferred inflows of resources	4,512,936	12,292,490	314,839	5,288,102	4,827,775	17,580,592
Net position:						
Net Investment in capital assets	95,899,926	94,431,841	158,033,143	162,957,588	253,933,069	257,389,429
Restricted	-	52,346,523	-	-	-	52,346,523
Unrestricted	119,080,358	58,670,859	63,591,492	52,407,004	182,671,850	111,077,863
Net position	<u>\$ 214,980,284</u>	<u>205,449,223</u>	<u>221,624,635</u>	<u>215,364,592</u>	<u>436,604,919</u>	<u>420,813,815</u>

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2023

The balance of unrestricted net position, \$182,671,850, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current and prior fiscal year, the City of Unalaska is able to report positive balances in both categories of net position, both for the government as a whole, and for its separate governmental and business type activities.

Deferred outflows of resources increased by \$316,470 during 2023 and has three components, deferred outflows of pension related resources, deferred outflows of OPEB related resources, and deferred charge on refunding. The balance for pension related resources increased due to actual earnings on pension plan investments and recognition of deferred outflows of resources for changes in proportion and City contributions and proportionate share of contributions of \$44,013. The balance for OPEB related resources increased due to actual earnings on OPEB plan investments, change in assumptions, changes in proportionate share of contributions, and change in City contributions subsequent to the measurement date of \$511,134. The balance for deferred charge on refunding decreased by (\$238,677).

Deferred inflows of resources decreased by \$12,752,817 during 2023 and has three components, deferred inflows of pension related resources, and deferred inflows of OPEB related resources and lease related deferred inflows. Deferred inflows of resources related to pensions decreased to \$0 from (\$7,112,289) in the prior year primarily due to change in the difference between expected and actual experience. The balance for OPEB related deferred inflows of resources increased primarily due to the changes in the difference between actual and expected experience, change in assumptions, change in proportion and differences between City contributions and proportionate share of contributions, and changes in City contributions subsequent to the measurement date of \$(6,193,585). The balance for deferred inflows related to leases increased by \$553,057 related to the implementation of GASB Statement 87 Leases.

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City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2023

Table 2

	City of Unalaska's Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 446,213	720,734	36,790,896	34,845,590	37,237,109	35,566,324
Operating grants and contributions	127,191	2,101,240	(222,399)	413,831	(95,208)	2,515,071
Capital grants and contributions	29,746	-	232,921	150,000	262,667	150,000
General revenues:						
Property taxes	7,359,859	7,746,723	-	-	7,359,859	7,746,723
General sales tax	16,167,947	14,211,123	-	-	16,167,947	14,211,123
Raw seafood tax	4,180,811	6,360,295	-	-	4,180,811	6,360,295
Fisheries tax	11,267,883	9,741,847	-	-	11,267,883	9,741,847
Investment earnings (loss)	3,376,213	(3,016,426)	165,948	10,405	3,542,161	(3,006,021)
Other	3,126,207	1,446,264	38,202	(1,672,029)	3,164,409	(225,765)
Total revenues	<u>46,082,070</u>	<u>39,311,800</u>	<u>37,005,568</u>	<u>33,747,797</u>	<u>83,087,638</u>	<u>73,059,597</u>
Expenses:						
General government	1,507,645	5,342,948	-	-	1,507,645	5,342,948
Public safety	6,775,040	7,268,511	-	-	6,775,040	7,268,511
Public works	9,176,313	8,273,262	-	-	9,176,313	8,273,262
Parks, culture, and recreation	4,508,993	3,947,821	-	-	4,508,993	3,947,821
Community support	1,432,636	2,891,089	-	-	1,432,636	2,891,089
Education	5,693,316	5,481,889	-	-	5,693,316	5,481,889
Interest on lease payments	2,750	3,209	-	-	2,750	3,209
Electric	-	-	18,705,858	18,074,964	18,705,858	18,074,964
Water	-	-	2,588,193	2,793,053	2,588,193	2,793,053
Wastewater	-	-	3,509,124	3,501,340	3,509,124	3,501,340
Solid waste	-	-	2,922,847	3,087,197	2,922,847	3,087,197
Ports and harbors	-	-	9,173,166	9,433,614	9,173,166	9,433,614
Airport	-	-	808,316	768,853	808,316	768,853
Housing	-	-	492,337	558,366	492,337	558,366
Total expenses	<u>29,096,693</u>	<u>33,208,729</u>	<u>38,199,841</u>	<u>38,217,387</u>	<u>67,296,534</u>	<u>71,426,116</u>
Increase in net position before transfers	16,985,377	6,103,071	(1,194,273)	(4,469,590)	15,791,104	1,633,481
Transfers	(7,454,316)	(7,216,100)	7,454,316	7,216,100	-	-
Change in net position	<u>9,531,061</u>	<u>(1,113,029)</u>	<u>6,260,043</u>	<u>2,746,510</u>	<u>15,791,104</u>	<u>1,633,481</u>
Net position, beginning of year	<u>205,449,223</u>	<u>206,562,252</u>	<u>215,364,592</u>	<u>212,618,082</u>	<u>420,813,815</u>	<u>419,180,334</u>
Net position, end of year	<u>\$ 214,980,284</u>	<u>205,449,223</u>	<u>221,624,635</u>	<u>215,364,592</u>	<u>436,604,919</u>	<u>420,813,815</u>

City of Unalaska, Alaska

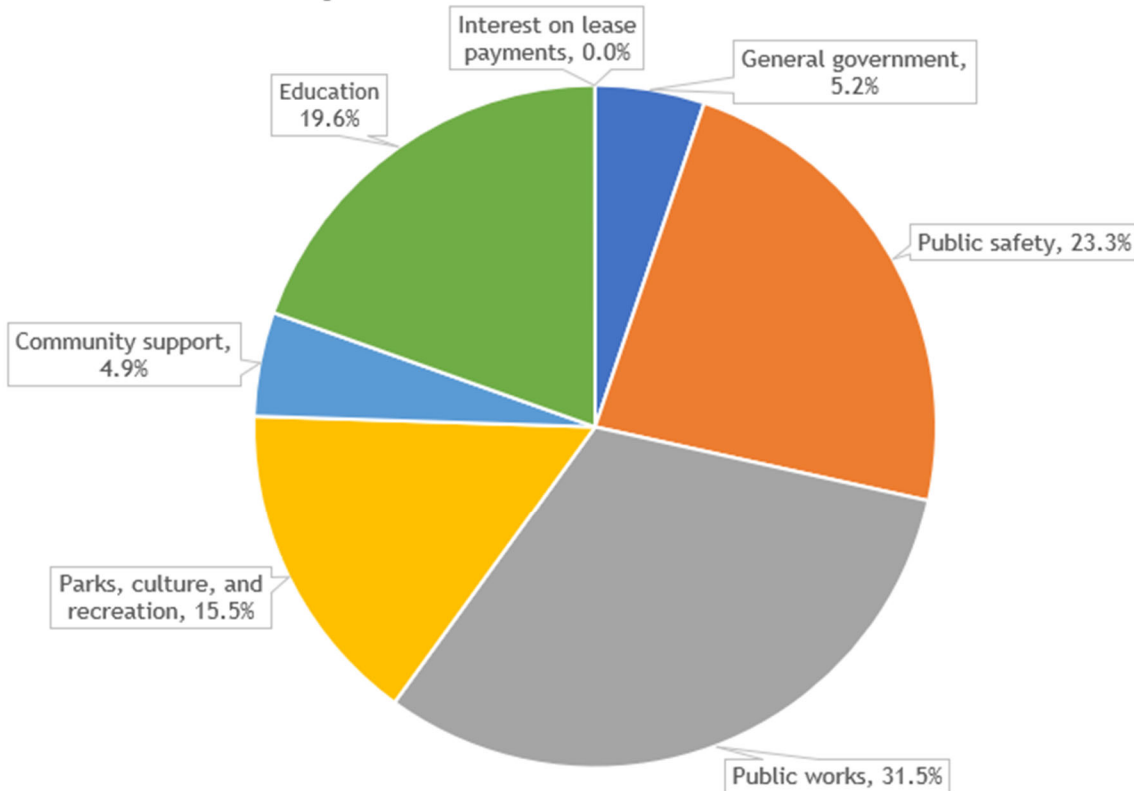
Management's Discussion and Analysis (MD&A) June 30, 2023

The government's net position increased \$15,791,104 during the current fiscal year. Revenues overall increased \$10,028,041. The net increase includes increases Investment earnings of \$6,548,182, Sales Tax of \$1,956,824, and other revenues of 2,708,977, and are offset by decreases in operating grants and contributions of (\$2,610,279) and raw seafood taxes of (\$2,179,484).

Total expenses decreased \$4,129,582 from the prior year primarily to a reduction general governmental related spending.

Governmental activities increased the City of Unalaska's net position by \$9,531,061.

Governmental Activities Functional Expenses for Fiscal Year 2023



City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2023

Business-Type Activities

Net position increased \$6,260,043 for Business-type activities (table 2); this is attributable to positive changes in net position in the Electric Utility Fund \$3,554,104, the Solid Waste Utility Fund \$256,389, and Ports and Harbors Fund \$3,886,422, and losses in each of the other Enterprise Funds.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Unalaska's governmental funds reported combined ending fund balances of \$116,749,072, which is an increase of \$2,995,861 from the prior year. Approximately 98% of this total amount, \$113,962,593 constitutes spendable fund balance. The City of Unalaska has fund balance commitments of \$13,000,000 for emergency expenditures and \$19,366,923 for capital projects.

The General Fund is the chief operating fund of the City of Unalaska. At the end of the current fiscal year, spendable fund balance of the General Fund was \$92,257,394, and the total fund balance was \$95,043,873. As a measure of the General Fund's liquidity, both spendable fund balance and total fund balance may be compared to total fund expenditures. Spendable fund balance represents 333% of total General Fund expenditures, while total fund balance represents 343% of that same amount. The fund balance of the City of Unalaska's General Fund increased by \$4,174,606 during this fiscal year.

Proprietary Funds

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

Unrestricted net position of business-type activities at the end of the year amounted to \$63,591,492. The business-type activities net position increased by \$6,260,043.

City of Unalaska, Alaska

Management’s Discussion and Analysis (MD&A) June 30, 2023

General Fund Budgetary Highlights

Differences between the original budget and the final budget can be briefly summarized as follows: General Sales and Seafood Sales taxes outperformed budgeted amounts by \$2,572,278 and \$780,811, respectively.

Each functional area within the General Fund stayed within their budgets, with Public Safety and Public Works showing the greatest amount of savings in the amount of \$1,913,469 and \$897,474, respectively. The savings in both departments were primarily attributable to personnel costs.

Capital Asset and Debt Administration

Capital Assets

The City of Unalaska’s net investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$253,933,069 (net of accumulated depreciation and amortization, and related debt). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, bridges, and right of use assets. The City of Unalaska’s net investment in capital assets changed by \$(3,456,360) in the current year.

Table 3

	City of Unalaska Capital Assets (Net of Accumulated Depreciation and Amortization)					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 31,147,603	31,147,603	3,309,476	3,309,476	34,457,079	34,457,079
Buildings	32,526,664	25,230,279	68,957,261	70,446,467	101,483,925	95,676,746
Infrastructure	20,032,043	22,669,738	127,211,647	132,257,462	147,243,690	154,927,200
Machinery and equipment	3,950,941	4,249,794	17,347,446	18,718,661	21,298,387	22,968,455
Right to use assets	113,061	135,900	1,805,424	1,919,963	1,918,485	2,055,863
Construction in Progress	8,307,040	11,135,742	5,045,325	6,168,417	13,352,365	17,304,159
Total Capital Assets, Net of Accumulated Depreciation and Amortization	\$ <u>96,077,352</u>	<u>94,569,056</u>	<u>223,676,579</u>	<u>232,820,446</u>	<u>319,753,931</u>	<u>327,389,502</u>

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

General Fund

The Library Improvement project continued with current year expenditures of \$5,525,805. The various site HVAC control upgrade projects with current expenditures of \$239,161.

Electric Fund

The Generator Sets rebuild project with current year expenditures of \$884,667.

Water Fund

The Captains Bay Road Waterline Extension project with \$245,167 in current year expenditures. The General’s Hill Water Booster Pump project continued with \$170,186 in current year expenditures.

The Pyramid WTP Chlorine Upgrades project continued with \$625,786 in current year expenditures.

Additional information on the City of Unalaska’s capital assets can be found in Note 3 on pages 45-48 of this report.

City of Unalaska, Alaska

Management’s Discussion and Analysis (MD&A) June 30, 2023

Long Term Debt

At the end of the current fiscal year, the City of Unalaska had revenue bonds and other loans outstanding of \$65,518,625 (Table 4).

Table 4

	City of Unalaska Bonds and Loans					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ -	-	52,180,328	52,673,420	52,180,328	52,673,420
Other contracts and loans	-	-	13,338,297	14,344,814	13,338,297	14,344,814
Total Bonds and Loans	\$ -	-	65,518,625	67,018,234	65,518,625	67,018,234

The City of Unalaska’s total debt originating from revenue bonds and loans decreased by \$1,499,609 (2.2%) during the current fiscal year. State statutes do not limit the amount of debt a governmental entity may issue. Additional information on the City of Unalaska’s long-term debt can be found in Note 3 on pages 43-46 of this report.

Economic Factors and Next Year’s Budgets and Rates

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

The average unemployment rate for the Aleutians West Region, which includes Unalaska, was 4.2% for calendar year 2023, which is an increase of .4% in calendar year 2022. Management does not believe either figure is indicative of unemployment within the City’s limits. Since the seafood economy is robust in Unalaska while other communities that are more reliant on snow crab and salmon may be experiencing higher unemployment, neither unemployment rate for the region is indicative of unemployment in Unalaska.

Requests for Information

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

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Basic Financial Statements

City of Unalaska, Alaska

Statement of Net Position

June 30, 2023	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Unalaska City School District
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 109,534,590	\$ 66,222,780	\$ 175,757,370	\$ 3,925,787
Receivables, net of allowance for uncollectible amounts:				
Accounts	93,139	2,370,956	2,464,095	126,583
Interest	1,054,477	-	1,054,477	-
Taxes	4,597,803	-	4,597,803	-
Intergovernmental	10,707,602	692,569	11,400,171	-
Leases	4,006,293	15,443	4,021,736	-
Inventories and prepaid items	1,196,479	2,443,790	3,640,269	34,100
Internal balances	1,590,000	(1,590,000)	-	-
Prepaid items	-	-	-	194,287
Restricted assets:				
Cash held by fiscal agent	-	4,863,136	4,863,136	-
Cash restricted for health insurance	-	-	-	487,289
Net other postemployment benefits asset	5,758,351	3,214,077	8,972,428	2,006,038
Capital assets:				
Assets not being depreciated	39,454,643	8,354,801	47,809,444	42,500
Assets, net of accumulated depreciation	56,622,709	215,321,778	271,944,487	1,309,607
Total Assets	234,616,086	301,909,330	536,525,416	8,126,191
Deferred Outflows of Resources				
Deferred charge on refunding	-	1,390,279	1,390,279	-
Related to other postemployment benefits	575,145	321,023	896,168	252,672
Related to pensions	1,642,126	923,696	2,565,822	503,043
Total Deferred Outflows of Resources	2,217,271	2,634,998	4,852,269	755,715
Total Assets and Deferred Outflows of Resources	\$ 236,833,357	\$ 304,544,328	\$ 541,377,685	\$ 8,881,906
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 768,299	\$ 924,821	\$ 1,693,120	\$ 52,214
Accrued payroll and related liabilities	548,686	325,183	873,869	1,225,204
Accrued interest	-	298,683	298,683	-
Customer deposits	5,542	214,502	220,044	-
Unearned revenue	66,578	800,000	866,578	-
Noncurrent liabilities:				
Due within one year:				
Bonds and loans	-	3,307,025	3,307,025	-
Lease liability	24,174	91,655	115,829	93,912
Compensated absences	1,744,391	502,113	2,246,504	-
Due in more than one year:				
Lease liability	89,345	1,747,345	1,836,690	950,501
Landfill closure and postclosure costs	-	6,207,065	6,207,065	-
Bonds and loans payable	-	60,259,081	60,259,081	-
Net pension liability	14,093,122	7,927,381	22,020,503	4,092,749
Total Liabilities	17,340,137	82,604,854	99,944,991	6,414,580
Deferred Inflows of Resources				
Related to leases	3,975,989	15,137	3,991,126	-
Related to other postemployment benefits	536,947	299,702	836,649	165,924
Related to pensions	-	-	-	85,348
Total Deferred Inflows of Resources	4,512,936	314,839	4,827,775	251,272
Net Position				
Net investment in capital assets	95,899,926	158,033,143	253,933,069	1,258,195
Restricted for scholarships and community schools	-	-	-	190,135
Unrestricted	119,080,358	63,591,492	182,671,850	767,724
Total Net Position	214,980,284	221,624,635	436,604,919	2,216,054
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 236,833,357	\$ 304,544,328	\$ 541,377,685	\$ 8,881,906

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Statement of Activities

Year Ended June 30, 2023	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government			Unalaska City School District
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 1,507,645	\$ 195,256	\$ (499,874)	\$ -	\$ (1,812,263)	\$ -	\$ (1,812,263)	\$ -
Public safety	6,775,040	61,327	627,065	-	(6,086,648)	-	(6,086,648)	-
Public works	9,176,313	-	-	-	(9,176,313)	-	(9,176,313)	-
Parks, culture, and recreation	4,508,993	189,630	-	29,746	(4,289,617)	-	(4,289,617)	-
Community support	1,432,636	-	-	-	(1,432,636)	-	(1,432,636)	-
Education	5,693,316	-	-	-	(5,693,316)	-	(5,693,316)	-
Interest on lease payments	2,750	-	-	-	(2,750)	-	(2,750)	-
Total Governmental Activities	29,096,693	446,213	127,191	29,746	(28,493,543)	-	(28,493,543)	-
Business-Type Activities								
Electric utility	18,705,858	19,304,896	(20,022)	-	-	579,016	579,016	-
Water utility	2,588,193	2,313,260	(40,145)	232,921	-	(82,157)	(82,157)	-
Wastewater utility	3,509,124	2,725,766	(43,457)	-	-	(826,815)	(826,815)	-
Solid waste	2,922,847	3,187,152	(41,472)	-	-	222,833	222,833	-
Ports and Harbors	9,173,166	8,205,459	264,116	-	-	(703,591)	(703,591)	-
Airport	808,316	499,195	(6,625)	-	-	(315,746)	(315,746)	-
Housing	492,337	229,043	(8,669)	-	-	(271,963)	(271,963)	-
Total Business-Type Activities	38,199,841	36,464,771	103,726	232,921	-	(1,398,423)	(1,398,423)	-
Total Primary Government	\$ 67,296,534	\$ 36,910,984	\$ 230,917	\$ 262,667	(28,493,543)	(1,398,423)	(29,891,966)	-
Component Unit								
Unalaska City School District	\$ 10,393,463	\$ 132,553	\$ 2,184,203	\$ 12,000	-	-	-	(8,064,707)
General Revenues								
Taxes:								
Real property tax					4,977,570	-	4,977,570	-
Personal property tax					2,382,289	-	2,382,289	-
General sales tax					16,167,947	-	16,167,947	-
Raw seafood sales tax					4,180,811	-	4,180,811	-
Fisheries tax					11,267,883	-	11,267,883	-
Other taxes					130,386	-	130,386	-
Payments in lieu of tax					957,171	-	957,171	-
Grants not restricted to specific programs					1,084,747	-	1,084,747	3,707,337
Investment earnings					3,376,213	165,948	3,542,161	15,620
Support from City of Unalaska					-	-	-	3,994,910
Other revenue					925,000	-	925,000	256,060
Gain on sale of capital assets					28,903	38,202	67,105	-
Transfers					(7,454,316)	7,454,316	-	-
Total General Revenues and Transfers					38,024,604	7,658,466	45,683,070	7,973,927
Change in Net Position					9,531,061	6,260,043	15,791,104	(90,780)
Net Position, beginning					205,449,223	215,364,592	420,813,815	2,306,834
Net Position, ending					\$ 214,980,284	\$ 221,624,635	\$ 436,604,919	\$ 2,216,054

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Governmental Funds
Balance Sheet

	Major Funds				Total Governmental Funds
	General	1% Sales Tax Special Revenue	Capital Projects	Nonmajor Governmental Funds	
<i>June 30, 2023</i>					
Assets					
Cash and investments	\$ 89,043,978	\$ 13,496,242	\$ 5,247,100	\$ 1,747,270	\$109,534,590
Receivables, net of allowance for doubtful accounts:					
Accounts	93,139	-	-	-	93,139
Interest	1,054,477	-	-	-	1,054,477
Taxes	3,277,667	1,138,787	-	181,349	4,597,803
Intergovernmental	10,677,856	-	29,746	-	10,707,602
Leases	4,006,293	-	-	-	4,006,293
Inventory and prepaid items	1,196,479	-	-	-	1,196,479
Due from other funds	14,161	-	-	-	14,161
Advances to other funds	1,590,000	-	-	-	1,590,000
Total Assets	\$110,954,050	\$ 14,635,029	\$ 5,276,846	\$ 1,928,619	\$132,794,544
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 703,792	\$ -	\$ 63,907	\$ 600	\$ 768,299
Accrued payroll and related liabilities	548,686	-	-	-	548,686
Customer deposits	5,542	-	-	-	5,542
Due to other funds	-	-	-	14,161	14,161
Unearned revenue	9,951	2,500	-	54,127	66,578
Total Liabilities	1,267,971	2,500	63,907	68,888	1,403,266
Deferred Inflows of Resources					
Related to leases	3,975,989	-	-	-	3,975,989
Unavailable revenue - taxes and intergovernmental	10,666,217	-	-	-	10,666,217
Total Deferred Inflows of Resources	14,642,206	-	-	-	14,642,206
Fund Balances					
Nonspendable:					
Inventory and prepaids	1,196,479	-	-	-	1,196,479
Advances to other funds	1,590,000	-	-	-	1,590,000
Committed:					
Emergency operations	13,000,000	-	-	-	13,000,000
Compensated absences	1,000,000	-	-	-	1,000,000
Public safety	-	-	-	1,006,301	1,006,301
Community support	-	-	-	27,559	27,559
Capital projects	-	14,632,529	3,908,523	825,871	19,366,923
Assigned	135,271	-	1,304,416	-	1,439,687
Unassigned	78,122,123	-	-	-	78,122,123
Total Fund Balances	95,043,873	14,632,529	5,212,939	1,859,731	116,749,072
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$110,954,050	\$ 14,635,029	\$ 5,276,846	\$ 1,928,619	\$132,794,544

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position June 30, 2023

Total fund balances for governmental funds		\$ 116,749,072
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (shown here, net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		96,077,352
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Shared fisheries business tax	\$ 3,853,939	
Shared fisheries resource landing tax	6,780,164	
Real property tax	23,884	
Personal property tax	8,230	
Net other postemployment benefits asset	5,758,351	
Total long-term assets		16,424,568
Deferred outflows of resources for governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred outflows of resources related to other postemployment benefits	575,145	
Deferred outflows of resources related to pensions	1,642,126	
Total deferred outflows of resources		2,217,271
Noncurrent liabilities, including the net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability	(14,093,122)	
Lease liability	(113,519)	
Compensated absences	(1,744,391)	
Total noncurrent liabilities		(15,951,032)
Deferred inflows of resources for governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred inflows of resources related to other postemployment benefits	(536,947)	
Total deferred inflows of resources		(536,947)
Total Net Position of Governmental Activities		\$ 214,980,284

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2023	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	1% Sales Tax Special Revenue	Capital Projects		
Revenues					
Taxes:					
General sales	\$ 10,222,278	\$ 5,118,936	\$ -	\$ 826,733	\$ 16,167,947
Seafood sales	4,180,811	-	-	-	4,180,811
Real property	4,978,177	-	-	-	4,978,177
Personal property	2,382,289	-	-	-	2,382,289
Other	130,386	-	-	-	130,386
Intergovernmental:					
Fisheries business tax	4,689,418	-	-	-	4,689,418
Fisheries resource landing tax	4,963,063	-	-	-	4,963,063
PERS on behalf	229,771	-	-	-	229,771
Payment in lieu of taxes	957,171	-	-	-	957,171
State of Alaska Corrections Contract	627,065	-	-	-	627,065
Grant revenue	-	-	29,746	-	29,746
Other	854,976	-	-	-	854,976
Charges for services	269,755	-	-	-	269,755
Investment income	3,376,213	-	-	-	3,376,213
Other revenue	701,458	-	400,000	-	1,101,458
Total Revenues	38,562,831	5,118,936	429,746	826,733	44,938,246
Expenditures					
Current:					
General government	5,435,817	-	-	-	5,435,817
Public safety	6,247,595	-	-	775	6,248,370
Public works	6,201,007	-	-	-	6,201,007
Parks, culture, and recreation	3,642,410	-	-	-	3,642,410
Community support	1,134,636	-	-	298,000	1,432,636
Education	5,004,910	-	-	-	5,004,910
Debt Service:					
Principal on leases	23,696	-	-	-	23,696
Interest on leases	2,750	-	-	-	2,750
Capital Outlay	-	-	6,451,063	174,129	6,625,192
Total Expenditures	27,692,821	-	6,451,063	472,904	34,616,788
Excess (Deficiency) of Revenues Over Expenditures					
	10,870,010	5,118,936	(6,021,317)	353,829	10,321,458
Other Financing Sources (Uses)					
Proceeds from sale of assets	28,903	-	-	-	28,903
Transfers in	-	-	3,229,807	-	3,229,807
Transfers out	(6,724,307)	(3,860,000)	-	-	(10,584,307)
Net Other Financing Sources (Uses)	(6,695,404)	(3,860,000)	3,229,807	-	(7,325,597)
Net Change in Fund Balances	4,174,606	1,258,936	(2,791,510)	353,829	2,995,861
Fund Balances, beginning	90,869,267	13,373,593	8,004,449	1,505,902	113,753,211
Fund Balances, ending	\$ 95,043,873	\$ 14,632,529	\$ 5,212,939	\$ 1,859,731	\$ 116,749,072

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Reconciliation of the Change in Fund Balances of
Governmental Funds to Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ 2,995,861

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

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

Capital outlay	\$ 6,899,904	
Depreciation and amortization expense	(5,391,608)	
		1,508,296

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

Decrease in Shared fisheries business tax	(404,373)	
Increase in Shared fisheries resource landing tax	2,019,775	
Decrease in real property tax	(607)	
		1,614,795

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:

Increase in compensated absences	(226,408)	
Increase in other postemployment benefit asset	(2,577,757)	
Increase in deferred outflows of resources:		
Related to other postemployment benefits	328,723	
Related to pensions	28,168	
Decrease in lease liability	23,696	
Increase in pension liability	(2,678,579)	
Decrease in deferred inflows of resources:		
Related to other postemployment benefits	3,962,401	
Related to pensions	4,551,865	
		3,412,109

Change in Net Position of Governmental Activities \$ 9,531,061

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Enterprise Funds
Statement of Net Position

<i>June 30, 2023</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 20,896,166	\$ 8,084,460	\$ 4,590,283
Receivables, net of allowance for doubtful accounts:			
Accounts	1,077,107	197,693	188,400
Leases	-	-	-
Intergovernmental	187,053	179,391	-
Inventory and prepaid items	1,881,577	443,234	24,749
Total Current Assets	24,041,903	8,904,778	4,803,432
Noncurrent Assets			
Restricted assets, cash held by fiscal agent	2,302,417	-	-
Net other postemployment benefits asset	816,781	461,842	502,526
Capital assets, net	47,498,462	21,106,109	31,777,283
Total Noncurrent Assets	50,617,660	21,567,951	32,279,809
Total Assets	74,659,563	30,472,729	37,083,241
Deferred Outflows of Resources			
Deferred charge on refunding	1,375,115	-	-
Related to other postemployment benefits	81,581	46,129	50,192
Related to pensions	230,925	128,291	153,949
Total Deferred Outflows of Resources	1,687,621	174,420	204,141
Total Assets and Deferred Outflows of Resources	\$ 76,347,184	\$ 30,647,149	\$ 37,287,382

See accompanying notes to basic financial statements.

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

<i>June 30, 2023</i>	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 9,696,072	\$ 21,249,652	\$ 1,706,147	\$ 66,222,780
Receivables, net of allowance for doubtful accounts:				
Accounts	226,623	683,126	(1,993)	2,370,956
Leases	-	-	15,443	15,443
Intergovernmental	-	326,125	-	692,569
Inventory	94,230	-	-	2,443,790
Total Current Assets	10,016,925	22,258,903	1,719,597	71,745,538
Noncurrent Assets				
Restricted assets, cash held by fiscal agent	-	2,560,719	-	4,863,136
Net other postemployment benefits asset	476,371	780,193	176,364	3,214,077
Capital assets, net	14,186,813	104,030,381	5,077,531	223,676,579
Total Noncurrent Assets	14,663,184	107,371,293	5,253,895	231,753,792
Total Assets	24,680,109	129,630,196	6,973,492	303,499,330
Deferred Outflows of Resources				
Deferred charge on refunding	-	15,164	-	1,390,279
Related to other postemployment benefits	47,580	77,926	17,615	321,023
Related to pensions	128,291	230,924	51,316	923,696
Total Deferred Outflows of Resources	175,871	324,014	68,931	2,634,998
Total Assets and Deferred Outflows of Resources	\$ 24,855,980	\$ 129,954,210	\$ 7,042,423	\$ 306,134,328

See accompanying notes to basic financial statements.

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

<i>June 30, 2022</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ 613,654	\$ 226,188	\$ 15,870
Accrued payroll and related liabilities	122,536	36,648	34,672
Compensated absences	148,145	39,512	53,802
Accrued interest	181,149	35,028	62,643
Current portion of bonds, loans, and other liabilities	1,380,000	179,463	428,330
Lease liability	-	-	-
Advances from other funds	240,000	-	-
Unearned revenue	-	800,000	-
Customer deposits	134,368	23,897	17,960
Total Current Liabilities	2,819,852	1,340,736	613,277
Noncurrent Liabilities			
Lease liability	-	-	-
Net pension liability	1,981,846	1,101,025	1,321,230
Landfill closure and postclosure costs	-	-	-
Advances from other funds, net of current portion	1,350,000	-	-
Bonds and loans payable, net of current portion	18,511,120	2,333,015	5,139,960
Total Noncurrent Liabilities	21,842,966	3,434,040	6,461,190
Total Liabilities	24,662,818	4,774,776	7,074,467
Deferred Inflows of Resources			
Related to leases	-	-	-
Related to other postemployment benefits	76,163	43,065	46,859
Total Deferred Inflows of Resources	76,163	43,065	46,859
Net Position			
Net investment in capital assets	27,574,800	18,388,965	26,208,246
Unrestricted	24,033,403	7,440,343	3,957,810
Total Net Position	51,608,203	25,829,308	30,166,056
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 76,347,184	\$ 30,647,149	\$ 37,287,382

See accompanying notes to basic financial statements.

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

<i>June 30, 2023</i>	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 41,359	\$ 13,540	\$ 14,210	\$ 924,821
Accrued payroll and related liabilities	33,884	76,724	20,719	325,183
Compensated absences	66,012	194,032	610	502,113
Accrued interest	12,394	7,469	-	298,683
Current portion of bonds, loans, and other liabilities	254,232	1,065,000	-	3,307,025
Lease liability	-	88,662	2,993	91,655
Advances from other funds	-	-	-	240,000
Unearned revenue	-	-	-	800,000
Customer deposits	9,952	-	28,325	214,502
Total Current Liabilities	417,833	1,445,427	66,857	6,703,982
Noncurrent Liabilities				
Lease liability	-	1,747,345	-	1,747,345
Net pension liability	1,101,025	1,981,845	440,410	7,927,381
Landfill closure and postclosure costs	6,207,065	-	-	6,207,065
Advances from other funds, net of current portion	-	-	-	1,350,000
Bonds and loans payable, net of current portion	3,050,778	31,224,208	-	60,259,081
Total Noncurrent Liabilities	10,358,868	34,953,398	440,410	77,490,872
Total Liabilities	10,776,701	36,398,825	507,267	84,194,854
Deferred Inflows of Resources				
Related to leases	-	-	15,137	15,137
Related to other postemployment benefits	44,420	72,750	16,445	299,702
Total Deferred Inflows of Resources	44,420	72,750	31,582	314,839
Net Position				
Net investment in capital assets	10,881,803	69,904,791	5,074,538	158,033,143
Unrestricted	3,153,056	23,577,844	1,429,036	63,591,492
Total Net Position	14,034,859	93,482,635	6,503,574	221,624,635
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 24,855,980	\$ 129,954,210	\$ 7,042,423	\$ 306,134,328

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position

	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
<i>Year Ended June 30, 2023</i>			
Operating Revenues			
Charges for services	\$ 19,304,896	\$ 2,313,260	\$ 2,725,766
Operating Expenses			
Operations	13,082,032	1,010,664	1,644,515
General and administrative	1,034,760	501,604	509,181
Landfill closure and postclosure costs	-	-	-
Depreciation and amortization	3,676,288	1,037,273	1,269,708
Total Operating Expenses	17,793,080	2,549,541	3,423,404
Operating income (loss)	1,511,816	(236,281)	(697,638)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	(20,022)	(40,145)	(43,457)
Interest income	68,134	-	-
Gain on sale of capital assets	22,000	-	7,600
Interest expense	(912,778)	(38,652)	(85,720)
	-	-	-
Net Nonoperating Revenues (Expenses)	(842,666)	(78,797)	(121,577)
Income (Loss) before contributions and transfers	669,150	(315,078)	(819,215)
Capital contributions	24,954	257,875	24,954
Transfers in	2,860,000	-	-
Change in net position	3,554,104	(57,203)	(794,261)
Net Position, beginning	48,054,099	25,886,511	30,960,317
Net Position, ending	\$ 51,608,203	\$ 25,829,308	\$ 30,166,056

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Enterprise Funds

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

Year Ended June 30, 2023	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Operating Revenues				
Charges for services	\$ 3,187,152	\$ 8,205,459	\$ 728,238	\$ 36,464,771
Operating Expenses				
Operations	1,526,699	2,512,868	671,857	20,448,635
General and administrative	161,005	1,202,577	147,515	3,556,642
Landfill closure and postclosure costs	303,336	-	-	303,336
Depreciation and amortization	886,364	4,382,509	480,986	11,733,128
Total Operating Expenses	2,877,404	8,097,954	1,300,358	36,041,741
Operating income (loss)	309,748	107,505	(572,120)	423,030
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	(41,472)	264,116	(15,294)	103,726
Interest income	-	95,513	2,301	165,948
Gain on sale of capital assets	8,602	-	-	38,202
Interest expense	(45,443)	(1,075,212)	(295)	(2,158,100)
Net Nonoperating Revenues (Expenses)	(78,313)	(715,583)	(13,288)	(1,850,224)
Income (Loss) before contributions and transfers	231,435	(608,078)	(585,408)	(1,427,194)
Capital contributions	24,954	-	-	332,737
Transfers in	-	4,494,500	-	7,354,500
Change in net position	256,389	3,886,422	(585,408)	6,260,043
Net Position, beginning	13,778,470	89,596,213	7,088,982	215,364,592
Net Position, ending	\$ 14,034,859	\$ 93,482,635	\$ 6,503,574	\$ 221,624,635

See accompanying notes to basic financial statements.

City of Unalaska, Alaska
Enterprise Funds
Statement of Cash Flows

<i>Year Ended June 30, 2023</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Cash Flows from (for) Operating Activities			
Receipts from customers and users	\$ 20,234,498	\$ 2,734,928	\$ 2,735,185
Payments to employees	(2,236,510)	(1,179,715)	(1,309,992)
Payments to vendors	(13,310,785)	(700,772)	(1,046,114)
Net Cash Flows from (for) Operating Activities	4,687,203	854,441	379,079
Cash Flows from (for) Noncapital Financing Activities			
Operating grants	133,287	-	-
Net Cash Flows from (for) Noncapital Financing Activities	133,287	-	-
Cash Flows from (for) Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,758,547)	(1,110,687)	(30,694)
Payments on advances to other funds	(240,000)	-	-
Principal payments on long term debt and leases	(1,345,000)	(179,463)	(428,330)
Interest received on leases	-	-	-
Interest payments on long term debt and leases	(832,463)	(40,638)	(90,539)
Proceeds from the sale of capital assets	22,000	-	7,600
Transfers in	2,860,000	-	-
Capital contributions received	-	53,530	-
Net Cash Flows from (for) Capital and Related Financing Activities	(1,294,010)	(1,277,258)	(541,963)
Cash Flows from Investing Activities			
Investment income received	68,134	-	-
Net Cash Flows from Invested Activities	68,134	-	-
Net increase (decrease) in cash and investments	3,594,614	(422,817)	(162,884)
Cash and Investments, beginning	19,603,969	8,507,277	4,753,167
Cash and Investments, ending	\$ 23,198,583	\$ 8,084,460	\$ 4,590,283
Reconciliation to the Statement of Net Position:			
Cash and investments	20,896,166	8,084,460	4,590,283
Restricted cash	2,302,417	-	-
Total Cash and Investments	\$ 23,198,583	\$ 8,084,460	\$ 4,590,283

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2023</i>	Major Funds, continued		Total Nonmajor Proprietary Funds	Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors		
Cash Flows from (for) Operating Activities				
Receipts from customers and users	\$ 3,214,109	\$ 8,292,943	\$ 740,064	\$ 37,951,727
Payments to employees	(1,234,780)	(2,035,726)	(455,539)	(8,452,262)
Payments to vendors	(815,972)	(2,033,652)	(485,547)	(18,392,842)
Net Cash Flows from (for) Operating Activities	1,163,357	4,223,565	(201,022)	11,106,623
Cash Flows from (for) Noncapital Financing Activities				
Operating grants	-	5,585	-	138,872
Net Cash Flows from (for) Noncapital Financing Activities	-	5,585	-	138,872
Cash Flows from (for) Capital and Related Financing Activities				
Acquisition and construction of capital assets	(925)	(225,572)	(33,083)	(3,159,508)
Payments on advances to other funds	-	-	-	(240,000)
Principal payments on long term debt and leases	(254,232)	(1,192,807)	(11,824)	(3,411,656)
Interest received on leases	-	-	2,301	2,301
Interest payments on long term debt and leases	(53,388)	(1,272,449)	(295)	(2,289,772)
Proceeds from the sale of capital assets	8,602	-	-	38,202
Transfers in	-	4,494,500	-	7,354,500
Capital contributions received	-	-	-	53,530
Net Cash Flows from (for) Capital and Related Financing Activities	(299,943)	1,803,672	(42,901)	(1,652,403)
Cash Flows from Investing Activities				
Investment income received	-	95,513	-	163,647
Net Cash Flows from Invested Activities	-	95,513	-	163,647
Net increase (decrease) in cash and investments	863,414	6,128,335	(243,923)	9,756,739
Cash and Investments, beginning	8,832,658	17,682,036	1,950,070	61,329,177
Cash and Investments, ending	\$ 9,696,072	\$ 23,810,371	\$ 1,706,147	\$ 71,085,916
Reconciliation to the Statement of Net Position:				
Cash and investments	\$ 9,696,072	\$ 21,249,652	\$ 1,706,147	\$ 66,222,780
Restricted cash	-	2,560,719	-	4,863,136
Total Cash and Investments	\$ 9,696,072	\$ 23,810,371	\$ 1,706,147	\$ 71,085,916

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2023</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities			
Operating income (loss)	\$ 1,511,816	\$ (236,281)	\$ (697,638)
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:			
Depreciation and amortization	3,676,288	1,037,273	1,269,708
Change in landfill closure and postclosure costs	-	-	-
Noncash expense - State PERS relief	(70,936)	(40,145)	(43,457)
(Increase) decrease in assets:			
Accounts receivable	920,511	19,946	11,297
Leases receivable	-	-	-
Inventory	(505,842)	(28,488)	786
Other postemployment benefits	615,988	189,415	148,733
(Increase) decrease in deferred outflows of resources:			
Related to other postemployment benefits	(39,227)	(26,879)	(30,940)
Related to pensions	46,475	(2,201)	(27,859)
Increase (decrease) in liabilities:			
Accounts payable	(91,800)	(7,415)	(27,407)
Accrued payroll and related liabilities	23,008	(1,717)	(5,919)
Compensated absences	51,377	4,008	14,451
Unearned revenue	-	400,000	-
Customer deposits	9,091	1,722	(1,878)
Net pension liability	19,970	209,264	429,469
Increase (decrease) in deferred inflows of resources:			
Related to leases	-	-	-
Related to other postemployment benefits	(697,163)	(308,447)	(304,653)
Related to pensions	(782,353)	(355,614)	(355,614)
Net Cash Flows from (for) Operating Activities	\$ 4,687,203	\$ 854,441	\$ 379,079
Noncash Capital and Related Financing Activities			
Purchases of capital assets on account	\$ 32,542	\$ 204,666	\$ 747

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2023</i>	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Reconciliation of Operating Income (Loss) to Net Cash Flows from (for) Operating Activities				
Operating income (loss)	\$ 309,748	\$ 107,505	\$ (572,120)	\$ 423,030
Adjustments to reconcile operating income (loss) to net cash flows from (for) operating activities:				
Depreciation and amortization	886,364	4,382,509	480,986	11,733,128
Change in landfill closure and postclosure costs	303,336	-	-	303,336
Noncash expense - State PERS relief	(41,472)	(67,594)	(15,294)	(278,898)
(Increase) decrease in assets:				
Accounts receivable	25,557	87,484	10,551	1,075,346
Leases receivable	-	-	183,315	183,315
Inventory	8,461	-	-	(525,083)
Other postemployment benefits	174,888	261,821	84,139	1,474,984
(Increase) decrease in deferred outflows of resources:				
Related to other postemployment benefits	(28,328)	(47,123)	(9,914)	(182,411)
Related to pensions	(2,201)	(29,179)	(880)	(15,845)
Increase (decrease) in liabilities:				
Accounts payable	(21,413)	4,742	(2,121)	(145,414)
Accrued payroll and related liabilities	(4,945)	7,940	5,035	23,402
Compensated absences	5,404	19,085	21	94,346
Unearned revenue	-	-	-	400,000
Customer deposits	1,400	-	(385)	9,950
Net pension liability	209,264	555,027	83,706	1,506,700
Increase (decrease) in deferred inflows of resources:				
Related to leases	-	-	(181,655)	(181,655)
Related to other postemployment benefits	(307,092)	(489,669)	(124,160)	(2,231,184)
Related to pensions	(355,614)	(568,983)	(142,246)	(2,560,424)
Net Cash Flows from (for) Operating Activities	\$ 1,163,357	\$ 4,223,565	\$ (201,022)	\$ 11,106,623
Noncash Capital and Related Financing Activities				
Purchases of capital assets on account	\$ -	\$ 375	\$ -	\$ 238,330

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Notes to Basic Financial Statements June 30, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

Discretely Presented Component Unit - Unalaska City School District

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

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

Government-Wide and Fund Financial Statements

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

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and pension and other postemployment benefits, are recorded only when payment is due.

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

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The 1% Sales Tax Special Revenue Fund accounts for one-third of the three percent in sales tax collected by the City to fund capital projects.
- The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The City reports the following major proprietary funds:

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Additionally, the City reports the following fund types:

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

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

Enterprise Funds account for business-type activities.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Other operating income consists primarily of late fees on unpaid balances and connection fees intended to recover the cost of connecting new customers to the applicable system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

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

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

Receivables and Payables

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

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

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

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

Inventories and Prepaid Items

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$50,000 in governmental funds and \$10,000 in proprietary funds and an estimated useful life in excess of two years. All capital assets are reported including those purchased or acquired before June 30, 1980. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets or capital assets received in exchange are recorded at their estimated acquisition value at the date of donation or exchange. Acquisition is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

Buildings	Buildings and improvements	20-20 years
Infrastructure	Utility distribution system and improvements	20-40 years
Infrastructure	Dock and improvements	20-40 years
Machinery and Equipment	Motorized vehicles and motorized equipment	5-10 years
Machinery and Equipment	Furniture, machinery, and equipment	5-10 years
Right to use assets	Buildings	20-20 years

Deposits Payable

The General Fund holds a refundable customer deposit of \$5,542 to cover damage or additional costs incurred by the City in leasing its recreational facilities.

The Airport Fund holds refundable customer deposits of \$12,000 to cover damage or additional costs incurred by the City in its leasing operations. The Housing Fund holds refundable customer deposits of \$16,325 to cover damage to its rental properties. The Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, and the Solid Waste Utility Fund hold refundable customer deposits of \$134,368, \$23,897, \$17,960, and \$9,952 respectively, to cover equipment held by customers and in the event of nonpayment of utility bills.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. During 2023 and in prior years, the General Fund has liquidated the liability for compensated absences.

Long-Term Obligations

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

Leases

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

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

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

City

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

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

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

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

School District

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

Equity

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

3. Detailed Notes on All Funds

Cash and Investments

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

Deposits

At June 30, 2023, the City's carrying amount of bank deposits was \$4,692,880 and the bank balance was \$5,948,097. The \$1,255,217 difference represents outstanding checks and other reconciling items.

At June 30, 2023, the City's carrying amount of bank deposits for restricted cash held by fiscal agents was \$4,863,136 and the bank balance was \$4,862,344. The \$792 represents other reconciling items.

Bank deposits and petty cash	\$ 4,692,880
Restricted cash - held by fiscal agent	4,863,136
Investments	171,064,490
Total Cash and Investments	\$ 180,620,506

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. As of June 30, 2023, the City's deposits were covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus had no deposits that were exposed to custodial credit risk.

Interest Rate Risk

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

Credit Risk

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

- (1) obligations of the United States and of an agency or instrumentality of the United States;
- (2) Certificates of deposit; those over the FDIC insurance - must be secured by eligible collateral as defined in Section 10.0 of the City's investment policy;
- (3) repurchase and agreements secured by obligations of the Treasury of the United States and obligations of an agency or instrumentality of the United States, including MBS. A Master Repurchase Agreement must be signed with the bank or dealer, before repurchase agreements are entered into;

City of Unalaska, Alaska

Notes to Basic Financial Statements

- (4) the Alaska Municipal League Investment Pool, Inc. (AMLIP) made in accordance with the terms of that Pool’s “Common Investment Agreement;” and in accordance with AS 37.23.010 37.23.900;
- (5) commercial paper and other short-term taxable instruments that, at the time of investment, maintain the highest rating by at least two nationally recognized rating services;
- (6) obligations of a corporation or municipality - if the obligations are investment grade (rated BBB or higher by at least one nationally recognized rating service) at the time of investment; this includes ABS and;
- (7) money market funds in which the securities of the funds consist of obligations listed in this section and otherwise meet the requirements of the investment policy.

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

Investments

As of June 30, 2023, the City has the following investments and maturities:

Investment Type	Fair Value	Less Than 1	1-5
U.S. government and agency obligations	\$ 72,406,557	\$ 21,010,717	\$ 51,395,840
Mortgage and asset-backed securities	5,408,311	-	5,408,311
Corporate obligations	26,873,410	12,834,452	14,038,958
Private debt obligations	973,740	973,740	-
Total Investments Subject to Interest Rate Risk	105,662,018	\$ 34,818,909	\$ 70,843,109
Money Market Funds	61,727,578		
AMLIP	2,733,064		
Certificates of Deposit	941,830		
Total Investments	\$ 171,064,490		

At June 30, 2023, the City’s investments in bonds were rated as follows:

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2023, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

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

Investment Type	Fair Value	Level 1	Level 2
U.S. government obligations	\$ 69,809,229	\$ -	\$ 69,809,229
U.S. agency obligations	2,597,328	-	2,597,328
Mortgage and asset-backed securities	5,408,311	-	5,408,311
Corporate obligations	26,873,410	-	26,873,410
Private debt obligations	973,740	-	973,740
Total Investments Subject to Interest Rate Risk	105,662,018	\$ -	\$ 105,662,018
Money Market Funds	61,727,578		
AMLIP	2,733,064		
Certificates of Deposit	941,830		
Total Investments	\$ 171,064,490		

City of Unalaska, Alaska

Notes to Basic Financial Statements

Accounts Receivable

The City reports general accounts receivable on its Statement of Net Position net of allowances for uncollectible accounts. At June 30, 2023, gross receivables and allowances were as follows:

General accounts receivable	Gross	Allowance	Net Receivable
General Governmental Activities	\$ 93,139	\$ -	\$ 93,139
Business Type Activities	2,421,103	(50,147)	2,370,956
	\$ 2,514,242	\$ (50,147)	\$ 2,464,095

Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 31,147,603	\$ -	\$ -	\$ 31,147,603
Construction in progress	11,135,742	6,743,165	(9,571,867)	8,307,040
Total capital assets not being depreciated	42,283,345	6,743,165	(9,571,867)	39,454,643
Capital assets being depreciated and amortized:				
Buildings	63,138,618	8,773,211	-	71,911,829
Infrastructure	54,600,665	599,026	-	55,199,691
Machinery and equipment	13,758,388	353,761	(648,618)	13,463,531
Right to use assets	160,451	2,608	-	163,059
Total capital assets being depreciated and amortized	131,658,122	9,728,606	(648,618)	140,738,110
Less accumulated depreciation and amortization for:				
Buildings	37,908,339	1,476,826	-	39,385,165
Infrastructure	31,930,927	3,236,721	-	35,167,648
Machinery and equipment	9,508,594	652,614	(648,618)	9,512,590
Right to use assets	24,551	25,447	-	49,998
Total accumulated Depreciation and amortization	79,372,411	5,391,608	(648,618)	84,115,401
Capital assets being depreciated and amortized, net	52,285,711	4,336,998	-	56,622,709
Total Governmental Activities Capital Assets, net	\$ 94,569,056	\$ 11,080,163	\$ (9,571,867)	\$ 96,077,352

City of Unalaska, Alaska

Notes to Basic Financial Statements

The following is a summary of the amount of right-to-use leased assets by major classes of underlying assets for the year ended June 30, 2023 as the result of the implementation of GASB 87.

Leased Assets:

Buildings	\$	163,059
Less accumulated amortization		(49,998)
<hr/>		
Total leased buildings, net	\$	113,061

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

General government	\$	234,922
Public safety		479,768
Public works		3,163,271
Parks, culture, and recreation		825,241
Education		688,406
<hr/>		
Total Depreciation and Amortization Expense - Governmental Activities	\$	5,391,608

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City of Unalaska, Alaska

Notes to Basic Financial Statements

Business-Type Activities	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 3,309,476	\$ -	\$ -	\$ 3,309,476
Construction in progress	6,168,418	2,268,015	(3,391,108)	5,045,325
Total capital assets not being depreciated	9,477,894	2,268,015	(3,391,108)	8,354,801
Capital assets being depreciated and amortized:				
Buildings	103,784,321	1,201,917	-	104,986,238
Infrastructure	228,951,627	1,390,281	-	230,341,908
Machinery and equipment	38,312,019	1,119,946	(492,459)	38,939,506
Right to use assets	2,034,503	210	-	2,034,713
Total capital assets being depreciated and amortized	373,082,470	3,712,354	(492,459)	376,302,365
Less accumulated depreciation and amortization for:				
Buildings	33,337,854	2,691,123	-	36,028,977
Infrastructure	96,694,165	6,436,096	-	103,130,261
Machinery and equipment	19,593,359	2,491,160	(492,459)	21,592,060
Right to use assets	114,540	114,749	-	229,289
Total accumulated depreciation and amortization	149,739,918	11,733,128	(492,459)	160,980,587
Capital assets being depreciated and amortized, net	223,342,552	(8,020,774)	-	215,321,778
Total Business-type Activities				
Capital Assets, net	\$ 232,820,446	\$ (5,752,759)	\$ (3,391,108)	\$ 223,676,579

The following is a summary of the amount of right-to-use leased assets by major classes of underlying assets for the year ended June 30, 2023 as the result of the implementation of GASB 87:

Leased Assets:	
Infrastructure	\$ 2,034,713
Less accumulated amortization	(229,289)
Total leased infrastructure, net	\$ 1,805,424

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

Electric Utility	\$ 3,676,288
Water Utility	1,037,273
Wastewater Utility	1,269,708
Solid Waste Utility	886,364
Ports and Harbors	4,382,509
Airport	285,741
Housing	195,245
Total	\$ 11,733,128

Interfund Receivables, Payables, and Transfers

Due to/from Other Funds

Current interfund receivables and payables are shown as “Due from other funds” or “Due to other funds” in the Governmental Funds Balance Sheet. These balances at June 30, 2023 were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 14,161	\$ -
Nonmajor governmental funds	-	14,161
Total	\$ 14,161	\$ 14,161

Advances to/from Other Funds

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

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

These balances at June 30, 2023 were as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 1,590,000	\$ -
Electric Utility Enterprise Fund:		
Current portion	-	240,000
Long-term portion	-	1,350,000
Total Interfund Advances	\$ 1,590,000	\$ 1,590,000

City of Unalaska, Alaska

Notes to Basic Financial Statements

Interfund Transfers

A summary of transfers between funds of the City for the year ended June 30, 2023 follows:

Transfers To	Transfers From		Total
	General Fund	1% Sales Tax	
Capital Projects Fund	\$ 3,229,807	\$ -	\$ 3,229,807
Electric Utility Enterprise Fund	-	2,860,000	2,860,000
Ports & Harbors Enterprise Fund	3,494,500	1,000,000	4,494,500
Total Transfers	\$ 6,724,307	\$ 3,860,000	\$ 10,584,307

Transfers from the 1% Sales Tax Fund and General Fund represent transfers for capital projects.

Leases

Leases Receivable

As of June 30, 2023, the City had twenty-two active leases of Tidelands and airport space in which the City was the lessor. The City recognized \$157,365 in lease revenue for governmental activities and \$181,654 in lease revenue for business-type activities. Lease interest revenue related to these leases totaled \$344,137 for governmental activities and \$2,301 for business-type activities.

As of June 30, 2023, the City's receivable for these leases totaled \$4,006,293 and \$15,443 for governmental activities and business-type activities, respectively. The City shows a deferred inflow of resources related to leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflows of resources related to leases totaled \$3,975,989 and \$15,137 for governmental activities and business-type activities, respectively.

Leases Payable

As of June 30, 2023, the City had six active leases in which the City was the lessee and recognized an initial lease liability totaling \$137,215 for governmental activities and \$1,937,725 for business-type activities during the current fiscal year. As of June 30, 2023, the value of the lease payable totaled \$113,519 for governmental activities and \$1,839,000 for business-type activities.

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City of Unalaska, Alaska

Notes to Basic Financial Statements

The future principal and interest lease payments as of June 30, 2023 were as follows:

Year Ending June 30,	<u>Governmental Activities</u>		Total
	Principal	Interest	
2024	\$ 24,174	\$ 2,270	\$ 26,444
2025	24,657	1,787	26,444
2026	25,150	1,294	26,444
2027	4,053	791	4,844
2028	4,134	710	4,844
2029-2033	21,945	2,275	24,220
2034-2035	9,406	283	9,689
Total	\$ 113,519	\$ 9,410	\$ 122,929

Year Ending June 30,	<u>Business-Type Activities</u>		Total
	Principal	Interest	
2024	\$ 91,655	\$ 35,970	\$ 127,625
2025	90,451	34,121	124,572
2026	92,277	32,295	124,572
2027	94,139	30,433	124,572
2028	96,040	28,532	124,572
2029-2033	395,791	114,965	510,756
2034-2038	257,165	85,435	342,600
2039-2043	284,188	58,412	342,600
2044-2048	314,050	28,550	342,600
2049-2053	123,244	2,376	125,620
Total	\$ 1,839,000	\$ 451,089	\$ 2,290,089

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City of Unalaska, Alaska

Notes to Basic Financial Statements

Long-Term Debt

Long-term debt at June 30, 2023 is comprised of the following:

Governmental Activities	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
Lease liability	\$ 137,215	\$ -	\$ 23,696	\$ 113,519	\$ 24,174
Net pension liability	11,414,543	2,678,579	-	14,093,122	-
Compensated absences	1,517,983	380,621	154,213	1,744,391	1,744,391
Governmental Activities Long-Term Debt	\$ 13,069,741	\$ 3,059,200	\$ 177,909	\$ 15,951,032	\$ 1,768,565

Business-Type Activities	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
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Revenue Bonds:

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

	\$ 17,170,000	\$ -	\$ 1,130,000	\$ 16,040,000	\$ 1,155,000
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\$29,655,000 2017 Series
One Port bonds due in annual installments of \$795,000 to \$1,935,000 plus interest at 3.75% to 5% through 2043

	27,495,001	-	795,001	26,700,000	830,000
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\$2,745,000 2020 Series
One Electric bonds due in annual installments of \$215,000 to \$310,000 plus interest of 5% through 2030

	2,335,000	-	215,000	2,120,000	225,000
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City of Unalaska, Alaska

Notes to Basic Financial Statements

Business-Type Activities, continued	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
Revenue Bonds, Continued:					
\$2,345,000 2020 Series One Port bonds due in annual installments of \$225,000 to \$315,000 plus interest at 5% through 2029	\$ 2,135,000	\$ -	\$ 225,000	\$ 1,910,000	\$ 235,000
Direct Borrowings:					
Loans Payable:					
State of Alaska Drinking Water loan due in annual installments of \$179,463 plus interest at 1.5% beginning in through 2037	2,691,941	-	179,463	2,512,478	179,463
State of Alaska Clean Water loan due in annual installments of \$428,330 plus interest at 1.5% through 2035	5,996,620	-	428,330	5,568,290	428,330
State of Alaska Clean Water loan due in annual installments of \$254,232 plus interest at 1.5% through 2036	3,559,240	-	254,230	3,305,010	254,232
Bond premiums	3,538,419	-	225,104	3,313,315	-
Army Corp of Engineers breakwater improvement project	2,097,013	-	-	2,097,013	-
Lease liability	1,937,725	-	98,725	1,839,000	91,655
Landfill closure and post- closure liability	5,903,729	303,336	-	6,207,065	-
Net pension liability	6,420,681	1,506,700	-	7,927,381	-

City of Unalaska, Alaska

Notes to Basic Financial Statements

Business-Type Activities, continued	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
Compensated absences	\$ 407,767	\$ 140,095	\$ 45,749	\$ 502,113	\$ 502,113
Business-type Activities					
Long-Term Debt	\$ 81,688,136	\$ 1,950,131	\$ 3,596,602	\$ 80,041,665	\$ 3,900,793

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

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

Year Ending June 30,	Revenue Bonds			Direct Borrowings Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,445,000	\$ 2,061,737	\$ 4,506,737	\$ 862,025	\$ 171,312	\$ 1,033,337
2025	2,550,000	1,952,425	4,502,425	862,025	158,344	1,020,369
2026	2,665,000	1,823,050	4,488,050	862,025	145,376	1,007,401
2027	2,820,000	1,687,175	4,507,175	862,025	132,408	994,433
2028	2,950,000	1,544,050	4,494,050	862,025	119,440	981,465
2029-2033	15,300,000	5,520,963	20,820,963	4,310,123	402,684	4,712,807
2034-2038	9,080,000	2,797,312	11,877,312	2,765,530	88,724	2,854,254
2039-2043	8,960,000	1,103,200	10,063,200	-	-	-
	\$ 46,770,000	\$ 18,489,912	\$ 65,259,912	\$ 11,385,778	\$ 1,218,288	\$ 12,604,066

Pension and Other Postemployment Benefits (OPEB)

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

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

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

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

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

Historical Context and Special Funding Situation

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

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

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

Contribution rates for the year ended June 30, 2023 were determined in the June 30, 2021 actuarial valuations. The City's contribution rates for the 2023 fiscal year were as follows:

	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	18.38%	2.79%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.41%	-%
Total Contribution Rates	24.79%	2.79%

Alaska Statue 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year the employer rate is 22.00% for pension and 0.00% for ARHCT. The contribution requirements for the City are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

In 2023, the City was credited with the following contributions to the pension plan:

	Measurement Period	City Fiscal Year
	July 1, 2021	July 1, 2022
	to	to
	June 30, 2022	June 30, 2023
Employer contributions (including DBUL)	\$ 1,719,676	\$ 1,936,249
Nonemployer contributions (on-behalf)	1,040,243	358,019
Total Contributions	\$ 2,759,919	\$ 2,294,268

In addition, employee contributions to the Plan totaled \$153,570 during the City's fiscal year.

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

At June 30, 2023, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City were as follows:

City proportionate share of NPL	\$	22,020,503
State's proportionate share of NPL associated with the City		6,098,055
Total Net Pension Liability		\$ 28,118,558

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2022 measurement date, the City's proportion was 0.43204 percent, which was a decrease of 0.05413 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$1,299,853 and on-behalf revenue of \$398,358 for support provided by the State. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 629,573	\$ -
City contributions subsequent to the measurement date	1,936,249	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 2,565,822	\$ -

The \$1,936,249 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Unalaska, Alaska

Notes to Basic Financial Statements

Year Ending June 30,

2024	\$ (74,848)
2025	(191,849)
2026	(460,554)
2027	1,356,824

Total Amortization	\$ 629,573
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officers/firefighters, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2022 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2023 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality Peace officer/firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

City of Unalaska, Alaska

Notes to Basic Financial Statements

All others Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Other See the experience study report dated July 15, 2022.

The total pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.88%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.51 %
Global equity (non-U.S.)	18%	+/- 4%	5.70 %
Aggregate bonds	21%	+/- 10%	0.31 %
Opportunistic	6%	+/- 4%	- %
Real assets	14%	+/- 7%	3.71 %
Private equity	14%	+/- 6%	9.61 %
Cash equivalents	-%	-%	(0.50) %

City of Unalaska, Alaska

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The discount rate used changed from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	0.43204%	\$ 29,644,330	\$ 22,020,503	\$ 15,592,043

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2023 to cover a portion of the City's employer match contributions. For the year ended June 30, 2023, forfeitures reduced pension expense by \$103,362.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2023, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2023 were \$544,712 and \$871,537, respectively. The City contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

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

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

Employer Contribution Rates

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

Employer contribution rates for the year ended June 30, 2023 were as follows:

	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.10%	1.10%
Occupational Death and Disability	0.30%	0.68%
Total Contribution Rates	1.40%	1.78%

City of Unalaska, Alaska

Notes to Basic Financial Statements

In 2023, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2021 to June 30, 2022	City Fiscal Year July 1, 2022 to June 30, 2023
Employer contributions - ARHCT	\$ 158,862	\$ 5,739
Employer contributions - RMP	110,016	119,830
Employer contributions - ODD	39,804	40,523
Total Contributions	\$ 308,682	\$ 166,092

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

At June 30, 2023, the City reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

City's proportionate share of NOA - ARHCT	\$ 8,444,160
City's proportionate share of NOA - RMP	225,821
City's proportionate share of NOA - ODD	302,447
Total City's Proportionate Share of Net OPEB Asset	\$ 8,972,428
State's proportionate share of the ARHCT NOA associated with the City	2,411,328
Total Net OPEB Asset	\$ 11,383,756

The total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The City's proportion of the net OPEB assets was based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB assets:			
ARHCT	0.48820%	0.42917%	(0.05903)%
RMP	0.67787%	0.65022%	(0.02765)%
ODD	0.72416%	0.68922%	(0.03424)%

City of Unalaska, Alaska

Notes to Basic Financial Statements

For the year ended June 30, 2023, the City recognized OPEB expense of \$(3,137,444). Of this amount, \$(819,111) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB expense	On-behalf revenue
ARHCT	\$ (3,346,668)	\$ (819,111)
RMP	170,177	-
ODD	39,047	-
Total	\$ (3,137,444)	\$ (819,111)

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 11,194	\$ -	\$ 11,194
Changes in assumptions	-	43,724	-	43,724
Difference between projected and actual investment earnings	479,068	32,209	10,243	521,520
Changes in proportion and differences between City contributions and proportionate share of contributions	141,104	2,035	10,499	153,638
City contributions subsequent to the measurement date	5,739	119,830	40,523	166,092

Total Deferred Outflows of Resources Related to OPEB Plans	\$ 625,911	\$ 208,992	\$ 61,265	\$ 896,168
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<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (59,768)	\$ (8,874)	\$ (99,220)	\$ (167,862)
Changes in assumptions	(387,515)	(270,767)	(1,926)	(660,208)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(2,927)	(5,652)	(8,579)

Total Deferred Inflows of Resources Related to OPEB Plans	\$ (447,283)	\$ (282,568)	\$ (106,798)	\$ (836,649)
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Amounts reported as deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City of Unalaska, Alaska

Notes to Basic Financial Statements

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2024	\$ (386,636)	\$ (32,486)	\$ (18,216)	\$ (437,338)
2025	(168,009)	(34,062)	(18,728)	(220,799)
2026	(378,483)	(39,036)	(20,355)	(437,874)
2027	1,106,017	4,462	(6,364)	1,104,115
2028	-	(41,226)	(10,900)	(52,126)
Thereafter	-	(51,058)	(11,493)	(62,551)
Total Amortization	\$ 172,889	\$ (193,406)	\$ (86,056)	\$ (106,573)

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2022 was determined by actuarial valuations as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2022:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officers/firefighters, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2022 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2023 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% Rx/EGWP: 7.5% grading down to 4.5% Initial trend rates are from FY 2023 Ultimate trend rates reached in FY 2050
Mortality Peace officer/firefighter (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety

City of Unalaska, Alaska

Notes to Basic Financial Statements

Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

All others
(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

City of Unalaska, Alaska

Notes to Basic Financial Statements

(ARHCT and ODD Plans)	Deaths are assumed to result from occupational causes 35% of the time.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
Other	See the experience study report dated July 15, 2022.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.88% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.51 %
Global equity (non-U.S.)	18%	+/- 4%	5.70 %
Aggregate bonds	21%	+/- 10%	0.31 %
Opportunistic	6%	+/- 4%	- %
Real assets	14%	+/- 7%	3.71 %
Private equity	14%	+/- 6%	9.61 %
Cash equivalents	-%	-%	(0.50)%

City of Unalaska, Alaska

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2022 was 7.25%. The discount rate used changed from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

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

The following presents the City's proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net OPEB asset (liability):				
ARHCT	0.42917%	\$ 5,017,049	\$ 8,444,160	\$ 11,318,099
RMP	0.65022%	\$ (41,536)	\$ 225,821	\$ 429,704
ODD	0.68992%	\$ 284,902	\$ 302,447	\$ 316,169

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

The following presents the City's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2021 actuarial valuation reports as well as what the City's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB asset (liability):				
ARHCT	0.42917%	\$ 11,656,185	\$ 8,444,160	\$ 4,608,382
RMP	0.65022%	\$ 457,702	\$ 225,821	\$ (86,505)
ODD	0.68992%	\$ n/a	\$ n/a	\$ n/a

City of Unalaska, Alaska

Notes to Basic Financial Statements

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2022, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,237 per year for each full-time employee, and \$1.43 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2023, the City contributed \$252,246 in DC OPEB costs. This amount has been recognized as expense/expenditures.

4. Other Information

Risk Management

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

The City currently participates in the Alaska Public Entity Insurance (APEI) pool, which covers property and contents, general, auto liability, law enforcement legal liability, errors and omissions, earthquake and flood, marine, and workers compensation. APEI is a public entity risk pool that reinsures risk above certain levels, thereby relieving the members of the need for additional assessments. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. The Association made no supplemental assessments during the year ended June 30, 2023.

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

Landfill Closure and Postclosure Care

State and federal laws and regulations require the City to place a final cover on its current landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these estimated closure and postclosure care costs, the City is recording as an operating expense in each period an amount based on landfill capacity used each year of operation. During 2022, the estimated closure and postclosure care costs were reevaluated and adjusted to reflect conditions as of June 30, 2023. As of June 30,

City of Unalaska, Alaska

Notes to Basic Financial Statements

2023, the City has an accrued liability associated with these estimated closure and postclosure care costs of \$6,207,065, based on the use of 61.3% of the estimated capacity of the landfill. It is estimated the City will recognize additional \$8,932,247 of expense and liability between July 2023, and the year 2051, the date the landfill is expected to reach full capacity. These amounts are based on what it would cost to perform all the closure and postclosure care functions in 2023. Actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in laws and regulations.

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

Contingencies

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

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

Commitments

Encumbrances outstanding at year-end, including purchase orders, contracts, and other commitments for the expenditure of monies, are reported as committed or assigned fund balances in the governmental funds. Outstanding encumbrances at June 30, 2023 were as follows:

Governmental funds:		
General Fund	\$	135,271
Coronavirus Relief Fund		17,747
Capital Projects Fund		1,304,416
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Total governmental funds	\$	1,457,434
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Proprietary funds:		
Electric Utility Fund	\$	243,283
Water Utility Fund		413,203
Wastewater Utility Fund		10,241
Solid Waste Utility Fund		11,179
Ports and Harbors Fund		24,777
Airport Fund		3,571
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Total proprietary funds	\$	706,254

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

5. Subsequent Events

On March 27, 2024, the City paid \$8,684,000 to the US Army Corps of Engineers as advance payment for work to be executed for the dredging of the City's entrance channel.

6. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of *GASB Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance*). The following new accounting standards were implemented by the City for 2023 reporting:

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting. The City evaluated the impacts of GASB Statement 91 and determined that there was no impact in the City's financial statements for the current fiscal year.

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and also provide guidance for accounting and financial reporting for availability payment arrangements (APA). The City evaluated the impacts of GASB Statement 94 and determined that there was no impact in the City's financial statements for the current fiscal year.

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

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Statement 99 sections that were required to be implemented for the year ended June 30, 2023 and determined that there was no impact in the City's financial statements for the current fiscal year. The City will consider the remaining sections of GASB Statement 99 for the year ended June 30, 2024.

The GASB has issued new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

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

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

GASB Statement No. 102 - *Certain Risk Disclosures* - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 - *Financial Reporting Model Improvements* - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 - *Disclosure of Certain Capital Assets* - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments.

Required Supplementary Information (Unaudited)

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

Year Ended June 30, 2023	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
General sales	\$ 7,650,000	\$ 7,650,000	\$ 10,222,278	\$ 2,572,278
Seafood sales	3,400,000	3,400,000	4,180,811	780,811
Real property	4,950,000	4,950,000	4,978,177	28,177
Personal property	2,350,000	2,350,000	2,382,289	32,289
Other	85,000	85,000	130,386	45,386
Intergovernmental				
Fisheries business tax	3,770,000	3,770,000	4,689,418	919,418
Fisheries resource landing tax	4,500,000	4,500,000	4,963,063	463,063
PERS on behalf	747,381	811,093	229,771	(581,322)
Payment in lieu of taxes	900,000	900,000	957,171	57,171
State of Alaska Corrections Contract	-	-	627,065	627,065
Other	859,457	1,026,124	854,976	(171,148)
Charges for services	241,350	241,350	269,755	28,405
Investment income	400,000	400,000	3,376,213	2,976,213
Other revenue	217,300	228,134	701,458	473,324
Total Revenues	30,070,488	30,311,701	38,562,831	8,251,130
Expenditures				
General government	6,373,649	6,895,003	5,435,817	1,459,186
Public safety	7,949,866	8,185,571	6,247,595	1,937,976
Public works	5,917,533	6,378,877	6,201,007	177,870
Parks, culture, and recreation	3,502,906	3,975,592	3,642,410	333,182
Community support	1,266,422	1,266,422	1,134,636	131,786
Education	5,004,910	5,004,910	5,004,910	-
Debt Service:				
Principal on leases	-	-	23,696	(23,696)
Interest on leases	-	-	2,750	(2,750)
Total Expenditures	30,015,286	31,706,375	27,692,821	4,013,554
Excess of Revenues Over (Under) Expenditures	55,202	(1,394,674)	10,870,010	12,264,684
Other Financing Sources (Uses)				
Proceeds from sale of assets	2,500	2,500	28,903	26,403
Transfers out	(5,635,230)	(6,832,450)	(6,724,307)	108,143
Net Other Financing Sources (Uses)	(5,632,730)	(6,829,950)	(6,695,404)	134,546
Net Change in Fund Balance	\$ (5,577,528)	\$ (8,224,624)	4,174,606	\$ 12,399,230
Fund Balance, beginning			90,869,267	
Fund Balance, ending			\$ 95,043,873	

See accompanying notes to Required Supplementary Information.

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

Year Ended June 30, 2023

	Original and Final		Variance
	Budget	Actual	
Revenues			
Taxes	\$ 3,825,000	\$ 5,118,936	\$ 1,293,936
Excess of Revenues Over Expenditures	3,825,000	5,118,936	1,293,936
Other Financing Uses - transfers out	(3,860,000)	(3,860,000)	-
Net Change in Fund Balances	<u>\$ (35,000)</u>	1,258,936	<u>\$ 1,293,936</u>
Fund Balance, beginning		<u>13,373,593</u>	
Fund Balance, ending		<u>\$ 14,632,529</u>	

See accompanying notes to Required Supplementary Information.

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

<i>Years Ended June 30, 2023</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.43204%	0.48617%	0.38600%	0.36000%	0.38000%	0.36000%	0.44000%	0.33000%	0.25000%	0.24000%
City's Proportionate Share of the Net Pension Liability	\$ 22,020,503	\$ 17,835,224	\$ 22,793,402	\$ 19,782,057	\$ 18,998,634	\$ 18,502,053	\$ 24,593,846	\$ 15,959,767	\$ 11,730,783	\$ 12,364,036
State of Alaska Proportionate Share of the Net Pension Liability	6,098,055	2,417,998	9,432,889	7,856,932	5,500,348	6,892,621	3,099,287	4,272,502	10,547,310	12,049,865
Total Net Pension Liability	\$ 28,118,558	\$ 20,253,222	\$ 32,226,291	\$ 27,638,989	\$ 24,498,982	\$ 25,394,674	\$ 27,693,133	\$ 20,232,269	\$ 22,278,093	\$ 24,413,901
City's Covered Payroll	\$ 12,738,217	\$ 12,810,683	\$ 12,610,248	\$ 12,087,803	\$ 11,198,307	\$ 11,430,932	\$ 4,682,104	\$ 5,228,987	\$ 5,600,920	\$ 5,773,350
City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	172.87%	139.22%	180.75%	163.65%	169.66%	161.86%	525.27%	305.22%	209.44%	214.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%	56.00%

Schedule of the City's Contributions

<i>Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 1,936,249	\$ 1,719,676	\$ 1,698,551	\$ 1,366,374	\$ 1,395,418	\$ 1,394,691	\$ 1,200,784	\$ 1,167,149	\$ 1,034,346	\$ 963,284
Contributions Relative to the Contractually Required Contribution	1,936,249	1,719,676	1,698,551	1,366,374	1,395,418	1,394,691	1,200,784	1,167,149	1,034,346	963,284
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 13,159,845	\$ 12,738,217	\$ 12,810,683	\$ 12,610,248	\$ 12,087,803	\$ 11,198,307	\$ 11,430,932	\$ 4,682,104	\$ 5,228,987	\$ 5,600,920
Contributions as a Percentage of Covered Payroll	14.71%	13.50%	13.26%	10.84%	11.54%	12.45%	10.50%	24.93%	19.78%	17.20%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Public Employees' Retirement System - OPEB ARHCT Plan

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

Years Ended June 30, 2023	ARHCT						
	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.42917%	0.48820%	0.38620%	0.36140%	0.38220%	0.35805%	0.44020%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (8,444,160)	\$ (12,524,058)	\$ (1,747,760)	\$ 521,845	\$ 3,922,688	\$ 3,024,628	\$ 5,047,603
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(2,411,328)	(1,636,260)	(725,394)	383,278	1,139,084	1,127,892	-
Total Net OPEB Liability (Asset)	\$ (10,855,488)	\$ (14,160,318)	\$ (2,473,154)	\$ 905,123	\$ 5,061,772	\$ 4,152,520	\$ 5,047,603
City's Covered Payroll	\$ 2,457,485	\$ 2,904,585	\$ 3,218,949	\$ 3,438,941	\$ 3,714,963	\$ 4,052,595	\$ 4,682,104
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-346.00%	-431.18%	-54.30%	15.17%	105.59%	74.63%	107.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	128.51%	135.54%	106.15%	98.13%	88.12%	89.68%	85.45%

Schedule of the City's Contributions

Years Ended June 30,	ARHCT						
	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 5,739	\$ 158,862	\$ 215,898	\$ 545,772	\$ 503,583	\$ 397,538	\$ 565,081
Contributions Relative to the Contractually Required Contribution	5,739	158,862	215,898	545,772	503,583	397,538	565,081
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 2,265,630	\$ 2,457,485	\$ 2,904,585	\$ 3,218,949	\$ 3,438,941	\$ 3,714,963	\$ 4,052,595
Contributions as a Percentage of Covered Payroll	0.253%	6.464%	7.433%	16.955%	14.644%	10.701%	13.944%

See accompanying notes to Required Supplementary Information.

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

Years Ended June 30, 2023	RMP						
	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.65022%	0.67787%	0.69495%	0.69277%	0.66119%	0.66575%	0.65434%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (225,821)	\$ (181,953)	\$ 49,243	\$ 165,739	\$ 84,137	\$ 34,719	\$ 60,311
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (225,821)	\$ (181,953)	\$ 49,243	\$ 165,739	\$ 84,137	\$ 34,719	\$ 60,311
City's Covered Payroll	\$ 10,280,732	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337	\$ 6,303,523
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	2.20%	-1.84%	0.52%	1.92%	1.12%	0.50%	0.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%	86.82%

Schedule of the City's Contributions

Years Ended June 30,	RMP						
	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 119,830	\$ 110,016	\$ 125,807	\$ 123,996	\$ 81,299	\$ 77,079	\$ 81,755
Contributions Relative to the Contractually Required Contribution	119,830	110,016	125,807	123,996	81,299	77,079	81,755
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 10,894,215	\$ 10,280,732	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337
Contributions as a Percentage of Covered Payroll	1.100%	1.070%	1.270%	1.320%	0.940%	1.030%	1.180%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Public Employees' Retirement System - OPEB ODD Plan

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

Years Ended June 30, 2023	ODD						
	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.68992%	0.72416%	0.73636%	0.74313%	0.66119%	0.66575%	0.65434%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (302,447)	\$ (319,158)	\$ (200,732)	\$ (180,171)	\$ (128,417)	\$ (94,464)	\$ (85,058)
State of Alaska Proportionate Share of the Net OPEB Liability	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (302,447)	\$ (319,158)	\$ (200,732)	\$ (180,171)	\$ (128,417)	\$ (94,464)	\$ (85,058)
City's Covered Payroll	\$ 10,280,732	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337	\$ 6,303,523
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.94%	-3.22%	-2.14%	-2.08%	-1.72%	-1.36%	-1.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	348.80%	374.22%	283.80%	297.43%	270.62%	212.97%	245.29%

Schedule of the City's Contributions

Years Ended June 30,	ODD						
	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 40,523	\$ 39,804	\$ 38,626	\$ 32,291	\$ 30,342	\$ 15,685	\$ 15,979
Contributions Relative to the Contractually Required Contribution	40,523	39,804	38,626	32,291	30,342	15,685	15,979
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 10,894,215	\$ 10,280,732	\$ 9,906,098	\$ 9,391,299	\$ 8,648,862	\$ 7,483,344	\$ 6,928,337
Contributions as a Percentage of Covered Payroll	0.372%	0.387%	0.390%	0.344%	0.351%	0.210%	0.231%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Notes to Required Supplementary Information June 30, 2023

1. Budgetary Comparison Schedule

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

2. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For June 30, 2023, the Plan measurement date is June 30, 2022.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

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

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

Schedule of the City's Contributions

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

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.

City of Unalaska, Alaska

Notes to Required Supplementary Information, continued

3. Public Employees' Retirement System OPEB Plans

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

This table is presented based on the Plan measurement date. For June 30, 2023, the Plan measurement date is June 30, 2022.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

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

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the City will present only those years for which information is available.

Schedule of the City's Contributions

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

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.

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Supplementary Information

City of Unalaska, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2023</i>	Special Revenue Funds				Street Paving Capital Projects Fund	Total Nonmajor Governmental Funds
	Bed Tax	Coronavirus Relief	E911 Enhancement	Tobacco Tax		
Assets						
Cash and investments	\$ -	\$ 54,127	\$ 139,646	\$ 727,626	\$ 825,871	\$ 1,747,270
Taxes receivable	41,720	-	13,572	126,057	-	181,349
Total Assets	\$ 41,720	\$ 54,127	\$ 153,218	\$ 853,683	\$ 825,871	\$ 1,928,619
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ 600
Due to other funds	14,161	-	-	-	-	14,161
Unearned revenue	-	54,127	-	-	-	54,127
Total Liabilities	14,161	54,127	600	-	-	68,888
Fund Balances						
Committed:						
Public safety	-	-	152,618	853,683	-	1,006,301
Community support	27,559	-	-	-	-	27,559
Capital projects	-	-	-	-	825,871	825,871
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	27,559	-	152,618	853,683	825,871	1,859,731
Total Liabilities and Fund Balances	\$ 41,720	\$ 54,127	\$ 153,218	\$ 853,683	\$ 825,871	\$ 1,928,619

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

<i>Year Ended June 30, 2023</i>	Special Revenue Funds			Street Paving Capital Projects Fund	Total Nonmajor Governmental Funds
	Bed Tax	E911 Enhancement	Tobacco Tax		
Revenues					
Taxes	\$ 198,990	\$ 78,946	\$ 548,797	\$ -	\$ 826,733
Expenditures					
Public safety	-	775	-	-	775
Community support	210,000	-	88,000	-	298,000
Capital outlay	-	-	-	174,129	174,129
Total Expenditures	210,000	775	88,000	174,129	472,904
Net Change in Fund Balances	(11,010)	78,171	460,797	(174,129)	353,829
Fund Balances, beginning	38,569	74,447	392,886	1,000,000	1,505,902
Fund Balances, ending	\$ 27,559	\$ 152,618	\$ 853,683	\$ 825,871	\$ 1,859,731

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

Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Taxes	\$ 175,000	\$ 198,990	\$ 23,990
<hr/>			
Expenditures			
Community support	210,000	210,000	-
<hr/>			
Net Change in Fund Balance	<u>\$ (35,000)</u>	(11,010)	<u>\$ 23,990</u>
Fund Balance, beginning		<u>38,569</u>	
Fund Balance, ending		<u>\$ 27,559</u>	

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

<i>June 30, 2023</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Current Assets			
Cash and investments	\$ 1,645,341	\$ 60,806	\$ 1,706,147
Accounts receivable, net of allowance for doubtful accounts	(5,643)	3,650	(1,993)
Lease receivable	15,443	-	15,443
Total Current Assets	1,655,141	64,456	1,719,597
Noncurrent Assets			
Net other postemployment benefits asset	76,398	99,966	176,364
Capital assets, net	1,548,051	3,529,480	5,077,531
Total Noncurrent Assets	1,624,449	3,629,446	5,253,895
Total Assets	3,279,590	3,693,902	6,973,492
Deferred Outflows of Resources			
Related to other postemployment benefits	7,631	9,984	17,615
Related to pensions	22,229	29,087	51,316
Total Deferred Outflows of Resources	29,860	39,071	68,931
Total Assets and Deferred Outflows of Resources	\$ 3,309,450	\$ 3,732,973	\$ 7,042,423
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities			
Accounts payable	\$ 7,434	\$ 6,776	\$ 14,210
Accrued payroll and related liabilities	11,669	9,050	20,719
Compensated absences	333	277	610
Lease liability	2,993	-	2,993
Customer deposits	12,000	16,325	28,325
Total Current Liabilities	34,429	32,428	66,857
Noncurrent Liabilities			
Net pension liability	190,779	249,631	440,410
Total Liabilities	225,208	282,059	507,267
Deferred Inflows of Resources			
Related to leases	15,137	-	15,137
Related to other postemployment benefits	7,124	9,321	16,445
Total Deferred Inflows of Resources	22,261	9,321	31,582
Total Liabilities and Deferred Inflows of Resources	247,469	291,380	538,849
Net Position			
Net investment in capital assets	1,545,058	3,529,480	5,074,538
Unrestricted (deficit)	1,516,923	(87,887)	1,429,036
Total Net Position	3,061,981	3,441,593	6,503,574
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,309,450	\$ 3,732,973	\$ 7,042,423

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

<i>Year Ended June 30, 2023</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for services	\$ 499,195	\$ 229,043	\$ 728,238
Operating Expenses			
Operations	522,280	149,577	671,857
General and administrative	-	147,515	147,515
Depreciation and amortization	285,741	195,245	480,986
Total Operating Expenses	808,021	492,337	1,300,358
Operating loss	(308,826)	(263,294)	(572,120)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	(6,625)	(8,669)	(15,294)
Interest income	2,301	-	2,301
Interest expense	(295)	-	(295)
Net Nonoperating Revenues (Expenses)	(4,619)	(8,669)	(13,288)
Change in net position	(313,445)	(271,963)	(585,408)
Net Position, beginning	3,375,426	3,713,556	7,088,982
Net Position, ending	\$ 3,061,981	\$ 3,441,593	\$ 6,503,574

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

<i>Year Ended June 30, 2023</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Cash Flows for Operating Activities			
Receipts from customers and users	\$ 512,405	\$ 227,659	\$ 740,064
Payments to employees	(267,362)	(188,177)	(455,539)
Payments to vendors	(321,253)	(164,294)	(485,547)
Net Cash Flows for Operating Activities	(76,210)	(124,812)	(201,022)
Cash Flows for Capital and Related Financing Activities			
Acquisition and construction of capital assets	(33,083)	-	(33,083)
Interest received on leases	2,301	-	2,301
Principal payments on leases and long term debt	(11,824)	-	(11,824)
Interest paid on leases	(295)	-	(295)
Net Cash Flows for Capital and Related Financing Activities	(42,901)	-	(42,901)
Net Decrease in Cash and Cash Equivalents	(119,111)	(124,812)	(243,923)
Cash and Investments, beginning	1,764,452	185,618	1,950,070
Cash and Investments, ending	\$ 1,645,341	\$ 60,806	\$ 1,706,147
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities			
Operating loss	\$ (308,826)	\$ (263,294)	\$ (572,120)
Adjustments to reconcile operating loss to net cash flows for operating activities:			
Depreciation and amortization	285,741	195,245	480,986
Noncash expense - State PERS relief	(6,625)	(8,669)	(15,294)
(Increase) decrease in assets:			
Accounts receivable	10,550	1	10,551
Leases receivable	183,315	-	183,315
Other postemployment benefits	76,096	8,043	84,139
(Increase) decrease in deferred outflows of resources:			
Related to other postemployment benefits	(4,548)	(5,366)	(9,914)
Related to pensions	6,300	(7,180)	(880)
Increase (decrease) in liabilities:			
Accounts payable	(6,379)	4,258	(2,121)
Accrued payroll and related liabilities	2,748	2,287	5,035
Customer deposits	1,000	(1,385)	(385)
Compensated absences	(31)	52	21
Net pension liability	(14,469)	98,175	83,706
Increase (decrease) in deferred inflows of resources:			
Related to leases	(181,655)	-	(181,655)
Related to other postemployment benefits	(45,387)	(78,773)	(124,160)
Related to pensions	(74,040)	(68,206)	(142,246)
Net Cash Flows for Operating Activities	\$ (76,210)	\$ (124,812)	\$ (201,022)

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Statistical Section (Unaudited)

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City of Unalaska, Alaska

Statistical Section

June 30, 2023

Statistical Section

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

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	<u>Page(s)</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	93-99
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant sources of revenue.</i>	100-104
Debt Capacity <i>These schedules presents information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	105-110
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	111-113
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	114-115

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

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City of Unalaska, Alaska
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

(amounts expressed in thousands)

<i>June 30,</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 92,389	\$ 99,476	\$ 102,588	\$ 101,301	\$ 98,779	\$ 97,300	\$ 95,011	\$ 95,054	\$ 94,432	\$ 95,900
Restricted	-	-	-	-	-	-	-	-	52,347	-
Unrestricted	75,878	67,336	77,138	80,027	84,596	95,016	107,384	11,508	58,671	119,080
Total governmental activities	168,267	166,812	179,726	181,328	183,375	192,316	202,395	106,562	205,450	214,980
Business-type activities:										
Net investment in capital assets	164,240	185,023	178,831	152,758	178,783	180,537	179,190	167,583	162,958	158,033
Unrestricted	43,173	31,810	42,058	67,940	40,332	37,008	37,744	45,035	52,407	63,592
Total business-type activities	207,413	216,833	220,889	220,698	219,115	217,545	216,934	212,618	215,365	221,625
Primary government:										
Net investment in capital assets	259,411	286,499	281,419	254,059	277,562	277,837	274,201	262,637	257,390	253,933
Restricted	-	-	-	-	-	-	-	-	52,347	-
Unrestricted	116,269	99,146	119,197	147,967	124,928	132,024	145,128	56,543	111,078	182,672
Total primary government activities	375,680	385,645	400,616	402,026	402,490	409,861	419,329	319,180	420,815	436,605

Table 2

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

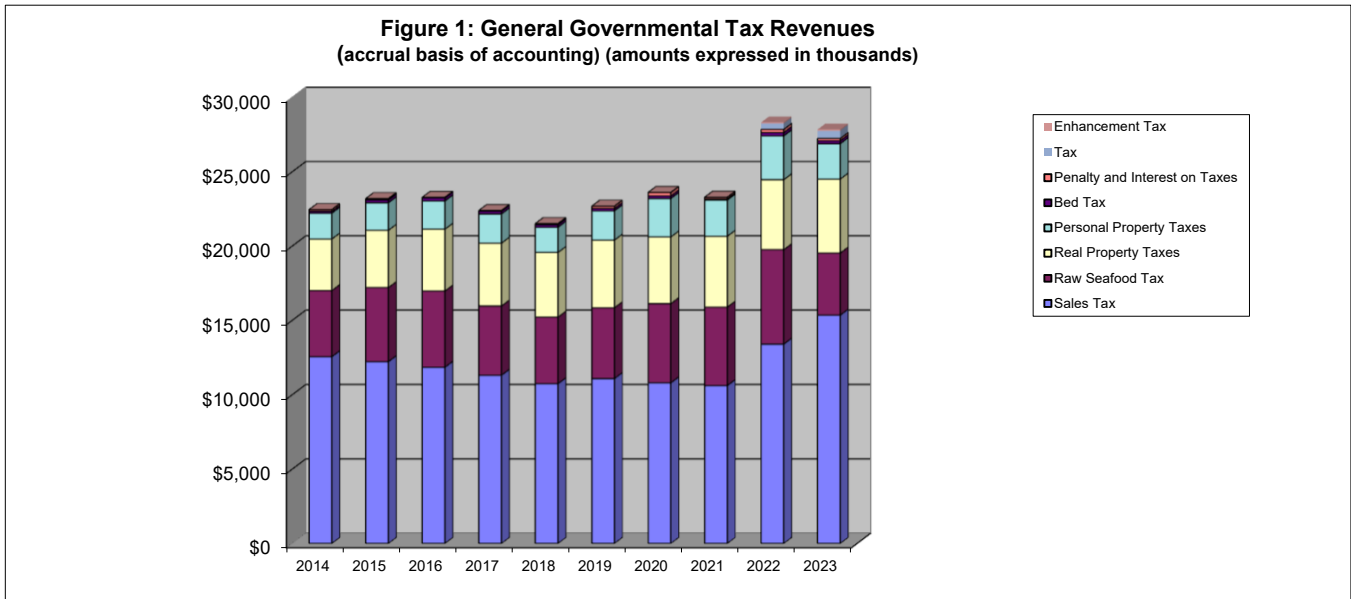
Year Ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 4,773	\$ 4,206	\$ 4,610	\$ 5,061	\$ 4,994	\$ 5,118	\$ 4,778	\$ 5,441	\$ 5,343	\$ 2,373
Public safety	5,229	4,728	5,322	6,104	4,881	5,396	8,158	8,931	7,269	6,799
Public works	6,782	9,504	8,362	9,627	8,697	8,810	8,148	8,239	8,273	8,457
Parks, culture and recreation	3,670	3,482	3,725	4,079	3,422	3,379	3,210	3,784	3,948	4,484
Community support	1,047	1,106	1,139	1,082	1,169	1,768	1,469	8,312	2,891	1,288
Education support	4,683	4,456	4,615	4,622	4,685	4,848	5,055	5,072	5,482	5,693
Interest on long-term debt	185	148	104	99	56	1	2	-	3	3
Total Governmental Expenses	\$ 26,369	\$ 27,630	\$ 27,877	\$ 30,674	\$ 27,904	\$ 29,320	\$ 30,820	\$ 39,779	\$ 33,209	\$ 29,097
Business-type Activities:										
Electric	\$ 18,004	\$ 15,363	\$ 13,967	\$ 15,656	\$ 16,900	\$ 17,400	\$ 15,366	\$ 13,954	\$ 18,075	\$ 18,706
Water	2,600	2,332	2,705	2,973	2,880	2,829	3,006	3,197	2,793	2,588
Wastewater	2,054	1,740	2,518	3,810	3,383	3,528	3,593	3,685	3,501	3,509
Solid waste	2,238	2,670	2,640	3,429	3,033	3,157	3,368	3,107	3,087	2,923
Ports and harbors	6,404	5,928	6,623	7,371	8,487	8,610	9,002	9,257	9,434	9,173
Airport	799	809	843	862	806	678	633	698	769	808
Housing	463	436	415	431	453	463	439	547	558	493
Total Business-type Activities Expenses	32,562	29,278	29,711	34,532	35,942	36,665	35,407	34,445	38,217	38,200
Total Primary Government Expenses	\$ 58,931	\$ 56,908	\$ 57,588	\$ 65,206	\$ 63,846	\$ 65,985	\$ 66,227	\$ 74,224	\$ 71,426	\$ 67,297
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12	\$ 21	\$ 5	\$ 19	\$ 54	\$ 42	\$ 40	\$ 34	\$ 519	\$ 476
Public safety	2	83	69	52	82	49	32	30	34	61
Culture and recreation	215	218	205	195	175	184	157	98	168	190
Operating grants and contributions	1,540	1,623	1,283	1,136	-	1,425	4,958	10,950	2,101	127
Capital grants and contributions	750	919	686	-	-	-	139	-	-	430
Total Primary Governmental Activities Program Revenues	\$ 2,519	\$ 2,864	\$ 2,248	\$ 1,402	\$ 311	\$ 1,700	\$ 5,326	\$ 11,112	\$ 2,822	\$ 1,284

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type Activities										
Charges for services:										
Electric	\$ 18,825	\$ 16,571	\$ 13,527	\$ 17,198	\$ 18,493	\$ 17,304	\$ 15,884	\$ 12,427	\$ 17,861	\$ 19,305
Water	2,208	2,560	2,878	2,810	2,601	2,704	2,624	2,933	2,663	2,313
Wastewater	2,082	2,262	2,373	2,361	2,302	2,442	2,466	2,538	2,584	2,726
Solid waste	1,817	2,197	2,654	2,275	2,292	2,358	2,470	2,654	2,844	3,187
Ports and harbors	6,427	6,538	6,634	6,640	7,265	6,557	6,921	6,650	8,177	8,532
Airport	481	512	573	518	486	489	485	481	457	499
Housing	245	259	276	236	242	250	235	258	259	229
Capital grants and contributions	1,072	9,131	4,048	-	85	282	-	-	414	(222)
Operating grants and contributions	7,834	755	804	697	731	954	1,127	1,326	150	233
Total Business-type Activities Program Revenues	40,991	40,785	33,767	32,735	34,497	33,340	32,212	29,267	35,409	36,802
Total Primary Government Program Revenues	\$ 43,510	\$ 43,649	\$ 36,015	\$ 34,137	\$ 34,808	\$ 35,040	\$ 37,538	\$ 40,379	\$ 38,231	\$ 38,086
Net (Expense) Revenue:										
Governmental activities	\$ (23,850)	\$ (24,766)	\$ (25,629)	\$ (29,272)	\$ (26,312)	\$ (27,620)	\$ (25,494)	\$ (28,667)	\$ (30,387)	\$ (27,813)
Business-type activities	8,429	11,507	4,056	(1,797)	(1,445)	(3,325)	(3,195)	(5,178)	(2,808)	(1,398)
Total Primary Government Net Expense	\$ (15,421)	\$ (13,259)	\$ (21,573)	\$ (31,069)	\$ (27,757)	\$ (30,945)	\$ (28,689)	\$ (33,845)	\$ (33,195)	\$ (29,211)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 5,210	\$ 5,709	\$ 6,063	\$ 6,195	\$ 6,052	\$ 6,524	\$ 7,078	\$ 7,237	\$ 7,747	\$ 7,360
General sales tax	12,554	12,220	11,846	11,307	10,738	11,084	10,798	10,690	14,211	16,168
Raw seafood sales tax	4,450	4,982	5,124	4,657	4,475	4,762	5,328	5,276	6,360	4,181
Other taxes	118	89	32	38	72	235	237	131	214	1,087
Fisheries tax	8,956	7,198	12,188	8,694	8,768	8,965	7,864	8,620	9,742	11,268
Grants not restricted to specific programs	1,364	808	974	571	476	158	910	917	992	804
Gain (loss) on sale of capital assets	4	11	9	7	1	-	136	-	(831)	29
Investment earnings	742	636	1,307	495	700	5,213	5,273	474	(3,016)	3,376
Other	891	971	823	1,216	1,249	1,262	464	389	1,071	525
Transfers	980	(2,229)	178	(2,307)	(1,575)	(1,643)	(2,514)	(901)	(7,216)	(7,454)
Total Governmental Activities	35,269	30,395	38,544	30,873	30,956	36,560	35,574	32,833	29,274	37,344
Business-type activities:										
Gain (loss) on sale of capital assets	-	-	-	(701)	-	-	-	-	(1,672)	38
Investment earnings	-	-	-	-	-	111	67	2	10	166
Other	-	-	-	-	-	-	2	-	-	-
Transfers	(980)	2,229	-	2,307	1,575	1,643	2,514	901	7,216	7,454
Total Business-type Activities	(980)	2,229	-	1,606	1,575	1,754	2,583	903	5,554	7,658
Total Primary Government	\$ 34,289	\$ 32,624	\$ 38,544	\$ 32,479	\$ 32,531	\$ 38,314	\$ 38,157	\$ 33,736	\$ 34,828	\$ 45,002
Change in net position:										
Governmental activities	\$ 11,419	\$ 5,629	\$ 12,915	\$ (191)	\$ 4,644	\$ 8,940	\$ 10,080	\$ 4,166	\$ (1,113)	\$ 9,531
Business-type activities	7,449	13,736	4,056	1,602	130	(1,571)	(613)	(4,315)	2,746	6,260
Total Primary Government	\$ 18,868	\$ 19,365	\$ 16,971	\$ 1,411	\$ 4,774	\$ 7,369	\$ 9,467	\$ (149)	\$ 1,633	\$ 15,791

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

Fiscal Year	Sales Tax	Raw Seafood Tax	Real Property Taxes	Personal Property Taxes	Bed Tax	Tobacco Tax	E911 Enhancement Tax	Penalty and Interest on Taxes	Total
2014	\$ 12,554	\$ 4,450	\$ 3,469	\$ 1,741	\$ 118	\$ -	\$ -	\$ 118	\$ 22,450
2015	12,220	4,982	3,857	1,852	189	-	-	88	23,188
2016	11,846	5,123	4,163	1,900	210	-	-	32	23,274
2017	11,306	4,657	4,230	1,965	189	-	-	38	22,385
2018	10,738	4,475	4,355	1,697	169	-	-	72	21,506
2019	11,084	4,761	4,554	1,970	155	-	-	158	22,682
2020	10,798	5,328	4,487	2,591	166	-	-	237	23,607
2021	10,613	5,276	4,769	2,440	77	-	-	107	23,282
2022	13,399	6,354	4,712	2,949	224	390	74	216	28,318
2023	15,345	4,181	4,978	2,382	199	523	79	153	27,840



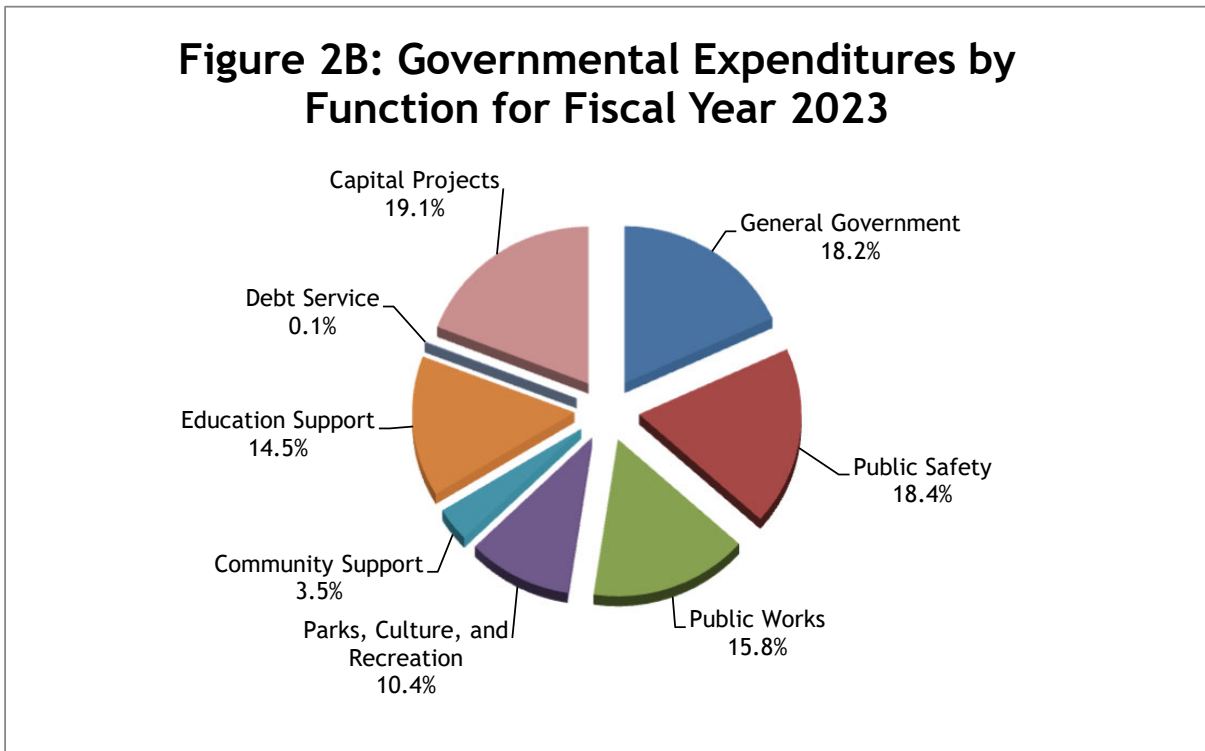
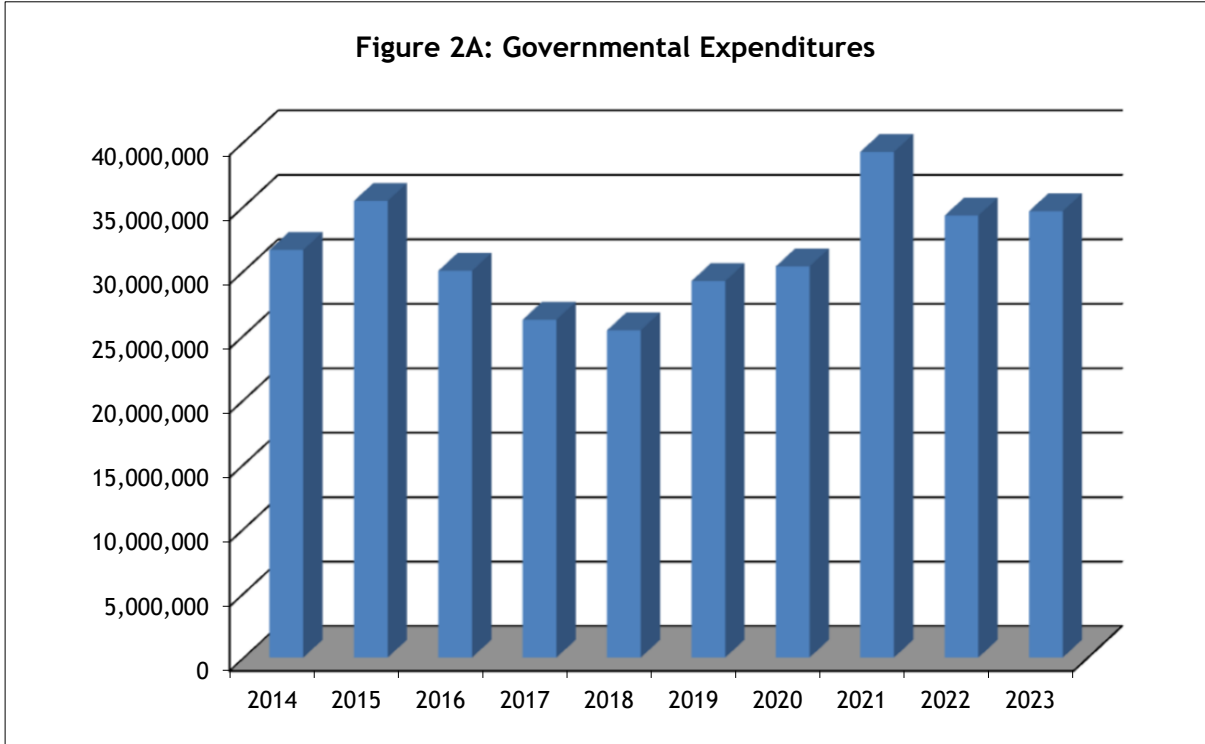
City of Unalaska, Alaska
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 2,061	\$ 2,337	\$ 2,156	\$ 2,012	\$ 1,849	\$ 1,709	\$ 3,260	\$ 3,080	\$ 2,932	\$ 2,787
Committed	14,300	14,300	14,000	14,000	14,000	14,000	14,000	26,000	26,000	14,000
Assigned	239	234	292	308	119	802	359	306	513	135
Unassigned	29,094	37,888	43,981	53,972	60,990	68,910	68,382	60,934	61,424	78,122
Total General Fund	45,694	54,759	60,429	70,292	76,958	85,421	86,001	90,320	90,869	95,044
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	5	-	-	-
Committed	3,953	5,188	7,902	10,701	14,211	15,114	25,696	23,020	17,851	20,401
Assigned	18,601	9,719	6,043	3,142	-	-	2,905	2,905	5,051	1,304
Unassigned	-	(804)	-	-	-	-	(5)	(286)	(18)	-
Total All Other Governmental Funds	\$ 22,554	\$ 14,103	\$ 13,945	\$ 13,843	\$ 14,211	\$ 15,114	\$ 28,601	\$ 25,639	\$ 22,884	\$ 21,705

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 22,286	\$ 23,060	\$ 22,923	\$ 22,033	\$ 21,429	\$ 22,833	\$ 23,461	\$ 23,334	\$ 28,529	\$ 27,840
Intergovernmental	16,047	15,330	10,811	15,091	11,153	11,486	14,649	19,936	12,970	12,470
Changes for services	229	322	279	266	311	275	229	162	721	551
Investment income	742	636	1,307	495	700	5,213	5,273	474	(3,016)	3,376
Other	121	296	178	382	400	396	392	390	139	701
Total revenues	39,425	39,644	35,498	38,267	33,993	40,203	44,004	44,296	39,343	44,938
Expenses										
General government	4,457	4,578	4,137	4,082	4,553	5,104	5,153	5,202	5,540	6,301
Public safety	4,944	5,417	5,051	4,966	4,929	5,616	8,446	8,553	7,082	6,273
Public works	5,545	5,861	5,341	5,409	6,049	5,866	5,869	5,732	5,290	5,481
Parks, culture, and recreation	2,615	2,722	2,532	2,585	2,636	2,852	2,670	3,059	3,334	3,617
Community support	1,046	1,106	1,139	1,082	1,169	1,768	1,469	8,312	2,891	1,288
Education support	4,023	3,869	3,879	3,886	3,946	4,115	4,332	4,344	4,699	5,005
Debt service:										
Principal	755	780	805	835	875	910	385	-	23	24
Interest	212	184	150	119	86	51	8	-	3	3
Capital projects	8,017	10,894	6,961	3,241	1,142	2,910	2,008	4,013	5,412	6,625
Total expenditures	31,614	35,411	29,995	26,205	25,385	29,192	30,340	39,215	34,274	34,617
Excess of revenues over (under) expenditures	7,811	4,233	5,503	12,062	8,608	11,011	13,664	5,081	5,069	10,321
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	11	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	14	-	-	29
Refunding bonds issued	-	1,930	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(1,930)	-	-	-	-	-	-	-	-
Transfers in	6,353	11,822	4,604	5,709	3,192	3,778	13,620	2,651	3,666	3,230
Transfers out	(5,748)	(15,452)	(4,604)	(8,016)	(4,767)	(5,422)	(16,134)	(3,531)	(10,882)	(10,584)
Other	9	-	9	7	1	-	-	-	-	-
Total other financing sources (uses)	614	(3,619)	9	(2,300)	(1,574)	(1,644)	(2,500)	(880)	(7,216)	(7,325)
Net change in fund balance	8,425	\$ 614	\$ 5,512	\$ 9,762	\$ 7,034	\$ 9,367	\$ 11,164	\$ 4,201	\$ (2,147)	\$ 2,996
Debt service as a percentage of noncapital expenditures	4.1 %	3.9 %	4.1 %	4.2 %	4.0 %	3.7 %	1.4%	0.0%	0.1%	0.1%

City of Unalaska, Alaska
Governmental Expenditures
Last Ten Fiscal Years



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

Fiscal Year	Real Property		Personal Property		Total		Ratio of Assessed Value to Estimated	Total Direct Tax Rate
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value		
2014	\$ 367,166	\$ 410,517	\$ 177,979	\$ 198,993	\$ 545,145	\$ 609,510	\$ 89	10.50
2015	396,455	435,665	182,178	200,196	578,633	635,861	91	10.50
2016	397,350	428,733	171,733	185,297	569,083	614,030	93	10.50
2017	416,223	447,552	174,302	187,422	590,525	634,974	93	10.50
2018	427,990	433,082	166,579	168,679	594,569	601,761	99	10.50
2019	432,932	433,921	243,687	247,535	676,619	681,456	99	10.50
2020	446,417	451,955	237,577	252,127	683,994	704,082	97	10.50
2021	458,306	527,504	259,865	263,544	718,171	791,048	91	10.50
2022	551,991	561,025	262,122	265,819	814,113	826,844	98	9.00
2023	573,091	611,884	264,344	282,238	837,435	894,122	94	9.00

City of Unalaska, Alaska

City Tax Rates All Governments Last Ten Fiscal Years

Fiscal Year	(1) Total City Millage Rate	(2) City Sales Tax Rate (2)	(3) City Raw Seafood Tax Rate (3)
2014	10.50	3.00	2.00
2015	10.50	3.00	2.00
2016	10.50	3.00	2.00
2017	10.50	3.00	2.00
2018	10.50	3.00	2.00
2019	10.50	3.00	2.00
2020	10.50	3.00	2.00
2021	10.50	3.00	2.00
2022	9.00	3.00	2.00
2023	9.00	3.00	2.00

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

(2) Per Ordinance Section 6.40.020.

(3) Per Ordinance Section 6.44.020.

Note: There are no overlapping governmental units.

City of Unalaska, Alaska
Principal Real Property Taxpayers
June 30, 2023 and 2015

	2023			2015*		
	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ounalashka Corporation and Subsidiaries	\$ 180,557,800	1	30.6 %	\$ 128,924,100	1	22.3 %
UniSea, Inc.	62,305,700	2	10.6	46,824,550	3	8.1
Western Pioneer, Inc.	55,225,694	3	9.4	52,170,255	2	9.0
Westward Seafoods, Inc.	38,955,300	4	6.6	27,360,400	4	4.7
Offshore Systems, Inc.	26,127,400	5	4.4	14,452,100	6	2.5
Alyeska Seafoods, Inc.	24,591,300	6	4.2	21,736,990	5	3.8
Petro Star, Inc.	19,497,000	7	3.3	-	-	0.0
Strong Holdings, LLC	10,527,200	8	1.8	4,435,110	8	0.8
Valdez Petroleum Terminal Inc.	8,549,300	9	1.5	4,725,330	7	0.8
Kloosterboer Dutch Harbor, LLC	7,728,300	10	1.3	-	-	0.0
All Remaining Taxpayers	155,190,000		26.3	278,004,165		48.0
	\$ 589,254,994		100.0 %	\$ 578,633,000		100.0 %

*(Note) The principal real property taxpayers data was not published in the 2014 financial statements for the City. For comparison, the 2015 information was used.

Table 10

City of Unalaska, Alaska
Principal Electric Utility Customers
June 30, 2023 and 2014

Taxpayer	2023			2014		
	Receipts From Customer	Rank	Percentage of Total Electric Utility Customers Billed	Receipts From Customer	Rank	Percentage of Total Electric Utility Customers Billed
Matson Navigation Co.	\$ 4,113,073	1	21.2 %	\$ -	-	0.0 %
CMA Terminals Alaska, LLC	3,553,246	2	18.3	-	-	0.0
City of Unalaska	1,748,236	3	9.0	1,596,823	3	12.0
Kloosterboer	886,738	4	4.6	869,813	4	6.5
Westward Seafoods	708,973	5	3.7	-	-	0.0
Coastal Transportation	656,418	6	3.4	-	-	0.0
Safeway Inc.	635,936	7	3.3	645,237	6	4.9
Alaska Ship Supply	494,583	8	2.6	516,187	8	3.9
Unalaska City School District	449,933	9	2.3	490,565	9	3.7
North Pacific Fuel	359,873	10	1.9	523,321	7	3.9
All Other Customers	5,766,022		29.7	8,653,240		65.1
	\$ 19,373,031		100.0	\$ 13,295,186		100.0 %

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
2014	5,141	5,090	99.0	—	5,090	99.0	51	1.0 %
2015	5,725	5,656	98.8	40	5,696	99.5	29	0.5
2016	6,076	5,854	96.3	24	5,878	96.7	198	3.3
2017	6,183	5,942	96.1	89	6,031	97.5	152	2.5
2018	6,243	6,129	98.2	15	6,144	98.4	99	1.6
2019	6,555	6,450	98.4	11	6,461	98.6	94	1.4
2020	7,115	7,033	98.8	8	7,041	99.0	74	1.0
2021	7,182	6,980	97.2	58	7,038	98.0	144	2.0
2022	7,327	7,542	100.0	—	7,542	100.0	(1)	0.0
2023	7,327	7,424	101.3	—	7,424	101.3	(97)	-1.3

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

Fiscal year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Ports and Harbors Fund Revenue Bonds	Electric Fund Revenue Bonds	ADEC loans			
2014	\$ 4,698	\$ 4,260	\$ 27,845	\$ 178	\$ 36,981	15 %	\$ 7,800
2015	3,954	4,065	28,085	4,605	40,709	17	8,840
2016	3,114	3,942	29,175	16,006	52,237	20	11,270
2017	2,243	34,856	28,068	16,656	81,823	36	18,849
2018	1,333	34,576	26,916	15,748	78,573	33	18,134
2019	387	34,290	25,714	14,834	75,225	28	15,924
2020	-	33,310	24,287	13,972	71,569	28	16,824
2021	-	32,333	22,815	13,110	68,258	25	16,271
2022	-	31,298	21,375	12,248	64,921	21	14,234
2023	-	28,610	18,160	11,386	58,156	19	13,801

* Data unavailable or incomplete

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	\$ 4,698	0.77 %	\$ 985
2015	3,954	0.62	843
2016	3,114	0.52	700
2017	2,243	0.35	496
2018	1,333	0.22	308
2019	387	0.09	82
2020	-	0.00	N/A
2021	-	0.00	N/A
2022	-	0.00	N/A
2023	-	0.00	N/A

City of Unalaska, Alaska
Direct Governmental Activities Debt (1)
June 30, 2023

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

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

Note: There are no overlapping governmental units.

City of Unalaska, Alaska
Legal Debt Margin Information
June 30, 2023

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

City of Unalaska, Alaska

Pledged-Revenue Coverage

Electric Fund

Fiscal Year	Operating Revenues	Operating Expenses (1)	Income from Operations	Principal	Interest	Total	Coverage (2)
2015	\$ 16,571,260	\$ 11,780,405	\$ 4,790,855	\$ 910,000	\$ 1,420,542	\$ 2,330,542	206
2016	13,527,050	9,811,512	3,715,538	920,000	1,027,254	1,947,254	191
2017	17,198,440	11,505,578	5,692,862	990,000	1,123,667	2,113,667	269
2018	18,488,321	12,605,358	5,882,963	1,035,000	1,095,544	2,130,544	276
2019	17,303,778	12,880,067	4,423,711	1,085,000	910,675	1,995,675	222
2020	15,883,635	11,328,716	4,554,919	1,310,000	978,823	2,288,823	199
2021	13,099,636	9,556,677	3,542,959	1,290,000	970,640	2,260,640	157
2022	17,984,819	14,271,400	3,713,419	1,310,000	847,778	2,157,778	172
2023	19,284,894	14,116,792	5,168,102	1,345,000	912,778	2,257,778	229

(1) Operating expenses exclude depreciation.

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

City of Unalaska, Alaska
Pledged-Revenue Coverage
Port Fund

Fiscal Year	Operating Revenues	Operating Expenses (1)	Income from Operations	Principal	Interest	Total	Coverage (2)
2017	\$ 7,112,565	\$ 3,967,470	\$ 3,145,095	\$ -	\$ 214,752	\$ 214,752	1,465
2018	7,840,921	3,465,317	4,375,604	-	1,486,126	1,486,126	294
2019	6,637,791	3,529,225	3,108,566	-	1,448,683	1,448,683	215
2020	7,084,131	3,254,636	3,829,495	685,000	1,471,350	2,156,350	178
2021	6,845,948	3,681,765	3,164,183	970,000	1,259,149	2,229,149	142
2022	8,293,417	3,702,413	4,591,004	965,000	1,332,860	2,297,860	200
2023	8,469,575	3,715,445	4,754,130	1,020,000	1,075,212	2,095,212	227

(1) Operating expenses exclude depreciation.

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

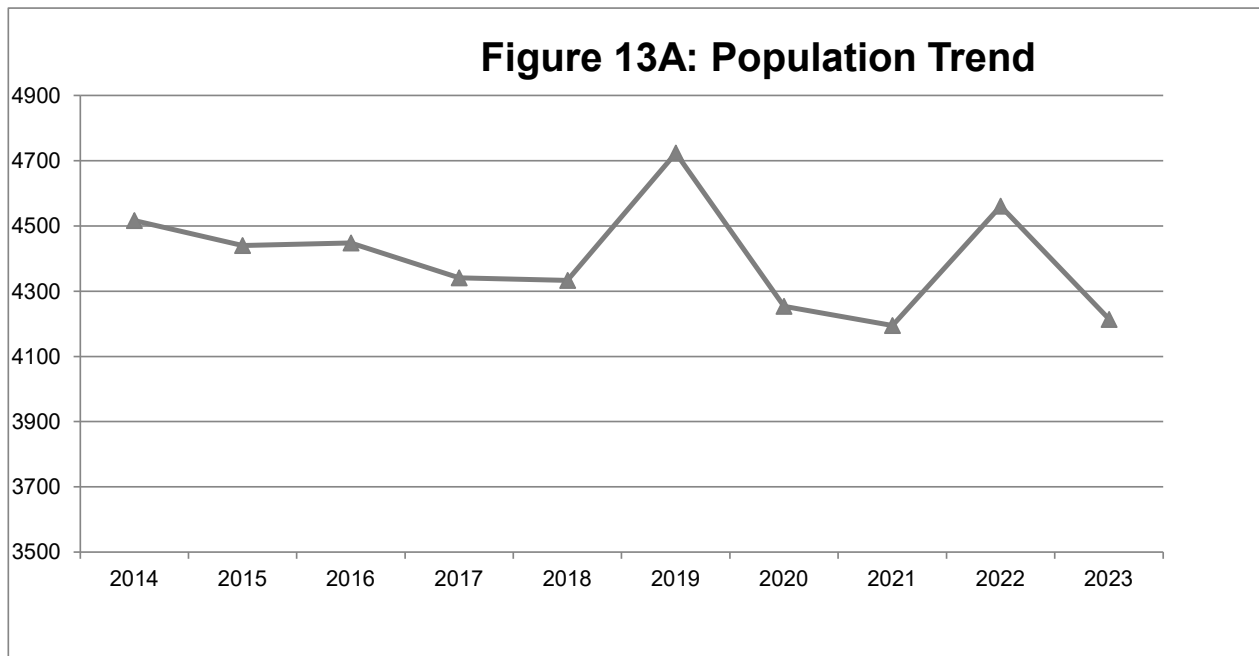
City of Unalaska, Alaska
Demographic Statistics
Last Ten Fiscal Years

Calendar Year	Unalaska Population (1)	Aleutians West Region Personal Income (amounts expressed in thousands) (2)	Aleutians West Region per Capita Personal Income (2)	Unalaska School Enrollment (3)	Aleutians West Region Unemployment (4)
2014	4,517	\$ 304,806	\$ 53,010	407	5.0 %
2015	4,440	299,746	52,569	396	4.0
2016	4,448	316,823	56,105	375	3.0
2017	4,341	301,733	53,010	389	4.0
2018	4,333	311,245	54,385	400	4.0
2019	4,724	320,998	56,296	421	3.0
2020	4,254	338,947	59,674	412	4.5
2021	4,195	228,938	65,812	387	3.7
2022	4,561	350,185	68,794	354	3.8
2023	4,214	372,727	72,234	346	4.2

* Data unavailable or incomplete.

Sources:

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



City of Unalaska, Alaska
Principal Employers

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

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

<i>June 30,</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Function/Program</u>										
General government:										
Council	0.96	1.00	1.00	1.00	1.00	1.00	0.96	0.96	0.96	0.96
Manager	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administration	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00
Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	12.50	13.00	13.00	13.00	13.00	13.00	12.50	12.50	12.50	12.50
Information Systems	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.25
Planning	3.00	3.00	3.00	4.00	4.00	5.00	4.56	4.56	4.56	4.56
Public safety:										
Police	22.00	22.00	22.00	25.00	25.00	20.00	19.50	18.50	18.25	18.25
Communications	—	—	—	—	—	5.00	5.00	5.00	5.00	5.00
Correction	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fire protection	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public works:										
Public works administration	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Streets and roads	10.50	10.50	10.50	10.00	10.00	10.50	10.50	10.50	10.50	10.50
Supply	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Vehicle department	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Building maintenance	8.78	8.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Parks, culture, and recreation:										
Community center	12.00	12.50	12.50	12.89	12.89	12.89	12.89	12.89	12.89	12.89
Libraries	5.00	5.00	5.00	5.00	5.00	5.00	5.25	5.25	5.25	5.25
Community pool	5.00	4.25	4.25	4.78	4.78	4.76	5.30	5.30	5.30	5.30
Public utilities administration										
Electric	14.00	14.00	14.33	13.00	13.00	13.00	15.00	15.00	15.00	15.00
Water	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.00	6.50	6.50
Wastewater	4.50	5.00	4.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50
Ports and airport	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Solid waste	4.50	5.00	5.00	5.00	6.00	6.00	6.50	6.50	6.50	6.50
Total Employees	159.74	160.75	160.58	167.67	168.67	170.15	174.96	173.96	172.96	172.96

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

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police -										
Custodies	271	263	325	267	124	148	119	101	104	92
Fire:										
Fire response	21	49	38	30	42	42	*	39	28	565
Burn permits	65	129	114	92	73	73	*	58	45	54
Fire safety	20	35	14	28	18	18	*	33	36	153
EMS -										
EMS ambulance calls	113	290	186	148	101	101	*	134	118	191
Public works -										
Building permits issued	27	25	21	21	18	18	13	*	10	13
Parks, culture, and recreation:										
Community Center admissions	43,161	43,158	41,194	42,407	42,407	50,445	28,514	16,008	29,950	35,145
Aquatic center attendance	13,219	16,928	13,317	16,181	16,181	18,148	13,463	6,249	14,863	13,192
CC & aquatic center volunteer hours	975	894	885	889	889	1,101	995	200	331	375
Library volunteer hours	116	98	83	49	63	110	95	21	90	102
Library circulation	196,852	198,012	75,916	67,346	80,837	87,103	63,914	43,091	39,092	18,216
Library attendance	91,252	71,537	41,060	47,802	52,792	51,679	33,897	9,968	15,479	15,734
Electric -										
Power generated MW	45,198	44,411	43,213	58,515	58,515	53,379	52,531	44,851	44,742	40,677
Water:										
Water produced (MG)	1,164	1,163	1,246	1,284	1,284	1,284	1,129	1,279	1,143	1,130
Daily pumping capacity (MGD)	4	4	4	4	4	4	4	4	4	4
Total daily capacity (MGD)	12	12	13	13	13	13	13	13	12	13
Wastewater -										
Average daily treatment (MG)	0.43	0.39	0.40	0.41	0.53	0.53	0.40	0.45	0.40	0.39
Solid waste:										
Tons of waste collected	7,238	7,508	8,419	6,440	6,440	6,440	5,919	7,108	6,623	5,413
Cubic yards of waste collected	10,910	11,022	11,760	10,934	10,934	10,934	10,653	14,965	13,942	14,233
Ports and harbors:										
UMC vessel calls	751	680	574	613	461	511	564	525	484	428
UMC wharfage tons	498,098	535,028	488,758	550,253	505,888	414,720	424,855	366,986	478,000	428,367
Airport -										
Passengers	51,424	54,200	*	57,710	*	54,596	19,203	15,652	32,964	30,767

* Data unavailable or incomplete

Source: City of Unalaska

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public safety:										
Police -										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Response vehicles	7	7	7	7	7	7	8	9	9	9
EMS -										
Ambulances	2	2	2	2	2	2	2	2	—	
Public works:										
Miles of public roads	40.2	40.0	40.0	40.0	40.0	40.0	41.2	41.2	41.2	4.2
Miles of paved roads	9.5	10.0	10.0	10.0	10.0	10.0	9.5	9.5	9.5	9.5
Street lights	245	246	251	317	317	317	321	321	321	321
Flashing/cautionary lights	15	15	15	15	15	15	13	13	13	13
Number of bridges	10	11	11	11	11	11	10	10	10	10
Parks, culture and recreation:										
Community Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Parks	8	8	8	8	8	8	8	8	8	8
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Electric:										
Number of city owned power plants	1	1	1	1	1	1	1	1	1	1
Number of substations	2	2	2	2	2	2	2	2	2	2
Water:										
Wells	4	4	3	3	3	3	3	3	3	3
Surface water treatment facilities	1	1	1	1	1	1	1	1	1	1
Miles of water lines	23	23	23	23	23	23	23	23	23	23
Number of connections	582	586	590	590	590	590	590	590	590	590
Wastewater:										
Sanitary sewers MH's	367	367	367	367	367	367	367	367	367	367
Miles of sewer lines	18	21	21	21	21	21	21	21	21	21
Lift stations	10	10	10	10	10	10	10	10	10	10
Solid waste -										
Landfills	1	1	1	1	1	1	1	1	1	1
Ports and harbors:										
Dock facilities - linear feet of docking:										
Unalaska Marine Center (UMC)	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Spit Dock facility	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Light Cargo Dock	340	340	340	340	340	340	340	340	340	340
Small Boat Harbor	1,232	1,232	1,072	1,072	1,072	1,232	1,232	1,232	1,232	1,232
CEM Small Boat Harbor	5,919	5,919	5,919	5,919	5,919	5,878	5,878	5,878	5,878	5,878

Source: City of Unalaska