

City of Unalaska, Alaska



Photo Credit: Andrew Chiles

Annual Comprehensive Financial Report For the Year Ended June 30, 2024

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

City of Unalaska, Alaska

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Prepared by:

Finance Department

City of Unalaska, Alaska

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Introduction Section (Unaudited)

CITY OF UNALASKA
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June 26, 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 comprehensive annual financial report of the City of Unalaska, Alaska (the City) for the fiscal year ended June 30, 2024.

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, 2024. 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 4,120, 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 and the west coast of Alaska that is ice free year-round. Our Port has been designated a potential port of refuge by the U.S. Coast Guard 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 2022 (published in October 2024), the City's Port of Dutch Harbor led the nation with the greatest quantity of fish landed. For more than 25 years, Dutch Harbor has been rated either first or second in value of catch. A catch of 614 million pounds was landed in 2022, with a value of \$160 million, positioning the City as the number four 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 Sustainability Fund with the intention that it will be used as a citywide sustainability measure. In continuing efforts to improve budgeting and long-term capital planning, the council, once again, set formal goals before the fiscal year 2024 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 is the non-Federal sponsor of the Iliuliuk Bay Entrance Channel Dredging Project led by the U.S. Army Corps of Engineers. This project has been on the City's CMMP for many years. In 2021 the City signed a Design Agreement with the Corps; and in 2024 entered into a Project Partnership Agreement with the Corps for the dredging of the Iliuliuk Bay Entrance Channel. 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 selected a contractor in July 2024 and dredging activities will begin in the summer of 2025. Separately, the city is also planning to dredge the dock faces at both the Unalaska Marine Center and the Light Cargo Dock.

Captains Bay Road (CBR) is a major industrial road, linking significant seafood processing and shipping companies to Unalaska. New industrial development is also planned at the end of CBR. The City previously extended electric utilities and is in the process of extending water. The water line extension project will provide water to all properties along CBR and will allow abandonment of an old WWII era wood stave line that is leaking a large volume of treated water. The project will also reduce or eliminate water shortages on CBR during peak usage. Construction of the water line project will also allow the city to fully decommission surface water source during maintenance and increase the city's clear water storage by 1.5-2 million gallons. The city has also entered into a Memorandum of Agreement with the State of Alaska, Department of Transportation and Public Facilities, for the paving of CBR. Design and other work is planned for FY25-26; with construction planned for FY27.

Awards and Acknowledgements

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

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

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

Respectfully submitted,

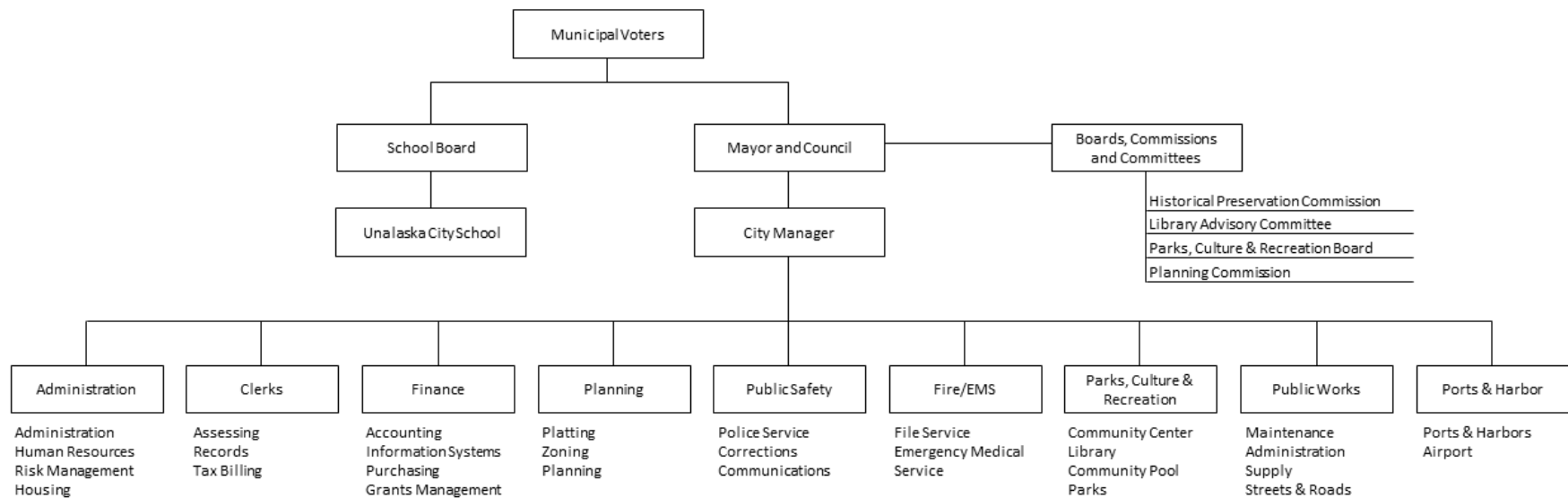
CITY OF UNALASKA



William Homka
City Manager



City of Unalaska Organizational Chart



PRINCIPAL EXECUTIVE OFFICERS

Unalaska City Council

Mayor	Vincent 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	Vacant
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	Erik Hernandez

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Unalaska City School District (the District), the discretely presented component unit, as of June 30, 2024, 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 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, budgetary comparison schedules for the 1% Sales Tax Special Revenue Fund, the Bed Tax Special Revenue Fund, Tobacco Tax Special Revenue Fund, and E911 Special Revenue Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules, 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 statistical sections 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
June 26, 2025

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A)
June 30, 2024

CITY OF UNALASKA, ALASKA



Photo Credit: Andrew Chiles

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

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, 2024. 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 \$449,423,125 (net position).
- The city's total net position increased by \$12,818,206.
- As of the close of the current fiscal year, the City of Unalaska's governmental funds reported combined fund balances of \$131,346,713, which is an increase of \$14,597,641 from the prior year. Of this total amount, \$24,867,741, is either nonspendable, committed or assigned for 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 \$106,513,088, or 369% 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, 2024

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 17-18 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 which is a major fund. Data from the other seven 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 77-78.

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 19-22 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, 2024

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, water, wastewater, ports and harbors, and solid waste, all of which are considered to be major funds of the City of Unalaska. 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 23-32 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 33-66 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 \$449,297,799 at the close of the most recent fiscal year.

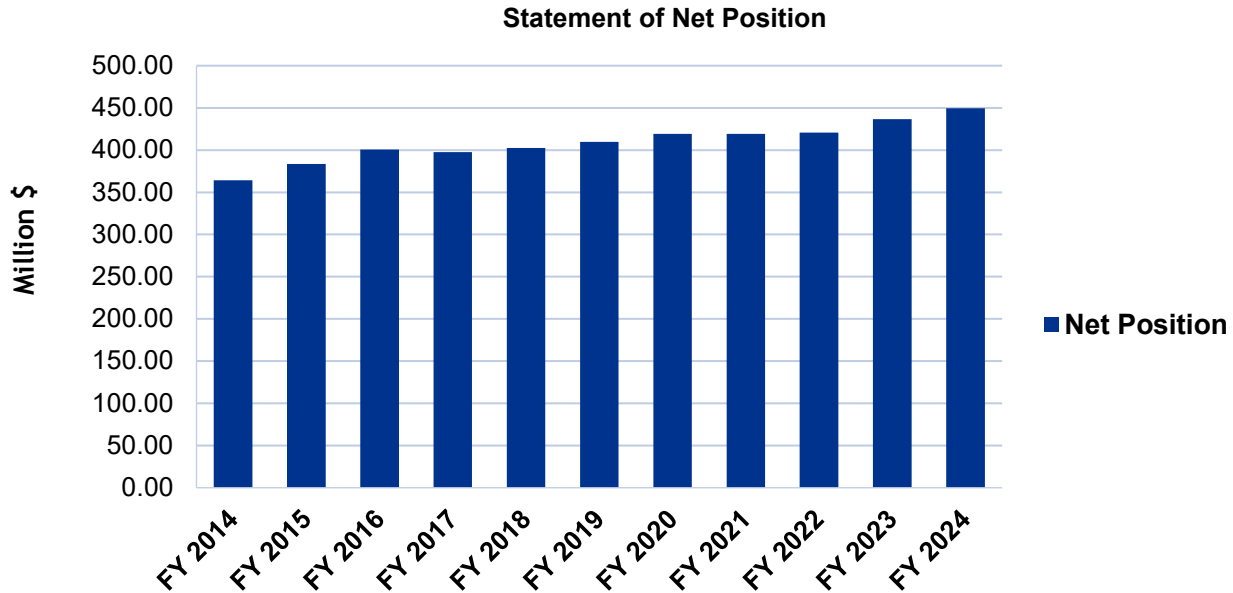
Approximately 54% of the City of Unalaska's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Unalaska uses these capital assets to provide services to citizens; 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.

	City of Unalaska's Net Position						Table 1
	Governmental activities		Business-type activities		Total		
	2024	2023	2024	2023	2024	2023	
Current and other assets	\$ 151,308,845	\$ 138,538,734	\$ 88,402,965	\$ 78,232,757	\$ 239,711,810	\$ 216,771,491	
Capital assets	92,540,582	96,077,352	213,306,478	223,676,573	305,847,060	319,753,925	
Total assets	\$ 243,849,427	\$ 234,616,086	\$ 301,709,443	\$ 301,909,330	\$ 545,558,870	\$ 536,525,416	
Deferred outflows of resources	\$ 2,236,345	\$ 2,217,271	\$ 2,569,820	\$ 2,634,998	\$ 4,806,165	\$ 4,852,269	
Long-term liabilities	\$ 15,006,050	\$ 15,951,032	\$ 77,153,784	\$ 80,041,665	\$ 92,159,834	\$ 95,992,697	
Other liabilities	1,382,280	1,389,105	2,780,926	2,563,189	4,163,206	3,952,294	
Total liabilities	\$ 16,388,330	\$ 17,340,137	\$ 79,934,710	\$ 82,604,854	\$ 96,323,040	\$ 99,944,991	
Deferred inflows of resources	\$ 4,439,544	\$ 4,512,936	\$ 179,326	\$ 314,839	\$ 4,618,870	\$ 4,827,775	
Net position:							
Net investment in capital assets	\$ 92,216,236	\$ 95,899,926	\$ 152,614,918	\$ 158,033,143	\$ 244,831,154	\$ 253,933,069	
Restricted	6,172,697	5,758,351	17,005,295	8,077,213	23,177,992	13,835,564	
Unrestricted	126,868,965	113,322,007	54,545,014	55,514,279	181,413,979	168,836,286	
Net position	\$ 225,257,898	\$ 214,980,284	\$ 224,165,227	\$ 221,624,635	\$ 449,423,125	\$ 436,604,919	

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

The balance of unrestricted net position, \$181,413,979, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current and prior fiscal year, the City of Unalaska is able to report positive balances in both categories of net position, both for the government as a whole, and for its separate governmental and business type activities.



Deferred outflows of resources decreased by \$46,104 during 2024 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 was consistent with 2023 with an increase of \$9,827. The balance for OPEB related resources decreased \$63,181 primarily due to amortization. The balance for deferred charge on refunding increased due to the recognition of a true-up.

Deferred inflows of resources decreased by \$208,905 during 2024 and has two components, deferred inflows of OPEB related resources and lease related deferred inflows. Both of these items decreased due to amortization to OPEB expense and lease revenue.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

City of Unalaska's Changes in Net Position

Table 2

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,209,410	\$ 1,073,278	\$ 35,704,204	\$ 36,790,896	\$ 36,913,614	\$ 37,864,174
Operating grants and contributions	299,818	127,191	1,382,610	(222,399)	1,682,428	(95,208)
Capital grants and contributions	135,734	429,746	165,393	232,921	301,127	662,667
General revenues:						
Property taxes	8,863,185	7,426,124	—	—	8,863,185	7,426,124
General sales tax	14,710,005	16,220,013	—	—	14,710,005	16,220,013
Raw seafood tax	4,645,995	4,188,977	—	—	4,645,995	4,188,977
Grants and revenue sharing not restricted to specific programs	9,716,115	12,682,736	—	—	9,716,115	12,682,736
Investment and interest income	9,142,653	3,376,213	262,434	165,948	9,405,087	3,542,161
Other	149,575	557,792	—	38,202	149,575	595,994
Total revenues	48,872,490	46,082,070	37,514,641	37,005,568	86,387,131	83,087,638
Expenses:					6,272,391	
General government	5,833,221	1,507,645	—	—	5,833,221	1,507,645
Public safety	6,207,345	6,775,040	—	—	6,207,345	6,775,040
Public works	7,777,097	9,176,313	—	—	7,777,097	9,176,313
Parks, culture, and recreation	4,726,657	4,508,993	—	—	4,726,657	4,508,993
Community support	1,452,046	1,432,636	—	—	1,452,046	1,432,636
Education	6,160,785	5,693,316	—	—	6,160,785	5,693,316
Interest on leases	2,270	2,750	—	—	2,270	2,750
Electric	—	—	18,973,272	18,705,858	18,973,272	18,705,858
Water	—	—	2,757,260	2,588,193	2,757,260	2,588,193
Wastewater	—	—	3,574,203	3,509,124	3,574,203	3,509,124
Solid waste	—	—	4,672,558	2,922,847	4,672,558	2,922,847
Ports and harbors	—	—	10,306,968	9,173,166	10,306,968	9,173,166
Airport	—	—	707,381	808,316	707,381	808,316
Housing	—	—	417,862	492,337	417,862	492,337
Total expenses	32,159,421	29,096,693	41,409,504	38,199,841	73,568,925	67,296,534
Change in net position before transfers	16,713,069	16,985,377	(3,894,863)	(1,194,273)	12,818,206	15,791,104
Transfers	(6,435,455)	(7,454,316)	6,435,455	7,454,316	—	—
Change in net position	10,277,614	9,531,061	2,540,592	6,260,043	12,818,206	15,791,104
Net position, beginning of year	214,980,284	205,449,223	221,624,635	215,364,592	436,604,919	420,813,815
Net position, end of year	\$ 225,257,898	\$ 214,980,284	\$ 224,165,227	\$ 221,624,635	\$ 449,423,125	\$ 436,604,919

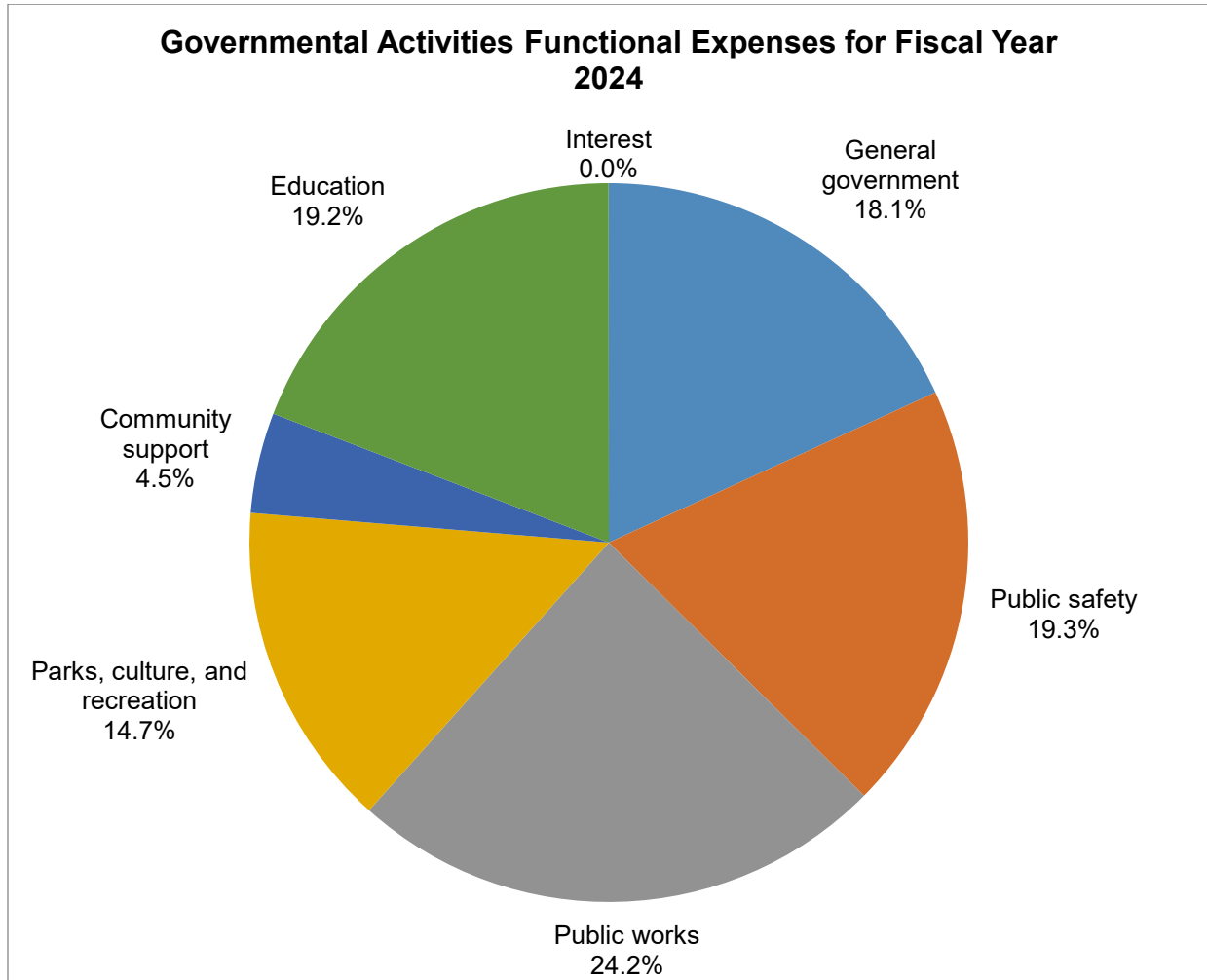
The primary government's net position increased \$12,818,206 during the current fiscal year. Governmental activities revenues overall increased \$2,790,420. The net increase includes increased Investment and Interest Income of \$5,766,440 and Property Taxes of \$1,956,824, and are offset by decreases in Sales Taxes of \$1,510,008, and Grants and Revenue Sharing Not Restricted to Specific Programs of \$2,939,630.

Total expenses increased \$6,272,391 from the prior year primarily due to an increase in Landfill Closure and Postclosure costs of \$1,533,742 resulting from an updated current cost study. Additionally, there was a reduction in pension and OPEB benefits recognized, of \$1,850,476 in 2024 in comparison to \$4,114,695 in 2023.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

Governmental activities increased the City of Unalaska's net position by \$10,277,614.



Business-Type Activities

Net position increased \$2,540,592 for Business-type activities (table 2); this is primarily attributable to a positive change in net position in the Water Utility Fund of \$5,806,753 as a result of transfers from the 1% Sales Tax fund for capital upgrades. The Water Utility Fund positive change was offset by the increase of Landfill Closure and Postclosure Costs in the amount of \$1,533,742 in the Solid Waste Fund.

Financial Analysis of the Government's Funds

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

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

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, unassigned fund balance may serve as a useful measure of a government's net resources as noted earlier, the City of Unalaska uses fund accounting to ensure and demonstrate compliance available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Unalaska itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Unalaska's Council.

At June 30, 2024, the City of Unalaska's governmental funds reported combined fund balances of \$131,346,713, an increase of \$14,597,641 in comparison with the prior year. Of this amount, \$106,478,972, or 81%, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is (1) not in spendable form, \$2,618,922; (2) committed for particular purposes, \$21,045,233; or (3) assigned for particular purposes, \$1,203,586.

Analysis of Individual Funds

The general fund is the chief operating fund of the City of Unalaska. At the end of the current fiscal year, unassigned fund balance of the general fund was \$106,513,088, while total fund balance increased to \$111,335,596. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 369% of total general fund expenditures, while total fund balance represents 386% of that same amount.

The fund balance of the City of Unalaska's general fund increased by \$16,291,723 during the current fiscal year in comparison to \$4,174,606 in the prior year. This positive change is primarily due to increased investment earnings and a decrease in transfers out.

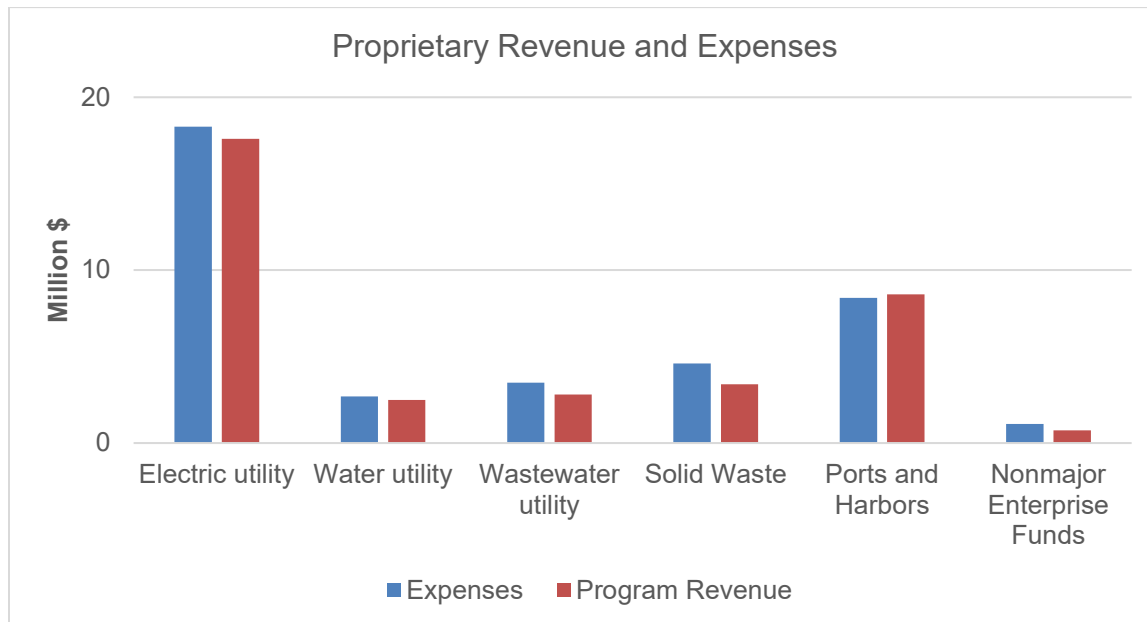
Proprietary Funds

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

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City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024



Unrestricted net position of business-type activities at the end of the year amounted to \$54,545,014. The business-type activities net position increased by \$2,540,592.

General Fund Budgetary Highlights

Original budget compared to final budget

During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations.

Final budget compared to actual results

The most significant differences between estimated revenues and actual revenues can be briefly summarized as follows: Fisheries Resource Landing Taxes and Investment Earnings outperformed budgeted amounts by \$1,447,346 and \$8,142,653, respectively.

Each functional area within the General Fund stayed within their budgets, with General Government, Public Safety and Public Works showing the greatest amount of savings in the amount of \$1,130,717, \$1,798,879 and \$1,539,040, respectively. The savings in all three departments were primarily attributable to personnel costs.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

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, 2024 amounts to \$244,705,828 (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 decreased by \$9,227,241 in the current year.

City of Unalaska's Capital Assets, net

Table 3

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 31,147,604	\$ 31,147,603	\$ 3,309,476	\$ 3,309,476	\$ 34,457,080	\$ 34,457,079
Construction in progress	7,314,651	8,307,040	3,210,121	5,045,325	10,524,772	13,352,365
Buildings and improvements	30,885,339	32,526,664	66,303,189	68,957,261	97,188,528	101,483,925
Machinery and equipment	5,006,096	3,950,941	15,531,441	17,347,444	20,537,537	21,298,385
Infrastructure	18,096,715	20,032,043	123,210,445	127,211,644	141,307,160	147,243,687
Right-to-use lease assets	90,177	113,061	1,741,806	1,805,423	1,831,983	1,918,484
Total Capital Assets	\$ 92,540,582	\$ 96,077,352	\$ 213,306,478	\$ 223,676,573	\$ 305,847,060	\$ 319,753,925

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

General Fund

Repeater Site and Radio Upgrades with current year expenditures of \$318,180 and a Department of Public Safety Records Management System with current year expenditures of \$261,858.

Electric Fund

The Generator Sets rebuild project continued with current year expenditures of \$161,206. The Makushin Geothermal project begin with current year expenditures of \$95,494.

Water Fund

The Captains Bay Road Waterline Extension project continued with \$158,025 in current year expenditures. The Pyramid WTP Chlorine Upgrades project continued with \$47,826 in current year expenditures. Additionally, the Pyramid WTP Micro Turbine project began with current year expenditures of \$82,634.

Ports and Harbors

Construction of a restroom at the Unalaska Marine Center Dock with current year expenditures of \$464,555.

Additional information on the City of Unalaska's capital assets can be found in Note 5 on pages 48-50 of this report.

City of Unalaska, Alaska

Management's Discussion and Analysis (MD&A) June 30, 2024

Long Term Debt

At the end of the current fiscal year, the City of Unalaska had general obligation bonds, revenue bonds, State of Alaska Department of Environmental Conservation loans, an Army Corps of Engineers contractual obligation, and leases outstanding of \$61,900,919 (Table 4).

	City of Unalaska Bonds, Loans, Contracts, and Leases						Table 4
	Governmental activities		Business-type activities		Total		
	2024	2023	2024	2023	2024	2023	
General obligations bonds	\$ —	\$ —	\$ 1,675,000	\$ 1,910,000	\$ 1,675,000	\$ 1,910,000	
Revenue bonds	—	—	45,729,431	48,173,315	45,729,431	48,173,315	
Loans and contracts	—	—	12,620,766	13,482,791	12,620,766	13,482,791	
Leases	89,345	113,519	1,786,377	1,839,000	1,875,722	1,952,519	
Total	\$ 89,345	\$ 113,519	\$ 61,811,574	\$ 65,405,106	\$ 61,900,919	\$ 65,518,625	

The City of Unalaska's total debt originating from bonds, loans, contractual obligations, and leases 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 7 on pages 52-55 of this report.

Economic Factors and Next Year's Budgets and Rates

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

The average unemployment rate for the Aleutians West Region, which includes Unalaska, was 2.2% for calendar year 2024, which is a decrease of 2% in calendar year 2024. Management believes the unemployment rate within the City's limits may be even lower. 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.

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

	Primary Government			Component Unit Unalaska City School District
	Governmental Activities	Business-type Activities	Total	
<i>June 30, 2024</i>				
Assets and Deferred Outflows of Resources				
Assets				
Imprest cash	\$ 1,550	\$ 150	\$ 1,700	\$ -
Cash and investments in central treasury	124,710,331	67,336,074	192,046,405	-
Other cash and investments, including restricted amounts	-	5,125,544	5,125,544	3,273,777
Receivables, net of allowance for uncollectible amounts:				
Accounts	51,019	2,712,029	2,763,048	-
Taxes	8,349,181	-	8,349,181	-
Interest	3,393,857	-	3,393,857	-
Intergovernmental	1,468,811	126,760	1,595,571	207,538
Leases	4,199,666	-	4,199,666	-
Other	342,811	-	342,811	-
Inventories and prepaid items	1,268,922	2,572,657	3,841,579	1,377,727
Advances to U.S. Army Core of Engineers	-	8,644,000	8,644,000	-
Internal balances	1,350,000	(1,350,000)	-	-
Net OPEB asset	6,172,697	3,235,751	9,408,448	2,309,022
Capital assets:				
Not being depreciated or amortized	38,462,255	6,519,597	44,981,852	42,500
Being depreciated or amortized, net	54,078,327	206,786,881	260,865,208	1,425,770
Total Assets	243,849,427	301,709,443	545,558,870	8,636,334
Deferred Outflows of Resources				
Deferred charge on refunding	-	1,397,529	1,397,529	-
Pension related	1,689,839	885,810	2,575,649	426,007
OPEB related	546,506	286,481	832,987	181,534
Total Deferred Outflows of Resources	2,236,345	2,569,820	4,806,165	607,541
Total Assets and Deferred Outflows of Resources	\$ 246,085,772	\$ 304,279,263	\$ 550,365,035	\$ 9,243,875
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 712,574	\$ 1,032,088	\$ 1,744,662	\$ 93,607
Accrued payroll and related liabilities	626,891	253,915	880,806	1,080,514
Accrued interest	-	477,719	477,719	-
Unearned revenue	35,687	797,742	833,429	-
Customer deposits	7,128	219,462	226,590	-
Noncurrent liabilities:				
Due within one year:				
Bonds, loans, leases, and compensated absences	1,954,571	4,262,235	6,216,806	98,717
Due in more than one year:				
Bonds, loans, leases, and landfill closure and postclosure costs	64,688	66,083,897	66,148,585	851,784
Net pension liability	12,986,791	6,807,652	19,794,443	4,112,223
Total Liabilities	16,388,330	79,934,710	96,323,040	6,236,845
Deferred Inflows of Resources				
OPEB related	342,092	179,326	521,418	135,983
Lease related	4,097,452	-	4,097,452	-
Total Deferred Inflows of Resources	4,439,544	179,326	4,618,870	135,983
Net Position				
Net investment in capital assets	92,216,236	152,614,918	244,831,154	517,769
Restricted for:				
Advances to the Army Corps of Engineers	-	8,644,000	8,644,000	-
OPEB benefits	6,172,697	3,235,751	9,408,448	2,309,022
Debt service	-	5,125,544	5,125,544	-
Health insurance	-	-	-	506,331
Scholarships	-	-	-	197,085
Unrestricted (deficit)	126,868,965	54,545,014	181,413,979	(659,160)
Total Net Position	225,257,898	224,165,227	449,423,125	2,871,047
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 246,085,772	\$ 304,279,263	\$ 550,365,035	\$ 9,243,875

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Statement of Activities

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Unalaska City School District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Year Ended June 30, 2024	Expenses							
Primary Government								
Governmental Activities								
General government	\$ 5,833,221	\$ 231,043	\$ 31,801	\$ -	\$ (5,570,377)	\$ -	\$ (5,570,377)	\$ -
Public safety	6,207,345	770,640	52,263	-	(5,384,442)	-	(5,384,442)	-
Public works	7,777,097	-	43,017	135,734	(7,598,346)	-	(7,598,346)	-
Parks, culture, and recreation	4,726,657	207,727	141,845	-	(4,377,085)	-	(4,377,085)	-
Community support	1,452,046	-	30,892	-	(1,421,154)	-	(1,421,154)	-
Education	6,160,785	-	-	-	(6,160,785)	-	(6,160,785)	-
Interest on leases	2,270	-	-	-	(2,270)	-	(2,270)	-
Total Governmental								
Activities	32,159,421	1,209,410	299,818	135,734	(30,514,459)	-	(30,514,459)	-
Business-Type Activities								
Electric utility	18,973,272	17,594,195	982,825	9,656	-	(386,596)	(386,596)	-
Water utility	2,757,260	2,505,394	10,476	155,737	-	(85,653)	(85,653)	-
Wastewater utility	3,574,203	2,848,671	12,193	-	-	(713,339)	(713,339)	-
Solid waste	4,672,558	3,372,315	11,265	-	-	(1,288,978)	(1,288,978)	-
Ports and Harbors	10,306,968	8,630,234	362,268	-	-	(1,314,466)	(1,314,466)	-
Airport	707,381	511,338	2,090	-	-	(193,953)	(193,953)	-
Housing	417,862	242,057	1,493	-	-	(174,312)	(174,312)	-
Total Business-Type								
Activities	41,409,504	35,704,204	1,382,610	165,393	-	(4,157,297)	(4,157,297)	-
Total Primary Government								
	\$ 73,568,925	\$ 36,913,614	\$ 1,682,428	\$ 301,127	(30,514,459)	(4,157,297)	(34,671,756)	-
Component Unit								
Unalaska City School District	\$ 10,536,548	\$ 170,706	\$ 2,838,645	\$ 12,000	-	-	-	(7,515,197)
General Revenues and Transfers								
Taxes:								
General sales tax					14,710,005	-	14,710,005	-
Real property tax					6,041,340	-	6,041,340	-
Raw seafood sales tax					4,645,995	-	4,645,995	-
Personal property tax					2,821,845	-	2,821,845	-
Other					79,234	-	79,234	-
Grants and revenue sharing not restricted to specific programs					9,716,115	-	9,716,115	3,896,023
Investment and interest income					9,142,653	262,434	9,405,087	17,713
Support from primary government					-	-	-	4,150,242
Other revenue					33,579	-	33,579	106,212
Gain on disposal of capital assets					36,762	-	36,762	-
Transfers					(6,435,455)	6,435,455	-	-
Total General Revenues and Transfers								
					40,792,073	6,697,889	47,489,962	8,170,190
Change in Net Position								
					10,277,614	2,540,592	12,818,206	654,993
Net Position, beginning								
					214,980,284	221,624,635	436,604,919	2,216,054
Net Position, ending								
					\$225,257,898	\$224,165,227	\$ 449,423,125	\$ 2,871,047

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Governmental Funds

Balance Sheet

<i>June 30, 2024</i>	Major Fund General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Imprest cash	\$ 1,550	\$ -	\$ 1,550
Cash and investments in central treasury	105,370,761	19,339,570	124,710,331
Receivables:			
Accounts	51,019	-	51,019
Taxes	2,429,379	964,478	3,393,857
Intergovernmental	8,311,157	38,024	8,349,181
Interest	1,468,811	-	1,468,811
Leases	4,199,666	-	4,199,666
Other	342,811	-	342,811
Inventory and prepaid items	1,268,922	-	1,268,922
Due from other funds	60,952	-	60,952
Advances to other funds	1,350,000	-	1,350,000
Total Assets	\$ 124,855,028	\$ 20,342,072	\$ 145,197,100
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 468,307	\$ 244,267	\$ 712,574
Accrued payroll and related liabilities	626,891	-	626,891
Unearned revenue	9,951	25,736	35,687
Customer deposits	7,128	-	7,128
Due to other funds	-	60,952	60,952
Total Liabilities	1,112,277	330,955	1,443,232
Deferred Inflows of Resources			
Unavailable revenue - intergovernmental	8,279,558	-	8,279,558
Unavailable revenue - taxes	30,145	-	30,145
Lease related	4,097,452	-	4,097,452
Total Deferred Inflows of Resources	12,407,155	-	12,407,155
Fund Balances			
Nonspendable:			
Inventory and prepaids	1,268,922	-	1,268,922
Advances to other funds	1,350,000	-	1,350,000
Committed:			
Compensated absences	1,000,000	-	1,000,000
Public safety	-	227,740	227,740
Community support	-	1,189,693	1,189,693
Capital projects	-	18,627,800	18,627,800
Assigned	1,203,586	-	1,203,586
Unassigned	106,513,088	(34,116)	106,478,972
Total Fund Balances	111,335,596	20,011,117	131,346,713
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 124,855,028	\$ 20,342,072	\$ 145,197,100

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position June 30, 2024

Total fund balances for governmental funds		\$ 131,346,713
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (shown here, net of accumulated depreciation, and amortization) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		92,540,582
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Net OPEB asset		6,172,697
Receivables, delinquent taxes, and certain intergovernmental assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Shared fisheries business tax	\$ 3,862,882	
Shared fisheries resource landing tax	4,416,676	
Real property tax	24,144	
Personal property tax	6,001	
		8,309,703
Deferred outflows of resources for governmental activities are not financial resources and, therefore, are not reported in the funds:		
Pension related	1,689,839	
OPEB related	546,506	
Total deferred outflows of resources		2,236,345
Long-term liabilities, that are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability	(12,986,791)	
Lease liability	(89,345)	
Compensated absences	(1,929,914)	
Total long-term liabilities		(15,006,050)
Deferred inflows of resources for governmental activities are not financial resources and, therefore, are not reported in the funds:		
OPEB related		(342,092)
Total Net Position of Governmental Activities		\$ 225,257,898

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, 2024	Formerly Major Funds				Total Governmental Funds
	Major Fund General	1% Sales	Capital Projects Fund	Nonmajor Governmental Funds	
Revenues					
Taxes:					
General sales	\$ 9,350,429	-	-	\$ 5,359,576	\$ 14,710,005
Seafood sales	4,645,995	-	-	-	4,645,995
Real property	6,041,080	-	-	-	6,041,080
Personal property	2,824,074	-	-	-	2,824,074
Other	52,243	-	-	-	52,243
Intergovernmental:					
Fisheries business tax	3,996,216	-	-	-	3,996,216
Fisheries resource landing tax	7,047,346	-	-	-	7,047,346
PERS on-behalf payments	264,553	-	-	-	264,553
Payment in lieu of taxes	925,943	-	-	-	925,943
Grants	243,222	-	-	162,225	405,447
Charges for services	1,209,410	-	-	-	1,209,410
Investment and interest income	9,142,653	-	-	-	9,142,653
Other revenue	38,746	-	-	4,401	43,147
Total Revenues	45,781,910	-	-	5,526,202	51,308,112
Expenditures					
Current:					
General government	5,873,111	-	-	-	5,873,111
Public safety	6,392,913	-	-	4,618	6,397,531
Public works	6,015,037	-	-	-	6,015,037
Parks, culture, and recreation	3,972,829	-	-	-	3,972,829
Community support	1,057,227	-	-	394,819	1,452,046
Education	5,495,242	-	-	-	5,495,242
Debt Service:					
Principal	24,174	-	-	-	24,174
Interest	2,270	-	-	-	2,270
Capital Outlay	-	-	-	1,070,363	1,070,363
Total Expenditures	28,832,803	-	-	1,469,800	30,302,603
Excess of Revenues Over Expenditures					
	16,949,107	-	-	4,056,402	21,005,509
Other Financing Sources (Uses)					
Proceeds from sale of assets	36,762	-	-	-	36,762
Transfers in	1,676,033	-	-	4,985,904	6,661,937
Transfers out	(2,370,179)	-	-	(10,736,388)	(13,106,567)
Net Other Financing Uses	(657,384)	-	-	(5,750,484)	(6,407,868)
Net Change in Fund Balances	16,291,723	-	-	(1,694,082)	14,597,641
Fund Balances, beginning, as previously reported	95,043,873	14,632,529	5,212,939	1,859,731	116,749,072
Change within financial reporting entity (major to nonmajor fund)	-	(14,632,529)	(5,212,939)	19,845,468	-
Fund Balances, beginning, as adjusted	95,043,873	-	-	21,705,199	116,749,072
Fund Balances, ending	\$ 111,335,596	\$ -	\$ -	\$ 20,011,117	\$ 131,346,713

City of Unalaska, Alaska
Reconciliation of the Change in Fund Balances of
Governmental Funds to Statement of Activities
Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 14,597,641
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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, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlay	\$ 852,978	
Depreciation and amortization expense	(4,398,923)	
Transfer of capital assets from business-type activities	<u>9,175</u>	
		(3,536,770)

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

Shared fisheries business tax	(18,048)	
Shared fisheries resource landing tax	(2,363,488)	
Real property tax	260	
Personal property tax	(2,229)	
Other	<u>26,991</u>	
		(2,356,514)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	(185,523)	
Change in Net OPEB asset	414,346	
Change in lease liabilities	24,174	
Change in pension liability	1,106,331	
Changes deferred outflows and inflows of resources:		
Pension related	47,713	
OPEB related	<u>166,216</u>	
		<u>1,573,257</u>

Change in Net Position of Governmental Activities	<u>\$ 10,277,614</u>
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See accompanying notes to basic financial statements.

City of Unalaska, Alaska

 Proprietary Funds
 Statement of Net Position

	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
<i>June 30, 2024</i>			
Assets and Deferred Outflows of Resources			
Current Assets			
Imprest cash	\$ -	\$ -	\$ -
Cash and investments in central treasury	21,542,041	14,280,815	4,477,046
Receivables, net of allowance for doubtful accounts:			
Accounts	955,780	200,196	184,431
Intergovernmental	66,963	59,797	-
Inventory and prepaid items	1,978,421	449,848	24,621
Advances to Army Corp of Engineers	-	-	-
Total Current Assets	24,543,205	14,990,656	4,686,098
Noncurrent Assets			
Restricted investments held by fiscal agent	2,413,158	-	-
Net OPEB asset	903,243	434,954	506,148
Capital assets, net	44,698,953	20,370,213	30,524,162
Total Noncurrent Assets	48,015,354	20,805,167	31,030,310
Total Assets	72,558,559	35,795,823	35,716,408
Deferred Outflows of Resources			
Deferred charge on refunding	1,384,892	-	-
Pension related	247,269	119,071	138,569
OPEB related	79,970	38,509	44,812
Total Deferred Outflows of Resources	1,712,131	157,580	183,381
Total Assets and Deferred Outflows of Resources	\$ 74,270,690	\$ 35,953,403	\$ 35,899,789

See accompanying notes to basic financial statements.

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

	Major Funds, continued		Nonmajor Funds	Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors		
<i>June 30, 2024</i>				
Assets and Deferred Outflows of Resources				
Current Assets				
Imprest cash	\$ -	\$ 150	\$ -	\$ 150
Cash and investments in central treasury	10,672,647	14,460,499	1,903,026	67,336,074
Receivables, net of allowance for doubtful accounts:				
Accounts	264,384	1,103,669	3,569	2,712,029
Intergovernmental	-	-	-	126,760
Inventory and prepaid items	116,117	-	3,650	2,572,657
Advances to Army Corp of Engineers	-	8,644,000	-	8,644,000
Total Current Assets	11,053,148	24,208,318	1,910,245	81,391,670
Noncurrent Assets				
Restricted investments held by fiscal agent	-	2,712,386	-	5,125,544
Net OPEB asset	467,716	774,887	148,803	3,235,751
Capital assets, net	13,300,021	99,666,194	4,746,935	213,306,478
Total Noncurrent Assets	13,767,737	103,153,467	4,895,738	221,667,773
Total Assets	24,820,885	127,361,785	6,805,983	303,059,443
Deferred Outflows of Resources				
Deferred charge on refunding	-	12,637	-	1,397,529
Pension related	128,041	212,125	40,735	885,810
OPEB related	41,410	68,605	13,175	286,481
Total Deferred Outflows of Resources	169,451	293,367	53,910	2,569,820
Total Assets and Deferred Outflows of Resources	\$ 24,990,336	\$ 127,655,152	\$ 6,859,893	\$ 305,629,263

See accompanying notes to basic financial statements.

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

	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
<i>June 30, 2024</i>			
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ 722,677	\$ 126,043	\$ 60,532
Accrued payroll and related liabilities	87,962	25,531	31,270
Compensated absences	153,195	42,059	55,697
Accrued interest	176,017	32,178	57,877
Bonds, loans, and leases	1,589,321	179,463	428,330
Advances from general fund	150,000	-	-
Unearned revenue	-	797,742	-
Customer deposits	136,216	21,581	17,928
Total Current Liabilities	3,015,388	1,224,597	651,634
Noncurrent Liabilities			
Bonds, loans, leases, and other	16,772,578	2,153,552	4,711,630
Landfill closure and postclosure costs	-	-	-
Advances from general fund	1,200,000	-	-
Net pension liability	1,900,318	915,088	1,064,932
Total Noncurrent Liabilities	19,872,896	3,068,640	5,776,562
Total Liabilities	22,888,284	4,293,237	6,428,196
Deferred Inflows of Resources			
OPEB related	50,058	24,105	28,051
Lease related	-	-	-
Total Deferred Inflows of Resources	50,058	24,105	28,051
Net Position			
Net investment in capital assets	27,589,301	17,976,152	25,384,202
Restricted for advances to Army Corps of Engineers	-	-	-
Restricted for OPEB benefits	903,243	434,954	506,148
Restricted for debt service	2,413,158	-	-
Unrestricted	20,426,646	13,224,955	3,553,192
Total Net Position	51,332,348	31,636,061	29,443,542
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 74,270,690	\$ 35,953,403	\$ 35,899,789

See accompanying notes to basic financial statements.

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

	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
<i>June 30, 2024</i>				
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 18,104	\$ 93,772	\$ 10,960	\$ 1,032,088
Accrued payroll and related liabilities	28,013	61,728	19,411	253,915
Compensated absences	67,620	171,844	-	490,415
Accrued interest	15,964	195,683	-	477,719
Bonds, loans, and leases	254,232	1,311,418	9,056	3,771,820
Advances from other funds	-	-	-	150,000
Unearned revenue	-	-	-	797,742
Customer deposits	9,887	-	33,850	219,462
Total Current Liabilities	393,820	1,834,445	73,277	7,193,161
Noncurrent Liabilities				
Bonds, loans, leases, and other	2,796,546	31,575,472	29,976	58,039,754
Landfill closure and postclosure costs	8,044,143	-	-	8,044,143
Advances from general fund	-	-	-	1,200,000
Net pension liability	984,025	1,630,231	313,058	6,807,652
Total Noncurrent Liabilities	11,824,714	33,205,703	343,034	74,091,549
Total Liabilities	12,218,534	35,040,148	416,311	81,284,710
Deferred Inflows of Resources				
OPEB related	25,921	42,944	8,247	179,326
Lease related	-	-	-	-
Total Deferred Inflows of Resources	25,921	42,944	8,247	179,326
Net Position				
Net investment in capital assets	10,249,243	66,708,117	4,707,903	152,614,918
Restricted for advances to Army Corps of Engineers	-	8,644,000	-	8,644,000
Restricted for OPEB benefits	467,716	774,887	148,803	3,235,751
Restricted for debt service	-	2,712,386	-	5,125,544
Unrestricted	2,028,922	13,732,670	1,578,629	54,545,014
Total Net Position	12,745,881	92,572,060	6,435,335	224,165,227
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 24,990,336	\$ 127,655,152	\$ 6,859,893	\$ 305,629,263

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
<i>Year Ended June 30, 2024</i>			
Operating Revenues			
Charges for services	\$ 17,594,195	\$ 2,505,394	\$ 2,848,671
Operating Expenses			
Operations	13,889,279	1,081,793	1,750,234
General and administrative	1,300,614	611,534	500,402
Landfill closure and postclosure costs	-	-	-
Depreciation and amortization	3,152,035	1,028,688	1,243,943
Total Operating Expenses	18,341,928	2,722,015	3,494,579
Operating income (loss)	(747,733)	(216,621)	(645,908)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	982,825	10,476	12,193
Interest income	110,741	-	-
Interest expense	(631,344)	(35,245)	(79,624)
Contribution to Army COE Engineers project	-	-	-
Loss on disposal or abandonment of capital assets	-	-	(9,175)
	-	-	-
Net Nonoperating Revenues (Expenses)	462,222	(24,769)	(76,606)
Income (Loss) before contributions and transfers	(285,511)	(241,390)	(722,514)
Capital contributions received	9,656	155,737	-
Transfers in	-	5,892,406	-
Change in net position	(275,855)	5,806,753	(722,514)
Net Position, beginning	51,608,203	25,829,308	30,166,056
Net Position, ending	\$ 51,332,348	\$ 31,636,061	\$ 29,443,542

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Proprietary Funds

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

	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
<i>Year Ended June 30, 2024</i>				
Operating Revenues				
Charges for services	\$ 3,372,315	\$ 8,630,234	\$ 753,395	\$ 35,704,204
Operating Expenses				
Operations	1,502,059	2,765,659	582,704	21,571,728
General and administrative	393,483	1,256,418	159,928	4,222,379
Landfill closure and postclosure costs	1,837,078	-	-	1,837,078
Depreciation and amortization	886,792	4,332,094	380,168	11,023,720
Total Operating Expenses	4,619,412	8,354,171	1,122,800	38,654,905
Operating income (loss)	(1,247,097)	276,063	(369,405)	(2,950,701)
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	11,265	362,268	3,583	1,382,610
Interest income	-	151,667	26	262,434
Interest expense	(53,146)	(1,412,797)	(2,443)	(2,214,599)
Contribution to Army COE Engineers project	-	(540,000)	-	(540,000)
Loss on disposal or abandonment of capital asse	-	-	-	(9,175)
Net Nonoperating Revenues (Expenses)	(41,881)	(1,438,862)	1,166	(1,118,730)
Income (Loss) before contributions and transfers	(1,288,978)	(1,162,799)	(368,239)	(4,069,431)
Capital contributions received	-	-	-	165,393
Transfers in	-	252,224	300,000	6,444,630
Change in net position	(1,288,978)	(910,575)	(68,239)	2,540,592
Net Position, beginning	14,034,859	93,482,635	6,503,574	221,624,635
Net Position, ending	\$ 12,745,881	\$ 92,572,060	\$ 6,435,335	\$ 224,165,227

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Proprietary Funds
Statement of Cash Flows

	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
<i>Year Ended June 30, 2024</i>			
Cash Flows from (for) Operating Activities			
Receipts from customers and users	\$ 17,717,370	\$ 2,500,575	\$ 2,852,608
Payments to suppliers and service providers	(13,147,158)	(686,268)	(1,077,555)
Payments to employees for salaries, wages, and benefits	(2,347,255)	(1,129,461)	(1,374,823)
Net cash flows provided by (used for) operating activities	2,222,957	684,846	400,230
Cash Flows from Noncapital Financing Activities			
Operating grants and subsidies	1,048,601	-	-
Transfers from other funds	-	-	-
Net cash flows provided by noncapital financing activities	1,048,601	-	-
Cash Flows from (for) Capital and Related Financing Activities			
Acquisition and construction of capital assets	(252,423)	(436,412)	(747)
Principal payments on capital debt	(1,380,000)	(179,463)	(428,330)
Repayments on capital advances from general fund	(240,000)	-	-
Interest paid on capital debt	(795,474)	(38,095)	(84,390)
Lease payments received	-	-	-
Transfers from other funds	-	5,892,406	-
Advances and other payments to the Army Corp of Engineers	-	-	-
Capital grants and contributions	42,214	273,073	-
Net cash flows provided by (used for) capital and related financing activities	(2,625,683)	5,511,509	(513,467)
Cash Flows from Investing Activities			
Investment income received	110,741	-	-
Net Cash Flows provided by investing activities	110,741	-	-
Net increase (decrease) in cash and investments	756,616	6,196,355	(113,237)
Cash and Investments, beginning	23,198,583	8,084,460	4,590,283
Cash and Investments, ending	\$ 23,955,199	\$ 14,280,815	\$ 4,477,046
Reconciliation to the Statement of Net Position:			
Imprest cash	\$ -	\$ -	\$ -
Cash and investments in central treasury	21,542,041	14,280,815	4,477,046
Restricted assets, investments held by fiscal agent	2,413,158	-	-
Total Cash and Investments	\$ 23,955,199	\$ 14,280,815	\$ 4,477,046

See accompanying notes to basic financial statements.

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

	Major Funds, continued		Total	Total
	Solid Waste Utility	Ports and Harbors	Nonmajor Proprietary Funds	Enterprise Funds
<i>Year Ended June 30, 2024</i>				
Cash Flows from (for) Operating Activities				
Receipts from customers and users	\$ 3,334,489	\$ 8,209,691	\$ 734,571	\$ 35,349,304
Payments to suppliers and service providers	(782,371)	(2,194,413)	(445,230)	(18,332,995)
Payments to employees for salaries, wages, and benefits	(1,271,735)	(2,197,396)	(391,955)	(8,712,625)
Net cash flows provided by (used for) operating activities	1,280,383	3,817,882	(102,614)	8,303,684
Cash Flows from Noncapital Financing Activities				
Operating grants and subsidies	-	18,980	-	1,067,581
Transfers from other funds	-	-	300,000	300,000
Net cash flows provided by noncapital financing activities	-	18,980	300,000	1,367,581
Cash Flows from (for) Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(384,458)	(1,915)	(1,075,955)
Principal payments on capital debt	(254,232)	(1,147,828)	(11,618)	(3,401,471)
Repayments on capital advances from general fund	-	-	-	(240,000)
Interest paid on capital debt	(49,576)	(1,312,553)	(2,443)	(2,282,531)
Lease payments received	-	-	15,469	15,469
Transfers from other funds	-	252,224	-	6,144,630
Advances and other payments to the Army Corp of Engineers	-	(8,684,000)	-	(8,684,000)
Capital grants and contributions	-	650,750	-	966,037
Net cash flows provided by (used for) capital and related financing activities	(303,808)	(10,625,865)	(507)	(8,557,821)
Cash Flows from Investing Activities				
Investment income received	-	151,667	-	262,408
Net Cash Flows provided by investing activities	-	151,667	-	262,408
Net increase (decrease) in cash and investments	976,575	(6,637,336)	196,879	1,375,852
Cash and Investments, beginning	9,696,072	23,810,371	1,706,147	71,085,916
Cash and Investments, ending	\$ 10,672,647	\$ 17,173,035	\$ 1,903,026	\$ 72,461,768
Reconciliation to the Statement of Net Position:				
Imprest cash	\$ -	\$ 150	\$ -	\$ 150
Cash and investments in central treasury	10,672,647	14,460,499	1,903,026	67,336,074
Restricted assets, investments held by fiscal agent	-	2,712,386	-	5,125,544
Total Cash and Investments	\$ 10,672,647	\$ 17,173,035	\$ 1,903,026	\$ 72,461,768

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2024</i>	Major Funds		
	Electric Utility	Water Utility	Wastewater Utility
Reconciliation of Operating Income (Loss) to Net Cash Flows provided by (used for) Operating Activities			
Operating income (loss)	\$ (747,733)	\$ (216,621)	\$ (645,908)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:			
Depreciation and amortization	3,152,035	1,028,688	1,243,943
Amortization of closure and postclosure care	-	-	-
Nonemployer pension and OPEB expense	21,756	10,476	12,193
Changes in assets and liabilities that provided (used) cash:			
Accounts receivable	121,327	(2,503)	3,969
Inventory and prepaid items	(96,844)	(6,614)	128
Net OPEB asset	(86,462)	26,888	(3,622)
Pension and OPEB related deferred outflows	(14,733)	16,840	20,760
Accounts payable	8,920	43,475	45,412
Accrued payroll and related liabilities	(34,574)	(11,117)	(3,402)
Compensated absences	5,050	2,547	1,895
Customer deposits	1,848	(2,316)	(32)
Net pension liability	(81,528)	(185,937)	(256,298)
Lease related deferred inflows	-	-	-
OBEP related deferred inflows	(26,105)	(18,960)	(18,808)
Net Cash Flows provided by (used for) Operating Activities	\$ 2,222,957	\$ 684,846	\$ 400,230
Noncash Noncapital, Capital and Related Financing Activities			
Intergovernmental nonemployer pension and OPEB contributions	\$ 21,756	\$ 10,476	\$ 12,193
Capital grants and operating subsidies receivable	62,087	59,797	-
Accounts payable related to capital asset acquisitions	132,645	61,046	-
Lease renewals and modifications as lessee	-	-	-
Abandonment of construction work-in-progress	-	-	-
Transfer of capital assets to governmental activities	-	-	9,175

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2024	Major Funds, continued			Total Enterprise Funds
	Solid Waste Utility	Ports and Harbors	Nonmajor Funds	
Reconciliation of Operating Income (Loss) to Net Cash Flows provided by (used for) Operating Activities				
Operating income (loss)	\$ (1,247,097)	\$ 276,063	\$ (369,405)	\$ (2,950,701)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:				
Depreciation and amortization	886,792	4,332,094	380,168	11,023,720
Amortization of closure and postclosure care	1,837,078	-	-	1,837,078
Nonemployer pension and OPEB expense	11,265	18,663	3,583	77,936
Changes in assets and liabilities that provided (used) cash:				
Accounts receivable	(37,761)	(420,543)	(9,212)	(344,723)
Inventory and prepaid items	(21,887)	-	-	(125,217)
Net OPEB asset	8,655	5,306	27,561	(21,674)
Pension and OPEB related deferred outflows	6,420	28,120	15,021	72,428
Accounts payable	(23,255)	(3,217)	(3,250)	68,085
Accrued payroll and related liabilities	(5,871)	(14,996)	(1,308)	(71,268)
Compensated absences	1,608	(22,188)	(610)	(11,698)
Customer deposits	(65)	-	5,525	4,960
Net pension liability	(117,000)	(351,614)	(127,352)	(1,119,729)
Lease related deferred inflows	-	-	(15,137)	(15,137)
OPEB related deferred inflows	(18,499)	(29,806)	(8,198)	(120,376)
Net Cash Flows provided by (used for) Operating Activities:	\$ 1,280,383	\$ 3,817,882	\$ (102,614)	\$ 8,303,684
Noncash Noncapital, Capital and Related Financing Activities				
Intergovernmental nonemployer pension and OPEB contributions	\$ 11,265	\$ 18,663	\$ 3,583	\$ 77,936
Capital grants and operating subsidies receivable	-	-	-	121,884
Accounts payable related to capital asset acquisitions	-	83,824	-	277,515
Lease renewals and modifications as lessee	-	-	48,309	48,309
Abandonment of construction work-in-progress	-	500,000	-	500,000
Transfer of capital assets to governmental activities	-	-	-	9,175

See accompanying notes to basic financial statements.

City of Unalaska, Alaska

Notes to Basic Financial Statements June 30, 2024

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. The major General Fund or individual governmental funds and major individual proprietary 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 fund:

- 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 City reports the following major enterprise funds:

- The *Electric Utility Fund* accounts for the operations of the City-owned Electric Utility.
- The *Water Utility Fund* accounts for the operations of the City-owned Water Utility.
- The *Wastewater Utility Fund* accounts for the operations of the City-owned Wastewater Utility.
- The *Solid Waste Utility Fund* accounts for the operations of the City-owned landfill.
- The *Ports and Harbors 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 or are committed 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.

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 and amortization 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 is considered to be cash on hand and demand deposits. 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.

Investments are reported at fair value with the exception of the investment in the Alaska Municipal Investment Pool (AMLIP) which is reported at amortized cost. Changes in fair value are included as a component of investment and interest income.

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 U.S. generally accepted accounting principles. AMLIP is not SEC-registered. Regulatory oversight of the Pool is established by Alaska Statute 37.23. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2024, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

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 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

City of Unalaska, Alaska

Notes to Basic Financial Statements

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 acquisition value at the date of donation or exchange. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation or exchange.

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

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.

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.

Leases - Lessor

The City is a lessor for 23 noncancellable leases of land and buildings. Remaining lease terms range from 2 to 64 years with fixed payments due monthly or annually. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements. The City does not consider its leasing activities to be a significant component of its principal ongoing operations.

City of Unalaska, Alaska

Notes to Basic Financial Statements

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. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City discounts its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement or modification of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

During 2024, the City recognized \$526,913 in lease related inflows that included \$343,238 in interest revenue.

Leases - Lessee

The City is a lessee under 6 noncancellable leases of land and buildings and a dock (2 leases of both land and building, 3 leases of land, and 1 lease of a dock). The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial term of greater than twelve months and an individual value of \$10,000 or more in governmental funds and \$5,000 or more in proprietary funds. Remaining lease terms range from 6 months to 25 years with fixed payments due monthly or annually. For leases with a maximum possible term of 12 months or less at commencement, the City recognizes expense/expenditure based on the provisions of the lease contract.

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

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The City monitors changes in circumstances that would require a remeasurement or modification of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with noncurrent liabilities on the statement of net position.

Subscription-Based Information Technology Arrangements

The City recognizes subscription-based information technology arrangement (SBITA) liabilities with an initial term of greater than twelve months and an individual value of \$10,000 or more in governmental funds and \$5,000 or more in proprietary funds. All of the Boroughs SBITA's have noncancelable terms of 12 months or less or have an individual value less than the capitalization threshold.

Pension and OPEB Plans

For purposes of measuring the City's net pension liability and net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pensions and OPEB expense, information about the fiduciary net position of the Alaska Public Employees Retirement System's (PERS) pension and OPEB Plans and additions to/deductions from the PERS's pension and 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 statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred amounts related to pension and OPEB and deferred charge on refunding. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and fund financial statements the City reports deferred amounts related to leases. In the government-wide and propriety fund financial statements the City reports deferred amounts related to OPEB.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Changes Within the Financial Reporting Entity

During 2024, changes within the financial reporting entity from the reclassification of major to nonmajor funds resulted in adjustments to beginning fund balances as follows:

	Fund Balances, beginning		
	As previously reported	Changes within the financial reporting entity	As adjusted
Governmental Funds:			
General Fund	\$ 95,043,873	\$ —	\$ 95,043,873
1% Sales Tax Fund	14,632,529	(14,632,529)	—
Capital Projects Fund	5,212,939	(5,212,939)	—
Nonmajor Funds	1,859,731	19,845,468	21,705,199
Fund balances, beginning	\$ 116,749,072	\$ —	\$ 116,749,072

Recently Adopted and Issued Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, was issued in June 2022. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning

City of Unalaska, Alaska

Notes to Basic Financial Statements

net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as adjusted or restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The City adopted the standard on July 1, 2023 for change within financial reporting entity for changes in major funds.

GASB Statement No. 101, *Compensated Absences* was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement also requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. The requirements of this statement are effective for the City's fiscal year beginning July 1, 2024. Early adoption is permitted. The City is currently evaluating the impact GASB 101 will have on its future financial statements.

GASB Statement No. 102, *Certain Risk Disclosures* was issued in December 2023. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for the City's fiscal year beginning July 1, 2024. Early adoption is permitted. The City is currently evaluating the impact GASB 102 will have on its future financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements* was issued in April 2024. This statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- Management's discussion and analysis (MD&A)—the statement improves the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. The statement also will provide clarity regarding what information should be presented in MD&A.

City of Unalaska, Alaska

Notes to Basic Financial Statements

- Unusual or infrequent items—the statement requires a separate presentation of unusual or infrequent items to provide clarity regarding which items should be reported separately from other inflows and outflows of resources.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position—the statement standardizes the definition of operating revenues and expenses and of nonoperating revenues, thereby improving comparability between governments. The statement also requires the addition of a subtotal for operating income (loss) and noncapital subsidies in proprietary fund statements of revenues, expenses, and changes in fund net position.
- Information about major component units in basic financial statements—the statement requires presentation of each major component unit separately in the reporting entity's statements of net position and activities.
- Budgetary comparison information—the statement requires that budgetary comparison information be presented as RSI. The statement also requires that separate columns for the variances between (a) original and final budget amounts and (b) final budget amounts and actual results are required to be presented. An explanation of significant variations between original and final budget amounts and final budget amounts and actual results also is required to be presented in notes to RSI.

The requirements of this statement are effective for the City's fiscal year beginning July 1, 2025. Early adoption is permitted. The City is currently evaluating the impact GASB 103 will have on its future financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* was issued in September 2024. This statement requires lease related assets, subscription assets, and certain intangible assets to be disclosed separately in the capital assets note disclosures. Additionally, this Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for the City's fiscal year beginning July 1, 2025. Early adoption is permitted. The City does not expect the adoption of GASB 104 to have a material effect on its financial statements.

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

function or fund require a City ordinance. Reported budgeted amounts are as originally adopted or as amended by ordinance.

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

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

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

School District

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

Investments

The City is authorized by City Council resolution to invest in, and is restricted to, the following types of securities:

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Equity

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Fund Balance Reserve - General Fund

The City maintains a reserve for emergency operations of \$25 million to provide a financial cushion to cover revenue shortfalls resulting from unexpected changes in financial or economic conditions or to provide resources in the event of major unplanned expenditures the City could face as a result of a natural disaster.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Fund Balance Deficit

As of June 30, 2024, the Bed Tax Fund, a nonmajor fund, has a deficit fund balance of \$34,116.

3. Deposits and Investments

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows: Level 1: Quoted prices for identical investments in active markets; Level 2: Observable inputs other than those in Level 1; and Level 3: Unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2024.

Investments by fair value level	Fair value measurements using		
	Total	Level 1	Level 2
Central Treasury:			
Debt securities:			
Money market funds	\$ 513,223	\$ 513,223	\$ —
Certificates of deposit	955,334	—	955,334
Asset backed securities	7,724,816	—	7,724,816
U.S. treasuries	70,063,871	—	70,063,871
U.S. agencies	6,458,543	—	6,458,543
Domestic corporate bonds	23,696,685	—	23,696,685
Foreign corporate bonds	5,046,177	—	5,046,177
Total Central Treasury	114,458,649	513,223	113,945,426
Other Investments:			
Debt securities:			
Money market funds	5,125,544	5,125,544	—
Total Other Investments	5,125,544	5,125,544	—
Investment by Fair Value Level	119,584,193	\$ 5,638,767	\$ 113,945,426
Central Treasury Investments at amortized cost:			
AMLIP	64,982,277		
Total investments	\$ 184,566,470		

Debt securities classified in Level 1 of their fair value hierarchy are valued using prices quoted in the active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Maturity

As of June 30, 2024, the City's investments mature as follows:

Investment type	Fair value	Investment maturities (in years)		
		Less than 1 or no scheduled maturity	1 to 5	6 to 10
Central Treasury:				
Debt securities:				
Money market funds	\$ 513,223	\$ 513,223	\$ —	\$ —
Certificates of deposit	955,334	—	955,334	—
AMLIP	64,982,277	64,982,277	—	—
Asset backed securities	7,724,816	—	7,724,816	—
U.S. treasuries	70,063,871	—	70,063,871	—
U.S. agencies	6,458,543	1,477,200	4,981,343	—
Domestic corporate bonds	23,696,685	1,372,131	22,324,554	—
Foreign corporate bonds	5,046,177	99,205	4,946,972	—
Total Central Treasury	179,440,926	68,444,036	110,996,890	—
Other Investments:				
Debt securities:				
Money market funds	5,125,544	5,125,544	—	—
Total Other Investments	5,125,544	5,125,544	—	—
Investment by Maturity	\$ 184,566,470	\$ 73,569,580	\$ 110,996,890	\$ —

Interest Rate Risk

The risk that change in interest rates will adversely affect the fair value of an investment. The City limits investment maturities to less than five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments in corporate bonds, external investment pool, certificates of deposit, and money market funds are credit rated as follows:

Investment	Moody's Investor's Service	S & P Global Ratings Service
Dreyfus Government Cash Management Fund	Aaa-mf	AAAm
Allspring Government Money Market Fund	Aaa-mf	AAAm
Certificate of deposits	Not rated or A1- Aa3	Not rated
AMLIP	Not rated	AAAm
Asset backed securities	Not rated or Aaa	Not rated or AAA - AA+
Domestic corporate bonds	A1 - Baa3	A - BBB-
Foreign corporate bonds	A1 - Baa2	A- - BBB

City of Unalaska, Alaska

Notes to Basic Financial Statements

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City does not have any investments that exceed 5% of its total investment balance as of June 30, 2024.

Custodial Credit Risk - Deposits

In the case of deposits, this 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, 2024, 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.

Custodial Credit Risk - Investments

For an investment, this is a risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. 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. The City had no debt securities exposed to custodial credit risk at June 30, 2024 because the investments were held by a custodian in the name of the City.

Foreign Currency Risk

The City's exposure to foreign currency risk derives from its positions in foreign currency-denominated debt and equity securities. The City's investment policies do not address foreign currency denominated investments. The City holds no foreign currency denominated debt or equity securities as of June 30, 2024, and thus, is not exposed to any foreign currency risk as of June 30, 2024.

Reconciliation to Statement of Net Position

Deposits and investments of the primary government are reported as follows on the statement of net position, as of June 30, 2024:

	Central Treasury	Restricted Investments	Total
Cash	\$ 12,605,479	\$ —	\$ 12,605,479
Investments	179,440,926	5,125,544	184,566,470
Total Primary Government	\$ 192,046,405	\$ 5,125,544	\$ 197,171,949

City of Unalaska, Alaska

Notes to Basic Financial Statements

4. Receivables

The City reports trade accounts receivable on its Statement of Net Position net of allowances for doubtful accounts in the proprietary funds. There is no allowance for doubtful accounts recorded in the governmental funds. At June 30, 2024, gross receivables and allowances were as follows:

Business-type activities	Accounts	Allowance	Net
Electric Utility	\$ 965,780	\$ (10,000)	\$ 955,780
Water Utility	210,196	(10,000)	200,196
Wastewater Utility	189,431	(5,000)	184,431
Solid Waste Utility	265,384	(1,000)	264,384
Ports & Harbors	1,109,439	(5,770)	1,103,669
Nonmajor funds	21,946	(18,377)	3,569
Total Proprietary Funds	\$ 2,762,176	\$ (50,147)	\$ 2,712,029

5. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

Governmental activities	Beginning balance	Additions or transfers	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 31,147,603	\$ 1	\$ —	\$ 31,147,604
Construction work-in-progress	8,307,040	866,778	(1,859,167)	7,314,651
Total	39,454,643	866,779	(1,859,167)	38,462,255
Capital assets, being depreciated or amortized:				
Buildings and improvements	71,911,829	—	—	71,911,829
Machinery and equipment	13,463,531	1,703,933	(188,326)	14,979,138
Infrastructure	55,199,691	175,840	—	55,375,531
Right-to-use land and building leases	163,059	—	—	163,059
Total	140,738,110	1,879,773	(188,326)	142,429,557
Less accumulated depreciation and amortization for				
Buildings and improvements	(39,385,165)	(1,641,325)	—	(41,026,490)
Machinery and equipment	(9,512,590)	(648,778)	188,326	(9,973,042)
Infrastructure	(35,167,648)	(2,111,168)	—	(37,278,816)
Right-to-use land and building leases	(49,998)	(22,884)	—	(72,882)
Total	(84,115,401)	(4,424,155)	188,326	(88,351,230)
Total capital assets being depreciated or amortized	56,622,709	(2,544,382)	—	54,078,327
Total governmental activities, net	\$ 96,077,352	\$ (1,677,603)	\$ (1,859,167)	\$ 92,540,582

City of Unalaska, Alaska

Notes to Basic Financial Statements

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

Governmental activities:

General government	\$	222,360
Public safety		450,354
Public works		2,056,010
Parks, culture, and recreation		1,004,656
Education		665,543
Total governmental activities	\$	4,398,923

Business-type activities	Beginning balance	Additions	Deletions or transfers	Ending balance
Capital assets, not being depreciated:				
Land	\$ 3,309,476	\$ —	\$ —	3,309,476
Construction work-in-progress	5,045,325	1,109,875	(2,945,079)	3,210,121
Total	8,354,801	1,109,875	(2,945,079)	6,519,597
Capital assets, being depreciated or amortized:				
Buildings and improvements	104,986,238	—	—	104,986,238
Machinery and equipment	38,939,505	161,206	(58,227)	39,042,484
Infrastructure	230,341,906	2,283,874	—	232,625,780
Right-to-use lease - dock lease	1,502,960	—	—	1,502,960
Right-to-use lease - land leases	531,543	52,924	—	584,467
Total	376,302,152	2,498,004	(58,227)	378,741,929
Less accumulated depreciation and amortization for:				
Buildings and improvements	(36,028,977)	(2,654,072)	—	(38,683,049)
Machinery and equipment	(21,592,061)	(1,968,034)	49,052	(23,511,043)
Infrastructure	(103,130,262)	(6,285,073)	—	(109,415,335)
Right-to-use lease - land and dock leases	(229,080)	(116,541)	—	(345,621)
Total	(160,980,380)	(11,023,720)	49,052	(171,955,048)
Total capital assets being depreciated or amortized	215,321,772	(8,525,716)	(9,175)	206,786,881
Total business-type activities, net	\$ 223,676,573	\$ (7,415,841)	\$ (2,954,254)	\$ 213,306,478

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

Business-type activities:

Electric Utility	\$	3,152,035
Water Utility		1,028,688
Wastewater Utility		1,243,943
Solid Waste		886,792
Ports and Harbors		4,332,094
Airport		184,923
Housing		195,245
Total business-type activities	\$	11,023,720

City of Unalaska, Alaska

Notes to Basic Financial Statements

During 2024, the City transferred capital assets from business-type activities to governmental activities with an original cost of \$34,407 and accumulated depreciation of \$25,232 and a carrying amount of \$9,175.

6. 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, 2024 were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 60,952	\$ -
Nonmajor governmental funds	-	60,952
Total	\$ 60,952	\$ 60,952

Advances to/from Other Funds

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.

The balances at June 30, 2024 were as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 1,350,000	\$ -
Electric Utility Enterprise Fund:		
Current portion	-	150,000
Long-term portion	-	1,200,000
Total Interfund Advances	\$ 1,350,000	\$ 1,350,000

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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, 2024 follows:

Transfers in:	Transfers out		
	General	Nonmajor Governmental Funds	Total
General	\$ —	\$ 1,676,032	\$ 1,676,032
Nonmajor governmental funds	1,817,955	3,167,950	4,985,905
Water	—	5,892,406	5,892,406
Ports and Harbors	252,224	—	252,224
Nonmajor proprietary fund	300,000	—	300,000
Total Transfers	\$ 2,370,179	\$ 10,736,388	\$ 13,106,567

Transfers to the Capital Projects Fund (nonmajor governmental fund), Water Fund, and Ports and Harbor Fund represent transfers for capital upgrades. Transfers to the Housing Fund (nonmajor proprietary fund) represent transfers to subsidize operations. The transfer from Capital Projects (nonmajor governmental fund) to the 1% Sales Tax Fund represents the return of unexpended project funds.

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City of Unalaska, Alaska

Notes to Basic Financial Statements

7. Long-term Liabilities

(a) General Obligation and Revenue Bonds

The City issues general obligation and revenue bonds (Bonds) to the Alaska Municipal Bond Bank Authority to provide funds for the acquisition and construction of major capital utility and harbor facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Revenue bonds are direct obligations and pledged the net revenue of the related proprietary fund. These bonds generally are issued as serial bonds with varying amounts of principal maturing each year with maturities that range from 5 to 19 years. Bonds outstanding at June 30, 2024, are as follows:

Bonds	Bond principal
\$20,415,000 2015 Electric Utility revenue bonds consisting of remaining current interest bonds of \$14,885,000 with a maturity value of \$1,820,700 due in semi-annual installments ranging from \$35,700 to \$1,820,700 due on October 1 and April 1, through October 1, 2033, interest at 4.0% to 5.0%.	\$ 14,885,000
\$29,655,000 2017 Port revenue bonds consisting of remaining current interest bonds of \$25,870,000 with maturity value of \$1,973,700 due in semi-annual installments ranging from \$38,700 to \$1,973,700 due on November 1 and May 1, through May 1, 2043, interest at 3.75% to 5.0%.	25,870,000
\$2,745,000 2020 Electric Utility revenue bonds consisting of remaining current interest bonds of \$1,895,000 with maturity value of \$317,750 due in semi-annual installments ranging from \$7,750 to \$317,750 due on December 1 and June 1, through December 1, 2031, interest at 5.0%.	1,895,000
\$2,595,000 2020 Port Series One general obligation bonds consisting of remaining current interest bonds of \$1,675,000 with a maturity value of \$322,875 due in semi-annual installments ranging from \$7,875 to \$322,875 due on December 1 and June 1, through December 1, 2029, interest at 5.0%.	1,675,000
Total Bonds	\$ 44,325,000

Annual debt service requirements to maturity for bonds are as follows:

Year ending June 30.	Bonds		Total
	Principal	Interest	
2025	\$ 2,550,000	\$ 1,952,425	\$ 4,502,425
2026	2,665,000	1,823,050	4,488,050
2027	2,820,000	1,687,175	4,507,175
2028	2,950,000	1,544,050	4,494,050
2029	3,095,000	1,394,175	4,489,175
2030–2034	15,325,000	4,837,750	20,162,750
2035–2039	7,615,000	2,444,750	10,059,750
2040–2044	7,305,000	744,800	8,049,800
Total	\$ 44,325,000	\$ 16,428,175	\$ 60,753,175

City of Unalaska, Alaska

Notes to Basic Financial Statements

(b) State of Alaska Department of Environmental Conservation Loans

	Loan principal
State of Alaska Department of Environmental Conservation Loans (AEDC)	
State of Alaska Drinking Water loan due in annual installments of \$179,463 plus interest at 1.5% through 2037.	\$ 2,333,015
State of Clean Water loan due in annual installments of \$428,330 plus interest at 1.5% through 2035.	5,139,960
State of Alaska Clean Water loan due in annual installments of \$254,232 plus interest at 1.5% through 2036.	3,050,778
Total ADEC loans	\$ 10,523,753

Annual debt service requirements to maturity for AEDC loans are as follows:

Year ending June 30,	AEDC Loans		Total
	Principal	Interest	
2025	\$ 862,025	\$ 158,344	\$ 1,020,369
2026	862,025	145,376	1,007,401
2027	862,025	132,408	994,433
2028	862,025	119,440	981,465
2029	862,025	106,473	968,498
2030–2034	4,310,122	337,844	4,647,966
2035–2039	1,903,506	47,091	1,950,597
Total	\$ 10,523,753	\$ 1,046,976	\$ 11,570,729

(c) Lease Liabilities

The future principal and interest lease payments as of June 30, 2024 are as follows:

Year ending June 30,	Governmental Activities		Total
	Principal	Interest	
2025	\$ 24,657	\$ 1,787	\$ 26,444
2026	25,151	1,294	26,445
2027	4,053	791	4,844
2028	4,134	710	4,844
2029	4,217	627	4,844
2030–2034	22,384	1,836	24,220
2035–2039	4,749	94	4,843
Total	\$ 89,345	\$ 7,139	\$ 96,484

City of Unalaska, Alaska

Notes to Basic Financial Statements

Year Ending June 30,	Business-type Activities		Total
	Principal	Interest	
2025	\$ 99,507	\$ 36,072	\$ 135,579
2026	101,786	33,794	135,580
2027	104,124	31,456	135,580
2028	106,523	29,057	135,580
2029	97,978	26,594	124,572
2030-2034	347,211	107,493	454,704
2035-2039	262,356	80,244	342,600
2040-2044	289,924	52,676	342,600
2045-2049	320,389	22,211	342,600
2050	56,579	520	57,099
Total	\$ 1,786,377	\$ 420,117	\$ 2,206,494

(d) 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. As of June 30, 2024, the City has an accrued liability associated with these estimated closure and postclosure care costs of \$8,044,143, based on the use of 62% of the estimated capacity of the landfill. It is estimated the City will recognize additional \$9,867,408 of expense and liability between July 2024 and the year 2045, 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 2024. 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.

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City of Unalaska, Alaska

Notes to Basic Financial Statements

(e) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due within one year
Governmental activities:					
Leases	\$ 113,519	\$ —	\$ 24,174	\$ 89,345	\$ 24,657
Compensated absences	1,744,391	1,929,914	1,744,391	1,929,914	1,929,914
Net pension liability	14,093,122	—	1,106,331	12,986,791	—
Total governmental activities	\$ 15,951,032	\$ 1,929,914	\$ 2,874,896	\$ 15,006,050	\$ 1,954,571
Business-type activities:					
Bonds payable:					
Electric Utility:					
Revenue bonds	\$ 18,160,000	\$ —	\$ 1,380,000	\$ 16,780,000	\$ 1,430,000
Ports and Harbor:					
GO bonds	1,910,000	—	235,000	1,675,000	245,000
Revenue bonds	26,700,000	—	830,000	25,870,000	875,000
Plus deferred amounts:					
Bond premiums	3,313,315	—	233,884	3,079,431	260,288
Total bonds payable	50,083,315	—	2,678,884	47,404,431	2,810,288
ADEC loans	11,385,778	—	862,025	10,523,753	862,025
U.S. Army Corps of Engineers	2,097,013	—	—	2,097,013	—
Leases	1,839,000	48,309	100,932	1,786,377	99,507
Compensated absences	502,113	490,415	502,113	490,415	490,415
Landfill Closure and Postclosure care costs	6,207,065	1,837,078	—	8,044,143	—
Net pension liability	7,927,381	—	1,119,729	6,807,652	—
Total business-type activities	\$ 80,041,665	\$ 2,375,802	\$ 5,263,683	\$ 77,153,784	\$ 4,262,235

The \$2,097,013 payable to the U.S. Army Corps of Engineers for the Breakwater Improvement Project is payable over 30 years, and is estimated to begin in fiscal year 2026.

For governmental activities, compensated absences and health claims payable and incurred but not reported are generally liquidated by the General Fund. Pension liabilities are paid out of operating funds based on a percentage of covered payroll.

8. Retirement Commitments

(a) Alaska Public Employees' Retirement System (PERS)

PERS - Plan Description and Contributions

All full time employees and certain permanent part time employees of the City participate in the PERS - cost-sharing multiple-employer defined benefit or defined contribution pension and postemployment healthcare plans administered by the Commissioner of Administration and the Alaska Retirement Management Board (ARMB). The ARMB has the authority to establish and amend the benefit terms. PERS issues a publicly available financial report that can be obtained at <https://drb.alaska.gov/docs/reports/#pers>.

City of Unalaska, Alaska

Notes to Basic Financial Statements

PERS provides retirement, disability, death, and postemployment health benefits. Benefits vest with five years of credited service. Employees enrolled prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

PERS benefits are earned based on the following tiers:

1. Tier 1 employee: entered system between January 1, 1961 and June 30, 1986 - 5 years credited service for pension and OPEB benefits.
2. Tier 2 employee: entered system between July 1, 1986 and June 30, 1996 - 5 years credited service for pension and OPEB benefits.
3. Tier 3 employee: entered system between July 1, 1996 and June 30, 2005 - 5 years credited service for pension benefits and 10 years credited service for OPEB benefits.

Active PERS members are required to contribute 6.75% (general members) or 7.5% (police and fire) and 8% (defined contribution plan) of their annual covered salary and the actuarially determined contribution rates as follows:

	Others	Police/fire
Defined benefit plans:		
Pension	18.47 %	18.47 %
Alaska Healthcare Retirement Trust	—	—
Occupational Death and Disability	0.30	0.68
Retiree Medical Plan	1.01	1.01
Defined contribution - Pension	5.00	5.00

Alaska Statute 39.35.255(a) capped the employer rate at 22% (22% for pension and 0% for AHCRT), with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. The contribution requirements of plan members and 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% on eligible salary less:

(B) Total of the employer contributions for:

- (1) Defined contribution employer matching amount
- (2) Major medical
- (3) Occupational death & 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.

City of Unalaska, Alaska

Notes to Basic Financial Statements

The defined benefit portion (Tiers I, II and III) of PERS has been closed to new entrants since July 1, 2006.

(b) Defined Benefit Pension Plan

Pension Benefits

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

The percentage multipliers for police/fire personnel are 2.00% for the first ten years of service and 2.50% for all service over 10 years. The percentage multipliers for all other participants are 2.00% for the first 10 years, 2.25% for the next 10 years, and 2.50% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2.00%.

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the funding ratio of the Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

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

As of June 30, 2024, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	19,794,443
State's proportionate share of the net pension liability associated with the City		6,597,415
Total	\$	26,391,858

The June 30, 2024 net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The City's proportion of the net pension liability was based on a projection on of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating political subdivisions and the State, actuarially determined. As of June 30, 2023, the City's proportion was .43%, which was a decrease of .05% from its proportion measured as of June 30, 2022.

City of Unalaska, Alaska

Notes to Basic Financial Statements

For the year ended June 30, 2024, the City recognized pension expense of \$629,186 and revenue of \$729,121 for support provided by the State. As of June 30, 2024, 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	\$ 516,666	\$ —
City contributions subsequent to the measurement date	2,058,983	—
Total	\$ 2,575,649	\$ —

The City reported \$2,058,983 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ending June 30:	
2025	\$ (195,954)
2026	(433,379)
2027	1,172,437
2028	(26,438)
Total	\$ 516,666

Pension Plan Fiduciary Net Position

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

(c) PERS - Defined Benefit OPEB Plans

PERS includes three cost-sharing OPEB plans. Certain amounts for the three OPEB plans have been combined as certain amounts related to the Occupational Death and Disability and Retiree Medical plans are not significant.

Alaska Retiree Healthcare Trust (ARHCT)

ARHCT, a healthcare trust fund of the State, provides major medical coverage to retirees of the defined benefit plan. The ARHCT is self-funded and self-insured. The ARHCT is closed to all new members effective July 1, 2006. Major medical benefits are provided to retirees and their surviving spouses at no premium cost for all Tier 1 members or disabled retirees. Tier 2 and 3 members, and their surviving spouses, must pay the full monthly premium if they are under age 60 and will receive benefits at no premium cost if they are over age 60. Tier 3 members must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits. In addition, peace officers, and their surviving spouses, with 25 years of peace officer membership service and all other members and their surviving spouses with 30 years of membership service receive benefits at no premium cost, regardless of their age or date of hire. Peace officers/firefighters who are disabled between 20 and 25 years must pay the full monthly premium.

City of Unalaska, Alaska

Notes to Basic Financial Statements

Occupational Death and Disability Plan (ODD)

ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS.

Retiree Medical Plan (RMP)

RMP provides major medical coverage to retirees of the DCR Plan. The RMP is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible.

OPEB Assets, OPEB Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the City reported an asset for its proportionate share of the net OPEB asset that reflected increases for State OPEB support provided to the City. The amount recognized by the City as its proportionate share of net OPEB assets, the related State support, and the total portion of the net OPEB assets that was associated with the City were as follows:

City's proportionate share of the net OPEB assets	\$	9,408,448
State's proportionate share of the net OPEB asset associated with the City (ARHCT)		2,948,698
Total	\$	12,357,146

The net OPEB assets were measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as June 30, 2022. The City's proportion of the ARHCT net OPEB asset was based on a projection of the present value of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating political subdivisions and the State, actuarially determined. The City's proportion of the ODD and RMP plans' net OPEB asset was based on the City's ODD and RMP contributions relative to the total actual ODD and RMP contributions from all participating political subdivisions and the State. As of June 30, 2023, the City's proportion was .38% (ARHCT), .64% (RMP), and .66% (ODD) which was decreases of .05%, and .01%, and .03%, respectively, from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized an OPEB benefit of \$1,032,023 and revenue of \$502,502 for support provided by the State related to increases in the City's proportionate share of the net OPEB asset and the State's proportionate share attributable to the City. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

City of Unalaska, Alaska

Notes to Basic Financial Statements

Deferred Outflows of Resources	ARHCT	ODD	RMP	Total
Net difference between projected and actual earnings on OPEB plan investments	\$ 398,961	\$ 7,839	\$ 25,425	\$ 432,225
Changes in proportion and differences between City contributions and proportionate share of contributions	158,066	16,327	2,029	176,422
Changes in assumptions	-	-	32,628	32,628
Difference between actual and expected experience	18,199	-	9,248	27,447
City contributions subsequent to the measurement date	-	44,152	120,113	164,265
Total	\$ 575,226	\$ 68,318	\$ 189,443	\$ 832,987

Deferred inflows of resources	AHCRT	ODD	RMP	Total
Changes in proportion and difference between City contributions and proportionate share of contributions	\$ -	\$ (4,302)	\$ (2,460)	\$ (6,762)
Change in assumptions	(161,304)	(1,413)	(246,733)	(409,450)
Difference between actual and expected experience	-	(95,412)	(9,794)	(105,206)
Total	\$ (161,304)	\$ (101,127)	\$ (258,987)	\$ (521,418)

The City reported \$164,265 as deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB assets in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense (benefit) as follows:

	AHCRT	ODD	RMP	Total
Year ending June 30:				
2025	\$ (158,599)	\$ (19,898)	\$ (38,720)	\$ (217,217)
2026	(360,388)	(21,459)	(43,608)	(425,455)
2027	957,335	(8,036)	(863)	948,436
2028	(24,426)	(12,351)	(45,766)	(82,543)
2029	-	(8,822)	(32,857)	(41,679)
Thereafter	-	(6,395)	(27,843)	(34,238)
	\$ 413,922	\$ (76,961)	\$ (189,657)	\$ 147,304

OPEB Plans' Fiduciary Net Position

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

City of Unalaska, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension and OPEB liability (asset) were determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

	Pension	OPEB
Inflation rate	2.50 %	2.50 %
Projected salary increase:		
Graded productivity and merit:		
Peace officers and firefighters	3.85 to 8.50	3.85 to 8.50
Others	2.85 to 6.75	2.85 to 6.75
Discount	7.25	7.25
Investment rate of return	7.25	7.25
Healthcare cost and trend rates:		
Pre-65 medical	N/A	6.7 grading down to 4.5
Post 65 medical	N/A	5.5 grading down to 4.5
Prescription drugs	N/A	7.2 grading down to 4.5
EGWP	N/A	7.2 grading down to 4.5
Participation rates	N/A	100% of system paid members and spouses and 20% of non-system paid members and spouses

Pre-termination mortality rates for peace officers and firefighters were based upon the Pub-2010 Safety Employee table, amount weighted, for pension and Pub-2010 Safety Employee table, headcount-weighted, for OPEB, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Pre-termination mortality rates for others were based upon the Pub-2010 General Employee table, amount weighted, for pension and Pub-2010 General Employee table, headcount-weighted, for OPEB, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time.

Post-termination mortality rates were based on 101% of male and 108% of female rates of the Pub-2010 General Retire table, amount-weighted for pension, headcount-weighted for OPEB, and projected with MP-2021 generational improvement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation except that per capita claims costs were updated to reflect recent experience and the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from Plan assets.

The long-term expected rate of return on pension and OPEB 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

City of Unalaska, Alaska

Notes to Basic Financial Statements

adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target allocation	Long - term expected real rate of return
Asset class:		
Broad domestic equity	27.00 %	6.17 %
Global equity	18.00	6.55
Aggregate bonds	19.00	1.63
Multi-asset	8.00	—
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49
Total	100.00 %	

Discount Rate

The discount rate used to measure the total pension and total OPEB liabilities was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from employers will be made at contractually required rates (based on State statute), and nonemployer contributions from the State will continue to follow current funding policy. Based on those assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the City's proportionate share of the net pension liability and OPEB liability (asset) to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability and OPEB liability (asset) calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension and OPEB liability (assets) would be if it were calculated using a discount rate that is 1-percentage point-lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% decrease (6.25%)	Discount rate (7.25%)	1% increase (8.25%)
Plan:			
Pension	\$ 26,573,981	\$ 19,794,443	\$ 14,067,730
ARHCT	(5,826,345)	(8,765,460)	(11,234,480)
ODD	(319,059)	(339,571)	(355,535)
RMP	(10,543)	(303,417)	(527,146)

City of Unalaska, Alaska

Notes to Basic Financial Statements

Sensitivity of the City's proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trends rates.

The following presents the City's proportionate share of the collective net OPEB liability (asset) for each plan, as well as the City's proportionate share of each plans collective net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% decrease	Current trend rate	1% increase
Plan:			
ARHCT	\$ (11,516,899)	\$ (8,765,460)	\$ (5,489,247)
ODD	N/A	(339,571)	N/A
RMP	(557,172)	(303,417)	37,432

(d) PERS - Defined Contribution Plan

The State of Alaska Legislature approved SB 141 to create the PERS Tier IV for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II, or III defined benefit plans. The plan is administered by the State of Alaska, Department of Administration, and 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, 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.

Employees are required to contribute 8% of their annual covered salary, and the City is required to make the following contributions:

	Others Tier IV	Police/fire Tier IV
Individual account	6.31%	6.69%
Health reimbursement arrangement (HRA)*	3.00%	3.00%
Total	9.31%	9.69%

* HRA - AS 39.30.370 requires that the employer contribute "an amount equal to three percent (3%) of the employer's average annual employee compensation." For actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period.

Employees are immediately and fully vested in their own contributions and related earnings (losses). Employees vest in employer contributions and related earnings (losses), after five years of service. Employees are partially vested in the employer contributions and the related earnings (losses), in the ratio of (a) 25% with two years of service; (b) 50% with three years of service; (c) 75% with four years of service; and (d) 100% with five years of service. The City's contribution to PERS, including the HRA contribution, for the year ended June 30, 2024 was \$796,959.

City of Unalaska, Alaska

Notes to Basic Financial Statements

9. Related Parties

In the normal course of business, the City may lease property or contract for goods or services from customers and vendors whose shareholders, board members, officers, or employees may also be associated with the City as an official, council member, or employee. Such revenues and purchases during 2024 in aggregate were \$86,000 and \$243,546, respectively.

10. Commitments and Contingencies

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, 2024.

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

Litigation

In the opinion of management, no litigation is pending, or to their knowledge, threatened, which is likely to result, either individually or in the aggregate, in final judgments against the City, which would have a material effect on its financial statements.

Grants

The City receives numerous grants, which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grant. Management believes that such disallowances, if any, would not be material to the financial statements.

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City of Unalaska, Alaska

Notes to Basic Financial Statements

Commitments

Encumbrances

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, 2024 were as follows:

Governmental funds:		
General Fund	\$	1,203,586
Nonmajor funds		779,868
Total governmental funds	\$	1,983,454
Proprietary funds:		
Electric Utility Fund	\$	134,643
Water Utility Fund		32,723
Wastewater Utility Fund		38,885
Solid Waste Fund		14,620
Ports and Harbors Fund		207,821
Nonmajor funds		2,196
Total proprietary funds	\$	430,888

Project Partnership and Preconstruction Engineering and Design Agreements

In April 2024, the City entered into a Project Partnership Agreement with the COE for the Iliuliuk Bay Entrance Channel Dredging Project (Dredging Project). The agreement commits the City to contribute \$8,644,000 and up to 10% of the project cost, estimated to be \$3,457,000. The contribution of \$8,644,000 is due immediately and the 10% cost share will be payable over a 30-year period. As of June 30, 2024, the City has made its required contribution of \$8,644,000. As of June 30, 2024, the COE has not yet commenced project activities, accordingly, the City's contribution to the project has been presented as an advance to the Army Core of Engineers.

In August 2021, the City entered into a Preconstruction Engineering and Design Agreement with the COE for the Dredging Project. The agreement committed the City to contribute \$540,000 towards the design of the Dredging Project. As of June 30, 2024, all required contributions have been remitted to the COE and expensed during the year ended June 30, 2024.

Captains Bay Road Improvements

In June 2023, the City committed to contribute 24.04% of the project costs for the Captains Bay Road Paving Project to be managed by the State of Alaska Department of Transportation. The total commitment is estimated to be \$3,162,462, and is expected to be contributed in increments as the project progresses through fiscal year 2026.

City of Unalaska, Alaska

Notes to Basic Financial Statements

11. Subsequent Events

Sale of Electric Utility Revenue Refunding Bonds, 2025

In April 2025, the City issued a total of \$11,855,000 of Electric Utility Revenue Refunding Bonds, 2025, to refund its outstanding 2015 Electric Utility revenue bonds in the amount of \$13,690,000 and to pay the costs of issuance. These bonds consisted of current interest term bonds maturing in the installments as follows:

\$11,855,000 Electric Utility Refunding Bonds, 2025	Principal amounts	Interest rate
Maturity dates, Year ending June 30:		
2025	\$ 1,000,000	5.00
2026	1,140,000	5.00
2027	1,190,000	5.00
2028	1,260,000	5.00
2029	1,315,000	5.00
2030-2034	5,950,000	5.00
	\$ 11,855,000	

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, 2024	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
General sales	\$ 9,806,800	\$ 9,806,800	\$ 9,350,429	\$ (456,371)
Seafood sales	4,010,000	4,010,000	4,645,995	635,995
Real property	6,059,591	6,059,591	6,041,080	(18,511)
Personal property	2,800,218	2,800,218	2,824,074	23,856
Other	60,000	60,000	52,243	(7,757)
Intergovernmental				
Fisheries business tax	3,470,000	3,470,000	3,996,216	526,216
Fisheries resource landing tax	5,600,000	5,600,000	7,047,346	1,447,346
PERS on-behalf payments	317,311	320,860	264,553	(56,307)
Payment in lieu of taxes	900,000	900,000	925,943	25,943
Grants and other	180,691	180,691	243,222	62,531
Charges for services	928,757	1,653,098	1,209,410	(443,688)
Investment income	1,000,000	1,000,000	9,142,653	8,142,653
Other revenue	20,000	33,091	38,746	5,655
Total Revenues	35,153,368	35,894,349	45,781,910	9,887,561
Expenditures				
General government	6,913,289	7,003,828	5,873,111	1,130,717
Public safety	8,159,413	8,196,636	6,392,913	1,803,723
Public works	7,453,759	7,554,077	6,015,037	1,539,040
Parks, culture, and recreation	4,061,978	4,142,536	3,972,829	169,707
Community support	1,166,000	1,166,000	1,057,227	108,773
Education	5,495,242	5,495,242	5,495,242	-
Debt Service:				
Principal	-	-	24,174	(24,174)
Interest	-	-	2,270	(2,270)
Total Expenditures	33,249,681	33,558,319	28,832,803	4,725,516
Excess of Revenues Over (Under) Expenditures	1,903,687	2,336,030	16,949,107	14,613,077
Other Financing Sources (Uses)				
Proceeds from sale of assets	2,500	2,500	36,762	34,262
Transfers in	-	-	1,676,033	1,676,033
Transfers out	(1,803,000)	(2,370,179)	(2,370,179)	-
Total Other Financing Sources (Uses)	(1,800,500)	(2,367,679)	(657,384)	1,710,295
Net Change in Fund Balance	\$ 103,187	\$ (31,649)	16,291,723	\$ 16,323,372
Fund Balance, beginning	95,043,873	95,043,873	95,043,873	-
Fund Balance, ending	\$95,147,060	\$ 95,012,224	\$111,335,596	\$ 16,323,372

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,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.38175%	0.43204%	0.48617%	0.38600%	0.36000%	0.38000%	0.36000%	0.44000%	0.33000%	0.25000%
City's Proportionate Share of the Net Pension Liability	\$ 19,794,443	\$ 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
State of Alaska Proportionate Share of the Net Pension Liability	6,597,415	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
Total Net Pension Liability	\$ 26,391,858	\$ 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
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
City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	150.42%	172.87%	139.22%	180.75%	163.65%	169.66%	161.86%	525.27%	305.22%	209.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

Schedule of the City's Contributions

<i>Years Ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 2,083,960	\$ 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
Contributions Relative to the Contractually Required Contribution	(2,083,960)	(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)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 14,152,977	\$ 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
Contributions as a Percentage of Covered Payroll	14.72%	14.71%	13.50%	13.26%	10.84%	11.54%	12.45%	10.50%	24.93%	19.78%

See accompanying notes to Required Supplementary Information.

City of Unalaska, Alaska

Public Employees' Retirement System - OPEB ARHCT Plan

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

Years Ended June 30,	ARHCT							
	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.38095%	0.42917%	0.48820%	0.38620%	0.36140%	0.38220%	0.35805%	0.44020%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (8,765,460)	\$ (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)	(2,948,698)	(2,411,328)	(1,636,260)	(725,394)	383,278	1,139,084	1,127,892	-
Total Net OPEB Liability (Asset)	\$ (11,714,158)	\$ (10,855,488)	\$ (14,160,318)	\$ (2,473,154)	\$ 905,123	\$ 5,061,772	\$ 4,152,520	\$ 5,047,603
City's Covered Payroll	\$ 2,265,630	\$ 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	-386.89%	-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)	133.96%	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							
	2024	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	\$ 2,260,358	\$ 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	0.000%	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,	RMP							
	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.63899%	0.65022%	0.67787%	0.69495%	0.69277%	0.66119%	0.66575%	0.65434%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (303,417)	\$ (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)	\$ (303,417)	\$ (225,821)	\$ (181,953)	\$ 49,243	\$ 165,739	\$ 84,137	\$ 34,719	\$ 60,311
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	\$ 6,303,523
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.79%	-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)	124.29%	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							
	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 120,113	\$ 119,830	\$ 110,016	\$ 125,807	\$ 123,996	\$ 81,299	\$ 77,079	\$ 81,755
Contributions Relative to the Contractually Required Contribution	(120,113)	(119,830)	(110,016)	(125,807)	(123,996)	(81,299)	(77,079)	(81,755)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 11,892,620	\$ 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	0.000%	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,	ODD							
	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.66188%	0.68992%	0.72416%	0.73636%	0.74313%	0.66119%	0.66575%	0.65434%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (339,571)	\$ (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)	\$ (339,571)	\$ (302,447)	\$ (319,158)	\$ (200,732)	\$ (180,171)	\$ (128,417)	\$ (94,464)	\$ (85,058)
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	\$ 6,303,523
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-3.12%	-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)	349.24%	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							
	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 40,523	\$ 40,523	\$ 39,804	\$ 38,626	\$ 32,291	\$ 30,342	\$ 15,685	\$ 15,979
Contributions Relative to the Contractually Required Contribution	(40,523)	(40,523)	(39,804)	(38,626)	(32,291)	(30,342)	(15,685)	(15,979)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 11,892,620	\$ 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	0.341%	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, 2024

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, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2023 based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2023.

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, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2023 based on the results of an actuarial experience study for the period from July 1, 2018 to June 30, 2022. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

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 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

June 30, 2024						Capital Projects Funds		Total Nonmajor Governmental Funds
	Special Revenue Funds					Capital Projects Fund	Street Paving Capital Projects Fund	
	1% Sales	Bed Tax	Coronavirus Relief	E911 Enhancement	Tobacco Tax			
Assets								
Cash and investments in central treasury	\$ 9,408,455	\$ -	\$ 32,502	\$ 214,100	\$ 1,087,089	\$ 7,771,553	\$ 825,871	\$ 19,339,570
Taxes receivable	821,398	26,836	-	13,640	102,604	-	-	964,478
Intergovernmental	-	-	-	-	-	38,024	-	38,024
Total Assets	\$ 10,229,853	\$ 26,836	\$ 32,502	\$ 227,740	\$ 1,189,693	\$ 7,809,577	\$ 825,871	\$ 20,342,072
Liabilities and Fund Balances (Deficits)								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 9,266	\$ -	\$ -	\$ 235,001	\$ -	\$ 244,267
Unearned revenue	2,500	-	23,236	-	-	-	-	25,736
Due to other funds	-	60,952	-	-	-	-	-	60,952
Total Liabilities	2,500	60,952	32,502	-	-	235,001	-	330,955
Fund Balances (Deficit)								
Committed:								
Public safety	-	-	-	227,740	-	-	-	227,740
Community support	-	-	-	-	1,189,693	-	-	1,189,693
Capital projects	10,227,353	-	-	-	-	7,574,576	825,871	18,627,800
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	(34,116)	-	-	-	-	-	(34,116)
Total Fund Balances (deficit)	10,227,353	(34,116)	-	227,740	1,189,693	7,574,576	825,871	20,011,117
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,229,853	\$ 26,836	\$ 32,502	\$ 227,740	\$ 1,189,693	\$ 7,809,577	\$ 825,871	\$ 20,342,072

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

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	1% Sales	Bed Tax	Coronavirus	E911 Enhancement	Tobacco Tax	Capital Projects Fund	Street Paving Capital Projects Fund	
<i>Year Ended June 30, 2024</i>								
Revenues								
Taxes	\$ 4,641,574	\$ 148,325	\$ -	\$ 79,740	\$ 489,937	\$ -	\$ -	\$ 5,359,576
Intergovernmental	-	-	30,892	-	-	131,333	-	162,225
Other	-	-	-	-	-	4,401	-	4,401
Total Revenues	4,641,574	148,325	30,892	79,740	489,937	135,734	-	5,526,202
Expenditures								
Public safety	-	-	-	4,618	-	-	-	4,618
Community support	-	210,000	30,892	-	153,927	-	-	394,819
Capital outlay	-	-	-	-	-	1,070,363	-	1,070,363
Total Expenditures	-	210,000	30,892	4,618	153,927	1,070,363	-	1,469,800
Excess (Deficiency) of Revenues Over Expenditures	4,641,574	(61,675)	-	75,122	336,010	(934,629)	-	4,056,402
Other Financing Sources (Uses)								
Transfers in	6,803	-	-	-	-	4,979,101	-	4,985,904
Transfers out	(9,053,553)	-	-	-	-	(1,682,835)	-	(10,736,388)
Total Other Financing Sources (Uses)	(9,046,750)	-	-	-	-	3,296,266	-	(5,750,484)
Net Change in Fund Balances	(4,405,176)	(61,675)	-	75,122	336,010	2,361,637	-	(1,694,082)
Fund Balances, beginning, as previously reported	-	27,559	-	152,618	853,683	-	825,871	1,859,731
Change within financial reporting entity (major to nonmajor fund)	14,632,529	-	-	-	-	5,212,939	-	19,845,468
Fund Balances, beginning, as adjusted	14,632,529	27,559	-	152,618	853,683	5,212,939	825,871	21,705,199
Fund Balances (deficit), ending	\$ 10,227,353	\$ (34,116)	\$ -	\$ 227,740	\$ 1,189,693	\$ 7,574,576	\$ 825,871	\$ 20,011,117

City of Unalaska, Alaska

1% Sales Tax Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual*Year Ended June 30, 2024*

	Final Budget	Actual	Variance
Revenues			
Taxes	\$ 4,890,000	\$ 4,641,574	\$ (248,426)
Excess of Revenues Over Expenditures	4,890,000	4,641,574	(248,426)
Other Financing Uses			
Transfers in	-	6,803	6,803
Transfers out	(9,053,553)	(9,053,553)	-
Total Other Financing Uses	(9,053,553)	(9,046,750)	6,803
Net Change in Fund Balances	(4,163,553)	(4,405,176)	(241,623)
Fund Balance, beginning	14,632,529	14,632,529	-
Fund Balance, ending	\$ 10,468,976	\$ 10,227,353	\$ (241,623)

City of Unalaska, Alaska

Bed Tax Fund

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

Year Ended June 30, 2024

	Final Budget	Actual	Variance
Revenues			
Taxes	\$ 175,000	\$ 148,325	\$ (26,675)
Expenditures			
Community support	210,000	210,000	-
Net Change in Fund Balance	(35,000)	(61,675)	(26,675)
Fund Balance, beginning	27,559	27,559	-
Fund Balance (deficit), ending	<u>\$ (7,441)</u>	<u>\$ (34,116)</u>	<u>\$ (26,675)</u>

City of Unalaska, Alaska

E911 Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual*Year Ended June 30, 2024*

	Final Budget	Actual	Variance
Revenues			
Taxes	\$ 75,000	\$ 79,740	\$ 4,740
Expenditures			
Public Safety	75,000	4,618	70,382
Net Change in Fund Balance	-	75,122	(65,642)
Fund Balance, beginning	152,618	152,618	-
Fund Balance, ending	<u>\$ 152,618</u>	<u>\$ 227,740</u>	<u>\$ (65,642)</u>

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

Year Ended June 30, 2024

	Final Budget	Actual	Variance
Revenues			
Taxes	\$ 750,000	\$ 489,937	\$ (260,063)
Expenditures			
Community support	156,414	153,927	2,487
Net Change in Fund Balance	593,586	336,010	(262,550)
Fund Balance, beginning	853,683	853,683	-
Fund Balance, ending	<u>\$ 1,447,269</u>	<u>\$ 1,189,693</u>	<u>\$ (262,550)</u>

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

<i>June 30, 2024</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Current Assets			
Cash and investments in central treasury	\$ 1,593,248	\$ 309,778	\$ 1,903,026
Accounts receivable, net of allowance for doubtful accounts	3,569	-	3,569
Inventory and prepaid items	-	3,650	3,650
Total Current Assets	1,596,817	313,428	1,910,245
Noncurrent Assets			
Net OPEB asset	86,830	61,973	148,803
Capital assets, net	1,412,700	3,334,235	4,746,935
Total Noncurrent Assets	1,499,530	3,396,208	4,895,738
Total Assets	3,096,347	3,709,636	6,805,983
Deferred Outflows of Resources			
Pension related	23,768	16,967	40,735
OPEB related	7,688	5,487	13,175
Total Deferred Outflows of Resources	31,456	22,454	53,910
Total Assets and Deferred Outflows of Resources	\$ 3,127,803	\$ 3,732,090	\$ 6,859,893
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities			
Accounts payable	\$ 9,227	\$ 1,733	\$ 10,960
Accrued payroll and related liabilities	12,017	7,394	19,411
Lease liability	9,056	-	9,056
Customer deposits	12,000	21,850	33,850
Total Current Liabilities	42,300	30,977	73,277
Noncurrent Liabilities			
Lease liability	29,976	-	29,976
Net pension liability	182,661	130,397	313,058
Total Liabilities	254,937	161,374	416,311
Deferred Inflows of Resources			
OPEB related	4,812	3,435	8,247
Total Deferred Inflows of Resources	4,812	3,435	8,247
Total Liabilities and Deferred Inflows of Resources	259,749	164,809	424,558
Net Position			
Net investment in capital assets	1,373,668	3,334,235	4,707,903
Restricted for OPEB benefits	86,830	61,973	148,803
Unrestricted	1,407,556	171,073	1,578,629
Total Net Position	2,868,054	3,567,281	6,435,335
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,127,803	\$ 3,732,090	\$ 6,859,893

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

<i>Year Ended June 30, 2024</i>	<i>Airport</i>	<i>Housing</i>	<i>Total Nonmajor Enterprise Funds</i>
Operating Revenues			
Charges for services	\$ 511,338	\$ 242,057	\$ 753,395
Operating Expenses			
Operations	520,015	62,689	582,704
General and administrative	-	159,928	159,928
Depreciation and amortization	184,923	195,245	380,168
Total Operating Expenses	704,938	417,862	1,122,800
Operating loss	(193,600)	(175,805)	(369,405)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	2,090	1,493	3,583
Interest income on lease	26	-	26
Interest expense	(2,443)	-	(2,443)
Net Nonoperating Revenues (Expenses)	(327)	1,493	1,166
Other Financing Sources			
Transfers in	-	300,000	300,000
Change in net position	(193,927)	125,688	(68,239)
Net Position, beginning	3,061,981	3,441,593	6,503,574
Net Position, ending	\$ 2,868,054	\$ 3,567,281	\$ 6,435,335

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

<i>Year Ended June 30, 2024</i>	Airport	Housing	Total Nonmajor Enterprise Funds
Cash Flows for Operating Activities			
Receipts from customers and users	\$ 486,989	\$ 247,582	\$ 734,571
Payments to suppliers and service providers	(309,540)	(135,690)	(445,230)
Payments to employees for salaries, wages, and benefits	(229,035)	(162,920)	(391,955)
Net cash flows used for operating activities	(51,586)	(51,028)	(102,614)
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	-	300,000	300,000
Cash Flows for Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,915)	-	(1,915)
Principal payments on capital debt	(11,618)	-	(11,618)
Interest paid on capital debt	(2,443)	-	(2,443)
Lease payments received	15,469	-	15,469
Net cash flows used for capital and related financing activities	(507)	-	(507)
Net Increase (Decrease) in Cash and Cash Equivalents	(52,093)	248,972	196,879
Cash and Investments, beginning	1,645,341	60,806	1,706,147
Cash and Investments, ending	\$ 1,593,248	\$ 309,778	\$ 1,903,026
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities			
Operating loss	\$ (193,600)	\$ (175,805)	\$ (369,405)
Adjustments to reconcile operating loss to net cash flows used for operating activities:			
Depreciation and amortization	184,923	195,245	380,168
Nonemployer pension and OPEB expense	2,090	1,493	3,583
Changes in assets and liabilities that provided (used) cash:			
Accounts receivable	(9,212)	-	(9,212)
Net OPEB asset	(10,432)	37,993	27,561
Pension and OPEB related deferred outflows	(1,596)	16,617	15,021
Accounts payable	1,793	(5,043)	(3,250)
Accrued payroll and related liabilities	348	(1,656)	(1,308)
Compensated absences	(333)	(277)	(610)
Customer deposits	-	5,525	5,525
Net pension liability	(8,118)	(119,234)	(127,352)
OPEB related deferred inflows	(2,312)	(5,886)	(8,198)
Lease related deferred inflows	(15,137)	-	(15,137)
Net Cash Flows used for Operating Activities	\$ (51,586)	\$ (51,028)	\$ (102,614)
Noncash Noncapital, Capital and Related Financing Activities			
Intergovernmental nonemployer pension and OPEB contributions	\$ 2,090	\$ 1,493	\$ 3,583
Lease renewals and modifications as lessee	48,309	-	48,309

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Statistical Section (Unaudited)

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City of Unalaska, Alaska

Statistical Section

June 30, 2024

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.

Table of Contents

	<u>Page(s)</u>
Financial Trends	91-97
<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>	
Revenue Capacity	98-102
<i>These schedules contain information to help the reader assess the government’s most significant sources of revenue.</i>	
Debt Capacity	103-108
<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>	
Demographic and Economic Information	109-111
<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>	
Operating Information	112-113
<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>	

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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Table 1

City of Unalaska, Alaska

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

<i>June 30,</i>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in										
capital assets	\$ 99,476	\$ 102,588	\$ 101,301	\$ 98,779	\$ 97,300	\$ 95,011	\$ 95,054	\$ 94,432	\$ 95,900	\$ 92,216
Restricted	-	-	-	-	-	-	-	52,347	-	6,173
Unrestricted	67,336	77,138	80,027	84,596	95,016	107,384	11,508	58,671	119,080	126,869
Total governmental activities	166,812	179,726	181,328	183,375	192,316	202,395	106,562	205,450	214,980	225,258
Business-type activities:										
Net investment in										
capital assets	185,023	178,831	152,758	178,783	180,537	179,190	167,583	162,958	158,033	152,615
Restricted	-	-	-	-	-	-	-	-	-	17,005
Unrestricted	31,810	42,058	67,940	40,332	37,008	37,744	45,035	52,407	63,592	54,545
Total business-type activities	216,833	220,889	220,698	219,115	217,545	216,934	212,618	215,365	221,625	224,165
Primary government:										
Net investment in										
capital assets	284,499	281,419	254,059	277,562	277,837	274,201	262,637	257,390	253,933	244,831
Restricted	-	-	-	-	-	-	-	52,347	-	23,178
Unrestricted	99,146	119,196	147,967	124,928	132,024	145,128	56,543	111,078	182,672	181,414
Total primary government	383,645	400,615	402,026	402,490	409,861	419,329	319,180	420,815	436,605	449,423

Table 2

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

<i>Year Ended June 30,</i>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 4,206	\$ 4,610	\$ 5,061	\$ 4,944	\$ 5,118	\$ 4,778	\$ 5,441	\$ 5,343	\$ 2,373	\$ 5,833
Public safety	4,728	5,322	6,104	4,881	5,396	8,158	8,931	7,269	6,799	6,207
Public works	9,504	8,362	9,627	8,697	8,810	8,148	8,239	8,273	8,457	7,777
Parks, culture and recreation	3,482	3,725	4,079	3,422	3,379	3,210	3,784	3,948	4,484	4,727
Community support	1,106	1,139	1,082	1,169	1,768	1,469	8,312	2,891	1,288	1,452
Education support	4,456	4,615	4,622	4,685	4,848	5,055	5,072	5,482	5,693	6,161
Interest on long-term debt	148	104	99	56	1	2	-	3	3	2
Total Governmental Expenses	\$ 27,630	\$ 27,877	\$ 30,674	\$ 27,854	\$ 29,320	\$ 30,820	\$ 39,779	\$ 33,209	\$ 29,097	\$ 32,159
Business-type Activities:										
Electric	\$ 15,363	\$ 13,967	\$ 15,656	\$ 16,900	\$ 17,400	\$ 15,366	\$ 13,954	\$ 18,075	\$ 18,706	\$ 18,973
Water	2,332	2,705	2,973	2,880	2,829	3,006	3,197	2,793	2,588	2,757
Wastewater	1,740	2,518	3,810	3,383	3,528	3,593	3,685	3,501	3,509	3,574
Solid waste	2,670	2,640	3,429	3,033	3,157	3,368	3,136	3,087	2,923	4,673
Ports and harbors	5,928	6,623	7,371	8,487	8,610	9,002	9,257	9,434	9,173	10,307
Airport	809	843	862	806	678	633	709	769	808	707
Housing	436	415	431	453	463	439	547	558	493	418
Total Business-type Activities Expenses	29,278	29,711	34,532	35,942	36,665	35,407	34,485	38,217	38,200	41,409
Total Primary Government Expenses	\$ 56,908	\$ 57,588	\$ 65,206	\$ 63,796	\$ 65,985	\$ 66,227	\$ 74,264	\$ 71,426	\$ 67,297	\$ 73,568
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 21	\$ 5	\$ 19	\$ 54	\$ 42	\$ 40	\$ 34	\$ 519	\$ 195	\$ 231
Public safety	867	500	483	513	480	463	461	466	688	770
Culture and recreation	218	205	195	175	184	157	98	168	190	208
Operating grants and contributions	839	852	705	850	994	4,527	10,519	1,669	(500)	300
Capital grants and contributions	919	686	-	-	-	139	-	-	430	136
Total Primary Governmental Activities Program Revenues	\$ 2,864	\$ 2,248	\$ 1,402	\$ 1,592	\$ 1,700	\$ 5,326	\$ 11,112	\$ 2,822	\$ 1,003	\$ 1,645

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

Year Ended June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type Activities										
Charges for services:										
Electric	\$ 16,571	\$ 13,527	\$ 17,198	\$ 18,493	\$ 17,304	\$ 15,884	\$ 12,427	\$ 17,861	\$ 19,305	\$ 17,594
Water	2,560	2,878	2,810	2,601	2,704	2,624	2,933	2,663	2,313	2,505
Wastewater	2,262	2,373	2,361	2,302	2,442	2,466	2,538	2,584	2,726	2,849
Solid waste	2,197	2,654	2,275	2,292	2,358	2,470	2,654	2,844	3,187	3,372
Ports and harbors	6,538	6,634	6,640	7,265	6,557	6,921	6,650	8,177	8,205	8,630
Airport	512	573	518	486	489	485	481	457	499	511
Housing	259	276	236	242	250	235	258	259	229	242
Capital grants and contributions	9,131	4,048	-	85	282	-	-	414	233	165
Operating grants and contributions	755	804	697	731	954	1,127	1,326	150	104	1,384
Total Business-type Activities	40,785	33,767	32,735	34,497	33,340	32,212	29,267	35,409	36,801	37,252
Total Primary Government Program Revenues	\$ 43,649	\$ 36,015	\$ 34,137	\$ 36,089	\$ 35,040	\$ 37,538	\$ 40,379	\$ 38,231	\$ 37,804	\$ 38,897
Net (Expense) Revenue:										
Governmental activities	\$ (24,766)	\$ (25,629)	\$ (29,272)	\$ (26,262)	\$ (27,620)	\$ (25,494)	\$ (28,667)	\$ (30,387)	\$ (28,094)	\$ (30,514)
Business-type activities	11,507	4,056	(1,797)	(1,445)	(3,325)	(3,195)	(5,218)	(2,808)	(1,399)	(4,157)
Total Primary Government Net Expense	\$ (13,259)	\$ (21,573)	\$ (31,069)	\$ (27,707)	\$ (30,945)	\$ (28,689)	\$ (33,885)	\$ (33,195)	\$ (29,493)	\$ (34,671)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 5,709	\$ 6,063	\$ 6,195	\$ 6,052	\$ 6,524	\$ 7,078	\$ 7,237	\$ 7,747	\$ 7,360	\$ 8,863
General sales tax	12,220	11,846	11,307	10,738	11,084	10,798	10,690	14,211	16,168	14,710
Raw seafood sales tax	4,982	5,124	4,657	4,475	4,762	5,328	5,276	6,360	4,181	4,646
Other taxes	89	32	38	72	235	237	131	214	1,087	79
Grants and revenue sharing not restricted to specific programs	8,006	13,162	9,265	9,244	9,123	8,774	9,537	10,734	12,353	9,716
Gain (loss) on sale of capital assets	11	9	7	1	-	136	-	(831)	29	37
Investment earnings (losses)	636	1,307	495	700	5,213	5,273	474	(3,016)	3,376	9,143
Other	971	1,001	1,216	1,249	1,262	464	389	1,071	525	33
Transfers	(2,229)	-	(2,307)	(1,575)	(1,643)	(2,514)	(901)	(7,216)	(7,454)	(6,435)
Total Governmental Activities	30,395	38,544	30,873	30,956	36,560	35,574	32,833	29,274	37,625	40,792
Business-type activities:										
Gain (loss) on sale of capital assets	-	-	(701)	-	-	-	-	(1,672)	38	-
Investment earnings	-	-	-	-	111	67	2	10	166	263
Other	-	-	-	-	2	1	1	-	1	-
Transfers	2,229	-	2,307	1,575	1,643	2,514	901	7,216	7,454	6,435
Total Business-type Activities	2,229	-	1,606	1,575	1,756	2,582	904	5,554	7,659	6,698
Total Primary Government	\$ 32,624	\$ 38,544	\$ 32,479	\$ 32,531	\$ 38,316	\$ 38,156	\$ 33,737	\$ 34,828	\$ 45,284	\$ 47,490
Change in net position:										
Governmental activities	\$ 5,629	\$ 12,915	\$ 1,601	\$ 4,694	\$ 8,940	\$ 10,080	\$ 4,166	\$ (1,113)	\$ 9,531	\$ 10,278
Business-type activities	13,736	4,056	(191)	130	(1,569)	(613)	(4,314)	2,746	6,260	2,541
Total Primary Government	\$ 19,365	\$ 16,971	\$ 1,410	\$ 4,824	\$ 7,371	\$ 9,467	\$ (148)	\$ 1,633	\$ 15,791	\$ 12,819

Table 3

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
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
2024	14,710	4,646	6,041	2,822	148	490	80	162	29,099

Figure 1: General Governmental Tax Revenues
(accrual basis of accounting) (amounts expressed in thousands)

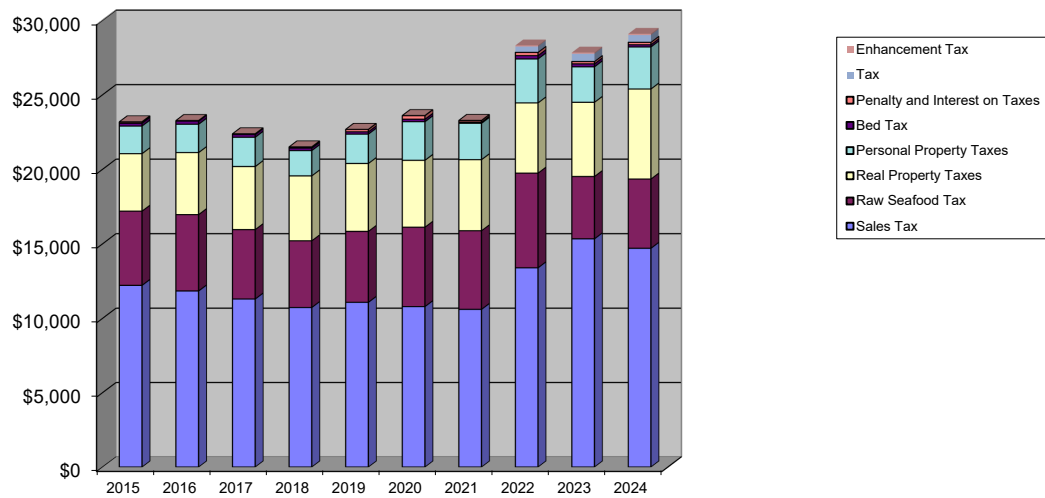


Table 4

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

June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 2,337	\$ 2,156	\$ 2,012	\$ 1,849	\$ 1,709	\$ 3,260	\$ 3,080	\$ 2,932	\$ 2,787	\$ 2,619
Committed	14,300	14,000	14,000	14,000	14,000	14,000	26,000	26,000	14,000	1,000
Assigned	234	292	308	119	802	359	306	513	135	1,204
Unassigned	37,888	43,981	53,972	60,990	68,910	68,382	60,934	61,424	78,122	106,513
Total General Fund	54,759	60,429	70,292	76,958	85,421	86,001	90,320	90,869	95,044	111,336
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	5	-	-	-	-
Committed	5,188	7,902	10,701	14,211	15,114	25,696	23,020	17,851	20,401	20,045
Assigned	9,719	6,043	3,142	-	-	2,905	2,905	5,051	1,304	-
Unassigned	(804)	-	-	-	-	(5)	(286)	(18)	-	(34)
Total All Other Governmental Funds	\$ 14,103	\$ 13,945	\$ 13,843	\$ 14,211	\$ 15,114	\$ 28,601	\$ 25,639	\$ 22,884	\$ 21,705	\$ 20,011

Table 5

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

Year Ended June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 23,060	\$ 22,923	\$ 22,033	\$ 21,429	\$ 22,833	\$ 23,461	\$ 23,334	\$ 28,529	\$ 27,840	\$ 28,273
Intergovernmental	14,546	10,380	14,660	10,722	11,055	14,218	19,505	12,538	11,843	12,640
Changes for services	1,106	710	697	742	706	660	593	1,153	1,178	1,209
Investment income	636	1,307	495	700	5,213	5,273	474	(3,016)	3,376	9,143
Other	296	178	382	400	396	392	390	139	701	43
Total revenues	39,644	35,498	38,267	33,993	40,203	44,004	44,296	39,343	44,938	51,308
Expenses										
General government	4,578	4,137	4,082	4,553	5,104	5,153	5,202	5,540	6,301	5,873
Public safety	5,417	5,051	4,966	4,929	5,616	8,446	8,553	7,082	6,273	6,398
Public works	5,861	5,341	5,409	6,049	5,866	5,869	5,732	5,290	5,481	6,015
Parks, culture, and recreation	2,722	2,532	2,585	2,636	2,852	2,670	3,059	3,334	3,617	3,973
Community support	1,106	1,139	1,082	1,169	1,768	1,469	8,312	2,891	1,288	1,452
Education support	3,869	3,879	3,886	3,946	4,115	4,332	4,344	4,699	5,005	5,495
Debt service:										
Principal	780	805	835	875	910	385	-	23	24	24
Interest	184	150	119	86	51	8	-	3	3	2
Capital projects	10,894	6,961	3,241	1,142	2,910	2,008	4,013	5,412	6,625	1,070
Total expenditures	35,411	29,995	26,205	25,385	29,192	30,340	39,215	34,274	34,617	30,302
Excess of revenues over (under) expenditures	4,233	5,503	12,062	8,608	11,011	13,664	5,081	5,069	10,321	21,006
Other Financing Sources (Uses)										
Proceeds from long-term debt	11	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	14	-	-	29	37
Refunding bonds issued	1,930	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(1,930)	-	-	-	-	-	-	-	-	-
Transfers in	11,822	4,604	5,709	3,192	3,778	13,620	2,651	3,666	3,230	6,662
Transfers out	(15,452)	(4,604)	(8,016)	(4,767)	(5,422)	(16,134)	(3,531)	(10,882)	(10,584)	(13,107)
Other	-	9	7	1	-	-	-	-	-	-
Total other financing sources (uses)	(3,619)	9	(2,300)	(1,574)	(1,644)	(2,500)	(880)	(7,216)	(7,325)	(6,408)
Net change in fund balance	614	\$ 5,512	\$ 9,762	\$ 7,034	\$ 9,367	\$ 11,164	\$ 4,201	\$ (2,147)	\$ 2,996	\$ 14,598
Debt service as a percentage of noncapital expenditures	3.42 %	4.18 %	4.18 %	4.08 %	3.65 %	1.43 %	— %	0.10 %	0.10 %	0.10 %

City of Unalaska, Alaska
Governmental Expenditures
Last Ten Fiscal Years

Figure 2A: Governmental Expenditures

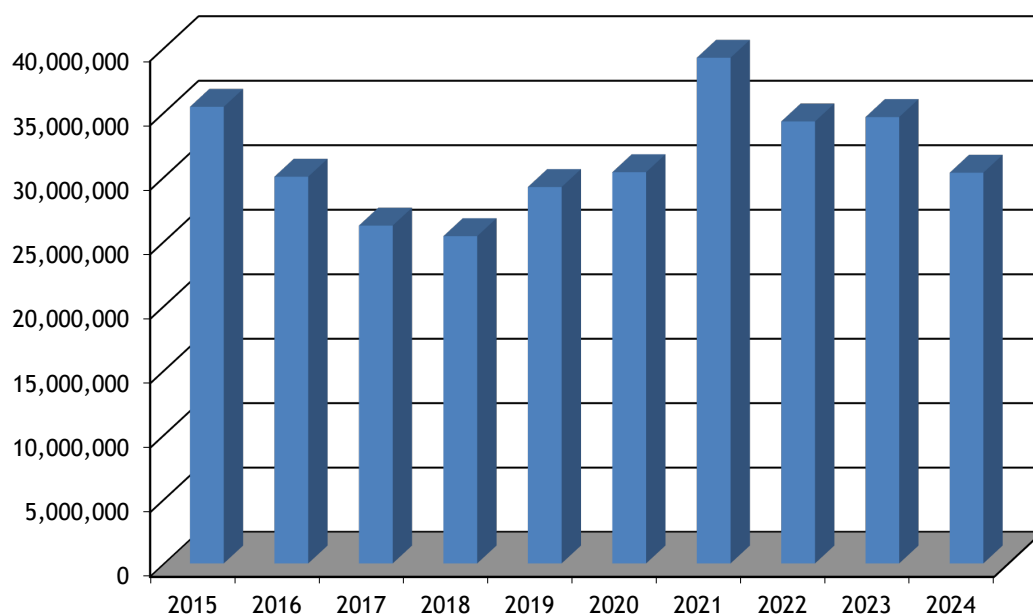


Figure 2B: Governmental Expenditures by Function for Fiscal Year 2024

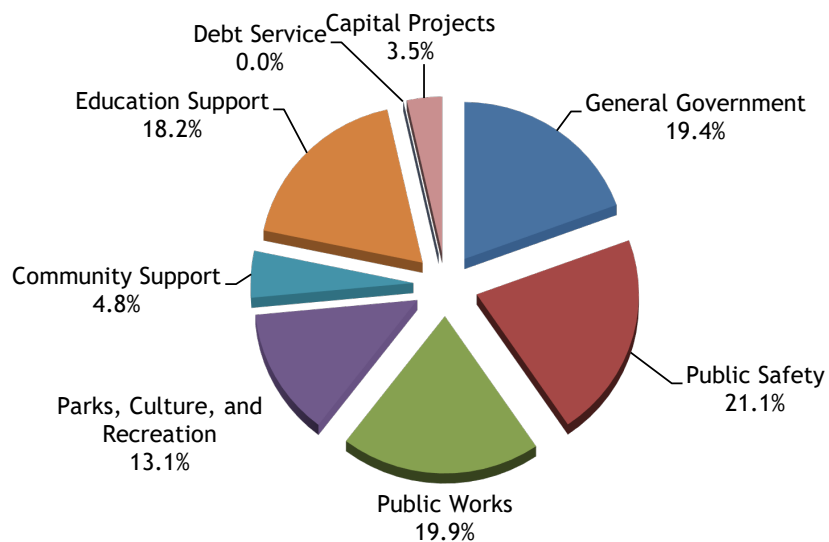


Table 7

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		
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	10.50
2023	573,091	611,884	264,344	282,238	837,435	894,122	94	9.00
2024	586,050	630,161	269,874	290,187	855,924	920,348	93	10.50

City of Unalaska, Alaska

City Tax Rates All Governments Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1) Total City Millage Rate</u>	<u>(2) City Sales Tax Rate (2)</u>	<u>(3) City Raw Seafood Tax Rate (3)</u>
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
2024	10.50	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.

Table 9

City of Unalaska, Alaska
Principal Real Property Taxpayers
June 30, 2024 and 2015

	2024			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	\$ 157,452,047	1	26.9 %	\$ 128,924,100	1	22.3 %
UniSea, Inc.	66,280,890	2	11.3	46,824,550	3	8.1
Western Pioneer, Inc.	53,286,200	3	9.1	52,170,255	2	9.0
Westward Seafoods, Inc.	38,992,868	4	6.7	27,360,400	4	4.7
Offshore Systems, Inc.	32,287,916	5	5.5	14,452,100	6	2.5
Petro Star, Inc. and subsidiary	28,441,000	6	4.9	26,462,320	5	4.6
Alyeska Seafoods, Inc.	24,659,204	7	4.2	-	-	0.0
LFS, Inc.	16,379,640	8	2.8	-	-	0.0
Strong Holdings, LLC	10,521,066	9	1.8	4,435,110	8	0.8
Kloosterboer Dutch Harbor, LLC	7,684,405	10	1.3	-	-	0.0
All Remaining Taxpayers	150,064,738		25.6	278,004,165		48.0
	<u>\$ 586,049,974</u>		<u>100.1 %</u>	<u>\$ 578,633,000</u>		<u>100.0 %</u>

Table 10

City of Unalaska, Alaska
Principal Electric Utility Customers
June 30, 2024 and 2015

Taxpayer	2024			2015		
	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.	\$ 4,215,786	1	23.8 %	\$ 2,547,440	2	14.9 %
CMA Terminals Alaska, LLC	3,756,496	2	21.2	4,494,578	1	26.3
City of Unalaska	1,845,768	3	10.4	1,567,266	3	9.2
Kloosterboer	769,409	4	4.3	604,256	4	3.5
Coastal Transportation	671,572	5	3.8	359,667	9	2.1
Safeway Inc.	539,898	6	3.0	460,045	5	2.7
Alaska Ship Supply/3 Bears	437,930	7	2.5	458,841	6	2.7
Unalaska City School District	413,266	8	2.3	431,678	8	2.5
North Pacific Fuel	336,982	9	1.9	443,816	7	2.6
Westward Seafoods	332,648	10	1.9	-	-	0.0
All Other Customers	4,397,615		24.7	5,700,928		33.4
	\$ 17,717,370		99.8	\$ 17,068,515		99.9 %

Table 11

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2015	\$ 5,725	\$ 5,656	99 %	\$ 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
2024	8,804	8,804	100.0	3	8,807	100.0	(3)	0.0

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	Leases	Ports and Harbors Fund GO Bonds	Ports and Harbors Fund Revenue Bonds	Electric Fund Revenue Bonds	ADEC loans	US Army Corps of Engineers	Leases			
2015	\$ 3,954	\$ -	\$ -	\$ 4,065	\$ 28,085	\$ 4,605	\$ 2,097	\$ -	\$ 40,709	17 %	\$ 8,840
2016	3,114	-	-	3,942	29,175	16,006	2,097	-	52,237	20	11,270
2017	2,243	-	-	34,856	28,068	16,656	2,097	-	81,823	36	18,849
2018	1,333	-	-	34,576	26,916	15,748	2,097	-	78,573	33	18,134
2019	387	-	-	34,290	25,714	14,834	2,097	-	75,225	28	15,924
2020	-	-	-	31,945	24,287	13,972	2,097	-	70,204	28	16,503
2021	-	-	2,345	28,250	22,815	13,110	2,097	-	66,520	24	15,857
2022	-	137	2,135	27,495	21,375	12,248	2,097	1,938	63,390	20	13,898
2023	-	114	1,910	26,700	19,891	11,386	2,097	1,839	60,001	20	14,238
2024	-	89	1,675	25,870	18,362	10,524	2,097	1,786	56,520	*	13,718

* 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
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	3,083	0.69	725
2021	2,828	0.62	674
2022	2,605	0.47	571
2023	2,357	0.41	559
2024	2,089	0.36	507

* data unavailable

City of Unalaska, Alaska
Direct Governmental Activities Debt (1)
June 30, 2024

Jurisdiction	Outstanding Debt	Percentage Applicable to City of Unalaska	Amount Applicable to City of Unalaska
Direct:			
City of Unalaska	\$ 89,345	100 %	\$ 89,345

(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, 2024

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

Table 16

City of Unalaska, Alaska

Pledged-Revenue Coverage

Electric Fund

Fiscal Year	Utility Service Charges (1)	Operating Expenses (2)	Net Available Revenue	Principal	Interest	Total	Coverage (3)
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	17,860,680	14,271,400	3,589,280	1,310,000	847,778	2,157,778	166
2023	19,284,894	14,116,792	5,168,102	1,345,000	912,778	2,257,778	229
2024	18,555,264	15,189,893	3,365,371	1,380,000	631,344	2,011,344	167

(1) Utility service charges include State of Alaska Power Cost Equalization Program rate subsidy payments.

(2) Operating expenses exclude depreciation and amortization.

(3) Rates are required to generate net revenues equal to or greater than 125% times annual debt service payments.

City of Unalaska, Alaska
Pledged-Revenue Coverage
Port Fund

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage (2)</u>
2018	\$ 7,840,921	\$ 3,465,317	\$ 4,375,604	\$ -	\$ 1,343,109	\$ 1,343,109	326
2019	6,637,791	3,529,225	3,108,566	-	1,328,350	1,328,350	234
2020	7,084,131	3,254,636	3,829,495	685,000	1,328,350	2,013,350	190
2021	6,845,948	3,681,765	3,164,183	720,000	1,294,100	2,014,100	157
2022	8,293,417	3,702,413	4,591,004	755,000	1,258,100	2,013,100	228
2023	8,469,575	3,715,445	4,754,130	795,000	1,220,350	2,015,350	236
2024	8,630,234	4,022,077	4,608,157	830,000	1,180,600	2,010,600	229

(1) Operating expenses exclude depreciation and amortization.

(2) Rates are required to generate net revenues equal to or greater than 125% times annual debt service payments.

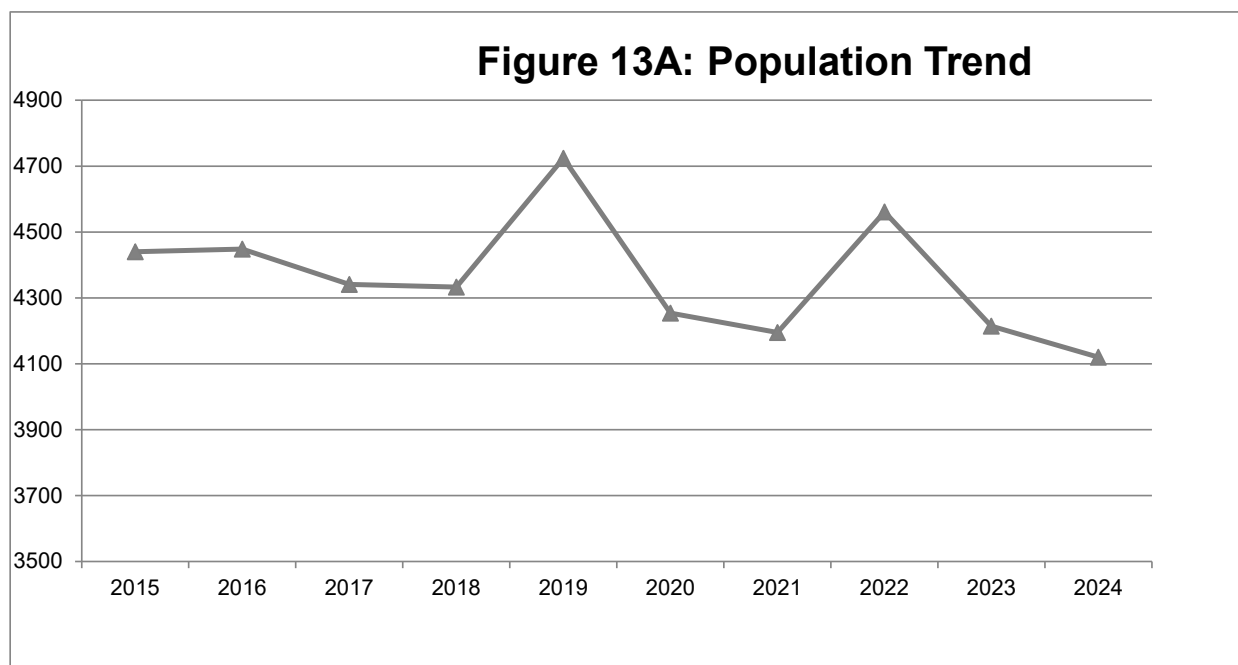
City of Unalaska, Alaska
Demographic Statistics
Last Ten Fiscal Years

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)
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
2024	4,120	*	*	332	2.2

* 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>For the Years June 30,</i>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
General government:										
Council	1.00	1.00	1.00	1.00	1.00	0.96	0.96	0.96	0.96	0.96
Manager	3.00	3.00	2.00	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	6.00	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	13.00	13.00	13.00	13.00	13.00	12.50	12.50	12.50	12.50	12.50
Information Systems	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.25	3.25
Planning	3.00	3.00	4.00	4.00	5.00	4.56	4.56	4.56	4.56	4.56
Public safety:										
Police	22.00	22.00	25.00	25.00	20.00	19.50	18.50	18.25	18.25	18.25
Communications	—	—	—	—	5.00	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	5.00	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	7.25
Streets and roads	10.50	10.50	10.00	10.00	10.50	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	8.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Parks, culture, and recreation:										
Community center	12.50	12.50	12.89	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	5.25	5.25	5.25	5.25	5.25
Community pool	4.25	4.25	4.78	4.78	4.76	5.30	5.30	5.30	5.30	5.30
Public utilities administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electric	14.00	14.33	13.00	13.00	13.00	15.00	15.00	15.00	15.00	14.00
Water	5.00	5.00	5.00	5.00	5.00	7.00	7.00	6.50	6.50	6.50
Wastewater	5.00	4.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Ports and airport	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Solid waste	5.00	5.00	5.00	6.00	6.00	6.50	6.50	6.50	6.50	6.50
Total Employees	160.75	160.58	167.67	168.67	170.15	174.96	173.96	172.96	172.96	172.21

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

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police -										
Custodies	263	325	267	124	148	119	101	104	92	83
Fire:										
Fire response	49	38	30	42	42	68	39	28	565	63
Burn permits	129	114	92	73	73	49	58	45	54	59
Fire safety	35	14	28	18	18	247	33	36	153	38
EMS -										
EMS ambulance calls	290	186	148	101	101	232	134	118	191	257
Public works -										
Building permits issued	25	21	21	18	18	13	21	10	13	7
Parks, culture, and recreation:										
Community Center admissions	43,158	41,194	42,407	42,407	50,445	28,514	16,008	29,950	35,145	35,254
Aquatic center attendance	16,928	13,317	16,181	16,181	18,148	13,463	6,249	14,863	13,192	15,242
CC & aquatic center volunteer hours	894	885	889	889	1,101	995	200	331	375	825
Library volunteer hours	98	83	49	63	110	95	21	90	102	282
Library circulation	198,012	75,916	67,346	80,837	87,103	63,914	43,091	39,092	18,216	18,289
Library attendance	71,537	41,060	47,802	52,792	51,679	33,897	9,968	15,479	15,734	15,242
Electric -										
Power generated MW	44,411	43,213	58,515	58,515	53,379	52,531	44,851	44,742	40,677	40,888
Water:										
Water produced (MG)	1,163	1,246	1,284	1,284	1,284	1,129	1,279	1,143	1,130	1,240
Daily pumping capacity (MGD)	4	4	4	4	4	4	4	4	4	4
Total daily capacity (MGD)	12	13	13	13	13	13	13	12	13	13
Wastewater -										
Average daily treatment (MG)	0.39	0.40	0.41	0.53	0.53	0.40	0.45	0.40	0.39	0.36
Solid waste:										
Tons of waste collected	7,508	8,419	6,440	6,440	6,440	5,919	7,108	6,623	5,413	6,286
Cubic yards of waste collected	11,022	11,760	10,934	10,934	10,934	10,653	14,965	13,942	14,233	12,437
Ports and harbors:										
UMC vessel calls	680	574	613	461	511	564	525	484	428	441
UMC wharfage tons	535,028	488,758	550,253	505,888	414,720	424,855	366,986	478,000	428,367	515,124
Airport -										
Passengers	54,200	*	57,710	*	54,596	19,203	15,652	32,964	30,767	28,351

* Data unavailable or incomplete

Source: City of Unalaska

Table 21

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	8	9	9	9	9
EMS -										
Ambulances	2	2	2	2	2	2	2	—		
Public works:										
Miles of public roads	40.0	40.0	40.0	40.0	40.0	41.2	41.2	41.2	41.2	41.2
Miles of paved roads	10.0	10.0	10.0	10.0	10.0	9.5	9.5	9.5	9.5	9.5
Street lights	246	251	317	317	317	321	321	321	321	321
Flashing/cautionary lights	15	15	15	15	15	13	13	13	13	13
Number of bridges	11	11	11	11	11	10	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	3	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	586	590	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	21	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	1,072	1,072	1,072	1,232	1,232	1,232	1,232	1,232	1,232
CEM Small Boat Harbor	5,919	5,919	5,919	5,919	5,878	5,878	5,878	5,878	5,878	5,878

Source: City of Unalaska